

آزادی قیمتی ہے



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**Board of Directors**

Lt Gen Khalid Nawaz Khan (Retd),HI(M),Sitara-i -Esar

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

Mr. Qaiser Javed

Dr. Nadeem Inayat

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

Maj Gen Muhammad Farooq Iqbal (Retd),HI(M)

Brig Raashid Wali Janjua (Retd),SI(M)

Brig Asmat Ullah Khan Niazi (Retd),SI(M)

Mr. Pervez Inam

Mr. Jawaid Iqbal

**Chairman Board of Directors of FCCL****Chief Executive / Managing Director****Director****Director****Director****Director****Director****Executive Director (Plant)****Independent Director****Independent Director****Company Secretary**

Brig Ch Zafar Iqbal (Retd)  
 Fauji Tower, Block III, 68 Tipu Road,  
 Chaklala, Rawalpindi  
 Tel: (051) 9280075  
 Fax: (051) 9280416  
 E-mail: secretary@fccl.com.pk

**Chief Financial Officer**

Mr. Omer Ashraf  
 Tel: (051) 5500157  
 E-mail: omer@fccl.com.pk

**Shares Registrar**

M/s Corplink (Pvt) Limited  
 Wings Arcade, 1-K, Commercial,  
 Model Town, Lahore  
 Tel: +092-042-35916714-19 & 35839182  
 Email: corplink786@yahoo.com  
 share@corplink.com.pk  
 Fax: +092-042-35869037

**Registered Office**

Fauji Cement Company Limited  
 Fauji Tower, Block III, 68 Tipu Road, Chaklala,  
 Rawalpindi  
 Tel: 051-9280081-83, 051-5763321-24, 051-5500159,  
 Fax: 051-9280416  
 E-mail: secretary1@fccl.com.pk

**Company Website**

<http://www.fccl.com.pk>  
[info@fccl.com.pk](mailto:info@fccl.com.pk)

**Audit Committee**

Mr. Qaiser Javed  
 Dr. Nadeem Inayat  
 Maj Gen Muhammad Farooq Iqbal (Retd),HI(M)  
 Mr. Pervez Inam  
 Brig Ch Zafar Iqbal (Retd)

**Legal Advisors**

M/s ORR Dignam & Co, Advocates  
 3-A Street No 32, F-8/1 Islamabad  
 Tel: (051-2260517-8  
 Fax: (051) 2260653

**Factory**

Near Village Jhang Bahtar, Tehsil Fateh  
 Jang District Attock  
 Tel: 0572-538047-48 & 0572- 2538138  
 Fax: 0572-538025

**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: 051-282-3558  
 Fax: (051) 2822671

**Marketing and Sales Department**

Ist Floor, Aslam Plaza, 60 Adamjee  
 Road, Saddar, Rawalpindi-Pakistan  
 Tel: (051) 5523836,  
 Tel: (051) 5528960,  
 Tel: (051) 5528963-64,  
 Fax: (051) 5528965-66  
 E-mail: marketingsales@fccl.com.pk

Chairman  
 Member  
 Member  
 Member  
 Secretary

The Board of Directors is pleased to present its review report along with un-audited accounts of the Company for the nine months period ended 31<sup>st</sup> March 2017.

**Industry Overview**

The cement industry achieved a growth of 6.9% during nine months of current financial year with volumetric sales of 30.30 Million Tons as compared to 28.35 Million Tons during the same period last year. Local sales volume of the industry during nine months of current financial year registered a growth of 10.9 % with volumetric sales of 26.55 Million Tons as compared to 23.94 Million Tons in same period last year. Whereas export sales registered a decline of 15% with volumetric sales of 3.75 Million Tons as compared to 4.41 Million Tons in same period of last year.

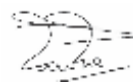
**Company Overview**

During the nine months period ended the Company earned a net profit of Rs.1,972 Million as compared to Rs. 4,337 Million in the same period last year. The Company achieved capacity utilization of 87% as compared to 82% in the corresponding period of the last year. Local dispatches stood at 2,132,617 tons as compared to 1,848,297 tons during the corresponding period of the last year showing an increase of 15%. Export dispatches stood at 112,698 tons as compared to 268,365 tons in the same period of last year showing decrease of 58%.

