FAUJI CEMENT

ANNUAL REPORT 2021

CEMENTING THE FUTURE

ABOUT THIS REPORT

This report integrates the following sections:

- Organizational Overview and External Environment
- Business Model and SWOT Analysis
- Strategy and Resource Allocation
- Risks and Opportunities
- Governance and Forward Looking Statement
- Performance and Position
- Stakeholders Relationship and Engagement
- Sustainability and Corporate Social Responsibility
- Financial Statements
- Shareholders' Information

The report is structured to assist our readers in assessing our business by providing information about the state of affairs, performance and outlook of the Company. It encompasses the financial analysis, overview of governance, risk management framework and strategy and resource allocation. Our business model supported by inputs, capitals involved in our business activities, outputs and outcomes are also explained in this report.

Scope and Boundary

This report covers the period from 01 July 2020 to 30 June 2021. Material subsequent developments from the year end to the date of this report is also included in this report. Major financial information are extracted from audited financial statements of the respective years. Financial statements presented in this report are in compliance with the applicable IFRSs and directives issued under Companies Act, 2017. Chairman's Review, Directors' report, Audit Committee's report and Report on Compliance of Code of Corporate Governance and other information presented comply with the companies Act, 2017, Code of Corporate Governance Regulations and other good governance practices.

Financial statements are duly audited and Statement of Compliance with Code of Corporate Governance is duly reviewed by external auditors M/s KPMG Taseer Hadi & Co. (Chartered Accountants).

We will keep endeavouring to meet best practices in corporate reporting and provide true and honest visibility of our business to all of our stakeholders.

We wish readers a pleasant and informed read.

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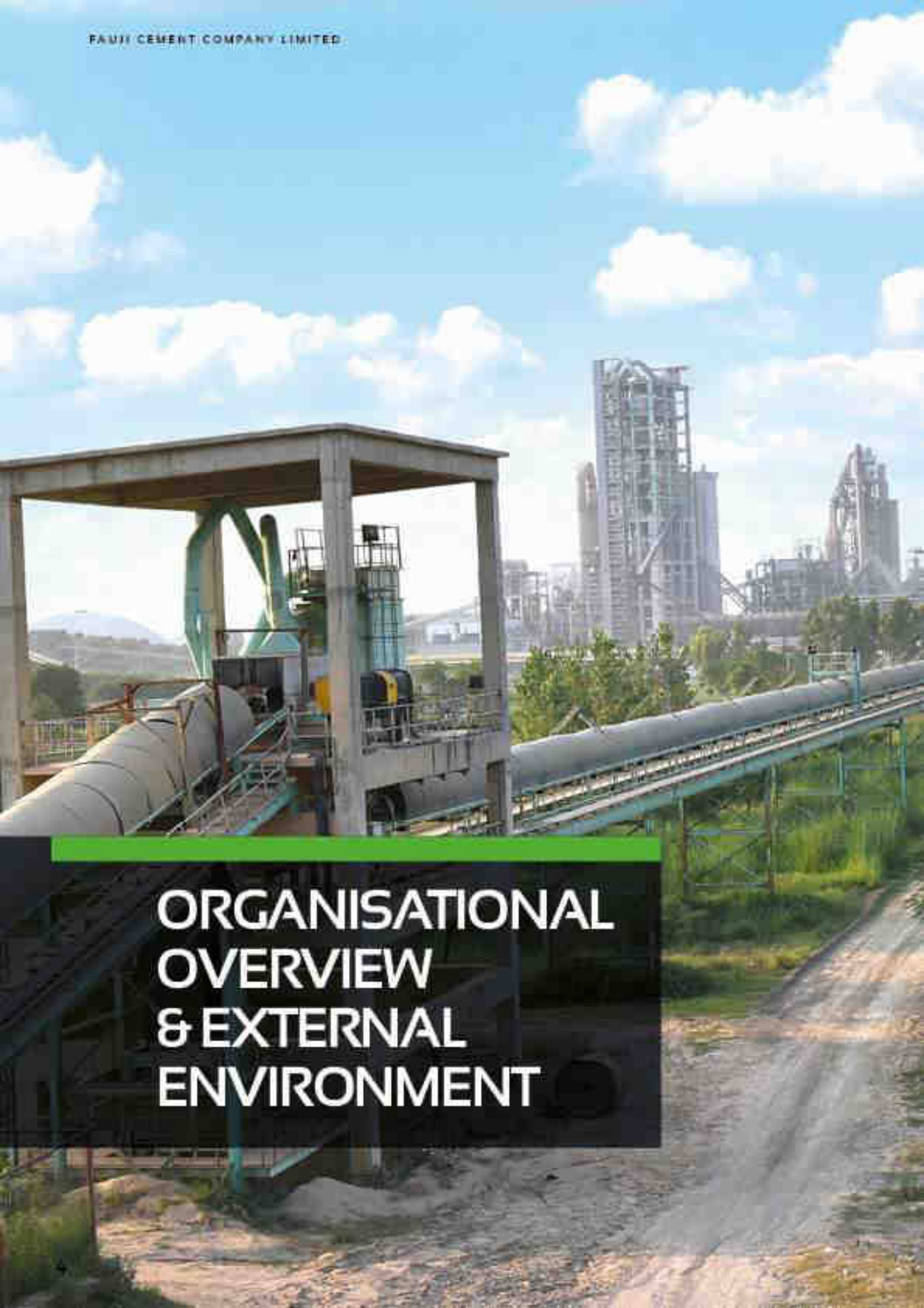


ORGANISATIONAL OVERVIEW & EXTERNAL ENVIRONMENT

CHAIRMAN'S REVIEW

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

It gives me immense pleasure to present before you my Review Report on the overall performance of the Board and its key role played in achieving the Company's objectives.

The year commenced with the COVID-19 phenomena continuing to challenge the businesses and the world economies including Pakistan, besides posing tremendous challenges for entire health care systems world over. Despite major disruptions for the businesses all around, it is a privilege to state that Fauji Cement Company Limited has delivered exceptionally well. I am thankful to the resilient efforts of management and employees and their utmost commitment, which resulted in delivering a sterling performance.

To turn the business around the Company had to take right decisions, which were strategically essential for sustainability in the long-run that include ensuring operational excellence, full capacity utilization and essential cost cutting measures etc.

FCCL has instituted a strong governance and legal framework that ensures compliance with applicable laws and regulations and is instrumental in achieving long-term sustainability and growth. In this regard, the Board continues to provide guidance to the management on business strategy and on matters of significance in strengthening good governance, optimizing operational efficiency, enhancing profitability and maximizing shareholders' value.

After posting a loss in previous year, the Company has been able to turn the tide and fared significantly well in 2021. By the grace of Almighty Allah, the management has been able to return the Company to profitability, achieved highest ever sales and production volumes and took effective measures to reduce the cost base. I am pleased that during the year under review the Company has been able to attain significant profits and have taken measures to inculcate a culture change to make it a performance driven one. I am also pleased to share that seeing the opportunity of robust growth in cement sector; FCCL Board has approved setting up of a Green field Cement manufacturing plant of 2.05 Million ton per annum at Dera Ghazi Khan Punjab. This will help the Company to improve its footprint in Central Punjab and be able to access the growth opportunities in Balochistan.

I would also like to take this opportunity to congratulate FCCL on commissioning of another 2.5 MW Solar Project in the period under review. FCCL is cognizant of the fact the cost reduction in power will play an integral part to increase profitability and cost optimization efforts. In this regard, enhanced use of captive power is a step in the right direction.

The Board's steadfast commitment to the Company's vision geared us to solemnise the strategic direction of the Company in order to face all unpredictable challenges proactively.

The Board has set up several Committees, to perform advisory and oversight functions. Committees are committed to provide strategic framework recommendations, to strengthen governance and to provide guidance to management to maximize resource utilization. They are entrusted with the execution of key initiatives including assessment of investments and improving capital structure.

In my role as Chairman, I continue to ensure that the Board is prioritizing and effectively steering the strategic direction of the Company. Risk analysis and mitigation are the key roles performed by the Board. Directors also contribute in governance related areas. The valuable inputs from independent Directors-the subject matter experts, are considered prior to concluding critical decisions.

I would like to welcome all the new Directors who joined the Board during this year. I hope that the Board will greatly benefit from their rich and diversified experience, thereby leading to an outstanding performance of the Company. I am grateful to all the outgoing directors for their efforts and contributions to the Board's activities during their respective tenures and wish them well on their future endeavours.

I am also pleased to report that various targets set by the Board for the MD and his team were exceeded or met, including development of strategies that would eventually form the basis of company's strategic business plan. I would take this opportunity to convey my huge appreciation for the team in bringing significant improvements in operations management, growth strategies, HSE and the overall business development.

As Chairman, I would also greatly appreciate the role of esteemed Board members. The Board of the Company performed expectedly well while performing their obligation to uphold the best interest of all the stakeholders. Compliance to all the laws and the regulatory framework was ensured. This year an external performance evaluation was carried out and the overall performance of the Board was found satisfactory.

With dedicated efforts, commitments and perseverance, I assure you that FCCL will accomplish all long-term goals.

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

Waqar Ahmed Malik
Chairman FCCL Board of Directors
Rawalpindi

6 September 2021

CHIEF EXECUTIVE / MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

The year 2020/21 started with a host of challenges for your Company. After reporting a loss in year 2019/20, the management initiated various cost saving measures and developed strategies relating to sales and supply chain with the objective of reducing the cost. Another key challenge was COVID 19 pandemic, which needed an effective handling to avoid any interruptions in the flow of business operations. I am pleased to inform that with the guidance and support from the Board, the management has been able to make a turnaround in the Company's performance. The year saw the highest ever production and sales in the history of the Company. Because of the cost saving initiatives, higher sales volumes, better retention through an improved distribution strategy and an effective coal procurement, your Company has been able to post a sizeable profit for the year.

During the period under review, overall dispatches of cement industry, ended at 57.4 million tons in FY 2021 as compared to 47.8 million tons of last year mainly on the back of higher local dispatches. Local sales volumes, therefore, registered an increase of 20% to reach 48.1million tons as compared to

THE COMPANY REPORTED AN EARNING PER SHARE OF RS. 2.52 AS COMPARED TO LOSS PER SHARE OF RS.0.04 LAST YEAR.

40 million tons last year. The export sales volume also registered an increase of 19% to 9.3 million tons during the fiscal year ended June 30, 2021 in comparison to 7.8 million tons last year.

I am pleased to report that as a result of various initiatives takes by the team, the Company earned a net profit after tax of Rs. 3.47 Billion as compared to loss of Rs. 59 Million in last year. The net sales revenue increased by 41% (Rs. 17,231 Million to Rs. 24,271 Million). The Company managed 98% capacity utilization this year as compared to 87% of the last year. The gross profit margin increased from 4% to 25% in year on year basis. As a result of all above, the Company reported a profit of an earning per share of Rs. 2.52 as compared to a loss per share of Rs. 0.04 last year.

The government's mega push on affordable housing and expansion of infrastructure has widened the opportunity horizon for us. Taking this opportunity, FCCL's Board approved setting up of a Green field Cement manufacturing plant of 2.05 Million ton per annum at Dera Ghazi Khan, Punjab. In this regard, the Company has entered into agreements with HEFEI (HEFEI Cement Research and Design Institute) of China for supply for offshore equipment and Sinoma Handan Engineering Company Private Limited for construction related services. Mobilization of staff at the site has been done.

Your Company continues to play its role towards greener environment. FCCL added another 2.5 MW capacity to its solar power plant and gained distinction of housing largest industrial solar power plant of 17.5 MW, which will be saving Rs 313 million per annum for the Company. Shared Services between FCCL and ACL also materialized during the year resulting in savings to the Company in terms of efficiencies gained on procurement and management services.

I am delighted to report that we are committed towards our corporate social responsibility. Our community development initiatives are being implemented at a local level, thereby channeling contributions to areas of greatest impact in the local context. We have been working towards the development of our community. FCCL continued to provide the required support in the fields of education, health and adult literacy. Major focus is on skill and livelihood development, women empowerment and education for all.

Your Company is also playing a major role in the national 'Go Green' Campaign for preservation of environment. In this regard, an extensive tree plantation campaign is launched at the Plant premises besides provision of plants/saplings to the Local Government, District Administration of Attock and schools of the surrounding villages. Independence Day tree plantation was a hallmark in this activity.

On behalf of the Company's management and employees, I take this opportunity to express my sincere thanks and gratitude to all the shareholders for their valued input, support and encouragement. I would also like to thank the honorable Chairman and Board Members for their sincere guidance; personal immersion and bringing in the professional expertise in facilitating us to navigate the Company in the right direction.

I would also like to appreciate and acknowledge the devotion and commitment of senior management of Company and the employees which made the turnaround possible. At the end, I am grateful to all customers, suppliers and stakeholders for their sustained support throughout the year.

Qamar Haris Manzoor

Chief Executive Officer / Managing Director FCCL

Rawalpindi

6 September 2021

YEAR AT A GLANCE

138th BODs Meeting (Jul 2020)
Approval of Annual Budget for FY 2020-21.

139th BODs Meeting (Sep 2020)
Approval of Annual Accounts for FY 2019-20

28th AGM (Oct 2020)
Shareholders Meeting.

140th BODs Meeting (Oct 2020)
Approval of 1st Quarterly Accounts of FY 2020-21.

Commissioning of 2.5 MW Solar power plant (Jan 2021)
By adding 2.5 MW Company's solar installed capacity reaches to 17.5 MW.

141st BODs Meeting (Feb 2021)
Approval of Half-Yearly Accounts of FY 2020-21.

Announcement of New Line at DG Khan.

142nd BODs Meeting (Apr 2021)
Approval of 3rd Quarterly Accounts of FY 2020-21.

HIGHLIGHTS FOR THE YEAR

Cement Production

3.483
(MILLION TONS)

Cement Sales

3.482
(MILLION TONS)

Cement Sales Revenue

24,271
(RS IN MILLION)

Capacity Utilization

98%

Contribution to National Exchequer

11,925
(RS IN MILLION)

Investment in Solar Power Generation

230
(RS IN MILLION)

Generation of own Electricity

69%
OF TOTAL REQUIREMENT

Kick off of New Production Line at DG Khan.

GEOGRAPHICAL LOCATION

[illegible]	Fauji Towers, Block III, 68 Tipu Road, Chaklala, Rawalpindi
[illegible]	4th Floor, AWT Plaza, The Mall, Rawalpindi-Pakistan
[illegible]	Near Village Jhang Bahtar Tehsil Fateh Jang, District Attock

OUR MARKETS

Principal Activity

Principal activity of the Company is manufacturing and supply of different types of grey cements. Our brand is trusted by mega projects and is one of the most preferred cement among domestic consumers.

Local Market

Company's customer base is divided in two main categories:

- Dealers
- Mega Projects

Company have a network of around 150 dealers, mainly, based on Northern and Central regions. Main portion of local dispatches are made through the aforesaid dealer network. Dispatches to Mega Projects are made directly across the country.

Export Market

Primary Export market of the Company is Afghanistan only due to its geographical limitations. During the year 8% of total dispatches are made to Afghanistan.

OUR PRODUCTS

01

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

02

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

03

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 3/5

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.

04

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

05

MOHAFIZ CEMENT

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

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

06

PAMIR CEMENT
GREEN CEMENT

Pamir is a hybrid class of Portland cement which contains certain percentage of mineral additives. These minerals are added in the Cement to enhance its properties like durability and workability besides making it cost effective, 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, C1157M
- EN 197-1:2011, CEM II, 42.5 / B-M

VISION

To be a role model cement manufacturing Company, benefiting all stakeholders 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

01

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.

02

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.

03

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.

CULTURE, ETHICS & CODE OF CONDUCT

04

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.

05

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.

06

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.

07

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.

08

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.

09

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.

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.

10

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.

11

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.

12

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 products to meet their present and future needs.

OWNERSHIP, OPERATING STRUCTURE AND INVESTMENTS

Ownership

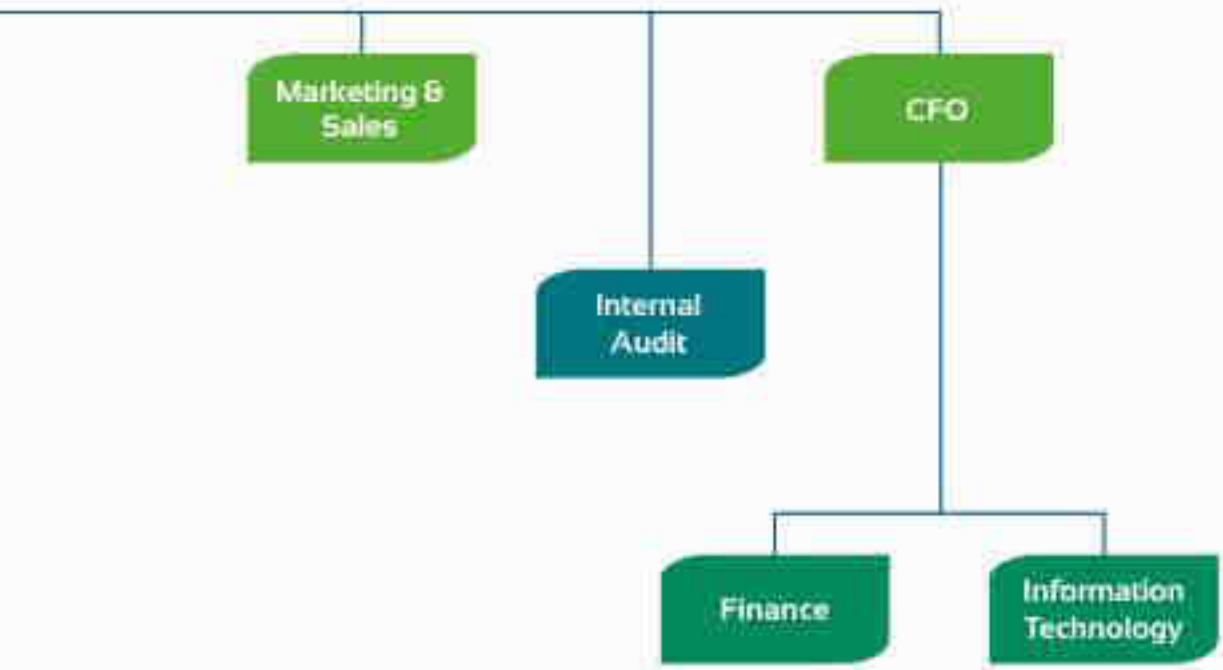
Fauji Cement Company Limited is a public listed Company. The shares of the Company are traded in Pakistan Stock Exchange. Fauji Foundation holds 39% of ordinary shareholding of the Company. The detail of ownership is given in Pattern of Shareholding Section of this report.

Operating Structure

[illegible] is being followed in the Company. Specialized departments are formed to perform different business functions. In every department employees report to their respective managers/ department heads and department heads report to Chief Executive Officer. Board of Directors sets overall direction of the Company.

Equity Investments

Company has started diversification through equity investment in Fauji Solar Energy (Pvt) Limited (FSEL). Company holds 25% of shareholding in FSEL. FSEL is engaged in import, supply and installation of solar power generation plants and equipment. Installation of Industrial captive solar energy plant is the main focus area of FSEL. FSEL has successfully completed many industrial solar plant with different capacities.



OUR JOURNEY

1993

Incorporation of FCCL as public limited company

1997

Listing on all three stock exchanges of Pakistan

Start of plant operations (3,000 tpd clinker production capacity European cement manufacturing line) (Line I)

2005

Conversion of fuel from Furnace oil to Coal - Installation of 30 tph Coal Plant

2006

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

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 clicker capacity of European origin

2015

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

- YEARS REPRESENT FINANCIAL YEAR

2016

Highest ever Profit and Dividend payment in Company's History

2018

Capacity enhancement of Line-II from 7,200 TPD to 7,800 TPD

Commissioning of 9MW Waste Heat Recovery Power Plant (WHRP) on Line-I

Launching of new brand by the name of Muhafiz Cement

2019

Commissioning of 12.5 MW Solar Power Plant

2020

Commissioning of 2.5 MW Solar Power Plant

Shared services arrangement with Askari Cement Limited

2021

Announcement of Greenfield project at DG Khan

Highest ever cement sales

Highest ever cement production

Commissioning of 2.5 MW solar power plant

PROFILE OF DIRECTORS

MR WAQAR AHMED MALIK, CHAIRMAN

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

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

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

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

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

MR QAMAR HARIS MANZOOR, CEO, MD

Mr Qamar Haris Manzoor has done his Masters in Chemical Engineer from US and holds over 35 years of experience in plant and project management. He started his career with ICI managing its Soda Ash Plant operations. He also worked on ICI's polyester plant in Pakistan in the Plant Operations. He also worked at ICI's PTA Plant as Director Manufacturing and managed various aspects of plant i.e. from Commissioning, Operations Management, Process Engineering, Project Engineering, HSE and other improvement projects. He has also been a technical advisor of Lotte for its growth strategies in Pakistan and contributed in setting up 48 MW Cogen Plant at Lottes PTA Plant. He also held senior positions in Operation at Exxon Chemical Pakistan Ltd at their Fertilizer Plant.

He then took over the role of Chief Executive Officer of El Paso Technology Pakistan Ltd and Chief Operating Officer of Habibullah Coastal Power Company. HABIBULLAH COASTAL POWER COMPANY (HCPC) is located in Quetta, Balochistan. HCPC operates a combined cycle gas fired power plant with a design capacity of 140 MW Gross and Net Dependable capacity of 129 MW. The plant is in operation since 1999. EL PASO TECHNOLOGY PAKISTAN LIMITED (EPTP) provides technical and managerial services to HCPC and also are the Operations and Maintenance Contractors of HCPC. EPTP also is responsible to identify opportunities for growth in Power and Chemical sectors. This requires carrying out market studies, due diligence both financial and technical and presenting it to shareholders. He was also responsible to manage relationships with Government, regulators, Lenders and stakeholders to ensure smooth function of the business.

He also took the additional responsibility of Chief Executive Officer of Hawa Energy Limited, a 50 MW wind project. He successfully concluded the key contracts for the project and maintained liaison with regulators and relevant ministries/ government bodies to ensure timely approvals for the project to achieve FC on time. Subsequently, he oversaw the project construction to ensure it's on cost and on time delivery. In his previous job, he worked as Chief Operating Officer of Naveena Group's Energy and Steel Projects. He played a leadership role to develop a green field project under the name of Naveena Steel Mills (Pvt) Ltd for a 300,000 TPA steel rebar plant at Port Qasim, Karachi. The project was completed in a record time of 20 months and has been fully commissioned. He also led the Lakeside Energy Pvt Ltd, a 50 MW wind project at Jhampir, Sindh, and was responsible to achieve financial close of the project along with securing the required regulatory approvals and conclusion of EPC contracts. The project is now under construction with target completion in November 2021. He took over as MD and CEO of Fauji Cement and Askari Cement on 10th June 2020.

DR NADEEM INAYAT

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

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

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

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

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

MAJ GEN ABID RAFIQUE, HI(M), (RETD)

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

Has been on the faculty of Premier institutions like Pakistan Military Academy, Kakul and National Defense University, Islamabad. Major General Abid Rafique, retired as Director General Infantry, General Headquarters in May 2018 and took over as Director Services in Fauji Foundation Head Office.

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

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

PROFILE OF DIRECTORS

MAJ GEN NASEER ALI KHAN, HI(M), (RETD)

Joined the Board on October 01, 2019. Major General Naseer Ali Khan, HI(M), (Retd) was commissioned in The First (SP) Medium Regiment Artillery in 1983. He is a distinguished graduate of National Defense University Islamabad, US Army War College, French War College, Command and Staff College Quetta and School of Artillery Nowshera. He has three Masters and an M. Phil Degree to his credit.

During his military career, he held prestigious Command, Staff and Instructional assignment to include GSO-III and BM of Infantry Brigades, Command of SP Medium Artillery Regiment and DS at Command & Staff College Quetta and National Defense University Islamabad. He also served in Military Operations Directorate, GHQ on a key appointment. He commanded a Division Artillery and an Infantry Brigade in Operation Al-Mizan in South Waziristan and later, on promotion to the rank of Major General, served in HQ Southern Command as Chief of Staff. He commanded 9th Infantry Division and served in Strategic Plans Division as Director General Ops & Plans and Advisor (Ops Planning). Was awarded Hilal-e-Imtiaz (Military) by Government of Pakistan in 2018.

He is also member of Board of Directors of:-

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

SYED BAKHTIYAR KAZMI

Mr Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance and tax reforms and strategic level advisory. Mr Kazmi served KPMG for 35 years, last 25 years as a partner. As a partner he interacted with the leadership in almost every industry, understanding their vision, their insights, and most importantly on their business strategies. His rigorous exposure to a diverse range of sectors and projects, enabled him to conceive and customize strategic value additions for his clients, pertaining to public and private sector organizations. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients, and a cross-functional integration with the advisory and taxation services that allowed a robust and comprehensive service delivery package to the clients. As an auditor and an advisor, Mr Kazmi successfully delivered his promise of providing best-in-class and integrity driven services. With his career progression, he branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan. He almost single handedly established advisory practice of KPMG in Islamabad about 2 decades ago which today arguably is the go to advisory in Islamabad. This initiative covered financial projections, feasibilities, information memorandums, internal audit assessments, HR assessments, manuals for processes and controls, valuations, and development advisory which included an assessment of the Punjab and Sindh governments.

Mr. Bakhtiyar Kazmi has served on a number of diverse forums / boards in the Private Sector, Public Sector & Civil Society Organization. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business and taxation matters and issues, regularly published in reputable dailies. Mr Kazmi is an avid golfer and currently hold the position of captain of Islamabad golf club.

MR ZAFAR IQBAL SOBANI

Zafar Iqbal Sobani brings with him over 40 years experience of working in the manufacturing, power sector and audit profession in Pakistan and in the Middle East. Currently he is engaged in the finance, business and power sector consultancy and he is also a business entrepreneur. He is serving as a Board Member of Privatization Commission since January 2014 and has actively contributed in the Privatization transactions carried during this period which included spade work on PSE and Energy sector. In addition, he is on the Board of TRG (Pakistan) Limited, Primus Leasing Limited – subsidiary of Bruner Investment Company Limited, IT Minds – a subsidiary of Central Depository Company, ADP Pakistan Limited and Horizon 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 2012 and 2013 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 Nishat 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 1988 and 1990 in the core finance functions.

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

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

He is Independent Director of Board Fauji Cement Company and Chairman of Audit Committee.

MS JAHANARA SAJJAD AHMAD, FCA

Ms Jahanara Sajjad Ahmad, FCA is a fellow member of the Institute of Chartered Accountants of Pakistan. She has over 15 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 Ibrahim 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.

PROFILE OF DIRECTORS

MR JAWAID IQBAL

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

MR SAMI UL HAQ KHILJI

Mr. Sami Ul Haq Khilji Joined the Fauji Cement Company Limited (FCCL) Board on 18 September 2020 as Non-Executive Director.

Mr. Khilji is a retired Federal Secretary to the Government of Pakistan. His illustrious career of public service spans over thirty six years. Mr. Khilji brings with his diverse and rich experience in field of Commerce, Infrastructure Development, Public Administration, and Human Resources Development, Criminal Justice, Financial Management, Internal Controls, Banking, Transport Planning, and Public Policy to the FCCL Board.

As member of the prestigious District Management Group (DMG), Mr. Khilji has admirably represented Pakistan in multinational and bilateral fora such as the United Nations, the World Bank, and various Climate Change Protocols, Regional Transport Agreements and in strengthening economic cooperation between Pakistan and allied Nations.

In terms of academic Achievement he holds a Master degree in Development Economics from the University of Wisconsin, USA, in addition to a Masters in Sociology from the University of Punjab, Pakistan. His areas of Specialization include, but are not limited to, Project Management, Corporate Finance, Organization Behavior and Policy Formulation.

Presently Mr. Khilji is on the Board of Directors for Sindh Bank Limited and an Executive Director for MM Management Consultants, a private consulting firm.

BRIG ABID HUSSAIN BHATTI, SI(M), (RETD)

Brigadier Abid Hussain Bhatti, SI (M), (Retd) is serving as Company Secretary of FCCL and ACL since 7th June 2021.

He was commissioned in Pakistan Army as an officer in 1987 in Corps of Signals. He is a veteran of First Gulf War, 1991. He holds an Electrical Engineering degree from UET, Lahore. In addition, he is a graduate of Command and Staff College, Quetta and National Defence University, Islamabad. During his 31 years of military career, he remained employed on various command, staff and instructional assignments. He has served as United Nations Military Observer in Democratic Republic of Congo. He also remained a Defense Attache' at Pakistan High Commission in Abuja, Nigeria. He has served as Commander Corps Signals in different Corps of Pakistan Army and also remained a Director General of a civil department. Holds a Master's degree in National Security and War Studies.

MR OMER ASHRAF

Mr Omer Ashraf joined FCCL in 2008 in the role of Chief Financial Officer. He is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) with over 23 years of rich professional experience in managing finances, budget, tax planning, investor relations, project development, project financing and mergers and acquisitions. He was extensively involved in the expansion of FCCL from a capacity of 3700 TPD to 11,000 TPD. During this period he also led the clean energy initiatives by the company including Waste Heat Recovery and Solar power plant.

SENIOR MANAGEMENT

MR MUHAMMAD TARIQ
Director Projects

MR SHOAIB AKRAM
Senior GM Operations

BRIG ABDUL JABBAR, SI(M), (RETD)
GM (HR & Admin)

BRIG IQBAL TAHIR, SI(M), (RETD)
GM (Marketing & Sales)

SYED KAMRAN HASSAN
GM (Supply Chain Management)

COMPANY INFORMATION

COMPANY SECRETARY

Brig Abid Hussain Bhatti, SI(M), (Retd)

Tel No. +92-51-9280075
Email: abid.hussain@fccl.com.pk

CHIEF FINANCIAL OFFICER

Mr Omer Ashraf

Tel No. +92-51-5500157
Email: omer@fccl.com.pk

GM HUMAN RESOURCE & ADMINISTRATION

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

Tel No. +92-51-9280084
Fax No. +92-51-9280416
Email: abdul.jabbar@fccl.com.pk

GM MARKETING & SALES

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

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

Tel No. +92-51-5523836,
+092-051-5528963-64,
Fax No. +92-51-5528965-66
Email: adminmkt@fccl.com.pk

GM SUPPLY CHAIN MANAGEMENT

Syed Kamran Hassan

Tel No. +92-51-9281548
Fax No. +92-51-9280416
Email: kamran.hassan@fccl.com.pk

LEGAL ADVISORS

M/s Orr Dignam & Co, Advocates

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

Tel No. +92-51-2260517-8
Fax No. +92-51-2260583

SHARES REGISTRAR

M/s Corplink (Pvt) Limited

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

Tel No. +92-042-35916714-19 &
+92-042-35869037
Fax No. +92-042-35869037
Email: corplink786@yahoo.com

FACTORY

Fauji Cement Company Limited

Near Village Jhang Bahtar Tehsil Fateh Jang, District Attock

Tel No. +92-0572-538047-48
Fax No. +92-0572-538025
Website http://www.fccl.com.pk

REGISTERED OFFICE

Fauji Cement Company Limited

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

Tel No. +92-51-9280081-83,
+92-51-5763321-24
Fax No. +92-51-9280416
Website http://www.fccl.com.pk

BANKERS OF THE COMPANY

United Bank Limited
Allied Bank Limited
Bank Al-Falah Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
Askari Bank Limited
Standard Chartered Bank (Pak) Limited
National Bank of Pakistan
Silk Bank Limited
The Bank of Punjab
Faysal Bank Limited
Bank Al-Habib Limited
Al-Baraka Pakistan Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited

AUDITORS

M/s KPMG Taseer Hadi & Co, Chartered Accountants

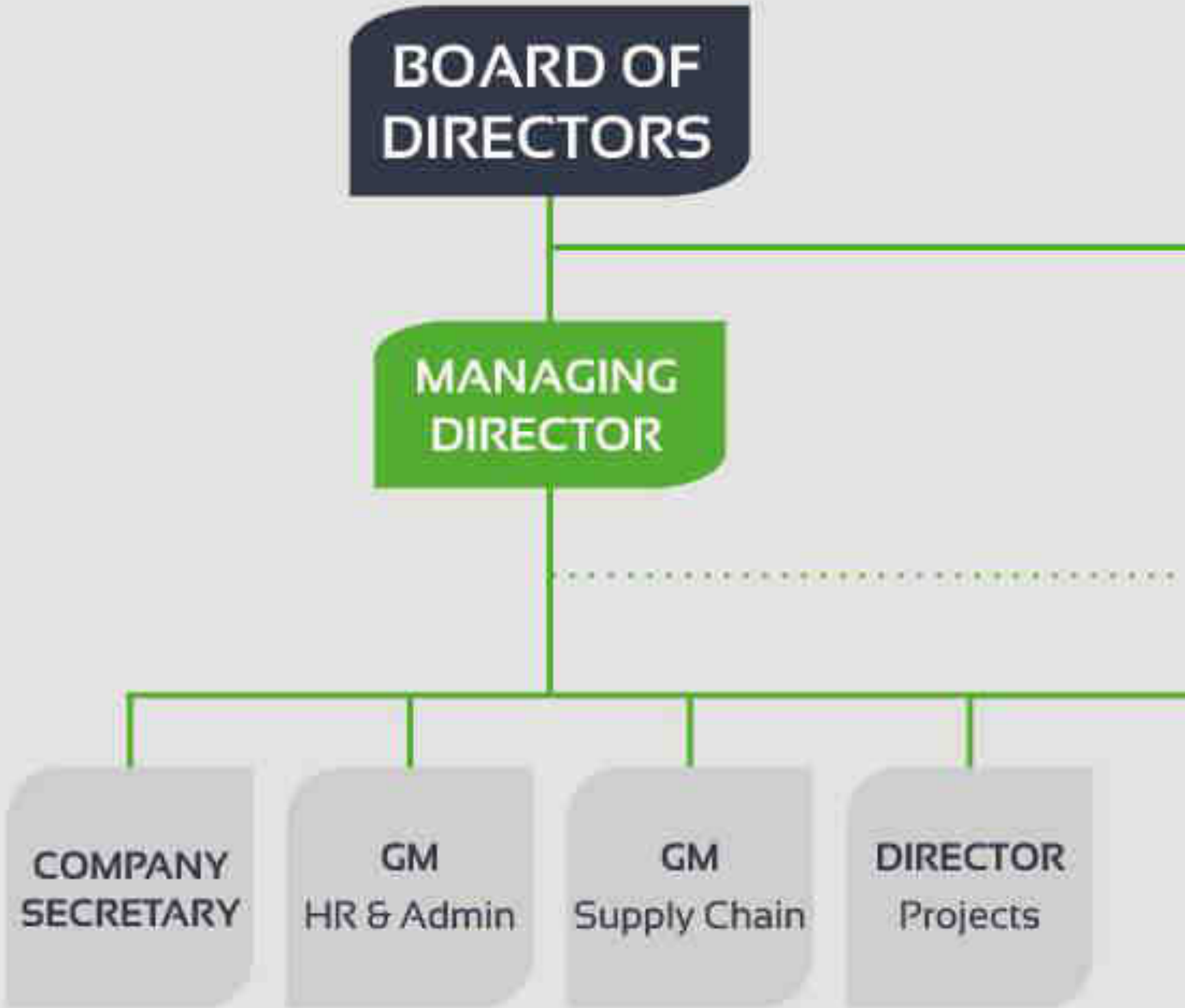
6th Floor, State Life Building No. 5
Jinnah Avenue, Blue Area,
P.O. Box 1323,
Islamabad Pakistan

Tel No. +92-51-282-3558
Fax No. +92-51-2822671

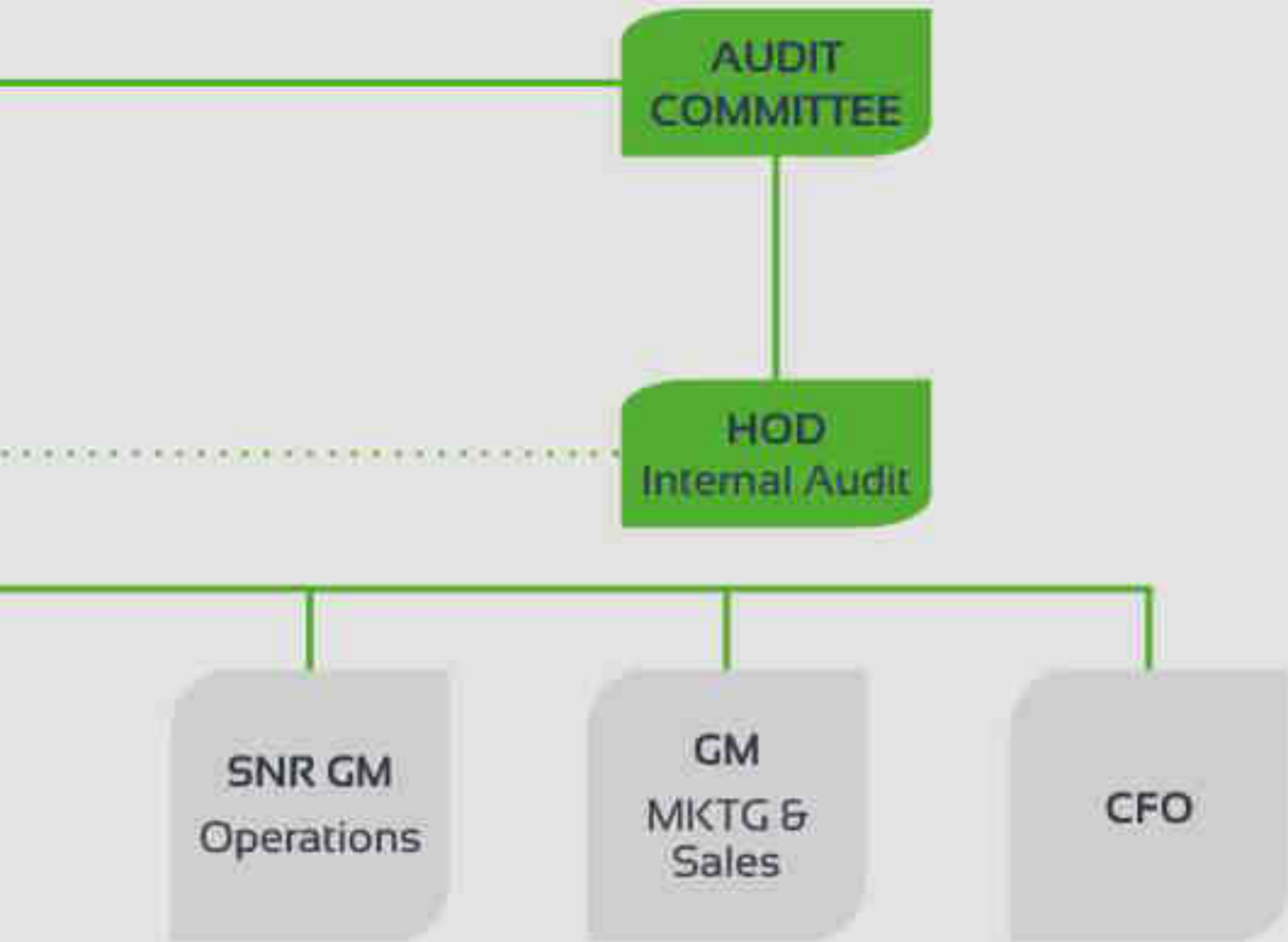
EMAIL FOR E-FILLING & E-SERVICES

Email: secretaryoffice@fccl.com.pk

ORGANIZATIONAL CHART



CFO	Chief Financial Officer
GM	General Manager
SNR	Senior
HR & Admin	Human Resource & Administration
MKTG & Sales	Marketing & Sales
HOD	Head of Department



HOD Internal Audit is functionally reportable to Audit Committee and administratively to CEO

HUMAN CAPITAL

NO. OF EMPLOYEES AT YEAR END

1,113

AVERAGE NO. OF EMPLOYEES DURING THE YEAR

1,166

FACTORY EMPLOYEES

889

EFFECT OF SEASONALITY ON BUSINESS

Generally, production is not impacted by seasonality. Cement sales are higher in spring and summer months due to longer days and extra construction activities. It slows down slightly in moon soon/ winter.