**Future Outlook**

The Rehabilitation of Line-II is in full swing with Civil Works progressing satisfactorily and imported equipment delivery has started to arrive. We expect operations to commence in first quarter of 2017-18. Work on Waste Heat Recovery (WHR) Project on Line-1 is also progressing as planned.

With the start of summer season, dispatches are expected to maintain same momentum going forward. Due to non-conducive export regime and influx of cheap Iranian and Tajik cement in Afghanistan, exports continue to decline.



Rawalpindi  
Dated 17th April 2017

Lt Gen Khalid Nawaz Khan (Retd), HI(M), Sitara-i-Esar  
Chairman Board of Directors of FCCL

### ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز اجماعی مسرت کے ساتھ کمپنی کے مالیاتی نتائج عمدہ غیر آڈٹ شدہ اکاؤنٹس برائے نو ماہی بابت 31 مارچ 2017 آپ کی خدمت میں پیش کر رہے ہیں۔

### صنعت کا مجموعی جائزہ

سینٹ کی صنعت نے رواں مالی سال کے نو ماہ کی مدت میں 6.9 فیصد کا اضافہ حاصل کیا۔ یعنی اس سال سینٹ کی فروخت کا حجم 30.30 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران ہونے والی فروخت کا حجم 28.35 ملین ٹن تھا۔ رواں مالی سال کے نو ماہ کی مدت میں صنعت کی مقامی سطح پر فروخت کے حجم میں 10.9 فیصد اضافہ ریکارڈ کیا گیا ہے، یعنی اس سال فروخت کا حجم 26.55 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران فروخت کا حجم 23.94 ملین ٹن تھا۔ البتہ فروخت پر مبنی برآمدات میں 15 فیصد کمی ریکارڈ کی گئی ہے۔ یعنی اس سال برآمد فروخت کا حجم 3.75 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران برآمد فروخت کا حجم 4.41 ملین ٹن تھا۔

### کمپنی کا مجموعی جائزہ:

رواں سال نو ماہ کے عرصے کے دوران کمپنی نے 1,972 ملین روپے کا خالص منافع کمایا جو کہ کمپنی نے گزشتہ سال اسی عرصے کے دوران 4,337 ملین روپے کا خالص منافع کمایا تھا۔ کمپنی نے اس سال 87 فیصد پیداواری صلاحیت حاصل کی ہے جو کہ گزشتہ سال اسی عرصے کے دوران میں پیداواری صلاحیت 82 فیصد تھی۔ اس سال مقامی سطح پر فروخت 2,132,617 ٹن رہی جو کہ گزشتہ سال اسی عرصے کے دوران 1,848,297 ٹن تھی یعنی رواں سال اس میں 15 فیصد اضافہ ہوا۔ اس سال برآمدات کی فروخت 112,698 ٹن رہی جو کہ گزشتہ سال اسی عرصے کے دوران 268,365 ٹن تھی یعنی اس سال اس میں 58 فیصد کمی واقع ہوئی۔

### مستقبل کے حوالے سے نقطہ نظر:

لائسنس II کی بحالی پورے زور و شور سے جاری ہے، سول ورکس کی پیش رفت تسلی بخش ہے اور درآمد شدہ سامان کی ترسیل پہنچنا شروع ہو گئی ہے۔ ہمیں سال 2017-18ء کی پہلی سہ ماہی میں پیداوار شروع ہونے کی توقع ہے۔ لائن-1 پر "ویسٹ ہیٹ ریکوری (WHR)" منصوبہ پر بھی طے شدہ منصوبہ بندی کے مطابق کام چل رہا ہے۔

موسم گرما کے آغاز ہی سے، کاروبار میں اس بڑھتی ہوئی رفتار کو برقرار رکھنے کی توقع ہے۔ افغانستان میں سستے ایرانی اور تاجک سینٹ کی آمد اور غیر موزوں نظام برآمد کی وجہ سے برآمدات میں کمی ہوتی رہی۔