SIGNIFICANT CHANGES FROM PRIOR YEARS

The Company operates in an ever-changing business environment. Increased inflation, currency devaluation, increasing fuel prices (particularly imported coal prices) has impacted the business environment in the country in general and cement industry in particular during the year. However, this was offset to a great extent due to increased construction activity by private sector and Government package/incentives for construction sector that helped increase local demand, improvement in cement prices to pass on the increased cost and in-house focus on cost optimization that enabled the company to earn better margins.

POSITION WITHIN THE VALUE CHAIN

The principle activity of the Company is manufacturing and sale of different type of cements. It is manufactured through the mixture of different earth materials to make a fine raw mix and then heating the raw mix at a very high temperature in a kiln and grinding the same to make cement. Main materials/ fuels used are as under:

- Lime Stone/ Lime Stone Dust
- Clay
- Laterite
- Coal
- Gypsum

On the upstream part of value chain, Lime Stone and Clay is obtained from own quarry, mining of these items is done through quarry contractor. Laterite and gypsum is purchased from different outside suppliers. Coal is procured through the suppliers within and outside the country.

On the downstream part of the value chain is our transporter, dealers, mega projects and our communities.

UPSTREAM

Inbound

Extraction of limestone and clay from own quarry

Out Bound

Suppliers of:

- Coal
- Gypsum
- Laterite
- Other fuels
- Power
- Transporters of imported materials/spares

COMPANY ACTIVITIES

Primary Activities

- Production
- Marketing and Sales

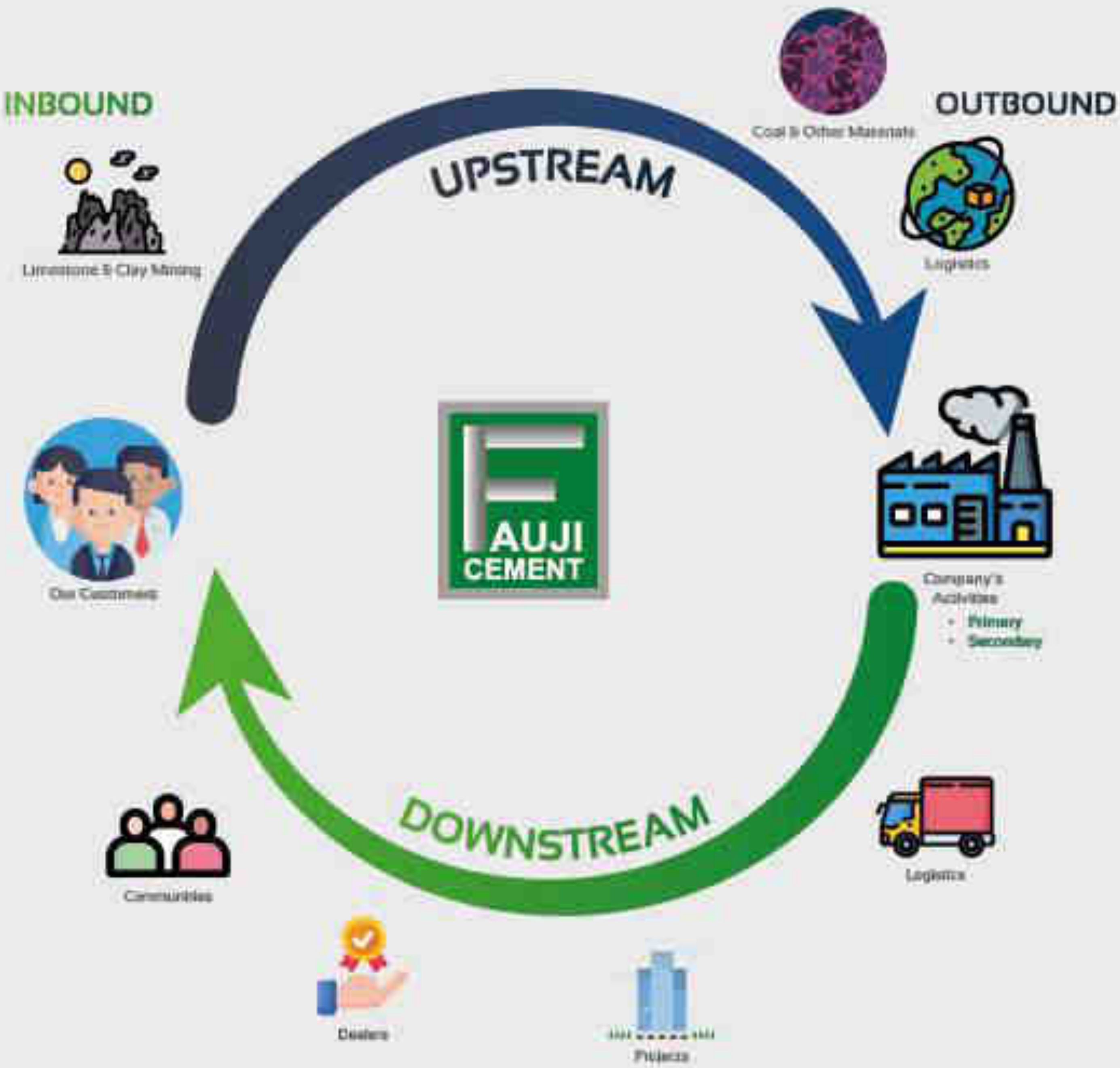
Secondary Activities

- Human Resource Management
- Company Infrastructure – legal, admin, finance, IT etc.

DOWN STREAM

Out Bound

- Transporters involve in transportations
- Customers
- Dealers
- Projects
- CSR activities - Community


INBOUND
OUTBOUND
UPSTREAM
DOWNSTREAM
FAUJI CEMENT
Coal & Other Materials
Logistics
Limestone & Clay Mining
Our Customers
Company's Activities
Primary
Secondary
Logistics
Communities
Dealers
Projects

SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

Company's operational and financial performance is impacted by external environment. Our Strategy focuses on putting the company in the best possible position in relation to external environment in order to manage the risks and optimize the opportunities associated with volatility on the political, economic, technological, environmental and social fronts. Significant factors effecting the external environment and the Company's response thereto is as under:

	FACTOR IMPACTING EXTERNAL ENVIRONMENT	COMPANY'S RESPONSE
P	**Political** • Lack in consistency of Government policies • Political stability	Company closely monitors the macroeconomic policies and indicators and responds accordingly
E	**Economic** • Overall economic growth • Income level of people • Government spending on PSDP	Lower economic growth and Government spending could have adverse effect on Company's performance. Overall macroeconomic indicators including Government PSDP allocation is closely monitored. Company always keeps working on cost optimization and new value added products to minimize the impact of any economic slow down
S	**Social** • Wellbeing of people • Socio-Economic development of community	Socio economic development of community is a must for any business to sustain. Cognizant with this factor Company always works for the development of surrounding community. A considerable budget is allocated for CSR activities

	FACTOR IMPACTING EXTERNAL ENVIRONMENT	COMPANY'S RESPONSE
T	**Technological** • New technologies in manufacturing processes • Innovation in business process like new digital innovations creating new ways of doing business	Company always strives to keep its manufacturing facilities upgraded. Key focus is always to acquire the latest technology in every business process
E	**Environmental** • Environment protection consciousness globally • Environment protection laws	As policy Company complies with all the local environmental laws. Beyond the regulatory compliance the Company strives to conserve its natural capital. Detail can be viewed at Sustainability Section of this Report
L	**Legal** • Applicable laws and regulations	Company complies with all the applicable laws. In every area of business related laws are adhered and complied

COMPOSITION OF LOCAL VERSUS IMPORTED MATERIALS

Most of the raw materials for cement manufacturing are available locally. Company have to utilize imported coal as a fuel which is the main imported material for cement manufacturing. Imported coal represents 25% of total cost of sale of the Company. The company is moderately sensitive to the foreign currency fluctuations. The management constantly monitors the international coal prices and exchange rates and takes necessary and timely steps to mitigate such impacts. Cost of Sales of the Company will increase by 1.67% in case of foreign currency upward fluctuation by 10% and will decrease by 1.67% in case of Pak Rupee appreciation by same ratio.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Competition and potential of new entrant

The cement industry of Pakistan is a competitive industry comprising of multiple players spread across the country. Since raw material availability and logistics play a key role in this sector hence the plants are located accordingly. There is free entry for anyone willing to invest and enter the industry with the usual challenges as for any new entrant in any industry. Each company has its own brand name in the market. Considering Pakistan has one of the lowest per capita consumption of cement in the world existing companies have been expanding their market share to keep up with the demand. In such a highly competitive environment efficiency in cost and consumer satisfaction through quality products is the key to remain competitive.

To capitalize on its brand image of delivering quality products year after year the Company has started expanding its production facility through a green field project at DG Khan.

Power of Customers

One of the Key element of a business is customer base, it is affected by how many customers a company has, how significant each customer is, and how much it would cost a company to find new customers or markets for its product. As a norm, in cement industry in Pakistan, the sales are made through network of dealers and distributors.
Dealers and mega projects are two main categories of customers of the Company. A significant portion of Company's sales are made to different mega projects. Company's focus on quality and customer satisfaction is the base of customer relationship. Diversified & strong customer base and quality product gives the Company an edge over competitors in the Industry.

Power of Suppliers

How easily the suppliers can drive up the cost of an input can put a business in difficult position through cost escalation, particularly, when it operates in highly competitive environment. This power of suppliers is affected by the number of suppliers of key inputs of Goods or service, how unique these inputs are, and how much it would cost a business to switch to another supplier.

Major raw materials of the Company are extracted from own quarry. Electricity is either generated through own sources or procured from National Grid. For rest of the materials, supplies and services, Company engages outside suppliers. For every critical item of supply, material and service Company has a vide base of suppliers. Company maintains a healthy relationship with suppliers by being competitive in rates, keeping its agreed commitments including their payments and resolving queries on timely basis. This helps the Company to maintain its vide supplier base and accordingly gives bargaining power with suppliers.

Threat from Substitute Products

Cement is one of the main construction material being used globally. Threat of its substitution with new product is not significant.

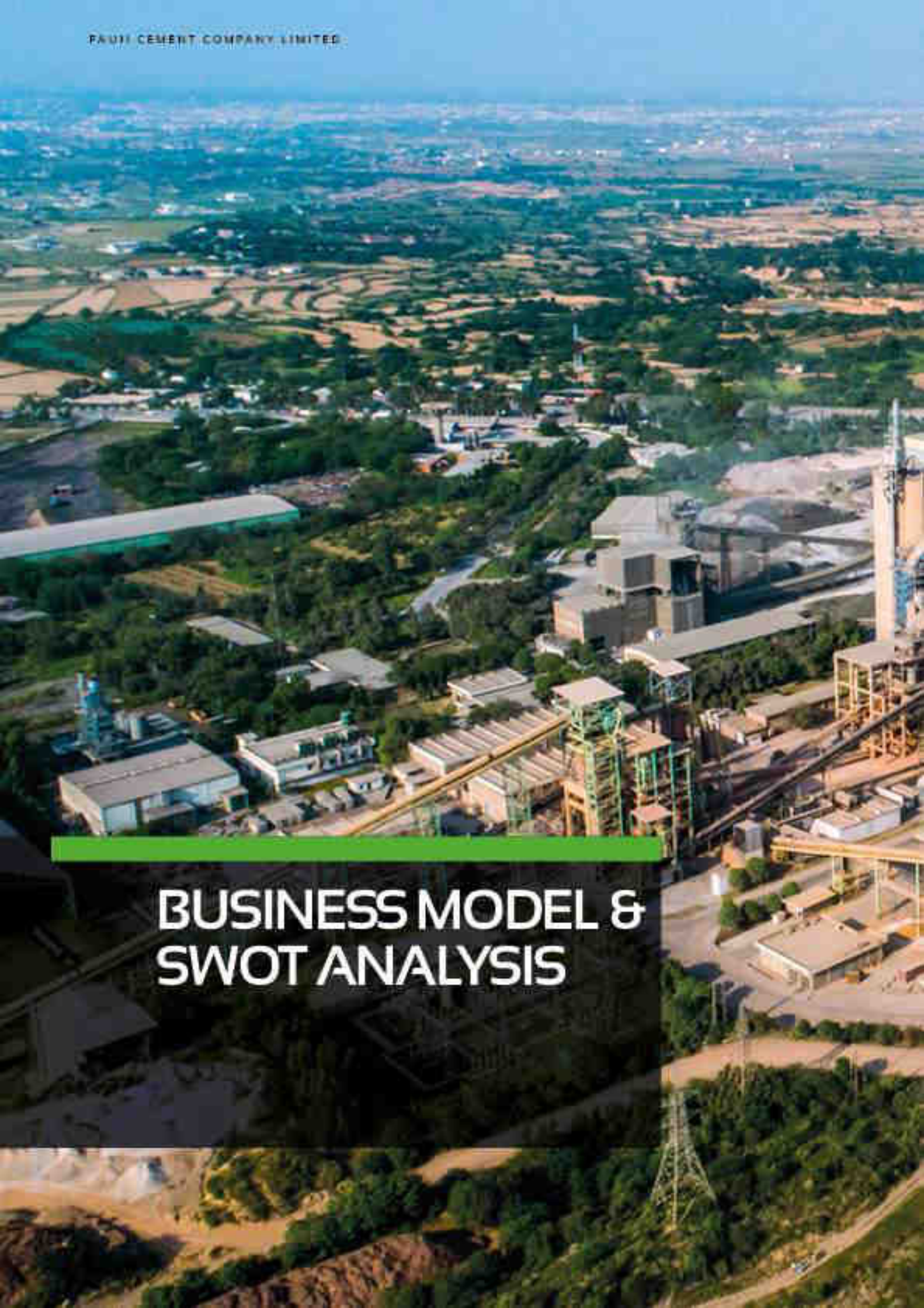
AWARDS & CERTIFICATIONS

ISO Certifications

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

- QMS 9001 – 2015: Quality Management System.
- EMS 14001 – 2015: Environment Management System.
- OH&S 45001 – 2018: Occupational Health & Safety Management System

FCCL is among the few companies that have implemented safe working procedure and ensure safe working environment based on ISO 45001:2018 management system. Third party surveillance audit of QMS 9001:2015, EMS 14001:2015 and OH&S 45001:2018. An award continuation of these certificates is the norm in the Company.



BUSINESS MODEL & SWOT ANALYSIS

OUR BUSINESS MODEL

INPUTS / KEY ASSETS

- Low leverage
- Total Assets Rs. 34,062 Million
- Shareholding in FSEL

- State of the Art Production facility of 11,655 TPD of cement
- Multi fuel captive power generation of 60 MW

- An in-house fully integrated ERP
- Among our valuable assets is our brand

- A highly motivated and experienced team

- Network of 150 dealers across Pakistan
- A well reputed and preferred brand among the mega projects
- Relationship with all major financial institutions

- 17.5 MW solar energy captive power plants
- Major raw materials from own quarry

BUSINESS ACTIVITY

- Energy efficient European origin plants
- Continues investment on production facilities to enhance operational efficiencies
- Highest solar energy capacity in industry

- Strong emphasis on quality control
- Product innovation for specialized need

- Mega project sales
- Good relationship with dealers

- Continues focus on new product development
- Capacity enhancement to meet the market demand

OUTPUT

a. OPC
b. Low Alkali / Low heat cement
c. SRC
d. Green Cement

- Power generation through waste heat recovery
- Green energy – through solar

OUTCOME

- Highest ever revenues – Rs. 24 Billion
- Maximum cash generation – Rs. 5.7 Billion through operations

- Highest ever production
- Maximum capacity utilization
- 58% own generation

- Implementation of SAP in progress

- Employee Training and development
- Low Turnover

- Consumer satisfaction through quality protection
- CSR activities
- Contribution to national Exchequer – Rs. 11 Billion
- Preference by Mega projects i.e Hydro Projects

- Increase in Renewable energy production
- Manufacture of Pamir Cement to reduce clinker factor rate
- Recycling plant waste water for usage

Cost optimization through efficient production and optimal use of resources is key to our business model. We continuously seek opportunities to improve efficiency of our business processes to optimize cost. We aim to create long term value for all of our stake holders.

SWOT ANALYSIS

STRENGTHS

- Among the premium quality brands in the industry
- Trusted by mega projects both private and public fetching a premium price and optimal capacity utilization.
- Own Captive multi fuel including Greener Generation capacity of 60 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 south plants.
- 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 in domestic market – as Pakistan has low per capita cement consumption, growing population and increasing urbanization.
- CPEC presents a great opportunity for long term growth of the industry.
- Government's spending on infrastructure development and hydropower projects including major dams and various housing schemes.
- Government packages for private construction sector is attracting private investment that is and will be generating cement demand.

THREATS

- Rising input costs on account of increase in coal and other fuel prices coupled with devaluation of PKR
- Any resurgence of COVID 19 Pandemic can have an adverse effect on cement demand.
- Slowdown in exports due to unstable political situation in Afghanistan.

STRATEGY AND RESOURCE ALLOCATION

STRATEGIC OBJECTIVES AND STRATEGIES TO ACHIEVE THE OBJECTIVES

At FCCL, we are aimed to create sustainable value for all stakeholders.

STRATEGIC OBJECTIVE	STRATEGIES IN PLACE OR INTENDED TO BE IMPLEMENTED TO ACHIEVE STRATEGIC OBJECTIVES	TIME HORIZON
In medium term our focus will remain to enhance our market share in growing local market	o Running Plants at optimum capacity to ensure availability of maximum product in the market. o Green field expansion project at DG Khan to increase production capacity and make presence in central and south markets. o R&D on new products taking into consideration the ever-changing market needs.	Medium Term
We strive to maintain our position in industry as premium cement manufacturer	o At all levels of production strict quality controls are in place. o Product innovation for specialized need and requirement. o As a norm, only renowned suppliers are selected for procurement of plant and machinery and equipment to maintain the quality standards.	Medium Term

STRATEGIC OBJECTIVE	STRATEGIES IN PLACE OR INTENDED TO BE IMPLEMENTED TO ACHIEVE STRATEGIC OBJECTIVES	TIME HORIZON
Cost optimization through efficient production and optimal use of resources 	o Continuous investment on production facilities to enhance operational efficiencies. o Predictive maintenance of plant and machinery to minimize the unplanned stoppages and hindrances. o Resource sharing arrangement with associated cement company. o Stringent cost controls at all level of organization to minimize the fixed costs. o Maximization of cheaper own power generation.	Long Term

We are focused more towards the economic development, social development and environmental protection for future generations 	o Company complies with all the National Environmental Quality Standards.
	o Focus on reduced CO^2 emission through:
	  o Use of cementitious materials.
	  o Clean energy production through solar and WHRs.
	  o Tree plantation for CO^2 sequestration.
	o Continuous to work for the betterment and uplift of the surrounding communities in field of education, health care and sports.
	o Focus on water preservation through recycling and rain water harvesting.
		Long Term

Our Aim is the pursuit of excellence in every sphere of operation 	o Implementation of SAP is in progress. o Compliance with all regulatory requirements is a must in all spheres of business operations. o Key objective setting for all departments at all levels embedded with measurable KPI's.	Long Term

RESOURCE ALLOCATION PLAN TO IMPLEMENT THE STRATEGY

Optimal use of resources is our key to allocate resources in every sphere of operations. To achieve our strategic objective we manage and allocate key capitals against each strategic objective as under:

STRATEGIC OBJECTIVE	RESOURCE ALLOCATION
[illegible]	[illegible] – For expansion project required finances are allocated through a mix of equity and debt [illegible] – A dedicated Project team, New product development team
[illegible]	[illegible] – Continuous investment on manufactured capital [illegible] – A separate Quality Control Department
[illegible]	[illegible] – Continuous investment on manufactured capital [illegible] – Employees training and development [illegible] – Investment in solar energy, Investment on water conservation and surface water usage
[illegible]	[illegible] Investment in solar energy and surface water usage, considerable budget allocation for local communities, contribution to national exchequer in terms of taxes, Investment in manufactured capital for low emission and energy efficient plant and machinery [illegible] Employees training and development [illegible] Development of local communities in terms of education, medical and clean water provision [illegible] – Water conservation, Tree plantation, Reduced CO2 emission
[illegible]	[illegible] Investment in Employees training and development. Investment in SAP [illegible] Employees training and development [illegible] – Adherence to all regulatory laws and regulations

FINANCIAL CAPITAL STRUCTURE

FCCL is a low leverage Company with Debt Equity ratio of 4:96. Company obtained long term loans from commercial banks under Government schemes for renewable energy and refinance of salaries and wages. In addition, to meet working capital requirements Company maintains running finance lines with different banks.

THE EFFECT OF TECHNOLOGICAL CHANGE, SOCIETAL ISSUES AND ENVIRONMENTAL CHALLENGES ON THE COMPANY STRATEGY AND RESOURCE ALLOCATION

TECHNOLOGICAL CHANGE

Rapid technological changes across the globe is affecting the businesses. Cognizant with the fact, Company takes into account the latest developments in formulating strategies in every sphere of business operations.

AREA	HOW TECHNOLOGICAL CHANGE IS IMPACTING OUR STRATEGIES	RESOURCE ALLOCATION
PRODUCTION	*Operational efficiencies*, being the main factor of cost optimization, is being impacted with the development of new energy efficient and environment friendly technologies. The Company is acquiring latest technology equipment for its new cement line. Further, Company keeps upgrading its existing production facilities.	Financial Capital is allocated to embrace new technologies
INFORMATION TECHNOLOGY	*System efficiencies* without latest information technology tools is not possible to achieve. Upgradation of hardware on continues basis, acquiring latest software and implementation of SAP are a few examples.	Financial Capital is allocated to embrace new technologies

SOCIETAL ISSUES

Corporate social responsibility is the key element of the Company's strategic objective of sustainable development. Uplift of the local communities in field of Technical education healthcare, Job Creation for the local community is one of the main focus areas for management. A considerable budget is allocated for this purpose every year. Further details are given in Corporate Social Responsibility section of Directors' Report.

ENVIRONMENTAL CHALLENGES

The environmental challenges such as climate changes, loss of ecosystem and water scarcity is posing threat to our planet at large and human beings in particular. Sustainable development is one of the strategic objective of the Company. Strategies are formulated for water conservation, tree plantation, lower CO^2 emission and clean and green energy production.

SPECIFIC PROCESSES USED TO MAKE STRATEGIC DECISIONS

Strategic decisions are those that have implication on the competitive positioning of the Company. Since the strategic decisions are critical in nature and involve high level of uncertainties, Company follows a structured process for identifying and making strategic decisions. All strategic decisions are put up by the management to the Board of Directors. BOD reviews, provides valuable input, approve and monitor the implementation of decisions through its Committees. An Executive Committee of the Management is in place that helps put together strategies under the guidance of the Board of Directors. Specific process for strategic decision making of the Company is as under:

SR. NO	STEPS	LEVEL OF MANAGEMENT INVOLVED
01	[illegible]	Management Executive Committee
02	[illegible]	Middle Management
03	[illegible]	Management Executive Committee
04	[illegible]	Relevant Board Committees
05	[illegible]	Board of Directors
06	[illegible]	Management Executive Committee/ Relevant Board Committees/Board of Directors

SPECIFIC PROCESSES USED TO ESTABLISH AND MONITOR THE CULTURE OF THE COMPANY

CULTURE ESTABLISHMENT

Culture is the collective values, norms and beliefs of an organization. Our core values are the foundation of our business. A culture that promotes equality, fairness, health, safety, diversity and innovation, among others. These values are established and maintained over the years by Founders, the governing Boards, Higher management and employees. We maintain a collaborative, inclusive, non-discriminative and safe work culture, and provide equal opportunities to all employees. We have a 'Zero Tolerance' policy towards any kind of discrimination and harassment at the workplace based on the applicable laws and our internal directives. Our Codes of Business Conduct lays down acceptable professional behaviour expected from our internal and external stakeholders

CULTURE MONITORING

A formal code of conduct, encompassing all our cultural values, duly approved by the BOD is in place and communicated at all levels in the Company. Adherence to this code of conduct is compulsory for each and every employee of the Company.

COMPANY'S ATTITUDE TO RISK AND MECHANISM FOR ADDRESSING INTEGRITY AND ETHICAL ISSUES

At FCCL we believe that risk is an integral and unavoidable component of business and we are committed to manage and minimize it in a proactive and effective manner.

To address integrity and ethical issue a formal Whistle Blowing Policy duly approved by the Board of Directors is in place. The Company's Whistle Blowing Policy comprehensively covers all the aspect and encourages all stakeholders to remain alert in a transparent and efficient manner. Policy have adequate safe guards for the whistle blower. Complaints (if any) are investigated independently and appropriate actions are taken. These cases are shared with Audit Committee and Board of Directors on quarterly basis.

KPI'S TO MEASURE THE ACHIEVEMENT AGAINST STRATEGIC OBJECTIVES

Strategic Objective	KPI	Future Relevance
[illegible]	o Timely completion of new project o Capacity Utilization o Market Share	**Except project completion remaining KPIs will remain relevant in future**
[illegible]	o Customer Satisfaction Index o Mega Project Sales Ratio	**KPIs will remain relevant in future**
[illegible]	o Production o GP Ratio o Fixed cost to overall cost ratio	**KPIs will remain relevant in future**
[illegible]	o CSR expenditure o Water conservation o Green energy production	**KPIs will remain relevant in future**
[illegible]	o Timely and flawlessly implementation of SAP without any business operation hindrances o Adherence to applicable laws and regulations o Meeting departmental KPIs	**Except implementation of SAP remaining KPIs will remain relevant in future year**

CASH FLOW STRATEGY AND LIQUIDITY MANAGEMENT

Company has ability to generate sufficient cash flows to meet its liquidity requirements. Company regularly monitor and project its cash inflows and outflows. Long term projects are funded through long term financing and internal cash generation. For working capital requirement Company utilize running finances. Maximum utilization of cheap finances is the key to cash flow management strategy. Excess cash is utilized to create maximum value through short term investments and long term projects.

SIGNIFICANT PLANS AND DECISIONS

Company is setting up a green field cement manufacturing line in DG Khan with a capacity of 2.05 Million Tons. The Company is a going concern and doesn't have any plan to discontinue any of its operations.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM PRIOR YEAR

At FCCL we strive to align our strategies with ever-changing business environment to achieve our key aim of value creation for all of our stakeholders, however, there is no significant change in our strategic objectives and related strategies.

RISK & OPPORTUNITIES

STATEMENT OF RISKS AND OPPORTUNITIES

	DESCRIPTION	RELATED OBJECTIVE	IMPACT	HOW WE MANAGE OR MITIGATE RISKS AND CREATE VALUE FROM KEY OPPORTUNITIES
Risk	Due to recent expansions and announcement of further expansion by industry players there is an excess supply in the market SOURCE: External LIKELIHOOD: Less Likely PRIORITY: Moderate	To enhance and maintain market share	Drop in market Share and pressure on prices Financial Capital	• Strict quality controls to maintain quality and be the trusted brand by local consumers and mega projects • Diversified products portfolio to keep our customer base widen and strong • Constant working on new value added construction products i-e tile bond etc
Related Opportunity	Growing local and International markets	To enhance and maintain market share	Capital being impacted: Financial Capital	• Expansion in DG Khan • Maximum mega project sales • High consumer satisfaction
Risk	Due to increasing capacity in the market there could be pressure on prices SOURCE: External LIKELIHOOD: Possible PRIORITY: Moderate	Sustainable development	Squeezed margins as a result of stagnant and decreasing sales prices while cost rises Financial Capital	• Manufacturing of low cost Green Cement with better margins • Efficiency on processes • Technology up gradation • Working on new value added construction products • Strategies for cost optimization – discussed in next point
Related Opportunity	Innovation Execution of excellence SOURCE: Internal PRIORITY: High	Execution Excellence	Capital being impacted: Financial Capital, Human Capital	• Development of new products • Management excellence in all sphere of operations
Risk	High Cost of production with a risk that it may not be passed on due to market conditions SOURCE: External LIKELIHOOD: Possible PRIORITY: Moderate	Cost Optimization	Low profitability Financial Capital	• Own captive power generation through multiple sources including Waste heat recovery, Solar and Gas Generators • Close monitoring of power mix to utilize the most cheaper power source for power cost optimization • Close monitoring of prices and optimum stock building of coal and other raw materials • Optimum coal mixing ratios • Laying of water pipeline from nearby surface water source to save on water bill is under progress • Usage of cheaper additives without compromising the desired strength • Business synergies through shared services arrangement with ACL • Stringent monitoring of fixed expenses
Related Opportunity	Efficiency in processes New avenues for Cost savings SOURCE: Internal PRIORITY: High	Cost Optimization	Capital being impacted: Financial Capital, manufactured capital	• Low Cost energy production • Cost saving through business synergies • Efficiency in production through upgradation of plant and machinery

	DESCRIPTION	RELATED OBJECTIVE	IMPACT	HOW WE MANAGE OR MITIGATE RISKS AND CREATE VALUE FROM KEY OPPORTUNITIES
Credit Risk				
Risk	Customer may not be able to pay their obligation **SOURCE:** External **LIKELIHOOD:** Possible **PRIORITY:** Moderate	Cost Optimization	Capital being impacted: Financial Capital,	• Established Credit policy with assigned limits • Analysis of credit worthiness of each customer individually by the management before extending any major credit • For risky debtors Bank Guarantees and LCs are established
Exchange Rate Fluctuation				
Risk	Certain Operating and capital expenditure (Offshore portion of DG project particularly) incurred by the company in foreign currencies. An adverse exchange rate movement can cause increased input costs **SOURCE:** External **LIKELIHOOD:** Very Likely **PRIORITY:** Moderate	Cost Optimization	Capital being impacted: Financial Capital,	• Although, the currency market is unstable in Pakistan whenever hedging arrangements needed i.e. mainly forward cover where available are made. • (For new project at DG Khan management is taking forward cover for USD (to max available statutory limits) for locking exchange rate risk.) • 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 Fluctuation				
Risk	Increased interest rates (Company is committed for long term loan of DG project a certain portion of which is variable rate and is subject to change) **SOURCE:** External **LIKELIHOOD:** Remote **PRIORITY:** Moderate	Cost Optimization	Impact on Company: High Financial Cost in case of increased interest rates Capital being impacted: Financial Capital,	• 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. • Govt. specified financing schemes with minimum fixed rates are obtained – currently all long term borrowings of the Company are fixed rate under different Govt. schemes. • For its DG project Company has obtained max available subsidized fixed rate loan under TERF and LTFF
Related Opportunity	Low cost finance arrangement **SOURCE:** Internal **PRIORITY:** High	Cost Optimization	Capital being impacted: Financial Capital, human capital	• Cost saving through low cost financing for expansion project • Utilization of low cost financing for working capital requirements

Financials

STATEMENT OF RISKS AND OPPORTUNITIES

		DESCRIPTION	RELATED OBJECTIVE	IMPACT	HOW WE MANAGE OR MITIGATE RISKS AND CREATE VALUE FROM KEY OPPORTUNITIES
Environmental	Water Scarcity				
	Risk	**Depleting underground water resources** **Strict measures taken by the District Authorities to ensure effective metering of water usage by the industry for billing.** **The possible risk of ground water supply being completely disconnected in the future** **SOURCE:** External – Government Authorities **LIKELIHOOD:** Possible **PRIORITY:** High	Cost Optimization/ Sustainable Development	Impact on Company: Production Loss Capital being impacted: Financial Capital, human capital	• Fauji cement has constructed three water storage ponds collecting mainly rain water and plant waste water to be used for plant water consumption Our plant is located in positive area where water table is high and is expected that ground water supply will not be disconnected by authorities • Waste water recycling and usage of rain water for harvesting and recharge of water table. • Laying of water pipeline from nearby water channel to exploit cheap surface water is under progress
	Related Opportunity	**Water Conservation** **Process Improvements** **SOURCE:** Internal **PRIORITY:** High	Cost Optimization/ Sustainable Development	Capital being impacted: Financial Capital, human capital	• Water conservation through recycling and rain harvesting • Surface water exploitation
Information Technology	Disaster Management				
	Risk	**Any natural disaster to database/ hardware of the Company resulting in information loss** **SOURCE:** External/ Internal **LIKELIHOOD:** Likely **PRIORITY:** High	Sustainable Development	Impact on Company: Information loss can have very serious impact on company's operation and severe financial and reputational loss could occur Capital being impacted: All capitals	• Company has the Hypervisor virtual environment at all offices. A dedicated HP server is deployed for live replication of business critical virtual machines (VMs) at each location. • These VMs are also being backup on daily basis to a separate storage device placed in respective location. • Business critical applications data is being replicated after every few minutes across the 3 locations of the company. Also, users at any location have the capability to connect to any other remote location through VPN.
COVID – 19 Outbreak Risks (an evolving challenge)	Employees Health and Safety				
	Risk	**Any Employee can get infected with the disease** **SOURCE:** External/ Internal **LIKELIHOOD:** Very Likely **PRIORITY:** High	Sustainable Development	Impact on Company: Hindrance in operations of the Company Capital being impacted: Human Capital, Financial Capital	• Physical temperature checking at entry points • Installation of hand sanitizers at entry points • Disinfection of offices • Precautionary measures training to employees • Social distancing at all offices – ban on hand shaking • Wearing of face mask is mandatory for all employees • Stoppage of attendance through thumb impression, instead face recognition for all employees introduced • Work from home initiatives (during the outbreak period) – ERP access to employees • Testing of suspected employees under medical coverage • In case of infected employees full medical support including leave is provided
	Related Opportunity	**Human knowledge development** **SOURCE:** Internal **PRIORITY:** High	Sustainable Development	Capital being impacted: Human Capital, Financial Capital	• Continued business operation during pandemic • Improvement in IT infrastructure

	DESCRIPTION	RELATED OBJECTIVE	IMPACT	HOW WE MANAGE OR MITIGATE RISKS AND CREATE VALUE FROM KEY OPPORTUNITIES
Risk	Noncompliance with the applicable laws i-e • Companies Act 2017 • Regulations issued by SECP, PSX and CDC • Labour Laws • Mining Laws • Intellectual Property Rights SOURCE: External/ Internal LIKELIHOOD: Remote PRIORITY: High	Management Excellence/ Cost optimization	• Company can be penalized as per the relevant laws • Risk of litigation Financial Capital	• Assignment of adherence of every applicable law to specific departments/ employees • Updation and education to the employees of applicable laws • Engagement of external consultants/ Lawyers for expert advice and any litigation • Regular Coordination with all regulatory authorities SECP, PSX, CDC, EOBI, PESSI etc.
Risk	• Contractual liabilities/ penalties. • Financial loss for non performance of contractual obligations by contractor SOURCE: External/ Internal LIKELIHOOD: Remote PRIORITY: Moderate	Cost optimization	• Litigations in case of disputes regarding the terms of contracts • Financial loss in case of nonperformance/ non provision of desired services/supplies Financial Capital	• Vetting through reputed external legal councils in case of material contracts • Evaluation of technical terms and conditions by respective departments • Intense negotiations with the contractors

RISK MANAGEMENT FRAMEWORK AND RISK MANAGEMENT METHODOLOGY

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. 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. An ERM committee comprising the senior management and CEO is formed. ERM structure of the Company is as under:

LEVEL	KEY ROLES
BOD	• Development and effective implementation of risk management policy for managing risks
AUDIT COMMITTEE	• Provide direction and evaluate the operation of the ERM Committee • Review risk assessments prepared by the ERM Committee • Monitor emerging issues and share best practices
ERM COMMITTEE	• Overall risk management including the evaluation of risks associated with the new projects of the Company. This mainly includes the identification, evaluation and treatment of risks associated with the business of the Company and new projects • Review and monitoring the existing controls and implement new controls wherever necessary for effective risk management.

RISK MANAGEMENT METHODOLOGY

A five stage structured approach is being followed to manage risk in the Company:

- Educating the stakeholders – in terms of importance of risk management and developing a risk conscious culture
- Identification of Risk – in terms of its source i-e external and internal
- Risk Assessment – in terms of likelihood of occurrence and impact on Company
- Responding to Risk – tolerate, treat, transfer or terminate
- Monitoring and Communication – defined risk treatment along with activities to be performed

INITIATIVES TAKEN BY THE COMPANY IN PROMOTING AND ENABLING INNOVATION

Innovations are often a drive within the entrepreneurial sector in terms of economic success. The exploitation of innovation potential is of great importance today. Unlocking the innovative potential of our people and business more generally comes down to a combination of management approaches, shared values, strategy, and resources. Management has taken following initiatives to promote and enable innovation:

- Empowering employees to think about the tough problems and reward them for working towards solutions.
- In-House Software products aren't just helpful with avoiding headaches - They also free up staff to do the kind of creative and innovative thinking.
- New products development i-e green cement

RISK TOLERANCE DETERMINATION AN RISK MANAGEMENT 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. Company's BOD is responsible for establishing risk management framework to provide the guidance for management regarding risk appetite. In accordance with the framework a Risk Management Policy has been formulated, which helps in identifying, assessing and monitoring the different risks affecting the Company and initiating appropriate mitigating responses.

ROBUST ASSESSMENT OF PRINCIPLE RISKS BY BOD

The Board of Directors conducts critical analysis of all risks that could threaten the business model, future performance, solvency or liquidity of the Company. The responsibility for monitoring and control of these risks has been delegated to the management of the Company. An ERM Committee is formed to implement and monitor the adherence with Risk Management Policy.

CAPITAL STRUCTURE AND ASSESSMENT OF ITS ADEQUACY

FCCL is a low leverage Company with Debt Equity ratio of 4:96. Company obtained long term loans from commercial banks under Government schemes for renewable energy and refinance of salaries and wages. In addition to meet working capital requirements Company maintain running finance lines. The management believes it maintain adequate capital structure for its long term sustainability.

GOVERNANCE

Composition of the Board

Adhering to the best corporate practices and in line with the requirements of the Companies Act 2017 and Code of Corporate Governance, the Company's Board is a combination of highly qualified professionals. The diverse knowledge and expertise of the ten (10) member Board focuses mainly on safeguarding the interest of all stakeholders and value addition. Our Board represents the interests of all the categories of shareholders.

Total Number of Directors

- Male 9
- Female 1

Composition of the Board

- Independent 3
- Non-Executive 6
- Executive Director 1

Composition of Board Committees.

Composition of Board Committees and other relevant details (attendance and Terms of Reference) are given on pages from 104 to 108.

Matters Delegated To the Management

Management is primarily concerned with setting in motion the strategies approved by the Board of Directors under supervision of the Managing Director. It is the responsibility of management to operate the day-to-day business affairs of the Company. Main focus is to set targets in line with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities, which could affect the Company in course of carrying out its business.

Management is also involved in keeping the Board members updated with any changes in operating environment. Management, with the oversight of the Board and its Audit Committee, also generates financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal regulations.

Chairman's Significant Commitments

Mr. Waqar Ahmed Malik, Chairman FCCL Board of Directors is the Managing Director of Fauji Foundation. In addition, he is the Director of Pakistan Maroc Phosphore SA and the Chairman of the Boards of all Fauji Foundation Associated and Subsidiary Companies. A list of these companies is included in the Chairman's Profile in this Annual Report as well as on FCCL Website. Mr. Waqar Ahmed Malik was elected Chairman of the Board in April 2020 and since then there has been no change in his significant commitments.

Government Policies and its impact on the Company's Business

Government's continuous focus on the construction sector helped the cement industry to revive amid Covid-19 pandemic. Announcement of packages for construction sector coupled with availability of low cost financing for housing industry by SBP has a positive impact on local demand of cement. Further, Government's focus on infrastructure development, CPEC and mega hydro projects also stimulate local demand in the country. Company materialized this pick up in local demand during the year and achieved highest ever Capacity Utilization in its history.

Director's Orientation

The Company has made sufficient arrangements to carry out orientation sessions for their directors to acquaint them with company's operations, applicable laws and regulations and their duties and responsibilities in order to enable them to effectively govern the affairs of the company on behalf of shareholders. Non-executive directors are provided with exposure to operating management and major customers of the Company on a regular basis throughout the year. Moreover, non-executive directors may elect to contact any employee, customer, advisor or supplier of the Company. Exceeding the requirement of regulatory framework, the Company, beside tailoring a formal Director's training program, also has an arrangement in place to acquaint the Director's with Company's orientations, applicable clauses and regulations.

Directors Training Program

Following the best practices, the Company is conscious of the requirements indicated in Listed Companies (Code of Corporate Governance) Regulations 2019. Board members are appropriately certified under the Directors' Training Program from SECP approved institutions. Due to changes in the Board, only one Board member is yet to obtain the requisite certification, which will be scheduled during the current financial year.

Foreign Directors

FCCL has no foreign director on the Board.

Meetings of the Board of Directors

In compliance of all the regulatory requirements, the Board of Directors meetings are held quarterly, besides a meeting for approval of Business / Strategic Plan and Annual Budget. Special meetings are also convened, to deliberate on critical and significant issues. Details of Board Meetings and attendance are given on page 104 to 108.

Details of any Board Meetings Held Abroad

All of the Directors of FCCL are based in Pakistan, so no meeting of the Board of Directors of the Company was held abroad.

Presence of the Chairman Audit Committee at the AGM

The Board is aware of the level of trust reposed in them by the Company's shareholders, and strive for a transparent relationship in all our dealing. In order to address any concerns and queries raised by the shareholders, Board members including the Chairman Audit Committee remain present at the AGM.

Report of the Audit Committee

Report of the Audit Committee describes the work carried out by the Committee in discharging its responsibilities. The report is on Page 109 of the Annual Report.

External Auditors

M/s KPMG Taseer Hadi & Co, chartered accountants, have completed the annual audit of Company for the year ended 30th June 2021.

and are due to retire on 20th October 2021 after conclusion of 29th Annual General Meeting (AGM). However, as recommended by the Audit Committee, the Board is recommending to continue with them as External Auditors of Company for the year ending 30th June 2022, after approval by the shareholders during 29th AGM.

Board's Policy on Diversity (Anti-Harassment Policy & Gender Diversity Policy)

Not with standing our legal obligations, FCCL is committed to challenging discrimination and promoting social inclusion and equality of opportunity in the form of age, gender, and ethnicity, physical and mental ability. As per recent legal developments, Board has approved an Anti-Harassment Policy, which regardless of position of employees, is applicable to all employees while giving necessary facilities; company discourages any sort of discrimination at workplace and provides equal opportunities to all.

Shares Held By Sponsors/Directors/ Executives

Shares held by Sponsors, Directors and Executives are disclosed in the pattern of shareholding annexed with this report.

Trading of Shares by the Directors and Executives

Directors of the Company traded in 4,323,501 shares of FCCL during the year, however, no trading was conducted by the executives and their spouses and minor children. Board of Directors, as well as Pakistan Stock Exchange are being regularly updated on the trading of shares by the Directors and Executives. Trading is indicated in this Report at page 221.

Announcement of Financial Results

The Company has communicated its Quarterly / Half-Yearly and Annual Financial Results in a timely manner. Following is the timeline for authorization of financial statement by the Board of Directors.

Particulars	Date of Authorization	Timeline
First Quarterly Statements	28th Oct 2020	Within one month
Half Yearly Financial Statements	18th Feb 2021	Within two months
Third Quarterly Financial Statements	22nd April 2021	Within one month
Annual Financial Statements	6th Sep 2021	Within four months

Role of Chairman

The Chairman leads the Board and steers the strategic direction of the Company. Beside statutory powers of setting of agenda of the meetings, giving directions and approval of minutes, provides leadership to the Board for performing their duties in an effective and constructive manner. Acts as a liaison between the Board and management and ensures the highest standards of corporate governance within the Board and the company.

Role of Chief Executive Officer

The CEO as head of the Company management is responsible to lead and manage the company. Implements Board's policies in order to achieve company's overall objectives by managing day-to-day affairs and directing the overall growth. Oversees and ensures implementation of all

strategies and plans while mitigating operational risks effectively.

List of Companies in which the Executive Director is serving as Director.

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

FAUJI FERTILIZER CO LTD (FFC)	Non-Executive Director
FAUJI FERTILIZER ENERGY CO LTD (FFCEL)	Non-Executive Director
FAUJI FERTILIZER BIN QASIM LTD (FFBL)	Non-Executive Director
FAUJI FERTILIZER BIN QASIM POWER CO LTD (FPCL)	Non-Executive Director
FOUNDATION POWER CO DHARKI LTD (FPCDL)	Non-Executive Director
FOUNDATION SOLAR ENERGY PVT LTD (FSEL)	Non-Executive Director

Compliance with Best Corporate Practices.

In order to meet the standards, the Board of Directors has complied with the requirements for code of corporate governance, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting Framework of Securities & Exchange Commission of Pakistan (SECP) throughout the financial year 2020-2021.

Report of the Board's Audit Committee on adherence to the code of corporate governance, statement of compliance by the chief executive officer of the company with the Code of Corporate Governance, besides review report by the Company's Auditors are included in this Annual Report 2021.

Adequacy of Internal Control

The Audit Committee quarterly reviews the Internal Control framework and the financial statements. The power has been entrusted by the Board to establish a centralized effective and efficient system to ensure unhindered operations. Independent Internal Audit function is an integral part of the process and regularly apprises and monitors the implementation of financial controls.

Conflict of Interest of Board Members

In order to avoid any known or perceived conflict of interest, formal disclosure of vested interests is encouraged, as highlighted in the Listed Companies (Code of Corporate Governance) Regulations 2019. The Board members are responsible for appropriate self-disclosure of their interest in a transparent manner and in case of any doubt, they are advised to discuss the matter with the chairman of the meeting for any guidance. The suggestions and comments (if any) of Board members, during the meetings/proceedings are accordingly recorded for evaluation.

IT Governance Policy

Information Technology Governance represents a significant investment as well as a significant enabler of Company's vision, requiring effective governance and planning. FCCL IT Governance Policy is responsible for implementation of strategies that ensure effective use of resources across the Company and is about putting in place a suite of policies & procedures that our workforce follows when they are accessing IT resources. Company's IT Governance Policy:

- Ensures that IT plans fit the current and ongoing needs of the Company and supports the Strategic Business Plan.
- Ensures that IT acquisitions are made for approved reasons in an approved way, based on appropriate and ongoing analysis. Ensuring that there is appropriate balance between costs, risks, long-term and short-term benefits.
- Enforces security standards when it comes to VPN use due to Work from Home conditions. Using VPN to access internal resources comes with responsibilities to uphold network security.
- Aligns IT strategies with business goals.
- Provides sufficient information and reports to support the decision making process for the management.
- Establishes effective and prudent IT project and IT resources management processes.
- Optimizes IT risk management to ensure the necessary protection of Company's operations.
- Maximizes end user's satisfaction level about IT services.

Policy of Safety of Records

Record retention and preservation policy of the Company extends beyond statutory and legal requirements. Physical record including books of account, documentation relating to secretarial, legal, contractual, taxation and other important matters is archived in secure and well preserved manner. Key features of our record safety policy are as under:-

- Contracts and documents of permanent nature are kept in fire proof lockers with restricted access to authorized persons.
- Storage of physical financial record at secure place with protection against physical deterioration, fire and natural disaster etc.
- IT related record is safeguarded in accordance with IT governance policy. Following are the key elements:-
    i. Three well established data centers at all locations having G9 and G10 servers with live and real time replications are in place.
    ii. A well-known brand of hardware firewalls with cloud sandboxing features are installed in all data centers.
    iii. Installation of auto fire suppression system (FM -200) on all server rooms.
    iv. Only authorized persons, as per IT policy, have physical access to server room. A log of all entries to server room is maintained through biometric access.

Disaster Recovery Planning (DRP)

A comprehensive Disaster Recovery plan is in place and 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

To implement additional layer of data security other than the above-mentioned DRP plan, Company has very effective data backup plans scheduled at daily, fortnightly, monthly and yearly basis to its powerful QNAP NAS storage devices. The Company has 3 well established data centers situated at head office, marketing office and Plant site. These data centers are well equipped with latest HP servers having well configured virtual environment with live and real-time replications in place.

Investors Grievance Policy

FCCL in order to be has designated an investors section on website to handle Investor Relations & Grievance. The Company has a designated email ID as well as an online Complaint Form at its website for the Shareholders to lodge a complaint or query with the Management. Shareholders can also lodge a complaint or query using telephone, fax or conventional mail. This is to ensures that grievances notified by the shareholders are handled and resolved efficiently at appropriate level within shortest possible time frame.

Social Environmental Policy

Company continues to work for the betterment and uplift of the surrounding communities. Accordingly, Social Environmental Policy of the Company, duly approved by the Board of Directors is in place and adhered to.

Risk Management and Business Continuity

Business Continuity Management Strategy and Policy is in place. The application of risk management and business continuity management remains a priority for the Company. Risk management, having been reviewed and updated recently and is considered effective.

Enterprise Resource Planning (ERP)

Since the era of paperless environment is approaching, and to cope with the multiple functions within a business unit, the need of integrated system is utmost. FCCL has very effective ERP software running at all offices of the company that integrates all business operations of the departments in an efficient manner, thus increasing productivity, decreasing errors, implementing control, providing transparency, and instant access to data thus meeting the real time reporting needs of the company management. ERP Software is in-house developed according to specific needs of the departments.

FCCL has also automated its plant control operations, picking real time data from plant equipment. Our team has developed the software by utilizing in-house resources. The kind of automation is the first ever attainment in Cement sector in Pakistan.

COVID-19 PANDEMIC RECOVERY PLAN

Due to COVID-19 pandemic whole world is facing serious challenges around the globe. In uncertain conditions the Company has been successful in setting up a positive impact in the organization by implementing various strategies for business continuity in challenging times. Employees' health and safety is the key focus of our business continuity plan during pandemic. Below are the key initiatives taken by the management:

- Physical temperature checking at entry points of all working stations
- Installation of hand sanitizers at entry points
- Disinfection of offices
- Precautionary measures training to employees
- Social distancing at all offices – ban on hand shaking
- Wearing of face mask is mandatory for all employees
- Stoppage of attendance through thumb impression, instead face recognition for all employees introduced
- Work from home initiatives (during the outbreak period) – ERP access to employees
- Testing of suspected employees under medical coverage
- In case of infected employees full medical support including leave is provided
- Identified plant critical areas to ensure natural ventilation.
- Mandatory vaccination of all employees
- A contingency plan was developed to allocate / redistribute work in case if any employee got infected.

With the stringent safety measures we continued our operations with reduced staff. We fully utilize innovative measures and digital technology to promote work from home by our employees to ensure social distancing.

Policy Statement:

This pandemic has already altered the landscape of the global work place beyond recognition. However, we believe that this change gives us a unique opportunity to discover new ways of working and utilizing technology which will have positive impact long after pandemic. The technology we have today gives us an edge that entrepreneurs and businesses did not have in the past.

Compliance to Listed Companies Code of Corporate Governance Regulations- 2019.

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

- 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 2019.
- As required by the Listed Companies (Code of Corporate Governance) Regulations 2019, we have included following information in this Report:-
- Chairman's Review is given on pages from 6 to 7.
- Statement on Pattern of Shareholding is given on page 218.
- Statement of Shares, held by Associated Companies, Undertakings and Related Parties is given on pages from 220 to 221.
- Statement related to Board meetings held during the year and attendance by each Director is given on page 104 to 108.
- Key Operating and Financial Statistics for the last six years are given on page 128.

DIRECTORS' REPORT

The Board of Directors of Fauji Cement Company Limited (FCCL) are pleased to present the Directors' Report together with audited Financial Statements of Company for the year which ended on 30th June 2021 and Auditors' Report thereon.

Financial Overview

Financial year 2020-21 was a promising year for cement industry of Pakistan, mainly, due to enhanced activity in construction sector within the country. Overall dispatches of the industry during the year were 57 (Million Tons) as compared to 48 (Million Tons) last year.

As for FCCL, the FY 2020-21 was a turnaround year for the Company. During the year, Company achieved the highest ever capacity utilization of 98% as compared to 87% in last year, resulting in earning of gross revenues of Rs. 34,206 Million as compared to Rs. 26,998 Million last year, an increase of 27%. The Company earned profit after tax of Rs. 3,471 Million as compared to loss of Rs. 59 Million in last year.

Particulars	2021	2020	Change
		Rs.000	
Gross Revenue	34,206,154	26,998,155	7,207,999
Net Revenue	24,271,285	17,231,709	7,039,576
GP	6,064,405	649,104	5,415,301
EBITDA	6,814,016	1,789,353	5,024,663
PBT	5,107,692	(173,267)	5,280959
PAT	3,471,351	(59,381)	3,530,732
EPS / (LPS) - Rs	2.52	(0.04)	2.56

Higher profits of the Company are, mainly, due to increased GP margins that are attributable to increased retention and higher dispatches. During the year, total dispatches of the Company were 3,461,604 tons as compared to 3,082,462 of last year. Input costs also decreased, mainly, due to initiatives taken by the management for cost reduction, with improvement in fixed costs. Fuel and power cost also decreased compared to last year. Despite increase in electricity prices in the country, power cost decreased for the Company due to higher captive power generation at a lower cost, which peaked in the Company's history, contributing 69% of the total required power. Due to availability of higher cash flows, the finance cost of the Company is reduced by 53% compared to the last year.

Financial Position Analysis

Net Worth

Net worth of the Company increased by Rs 3,471 Million and resultantly stood at Rs 23,276 Million translating into a breakup value of Rs 16.87 per share. The net worth registered an increase of 18% over last year.

Long Term Loans and Short Term Borrowings

Long-term loans (including current portion) stood at Rs 853 Million, which increased by Rs 102 Million as compared to last year. Short term borrowing balance stood at Rs 1,617 Million due to Company's availing of cheap export re-finance facilities.

Trade & Other Payables and Accrued Liabilities

Trade & other payables recorded at Rs 1,823 Million at year-end and increased by Rs 660 Million compared to previous financial year, mainly due to higher payable amount of trade creditors Workers' Profit Participation Fund, Workers' Welfare Fund and Federal Excise Duty on cement. Accrued liabilities stood at Rs 1,565 Million and increased by Rs 433 Million compared to previous financial year due to higher amount of outstanding balance of water conservancy charges and marking fee.

Property, Plant & Equipment

Stood at Rs 21,422 Million with a decrease of 3% compared to previous financial year, mainly due to net impact of capitalizations and depreciation charged during current financial year.

Stores, Spares and Loose Tools

Stood at Rs 4,251 Million with increase of Rs 745 Million compared to previous financial year due to increase in coal stock and its prices.

Short Term Investments and Cash & Bank Balances

Short term investments stood at Rs 4,398 Million, due to high cash generation during the year. Cash and Bank Balance stood at Rs 901 Million compared to Rs 561 Million compared to previous financial year.

Contribution to National Exchequer.

FCCL contributed PKR 11.925 Billion (in 2020 it was PKR 10.148 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.

Outstanding Statutory Dues

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

Provident Fund

The total value of this Fund, as on 30th June 2021, is given below:

S/No	Category of Staff	Rs in Million
a.	Management Staff	664
b.	Non-Management Staff	456
	Total	1,120

Composition of the Board

The diverse knowledge and expertise of the ten (10) member Board focuses mainly on safeguarding the interest of all stakeholders and value addition.

Total Number of Directors

Male	9
Female	1

Composition of the Board

Independent	3
Non-Executive	6
Executive Director	1

Meetings of the Board of Directors

Directors	Total No of Meetings
Mr. Waqar Ahmed Malik, Chairman	5
Mr. Qamar Haris Manzoor, CEO, MD	5
Dr. Nadeem Inayat	4
Maj Gen Abid Rafique, HI(M), (Retd)	5
Maj Gen Naseer Ali Khan, HI(M), (Retd)	5
Syed Bakhtiyar Kazmi (Appointed on 12th Nov 2020)	2
Mr. Zafar Iqbal Sobani	5
Mr. Sami ul Haq Khilji (Appointed on 19th Sep 2020)	3
Mr. Jawaid Iqbal	5
Ms. Jahanara Sajjad Ahmad	4
Mr. Sarfraz Ahmed Rehman (Resigned on 11th Nov 2020)	2
Mr. Imran Moid (Resigned on 11th Nov 2020)	2
Mr. Rehan Laiq Resigned on (7th Sep 2020)	1

* Details of the composition of the Board and its committees including TORs and attendance are given on Page 104 to Page 108.

Approval of Vision, Mission and Corporate Strategy by the Board

In order to set the right direction, an overall Corporate Strategy with vision and mission statements were approved by the Board, while ensuring the basic principles and ideology with which the Company was incorporated. We are confident that while setting the vision mission, we aim to achieve the best possible results.

CEO's Performance Review by the Board.

CEO of the Company is appointed for three years tenure. The board regularly reviews and evaluate the performance of CEO as per targets assigned at the start of every financial year.

Qualification of CFO and Head of Internal Audit

Chief Financial Officer and head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance.

Chairman's Review on the Performance of the Board.

Chairman's review of the Board's performance and its effectiveness in achieving the Company's objectives has been outlined in 'Chairman's Review'.

Compliance with Best Corporate Practices.

In order to meet the standards, the Board of Directors has complied with the requirements for code of corporate governance, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting Framework of Securities & Exchange Commission of Pakistan (SECP) throughout the financial year 2020-2021.

Report of the Board's Audit Committee on adherence to the code of corporate governance, statement of compliance by the chief executive officer of the company with the Code of Corporate Governance, besides review report by the Company's Auditors are included in this Annual Report 2021.

Shareholding Pattern

Statements showing the pattern of shareholding as on 30th June 2021, required vide Section 227 (f) of the Companies Act, 2017 is indicated in this Report at pages 218 to 221.

Board's Role and Decision Making

Primarily focusing on value addition for the shareholders of the FCCL and mitigating the risks, the Board diligently follows the legal and regulatory framework in fulfilling its responsibilities. Being cognizant of its responsibilities, all powers are responsibly exercised and all decisions are diligently taken after thorough deliberations, based on detailed discussion and analysis.

Ethics and Compliance

In pursuit of best governance and compliance practices, FCCL ensures that the business is carried out with best ethical standards at all levels. Ethics and integrity is the fundamental part of business operations, internal and external. Accordingly, the code of conduct has been disseminated to all employees and available on company's website. Audit Committee is regularly updated about effectiveness of the internal controls and risk management policies.

Unreserved compliance with International Financial Reporting Standards (IFRS)

Management strongly believe that unreserved compliance to IFRS is vital for true and fair presentation of financial statements. Annexed Financial statements for the year ended 30 June 2021 are prepared in accordance with the IFRS as applicable in Pakistan.

Status of adoption is discussed in detail in note 2 and 3 of annexed financial statements.

Salient Aspects of Company's Control and Reporting Systems

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

Evaluation of the Board's Performance

Committees and Directors

As per requirements of code of Corporate Governance the performance of the Board is evaluated in the following areas:-

- Performance of the Board as a whole.
- Performance of Board Committees.
- Performance of the individual Directors of the Board.

External Evaluation of the Board

In order to bring transparency to the process, a third party assessment has been carried out through PICG to evaluate the performance. Results of this evaluation are being presented to the Board for discussion and addressing the areas for improvements.

Human Resource Management Policy & Succession Planning

The Company recognizes its Human Capital as a core part of its business sustainability and growth. We are committed to nurture a diverse and inclusive culture that supports the high productivity, aligning business objectives and embracing change to tackle the emerging challenges. FCCL Management is committed to attract, recruit and train the talent to deliver the best of their potential. Dynamic and progressive employee oriented programs ensures their retention and supports their talent growth.

The Company has sustained its competitive outlook in Cement Industry by offering attractive Compensation & Benefits to its employees with major focus on introduction of competitive pay programs and rewarding strategies that support the organization's business plan. This framework assisted in achieving the consistency in efforts made sustainable contributions to initiate new projects within timelines. Management strategy of linking compensation to both Company and individual performance nurtured prolific results. Employees are motivated to perform and use out of the box approach in delivering all efforts vital for Company's success.

With an enduring perspective, the Company ensures that each department to be led by a competent leader. Employees are trained to assume higher positions through a systematic succession planning based on individual's attitude, performance, potential, and qualification, level of expertise, teamwork and professionalism. This succession policy is being updated on regular intervals. Annual appraisal system accompanied with bell curve methodology is being used to manage the performance.

Policy for Remuneration of Director's

The Board of Directors has approved a 'Remuneration Policy for Directors the salient features are:-

- The company will only pay remuneration fee to the members attending the Board and its Committee meetings.
- The remuneration fee of Directors is reviewed from time to time to ensure that they are in line with the input from the Board members and in line with fees prevailing in good corporate companies.
- A Director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses, incurred by him, for attending meetings of the Board, its Committees and/or General Meetings of the Company.
- The total amount of money paid to the Directors during the year is indicated in Note 37 of the attached financial statements.

Related Party Transactions

All related parties' transactions during the year were presented before the Audit Committee for review and recommended to the Board after deliberate consideration. All transaction were at arm's length basis. Details are given in Note 39 to the financial statements.

Whistle Blowing Policy

Transparency, Accountability and Integrity Transparency, accountability and integrity are vital to efficiently manage the operations. The Company's Whistle Blowing Policy comprehensively covers all the aspect and encourages all stakeholders to remain alert in a transparent and efficient manner. Policy in place have adequate safe guards for the whistle blower.

Significant instances during the Year

No significant issues were reported during the period under review. The minor issues reported did not qualify as whistle blower, however, the complaints were duly addressed by the management.

CORPORATE SOCIAL RESPONSIBILITY

Fauji Cement continues to work for the betterment and uplift of the surrounding communities as its corporate social responsibility. Our focus remains on following:-

- Education
- Health Care
- Sports and Recreational Activities

Education

FCCL continue to provide both formal education and vocational training near its plants.

School for Workers Children

Fauji Cement Company continues to run a model school at the Plant, which provides quality education to the wards of employees and children of the adjoining areas. At present, 642 students are studying in the school. The school houses a state of the art computer center, a well-stocked library and laboratories.

Fauji Technical Training Institute

Technical Training under Fauji Technical Training Institute (FTTI) continued during 2020-21. The program included a three (3) years Apprenticeship course for 70 students. A new batch comprising of 50 students has also commenced in 2020-21. Following short courses of six months' duration (affiliated with Fauji Foundation Vocational & Technical Training Department) were conducted for 142 students: -

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

Girls Vocational Training

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

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

The Company has also joined hands with a NGO named "System Foundation" for achieving the vision of educating young women belonging to local community who could not attend formal schools. The program equips the youth to obtain a Matric level education in two years.

Health Care

A new Medical Dispensary, with better infrastructure and improved facilities, is functioning at the Plant premises. During the year 2020-2021, a total of 22,436 patients (including FCCL employees, contractor's labor and surrounding village patients) were extended free medical treatment (including medicines). An ambulance service for evacuation of critical patients to the main hospitals is also available for the community.

Sports and Recreational Facilities

The Company maintains a park for the children of local community. Families and children from the surrounding villages use the facility fervently.

Annual Sports Gala was held to create goodwill amongst local populace and to inculcate a culture of healthy sports among the employees and people living in close vicinity.

Relations with Company Personnel

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

SAP

In order to get benefit from best practices and industry experience, management has decided to upgrade from existing ERP to SAP. SAP implementation process is underway to enter into a new tier of automation and IT based operations.

Investment/Setting up a Green Field Cement Manufacturing Plant

FCCL Board has approved setting up of a Green field Cement manufacturing plant of 2.05 Million ton per annum at Dera Ghazi Khan Punjab in March 2021.

Investment in FOUNDATION SOLAR ENERGY (PVT) LTD (FSEL)

In view of the government's emphasis towards renewable energy, Fauji Foundation (FF) established and registered Foundation Solar Energy (Pvt) Ltd (FSEL). The objective was to have an in-house Company to execute the solar projects within the group companies as well as to target Industrial, Commercial, Housing and Public Sector. The Company offers EPC and BOOT models for execution of the projects providing high quality equipment at cost effective prices. Equity investment in FSEL (an Associated Company) of upto Rs 200 Million by FCCL was approved by the Board of Directors in December 2019 and by the shareholders during 11th Extra Ordinary General Meeting (EOGM) held in January 2020.

Foundation Solar Energy (Pvt) Ltd has installed more than 8.5MW of distributed energy projects during the fiscal year 20-21, there by becoming one of the fastest growing and leading solar solutions provider organization in the country. The projects that were installed and commissioned were 5MW at Fecto Cement plant, 2.5MW at Fauji Cement plant, 1.0MW at Frontier Paper Products (Pvt) Ltd and few others at various locations across the country. FSEL is all geared to support Government of Pakistan's green initiatives across various segments and sectors, in projects and standard businesses for the next year by offering competitive EPC solutions to its customers.

Information about Defaults in Payments of Debt

There is no default in payments of any long term and short term debt. All the debts of the Company including relevant finance cost are being repaid in accordance with the terms and conditions of respective loan

Material Changes and Commitments

There is no material change and commitment affecting the financial position of the Company since the year end to the date of this report.

Risk Management

STRATEGIC	Company's market position with respect to its competitors is closely monitored and counter strategies are developed and appropriate steps are taken. Govt policies, international commodity prices etc are closely monitored by the management.
OPERATIONAL	Business continuity and disaster recovery plan are in place. SOPs at all level of operations are defined and adhered and Company follow no tolerance policy for adherence to these SOPs. To avoid any hindrance in supply chain, a vide and strong base of suppliers, service providers and customers is established and maintained.
FINANCIAL	Strict financial controls and segregation of duties, particularly in financial matters, is in place at all levels. Company strictly manage its cash flows, investments and credit limits as per approved policies and limits. All the macroeconomic indicators i-e inflation, interest rates and exchange rates are monitored and counter strategies and steps are taken to minimize the impact, if any.
COMPLIANCE/LEGAL	Company complied with all the regular laws and regulations. Company makes sure that all the concerned staff is properly educated with the applicable laws and regulations. Company engage reputable external lawyers/consultants to represent it on different appellate forums. Company also keep coordination with all regulatory authorities. Company gets all of its major contracts vetted from reputable lawyers. All relevant technical departments are involved in contract finalization to minimize any collateral loss to the Company.
COVID-19	Employees health and safety is the top priority of the Company. During current pandemic, Company able to keep its business continued without any hindrance through stringent following of SOPs. It is mandatory for all employees to get vaccinated.

Risk management framework, methodology and key risk along with mitigating steps/ strategies can be viewed in the Risk & Opportunities Section of this Annual Report.

Health and Safety

Fauji Cement Company upholds highest health and safety standards as its core value and top priority. To ensure safe working procedure, FCCL has successfully implemented key standards e.g. Confined Space Entry, Belt Conveyor Safety, Work at Height, Contractor Safety Management, and Energy Isolation etc. Furthermore, the competence of plant workforce enhanced significantly by conducting extensive training programs.

KPI Description	Year 2019-20	Year 2020-21
Man-hours training	1,604	6,222
Total Recordable Injury Frequency Rate	0.41	0.33

FCCL HSE department in collaboration with medical team, conducted multiple awareness/ motivation sessions regarding COVID-19 vaccination throughout the plant. The concerns of workforce regarding the vaccine were addressed. Plant management motivated them to ensure protection against COVID-19 by receiving vaccine. FCCL has also arranged indoor vaccination facility for its employees, third party contractual workers and those employees having difficult access to nearest vaccination centers. Additionally, strict measures and SOPs were put in place to prevent the spread of pandemic disease (COVID-19), which proved very effective to ensure uninterrupted plant operations. As a result, FCCL intends achieving 100% vaccination of its employees and associated contractors.

Recognition and Encouragement of Workers

FCCL plant management regularly recognizes the efforts of workforce who actively participated in value added initiatives which include many and not limited to the following

HSE Hazards Cycle (Identification, Reporting and Rectification through EMS).

- Development and manufacturing of Belt Rolling Machine.
- Designing and modification of clinker EP Dust Screw Conveyor.
- Refurbishment of Line 1 Kiln burner outer pipe.

Safety Poster Competition

FCCL HSE department held a poster competition with the aim to enhance safety awareness of FCCL Employees. Employees from all categories and designation participated in the competition. Employees were given leverage to sketch or draw their own poster along with their family so awareness about safety may be extended to their families too and they may have a creative time spent with their families.

FORWARD LOOKING STATEMENT

The management believes that the next year's business outlook is positive with the higher GDP growth target set by the Government for FY 22. The fourth wave of COVID-19 is ongoing but with the vaccination drive by the Government, it is expected to be managed.

For the Cement sector, FY 21 has been a phenomenal year in terms of growth in dispatches, especially on the domestic front. In FY 22 it is expected that with the various initiatives undertaken by the Government; namely the construction sector package, low cost housing, mortgage financing targets given to Banks by SBP, infrastructure development of infrastructure and major hydropower projects coupled with a general demand for housing in the country, a better growth percentage will be achieved. The major challenge going forward is the huge increase in input cost, especially fuel and energy. Coal prices have touched historical high levels hardly seen before. The devaluation of the Pak Rupee makes it even costlier. Therefore, the margins are expected to remain under pressure in FY 22.

Exports to Afghanistan are under pressure due to current uncertainty; but the situation will become clearer within the next few months. The continued rise in international coal prices plus expected increase in the cost of electricity will continue to pose a major challenge. The management will continue to work on initiatives of cost optimization to reap its benefits, thereby complementing the margins. The shared services arrangement with Askari Cement Limited continues to benefit the Company in terms of cost reduction.

Work on the expansion project at D.G. Khan is progressing satisfactorily with the team deployed at site, EPC contract concluded and the LC opened in April 2021 with complete financial close being achieved including availing of the TERF and LTFF facilities. The expected COD of the project is 2nd half of FY 23.

Analysis of forward looking disclosure made in previous year

EXTRACT OF MATTER REPORTED IN PREVIOUS YEAR'S STATEMENT	ACTUAL RESULTS
The management believes that the next year's outlook is positive with the background of Covid 19 receding and activities getting back to normal. This is also supported by the effect of initiatives taken by the Government for construction sector and work on Mega Dams	Cement industry in Pakistan grew by 20.1% to 57.45 million tons during the year ended 30 June 2021 in comparison to 47.81 million tons during the same period last year. The Company also achieved highest ever capacity utilization in its history in FY 21
The cement prices which had bottomed out in last quarter are expected to improve and stabilize going forward	cement prices improved during FY 21 contributing to the increase in overall margins
On the cost side, international coal prices are starting to increase in demand and fuel and utility prices are also likely to see an increase	International coal prices after hitting a bottom increased considerably along with electricity prices during FY 21

Status of projects in progress and were disclosed in previous year

Solar power project of 2.5 MW has been successfully completed and started commercial operations in January 2021.

Sources of Information and Assumptions used For Projections / Forecasts

Future forecast and projections are always subject to some degree of uncertainty and contains some assumptions. All projections and forecasting in the Company are made after critically analyzing the past trends, initiatives and decisions taken by management, current market conditions and prospective developments (either related to cement industry or to overall economy). As a part of decision making process, BOD and its Committees analyze critically the assumptions and data used by management for budgets and forecasts.

Internal information is retrieved through the well-equipped data base of the Company and external information is obtained from companies engaged in research, regulators, financial institutions and related trade organizations.

Acknowledgement

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

For and on Behalf of FCCL Board

Waqar Ahmed Malik
Chairman Board of Directors FCCL
Rawalpindi
Dated: 6 September 2021

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
Dated: 6 September 2021

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

Name of Company:	**Fauji Cement Company Limited**
Year ended:	**30 June 2021**

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:-**

Male:	9
Female:	1

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

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

3. The Directors have confirmed that none of them is serving as a Director on more than seven Listed Companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of 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 have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

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

   i. Mr. Waqar Ahmed Malik
   ii. Mr. Qamar Haris Manzoor
   iii. Dr. Nadeem Inayat
   iv. Maj Gen Naseer Ali Khan, HI(M), (Retd)
   v. Maj Gen Abid Rafique, HI(M), (Retd)
   vi. Syed Bakhtiyar Kazmi
   vii. Mr. Zafar Iqbal Sobani
   viii. Mr. Jawaid Iqbal
   ix. Ms. Jahanara Sajjad Ahmad

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

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:-

   1. **Audit Committee**

      (i) Mr. Zafar Iqbal Sobani, Chairman (Independent Director)
      (ii) Dr. Nadeem Inayat, Member
      (iii) Syed Bakhtiyar Kazmi, Member
      (iv) Mr. Sami ul Haq Khilji, Member
      (v) Mr. Jawaid Iqbal, Member (Independent Director)

   2. **Human Resource & Remuneration Committee**

      (i) Ms. Jahanara Sajjad Ahmad, Chairperson (Independent Director)
      (ii) Dr. Nadeem Inayat, Member
      (iii) Mr. Sami ul Haq Khaiiji, Member
      (iv) Mr. Jawaid Iqbal, Member (Independent Director)

   3. **Investment Committee**

      (i) Dr. Nadeem Inayat, Chairman
      (ii) Mr. Qamar Haris Manzoor, Member
      (iii) Mr. Sami ul Haq Khilji, Member
      (iv) Ms. Jahanara Sajjad Ahmad, (Independent Director)

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings (Quarterly/Half Yearly/ Yearly) of the Committees were as per following:-

1.	Audit Committee -	Quarterly
2.	HR and Remuneration Committee -	On required basis
3.	Investment Committee -	On required basis

15. The Board has set up an effective internal audit functions that is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

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

Waqar Ahmed Malik
Chairman Board of Directors FCCL
Rawalpindi
Dated: 6 September 2021

Qamar Haris Manzoor
CEO/MD FCCL
Rawalpindi
Dated: 6 September 2021

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF FAUJI CEMENT COMPANY LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Cement Company Limited for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 28 September 2021

BOARD COMMITTEES

Meetings of Board of Directors

The Board meetings were held in every quarter for approval of Company's financial statements. During this year, five Board meetings were held with the attendance as under:-

Changes to the Board.

Mr. Imran Moid	7th Sep 2020
Mr. Sami Ul Haq Khilji	16th Sep 2020
Mr. Syed Bakhtiyar Kazmi	18th Nov 2020
Mr. Rehan Laiq	7th Sep 2020
Mr. Sarfraz Ahmed Rehman	16th Sep 2020
Mr. Imran Moid	11th Nov 2020

Change of Company Secretary.

On completion of tenure of company secretary, Brig Riaz Ahmed Gondal, SI(M),(Retd), Brig Abid Hussain Bhatti ,SI(M),(Retd) was appointed as Company Secretary of FCCL with effect from 7th June 2021. The Board of Directors while welcoming the new Company Secretary, also placed on record its appreciation for the commendable services rendered by Brig Riaz Ahmed Gondal, HI(M), (Retd), the outgoing Company Secretary.

Attendance at Board Meetings 2020-2021

Directors	Status	138th	139th	140th	141st	142nd	Total No of Meetings
Mr. Waqar Ahmed Malik, Chairman	Non-Executive Director	✓	✓	✓	✓	✓	5
Mr. Qamar Haris Manzoor, CEO, MD	Executive Director	✓	✓	✓	✓	✓	5
Dr. Nadeem Inayat	Non-Executive Director	✓		✓	✓	✓	4
Maj Gen Abid Rafique, HI(M), (Retd)	Non-Executive Director	✓	✓	✓	✓	✓	5
Maj Gen Naseer Ali Khan, HI(M), (Retd)	Non-Executive Director	✓	✓	✓	✓	✓	5
Syed Bakhtiyar Kazmi (Appointed on 18th Nov 2020)	Non-Executive Director				✓	✓	2
Mr. Zafar Iqbal Sobani	Independent Director	✓	✓	✓	✓	✓	5
Mr. Sami ul Haq Khilji (Appointed on 16th Sep 2020)	Non-Executive Director			✓	✓	✓	3
Mr. Jawaid Iqbal	Independent Director	✓	✓	✓	✓	✓	5
Ms. Jahanara Sajjad Ahmad	Independent Director	✓	✓		✓	✓	4
Mr. Sarfraz Ahmed Rehman (Resigned on 11th Nov 2020)	Non-Executive Director	✓	✓				2
Mr. Imran Moid (Resigned on 11th Nov 2020)	Non-Executive Director		✓	✓			2
Mr. Rehan Laiq Resigned on (7th Sep 2020)	Non-Executive Director	✓					1

Attendance at Audit Committee 2020-2021

Directors	Status	31st Aug 2020	21st Oct 2020	9th Feb 2021	16th Apr 2021	25th Jun 2021	Total No of Meetings
Mr. Zafar Iqbal Sobani	Independent Director	✓	✓	✓	✓	✓	5
Dr. Nadeem Inayat	Non-Executive Director			✓			1
Syed Bakhtiyar Kazmi (Appointed on (18th Nov 2020)	Non-Executive Director			✓	✓	✓	3
Mr. Sami ul Haq Khilji (Appointed on (18th Sep 2020)	Non-Executive Director		✓	✓	✓	✓	4
Mr. Jawaid Iqbal	Independent Director			✓	✓	✓	3
Mr. Sarfraz Ahmed Rehman	Non-Executive Director	✓					1

Terms of Reference - Audit Committee

the Board of Directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall include the following:-

- Determination of appropriate measures to safeguard the company's assets.
- Review of annual and interim financial statements of the company including Director's Report, 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 2019, as applicable, 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.

BOARD COMMITTEES

- Consideration of major findings of internal investigations of activities characterized as 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 2019, where applicable, 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, measures for redressal and rectification of non-compliances with Regulations. The Board shall give due consideration to the recommendations of the audit Committee and where it acts otherwise, it shall record the reasons thereof.
- To review whistle blowing cases reported under the Whistle Blowing Policy of the Company.
- The AC 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, 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, monitor the effectiveness of the company's governance practices and overall corporate strategy for the company before adoption by the Board
- To critically review the technical aspects of feasibility studies submitted for new investments.
- To evaluate proposal 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.
- Consideration of any other issue or matter, as may be assigned by the Board of Directors

Attendance at HR & R Committee 2020/2021

Directors	Status	20th Aug 2020	20th Oct 2020	8th Feb 2021	16th April 2021	23rd Jun 2021	Total No of Meetings
Ms. Jahanara Sajjad Ahmed	Independent Director	✓	✓	✓	✓	✓	5
Dr. Nadeem Inayat	Non-Executive Director	Leave	Leave	Leave	Leave	Leave	NIL
Mr. Sami ul Haq Khilji (Appointed on (18th Sep 2020)	Non-Executive Director		✓	✓	✓	✓	4
Mr. Jawaid Iqbal	Independent Director		✓	✓	✓	✓	4
Mr. Sarfraz Ahmed Rehman		✓					1

Terms of Reference: HR & R Committee

- Recommend to the Board, for consideration and approval of a policy framework for determining remuneration of Directors (both Executive and Non-Executive Directors) 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 management policies to the Board.
- Recommending to the Board the selection, evaluation, development, compensation (including retirement Benefits) of Chief Operating Officer, CFO, Company Secretary and Head of Internal Audit.
- Consideration and approval on recommendations of Chief Executive Officer (CEOS on such / matters for key management / positions who report directly to CEO or Chief Operating Officer.
- Where Human Resource and Remuneration consultants are appointed. (Their credentials will be known by the Committee and a statement will be made by them as to whether they have any other connection with the Company.

Attendance of Investment Committee 2021

Directors	Status	4th Feb 2021	24th Jun 2021	Total No of Meetings
Dr. Nadeem Inayat	Non-Executive Director	✓		01
Mr Qamar Haris Manzoor, CEO, MD	Executive Director	✓	✓	02
Ms. Jahanara Sajjad Ahmed	Non Independent Director		✓	01
Mr Sami Ul Haq Khilji	Non-Executive Director	✓	✓	02

BOARD COMMITTEES

Terms of Reference-Investment Committee

The Committee has the following specific responsibilities:

- Make recommendations to the Board of Director regarding viable option for different project(s) within the existing available financial resources offering attractive returns.
- Make recommendations for the new avenues with respect to vertical and horizontal growth of the company.
- Review Management's proposals for investments, diversification in projects and feasibility studies and forward recommendations for the approval of the Board.
- Review proposals external growth opportunities, potential investments, as proposed by the Management.
- To evaluate performance of investments made in projects over the period and monitor progress of on-going projects in line with Board approvals.
- Review Management's proposals for strategic alliances with other entities/companies to achieve growth or diversification objectives of the Company.
- Provision of guidance to the management on all matters related to investment.

REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended June 30, 2021.

Composition of the Audit Committee

Audit Committee of the FCCL Board of Directors comprises of five directors. Two members of the Committee including the Chairman are independent non-executive directors, whereas the other three are non-executive directors.

During the year, Mr. Sami Ul Haq Khilji was appointed as Member in place of Mr. Sarfaraz Ahmed Rehman and Syed Bakhtiyar Kazmi as new Member. All the Committee members are financially literate, who possess substantial insight related to finance, economics and business management.

Composition of the Audit Committee and TOR are given on Page 105 of the Report.

Chief Financial Officer of the Company attends the meeting of Audit Committee on invitation; internal auditors are present in all the Committee meetings whereas External Auditors attend the meetings on requirement basis.