### منجانب بورڈ آف ڈائریکٹرز

لیفٹیننٹ جنرل خالد نواز خان (رٹائرڈ) ہلال امتیاز (ملٹری) ستارہ ایثار  
چیئرمین بورڈ آف ڈائریکٹرز، فوجی سینٹ کمپنی لمیٹڈ

بمقام راولپنڈی  
17 اپریل 2017ء

Condensed Interim Balance Sheet as at 31 March 2017

F C C L **5**

3rd Quarterly Report 2016-17

	Note	Un-audited 31 March 2017 Rupees'000	Audited 30 June 2016 Rupees'000
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	13,798,150	13,798,150
Reserves		5,240,354	4,629,705
		<b>19,038,504</b>	<b>18,427,855</b>
<b>NON - CURRENT LIABILITIES</b>			
Long term financing	5	1,063,046	1,486,178
Deferred liabilities		4,235,099	4,482,438
		<b>5,298,145</b>	<b>5,968,616</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,239,385	1,968,031
Markup accrued		25,655	76,265
Short term borrowings	6	29,650	78,037
Current portion of long term financing	5	1,193,406	2,525,955
Provision for taxation-net		399,788	312,893
		<b>3,887,884</b>	<b>4,961,181</b>
		<b>28,224,533</b>	<b>29,357,652</b>
<b>CONTINGENCIES AND COMMITMENTS 7</b>			

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive

Condensed Interim Balance Sheet as at 31 March 2017

F C C L **6**

3rd Quarterly Report 2016-17

	Note	Un-audited 31 March 2017 Rupees'000	Audited 30 June 2016 Rupees'000
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	8	21,400,989	21,701,250
Long term deposits and prepayments		99,352	156,733
		<u>21,500,341</u>	<u>21,857,983</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		2,259,105	2,177,367
Stock in trade		1,407,393	540,588
Trade debts - considered good		1,199,682	569,101
Advances		114,558	218,947
Trade deposits, short term prepayments and balance with statutory authority		183,322	16,593
Interest accrued		3,598	4,447
Other receivables	9	283,967	982,562
Short term investments		-	1,324,485
Cash and bank balances	10	1,272,567	1,665,579
		<u>6,724,192</u>	<u>7,499,669</u>
		<u><u>28,224,533</u></u>	<u><u>29,357,652</u></u>

  
Director

Condensed Interim Profit and Loss Account (Un-Audited)  
For the Nine Months Period Ended 31 March 2017

F C C L **7**

3rd Quarterly Report 2016-17

Note	Three Months Ended		Nine Months Ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rupees'000	Rupees'000	Rupees'000	Rupees'000
<b>Turnover-net</b>	<b>5,572,642</b>	5,245,006	<b>15,759,785</b>	15,195,384
Cost of sales	<b>(4,428,766)</b>	(2,742,353)	<b>(12,297,635)</b>	(8,115,521)
<b>Gross profit</b>	<b>1,143,876</b>	2,502,653	<b>3,462,150</b>	7,079,863
Distribution cost	<b>(45,055)</b>	(48,313)	<b>(120,476)</b>	(142,766)
Administrative expenses	<b>(76,270)</b>	(78,111)	<b>(243,408)</b>	(228,405)
Other operating expenses	<b>(71,561)</b>	(162,099)	<b>(208,527)</b>	(446,796)
Finance cost	<b>(10,669)</b>	(94,744)	<b>(159,923)</b>	(414,568)
Other income	<b>30,859</b>	80,555	<b>97,748</b>	213,883
<b>Profit before taxation</b>	<b>971,180</b>	2,199,941	<b>2,827,564</b>	6,061,211
-Current	<b>(369,581)</b>	(653,374)	<b>(1,105,930)</b>	(1,758,036)
-Deferred	<b>67,467</b>	13,961	<b>250,384</b>	34,064
Taxation	<b>(302,114)</b>	(639,413)	<b>(855,546)</b>	(1,723,972)
<b>Profit for the period</b>	<b>669,066</b>	1,560,528	<b>1,972,018</b>	4,337,239
Earnings per share - Basic (Rupees)	<b>0.48</b>	1.13	<b>1.43</b>	3.14
Earnings per share - Diluted (Rupees)	<b>0.48</b>	1.13	<b>1.43</b>	3.14