Meetings of the Audit Committee

The Audit Committee meetings were convened on quarterly basis to review and recommend financial statements for consideration and approval of the Board . In the same all the related party transactions were placed before the committee and on recommendation transactions were placed before the Board for approval.

Minutes of the meetings were circulated to all members, directors, need of internal audit and on requirement to CFO prior to the meeting of the Board. Chairman highlights significant matters to be discussed during the Board.

Financial Statements The Committee has concluded its annual review of the Company's performance, financial position and cash flows during 2021, and reports that:

- The financial statements of FCCL for the year ended June 30, 2021 have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the state of affairs of the Company, results of operations, profits, cash flows and changes in equity of the Company and its subsidiaries for the year under review.
- The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP
- Appropriate accounting policies have been consistently applied, which have been appropriately disclosed in the financial statements.
- The Chairman of the Board, Chief Executive Officer, and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by Chairman and Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of

REPORT OF THE AUDIT COMMITTEE

the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.

- All related Party transactions have been reviewed by the Committee prior to approval by the Board.
- The Company has issued a Statement of Compliance with the Code of Corporate Governance which has also been reviewed and certified by the External Auditors of the Company.

Risk Management and Internal Control

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the audit committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.
- The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.
- The types and detail of risks along with mitigation measures are disclosed in relevant section of the Annual Report.

Internal Audit

- The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function.
- The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention where required.
- Audit Committee has provided proper 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. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit wisdom and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution.

External Auditors

- The statutory Auditors of the Company, KPMG Taseer Hadi & Co., Chartered Accountants, have completed their audit assignment of the Company's Financial Statements, the Financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2021 and shall retire on the conclusion of the 29th Annual General Meeting of the Company.

- The Audit Committee has discussed the audit process and the observations, , of the auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- The Auditors met the Audit Committee twice during the course of Audit , the first meeting principally covered their Audit planning , new Accounting starndards applicable for the current financial year and the key risk areas to be covered and the and the second meeting discussed held their reports were discussed. The Auditors confirmed their attendance of the 29th Annual General Meeting scheduled for 20 October, 2021.
- Being eligible, KPMG Taseer Hadi & Co., Chartered Accountants have offered themselves to be reappointed as auditors for the financial year 2021.
- The Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Mr. Riaz Akbar Ali Pasnani. Being eligible for reappointment as Auditors of the Company, the Audit Committee has recommended the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2022.

The Audit Committee

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board, which included principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board's performance, which also included members of the Audit Committee was carried out separately and is detailed in the Annual Report.

Conclusion

The Committee has performed its duties and discharges its responsibilities in compliance with the Code and as per the Terms of Reference approved by the Board. The evaluation of the Committee was carried out by external independent consultant, Pakistan Institute of Corporate Governance.

Zafar Iqbal Sobani

Chairman – Audit Committee
Rawalpindi
6 September 2021

STAKEHOLDERS' RELATIONSHIP & ENGAGEMENT


FAUJI CEMENT
فوجی سیمنٹ

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

We aim to maintain a responsible and ethical attitude in all of our business practices. At FCCL we believe that sustainability can only be attained through creating value for all of stakeholders.

HOW WE IDENTIFY STAKEHOLDERS

We identify the stakeholder based on their relevance to our business. Stakeholders are categorized in two main categories i-e internal and external. Following are our key stakeholders:

Internal

- Our People
- Shareholders

External

- Customer & Suppliers
- Financial Institutions
- Local Community
- Regulators
- Analysts and Media

STAKEHOLDERS ENGAGEMENT PROCESS

Stakeholder	Engagement Process	Frequency of engagement	Relationship and its effect on Company	Management of Relationship
Our people	At FCCL we take into account employees' opinion, concerns and values in shaping our strategies.	Continuous	At FCCL we consider Employees as key asset for the Company. Individuals' performance, motivation level, loyalty and satisfaction determine the value creation of the Company.	• Employees Training and development • Performance based monetary reward • Competitive compensation packages • Career Progression • Involvement in decision making process to upkeep the self-esteem
Shareholders	Meetings and information sharing as per applicable laws and regulation.	Periodic as per rules and regulations	Company is legally bound to engage its shareholders in key decision making.	Management of the Company consider shareholders as one of the most important stakeholders. Through open and honest communication at all shareholders' meetings management keep shareholders informed about the operations and affairs of the Company.
Customers & Suppliers	Management of the Company keep engaged with its customers and suppliers.	Continuous	Customers and supplier are the key elements of business supply chain.	At every departmental level a focal person is appointed to communicate with suppliers and customers and to address queries and issues. Customer satisfaction is one of our key goals
Financial Institutions	As per general business practice financial institutions are engaged through formal contracts depicting terms and conditions and cost of financial capital etc.	Continuous	Liquidity of the Company is managed through financial institutions, further they are provider of financial capital for business operations and projects.	Engagement with financial institution is managed through separate treasury department. Company is engaged with all top financial institutions of the country.
Local Community	Management remains in close touch with Surrounding communities of plant site to understand their concerns, needs and steps required to resolve the issues	Continuous	As a responsible corporate citizen Company feel that without the development of community the goal of sustainable development cannot be achieved	Provision of medical facilities, education, fresh water and employment to local communities
Regulators	Management remain in close touch with all regulatory authorities and comply with all related rules and regulations	Continuous	Noncompliance can attract penalties and hindrances in business operations. To develop a common understanding with regulators on application of rules and regulations is important for compliance	Company comply with all the regulatory requirements, pays all duties and taxes in accordance with the tax laws

ENCOURAGEMENT OF MINORITY SHAREHOLDERS TO ATTEND THE GENERAL MEETINGS

The notice of General Meetings is sent to all shareholders at least 21 days before the date fixed for meeting. It is published in leading newspapers (in both Urdu and English languages) having Country-wise circulation. All shareholders irrespective of their shareholding can appoint proxy and vote through e-voting. They can suggest, propose, comment, record their reservations during the meeting, and enjoy full rights to propose and second any agenda item presented. They can demand the draft minutes of meeting within stipulated time post the event and are privileged to object on any intended major investments, planned acquisitions, mergers and takeovers or any other corporate / capital restructuring.

INVESTOR RELATIONS SECTION ON FAUJI CEMENT'S WEBSITE

FCCL website provides comprehensive information regarding the Company in addition to requirements of the applicable regulatory framework. The 'investor relations' section is regularly updated to provide all information pertaining to dividend history, financial highlights, financial results and other requisite information. In compliance with the requirements of applicable regulatory framework and to better facilitate the stakeholders, the website is maintained in both English and Urdu languages. The Company's website may be accessed through the link www.fccl.com.pk.

The online pdf version of the report will be considered the most current version and takes precedence over any previously printed version. The online PDF version can be accessed at FCCL website.

ISSUES RAISED AT LAST AGM

FCCL held its 28th AGM on 14th October 2020. During the meeting, general queries and clarifications were sought by shareholders regarding the agenda points, which were resolved to their satisfaction. Apart from the said queries, no significant issue or concern was raised.

STATEMENT OF VALUE ADDITION

	2021		2020	
	PKR in '000	%	PKR in '000	%
WEALTH GENERATED				
Gross Sales/ Revenues	34,206,154	100	26,998,155	100
WEALTH DISTRIBUTION				
To Suppliers and Service Providers				
Bought-in-Material and services	15,151,080	44	12,973,301	48
To Employees				
Salaries, Benefits & other costs	1,958,200	6	1,931,739	7
To Government				
Income Tax, Sales Tax, Excise Duty & Others	11,925,078	35	10,148,183	38
To Society				
Donations	7,790	0.02	56,776	0.21
To Providers of Capital				
Dividend to Shareholders	-	-	-	-
Markup/ Interest Expenses on Borrowed Funds	109,623	0.32	233,800	0.87
To Company				
Depreciation, Amortization & Retained Profit	5,054,383	15	1,654,356	6
	34,206,154	100	26,998,155	100

Suppliers and Service Providers | Government | Providers of Capital | Employees | Society | Company

STAKEHOLDERS' ENGAGEMENT POLICY

At FCCL we are committed to engage every of our stakeholder by taking into account the level of relevancy with Company's Business. As a policy matter we are open in communicating with stakeholders and honest in resolving their grievances in best possible way. We believe that Company's value depends on the trust placed in us by our stakeholders and promote engagement with them.

CORPORATE BRIEFING SESSION

Briefing was arranged in November 2020, and was presented by CFO. Mainly briefing broadly covered company's financial and operation performance, which was followed by detailed Q & A session by analyst and other participants. The brief summary of the session is available at FCCL website.

HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

The management of the Company is committed to provide equal and fair treatment to all investors/ shareholders through transparent investor relations, increased awareness, effective communication, and prompt resolution of investors/ shareholders' complaints. Investor complaint and grievances/ queries form are available at Company's website. During the year no significant complaint and query was raised by investors.

SHAREHOLDERS' INFORMATION

In order to update the shareholders about the operations, growth and state of affairs of the Company, the management promptly disseminates all material information including, but not limited to, announcement of interim and final results to Pakistan Stock Exchange. Quarterly, Half Yearly and Annual Financial Statements are circulated to all concerned within the stipulated timeframe. Likewise, notices and announcements of dividend are transmitted to all stakeholders and regulators within the time laid down in Listed Companies (Code of Corporate Governance) Regulations 2019 and Companies Act 2017. This entire information is also uploaded immediately on the Company's website (www.fccl.com.pk).

SUSTAINABILITY & ENVIRONMENT PROTECTION

SUSTAINABILITY REPORT

FCCL is always focused towards the society in particular and the Nature in general, and is proud to pursue these objectives with enhanced vigor in the future as well. We believe that sustainable development can only be achieved by contributing towards the wellbeing of community in which we do our business and we have a responsibility toward our future generations.

We have adopted UN SDGs goals as guiding map for our path to sustainability during the year. We believe in all these goals, however, take initiatives towards the goals that are most relevant to our business and where we, as socially responsible organization, can pay back to our community and future generations.

Our efforts and initiatives for sustainable development are as under:

Goal	What we want to achieve	Our initiatives/ contributions
END OF POVERTY IN ALL ITS FORM EVERYWHERE	We aim at ending of all form of poverty	• We ensure market competitive pay packages to our employees, and follow the guidelines of minimum wage to our human capital • Our CSR initiatives are designed to help the people of our society
GOOD HEALTH AND WELL-BEING	We are committed to provide a safe working environment to all our employees and to transform lives by improving access to quality and affordable healthcare services to our employees and the communities where we operate.	• Our dedicated HSE function ensures that our operations comply with the best practices of Occupational Health, Safety and Environment • Our MI rooms at plant site provide medical facilities to the employees and the community. Free medical camps in the peripheral areas of our plant sites also ensure well-being of our communities • As policy medical treatment to the employees and their families are provided by the Company
QUALITY EDUCATION	We aim to provide an environment where our employees continue to learn new skills, and we strive to expand access to education to our community where we operate	• Employees learning and training program is implemented during the year • To promote female education and empowerment Women vocational training school is operating at plant site.
CLEAN WATER AND SANITATION	Water conservation is embedded in our business strategy	• Surface water exploitation • Rain harvesting for water table charge • Recycling of used water • System efficiencies and upgradation

Goal	What we want to achieve	Our initiatives/ contributions
AFFORDABLE AND CLEAN ENERGY	Maximization of clean energy usage at our production facility and energy conservation is one of our key goal	• Usage of energy efficient plant and machinery • Maximization of solar energy usage (Currently we have the biggest solar energy production facility in the industry in Pakistan) • Waste Heat Recovery plants for electricity production
DECENT WORK AND ECONOMIC GROWTH	Company ensures financial progress creates decent and fulfilling jobs whilst not harming the environment.	• Company protects labor rights and promote safe and secure working environment for all workers at their work place. We ensure that all workers use safety measures during work. • Company is going to extend the market share with its one new production plants recently. • Company strives for creating equal opportunities for persons with different abilities and has employed 16 differently abled persons as on June 30, 2021.
INDUSTRY , INNOVATION AND IN-FRASTRUCTURE	We aim at ensuring sustainable growth of the economy with responsible industrialization	• The Company pursues a regular BMRE Plan to improve the manufacturing process, to enhance it capabilities by making it more efficient i-e Development of belt rolling machine, modification of clinker EP Dust Screw Conveyer etc. • Company has successfully implemented key standards e.g. Confined Space Entry, Belt Conveyor Safety, Work at Height, and Energy Isolation etc. • Company is pioneer in solar energy production in industry in Pakistan • Subsequent installation of WHRPs is another example of improvement in existing manufactured capital
SUSTAINABLE CITIES AND COM-MUNITIES	Quality cement supply to community and large infrastructure projects	• Specialized cement for mega projects • Production of green cement • Waste heat recovery for energy production • Extensive Tree plantation campaigns in peripheral areas
RESPONSIBLE CONSUMPTION AND PRODUCTION	Managing our operations to minimize the environmental impact	• System efficiencies through continuous BMR. • Focus on energy conservation • Maximization of own captive generation through alternate sources • Environmental audits and compliance with all the environmental laws.

ENVIRONMENT PROTECTION

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. Emission from cement kilns could be sequester and stored by trees & plants. As plants are considered lungs of the environment, a tree plant absorbs pollutant from the surrounding atmosphere and purifies the air. Inorganic pollutants are also emitted from cement chimneys which have adverse environmental impact, if not controlled. These emissions are subject to control limits, laid down by Environmental Protection Agency.

FCCL has installed state of the art, 4 x Electrostatic Precipitators, 5 X Bag House Filter and 100 Bag Filters for the control of emissions. These items of equipment conserve our natural resources and bring the level of emission well below the national level and up to international / IFC world standards/ limits. FCCL monitor compliance with these limits through certified third party laboratory at regular interval and are in compliance with national and international environment standards.

POLLUTANTS/ EMISSION	UNIT	AVERAGE RESULTS	PEQS	IFC/WORLD BANK
Particulate Matters	Mg/Nm^3	**90**	500	100
NOx	Mg/Nm^3	**500**	1200	600
CO	Mg/Nm^3	**300**	800	Nil
SOx	Mg/Nm^3	100	1700	400

Power Conservation

FCCL not only enhance its capacity in generating clean and green energy but also encourages to minimize its power consumption without effecting cement manufacturing by upgrading its equipment, regular maintenance and efficiency enhancement. FCCL has carried out in-house Retrofication of Kiln Tire-I Support Block Assembly and manufacturing & replacement of Raw Mill 1 Premix Apron Weigh Feeder with Belt Weigh Feeder.

Such projects and technical improvements has remarkable reduced FCCL power consumption in FY 2020-21 in comparison with last FY 2019-2020.

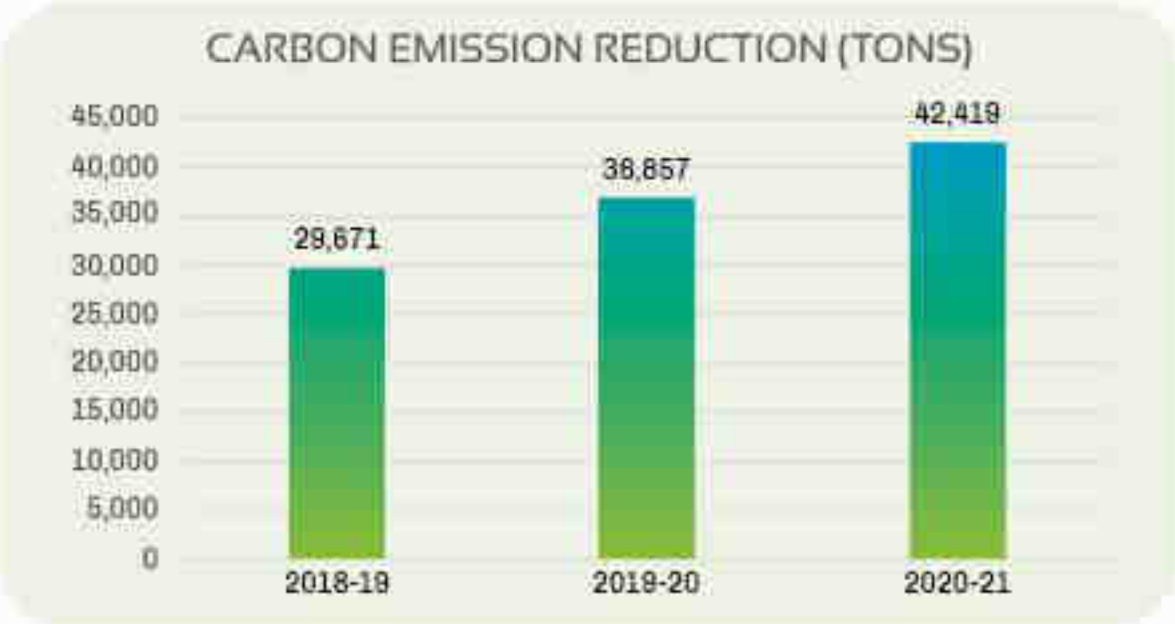
Tree Plantation and CO^2 Sequestration

Tree plantation has always been a top priority for FCCL since its inception. Emissions from Cement Kilns could be sequestered and stored by trees & plants. As plants are considered lungs of the Environment, a tree plant absorbs CO2 from its surrounding atmosphere and purifies the air.

Carbon Emission Reduction

FCCL being leader in clean energy generation and alternative fuel consumption, maintain its stature by enhancing its Solar Energy Generation capacity while simultaneously opting for various alternative fuel sources with the goal to reduce rely on fossil fuels.

In year 2020-2021 FCCL reduced approximately 42,419.28 tons of CO² by producing clean energy from Captive solar power plant and Waste Heat Recovery power plant. Overall, these initiatives reduced carbon footprints significantly in comparison with last FY 2019-2020.



Wetland Management

FCCL has developed numerous broken land into wetlands; as the rainwater accumulates in the patches and facilitate restoration of ecosystem of that area. Flora and fauna of the area is flourishing and the broken land is serving as habitat for the many native species.

Aqua Culture Development

Fauji Cement Company limited has developed Aqua culture at its Water Reservoirs. The main source of water into the reservoirs is rainwater and fresh water. About 1500 fingerlings of various species are added in the reservoirs in May 2021. The full grown fish is distrusted among the workers free of cost. Regular water analysis is carried out both in-house and through an EPA certified Environment laboratory.

Water Conservation

FCCL has endorsed water conservation by implementing Rainwater Harvesting and Water Recycling technique in 2019-20. FCCL has conserve approximately 250,852 m3 of water and reduced its dependence (26% approx.) on underground water in FY 2020-21.

PERFORMANCE & POSITION

OPERATING RESULTS

	2021	2020	2019	2018	2017	2016
			Rupees in millions			
PROFIT OR LOSS						
Net Sales	24,271	17,232	20,798	21,161	20,423	20,044
Gross Profit	6,064	649	5,323	5,036	4,438	9,165
Operating Profit	5,054	11,676	4,463	4,246	3,777	8,335
EBITDA	6,814	1,789	6,039	5,663	5,399	9,692
Finance Cost	110	234	107	148	153	503
Profit / (loss) After Taxation	3,471	(59)	2,924	3,429	2,613	5,367
EPS / (LPS) (Rs)						
Basic	2.52	(0.04)	2.05	2.49	1.89	3.98
Diluted	2.52	(0.04)	2.05	2.49	1.89	3.94
STATEMENT OF FINANCIAL POSITION						
Shareholders' Equity	23,276	19,804	20,899	20,489	19,681	18,428
Property, plant and equipment	21,422	22,065	23,203	22,624	22,004	21,701
Long Term Loans including Current Portion	853	751	668	1,063	1,489	4,012

SUMMARY OF CASH FLOWS

	2021	2020	2019	2018	2017	2016
			Rupees'000			
Net cash generated from operating activities	5,738,087	1,013,426	5,557,926	3,218,300	2,230,215	7,899,501
Net cash (used in)/ generated from investing activities	(5,141,558)	(545,109)	(2,025,362)	(1,413,028)	482,432	(1,006,738)
Net cash used in financing activities	(5,455)	(1,181,854)	(3,019,893)	(3,118,795)	(4,094,793)	(7,596,066)
Net increase / (decrease) in cash and cash equivalents	591,884	(713,537)	512,671	(1,312,523)	(1,382,146)	(703,303)
Cash and cash equivalents at beginning of the year	(1,307,883)	(594,456)	(1,107,127)	205,396	1,587,542	2,290,845
Cash and cash equivalents at end of the year	(716,009)	(1,307,883)	(594,456)	(1,107,127)	205,396	1,587,542

ECONOMIC VALUE ADDITION

EVA is the relevant yardstick for measuring economic profits. EVA is the company's net operating profit after tax, afterdeducting the cost of capital.

Due to very low leverage Company's WACC is on higher side.

	2021	2020	2019	2018	2017	2016
Cost of Capital						
Weighted Average Cost of capital -%	15%	18%	22%	17%	13%	13%
Average Capital Employed (Rs'000)	22,311,907	18,686,382	20,348,319	19,813,099	20,758,401	27,232,888
Economic Value Added						
Net Profit After Tax (Rs'000)	3,472,351	(59,381)	2,824,298	3,428,464	2,613,211	5,367,200
Less: Cost of Capital (Rs'000)	3,509,867	3,344,864	4,478,880	3,305,574	2,761,000	3,485,810
Economic Value Added (Rs'000)	(37,516)	(3,404,245)	(1,654,582)	123,890	(147,789)	1,881,390

FREE CASH FLOWS

	2021	2020	2019	2018	2017	2016
			Rupees'000			
Net Cash Generated from Operating Activities	5,729,087	1,013,426	5,557,926	3,218,300	2,230,215	7,898,501
Capital Additions & Investments	(5,141,658)	(545,109)	(2,025,362)	(1,413,028)	482,432	(1,006,738)
Free Cash Flows to the Company	587,438	468,317	3,532,564	1,805,272	2,712,647	6,892,763
Add: Net Debt	141,373	92,311	(426,176)	(426,176)	(2,527,052)	(2,612,928)
Free Cash Flows to the Equity Holders	738,812	560,628	3,106,388	1,380,096	185,595	4,279,835

STATEMENT OF CASH FLOWS
DIRECT METHOD
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	Rupees'000	
Cash Flow from operating Activities		
Cash reicpts from customers	23,872,325	17,128,115
Cash Paid to suppliers & employees	(17,000,974)	(15,597,162)
Compensated absences paid	(45,752)	(42,077)
Payment to Workers' (Profit) Participation Fund	(250,000)	(6,963)
Taxes paid	(836,502)	(468,487)
Net cash generated from operating activities	5,739,097	1,013,426
Cash flows from investing activities		
Additions in property, plant and equipment	(1,007,205)	(586,409)
Advance paid against issue of shares	-	(12,500)
Short term investments - net	(4,284,022)	-
Proceeds from disposal of property, plant and equipment	103,243	4,943
Interest received on bank deposits	46,326	48,857
Net cash used in investing activities	(5,141,658)	(545,109)
Cash flows from financing activities		
Repayment of long term loans	(484,237)	(319,033)
Disbursements from new long term loans	625,610	411,344
Lease payments	(50,413)	(2,902)
Dividend paid	(1,572)	(1,038,557)
Finance cost paid	(94,843)	(232,706)
Net cash used in financing activities	(5,455)	(1,181,854)
Net increase / (decrease) in cash and cash equivalents	591,984	(713,537)
Cash and cash equivalents at beginning of the year	(1,307,993)	(594,456)
Cash and cash equivalents at end of the year	(716,009)	(1,307,993)

QUARTER WISE PROFIT OR LOSS ANALYSIS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (FY 2020-21)
			Rupees'000		
Turnover - net	5,500,988	6,109,741	5,917,657	6,742,899	24,271,285
Cost of sales	(4,312,582)	(4,580,460)	(4,154,868)	(5,158,970)	(18,206,880)
Gross profit	1,188,406	1,529,281	1,762,789	1,583,929	6,064,405
Other income	8,561	8,587	90,842	(26,280)	81,710
Selling and distribution expenses	(47,536)	(45,904)	(48,359)	(47,738)	(189,537)
Administrative expenses	(103,066)	(150,821)	(117,349)	(153,473)	(524,709)
Other expenses	(70,451)	(91,385)	(115,026)	(101,084)	(377,946)
Operating profit	975,914	1,249,758	1,572,897	1,255,354	5,053,923
Finance cost	(29,659)	(33,007)	(27,325)	(19,632)	(109,623)
Finance income	9,860	20,427	15,490	114,766	160,543
	(19,799)	(12,580)	(11,835)	95,134	50,920
Share of profit of associate	-	-	-	2,849	2,849
Taxation	(260,531)	(331,933)	(551,081)	(492,796)	(1,636,341)
Profit after tax	695,584	905,245	1,009,981	860,541	3,471,351
EPS - Basic & diluted (Rupees)	0.50	0.66	0.73	0.63	2.52

Comments on Quarterly Results

Third quarter outperformed during the FY 2020-21 mainly due to higher retentions which also stood out in terms of bottom line profitability and Earnings Per Share.

KEY RATIO ANALYSIS

		2021	2020	2019	2018	2017	2016
PROFITABILITY RATIOS							
Return on Equity	%	14.91	(0.30)	13.51	16.74	13.28	29.13
Return on Capital Employed	%	15.55	(0.28)	13.11	16.05	12.65	23.14
Gross Profit Ratio	%	24.99	3.77	25.60	24.17	21.73	45.72
Net Profit to Sales	%	14.30	(0.34)	13.58	16.21	12.80	26.78
EBITDA Margin to Sales	%	28.07	10.38	29.04	26.76	26.44	48.37
Operating Leverage Ratio	%	208.40	5.75	(3.75)	1.10	(26.98)	4.06
LIQUIDITY RATIOS							
Current Ratio	Times	2.02	1.35	1.51	1.49	2.12	1.51
Quick/Acid Test Ratio	Times	1.83	1.12	1.26	1.20	1.72	1.40
Cash to Current Liabilities	Times	0.86	0.11	0.11	0.12	0.19	0.60
Cash Flow from Operations to Sales	Times	0.24	0.08	0.27	0.15	0.11	0.39
TURNOVER RATIOS							
No. of Days in Inventory	Days	24	23	26	26	18	24
No. of Days in Receivables	Days	19	19	19	20	17	16
Total Assets Turnover Ratio	Times	0.71	0.59	0.72	0.73	0.74	0.68
Fixed Assets Turnover Ratio	Times	1.13	0.78	0.90	0.94	0.93	0.92
Investment/Market Ratios							
Earnings Per Share (EPS)	Rs	2.52	(0.04)	2.05	2.49	1.89	3.98
Price Earnings Ratio	Rs	7.96	-	10.38	11.59	21.81	9.24
Price to Book Ratio	Rs	0.81	0.74	1.01	1.37	2.05	1.73
Dividend Yield Ratio	%	-	-	7.05	4.70	4.23	12.92
Dividend Payout Ratio	%	-	-	73.17	40.16	47.62	69.10
Dividend per share - Cash	Rs	-	-	1.50	1.00	0.90	2.75
Break-up Value Per Share	Rs	16.87	14.35	15.15	14.85	14.26	13.36
Market value per share - at year end	Rs	23.00	16.88	15.73	22.85	41.03	36.76
Highest market value per share during the year	Rs	27.81	22.85	23.60	32.52	49.20	45.60
Lowest market value per share during the year	Rs	18.43	11.50	12.23	18.85	20.42	32.25

		2021	2020	2019	2018	2017	2016
CAPITAL STRUCTURE RATIOS							
Debt to Equity Ratio - as per books	Times	0.04	0.04	0.03	0.05	0.08	0.22
Weighted Average Cost of Debt	Times	0.07	0.11	0.09	0.07	0.05	0.05
Financial leverage ratio	Times	0.11	0.13	0.08	0.13	0.09	0.22
Debt to Equity Ratio - as per market value	Times	0.02	0.02	0.02	0.03	0.02	0.07
Interest Cover Ratio	Times	48	0.26	42	29	27	17
EMPLOYEE'S PRODUCTIVITY RATIOS							
Production per Employee	Tons	2,988	2,497	2,485	2,801	2,372	2,258
Gross Revenue per Employee	Rs '000	29,336	21,985	24,102	24,446	22,250	19,658
Staff Turnover Ratio	%	1.29	0.24	0.41	1.89	1.95	0.56
OTHERS							
Spares Inventory as % of Assets Cost	%	7.41	8.93	7.90	6.49	6.46	4.87
Maintenance Cost as % of Operating Expenses	%	4.35	4.40	5.28	4.62	2.56	5.45

Profitability Ratios

Decrease in profitability ratios in FY 2020-21 compared to Financial Year 2015-16 is mainly due to higher cost of production despite higher cement prices.

Improved operating leverage ratio is mainly attributable to decrease in finance cost, depreciation and increase in cement prices.

Liquidity Ratios

Higher cement prices resulted in higher cash generation and accumulation of liquid assets.

Turnover Ratios

Turnover ratios (except fixed assets turnover ratio) remained consistent from FY 2015-16 to FY 2020-21.

Higher fixed assets turnover ratio is attributable to decrease in WDV of assets.

Investment/Market Ratios

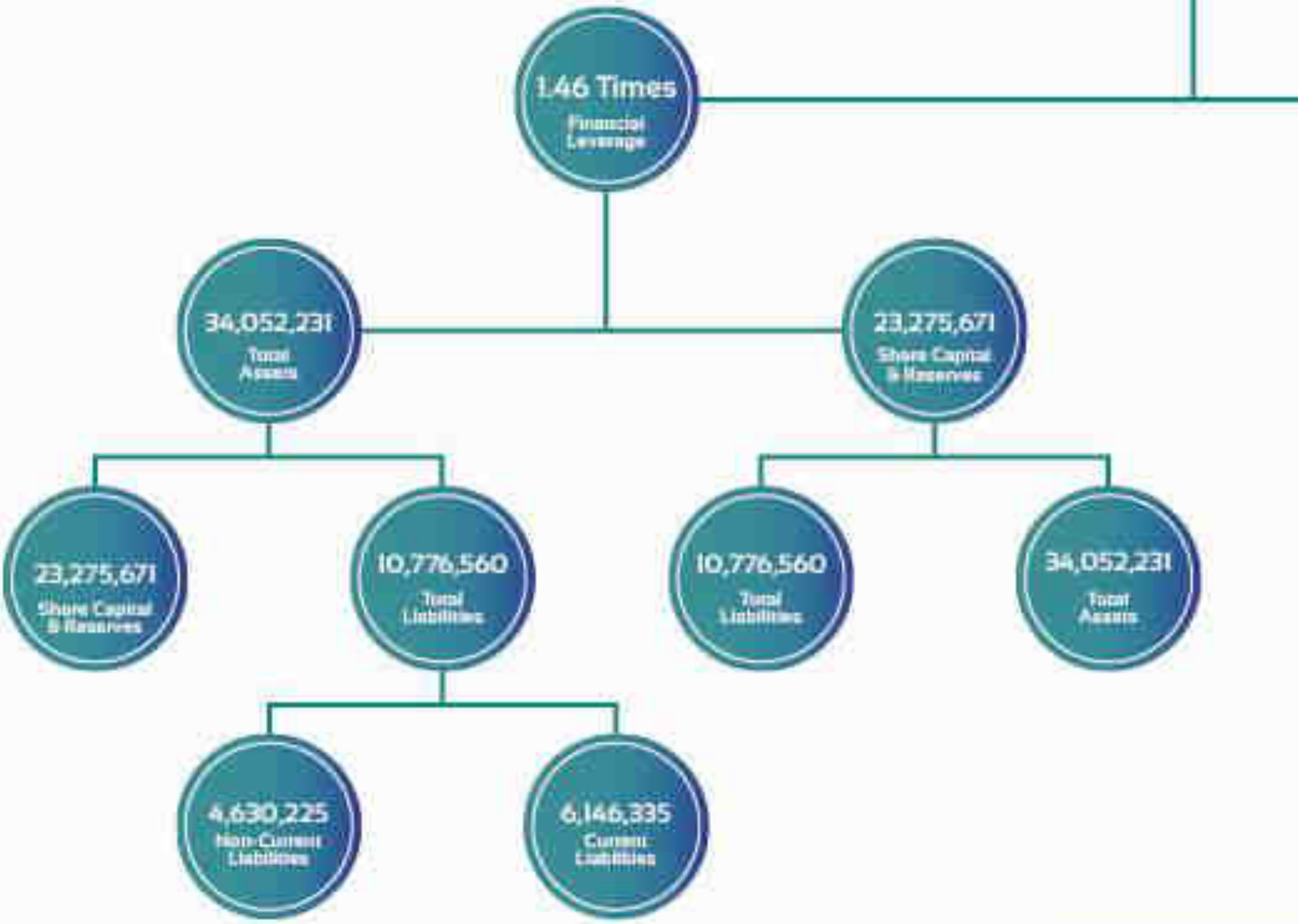
Break up value per share is showing positive trend due to increase in un-distributed accumulated profits.

Capital Structure Ratios

Repayment of debts resulted in decreased debt equity ratio.

Decreased finance cost also resulted in decrease in Financial leverage ratio and improvement of interest coverage ratio over the year.

DUPONT ANALYSIS

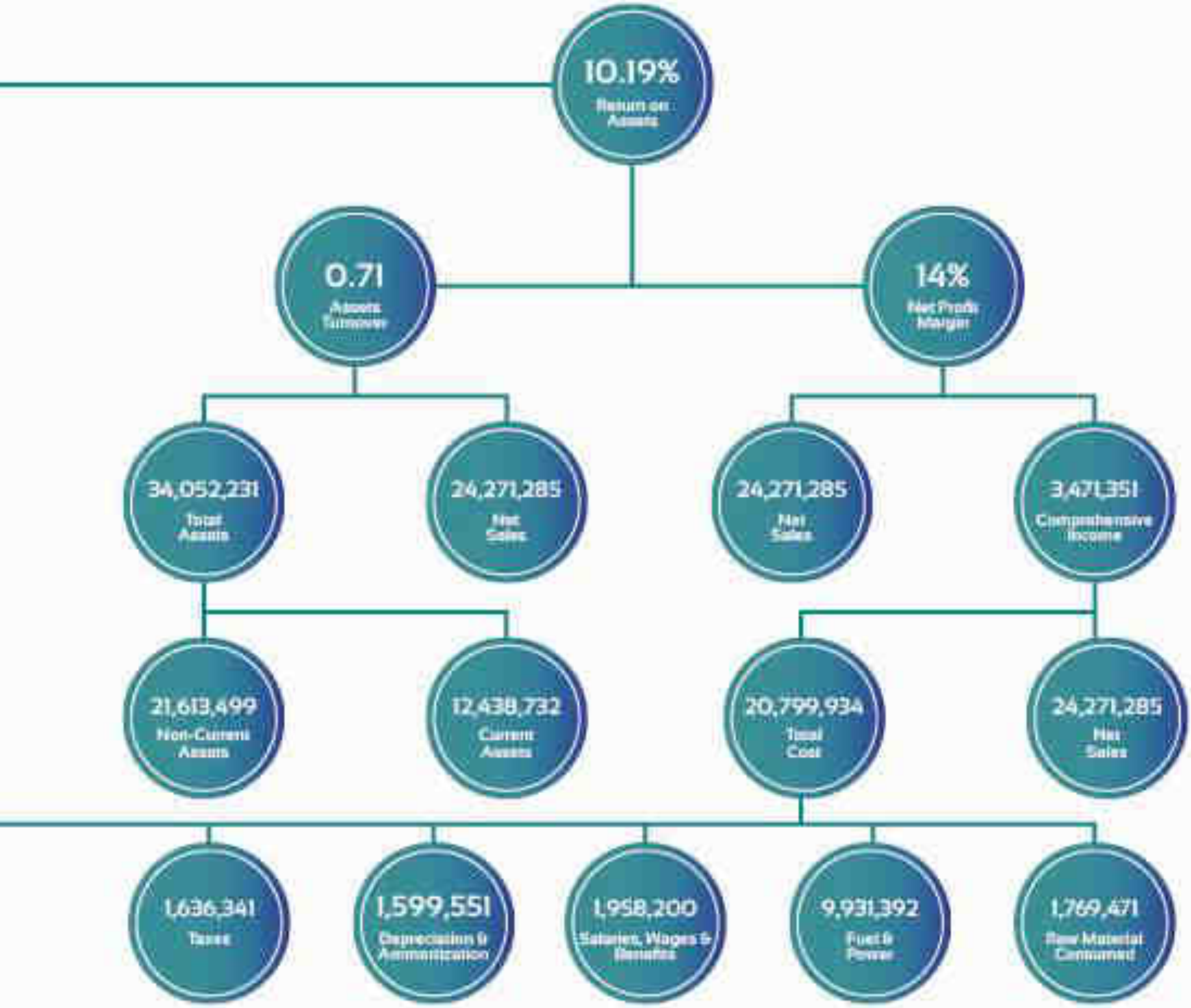


Year	Profit Margin (Net Profit/ Turnover)	Assets Turnover (Turnover/Total Assets)	Financial Leverage (Total Assets/ Total Equity)	ROE (Return On Equity)
	A	B	C	AxBxC
2021	14%	0.71	1.46	15%
2020	-0.34%	0.59	1.48	-0.30%
2019	13.58%	0.72	1.39	14%
2018	16.21%	0.73	1.42	17%
2017	12.80%	0.74	1.41	13%
2016	26.78%	0.68	1.59	29%

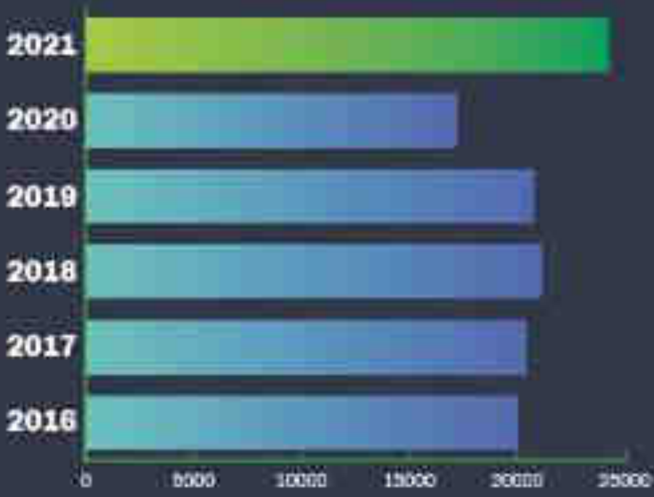
The main highlights of DuPont analysis are as follows:

- The profit margins for the company increased during current year on account of better retentions.
- The assets turnover of the company has improved during the current year mainly on account of higher turnover.

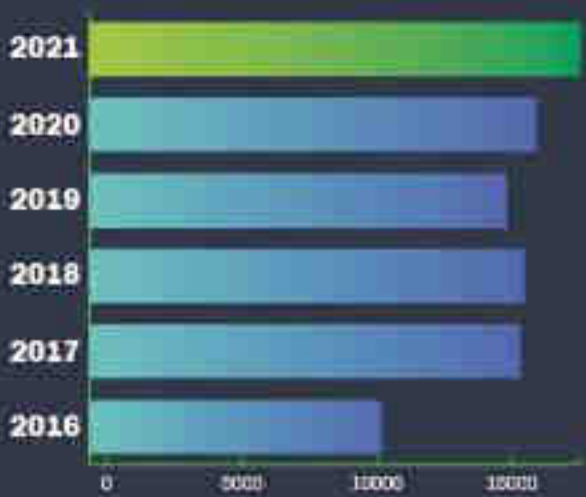
Return on Equity



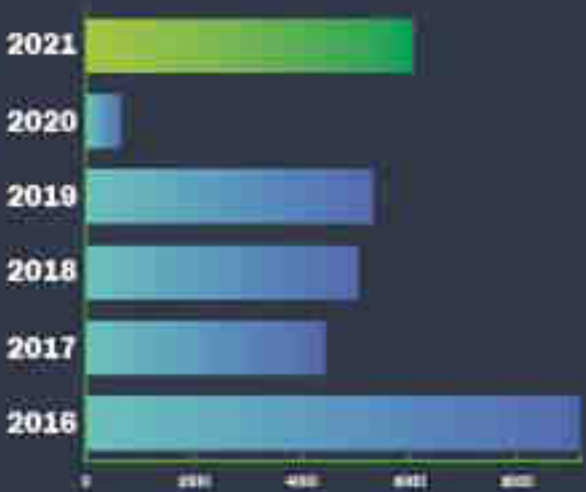
GRAPHICAL PRESENTATION OF FINANCIAL INFORMATION



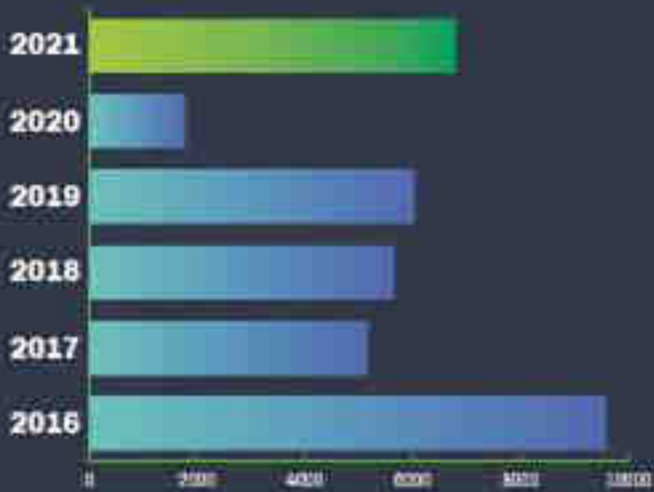
Revenue



Cost of Sales

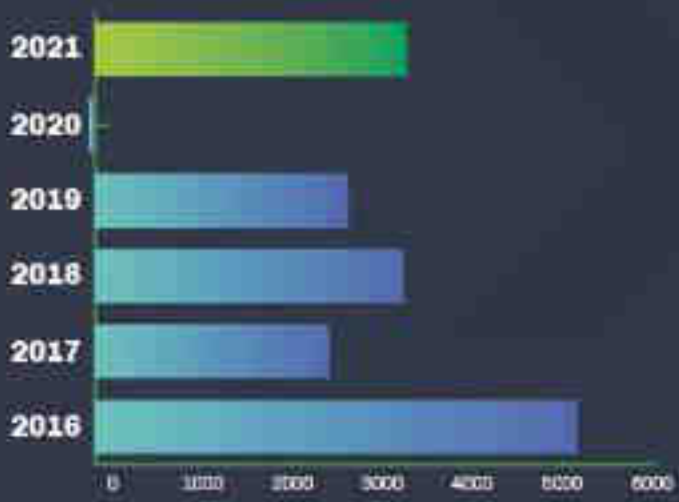


Gross Profit

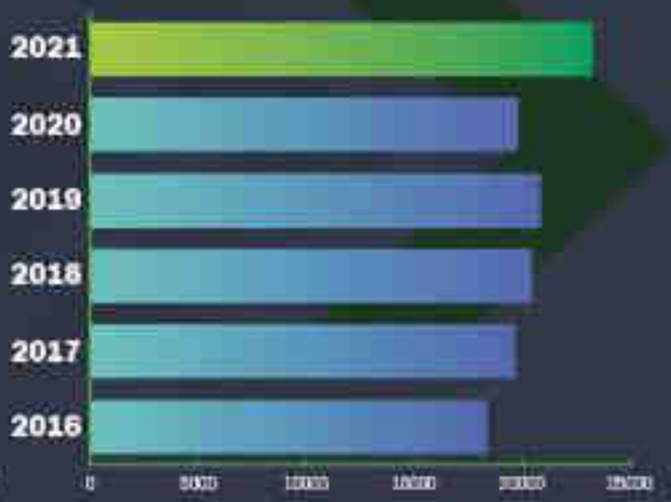


EBITDA

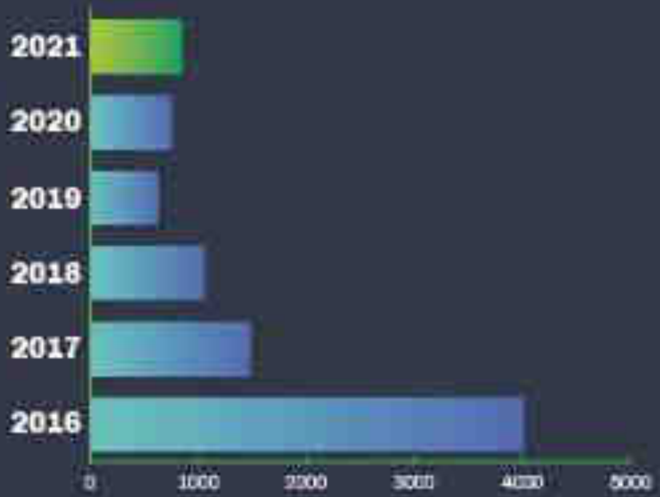
Rs in millions unless otherwise stated



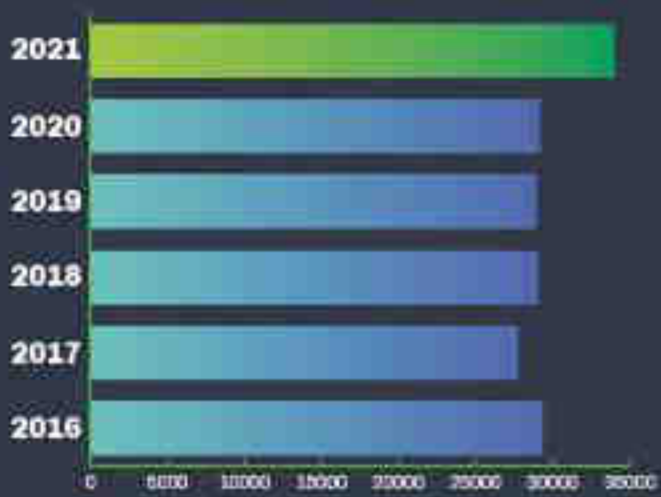
Net Profit/ (loss)



Shareholders Equity

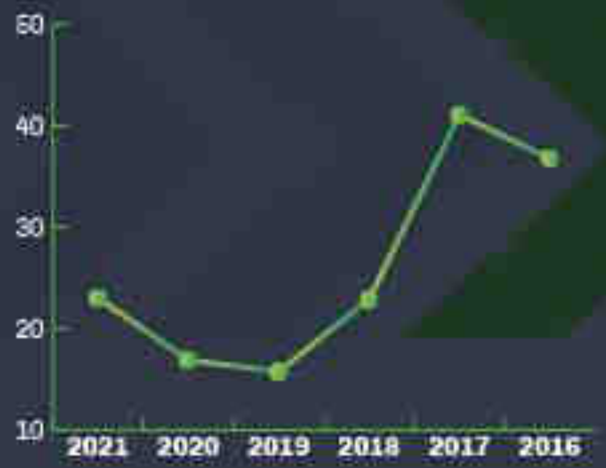


Long-term Loans



Total Assets

GRAPHICAL PRESENTATION OF FINANCIAL INFORMATION



Share Price (Rupees)

Rs in millions unless otherwise stated

NOTES ON ANALYSIS

COMMENTS ON SIX YEAR STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

Revenue

Revenues increased from PKR 20 billion in 2016 to PKR24 billion in 2021 with an increase of 21%, due to upward surge in construction activity. Local sales have shown an upward trend (with increase in despatches by 19%).

Cost of sales

Cost increased from PKR 10.88 billion in 2016 to PKR 18.21 billion in 2021 billion with an increase of 67%. This is mainly due to increase in fuel and gas prices, higher transportation cost on input material and increased packing material prices.

Gross Profit

GP decreased from PKR 9.16 billion in 2016 to PKR 6.064 billion in 2021 with a decrease of 34%. Higher prices of bought-in materials and other costs contributed to the decrease of gross profit.

Finance Cost

Decreased finance cost is mainly attributable to decrease in long term financing and lower interest rates.

Net Profit

Net Profit decreased from PKR 5.3 billion in 2016 to PKR 3.4 billion in 2021.

COMMENTS ON SIX YEAR STATEMENT OF FINANCIAL POSITION ANALYSIS

Share Capital and Reserves

The share capital remained the same however, reserves increased due to increase in undistributed profits.

Non-current Liabilities

Non-current liabilities decreased mainly due to decrease in long-term loans.

Current Liabilities

Current Liabilities increased from Rs 4.9 Billion to Rs 6.1 Billion mainly due to unpaid water conservancy charges and marking fee.

Current Assets

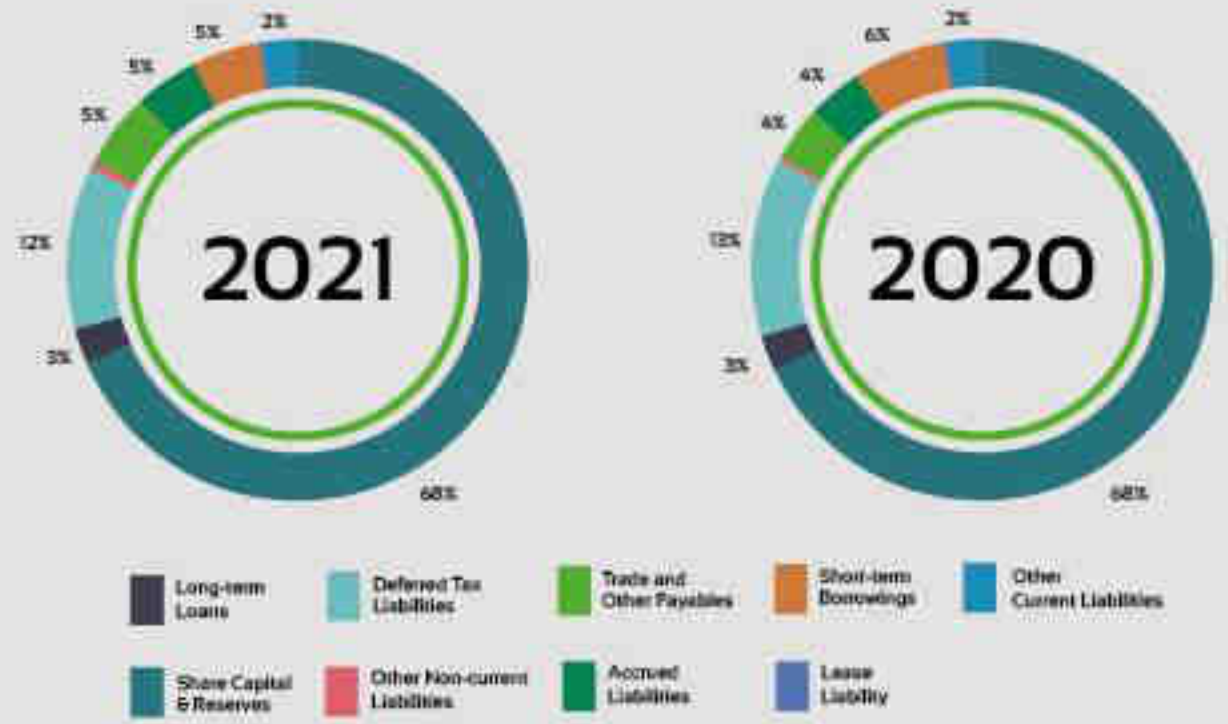
Increased from Rs 7.5 Billion to Rs 12.4 Billion mainly due to increase in short term investments, trade debts and stock in trade.

COMMENTS ON SIX YEAR STATEMENT OF CASH FLOWS ANALYSIS

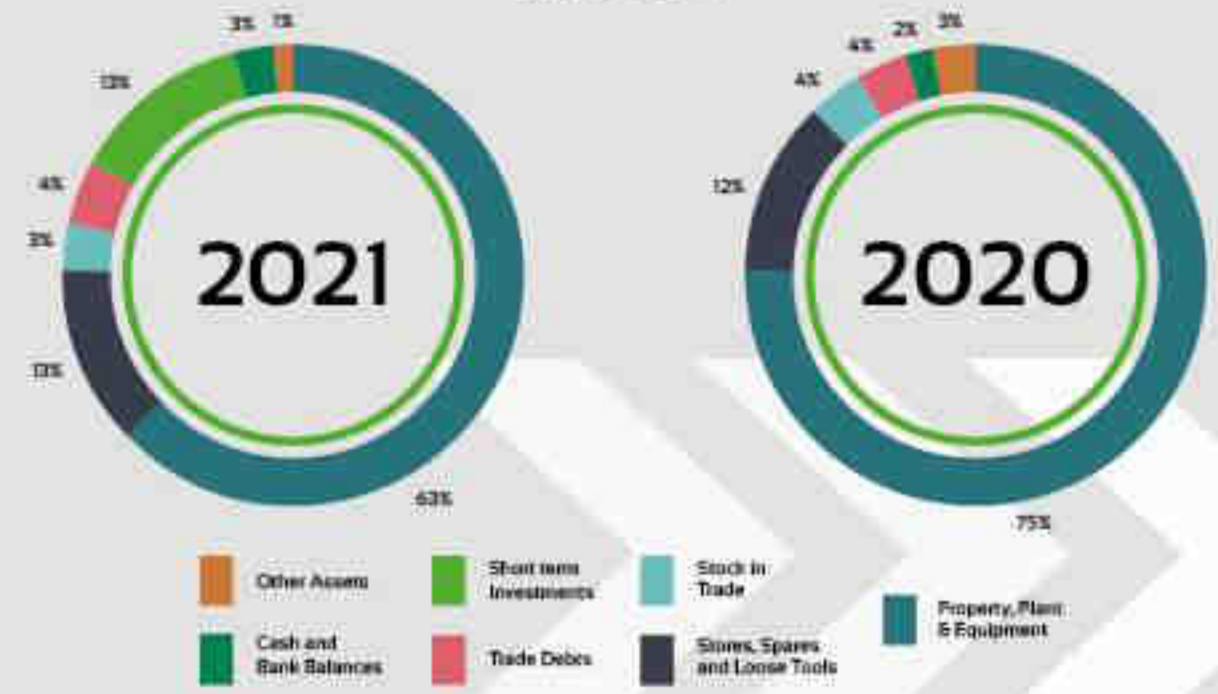
The Company's projects and investments are primarily financed by internally generated cash flows and the company has minimal borrowings as of June 30, 2021.

STATEMENT OF FINANCIAL POSITION COMPOSITION

EQUITY AND LIABILITIES

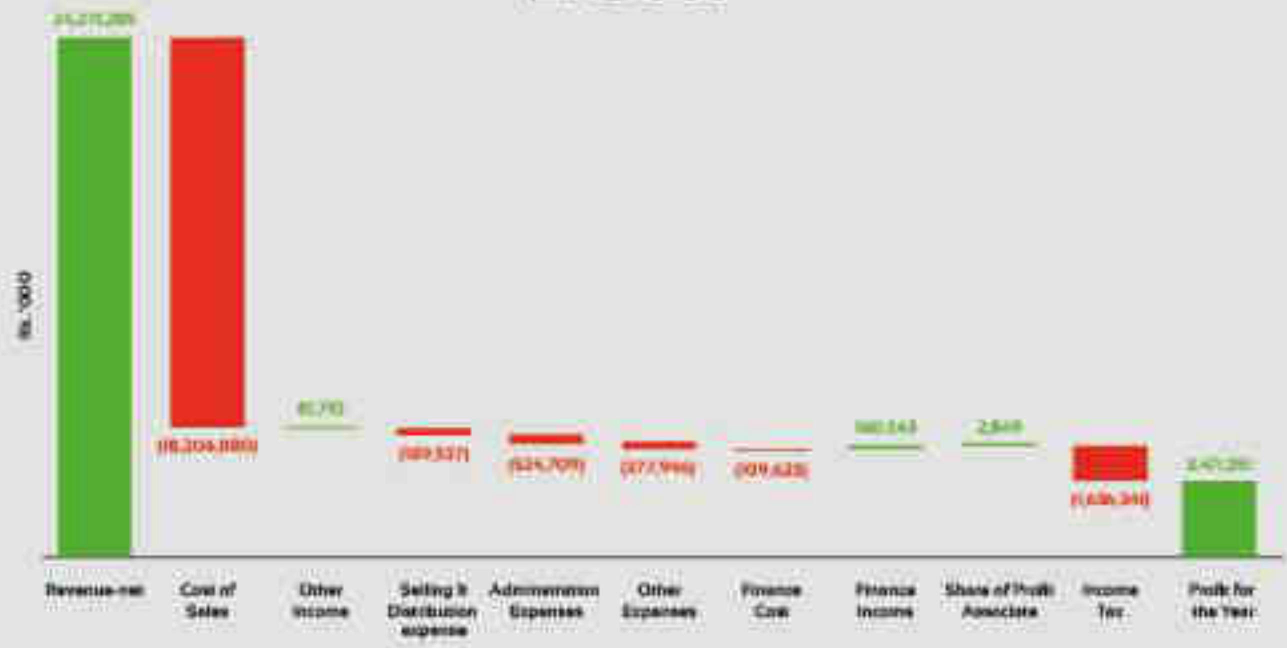


ASSETS

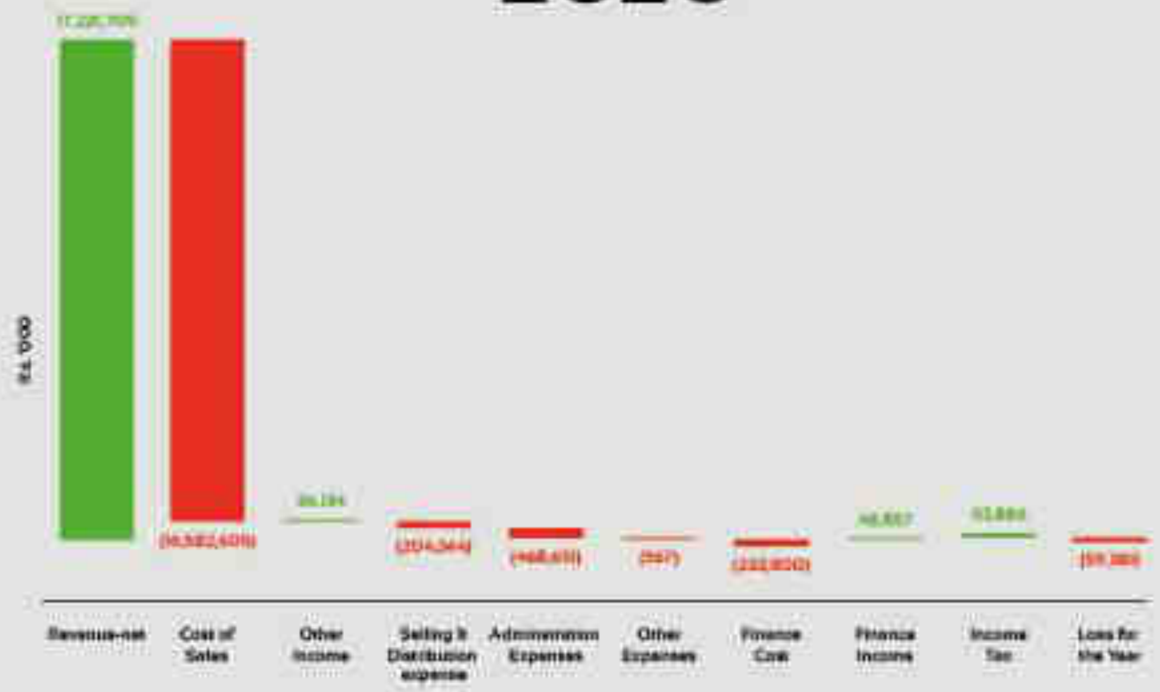


PROFIT OR LOSS COMPOSITION

2021



2020



HORIZONTAL ANALYSIS - STATEMENT OF PROFIT OR LOSS

	2021	2021 Vs 2020	2020	2020 Vs 2019
	Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)
Turnover - net	**24,271,285**	41%	**17,231,709**	-17%
Cost of sales	(18,206,880)	10%	(16,582,605)	7%
Gross profit	6,064,405	834%	649,104	-88%
Other income	81,710	126%	36,134	-61%
Selling and distribution expenses	(189,537)	-7%	(204,344)	-3%
Administrative expenses	(524,709)	12%	(468,651)	13%
Other expenses	(377,946)	66,557%	(567)	-100%
Operating profit	5,053,923	43,185%	11,676	-100%
Finance cost	(109,623)	-53%	(233,800)	119%
Finance income	160,543	229%	48,857	-12%
Net finance income / (cost)	50,920	128%	(184,943)	-460%
Insurance claim	-	-	-	
Share of profit of associate	2,849	100%	-	
Profit / (loss) before taxation	5,107,692	3,048%	(173,267)	-104%
Income tax (expense) / credit	(1,636,341)	1,537%	113,886	-107%
Profit / (loss) for the year	3,471,351	5,946%	(59,381)	-102%
Earnings / (loss) per share - Basic (Rupees)	2.52	6,400%	(0.04)	-102%
Earnings / (loss) per share - Diluted (Rupees)	2.52	6,400%	(0.04)	-102%

2019	2019 Vs 2018	2018	2018 Vs 2017	2017	2017 Vs 2016	2016
Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)	Rupees'000
20,798,082	-2%	21,160,878	4%	20,423,356	2%	20,044,438
(15,474,771)	-3.6%	(16,046,291)	0%	(15,985,679)	47%	(10,879,156)
5,323,311	4%	5,114,587	15%	4,437,677	-52%	9,165,282
92,947	4%	89,582	24%	72,372	26%	57,534
(210,335)	-24%	(275,933)	66%	(166,361)	-20%	(208,777)
(415,979)	8%	(385,602)	13%	(339,766)	9%	(312,108)
(326,689)	5%	(311,184)	7%	(291,095)	-50%	(578,543)
4,463,255	5%	4,231,450	14%	3,712,827	-54%	8,123,388
(106,758)	-28%	(147,813)	-3%	(152,960)	-70%	(503,346)
55,411	282%	14,512	-78%	64,512	-69%	211,264
(51,347)	-61%	(133,301)	51%	(88,448)	-70%	(292,082)
-	0%	-	-100%	305,842	100%	-
-	0%	-	0%	-		-
4,411,908	8%	4,098,149	4%	3,930,221	-50%	7,831,306
(1,587,610)	137%	(668,685)	-49%	(1,317,010)	-47%	(2,464,106)
2,824,298	-18%	3,429,464	31%	2,613,211	-51%	5,367,200
2.05	-18%	2.49	31%	1.89	-53%	3.98
2.05	-18%	2.49	31%	1.89	-52%	3.94

HORIZONTAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

	2021	2021 Vs 2020	2020	2020 Vs 2019
	Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)
SHARE CAPITAL AND RESERVES				
Share capital	13,768,150	-	13,766,150	-
Discount on issue of shares	(1,364,385)	-	(1,364,385)	-
Unappropriated profits	10,841,806	47%	7,370,555	-13%
Total equity	23,275,671	18%	19,804,320	-5%
NON - CURRENT LIABILITIES				
Long term loans-secured	481,502	10%	447,327	41%
Employee benefits	82,380	14%	72,547	2%
Lease Liability	73,583	28%	57,656	100%
Deferred government grant	22,261	100%	-	-
Deferred tax liabilities - net	3,960,488	9%	3,643,608	-7%
	4,630,225	10%	4,221,138	-2%
CURRENT LIABILITIES				
Trade and other payables	1,822,642	46%	1,244,833	31%
Accrued liabilities	1,554,895	49%	1,040,530	25%
Security deposits payable	260,652	3%	253,840	16%
Contract liabilities	433,087	18%	367,852	13%
Employee benefits - current portion	20,862	-16%	24,708	21%
Payable to employees' provident fund trust	10,714	-21%	13,528	14%
Unclaimed dividend	38,478	-4%	40,051	-6%
Markup accrued	-	-	-	-
Short term borrowings	1,616,787	-14%	1,866,167	67%
Current portion of lease liability	24,686	100%	23,737	100%
Current portion of long term loans	361,621	19%	303,912	-13%
Provision for taxation - net	-		-	
	6,146,335	19%	5,182,458	36%
Total equity and liabilities	34,052,231	17%	29,207,916	1%
NON - CURRENT ASSETS				
Property, plant and equipment	21,422,215	-3%	22,065,172	-5%
Right of use asset	89,334	48%	60,322	100%
Long term deposits	86,601	-	86,601	-
Advance against issue of shares	-	-100%	12,500	100%
Long term investment	15,349	100%	-	-
	21,613,499	-3%	22,224,595	-5%
CURRENT ASSETS				
Stores, spares and loose tools	4,250,754	21%	3,505,808	15%
Stock in trade	1,189,198	-	1,187,752	26%
Trade debts	1,449,600	38%	1,050,640	11%
Advances	45,563	-38%	73,685	104%
Trade deposits, short term prepayments and balances with statutory authority	26,147	32%	19,843	-3%
Interest accrued	-	-	-	-
Advance tax - net	90,073	-84%	562,238	115%
Other receivables	88,890	301%	22,168	188%
Short term investments	4,397,699	100%	-	-
Cash and bank balances	900,778	51%	561,174	38%
	12,438,732	78%	6,983,321	23%
Total assets	34,052,231	17%	29,207,916	1%

2019	2019 Vs 2018	2018	2018 Vs 2017	2017	2017 Vs 2016	2016
Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)	Rupees'000	Increase/ (Decrease)	Rupees'000
13,766,150	-	13,766,150	-	13,766,150	-	13,766,150
(1,364,385)	-	(1,364,385)	-	(1,364,385)	-	(1,364,385)
8,464,787	6%	8,055,175	11%	7,247,360	57%	4,629,705
20,866,552	2%	20,456,940	4%	19,661,125	7%	18,427,855
317,835	-50%	636,868	-40%	1,063,045	-28%	1,486,178
71,216	11%	64,178	11%	58,014	5%	55,214
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,925,740	9%	3,600,638	-16%	4,281,496	-3%	4,427,224
4,314,791	-	4,301,684	-20%	5,402,555	-9%	5,968,616
946,864	-7%	1,024,758	72%	595,672	-40%	997,996
834,816	46%	573,347	6%	539,085	-16%	645,136
218,704	26%	176,339	28%	137,904	32%	104,409
324,300	32%	245,133	4%	234,644	34%	175,378
20,389	19%	17,107	12%	15,244	16%	13,097
11,832	24%	9,534	11%	8,625	6%	8,229
43,747	-61%	111,561	312%	27,084	13%	23,981
-	-100%	35,980	-18%	43,881	-42%	76,265
997,701	-39%	1,638,386	425%	312,441	300%	78,037
-	-	-	-	-	-	-
350,466	-18%	426,177	0%	426,177	-83%	2,525,955
-	0%	-	-100%	327,672	5%	312,883
3,751,629	-12%	4,258,822	60%	2,668,539	-46%	4,961,181
28,933,182	-	29,049,446	5%	27,732,219	-5%	29,357,652
23,202,930	3%	22,624,413	3%	22,003,943	1%	21,701,250
-	-					
86,601	0%	86,601	0%	86,601	-45%	156,733
-	-	-		-		-
-	-	-		-		-
23,289,531	3%	22,711,014	3%	22,090,544	1%	21,857,983
3,066,041	-	3,067,684	40%	2,194,451	1%	2,177,367
944,022	-24%	1,244,305	16%	1,071,970	98%	540,568
947,046	-19%	1,168,343	2%	1,148,618	102%	569,101
36,176	-3%	37,827	-54%	83,001	-62%	218,947
20,463	-69%	66,869	25%	53,374	222%	16,593
-	-100%	1,031	-61%	2,663	-40%	4,447
261,888	127%	115,350	100%	-	-	-
7,650	-93%	104,664	-82%	589,761	-40%	982,562
-	-	-	-	-	-100%	1,324,485
403,245	-24%	531,759	3%	517,837	-69%	1,665,579
5,676,651	-10%	6,338,432	12%	5,661,675	-25%	7,499,669
28,965,182	-	29,049,446	5%	27,752,219	-5%	29,357,652

VERTICAL ANALYSIS - STATEMENT OF PROFIT OR LOSS

	2021		2020	
	Rupees'000	%	Rupees'000	%
Turnover - net	24,271,285	100%	17,231,709	100%
Cost of sales	(18,206,880)	-75%	(16,582,605)	-96%
Gross profit	6,064,405	25%	649,104	4%
Other income	81,710	-	36,134	-
Selling and distribution expenses	(189,537)	-1%	(204,344)	-1%
Administrative expenses	(524,709)	-2%	(468,651)	-3%
Other expenses	(377,946)	-2%	(567)	-
Operating profit	5,053,923	21%	11,676	-
Finance cost	(109,623)	-	(233,800)	-1%
Finance income	160,543	1%	48,857	-
Net finance income/ (cost)	50,920	-	(184,943)	-1%
Insurance claim	-	-	-	
Share of profit of associate	2,849	-	-	
Profit / (loss) before taxation	5,107,692	21%	(173,267)	-1%
Income tax (expense) /credit	(1,636,341)	-7%	113,886	1%
Profit / (loss) for the year	3,471,351	14%	(59,381)	-

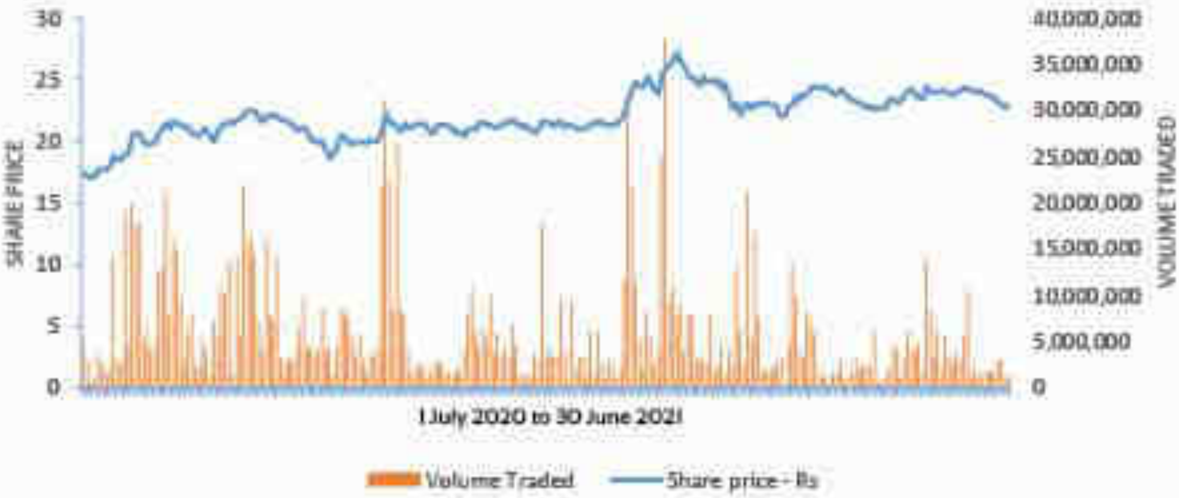
2019		2018		2017		2016	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
20,798,082	100%	21,160,878	100%	20,423,356	100%	20,044,438	100%
(15,474,771)	-74%	(16,046,291)	-76%	(15,985,679)	-78%	(10,879,156)	-54%
5,323,311	26%	5,114,587	24%	4,437,677	22%	9,165,282	46%
92,947	-	89,852	-	72,372	-	57,534	-
(210,335)	-1%	(275,933)	-1%	(166,361)	-1%	(208,777)	-1%
(415,979)	-2%	(385,602)	-2%	(339,766)	-2%	(312,108)	-2%
(326,689)	-2%	(311,184)	-1%	(291,095)	-1%	(578,543)	-3%
4,463,255	21%	4,231,720	20%	3,712,827	18%	8,123,388	41%
(106,758)	-1%	(147,813)	-1%	(152,960)	-1%	(503,346)	-3%
55,411	-	14,512	-	64,512	-	211,264	1%
(51,347)	-	(133,301)	-1%	(88,448)	-	(292,082)	-1%
-	-	-	-	305,842	1%	-	-
-	-	-	-	-	-	-	-
4,411,908	21%	4,098,149	19%	3,930,221	19%	7,831,306	39%
(1,587,610)	-8%	(668,685)	-3%	(1,317,010)	-6%	(2,464,106)	-12%
2,824,298	14%	3,429,464	16%	2,613,211	13%	5,367,200	27%

VERTICAL ANALYSIS - STATEMENT OF FINANCIAL POSITION

	2021		2020	
	Rupees'000	%	Rupees'000	%
SHARE CAPITAL AND RESERVES				
Share capital	13,798,150	41%	13,798,150	47%
Discount on issue of shares	(1,364,385)	-4%	(1,364,385)	-5%
Unappropriated profits	10,841,906	32%	7,370,555	25%
Total equity	23,275,671	68%	19,804,320	68%
NON - CURRENT LIABILITIES				
Long term loans	491,502	1%	447,327	2%
Employee benefits	82,380	-	72,547	-
Lease Liability	73,593	-	57,656	-
Deferred government grant	22,261	-		
Deferred tax liabilities - net	3,960,489	12%	3,643,608	12%
	4,630,225	14%	4,221,138	14%
CURRENT LIABILITIES				
Trade and other payables	1,822,642	5%	1,244,833	4%
Accrued liabilities	1,554,895	5%	1,040,530	4%
Security deposits payable	260,652	1%	253,840	1%
Contract liabilities	435,097	1%	367,952	1%
Employee benefits - current portion	20,852	-	24,708	-
Payable to employees' provident fund trust	10,714	-	13,528	-
Unclaimed dividend	38,479	-	40,051	-
Markup accrued	-	-	-	-
Short term borrowings	1,616,787	5%	1,858,167	6%
Current portion of lease liability	24,686	-	23,737	-
Current portion of long term loans	361,521	1%	303,912	1%
Provision for taxation - net	-	-	-	-
	6,146,335	18%	5,182,458	18%
Total equity and liabilities	34,052,231	100%	29,207,916	100%
NON - CURRENT ASSETS				
Property, plant and equipment	21,422,215	63%	22,065,172	76%
Right of use asset	89,334	-	60,322	-
Long term deposits	86,601	-	86,601	-
Advance against issue of shares	-	-	12,500.00	-
Long term advance	15,349		-	-
	21,613,499	63%	22,224,595	76%
CURRENT ASSETS				
Stores, spares and loose tools	4,250,754	12%	3,505,809	12%
Stock in trade	1,189,198	3%	1,187,752	4%
Trade debts	1,449,600	4%	1,050,640	4%
Advances	45,593	-	73,685	-
Trade deposits, short term prepayments and balances with statutory authority	26,147	-	19,843	-
Interest accrued	-	-	-	-
Advance tax - net	90,073	-	502,239	2%
Other receivables	89,890	-	22,169	-
Short term investments	4,397,099	13%	-	-
Cash and bank balances	900,778	3%	561,174	2%
	12,438,732	37%	6,983,321	24%
Total assets	34,052,231	100%	29,207,916	100%

2019		2018		2017		2016	
Rupees'000	%	Rupees'000	%	Rupees'000	%	Rupees'000	%
13,798,150	48%	13,798,150	47%	13,798,150	50%	13,798,150	47%
(1,364,365)	-5%	(1,364,365)	-5%	(1,364,365)	-5%	(1,364,365)	-5%
8,464,797	29%	8,055,175	28%	7,247,360	26%	4,629,705	16%
20,898,582	72%	20,488,840	71%	19,681,126	71%	18,427,855	63%
317,835	1%	636,868	2%	1,063,046	4%	1,486,178	5%
71,216	-	64,178	-	58,014	-	55,214	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,925,740	14%	3,600,638	12%	4,281,496	15%	4,427,224	15%
4,314,791	15%	4,301,684	15%	5,402,556	19%	5,968,616	20%
948,864	3%	1,024,758	4%	595,672	2%	997,868	3%
834,816	3%	573,347	2%	539,065	2%	645,138	2%
216,704	1%	176,339	1%	137,904	-	104,408	-
334,300	1%	245,133	1%	234,644	1%	175,378	1%
20,399	-	17,107	-	15,244	-	13,087	-
11,832	-	8,534	-	8,625	-	6,228	-
43,747	-	111,561	-	27,084	-	23,861	-
-	-	35,880	-	43,981	-	76,265	-
987,701	3%	1,636,886	6%	312,441	1%	76,037	-
-	-	-	-	-	-	-	-
350,466	1%	426,177	1%	426,177	2%	2,525,855	9%
-	-	-	-	327,672	1%	312,883	1%
3,751,828	13%	4,256,822	15%	2,668,536	10%	4,961,161	17%
	-						
28,965,182	100%	29,049,446	100%	27,752,218	100%	29,357,632	100%
23,202,930	80%	22,624,413	78%	22,003,943	79%	21,701,250	74%
-	-	-	-	-	-	-	-
86,601	-	86,601	-	86,601	-	156,733	1%
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,289,531	80%	22,711,014	78%	22,090,544	80%	21,857,983	74%
3,055,041	11%	3,067,684	11%	2,194,451	8%	2,177,367	7%
944,022	3%	1,244,805	4%	1,071,970	4%	540,588	2%
847,046	3%	1,166,343	4%	1,148,818	4%	566,101	2%
36,176	-	37,927	-	83,001	-	218,947	1%
							-
20,463	-	66,669	-	53,374	-	16,583	-
-	-	1,031	-	2,663	-	4,447	-
261,998	1%	115,550	-	-	-	-	-
7,660	-	104,664	-	589,761	2%	882,562	3%
-	-	-	-	-	-	1,324,485	5%
403,245	1%	531,748	2%	517,837	2%	1,665,578	6%
5,575,651	20%	6,338,422	22%	5,661,675	20%	7,499,669	26%
28,965,182	100%	29,049,436	100%	27,752,219	100%	29,357,652	100%

SHARE PRICE SENSITIVITY



Shares of the Company are traded on Pakistan Stock Exchange. Share price is impacted by internal as well as external factors. Analysis of some key factors and their impact on profitability is as under:

Profitability

Share price of the Company is sensitive to the Company's profitability. The Company's operational and financial performance directly impacts Company's share price. Reduced selling prices and increased input costs can impact adversely the profitability and accordingly could have negative impact on share market price of the Company.

Government policies and macroeconomic indicators

The share price of the Company is directly related to overall macroeconomic condition of the country. Further, Government overall and, specifically, cement sector related policies has direct impact on business and profitability and accordingly on share price of the Company. Favorable policies have positive impact on share price and vice versa.

Market Risk – Investor sentiments and market performance

Apart from systematic risk, the market share price is also exposed to all the risks of the platforms it is trading on. The Beta of FCCL with respect to Pakistan Stock Exchange is 1.20.

SEGMENTAL REVIEW OF BUSINESS

The Company operates only one sector of cement manufacturing. Its primary product is grey cement. 92% of total sales of the Company is in local market. North is the main local market of the Company. Local customer base of the Company can be segregated in two main categories that is dealers and mega projects. During the year a significant portion of sales is made to Mega Projects 70% of local sales were made to dealers and 30% to projects. Primary Export market of the Company is Afghanistan where Company dispatched 8% of its sold quantity during the year.

BUSINESS RATIONALE OF MAJOR CAPITAL PROJECTS/ EXPENDITURES

2.5 MW Solar Power Plant

Sustainable development is one of the key goal of the Company. Solar energy production is one of the major step to achieve this goal. To maximize its solar energy production, during the year, the Company has added 2.5 MW in its existing solar capacity of 15 MW. It will not only provide the low cost energy to Company but also will help to protect environment through green energy.

Green field expansion project at DG Khan

To maintain and enhance market share is one of our strategic goal. To achieve the goal Company has started green field expansion project at DG khan. This will help the Company to improve its footprint in Central Punjab and be able to access the growth opportunities in Balochistan.

Upgradation and modernization of existing manufacturing facility

Modernization and automation of existing manufacturing facility is always the key focus of the management. This will help us to achieve our goal of cost optimization through process and system efficiencies.

REASONS FOR NOT DECLARING DIVIDEND AND FUTURE PROSPECTS

The Company is in process of setting up Greenfield project that is being financed through loan and internal cash generation. The Company is going to utilize internal cash generation in aforesaid project. This will help to generate long term wealth for shareholders. As the new project start its production then earnings of the Company are expected to increase.

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

How we identify and define a KPI

At FCCL all of our strategies and activities to execute those strategies are aligned with our vision and mission. The measurable desired outcome of every strategy is part of strategy making process at all levels. Following method is used in compiling KPIs:

KEY PERFORMANCE INDICATORS

The Company's performance is effectively reflected by KPIs which are regularly monitored and analyzed to better gauge the performance of the Company. Following key financial and non-financial KPIs are identified:

Financial

KPIs	How we measure a KPI – method and assumption
Capacity Utilization	It represents the percentage of total dispatches to the rated capacity of production lines
Turnover	It represents the total sales less Govt. duties and rebates and commissions to dealers
GP Margin	It is the difference of net revenue and cost of sales, it represents the profits earned by the Company from its core operations
Profit after tax	This includes the share of profits of equity accounted investee
EPS	It measures the net earnings of the Company against the total outstanding shares
Return on invested capital	It represents the return on invested capital. It is calculated by dividing NPAT with shareholders' equity plus long term loans

Non-Financial

KPIs	Related Capital
Compliance with regulatory framework	Social and relationship
Environmental protection	Natural
Water Conservation	Natural
Employee satisfaction and well being	Human
Responsibility towards society	Social and relationship/ natural
Stakeholder engagement	Social and relationship

Analysis on non-financial KPIs is discussed in sustainability and stakeholder engagement sections of this report.