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Director


Condensed Interim Statement of Comprehensive Income(Un - Audited) F C C L **3**  
 For the Nine Months Period Ended 31 March 2017

3rd Quarterly Report 2016-17

	Three Months Ended		Nine Months Ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rupees'000	Rupees'000	Rupees'000	Rupees'000
Profit for the period	669,066	1,560,528	1,972,018	4,337,239
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>669,066</b>	<b>1,560,528</b>	<b>1,972,018</b>	<b>4,337,239</b>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

  
 Chief Executive

  
 Director



Condensed Interim Cash Flow Statement (Un - Audited)  
For the Nine Months Period Ended 31 March 2017

F C C L **9**

3rd Quarterly Report 2016-17

	31 March 2017 Rupees'000	31 March 2016 Rupees'000
<b>Cash flows from operating activities</b>		
Profit before tax	2,827,564	6,061,211
<b>Adjustments for:</b>		
Depreciation	987,789	1,021,133
Provision for compensated absences	32,589	37,544
Workers' (Profit) Participation Fund including interest and Workers' Welfare Fund	213,104	446,857
Finance cost (excluding interest on WPPF)	155,166	414,326
Gain on disposal of property, plant and equipment	(9,777)	(1,050)
Interest income including interest on long term advance	(21,082)	(114,394)
	<u>1,357,789</u>	<u>1,804,416</u>
Operating cash flows before working capital changes	4,185,353	7,865,627
Decrease / (increase) in working capital		
Stores, spares and loose tools	(81,738)	11,258
Stock in trade	(866,805)	80,291
Trade debts	(630,581)	(252,724)
Advances	104,389	(5,343)
Trade deposits, short term prepayments and balance with statutory authority	(166,729)	(28,357)
Other receivables	(1,405)	(1,774)
Trade and other payables	538,593	(118,482)
	<u>(1,104,276)</u>	<u>(315,131)</u>
Cash generated from operations	3,081,077	7,550,496
Compensated absences paid	(36,136)	(26,729)
Payment to Workers' (Profit) Participation Fund including interest	(425,176)	(15,162)
Income tax paid	(1,019,036)	(1,366,490)
Net cash generated from operating activities	1,600,729	6,142,115
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(688,905)	(63,051)
Proceeds from disposal of property, plant and equipment	11,154	1,164
Insurance claim received	700,000	-
Short term investments encashment	1,324,485	88,668
Interest received on bank deposits	21,931	110,572
Net cash generated from investing activities	1,368,665	137,353
<b>Cash flows from financing activities</b>		
Repayment of long term financing	(1,759,749)	(1,846,649)
Dividend paid on preference shares	-	(240,785)
Dividend paid on ordinary shares	(1,375,890)	(1,997,275)
Finance cost paid	(178,380)	(315,919)
Net cash used in financing activities	(3,314,019)	(4,400,628)
<b>(Decrease)/ increase in cash and cash equivalents</b>	<b>(344,625)</b>	<b>1,878,840</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,587,542</b>	<b>2,290,845</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,242,917</b>	<b>4,169,685</b>
Cash and cash equivalents comprise of the following:		
Cash and bank balances	1,272,567	4,211,120
Short term borrowings - secured	(29,650)	(41,435)
	<u>1,242,917</u>	<u>4,169,685</u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Director

	Share capital		Capital reserve		Revenue reserve	Total
	Ordinary	Preference	Discount on issue of shares	Hedging reserve		
	Rupees '000					
<b>Balance at 30 June 2015</b>	13,311,158	486,992	(1,364,385)	(72,895)	5,058,114	17,418,984
<b>Total comprehensive income for the period</b>	-	-	-	-	4,337,239	4,337,239
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	4,337,239	4,337,239
Conversion of preference shares into ordinary shares	486,992	(486,992)	-	-	-	-
Transfer during the period	-	-	-	43,168	-	43,168
<b>Transaction with owners of the Company</b>	-	-	-	-	-	-
<b>Distribution</b>	-	-	-	-	-	-
Final dividend 2015: Rs 1.50 per share	-	-	-	-	(1,996,674)	(1,996,674)
Interim dividend 2016: Rs 1.75 per share	-	-	-	-	(2,414,676)	(2,414,676)
<b>Balance at 31 March 2016</b>	-	-	-	-	(4,411,350)	(4,411,350)
<b>Balance at 30 June 2016</b>	13,798,150	-	(1,364,385)	(29,727)	4,984,003	17,388,041
<b>Total comprehensive income for the period</b>	13,798,150	-	(1,364,385)	(19,874)	6,013,964	18,427,855
Profit for the period	-	-	-	-	1,972,018	1,972,018
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,972,018	1,972,018
Transfer during the period	-	-	-	18,446	-	18,446
<b>Transaction with owners of the Company</b>	-	-	-	-	-	-
<b>Distribution</b>	-	-	-	-	-	-
Final dividend 2016: Rs 1.00 per share	-	-	-	-	(1,379,815)	(1,379,815)
<b>Balance at 31 March 2017</b>	13,798,150	-	(1,364,385)	(1,428)	6,606,167	19,038,504