STRIVING FOR EXCELLENCE IN FINANCIAL REPORTING

FINANCIAL STATEMENTS

For the year ended 30 June 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Fauji Cement Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Fauji Cement Company Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr No.	Key audit matters	How the matters were addressed in our audit
1	**Recognition of Revenue:** Refer notes 3.7 and 26 to the financial statements. The Company is engaged in the production and sale of cement. The Company recognized net revenue of Rs. 24,271,285 thousand for the year ended 30 June 2021. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • comparing the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. • assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and • assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT **AUDITORS' REPORT**

Sr No.	Key audit matters	How the matters were addressed in our audit
2	**Additions to property, plant and equipment** Refer to notes 2.4.1, 3.2 and 14 to the financial statements. The Company has made significant additions to property, plant and equipment of Rs. 807,926 thousand on installation of 2.5 MW solar power plant along with acquisition of other assets. We identified additions to property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.	Our audit procedures to assess the additions to property, plant and equipment included the following: • testing, on sample basis, the nature of costs incurred on property, plant and equipment with supporting documentation, and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting and reporting standards; • assessing the appropriateness of accounting policy related to capitalization of property, plant and equipment and comparing with applicable accounting and reporting standards; • assessing the useful life assigned by management including testing the calculation of related depreciation expense. • 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 adequacy of disclosures related to property, plant and equipment as required under the accounting and reporting standards as applicable in Pakistan.

Sr No.	Key audit matters	How the matters were addressed in our audit
3.	**Valuation and existence of stock in trade** Refer note 19 to the financial statements. The balance of stock in trade at 30 June 2021 is Rs. 1,189,198 thousand. Management's judgement is required to assess the appropriate level of provisioning required for the stock in trade, including the assessment of available facts and circumstances, it's physical conditions, the market selling prices and estimated selling costs of the stock in trade. Further, stock in trade items are stored in purpose-built sheds, stockpiles and silos. As the weighing of these stocks is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. Due to the significance of stock in trade balance and related estimations involved, this is considered as a key audit matter.	Our audit procedures to assess the valuation and existence of stock in trade, amongst others, included the following: • assessing the design, implementation and operating effectiveness of key internal controls over valuation of stock in trade; • assessing the reasonableness of management estimate of net realizable value by comparing the net realizable value to the cost for a sample of items of stock in trade to conclude whether stock-in-trade is appropriately valued at lower of cost or net realizable value; • attended physical count of stock in trade to observe the management's process of measurement of stockpiles and the determination of quantities using conversion of volumes and density to total weight, and performed recalculations; • assessing the appropriateness of accounting policy of valuation of stock in trade and comparing with the applicable accounting and reporting standards; and • assessing the adequacy of disclosures related to stock in trade as required under the accounting and reporting standards as applicable in Pakistan.

INDEPENDENT **AUDITORS' REPORT**

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 2021 but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

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

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

d) 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 Riaz Akbar Ali Pesnani.

KPMG Taseer Hadi & Co
Chartered Accountants
Islamabad
Date: 28 September 2021

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees'000	Restated 2020 Rupees'000
EQUITY			
Share capital and reserves			
Share capital	4	13,798,150	13,798,150
Discount on issue of shares		(1,364,385)	(1,364,385)
Unappropriated profits		10,841,906	7,370,555
Total equity		23,275,671	19,804,320
LIABILITIES			
Long term loans - secured	5	491,502	447,327
Employee benefits	6	82,380	72,547
Lease liability	7	73,593	57,656
Deferred government grant		22,261	-
Deferred tax liabilities - net	8	3,960,489	3,643,608
		4,630,225	4,221,138
Current liabilities			
Trade and other payables	9	1,822,642	1,163,246
Accrued liabilities		1,554,895	1,122,217
Security deposits payable	10	260,652	253,940
Contract liabilities	11	435,097	367,952
Employee benefits - current portion	6	20,862	24,708
Payable to employees' provident fund trust		10,714	13,528
Unclaimed dividend		38,479	40,051
Short term borrowings - secured	12	1,616,787	1,869,167
Current portion of lease liability	7	24,686	23,737
Current portion of long term loans	5	361,521	303,912
		6,146,335	5,182,458
TOTAL EQUITY AND LIABILITIES		34,052,231	29,207,916
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 43 form an integral part of these financial statements.

	Note	2021 Rupees'000	Restated 2020 Rupees'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**21,422,215**	22,065,172
Right of use asset	15	**89,334**	60,322
Long term deposits	16	**86,601**	86,601
Advance against issue of shares		**-**	12,500
Long term investment	17	**15,349**	-
		21,613,499	22,224,595
Current assets			
Stores, spares and loose tools	18	**4,250,754**	3,505,809
Stock in trade	19	**1,189,198**	1,187,752
Trade debts	20	**1,449,600**	1,050,640
Advances	21	**45,593**	73,695
Trade deposits and short term prepayments	22	**26,147**	19,843
Advance tax - net		**90,073**	562,239
Other receivables	23	**88,890**	22,169
Short term investments	24	**4,397,699**	-
Cash and bank balances	25	**900,778**	561,174
		12,438,732	6,983,321
TOTAL ASSETS		**34,052,231**	29,207,916

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees'000	2020 Rupees'000
Revenue - net	26	24,271,285	17,231,709
Cost of sales	27	(18,206,880)	(16,582,605)
Gross profit		6,064,405	649,104
Other income	28	81,710	36,134
Selling and distribution expenses	29	(189,537)	(204,344)
Administrative expenses	30	(524,709)	(468,651)
Other expenses	31	(377,946)	(567)
Operating profit		5,053,923	11,676
Finance cost	32	(109,623)	(233,800)
Finance income	33	160,543	48,857
Net finance income / (cost)		50,920	(184,943)
Share of profit of associate	17	2,849	-
Profit/ (loss) before taxation		5,107,692	(173,267)
Income tax (expense)/ credit	34	(1,636,341)	113,886
Profit/ (loss) for the year		3,471,351	(59,381)
Earnings/ (loss) per share - basic and diluted (Rupees)	35	2.52	(0.04)

The annexed notes 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	2021 Rupees'000	2020 Rupees'000
Profit/ (loss) for the year	3,471,351	(59,381)
Other comprehensive income for the year	-	-
Equity accounted investee - share of other comprehensive income	-	-
Total comprehensive income for the year	3,471,351	(59,381)

The annexed notes 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees'000	2020 Rupees'000
Cash flows from operating activities			
Profit/ (loss) before tax		5,107,692	(173,267)
Adjustments for:			
Depreciation	14.2	1,574,032	1,713,737
Depreciation on right of use asset	15	25,519	15,080
Provision for compensated absences	6	51,739	47,717
Workers' (Profit) Participation Fund including interest	9.1	274,049	121
Workers' Welfare Fund	31	102,097	(933)
Finance cost	32	109,623	233,679
(Gain)/ loss on disposal of property, plant and equipment	28	(27,113)	5,486
Share of profit of equity accounted investee-net of tax	17	(2,849)	-
Interest income		(190,135)	(48,857)
		1,916,962	1,966,030
Operating cash flows before working capital changes		7,024,654	1,792,763
Changes in			
Stores, spares and loose tools		(744,945)	(450,768)
Stock in trade		(1,446)	(243,730)
Trade debts		(398,960)	(103,594)
Advances		28,102	(37,519)
Trade deposits and short term prepayments		(6,304)	(831)
Other receivables		(66,721)	(14,509)
Trade and other payables		533,250	303,843
Accrued liabilities		432,678	205,714
Security deposits payable		6,712	34,236
Contract liabilities		67,145	43,652
Payable to employees' provident fund trust		(2,814)	1,696
		(153,303)	(261,810)
Cash generated from operating activities		6,871,351	1,530,953
Compensated absences paid	6	(45,752)	(42,077)
Payment to Workers' (Profit) Participation Fund	9.1	(250,000)	(6,963)
Taxes paid		(836,502)	(468,487)
Net cash generated from operating activities		5,739,097	1,013,426
Cash flows from investing activities			
Additions in property, plant and equipment	14	(1,007,205)	(586,409)
Advance paid against issue of shares		-	(12,500)
Short term investments - net		(4,284,022)	-
Proceeds from disposal of property, plant and equipment	14.1	103,243	4,943
Interest received on bank deposits		46,326	48,857
Net cash used in investing activities		(5,141,658)	(545,109)
Cash flows from financing activities			
Repayment of long term loans		(484,237)	(319,033)
Disbursements from new long term loans		625,610	411,344
Lease payments		(50,413)	(2,902)
Dividend paid		(1,572)	(1,038,557)
Finance cost paid		(94,843)	(232,706)
Net cash used in financing activities		(5,455)	(1,181,854)
Net increase / (decrease) in cash and cash equivalents		591,984	(713,537)
Cash and cash equivalents at beginning of the year		(1,307,993)	(594,456)
Cash and cash equivalents at end of the year	36	(716,009)	(1,307,993)

The annexed notes 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FAUJI CEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital		Revenue reserve	Total
	Ordinary shares	Discount on issue of shares	Unappropriated profit	
	Rupees'000			
Balance at 01 July 2019	13,798,150	(1,364,385)	8,464,797	20,898,562
Total comprehensive income for the year				
Loss for the year	-	-	(59,381)	(59,381)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(59,381)	(59,381)
Transactions with owners of the Company				
Distributions:				
Final dividend 2019 @ Rs. 0.75 per share	-	-	(1,034,861)	(1,034,861)
Total transactions with owners of the Company	-	-	(1,034,861)	(1,034,861)
Balance at 30 June 2020	13,798,150	(1,364,385)	7,370,555	19,804,320
Balance at 01 July 2020	**13,798,150**	**(1,364,385)**	**7,370,555**	**19,804,320**
Total comprehensive income for the year				
Profit for the year	-	-	**3,471,351**	**3,471,351**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**3,471,351**	**3,471,351**
Balance at 30 June 2021	**13,798,150**	**(1,364,385)**	**10,841,906**	**23,275,671**

The annexed notes 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

1. LEGAL STATUS AND OPERATIONS

1.1 Fauji Cement Company Limited ("the Company") is a public limited company incorporated in Pakistan on 23 November 1992 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company commenced its business with effect from 22 May 1993. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of different types of cement.

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

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

1.2 The Company is in the process of setting up a Greenfield Cement Manufacturing Plant with the capacity of production of 2.05 million tons per annum at Dera Ghazi Khan. For this purpose, the Company has entered into agreements with M/s Hefei Cement Research & Design Institute Corporation Limited for supply of offshore equipment and M/s Sinoma Handan Engineering Company Private Limited for construction related services. Refer Note 13.2 (b) for detail of commitments in this regard.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement and preparation

These financial statements have been prepared under historical cost convention except for short term investments which are carried at fair value, lease liability which is mearsued at present value and long term investment which is stated using equity accounting.

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.

During the year, the Company has reassessed the useful life of property, plant and equipment in Line - I. Based on detailed analysis of current performance indicators, maintenance history and regular inspection, management is of the view that the aforesaid line is expected to remain in operations for a period of ten years instead of remaining two years. Accordingly, the Company has revised its estimate of remaining useful life of property, plant and equipment in Line - 1 from 2 to 10 years. Had there been no change in the estimate of useful life, the profit before tax for the year would have been lower by Rs. 449,917 thousand and the balance of property, plant and equipment would have been lower by the same amount. Consequently, due to the above change in accounting estimate, future profits before tax would decrease by Rs. 449,917 thousand.

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.

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.

Taking cognizance of the latest developments across the Pakistan and Afghanistan border, the Company has revised its estimate of income expected to fall under presumptive tax regime. Had there been no change in the estimate of income expected to fall under presumptive tax regime, the profit after tax for the year would have been higher by Rs. 252,552 thousand and the balance of deferred tax liabilities - net would have been lower by the same amount.

2.4.4 Provisions and contingencies

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.4.5 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but 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 cannot be measured with sufficient reliability.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The amendment is not likely to have an impact on the Company's financial statements.

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

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to the other terms and conditions of the lease.

The above amendment is not likely to have an impact on the Company's financial statements.

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

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

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments are not likely to have an impact on the 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. Significant accounting policies of the Company are as follows:

3.1 *Income tax*

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in statement of comprehensive income or equity.

Current

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax assets and liabilities are offset if certain criteria is met.

Deferred

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising on the initial recognition of goodwill; and

- taxable temporary difference are adjusted by the portion of income expected to fall under presumptive tax regime in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. The effect of the adjustment is charged or credited to income currently.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if certain criteria are met.

3.2 Property, plant and equipment

Property, plant and equipment except for freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work in progress are stated at cost less allowance for impairment, if any. Cost of property, plant and equipment includes acquisition cost, borrowing cost during construction phase of relevant asset and other directly attributable costs including trial run production expenses (net of income, if any). Transfers from capital work in progress are made to the relevant category of property, plant and equipment as and when the assets are available for use in the manner intended by the Company's management.

Depreciation is charged to income on the straight line method so as to write off the depreciable amount of the property, plant and equipment over their estimated useful lives at the rates specified in note 14. Depreciation on depreciable assets is commenced from the date the asset is available for use upto the date when the asset is disposed off or written off.

The cost of replacing a major item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced item is derecognized. The cost of the day to day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposals with the carrying amount of property, plant and equipment and are recognized on net basis within "other income" in statement of profit or loss.

3.3 Investments in associated undertaking (equity accounted investment)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Interest in associates is accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the statement of profit or loss and comprehensive income of equity accounted investees, until the date on which significant influence ceases. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.4 Impairment

(i) Non - derivative financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.=

The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

The Company considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the carrying amount of the assets and charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amount of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

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The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amounts of any goodwill allocated to CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.5 Inventories

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

3.5.1 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. Cost is determined using weighted average method except for items in transit which is determined on the basis of cost incurred upto the statement of financial position date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate impairment is recognized. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

3.5.2 Stock in trade

Stock of raw material, work in process and finished goods are valued at the lower of weighted average cost and net realizable value. Stock of packing material is valued at weighted average cost less impairment, if any. Cost of work in process and finished goods comprises cost of direct materials, labour and directly allocatable manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to be incurred in order to make a sale.

3.6 Foreign currency transactions and translation

Transactions in foreign currencies are translated into functional currency at exchange rates at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at statement of financial position date are translated to the functional currency at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at beginning of the year, adjusted for effective interest and payments during the year, and amortized cost in foreign currency translated at the exchange rate at statement of financial position date. Exchange differences are included in the statement of profit or loss.

3.7 Revenue recognition

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

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

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

3.8 Financial instruments

3.8.1 Classification

The Company classifies its financial assets on initial recognition in the following categories: at amortized cost, at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial asset, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

(c) **Fair value through profit or loss**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.8.2 Recognition and measurement

Trade and other receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

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

3.8.3 Subsequent measurement and gains and losses

(i) Financial assets at amortized costs

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(ii) Financial assets at FVOCI

Debt investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments are subsequently measured at fair value. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets of the Company include trade debts, other receivables, cash and bank balances, long term deposits, trade deposits and short term investments.

3.8.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. The financial liabilities of the Company includes long term loans, lease liability, creditors, retention money, other liabilities, payable to employees provident fund trust, accrued liabilities, security deposit payable, unclaimed dividend and short term borrowings.

3.8.5 Derecognition

(i) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iii) Off-setting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.9 Borrowing cost

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

3.10 Employees benefits

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

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3.10.1 Defined contribution plan - Provident fund (retirement benefit)

The Company operates a defined contribution provident fund scheme for permanent employees. Contributions to the fund are made monthly by the Company and employees at the rate of 10% of the basic salary, the fund is managed by its Board of Trustees. The contributions of the Company are charged to statement of profit or loss.

3.10.2 Compensated leave absences

The Company provides for compensated absences on the unavailed balance of privilege leaves of all its permanent employees in the period in which leave is earned. Provision for the year is charged to statement of profit or loss.

3.11 Earnings per share

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

3.12 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.13 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.14 Finance income and finance cost

Finance income comprises interest income on funds invested, deposit accounts and dividend income on investment in marketable securities. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Income on investments is recognized on time proportion basis taking into account the effective yield of such securities.

Finance cost comprises interest expense on borrowings, Workers' (Profit) Participation Fund and lease, exchange losses and bank charges.

3.15 Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short position at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.16 Leases

3.16.1 Right of use asset

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

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

3.16.2 Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments in the measurement of the lease liability comprise the following:

a. fixed payments, including in-substance fixed payments;
b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c. amounts expected to be payable under a residual value guarantee; and
d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.17 Government grant

The Company recognizes government grants as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, term deposit receipts and short term borrowings under mark-up arrangements, used by the Company in the management of its short-term commitments.

3.19 Operating segments

The Board of Directors of the Company, which is chief operating decision-maker, is responsible for allocating resources and assessing Company's performance and operations has identified one reportable segment. Accordingly, these financial statements have been prepared on the basis of single reportable segment. Revenue from external customers along with local and export sales is disclosed in note 26. The Company only makes export sales to one foreign country. Revenue from transaction with a single customer did not exceed 10% of Company's total revenue. All the assets of the Company are based in Pakistan.

4 SHARE CAPITAL

4.1 Authorized share capital

Authorized share capital comprises of 1,500,000,000 (2020: 1,500,000,000) ordinary shares of Rs. 10 each.

4.2 Issued, subscribed and paid up capital

2021 Number '000	2020 Number '000		2021 Rupees '000	2020 Rupees '000
		Ordinary shares		
171,311	171,311	Ordinary shares of Rs. 10 each paid in cash	**1,713,105**	1,713,105
199,433	199,433	Ordinary shares of Rs. 10 each issued at a discount of Rs. 3.85 per share - paid in cash	**1,994,325**	1,994,325
322,546	322,546	Ordinary shares of Rs. 10 each issued at a premium of Rs. 6 per share - paid in cash	**3,225,465**	3,225,465
637,826	637,826	Ordinary shares of Rs. 10 each issued at a discount of Rs. 5 per share - paid in cash	**6,378,263**	6,378,263
48,699	48,699	Ordinary shares of Rs. 10 each issued on conversion of preference shares	**486,992**	486,992
1,379,815	1,379,815		**13,798,150**	13,798,150

4.2.1 Fauji Foundation, a related party holds 543,650 thousand (2020: 543,650 thousand) ordinary shares of the Company at the year end. In addition Fauji Fertilizer Company Limited, Fauji Fertilizer Bin Qasim Limited, Fauji Oil Terminal & Distribution Company Limited and FFBL Provident Fund Trust are related parties that hold 93,750 thousand (2020: 93,750 thousand), Nil (2020: 18,750 thousand), 18,750 thousand (2020: 18,750 thousand) and Nil (2020: 270 thousand) ordinary shares respectively of the Company at the year end, whereas 4,343 thousand (2020: 20 thousand) shares are held by Directors of the Company.

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

5 LONG TERM LOANS

Loans from banking companies (under mark up arrangements)

Lender	Note	2021	2020	Rate of interest per annum	Outstanding installments	Interest payable
		Rupees'000				
MCB Bank Limited		-	317,836	6 month's KIBOR + 0.40%	Nil	Nil
Allied Bank Limited (ABL-1)	5.1	197,243	219,159	SBP Rate (3%) + 1.25% (2020: SBP Rate (3%) + 1.25%)	09 semi annual installments ending 21 October 2025	Semi annual
United Bank Limited	5.1	239,851	-	SBP Rate (3%) + 0.75% (2020: Nil)	20 quarterly installments ending 5 October 2026	Quarterly
Allied Bank Limited (ABL-2)	5.2	433,457	192,185	SBP Rate (0%) + 0.35% & 0.40% (2020: 3 month's KIBOR + 0.40%)	06 quarterly installments ending 31 October 2022	Quarterly
		870,551	729,180			
Less: current portion shown under current liabilities		(356,788)	(281,853)			
deferred portion of grant income		(22,261)	-			
		491,502	447,327			
Current portion						
Current portion of loan		356,788	281,853			
Markup accrued		4,733	22,059			
		361,521	303,912			

5.1 These facilities are secured by way of ranking hypothecation charge over present and future current and fixed assets (excluding land and building) of the Company with 25% margin.

5.2 This facility is availed under State Bank of Pakistan (SBP) refinance scheme for payment of wages and salaries. The facility is secured by way of ranking hypothecation charge over present and future current and fixed assets (excluding land and building) of the Company with 25% margin.

5.3 UNDRAWN FACILITIES

During the year, the Company has entered into financing agreement for syndicate term finance facility amounting to Rs. 20,400 million (2020: Nil) with local consortium of banks for its new cement manufacturing line.

		Note	2021 Rupees'000	2020 Rupees'000
6	**EMPLOYEE BENEFITS**			
	Balance at beginning of the year		97,255	91,615
	Charge for the year		51,739	47,717
			148,994	139,332
	Payment made		(45,752)	(42,077)
		6.2	103,242	97,255
	Less: amount transferred to current liabilities		(20,862)	(24,708)
			82,380	72,547

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. 4.64 million (2020: Rs. 3.89 million) payable to key management personnel of the Company.

7 LEASE LIABILITY

	Note	2021 Rupees'000	2020 Rupees'000
Balance at the beginning of the year		81,393	73,951
Modification of lease	7.1	14,953	-
Additions during the year		39,578	-
Payments made during the year		(50,413)	(2,902)
Interest on lease liability		12,768	10,344
Balance at end of the year		98,279	81,393
Contractual maturity of remaining lease commitments			
Within one year		34,386	33,662
Between 2 and 5 years		83,508	71,579
Total un-discounted lease commitments		117,894	105,241
Discounted lease liability using the incremental borrowing rate		98,279	81,393
Current portion		(24,686)	(23,737)
Non-current portion		73,593	57,656

7.1 At the date of modification, the Company has recognized lease liabilities at the present value of the remaining lease payments using the Company's incremental borrowing rate of 13.93%.

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		2021 Rupees'000	Restated 2020 Rupees'000
8	**DEFERRED TAX LIABILITIES - NET**		
	Deductible temporary difference		
	Provision for slow moving spares	(10,824)	(10,134)
	Lease liability	(2,493)	(2,420)
	Minimum tax	-	(169,229)
	Taxable temporary difference		
	Property, plant and equipment	3,973,806	3,825,391
		3,960,489	3,643,608

8.1 During the year deferred tax of Rs. 316.88 million has been charged (2020: Rs. 282.1 million was reversed) in the statement of profit or loss.

8.2 For detail of restatement refer note 43.3.

		Note	2021 Rupees'000	2020 Rupees'000
9	**TRADE AND OTHER PAYABLES**			
	Creditors		863,038	354,586
	Retention money		32,691	38,883
	Workers' (Profit) Participation Fund (WPPF)	9.1	24,049	-
	Workers' Welfare Fund (WWF)		120,177	24,027
	Federal excise duty payable		307,090	242,226
	Sales tax payable (net)		188,957	279,549
	Withholding tax payable		112,958	74,982
	Other liabilities		173,682	148,993
			1,822,642	1,163,245
9.1	**Workers' (Profit) Participation Fund (WPPF)**			
	Balance at beginning of the year		-	6,842
	Interest on funds utilized in the Company's business		-	121
	Allocation for the year		274,049	-
	Payment to the fund during the year		(250,000)	(6,963)
			24,049	-
	Allocation for the year is made up as follows:			
	Profit for the year before tax, WPPF and WWF		5,480,989	-
	Charge for the year at the rate of 5%		274,049	-

10 SECURITY DEPOSITS PAYABLE

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

11 CONTRACT LIABILITIES

This represents advances received from customers in ordinary course of business.

12 SHORT TERM BORROWINGS (SECURED)

	Note	2021 Rupees'000	2020 Rupees'000
Short term borrowings	12.1	1,609,236	1,851,920
Markup accrued		7,551	17,247
		1,616,787	1,869,167

12.1 The Company has short term running finance facility limits to the tune of Rs. 3,180 million (2020: Rs. 3,180 million) from banking companies including facility of Rs. 500 million (2020: 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% (2020: 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.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

a) The Custom Authorities allowed release of plant and machinery imported by the Company at concessionary rates of duty in terms of SRO 484(1)/92 dated 14 May 1992 against an undertaking provided by the Company. Subsequent to the release of plant and machinery, the Custom Authorities raised a demand in respect of aforesaid items which are considered by the Federal Board of Revenue (FBR) as not qualifying for the concessionary rate of duty. On dismissal of customs appeal from Supreme Court of Pakistan on 25 April 2019, the custom authorities issued fresh show cause notice of Rs. 455 million in September 2020 to the Company without providing the details/description of subjected items and including some items which were never contested before and are patently time barred. On 18 December 2020 Collector Customs decided the case in favour of customs with directions to provide the Company complete GD wise detail depicting the items and relevant duties applicable on subjected items, which is not yet provided to the Company. The Company filed an appeal before Custom Appellate Tribunal on 17 February 2020 against the order of Collector Customs, which is still pending, on the grounds of time limitation and on the basis that Company is not being informed about the alleged duties, basis or facts which may form the basis of proceedings against the Company in aforesaid show cause notice. The Company also filed a stay application before Sindh High Court (SHC) in July 2020 and SHC vide order dated 26 February 2021 accepted the case that no recovery be initiated during pendency of the Appeal at Custom Appellate Tribunal. Based on the expert opinion, the management of the Company is confident of a favorable outcome.

b) Subsequent to year end on 16 July 2021, Custom Authorities have issued a recovery notice for payment of default surcharge and penalty amounting to Rs. 1.373 billion related to the principal amount which was paid by the Company in accordance with the decision of Honourable Supreme Court of Pakistan.

The Company has responded to the Custom Authorities that penalty or default surcharge can not be imposed on the judgements or orders of appelate authorities without judgemental determination that the taxpayer deliberately failed to pay the tax due and also the order of Honourable Supreme Court of Pakistan did not impose any penalty or default surcharge on the Company in this regard. Further, the interim stay orders were granted by the Honourable High Court during the pendency of the litigation. Based on exper opinion, management is confident of a favourable outcome and of no adverse financial impact.

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. An amended writ petition challenging applicability of Ordinance was filed on 01 October 2009 in the Court. After numerous hearings, Lahore High Court dismissed the case on 26 October 2020. Company has filed an appeal against the same in Supreme Court of Pakistan.

Meanwhile Competition Appellate Tribunal (CAT) on the directions of Supreme Court of Pakistan issued notice dated 18 October 2017 for refiling of appeal in CAT after removal of deficiencies. The Company 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) For FY 2013, FY 2014, FY 2015 and FY 2016 DCIR created demand of sales tax amounting to Rs. 15.4 million, 19.9 million, 13.7 million and 16.5 million respectively. Without giving opportunity of being heard, DCIR created aforesaid demand by disallowing the rightfully claimed input tax credit of the Company on spare parts and fuel purchases. Commissioner Inland Revenue (Appeals) upheld the orders of DCIR. The Company filed appeals before ATIR on 16 October 2017 against the orders of Commissioner Inland Revenue (Appeals) whereby proceedings are under way. Based on expert opinion, management is confident of favorable outcome.

e) On finalization the audit of sales tax affairs of the Company for FY 2017 DCIR has levied sales tax amounting to Rs. 102 million, mainly, on insurance claim received by the Company against loss of property, plant and equipment during the year through his order dated 31 October 2019. The Company filed appeal before CIR (Appeals) against the aforesaid order. The CIR (Appeals) disposed off the appeal through order in appeal dated 27 December 2019 and upheld the action of DCIR. The Company filed appeal before ATIR against the order of CIR (Appeals). ATIR annuled the case for fresh notification vide its order dated 09 September 2020. Department filed reference in Islamabad High Court (IHC) against the order of ATIR. IHC remanded back the case to ATIR through its order dated 01 June 2021 to re-issue the order. Based on expert opinion, management is confident of favorable outcome.

f) The AdCIR issued amended assessment order dated June 15, 2017 under section 122(5A). In this respect, the Company has filed rectification application before AdCIR for allowance relating to WPPF and normal / initial depreciation in respect of finance cost and exchange loss capitalized by him. AdCIR issued rectified order dated September 7, 2017 whereby depreciation in respect of finance cost was allowed. The Company has filed appeal and stay application before CIR(A) against aforesaid order of AdCIR. The CIR (Appeals) on disposing off the Company's appeal vide order dated October 18, 2017, upheld the disallowances made by the DCIR relating to capitalisation of finance cost and exchange loss and ACT brought forward from TY 2015 and remanded back the issue of minimum tax and WPPF. In response to appellate order dated October 18, 2017, AdCIR has issued an appeal effect order dated December 29, 2017 in which he has allowed WPPF paid amounting to Rs. 420,417,504 and excess minimum tax in respect of tax year 2012 amounting to Rs. 36,391,557. The Company filed rectification application dated May 30, 2019 requesting the AdCIR to allow adjustment of minimum tax aggregating to Rs. 305,588,655 instead of Rs. 36,391,557 for excess minimum tax paid by it in tax years 2012, 2013 and 2014. AdCIR rejected the application of the Company. The Company filed an appeal before CIR (A) on 16 March 2020. CIR (A) upheld the order of AdCIR through his order in appeal dated 25 May 2021. The Company is in process of filing of appeal before ATIR. Based on expert opinion, management is confident of favorable outcome.

g) The Company is contingently liable in respect of guarantees amounting to Rs. 475 million (2020: Rs. 475 million) issued by banks on behalf of the Company in the normal course of business. These guarantees are secured against margin / lien on bank deposits and against first pari passu ranking charge by way of hypothecation over the present and future assets of the Company (excluding land and building) retaining 25% margin.

13.2 Commitments

a) The Company has opened letters of credit for the import of plant and machinery, coal and spare parts valuing Rs. 18,812 million (2020: Rs. 931 million).

b) The Company has capital commitment of Rs. 19,400 million (2020: Rs. Nil) in respect of new cement manufacturing line.

FAUJI CEMENT COMPANY LIMITED

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14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land (Note 14.3)	Buildings on freehold land	Plant and machinery	Stores held for capital expenditure	Office equipment	Computers	Electric installation and other equipment	Furniture and fittings	Motor vehicles	Quarry road and related development	Capital work in progress (Note 14.5)	Total
	Rupees'000											
Cost												
Balance at 01 July 2019	257,618	6,753,779	29,295,422	33,688	19,944	87,495	107,639	46,624	234,866	27,855	287,638	37,152,568
Additions	102,664	526	169,170	-	-	4,660	13,508	305	7,027	-	287,809	586,409
Disposals	-	-	-	-	-	(712)	-	-	(10,864)	-	-	(11,568)
Write off	-	-	(120,112)	-	-	-	-	-	-	-	-	(120,112)
Transfers	-	14,139	552,664	-	-	-	-	-	5,836	-	(572,639)	-
Balance at 30 June 2020	360,282	6,768,444	29,897,084	33,688	19,944	91,443	121,147	46,929	237,675	27,855	2,808	37,607,299
Balance as at 01 July 2020	360,282	6,768,444	29,897,084	33,688	19,944	91,443	121,147	46,929	237,675	27,855	2,808	37,607,299
Additions	-	-	529,447	-	575	6,780	5,720	17	32,349	-	432,317	1,007,206
Disposals	-	-	(68,856)	-	(22)	(1,499)	(887)	(871)	(36,842)	-	-	(108,977)
Write off	-	-	(41,552)	-	-	-	-	-	-	-	-	(41,552)
Transfers	-	-	230,230	-	-	-	-	-	2,808	-	(233,038)	-
Balance at 30 June 2021	360,282	6,768,444	30,546,363	33,688	20,497	96,724	125,980	46,075	235,990	27,855	202,087	38,462,975
Accumulated depreciation												
Balance at 01 July 2019	-	2,568,717	10,989,195	23,871	14,895	74,933	93,483	32,503	124,186	27,855	-	13,949,638
Charge for the year	-	325,223	1,330,514	3,253	1,638	8,309	4,850	3,605	36,345	-	-	1,713,737
On disposals	-	-	-	-	-	(713)	-	-	(9,735)	-	-	(10,448)
On write off	-	-	(110,800)	-	-	-	-	-	-	-	-	(110,800)
Balance at 30 June 2020	-	2,893,940	12,208,909	27,124	16,533	82,529	98,333	36,108	150,796	27,855	-	15,542,127
Balance at 01 July 2020	-	2,893,940	12,208,909	27,124	16,533	82,529	98,333	36,108	150,796	27,855	-	15,542,127
Charge for the year	-	244,320	1,275,946	656	1,480	7,262	4,883	3,340	35,145	-	-	1,574,032
On disposals	-	-	(29,723)	-	(22)	(1,370)	(887)	(561)	(26,600)	-	-	(59,163)
On write off	-	-	(15,226)	-	-	-	-	-	-	-	-	(15,226)
Balance at 30 June 2021	-	3,138,260	13,439,906	27,780	17,991	88,421	102,329	38,887	159,341	27,855	-	17,041,770
Carrying amounts - 2021	360,282	3,630,184	17,106,457	5,908	2,506	8,303	23,651	7,188	76,649	-	202,087	21,421,205
Carrying amounts - 2020	360,282	3,874,504	17,688,175	6,564	3,411	8,914	22,814	10,821	86,879	-	2,808	22,065,172
Rates of depreciation (per annum) - %	-	4%-29%	3%-29%	10%	15%	33%	10%-15%	15%	20%-25%	10%		

14.1 Detail of property, plant and equipment disposal

	Cost	Book value	Sale proceeds	Gain	Mode of disposal	Particular of Purchaser	Relationship with Company
	Rupees'000						
Motor vehicle	1,792	837	1,792	955	Insurance claim	-	Not related to Company
Motor vehicle	11,923	4,898	14,805	9,907	Auction	Mr. Wajahat Zeeshan	Not related to Company
Motor vehicle	1,792	599	2,212	1,613	Auction	Mr. Rashid Sultan	Not related to Company
Motor vehicle	2,653	1,328	2,665	1,337	Auction	M/s Kurram Traders	Not related to Company
Motor vehicle	2,045	1,125	1,450	325	Auction	Mr. Naeem Akhtar	Not related to Company
Plant and machinery	67,035	38,810	69,400	30,590	Insurance claim	-	Not related to Company
Other assets with individual book value not exceeding Rs. 500,000	21,737	2,217	10,919	8,702			
	108,977	49,814	103,243	53,429			

	Note	2021 Rupees'000	2020 Rupees'000
14.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	27	1,555,500	1,693,525
Selling and distribution expenses	29	5,512	5,877
Administrative expenses	30	13,020	14,335
		1,574,032	1,713,737

14.3 Freehold land

Freehold land of the Company is located in village Jhang Bahtar, Tehsil Fateh Jang in district Attock measuring 4,976 kanals (2020: 4,976 kanals).

14.4 Immovable fixed assets

The immovable fixed assets of the Company comprises of freehold land and buildings are located as disclosed in note 14.3 of the financial statements.

	Note	2021 Rupees'000	2020 Rupees'000
14.5 Capital work in progress			
New cement manufacturing line at D.G. Khan	1.2	136,011	-
Advance for capital expenditures		65,090	2,808
Others		986	-
		202,087	2,808
15 RIGHT OF USE ASSET			
Balance at beginning of the year		60,322	75,402
Modification of lease		14,953	-
Additions during the year		39,578	-
Depreciation		(25,519)	(15,080)
Balance at end of the year		89,334	60,322
16 LONG TERM DEPOSITS			
Islamabad Electric Supply Company Limited - non interest bearing		61,590	61,590
Sui Northern Gas Pipelines Limited - non interest bearing		25,011	25,011
		86,601	86,601

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		Note	2021 Rupees'000	2020 Rupees'000
17	**LONGTERM INVESTMENT - equity accounted investee**			
	Cost of investment	17.1	12,500	-
	Share of profit for the year		2,849	-
			15,349	-

17.1 This represents 1,250 (2020: Nil) thousand number of ordinary shares representing 25% (2020: Nil) shareholding in Foundation Solar Energy (Private) Limited (FSEL) incorporated in Pakistan. FSEL is a related party due to common directorship. The reporting date of FSEL is 30 June.

17.2 Summary financial information of equity accounted investee

Financial information of FSEL as included in its own financial statements for the year ended 30 June 2021 which has been used for accounting under equity method.

	2021 Rupees'000
Total assets	135,636
Total liabilities	77,404
Net assets	58,232
Revenues	820,736
Profit for the year	15,635

		2021 Rupees'000	2020 Rupees'000
18	**STORES, SPARES AND LOOSE TOOLS**		
	Stores (including items in transit of Rs. 422 million (2020: Rs. 254 million))	1,726,032	896,387
	Spares (including items in transit of Rs. 41 million (2020: Rs. 394 million))	2,559,351	2,644,525
	Provision for slow moving spares	(38,828)	(38,828)
		2,520,523	2,605,697
	Loose tools	4,199	3,725
		4,250,754	3,505,809
19	**STOCK IN TRADE**		
	Raw and packing material	413,570	269,467
	Work in process	629,288	779,940
	Finished goods	146,340	138,345
		1,189,198	1,187,752

			2021 Rupees'000	2020 Rupees'000
20	**TRADE DEBTS**			
	Unsecured			
	Considered good		1,393,425	907,187
	Considered doubtful		3,281	3,281
			1,396,706	910,468
	Secured - considered good		56,175	143,453
	Less: Impairment loss on trade debts		(3,281)	(3,281)
			1,449,600	1,050,640
21	**ADVANCES**			
	Advances - considered good			
	To suppliers - non interest bearing		39,763	72,073
	To employees against expenditures - non interest bearing		5,830	1,622
			45,593	73,695
22	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Trade deposits	22.1	19,335	11,189
	Prepayments		6,812	8,654
			26,147	19,843

22.1 This includes an amount of Rs. 1.0 million (2020: Nil) paid to Mari Petroleum Company Limited (a related party) on account of security for supply of crude oil.

			2021 Rupees'000	2020 Rupees'000
23	**OTHER RECEIVABLES**			
	Other receivables - considered good	23.1	86,983	20,262
	Margin on letter of guarantee		1,907	1,907
			88,890	22,169

23.1 This includes an amount of Rs. 3.9 million (2020: Rs. 5.4 million) receivable from Askari Cement Limited (a related party) on account of shared services agreement which was received subsequently. The maximum amount of receivable from Askari Cement Limited was Rs. 24.5 million (2020: Rs. 5.4 million).

24 SHORT TERM INVESTMENTS

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

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		Note	2021 Rupees'000	2020 Rupees'000
25	**CASH AND BANK BALANCES**			
	Cash at bank			
	Deposit accounts - Conventional banks	25.1 & 25.2	**271,303**	100,237
	Deposit accounts - Islamic banks	25.2	**432,469**	3,404
	Term deposit receipts - Conventional banks		**-**	280,050
	Current accounts - Conventional banks		**193,379**	177,425
	Current accounts - Islamic banks		**3,417**	48
			900,568	561,164
	Cash in hand		**210**	10
			900,778	561,174

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

25.2 Deposit accounts carry mark-up ranging from 2.6% to 6.9% (2020: 8.03% to 13.5%) per annum.

		2021 Rupees'000	2020 Rupees'000
26	**REVENUE - NET**		
	Revenue from external customers		
	Sales - Local	**32,735,882**	25,580,151
	- Export	**1,470,272**	1,418,004
		34,206,154	26,998,155
	Less: - Sales tax	**5,129,939**	4,139,235
	- Excise duty	**4,800,823**	5,623,159
	- Export development surcharge	**4,107**	4,052
		9,934,869	9,766,446
		24,271,285	17,231,709

26.1 Revenue recognised during the year includes Rs. 311.9 million (2020: Rs. 324.3 million) which was shown as contract liabilities at the beginning of the year.

		Note	2021 Rupees'000	2020 Rupees'000
27	**COST OF SALES**			
	Raw materials consumed		1,769,471	1,582,587
	Packing material consumed		1,322,235	1,279,202
	Stores and spares consumed		52,715	40,017
	Spares written-off due to technical obsolescence		-	16,684
	Salaries, wages and benefits	27.1	1,471,689	1,452,572
	Rent, rates and taxes		28,822	21,953
	Insurance		138,214	150,056
	Fuel consumed		7,097,161	6,322,411
	Power consumed		2,834,231	2,732,787
	Depreciation	14.2	1,555,500	1,693,525
	Repairs and maintenance		770,427	718,505
	Technical assistance		13,306	14,071
	Vehicle running and maintenance expenses		16,975	20,512
	Printing and stationery		2,486	2,908
	Travelling and conveyance		36,947	43,534
	Communication, establishment and other expenses		64,059	42,004
	Water conservancy charges		281,863	267,554
			17,456,101	16,400,882
	Add: Opening work-in-process		779,940	524,636
	Less: Closing work-in-process		(629,288)	(779,940)
	Cost of goods manufactured		17,606,753	16,145,578
	Add: Opening finished goods		138,345	206,537
	Less: Closing finished goods		(146,340)	(138,345)
			17,598,758	16,213,770
	Less: Own consumption		(376)	(955)
	Add: Freight charges		608,498	369,790
			18,206,880	16,582,605

27.1 This includes retirement benefits of Rs. 77.4 million (2020: Rs. 70.2 million).

		2021 Rupees'000	2020 Rupees'000
28	**OTHER INCOME**		
	Gain /(loss) on disposal of property, plant and equipment	27,113	(5,486)
	Deferred grant	29,592	-
	Others	25,005	41,620
		81,710	36,134

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FOR THE YEAR ENDED 30 JUNE 2021

		Note	2021 Rupees'000	2020 Rupees'000
28	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and benefits	29.1	158,520	167,115
	Travelling and conveyance		1,856	2,235
	Vehicle running and maintenance expenses		3,134	3,615
	Rent, rates and taxes		3,126	7,379
	Repairs and maintenance		757	728
	Printing and stationery		1,726	1,496
	Depreciation	14.2	5,512	5,877
	Depreciation on right of use asset		4,108	-
	Communication, establishment and other expenses		5,148	6,350
	Advertisement and sale promotion expenses		5,105	8,976
	Insurance		545	573
			189,537	204,344

29.1 This includes retirement benefits of Rs. 9.6 million (2020: Rs. 10.2 million).

		Note	2021 Rupees'000	2020 Rupees'000
30	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	30.1	327,991	312,052
	Travelling and conveyance		2,731	11,252
	Vehicle running and maintenance expenses		6,712	7,670
	Insurance		1,286	1,293
	Rent, rates and taxes		236	200
	Repairs and maintenance		10,711	757
	Printing and stationery		3,909	4,268
	Communication, establishment and other expenses		23,837	35,308
	Legal and professional charges		12,691	9,660
	Management consultancy fee		17,384	-
	Cost charged by Fauji Foundation		75,000	-
	Depreciation	14.2	13,020	14,335
	Depreciation on right of use asset		21,411	15,080
	Donations		7,790	56,776
			524,709	468,651

30.1 This includes retirement benefits of Rs. 21.1 million (2020: Rs. 23.1 million).

		Note	2021 Rupees'000	2020 Rupees'000
31	**OTHER EXPENSES**			
	Auditors' remuneration:			
	Annual audit		1,454	1,219
	Half yearly review		225	180
	Out of pocket expenses		37	30
	Other certifications		84	71
			1,800	1,500
	Workers' Profit Participation Fund	9.1	274,049	-
	Workers' Welfare Fund		102,097	(933)
			377,946	567
32	**FINANCE COST**			
	Interest and other charges on long and short term borrowings			
	- Conventional banks		78,704	191,062
	- Islamic banks		640	17,988
			79,344	209,050
	Interest on Workers' Profit Participation Fund		-	121
	Finance cost related to lease		12,768	10,344
	Bank charges and commission - Conventional banks		17,511	14,285
			109,623	233,800
33	**FINANCE INCOME**			
	Income from financial assets			
	Income from deposits and investments			
	- Conventional banks		39,571	48,516
	- Islamic banks		6,755	341
			46,326	48,857
	Gain on re-measurement of investments classified as fair value through profit or loss-held for trading - Conventional funds		4,999	-
	Dividend and bonus received on investments classified as fair value through profit or loss-held for trading - Conventional funds		109,218	-
			160,543	48,857

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

		Note	2021 Rupees'000	Restated 2020 Rupees'000
34	**INCOME TAX EXPENSE / (CREDIT)**			
	Current			
	For the year		1,320,955	249,946
	Prior year		(1,495)	(81,700)
			1,319,460	168,246
	Deferred	8.1	316,881	(282,132)
			1,636,341	(113,886)
	Accounting profit / (loss) for the year		5,107,692	(173,267)
	Applicable tax rate (%)		29%	29%
	Income tax at applicable rate		1,481,231	(50,247)
	Tax effect of income taxable at lower rates		(111,537)	18,061
	Tax effect of change in proportion of export sales to local sales		252,552	-
	Prior year adjustment		(1,495)	(81,700)
	Other		15,590	-
			1,636,341	(113,886)

34.1 Tax assessments up to and including tax year 2020 have been finalized. However, the tax authorities are empowered to reopen these assessments with five years from the end of the financial year in which the returns were filed.

34.2 For detail of restatement refer note 43.3

		2021 Rupees'000	2020 Rupees'000
35	**EARNINGS/ (LOSS) PER SHARE (BASIC AND DILUTED)**		
	Profit/ (loss) after tax (Rs. '000)	3,471,351	(59,381)
	Profit/ (loss) attributable to ordinary shareholders (Rs. '000)	3,471,351	(59,381)
	Weighted average number of ordinary shares (Numbers '000)	1,379,815	1,379,815
	Earnings/ (loss) per share - basic (Rupees)	2.52	(0.04)

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

36 CASH AND CASH EQUIVALENTS

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

	Note	2021 Rupees'000	2020 Rupees'000
Cash and bank balances	25	900,778	561,174
Short term borrowings - secured	12	(1,616,787)	(1,869,167)
		(716,009)	(1,307,993)

37 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	
	2021	2020	2021	2020
	Rupees'000			
Managerial remuneration	13,212	18,012	253,541	236,270
Bonus	3,456	3,821	114,335	102,926
Provident fund	804	661	14,612	13,588
Compensated absences	611	-	9,522	9,026
Utilities and upkeep	804	3,090	37,439	36,961
Gratuity	-	1,640	-	-
	18,887	27,224	429,449	398,771
Number of persons	1	2	77	77

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

37.2 Meeting fee of non-executive directors charged during the year was Rs. 4.9 million (2020: Rs. 4.3 million). Number of non-executive directors at year end were 9 (2020: 9).

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

38 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).

38.1 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 2021								
Financial assets not measured at fair value								
Trade debts - net of impairment loss	20	1,449,600	-	1,449,600	-	-	-	-
Other receivables	23	88,890	-	88,890	-	-	-	-
Cash and bank balances	25	900,778	-	900,778	-	-	-	-
		2,439,268	-	2,439,268	-	-	-	-
Financial assets measured at fair value								
Long term deposits	16	-	86,601	86,601	-	-	86,601	86,601
Trade deposits	22	-	19,335	19,335	-	-	19,335	19,335
Short term investments	24	-	4,397,699	4,397,699	4,397,699	-	-	4,397,699
		-	4,503,635	4,503,635	4,397,699	-	105,936	4,503,635
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	853,023	-	853,023	-	-	-	-
Lease liability (including current portion)	7	98,279	-	98,279				
Creditors	9	863,038	-	863,038	-	-	-	-
Retention money	9	32,691	-	32,691	-	-	-	-
Other liabilities	9	173,682	-	173,682	-	-	-	-
Payable to employees' provident fund trust		10,714	-	10,714				
Accrued liabilities		1,554,895	-	1,554,895	-	-	-	-
Security deposits payable	10	260,652	-	260,652	-	-	-	-
Unclaimed dividend		38,479	-	38,479	-	-	-	-
Short term borrowings - secured	12	1,616,787	-	1,616,787	-	-	-	-
		5,502,240	-	5,502,240	-	-	-	-

On-balance sheet financial instruments	Note	Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
					Rupees'000			
30 June 2020								
Financial assets not measured at fair value								
Trade debts - net of impairment loss	20	1,050,640	-	1,050,640	-	-	-	-
Other receivables	23	22,169	-	22,169	-	-	-	-
Cash and bank balances	25	561,174	-	561,174	-	-	-	-
		1,633,983	-	1,633,983	-	-	-	-
Financial assets measured at fair value								
Long term deposits	16	-	86,601	86,601	-	-	86,601	86,601
Trade deposits	22	-	11,189	11,189	-	-	11,189	11,189
Short term investments	24	-	-	-	-	-	-	-
		-	97,790	97,790	-	-	97,790	97,790
Financial liabilities not measured at fair value								
Long term loans (including current portion)	5	751,239	-	751,239	-	-	-	-
Lease liability (including current portion)	7	81,393	-	81,393	-	-	-	-
Creditors	9	354,586	-	354,586	-	-	-	-
Retention money	9	38,883	-	38,883	-	-	-	-
Other liabilities	9	148,993	-	148,993	-	-	-	-
Accrued liabilities		1,040,530	-	1,040,530	-	-	-	-
Payable to employees' provident fund trust		13,528	-	13,528				
Security deposits payable	10	253,940	-	253,940	-	-	-	-
Unclaimed dividend		40,051	-	40,051	-	-	-	-
Short term borrowings - secured	12	1,869,167	-	1,869,167	-	-	-	-
		4,592,310	-	4,592,310	-	-	-	-

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38.2 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.

38.3 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.

38.4 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade debts, advances, deposits, interest accrued, other receivables, margin on letter of guarantee and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

The Company's credit risk exposures is categorized under the following headings:

Trade debts and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customers/dealers. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment terms and conditions are offered. Credit limits are established for each customer, which are regularly reviewed and approved by the management. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Concentration of credit risk

Geographically there is no concentration of credit risk. The maximum exposure to credit risk for financial assets at the reporting date by type of counter party is as follows:

	2021	2020
	(Rupees' 000)	
From government institutions	86,601	86,601
Banks and financial institutions	5,298,267	561,154
Others	1,557,825	1,083,998
	6,942,693	1,731,753

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 VIS Credit Rating Company Limited (formerly JCR - VIS Credit Rating Company Limited). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting their obligations.

Trade debts	2021	2020
	Rupees' 000	
Counterparties without external credit ratings with no default in the past	1,449,600	1,050,640

Impairment losses

The aging of trade debts at the reporting date was:

	2021		2020	
	Gross	Impairment	Gross	Impairment
	Rupees' 000		Rupees' 000	
Past due 1-30 days	993,145	-	766,085	-
Past due 31-60 days	314,947	-	118,626	-
Past due 61-90 days	136,303	-	40,608	-
Over 90 days	8,485	3,281	128,602	3,281
	1,452,880	3,281	1,053,921	3,281

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

	2021	2020
	Rupees '000	
Balance at 1 July	3,281	3,281
Impairment loss adjustment	-	-
Balance at 30 June	3,281	3,281

Based on past experience, the management believes that no further impairment allowance is necessary in respect of carrying amount of trade debts. The company has no material expected credit loss under IFRS 9 'Financial Instruments' on trade debts at the year end.

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible at which point the amount considered irrecoverable is written off against the financial asset directly.

Cash at Bank

The Company held cash at bank of Rs. 901 million at 30 June 2021 (2020: Rs. 561 million). Cash at bank is held with banks and financial institution, which are rated AA+ to A.

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	2021	2020
		Rupees '000	
Long term deposits	16	**86,601**	86,601
Trade debts - net of provision	20	**1,449,600**	1,050,640
Trade deposits	22	**19,335**	11,189
Other receivables	23	**88,890**	22,169
Short term investments	24	**4,397,699**	-
Bank balances	25	**900,568**	561,164
		6,942,693	1,731,763

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. 504 million (2020: Rs. 267million) was outstanding and which is included in total carrying amount of trade debtors as at 30 June 2021.

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.

	2021	2020
	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	19,335	11,189
Other receivables		
Counterparties with external credit ratings of A-	497	386
Counterparties without external credit ratings	88,393	21,783
Short term investments		
Counterparties with external credit ratings from AA+(f) to A+(f)	4,397,699	-
Bank balances		
Counterparties with external credit ratings from AA+ to A	900,568	561,164

38.5 **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains letters of credit as mentioned in note 13.2 to the financial statements.

The following are the contractual maturities of financial liabilities, including expected interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onwards
			Rupees '000			
2021						
Long term loans (including current portion)	853,023	916,541	370,309	249,966	296,266	-
Lease liability (including current portion)	98,279	117,894	34,386	47,028	36,480	-
Trade and other payables	1,069,411	1,069,411	1,069,411	-	-	-
Accrued liabilities	1,554,895	1,554,895	1,554,895	-	-	-
Security deposits payable	260,652	260,652	260,652	-	-	-
Payable to employees' provident fund trust	10,714	10,714	10,714	-	-	-
Unclaimed dividend	38,479	38,479	38,479	-	-	-
Short term borrowings - secured	1,616,787	1,616,787	1,616,787	-	-	-
	5,502,240	5,585,373	4,955,633	296,994	332,746	-
2020						
Long term loans (including current portion)	751,239	783,139	310,610	257,959	192,188	22,382
Lease Liability (including current portion)	81,393	105,241	33,662	22,321	49,258	-
Trade and other payables	542,462	542,462	542,462	-	-	-
Accrued liabilities	1,040,530	1,040,530	1,040,530	-	-	-
Security deposits payable	253,940	253,940	253,940	-	-	-
Payable to employees' provident fund trust	13,528	13,528	13,528	-	-	-
Unclaimed dividend	40,051	40,051	40,051	-	-	-
Short term borrowings - secured	1,869,167	1,869,167	1,869,167	-	-	-
	4,592,310	4,648,058	4,103,950	280,280	241,446	22,382

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

38.5.1 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.

38.6 **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, interest rates risks and price risks.

38.6.1 Foreign currency risk

The PKR is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items; and
- Transactional exposure in respect of non functional currency expenditure and revenues.

Transactional exposure in respect of non functional currency monetary items

Financial assets and liabilities which are denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

The following significant exchange rate applied during the year:

	2021	2020	2021	2020
	Average rates		Balance sheet date rate	
US Dollars	162.83	163.85	157.55	168.1
Euro	188.13	185.17	187.34	188.91

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.

38.6.2 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 date of statement of financial position, the interest rate profile of the Company's interest bearing financial instruments is:

			Carrying Amount	
	2021	2020	2021	2020
	Effective interest rates		Rupees '000	
Fixed rate instruments				
Financial assets	2.6% - 6.9%	8.03% - 13.5%	703,772	103,641
Financial liabilities	0.35%- 4.25%	-	1,620,551	-
Variable rate instruments				
Financial liabilities	1 month KIBOR & 3 month KIBOR + 0.25% to 0.75%	1 month KIBOR to 6 month KIBOR + 0.25% to 0.75%	866,787	2,620,406

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss	
	100 basis points increase	100 basis points decrease
	Rupees '000	
Cash flow sensitivity (net)		
Variable rate instruments	(1,412)	1,412
30 June 2021	(1,412)	1,412
Variable rate instruments	(1,402)	1,402
30 June 2020	(1,402)	1,402

38.6.3 Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Sensivity analysis-price risk

For investments classified as fair value through profit or loss (held for trading), a 1% increase in market price at reporting date would have increased profits by Rs. 43,977 thousand (2020: Nil) an equal change in opposite direction would have decreased the profit by the same amount.

38.7 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and/or issue new shares. There were no changes to Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

39 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, staff retirement funds and key management personnel.

Related party	Basis of relationship	Percentage of shareholding %
Fauji Foundation	Shareholder	39.40
Fauji Fertilizer Company Limited	Shareholder / Common directorship	6.79
Fauji Oil Terminal and Distribution Company Limited	Shareholder / Common directorship	1.36
Askari Cement Limited	Common directorship	Nil
Askari Bank Limited	Common directorship	Nil
Foundation Solar Energy (Pvt) Limited	Common directorship	Nil
Mari Petroleum Company Limited	Common directorship	Nil
Mr. Qamar Haris Manzoor	Key management personnel	Nil
Mr. Muhammad Tariq	Key management personnel	Nil
Mr. Wasif Saeed	Key management personnel	Nil
Brig. Raiz Ahmed Gondol (Retd), SI(M)	Key management personnel	Nil
Mr. Omer Ashraf	Key management personnel	Nil
Mr. Syed Kamran Hassan	Key management personnel	Nil
Brig. Muhammad Iqbal Tahir (Retd), SI(M)	Key management personnel	Nil
Brig. Abdul Jabbar (Retd), SI(M)	Key management personnel	Nil
Employees' provident fund trust	Provident fund trust	Nil

Balances and transactions with related parties are disclosed in note 4, 6.2, 22.1, 23.1, 30.1 and 37 to the financial statements. Transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as follows:

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	2021 Rupees'000	2020 Rupees'000
Transactions and balances with related parties		
Fauji Foundation		
- Sale of cement	-	12,773
- Payment for use of medical facilities	2,272	2,097
- Payable for use of medical facilities	326	-
- Payment of rent and utilities	50,529	7,934
- Donation paid through Fauji Foundation	7,580	4,700
- Consultancy charges paid through Fauji Foundation	10,547	-
- Payable against cost charged	15,224	-
- Payment against cost charged	59,776	-
- Donation paid for medical equipment	-	50,000
- Dividend paid on ordinary shares	-	407,738
Foundation Solar Energy (Pvt) Limited		
- Payment against supply of solar equipment and services	240,881	-
- Advance against issue of shares	-	12,500
Mari Petroleum Company Limited		
- Purchase of crude oil	177,967	-
- Payment against supply of crude oil	71,841	-
- Payable against supply of crude oil	106,126	-
Fauji Fertilizer Company Limited		
- Dividend paid on ordinary shares	-	70,312
Fauji Fertilizer Bin Qasim Limited		
- Dividend paid on ordinary shares	-	14,062
FFBL Provident Fund Trust		
- Dividend paid on ordinary shares	-	202
Fauji Oil Terminal and Distribution Company Limited		
- Dividend paid on ordinary shares	-	14,062
FFBL Power Company Limited		
- Payment for purchase of coal	-	91,122
Askari Cement Limited		
- Amount against shared services/materials	136,544	5,419
- Payable against expenses incurred on behalf of the Company	18,003	-

	2021 Rupees'000	2020 Rupees'000
Askari Bank Limited		
- Balance in bank accounts	204,732	471
- Profit received on deposit accounts	451	856
Employees Funds		
- Payments made into the fund	58,389	53,346
Others		
- Remuneration to key management personnel (other than Chief Executive)	63,929	57,918

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

	Liabilities			Equity		
	Short term borrowings used for cash management purposes	Lease liability	Long term loan	Share capital	Unappropriated profits	Total
	Rupees'000					
Balance at 01 July 2020	1,869,167	81,393	751,239	13,798,150	7,370,555	23,870,504
Lease liability on right of use asset	-	54,531	-	-	-	54,531
Changes from financing cash flows						
Disbursements from new long term loans	-	-	625,610	-	-	625,610
Repayment of loan	-	-	(484,237)	-	-	(484,237)
Finance cost paid for the year	-	-	(94,843)	-	-	(94,843)
Lease payments	-	(50,413)	-	-	-	(50,413)
Dividend paid	-	-	-	-	(1,572)	(1,572)
Total changes from financing cash flows	-	(50,413)	46,530	-	(1,572)	(5,455)
Other changes						
Liability related						
Net decrease in short term borrowings	(276,470)	-	-	-	-	(276,470)
Finance cost expense for the year	24,090	12,768	55,254	-	-	92,112
Total liability related other changes	(252,380)	12,768	55,254	-	-	(184,358)
Equity related						
Total comprehensive income for the year	-	-	-	-	3,471,351	3,471,351
Change in unclaimed dividend	-	-	-	-	1,572	1,572
Total equity related other changes	-		-	-	3,472,923	3,472,923
Balance at 30 June 2021	1,616,787	98,279	853,023	13,798,150	10,841,906	27,208,145

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

	Liabilities			Equity		Total
	Short term borrowings used for cash management purposes	Lease liability	Long term loan	Share capital	Unappropriated profits	
	Rupees'000					
Balance at 01 July 2019	997,701	-	668,301	13,798,150	8,464,797	23,928,949
Lease liability on right of use asset	-	73,951	-	-	-	73,951
Changes from financing cash flows						
Disbursements from new long term loans	-	-	411,344	-	-	411,344
Repayment of loan	-	-	(319,033)	-	-	(319,033)
Finance cost paid for the year	(164,255)	-	(68,451)	-	-	(232,706)
Lease payments	-	(2,902)	-	-	-	(2,902)
Dividend paid	-	-	-	-	(1,038,557)	(1,038,557)
Total changes from financing cash flows	(164,255)	(2,902)	23,860	-	(1,038,557)	(1,181,854)
Other changes						
Liability related						
Net increase in short term borrowings	885,749	-	-	-	-	885,749
Finance cost expense for the year	149,972	10,344	59,078	-	-	219,394
Total liability related other changes	1,035,721	10,344	59,078	-	-	1,105,143
Equity related						
Total comprehensive income for the year	-	-	-	-	(59,381)	(59,381)
Change in unclaimed dividend	-	-	-	-	3,696	3,696
Total equity related other changes	-		-	-	(55,685)	(55,685)
Balance at 30 June 2020	1,869,167	81,393	751,239	13,798,150	7,370,555	23,870,504

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		2021	2020
41	**PLANT CAPACITY AND ACTUAL PRODUCTION - CEMENT**	**Metric Tons**	Metric Tons
	Current installed capacity	**3,559,500**	3,559,500
	Actual production	**3,483,466**	3,066,737

Difference is due to demand supply situation of the market.

42 EMPLOYEES PROVIDENT FUND TRUST

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.

43 GENERAL

43.1 Facilities against letters of guarantee and letters of credit

This includes the Letter of Guarantee and Letter of Credit facilities extended to the Company by various banks to the extent of Rs. 316 million and Rs. 24,300 million (2020: Rs. 315 million and Rs. 3,900 million) respectively. The letter of Guarantees are secured against first pari passu hypothecation charge over present and future assets of the Company (excluding land and building) and lien over bank deposits.

		2021	2020
43.2	**Number of persons employed**	**Numbers**	Numbers
	Total employees of the Company at year end	**1,113**	1,220
	Average employees of the Company during the year	**1,166**	1,228

43.3 Impact of restatement due to prior year adjustments

In the previous year, the Company provided current tax under NTR @ 29% based on the opinion that as far as the Company is in taxable profits it has to bear normal tax even if minimum tax is applicable to the Company. Minimum tax paid, in excess of normal tax, is carried forward and is adjusted against the normal tax payable in future years. The Company opined that the amount of minimum tax paid, in excess of the normal tax, at the time of filing of the return of income, be recognised as advance tax and will be adjusted against normal tax liability of future years.

During the year, the Accounting Standard Board (the Board) of the Institute of Chartered Accountants of Pakistan (ICAP) issued an opinion whereby the Board concluded that; the minimum tax levied under section 113 of the Income Tax Ordinance, 2001 should be recognized as current tax expense; and a deferred tax asset should be recognised for the amount of minimum tax paid for a period in excess of tax based on taxable income subject to the probability of availability of future taxable profits against which the unused tax losses and unused tax credits can be utilized.

In line with the Board's opinion, the Company has recognized provision for minimum tax and related deferred tax asset in the financial statements. In accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", this change has been applied retrospectively.

The impact of restatement on the statement of financial position and the statement of profit or loss and other comprehensive income is as follows:

	Note	30 June 2020		
		Before the effect of adjustment	Effect of adjustment	After the effect of adjustment
			Rupees'000	
Impact on statement of financial position				
Deferred tax liabilities - net	8	3,812,837	(169,229)	3,643,608
Advance tax - net		731,468	(169,229)	562,239
Impact on the statement of profit or loss and other comprehensive income				
Current tax expense	34	(983)	169,229	168,246
Deferred tax credit	34	(112,903)	(169,229)	(282,132)
Loss per share - basic and diluted (Rupees)	35	(0.04)	-	(0.04)

43.4 These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 6 September 2021.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS

Disclosure	Reference
Fair value of Property, Plant and Equipment.	NA
Segment analysis of segment revenue, segment results and profit before tax.	NA There are no multiple operating segments
Reconciliation of weighted average number of shares for calculating EPS and diluted EPS.	NA The Company has only ordinary shares and has not issued share capital during the year
Particulars of significant/ material assets and immovable property including location and area of land.	Note-14
Disclosure of product wise data mentioning, product revenue, profit etc.	NA
Disclosure of discounts on revenue.	NA
Sector wise analysis of deposits and advances.	NA
Complete set of financial statements (Balance sheet, Income statement & Cash flow) for Islamic banking operations.	NA
Status for adoption of Islamic Financial Accounting Standards (IFAS) issued by the ICAP.	NA
Summary of significant transactions and events that have affected the company's financial position and performance during the year.	Note 1.2
Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	NA The Company follows historical cost model
Distribution of shareholders (Number of shares as well as category wise, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.).	Given in Category of Shareholders
Particulars of major foreign shareholders, other than natural person, holding more than 5% of paid up capital in the company in Pattern of Shareholding	Given in Category of Shareholders
Particulars where company has given loans or advances or has made investments in foreign companies or undertakings.	NA No such loans and investments
Accounts Receivable in respect of Export Sales - Name of company or undertaking in case of related party and in case of default brief description of any legal action taken against the defaulting parties.	NA No such receivables
Treasury shares in respect of issued share capital of a company.	NA No treasury shares issued by the Company
In describing legal proceedings, under any court, agency or government authority, whether local or foreign, include name of the court, agency or authority in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis of the proceeding and the relief sought.	Note 13

NA represents "Not Applicable to the Company."

CATEGORIES OF SHAREHOLDERS

AS AT 30 JUNE 2020

Ser	Categories of Shareholders	No of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their Spouse and Minor Children	10	4,343,007	0.31%
2	Associated Companies, undertakings and Related Parties (Parent Company)	4	656,150,242	47.55%
3	NIT and ICP	6	3,326,867	0.24%
4	Banks Development Financial Institutions, Non Banking Financial Institutions	19	54,525,500	3.95%
5	Insurance Companies	17	77,970,150	5.65%
6	Modarabas	6	1,066,000	0.08%
7	Mutual Funds	48	70,499,839	5.11%
8	General Public			
	a. Local	12,097	384,025,094	27.83%
	b. Foreign	40	17,340,554	1.26%
9	Others (to be specified)			
	a. Investment Companies	7	3,902,000	0.28%
	b. Joint Stock Companies	159	81,918,733	5.94%
	c. Pension Funds	13	3,671,585	0.27%
	d. Foreign Companies	15	16,998,428	1.23%
	e. Others	52	4,077,026	0.30%
	Total	12,493	1,379,815,025	100.00%
10	Shareholders holding 10% or more of the Total Capital			
	a. Committee of Admin Fauji Foundation		543,650,242	39.40%
11	Shareholders holding 5% or more of the Total Capital			
	a. Committee of Admin Fauji Foundation		543,650,242	39.40%
	b. Fauji Fertilizers Company Limited (CDC)		93,750,000	6.79%

FINANCIAL CALENDAR - 2021/2022

The Company's Financial Year start from 1st July and end at 30th Jun each year. Tentative schedule for announcement of financial results in 2021/2022 is as under:-

a. Annual General Meeting - 20th October 2021
b. 1st Quarter ending 30th September 2021 - Last week of October 2021
c. 2nd Quarter ending 30th December 2021 - Last week of February 2022
d. 3rd Quarter ending 31st March 2022 - Last week of April 2022
e. Annual Accounts year ending 30th June 2022 - Last week of August 2022

CATEGORIES OF SHAREHOLDING REQUIRED UNDER LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AS ON 30TH JUNE 2021

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 OIL TERMINAL & DISTRIBUTION	18,750,000	1.3589
4	FAUJI FERTILIZER COMPANY LTD (CDC)	93,750,000	6.7944
	Total	**656,150,242**	**47.5535**
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL STOCK FUND (CDC)	2,000	0.0001
2	CDC - TRUSTEE AKD INDEX TRAKER FUND (CDC)	180,800	0.0131
3	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	60,000	0.0043
4	CDC - TRUSTEE ALFALAH GHP ALPHA FUND (CDC)	689,500	0.0500
5	CDC - TRUSTEE ALFALAH GHP INCOME FUND (CDC)	31,500	0.0023
6	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	313,500	0.0227
7	CDC- TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	1,516,000	0.1099
8	CDC- TRUSTEE ALFALAH GHP STOCK FUND (CDC)	1,278,458	0.0927
9	CDC- TRUSTEE ALFALAH GHP VALUE FUND (CDC)	416,000	0.0301
10	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND (CDC)	2,160,000	0.1565
11	CDC - TRUSTEE APF-EQUITY SUB FUND (CDC)	360,000	0.0261
12	CDC - TRUSTEE APIF - EQUITY SUB FUND (CDC)	612,500	0.0444
13	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND (CDC)	296,000	0.0215
14	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND (CDC)	341,500	0.0247
15	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND (CDC)	2,477,000	0.1795
16	CDC - TRUSTEE ATLAS STOCK MARKET FUND (CDC)	8,014,000	0.5808
17	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND (CDC)	300,000	0.0217
18	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND (CDC)	3,450,000	0.2500
19	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND (CDC)	800,000	0.0580
20	CDC - TRUSTEE FAYSAL MTS FUND - MT (CDC)	42,000	0.0030
21	CDC - TRUSTEE FAYSAL STOCK FUND (CDC)	2,171,000	0.1573
22	CDC - TRUSTEE KSE MEEZAN INDEX FUND (CDC)	2,131,875	0.1545
23	CDC - TRUSTEE LAKSON EQUITY FUND (CDC)	1,311,900	0.0951

S/No	Name	Number of Shares Held	Percentage
24	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND (CDC)	216,100	0.0157
25	CDC - TRUSTEE LAKSON TACTICAL FUND (CDC)	152,206	0.0110
26	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND (CDC)	320,000	0.0232
27	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	5,129,500	0.3718
28	CDC - TRUSTEE MEEZAN TAHAFUZ PENSION FUND - EQUITY SUB FUND (CDC)	45,000	0.0033
29	CDC - TRUSTEE NBP BALANCED FUND (CDC)	634,500	0.0460
30	CDC - TRUSTEE NBP INCOME OPPORTUNITY FUND - MT (CDC)	116,500	0.0084
31	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND (CDC)	428,500	0.0311
32	CDC - TRUSTEE NBP ISLAMIC REGULAR INCOME FUND (CDC)	185,000	0.0134
33	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND (CDC)	4,331,500	0.3139
34	CDC - TRUSTEE NBP ISLAMIC STOCK FUND (CDC)	8,091,000	0.5864
35	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT (CDC)	158,000	0.0115
36	CDC - TRUSTEE NBP SARMAYA IZAFA FUND (CDC)	754,500	0.0547
37	CDC - TRUSTEE NBP SAVINGS FUND - MT (CDC)	68,500	0.0050
38	CDC - TRUSTEE NBP STOCK FUND (CDC)	16,892,500	1.2243
39	CDC - TRUSTEE UBL GROWTH AND INCOME FUND (CDC)	425,000	0.0308
40	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND (CDC)	206,500	0.0150
41	CDC - TRUSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	200,000	0.0145
42	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND (CDC)	798,000	0.0578
43	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND (CDC)	1,350,000	0.0978
44	CDC-TRUSTEE UBL INCOME OPPORTUNITY FUND (CDC)	433,000	0.0314
45	MC FSL TRUSTEE JS - INCOME FUND (CDC)	21,500	0.0016
46	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND (CDC)	30,000	0.0022
47	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND (CDC)	258,000	0.0187
48	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND (CDC)	299,000	0.0217
	Total	**70,499,839**	**5.1094**
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. WAQAR AHMED MALIK	1	0.0000
2	MR. QAMAR HARIS MANZOOR	9,001	0.0007
3	MAJ GEN NASEER ALI KHAN, HI (M), (RETD)	1	0.0000
4	MAJ GEN ABID RAFIQUE, HI(M), (RETD)	1	0.0000
5	DR. NADEEM INYAT	1	0.0000

S/No	Name	Number of Shares Held	Percentage
6	MR. SAMI UL HAQ KHILJI	1	0.0000
7	SYED BAKHTIYAR KAZMI	1	0.0000
8	MR. JAWAID IQBAL (CDC)	4,323,500	0.3133
9	MR. ZAFAR IQBAL SOBANI (CDC)	10,000	0.0007
10	MS. JAHANARA SAJJAD AHMAD (CDC)	500	0.0000
	Total	**4,343,007**	**0.3148**
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance			
Companies, Insurance Companies, Takaful, Modarabas			
and Pension Funds		137,233,235	9.9458
Shareholders holding 10% or more of the Total Capital			
a. Committee of Admin Fauji Foundation		543,650,242	39.4002
Shareholders holding 5% or more of the Total Capital			
a. Committee of Admin Fauji Foundation		543,650,242	39.4002
b. Fauji Fertilizers Company Limited (CDC)		93,750,000	6.7944

During the Financial Year the trading in share of the Company by the Directors, CEO, CFO, Company Secretary and their Spouse and Minor Children is as under:-

S.No	Name	Sale	Purchase
1	Syed Bakhtiyar Kazmi, Director	-	1
2	Mr. Zafar Iqbal Sobani, Director	-	7,500
3	Mr. Jawaid Iqbal, Director	-	4,316,000
	Total:	-	4,323,501

NOTICE OF ANNUAL GENERAL MEETING

29th Annual General Meeting (AGM) of the shareholders of Fauji Cement Company Limited (FCCL) will be held at Pearl Continental Hotel, The Mall, Rawalpindi on 20th October 2021 (Wednesday) at 1500 hours to transact the following business:-

Ordinary Business

1. To confirm the minutes of 28th Annual General Meeting held on 14th October 2020.
2. To consider, approve and adopt Annual Audited Accounts of the Company together with the Directors' and Auditors' Reports for the year ended 30th June 2021.
3. To appoint Statutory Auditors of the Company and fix their remuneration for the year ending 30th June 2022.

Special Business

4. To consider and approve the increase in Director's Remuneration and for this purpose pass the following resolution as special resolution with or without any amendment, modification or alteration:-

   RESOLVED THAT the following increase in remuneration of the Chairman and the Directors (i.e non-executive and independent directors) of the company, for attending board and committee meeting, be and is hereby approved.

Meeting	Existing Remuneration	Remuneration after Increase
Board Meeting	Rs 50,000	Chairman Rs 150,000 Directors Rs 100,000
Committee Meeting	Rs 50,000	Rs. 100,000

Other Business

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

By Order of FCCL Board of Directors

Brig Abid Hussain Bhatti, SI(M), (Retd)
Company Secretary

Rawalpindi
Dated: 28 September 2021

Notes

1. The Share Transfer Books of the Company will remain closed from **14th October to 20th October 2021** (both days inclusive) for the purpose of attending AGM.

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

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

   a. <u>For Attending the Meeting</u>

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

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

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

   (4) The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. EMD/ MISC/82/2012-77 dated 15th February 2021, has directed the listed companies to arrange participation of shareholders in annual general meetings through videos link, webinar, zooming etc. in addition to allowing physical attendance by the members. This direction has been issued to safeguard the shareholders against the continuing threat posed by the COVID-19 pandemic and to protect their wellbeing.

   (5) The video link of meeting shall be sent to the members on their registered email addresses.

   b. <u>For Appointing Proxies</u>

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

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

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

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

   (5) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form to the Company.

4. Availability of Annual Audited Financial Statement

   In accordance with the provisions of **Section 223** of the **Companies Act 2017**, the audited financial statements of the Company for the year which ended on 30th June 2021, are available on the Company's website (**http://www.fccl.com.pk**).

   In accordance with **SRO 470 (I) / 2016 dated 31st May 2016**, SECP has allowed the Companies to circulate the Annual Audited Financial Statements, Auditors' Report and Directors' Report to its members through **CD/DVD/USB** instead of transmitting the hard copies at their registered addresses. The Company has obtained shareholders'

NOTICE OF ANNUAL GENERAL MEETING

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 2021** is being dispatched to the shareholders through CD. However, if any shareholder, in addition, desires to get the hard copy of Annual Audited Financial Statements, Auditors' Report and Directors' Report the same shall be provided free of cost within seven working days of receipt of such request.

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

5. Notice of AGM & Annual Accounts through Email

Pursuant to Notification vide SRO. 787(1)/2014 dated 8th September 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (E-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect, members are hereby requested to convey their consent via e-mail on a standard request form, which is available at the Company website i.e. (http://www.fccl.com.pk).

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

6. Unclaimed /Unpaid Dividends

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

7. Deposit of Physical Shares In to CDC Account

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

   b. The Shareholders having physical shareholding are encouraged to open CDC sub account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

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 AGM. They will be entertained subject to availability of such facility in that city.

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

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

9. Change of Address. Members are requested to notify any change in their addresses immediately. For any further assistance, the members may contact the Company or the Share Registrar at the following address:-

a. Registered Office - FCCL

Company Secretary

Fauji Cement Company Limited
Fauji Towers, Block -III, 68-Tipu Road
Chaklala, Rawalpindi, Pakistan
Tel: +92-051-9280081- 83
Website: htpp://www.fccl.com.pk

b. FCCL Registrar

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

STATEMENT OF MATERIAL FACTS

UNDER SECTION 134 OF THE COMPANIES ACT, 2017

INCREASE IN REMUNERATION OF DIRECTORS

1. **Subject to approval of the shareholders of the Company, the Board has recommended to increase the remuneration of its Directors in light of the following:-**

   a. The importance of sufficient and appropriate remuneration of independent / non-executive directors and its link to the performance of the Company;

   b. The need to attract, retain and motivate independent / non-executives of the quality required to run the Company successfully;

   c. The need to ensure that Directors are compensated in accordance with their skill set and experience and for the time they contribute to the Board;

   d. To bring the remuneration of the Directors of the Company at par with the remuneration paid to directors of other companies operating in the same industry;

Meeting	Existing Remuneration	Remuneration after Increase
Board Meeting	Rs 50,000	Chairman Rs 150,000 Directors Rs 100,000
Committee Meeting	Rs 50,000	Rs 100,000

FORM OF PROXY

29th ANNUAL GENERAL MEETING – 20th OCTOBER 2021

I/we ______________________ of __________________being a member(s) of Fauji Cement Company Limited, holding _________ordinary shares as per Registered Folio No / CDC Account No _______-____ hereby appoint Mr./Mrs./Miss_____________________ of (full address)___________________________ or failing him / her Mr./Mrs/Miss __________________(address) _______________________ (being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the **29th Annual General Meeting** of the Company to be held on **20th October 2021 (Wednesday)** and /or any adjournment thereof.

Please affix Rupees Five revenue Stamp

____

Signature of Shareholders

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

Signed this ____day of ____ 2021

Signature of Proxy ____________

Witnesses:-

1. Signature: ____________________
   Name: ____________________
   Address: ____________________
   ____
   ____
   CNIC/ Passport No ____________________

2. Signature: ____________________
   Name: ____________________
   Address: ____________________
   ____
   ____
   CNIC/ Passport No ____________________

Notes

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

URDU SECTION

۹۔ **پتہ میں تبدیلی کیلئے**

تمام ممبران سے استدعا کی جاتی ہے۔ وہ اپنے پتوں (Address) 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:۔

ب۔ شیئر رجسٹرار آفس، فوجی سیمنٹ کمپنی لمیٹڈ	الف۔ رجسٹرڈ آفس، فوجی سیمنٹ کمپنی لمیٹڈ
میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ،	کمپنی سیکریٹری
1-K، کمرشل، ماڈل ٹاؤن، لاہور، پاکستان	فوجی سیمنٹ کمپنی لمیٹڈ، فوجی ٹاورز، بلاک ۳
ای میل Corplink786@gmail.com	۱۸ ہیرو روڈ چکلالہ، راولپنڈی، پاکستان
فون نمبر: 92-42-35916714 +	ویب سائیٹ www.fccl.com.pk
	ای میل farasat@fccl.com.pk

کمپنیز ایکٹ 2017 سیکشن 134 کے تحت حقائق کا بیان

ڈائریکٹرز کے معاوضے میں اضافہ

کمپنی کے شیئر ہولڈرز کی منظوری سے مشروط بورڈ نے درج ذیل کے تحت ڈائریکٹرز کے معاوضوں میں اضافہ کا فیصلہ کیا ہے:۔

۱۔ آزاد/ نان ایگزیکٹو ڈائریکٹرز کے لئے مناسب معاوضے کی اہمیت اور کمپنی کی بہتر کارکردگی کے لیے اس کی افادیت۔

۲۔ کمپنی کی بہتر کارکردگی کے لیے آزاد/ نان ایگزیکٹو ڈائریکٹرز کی خدمات حاصل کرنا اور ان کی حوصلہ افزائی۔

۳۔ ڈائریکٹرز کی صلاحیتوں، تجربے اور وقت کے مطابق ان کو مناسب معاوضے کی ادائیگی کو یقینی بنانا۔

۴۔ کمپنی کے ڈائریکٹرز کے معاوضوں کو اس شعبے سے وابستہ دیگر کمپنیوں میں ڈائریکٹرز کو دیے جانے والے معاوضوں کی سطح پر لانا۔

میٹنگ	موجودہ معاوضہ	اضافے کے بعد معاوضہ
بورڈ میٹنگ	50,000 روپے	چیئرمین 150,000 روپے ڈائریکٹرز 100,000 روپے
کمیٹی میٹنگ	50,000 روپے	100,000 روپے

۶۔ **عدم دعویٰ (Unclaimed) اور غیر ادا شدہ منافع ((Unpaid Dividends)**

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

۷۔ **فزیکل حصص (Physical Shares) کی سی ڈی سی میں منتقلی**

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

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

۸۔ **ویڈیو کانفرنس کی سہولت**

الف۔ کمپنیز ایکٹ 2017ء کی سیکشن 132 اور 134 کے تحت اگر مجموعی طور پر 10 فیصد یا زیادہ شیئرز رکھنے والے ارکان جو جغرافیائی طور پر مختلف مقامات پر رہائش پذیر ہیں۔ ان کو ویڈیو 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 چاہیے۔ 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۔ درج بالا شرائط کی رو سے اس سہولت سے استفادہ حاصل کرنے کیلئے شیئر ہولڈرز اجلاس کی تاریخ سے سات دن پہلے اپنی معلومات بیرون منسلک میں درج فارم پر تحریری طور کمپنی کے رجسٹرڈ ایڈریس پر ارسال کریں۔ مندرجہ بالا شرائط پوری ہونے پر ممبران کو اجلاس عام سے دو دن قبل ویڈیو کانفرنس سے متعلق معلومات فراہم کی جائیں گی۔

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

اطلاع برائے 29واں سالانہ اجلاس عام

(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/ مختارنامہ مع نمونہ دستخط پراکسی(Proxy) فارم کے ساتھ پیش کیا جائیگا۔

۴۔ <u>سالانہ مالیاتی آڈٹ گوشواروں(Annual Audited Financial Statements) کی دستیابی</u>

الف۔ کمپنی ایکٹ 2017ء کی سیکشن 223 اور 237 کی شرائط کی تعمیل میں 30جون2020ء کو ختم شدہ سال میں آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائیٹ(www.fccl.com.pk) پر دستیاب ہیں۔

ب۔ ایس آر او 2016 (1)470مورخہ 31 مئی 2016ء کے مطابق ایس ای سی پی(SECP) کی طرف سے کمپنیوں کو اجازت دی گئی ہے کہ وہ اپنے شیئر ہولڈرز کو سالانہ آڈٹ شدہ اکاؤنٹس ان کے رجسٹرڈ پتوں پر بذریعہ سی ڈی(CD)اور ڈی وی ڈی(DVD) بھجوا سکتے ہیں۔ کمپنی اس ضمن میں مورخہ 30 اکتوبر 2017ء کو اپنے منعقدہ 25واں سالانہ اجلاس عام میں اجازت حاصل کی تھی۔ لہذا کمپنی 30 جون2020ء کو ختم شدہ سال کی سالانہ رپورٹس اپنے شیئر ہولڈرز کو بذریعہ ڈی ارسال کررہی ہے۔ تاہم اگر کسی شیئر ہولڈر کو سالانہ اکاؤنٹس کی کاپی درکار ہو تو وہ تحریری طور پر اپنی درخواست کمپنی کے رجسٹرڈ آفس کے پتہ پر ارسال کرسکتا ہے۔ درخواست موصول ہونے کے 7 کاروباری ایام میں سالانہ اکاؤنٹس کی کاپی مفت مہیا کی جائے گی۔

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

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

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

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

نوٹس

۱۔ کمپنی کی شیئرز ٹرانسفر بکس (books) 14 اکتوبر تا 20 اکتوبر 2021ء (بشمول دونوں ایام) بند رہیں گی اس کے دوران شیئرز کی کسی منتقلی کو رجسٹریشن کیلئے قبول نہیں کیا جائے گا۔ جو ٹرانسفر (Transfer) 14 اکتوبر 2021ء کو کاروباری اوقات کے اختتام تک کمپنی کے شیئرز رجسٹرار آفس، میسرز کارپ لنک، (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 شخص کو اپنی جگہ بطور پراکسی (Proxy) شرکت کرنے اور ووٹ دینے کیلئے نامزد کر سکتا 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 2017 کے سیکشن 137 میں درج شرائط لاگو ہوں گی۔

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

الف۔ <u>اجلاس میں شرکت کیلئے</u>

(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 سی ڈی ایس (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۔

(۴) سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر-EMD/MISC/ 82/2012-77 بتاریخ 15 فروری 2021 لسٹڈ کمپنیز کو ہدایت دی ہے کہ وہ شیئر ہولڈرز کی سالانہ عمومی میٹنگ میں ممبر کی ذاتی موجودگی کے علاوہ ویڈیو لنک، ویبینارز، وسنگ وغیرہ کا انتظام کریں۔ یہ ہدایت شیئر ہولڈرز کی کورونا وبا کے جاری خطرات سے بچاؤ اور ان کی صحت کے مدنظر دی گئی ہے۔

(۵) کمپنی کے شیئر ہولڈرز جو ویڈیو لنک وغیرہ کے ذریعے میٹنگ میں شرکت کرنا چاہتے ہوں کمپنی کو اپنی تفصیلات بشمول نام، قومی شناختی کارڈ نمبر کی سکین کاپی (دونوں سائیڈ)، فولیو نمبر، سیل فون نمبر اور ای میل ایڈریس 16 اکتوبر 2021 دفتری اوقات کے خاتمے سے قبل email secretaryoffice@fccl.com پر بھیج دیں۔

ب۔ <u>پراکسی (Proxy) مقرر کرنے کیلئے ہدایات</u>

(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۔

اطلاع برائے 29واں سالانہ اجلاس عام

فوجی سیمنٹ کمپنی لمیٹڈ کے شراکت داروں کا 29واں سالانہ اجلاس عام بروز بدھ بتاریخ 20 اکتوبر 2021ء کو 1500 بجے بمقام پرل کانٹینینٹل ہوٹل (Pearl Continental Hotel) مال، راولپنڈی منعقد ہوگا، جو درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی معاملات

۱۔ اٹھائیسواں سالانہ اجلاس عام منعقدہ 14 اکتوبر 2020ء میں کئے گئے فیصلوں کی توثیق کرنا۔

۲۔ 30 جون 2021ء کو ختم شدہ سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں، آڈیٹرز (Auditors) اور ڈائریکٹرز (Directors) کی رپورٹوں پر غور و خوض کرنا، منظوری دینا اور اس کو اپنانا۔

۳۔ 30 جون 2022ء کو ختم ہونے والے سال کیلئے آڈیٹرز (Auditors) کا تقرر اور ان کے معاوضے کا تعین کرنا۔

خصوصی معاملات

۱۔ ڈائریکٹرز کے معاوضوں میں اضافے پر غور و خوض کرنا اور اس مقصد کے لئے درج ذیل عمومی قرارداد کی مع ترمیم یا بغیر ترمیم کے ساتھ پاس کرنا۔

"قرار دیا جاتا ہے کہ بورڈ اور کمیٹی میٹنگ میں شرکت کے لئے کمپنی کے چیئرمین اور ڈائریکٹرز (یعنی نان ایگزیکٹو اور آزاد ڈائریکٹرز) کے معاوضوں میں درج ذیل اضافہ منظور کیا جاتا ہے"

میٹنگ	موجودہ معاوضہ	اضافے کے بعد منظوری
بورڈ میٹنگ	50,000 روپے	چیئرمین 150,000 روپے ڈائریکٹرز 100,000 روپے
کمیٹی میٹنگ	50,000 روپے	100,000 روپے

دیگر کاروبار

۱۔ اجلاس کے سربراہ کی اجازت سے کمپنی کے دیگر امور پر غور کرنا۔

بحکم بورڈ آف ڈائریکٹرز، فوجی سیمنٹ کمپنی لمیٹڈ

بریگیڈیئر عابد حسین بھٹی، ستارہ امتیاز (ملٹری)، (ریٹائرڈ)
کمپنی سیکریٹری

راولپنڈی
28 ستمبر 2021ء

معلومات کے ذرائع اور تخمینے / پیشگوئیوں کے لئے مفروضے

مستقبل کی پیش بندی اور تخمینے ہمیشہ کسی حد تک غیر یقینی مفروضوں پر مشتمل ہوتے ہیں۔ کمپنی کے تمام تخمینے اور پیشگوئیاں ماضی کے رحجانات، انتظامیہ کے فیصلوں اور اقدامات، موجودہ کاروباری حالات اور مستقبل کی صورتحال کو مدنظر رکھ کر ترتیب دیے جاتے ہیں۔ بورڈ اور اس کی ذیلی کمیٹیاں فیصلہ سازی کے لئے بجٹ اور پیشگوئی کے مفروضات اور اعداد وشمار کو نہایت احتیاط کے ساتھ پرکھتی ہیں۔ تمام معلومات کمپنی کے بہترین اندرونی ذرائع اور بیرونی تحقیقاتی، مالیاتی اور متعلقہ محکمہ جات سے حاصل کی جاتی ہیں۔

اعتراف تشکر

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

بورڈ کی جانب سے اور بورڈ کی نیابت سے

وقار احمد ملک
چیئرمین بورڈ آف ڈائریکٹرز FCCL
راولپنڈی
تاریخ : 6 ستمبر 2021

قمر حارث منظور
چیف ایگزیکٹو آفیسر / منیجنگ ڈائریکٹر FCCL
راولپنڈی
تاریخ : 6 ستمبر 2021

آئندہ حالات کا جائزہ

انتظامیہ یہ سمجھتی ہے کہ حکومت کی طرف سے مالی سال 2022 میں جی ڈی پی بڑھانے کا ہدف بلند رکھنے کی وجہ سے آئندہ سال میں تجارتی صورت حال مثبت رہے گی۔ کورونا وائرس کی چوتھی لہر جاری ہے لیکن حکومت کی طرف سے ویکسین لگانے کے عمل پر توجہ کے باعث توقع ہے کہ اس پر قابو پایا جا سکے گا۔

سیمنٹ کے شعبے کے لیے مالی سال 2021 ان معنوں میں ایک غیر معمولی سال رہا کہ اس میں خاص طور پر مقامی سطح پر سیمنٹ کی فروخت میں اضافہ ہوا۔ مالی سال 2022 میں توقع ہے کہ حکومت کی طرف سے متعدد اقدامات، جن میں تعمیراتی شعبے کا پیکج، کم شرح رہائش، سٹیٹ بینک آف پاکستان کی طرف جائیداد کے عوض قرض کے سلسلے میں بینکوں کو دیے گئے اہداف، انفراسٹرکچر اور بڑے پن بجلی گھروں کے منصوبوں کا انفراسٹرکچر اور اس کے ساتھ ساتھ ملک میں رہائشی سہولتوں کی تعمیر کی عمومی طلب شامل ہے، اس کے نتیجے میں سیمنٹ کی فروخت میں اچھی شرح سے اضافہ دیکھنے میں آئے گا۔ سب سے بڑا مسئلہ جو اس ضمن میں آئندہ درپیش ہے، لاگت کے اخراجات، خاص طور پر ایندھن اور توانائی کے اخراجات میں بے پناہ اضافہ ہے۔ کوئلے کی قیمتوں میں اتنا اضافہ ہوا ہے کہ اس سے پہلے کبھی اتنا دیکھنے میں نہیں آیا۔ پاکستانی روپے کی قدر میں کمی اسے مزید مہنگا بنا رہی ہے۔ اس لیے مالی سال 2022 میں شرح منافع کے دباؤ میں رہنے کے امکانات ہیں۔

افغانستان کو برآمدات بھی دباؤ میں ہیں کیونکہ وہاں کی صورت حال غیر یقینی ہے، تاہم اگلے چند ماہ میں صورت حال مزید واضح ہو جائے گی۔ کوئلے کی بین الاقوامی قیمتوں میں اضافہ اور بجلی کی قیمت میں متوقع اضافہ ایک مستقل مسئلے کی صورت میں درپیش رہے گا۔ کمپنی انتظامیہ لاگت کو کم کرنے کے اقدامات پر کام جاری رکھے گی تا کہ اس سے فائدہ اٹھا کر شرح منافع کو کچھ بہتر کیا جا سکے۔ عسکری سیمنٹ لمیٹڈ کے ساتھ مل کر خدمات کی شراکت کے انتظامات کے نتیجے میں کمپنی کو اخراجات میں کمی سے فائدہ ہو رہا ہے۔

ڈیرہ غازی خان میں ایک توسیعی منصوبے پر اطمینان بخش طور پر کام جاری ہے جس کی ٹیم منصوبے کے مقام پر تعینات کر دی گئی ہے، EPC معاہدہ مکمل ہو گیا ہے اور LC اپریل 2021 میں کھولی گئی تھی جس میں TERF اور LTFF کی سہولتوں سے فائدہ اٹھانے کے ساتھ اس کے مالی معاملات کی تکمیل کا ہدف حاصل کیا جا چکا ہے۔ توقع ہے کہ مالی سال 2023 کے نصف آخر میں یہ پراجیکٹ اپنا کام شروع کر دے گا۔

<u>پچھلے سال میں کیے گئے فیصلوں کا جائزہ</u>

پچھلے سال کے بیانات	اصل نتیجے
انتظامیہ سمجھتی ہے کہ اگلے سال کے نتائج کورونا میں کمی اور حالات نارمل ہونے کی وجہ سے مثبت ہوں گے۔	پاکستان میں سیمنٹ انڈسٹری میں 30 جون 2021 تک 20.1% کے حساب سے اضافہ ہوا جو کہ پچھلے سال کی پیداوار 47.81 ملین کے مقابلے میں 57.45 ملین ٹن کی پیداوار ہوئی۔ کمپنی نے بھی اپنی تاریخ کی سب سے زیادہ پیداواری صلاحیت کا مظاہرہ مالی سال 2021 میں کیا۔
سیمنٹ کی قیمتیں جو کہ پچھلی سہ ماہی میں بہت کم ہو گئی تھیں بہتر اور مستحکم ہونے کی توقع ہے۔	سیمنٹ کی قیمتیں مالی سال 2021 کے دوران بہتر ہوئیں اور منافع کی شرح میں اضافہ ہوا۔
سیمنٹ کی لاگت کی مد میں بین الاقوامی طور پر کوئلہ کی قیمتوں میں اضافہ اس کی ضرورت میں اضافہ کی وجہ سے ہونا شروع ہے اور ایندھن اور یوٹیلیٹی کی قیمتوں میں اضافہ بھی متوقع ہے۔	بین الاقوامی کوئلے کی قیمتیں نچلی سطح پر جانے کے بعد خاطر خواہ بڑھیں اور بجلی کی قیمتوں میں بھی مالی سال 2021 میں اضافہ ہوا۔

<u>پچھلے سال میں بیان کردہ زیر تکمیل پراجیکٹس کا احوال:۔</u>

2.5 میگاواٹ کا شمسی توانائی پراجیکٹ کامیابی سے مکمل ہو گیا ہے اور جنوری 2021 سے پیداوار شروع ہو چکی ہے۔

تجارتی اور دیگر واجب الادا رقوم اور اخراجات پر مالی ذمہ داریاں

سال کے اختتام پر تجارتی اور دیگر واجب الادا رقوم 1,823 ملین روپے ریکارڈ کی گئی ہیں جن میں گزشتہ سال کے مقابلے میں 660 ملین روپے کا اضافہ ہوا ہے جس کی بڑی وجہ تاجروں کو واجب الادا رقوم میں اضافہ، ملازمین کی بہبود کے فنڈ اور سیمنٹ پر عائد فیڈرل ایکسائز ڈیوٹی ہیں۔ کمپنی کے ذمے دیگر اخراجات پر واجب الادا رقوم 1,555 ملین روپے پر کھڑی ہیں اور گزشتہ سال کے مقابلے میں یہ رقم 433 ملین روپے زیادہ ہے جس کی وجہ پانی کو استعمال کرنے کے اخراجات کے واجب الادا بقایا جات اور مارکنگ کی فیس ہیں۔

جائیداد، پلانٹ اور دیگر آلات

یہ رقم 21,422 ملین روپے رہی جو گزشتہ مالی سال کے مقابلے میں 2 فیصد کمی کے ساتھ ہے۔ اس کی بنیادی وجہ اس مالی سال میں سرمایہ کاری کے اثرات اور وقت کے ساتھ آلات کی قیمت میں کمی ہے۔

سٹور کا سامان، اضافی پرزہ جات اور آلات

یہ رقم 4,251 ملین روپے رہی ہے جو گزشتہ سال کے مقابلے میں 745 ملین روپے زیادہ ہے جس کی وجہ کوئلے کی مقدار اور اس کی قیمتوں میں اضافہ ہے۔

مختصر مدتی سرمایہ کاری اور نقد رقم و بینک بیلنس

مختصر مدتی سرمایہ کاری کی رقم 4,397 ملین روپے رہی کیونکہ پورے سال میں نقد رقم کا حصول بہت زیادہ رہا۔ نقد رقم اور بینک بیلنس 901 ملین روپے رہا جو گزشتہ مالی سال میں 561 ملین روپے تھا۔

1۔ مالیاتی جائزہ

ملک بھر میں تعمیراتی سرگرمیوں کی وجہ سے مالی سال 21-2020 پاکستان کی سیمنٹ صنعت کے لئے حوصلہ افزا رہا۔ سیمنٹ کی صنعت کی مجموعی فروخت گزشتہ سال کے 48 (ملین ٹن) کے مقابلے میں اس سال 57 (ملین ٹن) رہی۔ 21-2020 کا سال فوجی سیمنٹ کے لئے منافع بخشی بحال ہونے کا سال ہے۔ اس سال میں کمپنی اپنی پیداواری صلاحیت کے استعمال کے اعتبار سے گزشتہ سال کے 87 فیصد کے مقابلے میں 98 فیصد تک پہنچی جو کمپنی کی تاریخ میں بلند ترین سطح ہے۔ اس کا نتیجہ مجموعی آمدنی کے 34,206 ملین روپے تک پہنچنے کی صورت میں نکلا ہے جو گزشتہ سال 26,998 ملین روپے تھی اور یوں اس میں 22 فیصد کا اضافہ ہوا۔ کمپنی اس سال 3,471 ملین روپے کا بعد از ٹیکس منافع کمایا جبکہ گزشتہ سال اسے 59 ملین روپے کے خسارے کا سامنا رہا۔

تفصیل	2021 (روپے ہزاروں میں)	2020 (روپے ہزاروں میں)	فرق (روپے ہزاروں میں)
مجموعی آمدنی	34,206,154	26,998,155	7,207,999
صافی آمدنی	24,271,285	17,231,709	7,039,576
خالص منافع	6,064,405	649,104	5,415,301
EBITDA	6,814,016	1,789,353	5,024,663
قبل از ٹیکس منافع	5,107,692	(173,267)	5,280,959
بعد از ٹیکس منافع	3,471,351	(59,381)	3,530,732
آمدنی فی حصص	2.52	(0.04)	2.56

کمپنی کے اس بہتر منافع کی بڑی وجہ خالص منافع میں بہتری ہے جس کا باعث شرح منافع میں اضافہ اور فروخت کا زیادہ ہونا ہے۔ کمپنی کی مجموعی فروخت گزشتہ سال کے 3,082,462 ٹن کے مقابلے میں اس سال کے دوران 3,481,604 ٹن رہی۔ پیداواری لاگت کے اخراجات میں بھی کمی آئی جس کی بڑی وجہ وہ اقدامات ہیں جو انتظامیہ کی طرف سے اخراجات کی کمی کے لیے بروئے کار لائے گئے اور مستقل اخراجات میں بھی بہتری کی صورت سامنے آئی۔ گزشتہ سال کے مقابلے میں ایندھن اور بجلی کے اخراجات بھی کم ہوئے۔ ملک میں بجلی کے نرخ بڑھنے کے باوجود کمپنی کے لیے بجلی کے اخراجات میں کمی آئی کیونکہ کمپنی اپنی تیار کردہ بجلی کا استعمال زیادہ کر رہی ہے جس پر کم لاگت آتی ہے۔ اپنی بجلی کے استعمال کی یہ شرح بھی اس سال کمپنی کی تاریخ کی بلند ترین سطح یعنی کل درکار بجلی کے 69 فیصد تک پہنچ گئی۔ مالی وسائل کی یہ افراط دستیابی کے باعث گزشتہ برس کے مقابلے میں مالیاتی اخراجات میں بھی 53 فیصد کی کمی آئی۔

2۔ مالیاتی حالات کا تجزیہ

صافی مالیاتی قدر و قیمت

کمپنی کی صافی مالیاتی قدر 3,471 ملین روپے کے اضافے کے ساتھ 23,276 ملین روپے تک پہنچ گئی ہے جس کا مطلب یہ ہے کہ اس کی تحلیل کی جائے تو ہر حصے (share) کی قیمت 15.15 روپے فی ہے۔ گزشتہ سال کے مقابلے میں اس قدر میں 17 فیصد کا اضافہ ہوا ہے۔

طویل مدتی قرضہ جات اور مختصر مدتی گردشی قرضے

طویل مدتی قرضہ جات (بشمول موجودہ حصے کے) 853 ملین روپے پر کھڑے ہیں، جن میں گزشتہ سال کے مقابلے میں 102 ملین روپے کا اضافہ ہوا ہے۔ مختصر مدت کے گردشی قرضوں کا میزان 1,167 ملین روپے ہے کیونکہ کمپنی نے سستے برآمدی فنانس کی سہولت حاصل کی تھی۔

میں کمپنی کی سینئر انتظامیہ اور ملازمین کی محنت، لگن اور پیشہ ورانہ عزم کا اعتراف اور تحسین کرنا چاہتا ہوں جنھوں نے کمپنی کو پھر سے منافع بخش ادارہ بنانے کو ممکن بنایا۔ آخر میں، میں تمام خریدار کرم فرماؤں، سپلائرز اور دیگر تمام متعلقین کا شکر گزار ہوں جن کی مسلسل تائید و معاونت پورا سال ہمیں حاصل رہی۔

قمر حارث منظور
چیف ایگزیکٹو آفیسر/ مینیجنگ ڈائریکٹر
فوجی سیمنٹ کمپنی لمیٹڈ
تاریخ: 6 ستمبر 2021

چیف ایگزیکٹو آفیسر / منیجنگ ڈائریکٹر کی جائزہ رپورٹ

محترم شراکت داران!

2020/21 کا سال آپ کی کمپنی کے لیے مشکلات سے بھرپور آزمائش کے ساتھ شروع ہوا۔ 2019/20 میں خسارے کا سامنا کرنے کے بعد انتظامیہ نے اخراجات میں بچت کے متعدد اقدامات کیے اور سیمنٹ کی رسد اور فروخت کے سلسلے سے متعلق حکمت عملیاں تیار کیں جن کا ہدف اخراجات میں کمی تھا۔ ایک اور بڑا چیلنج کورونا وائرس کی وبا تھی جس سے مؤثر طور پر عہدہ برآ ہونے کی ضرورت تھی تاکہ کاروباری معاملات میں خلل اندازی واقع نہ ہو۔ مجھے یہ اطلاع دیتے ہوئے مسرت ہو رہی ہے کہ بورڈ کی رہنمائی اور معاونت سے انتظامیہ کمپنی کی کارکردگی کی صحیح بخشی کو بحال کرنے میں کامیاب رہی ہے۔ لاگت میں بچت کے اقدامات، سیمنٹ کی فروخت کے حجم میں اضافے، ڈسٹری بیوشن کی حکمت عملی بہتر بنا کر شرح منافع میں اضافے اور کوئلے کی مؤثر خریداری کے ذریعے آپ کی کمپنی اس سال ایک اچھا منافع کمانے میں کامیاب رہی ہے۔

زیر جائزہ سال میں، سیمنٹ کی صنعت کی مجموعی ترسیلات گزشتہ برس کے 47.8 ملین ٹن کے مقابلے میں مالی سال 2021 میں 57.4 ملین ٹن رہیں جس کی وجہ مقامی سطح پر سیمنٹ کی ترسیلات میں اضافہ ہے۔ لہٰذا مقامی سطح پر سیمنٹ کی فروخت کا حجم گزشتہ برس کے 40 ملین ٹن کے مقابلے میں اس سال 20 فیصد اضافے کے ساتھ 48.1 ملین ٹن تک پہنچ گیا۔ برآمدات کا حجم بھی 30 جون 2021 کو ختم ہونے والے مالی سال میں 19 فیصد اضافے کے ساتھ 9.3 ملین ٹن پر پہنچا جبکہ اس کے مقابلے میں گزشتہ برس 7.8 ملین ٹن تھا۔

میں یہ بتاتے ہوئے خوشی محسوس کر رہا ہوں کہ ہماری ٹیم کے متعدد اقدامات کے نتیجے میں، کمپنی نے 3.47 ملین کا بعد از ٹیکس منافع کمایا جبکہ گزشتہ سال 59 ملین روپے کے خسارے کا سامنا رہا۔ فروخت سے حاصل ہونے والی صافی آمدنی میں 41 فیصد (17,231 ملین روپے سے 24,271 ملین روپے) کا اضافہ ہوا ہے۔ کمپنی اپنی پیداواری صلاحیت کے استعمال کی شرح 98 فیصد پر لانے میں کامیاب رہی جبکہ گزشتہ برس یہ شرح 87 فیصد تھی۔ مجموعی شرح منافع ایک سے دوسرے سال میں 4 فیصد سے بڑھ کر 25 فیصد ہو گئی۔ مندرجہ بالا تمام امور کے نتیجے میں کمپنی نے اس سال فی شیئر 2.52 روپے کے منافع کی خبر دی ہے جبکہ گزشتہ برس 0.04 روپے کا خسارہ تھا۔

حکومت کی طرف سے سستی رہائشی سکیموں اور انفراسٹرکچر کی توسیع کے منصوبوں میں خصوصی تیزی لانے سے ہمارے لیے وسیع کاروباری مواقع پیدا ہوئے ہیں۔ ان مواقع سے فائدہ اٹھانے کے لیے فوجی سیمنٹ کے بورڈ نے ڈیرہ غازی خان پنجاب میں 2.05 ملین ٹن سالانہ کی پیداواری صلاحیت رکھنے والے گرین فیلڈ سیمنٹ پلانٹ کے قیام کی منظوری دی ہے۔ اس سلسلے میں کمپنی نے HEFEI (سیمنٹ ریسرچ اینڈ ڈیزائن انسٹی ٹیوٹ) چائنہ کے ساتھ غیر ملکی سامان کی فراہمی اور سینوما ہینڈن SINOMA Handan انجینئرنگ کمپنی (پرائیویٹ) لمیٹڈ کے ساتھ تعمیراتی کام کا معاہدہ کر لیا ہے۔ علاوہ ازیں نئے پلانٹ کی جگہ پر تعمیراتی شروع کر دی گئی ہے۔

آپ کی کمپنی ماحول کو سرسبز رکھنے کے لیے اپنا کردار ادا کر رہی ہے۔ فوجی سیمنٹ نے اپنے شمسی توانائی کے پلانٹ کی پیداواری صلاحیت میں 2.5 میگا واٹ کا اضافہ کیا ہے اور یوں کل 17.5 میگاواٹ کے شمسی توانائی کے سب سے بڑے صنعتی پلانٹ لگانے کا امتیاز حاصل کیا ہے جس کی وجہ سے کمپنی کو 313 ملین روپے سالانہ کی بچت ہوگی۔ اس سال فوجی سیمنٹ اور عسکری سیمنٹ کے درمیان خدمات کے اشتراک پر بھی عمل درآمد ہوا ہے جس کے باعث کمپنی کو خریداری اور انتظامی خدمات کے شعبوں میں بہتر کارکردگی کی صورت میں بھی بچت ہوتی ہے۔

میں یہ بتاتے ہوئے خوشی محسوس کرتا ہوں کہ ہم اپنی کاروباری سماجی ذمہ داریوں کے راستے پر بھی ثابت قدمی سے گامزن ہیں۔ سماجی ترقی کے ہمارے اقدامات مقامی سطح پر عمل میں لائے جا رہے ہیں، اور اس طرح مقامی سطح پر زیادہ اہمیت رکھنے والے علاقوں میں ہماری خدمات پہنچ رہی ہیں۔ ہم اپنی سماجی برادری کی ترقی کے لیے کام کر رہے ہیں۔ فوجی سیمنٹ نے تعلیم، صحت اور تعلیم بالغاں کے شعبوں میں مطلوبہ معاونت مسلسل فراہم کر رہی ہے۔ اس ضمن میں بنیادی توجہ مہارتوں اور روزی کمانے میں بہتری لانے، خواتین کو با اختیار بنانے اور ہر شخص کو تعلیم سے آراستہ کرنے پر ہے۔

آپ کی کمپنی ماحول کو محفوظ رکھنے کے لیے قومی سطح کی سرسبز ماحول کی تحریک میں بھی نمایاں کردار ادا کر رہی ہے۔ اس سلسلے میں پلانٹ کے علاقے میں شجرکاری کی ایک بڑی مہم شروع کرنے کے ساتھ ساتھ مقامی حکومت، اٹک کی ضلعی انتظامیہ اور گرد و نواح کے سکولوں کو پودوں اور نرسری کی فراہمی بھی کی گئی ہے۔ اس ضمن میں یوم آزادی پر درخت لگانے کی سرگرمی سب سے نمایاں اہمیت کی حامل رہی ہے۔

کمپنی کی انتظامیہ اور ملازمین کی طرف سے، میں تمام متعلقین کے لیے ان کی قابل قدر معاونت، تائید اور حوصلہ افزائی پر اپنی مخلصانہ شکرگزاری اور تحسین کے جذبات پیش کرتا ہوں۔ میں محترم القام چیئرمین اور بورڈ کے ممبران کی طرف سے ان کی بروقت رہنمائی، ذاتی دلچسپی اور پیشہ ورانہ عزم پر ان کا شکریہ ادا کرتا ہوں جس سے کمپنی کی معاملات صحیح رخ پر رواں دواں رکھنے میں مدد ملی۔

میں ان ڈائریکٹران کا خیر مقدم کرنا چاہوں گا جنھوں نے اس برس سے بورڈ میں شمولیت اختیار کی۔ مجھے امید ہے کہ بورڈ کو ان کے بھرپور اور متنوع کے حامل تجربے سے بہت فائدہ پہنچے گا جس سے کمپنی کی کارکردگی بہت اعلیٰ معیار تک لے جائی جا سکے گی۔ میں سبکدوش ہونے والے ڈائریکٹران کا بھی شکریہ ادا کرنا چاہوں گا انھوں نے اپنے اپنے حلقہ دورانیے میں بورڈ کی سرگرمیوں کی انجام دہی میں فعال کوشش سے حصہ ڈالا اور مستقبل میں ان کی کامیابیوں کے لیے نیک تمناؤں کا اظہار کرتا ہوں۔

میں یہ بتاتے ہوئے مسرت محسوس کر رہا ہوں کہ بورڈ نے چیف ایگزیکٹو ڈائریکٹر اور ان کی ٹیم کے لیے جو مختلف اہداف مقرر کیے تھے وہ حاصل کیے جا چکے ہیں جن میں اس حکمت عملی کی تیاری بھی شامل ہے جو آگے چل کر کمپنی کی کاروباری منصوبہ بندی کے لائحہ عمل کی بنیاد رکھتی ہے۔ میں اس موقع پر پوری ٹیم کو بھی زبردست خراج تحسین پیش کرنا چاہوں گا جو کمپنی کے انتظامی معاملات، ترقی کی حکمت عملی، HSE اور مجموعی کاروباری ترقی میں نمایاں طور پر بہتری لانے کا باعث بنی۔

بطور چیئرمین میں بورڈ کے تمام ممبران کو بھی ان کی خدمات پر اعلیٰ ترین خراج تحسین پیش کرنا چاہتا ہوں۔ کمپنی کے بورڈ نے توقع کے عین مطابق بہت عمدہ کارکردگی دکھاتے ہوئے اپنی ذمہ داریاں پوری کیں اور تمام شراکت داروں کے بہترین مفادات کا تحفظ کیا۔ تمام قانونی تقاضوں اور ضابطوں کی پاسداری کو یقینی بنایا گیا ہے۔ اس سال بیرونی طور پر بھی بورڈ کی کارکردگی کی جانچ کی گئی اور بورڈ کی مجموعی کارکردگی کو اطمینان بخش پایا گیا۔

میں آپ کو یقین دلاتا ہوں کہ ان تھک کوششوں اور عزم و استقلال کے ساتھ فوجی سیمنٹ تمام طویل مدتی اہداف حاصل کرے گی۔

میں آپ سب کا شکریہ ادا کرنا چاہتا ہوں کہ آپ بورڈ کی معاونت کرتے ہیں اور اس پر اعتماد رکھتے ہیں کہ کمپنی کو آنے والے برسوں میں کاروباری کارکردگی کی اعلیٰ ترین منازل تک لے جائے گا۔

Waqar

وقار احمد ملک

چیئرمین بورڈ آف ڈائریکٹرز فوجی سیمنٹ کمپنی لمیٹڈ

تاریخ: 6 ستمبر 2021

چیئرمین کی جائزہ رپورٹ

"مجھے آپ کو یہ بتاتے ہوئے مسرت محسوس ہو رہی ہے کہ بورڈ اور کمیٹیوں کی کارکردگی
پورے سال میں نہایت شاندار رہی"

میرے لیے یہ امر مسرت بخش ہے کہ میں بورڈ کی پورے سال کی کارکردگی اور کمپنی کے اہداف کے حصول میں اس کے کلیدی کردار کے بارے میں اپنی جائزہ رپورٹ آپ کے سامنے پیش کروں۔

اس سال کے آغاز ہی سے کرونا وائرس کی وبا نے عالمی سطح پر صحت کے تمام تر نظام کو سخت مشکلات میں ڈالے رکھنے کے ساتھ ساتھ کاروبار اور دنیا بھر کی معیشتوں کو، جن میں پاکستان بھی شامل ہے، مشکلات سے دوچار کیے رکھا۔ اس کے باوجود کہ ہر طرف کاروباری معاملات میں بڑے پیمانے پر خلل واقع ہوا ہے، یہ بیان کرتے ہوئے اظہار مسرت ہمارا استحقاق ہے کہ فوجی سیمنٹ نے غیر معمولی طور پر بہتر کارکردگی کا مظاہرہ کیا ہے۔ جرأت مندانہ کوششوں اور بے پناہ لگن سے کام کرنے پر میں انتظامیہ اور ملازمین کا شکر گزار ہوں جس کے نتیجے میں حقیقی کارکردگی کا نمونہ ہمارے سامنے آیا ہے۔

کاروباری امور کو بحالی کی سطح پر واپس لانے کے لیے کمپنی کو کچھ ایسے درست اقدامات کرنے پڑے جو مستقبل میں کمپنی کے استحکام اور اس کی کارکردگی میں عمدگی کو یقینی بنانے کے لائحہ عمل میں ناگزیر تھے۔

فوجی سیمنٹ نے انتظامی اور قانونی حوالے سے ایک ایسا ڈھانچہ استوار کر رکھا ہے جو اس امر کو یقینی بناتا ہے کہ کاروباری اعتبار سے لاگو ہونے والے تمام تر قوانین اور ضابطوں کی پاسداری ہو اور مستقبل میں پائیدار استحکام اور ترقی کا حصول ممکن ہو سکے۔ اس ضمن میں بورڈ کاروباری لائحہ عمل اور انتظامی امور کے استحکام، پلانٹ کی کارکردگی کے اعلیٰ تر حصول، نفع بخشی میں اضافے اور حصہ داروں کی قدر کو زیادہ سے زیادہ کرنے کے حوالے سے اہم معاملات پر انتظامیہ کی رہنمائی جاری رکھتا ہے۔

گزشتہ برس خسارے کا سامنا کرنے کے بعد کمپنی حالات کا رخ موڑنے میں کامیاب ہوئی ہے اور 2021 میں نمایاں طور پر اچھی کارکردگی کا مظاہرہ کیا ہے۔ اللہ تعالیٰ کے فضل سے انتظامیہ کمپنی کو دوبارہ نفع بخش بنانے، پیداوار کے حجم اور فروخت کو اب تک کے اعلیٰ ترین درجے پر لے جانے اور لاگت میں کمی کرنے کے مؤثر اقدامات کرنے میں کامیاب ہوئی ہے۔ مجھے خوشی ہے کہ زیر جائزہ سال میں کمپنی نمایاں منافع کمانے میں کامیاب رہی اور اس میں کام کرنے کے کلچر میں تبدیلی کے ایسے اقدامات کیے گئے ہیں جو کارکردگی کی بنا پر آگے لے جانے والے ہیں۔ مجھے یہ بتاتے ہوئے بھی خوشی محسوس ہو رہی ہے کہ سیمنٹ کے شعبے میں زبردست ترقی کے مواقع کو دیکھتے ہوئے فوجی سیمنٹ کے بورڈ نے ڈیرہ غازی خان پنجاب میں 2.05 ملین ٹن سالانہ کی صلاحیت رکھنے والے گرین فیلڈ سیمنٹ پلانٹ کے قیام کی منظوری دی ہے۔ اس سے کمپنی کو وسطی پنجاب میں اپنی کاروباری موجودگی کو بہتر بنانے میں مدد ملے گی اور بلوچستان میں اپنی ترقی کے مواقع تک بھی رسائی حاصل کر سکے گی۔

میں اس موقع پر فوجی سیمنٹ کو مبارکباد دینا چاہوں گا کہ زیر جائزہ عرصے میں 2.5 میگاواٹ کے شمسی توانائی کے ایک اور پراجیکٹ نے کام کرنا شروع کر دیا ہے۔ فوجی سیمنٹ اس حقیقت سے بخوبی آگاہ ہے کہ بجلی کے خرچ میں کمی، نفع بخشی میں اضافے اور کارکردگی کی بہتری کے اقدامات میں بنیادی کردار ادا کرے گی۔ اس ضمن میں کمپنی کی اپنی پیدا کردہ بجلی کا زیادہ سے زیادہ استعمال درست سمت میں اٹھایا گیا ایک قدم ہے۔

کمپنی کے عزم کے ساتھ بورڈ کی پختہ وابستگی نے ہمیں توانائی بخشی ہے کہ کمپنی کے لائحہ عمل کو درست رخ پر ڈال سکیں تاکہ یہ تمام غیر متوقع مسائل سے مستعدی کے ساتھ عہدہ برآ ہو سکے۔

بورڈ نے متعدد کمیٹیاں قائم کی ہیں جن کا مقصد مشاورت اور نگرانی کے امور سرانجام دینا ہے۔ کمیٹیاں مختلف امور کے لائحہ عمل پر سفارشات پیش کرنے، انتظامی معاملات کو مستحکم کرنے اور انتظامیہ کو وسائل کے ہر ممکن حد تک بہترین استعمال کے حوالے سے رہنمائی فراہم کرنے پر کمر بستہ ہیں۔ ان کو بنیادی اقدامات پر عمل درآمد کا فریضہ سونپا گیا ہے جن میں سرمایہ کاری کا جائزہ لینا اور سرمایہ کے ڈھانچے میں بہتری لانا شامل ہیں۔

میں چیئرمین کی حیثیت سے اس امر کو یقینی بنائے رکھتا ہوں کہ بورڈ ترجیح کے ساتھ اور مؤثر نگرانی کے ذریعے کمپنی کے لائحہ عمل کی سمت پر نظر رکھے ہوئے ہے۔ ممکنہ خدشات کا تجزیہ اور ان کے حل کے اقدامات تجویز کرنا بورڈ کی کلیدی ذمہ داریوں میں شامل ہے۔ ڈائریکٹران انتظامی امور سے تعلق رکھنے والے معاملات میں بھی اپنا کردار ادا کرتے ہیں۔ سنجیدہ نوعیت کے معاملات پر حتمی فیصلے لینے سے قبل آزاد ڈائریکٹران کی قیمتی آراء پر غور کیا جاتا ہے جو اپنے شعبوں کے ماہرین ہیں۔

NOTES

Say No to Corruption

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