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Director

**1. STATUS AND NATURE OF BUSINESS**

- 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 and 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 ordinary portland cement. The Company's registered office is situated at Fauji Towers, Block-III, 68-Tipu Road, Rawalpindi.
- 1.2 The Company is in the process of setting up a new Waste Heat Recovery Power Project with gross output of 7.63 Mega Watt on Line-I and Wartsila Power Plant. For this, the Company has entered into an agreement with M/s Sinoma for supply of power plant.

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Company for the nine months period ended 31 March 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim financial information do not include the information reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2016. Comparative balance sheet is extracted from audited annual financial statements as of 30 June 2016 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from un-audited condensed interim financial information for the nine months period ended 31 March 2016.

This condensed interim financial information is un-audited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of Pakistan Stock Exchange.

**3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

- 3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2016.

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2017 and are not expected to have any significant effect on condensed interim financial information of the Company:

- |  |                             |
|--|-----------------------------|
| - Amendments to IAS 7 'Statement of Cash Flows ' | (effective 01 January 2017) |
| - Amendments to IAS 12 'Income Taxes '           | (effective 01 January 2017) |
| - Amendments to IFRS 2 – 'Share-based Payment'   | (effective 01 January 2018) |
| - Amendments to IAS 40 'Investment Property '    | (effective 01 January 2018) |

Amendments to following standards as annual improvements cycle of 2016-17:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entity'
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'

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

**4. SHARE CAPITAL**

There is no change in authorised and issued, subscribed and paid up share capital of the Company from 30 June 2016.

5. LONG TERM FINANCING - SECURED	Note	Un-audited 31 March 2017 Rupees'000	Audited 30 June 2016 Rupees'000
<b>- From banking companies (conventional banks)</b>			
Term finance facilities including syndicated term finance facilities - secured	5.1	2,256,452	4,012,133
Less: Current portion shown under current liabilities		<u>(1,193,406)</u>	<u>(2,525,955)</u>
		<u><b>1,063,046</b></u>	<u>1,486,178</u>
<b>5.1 Movement in this account during the period/year is as follows:</b>			
Opening balance		4,012,133	6,525,097
Repayments during the period / year		<u>(1,759,749)</u>	<u>(2,612,928)</u>
Exchange loss on revaluation and transaction cost		4,068	99,964
adjustment Closing balance	5.1.1	<u><b>2,256,452</b></u>	<u>4,012,133</u>

**5.1.1** The markup rates, facility limits, securities offered for the term finance facilities are the same as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2016.

**6 SHORT TERM BORROWINGS (SECURED) - CONVENTIONAL BANKS**

The Company has short term running finance facility limits to the tune of Rs. 2,550 million (30 June 2016: Rs. 1,775 million) from banking companies. These facilities are secured against first pari passu 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 6.51% -8.01% per annum (2016: 7.24%-7.52% per annum) of the utilized amount and payable on a quarterly basis.

**7. CONTINGENCIES AND COMMITMENTS**

**7.1 Contingencies**

There is no change in the contingent liabilities as reported in the financial statements for the year ended 30 June 2016.

**7.2 Commitments**

**7.2.1** The Company has opened letters of credit for the import of plant, spare parts and coal valuing Rs. 969 million (30 June 2016: Rs. 147 million).

**7.2.2** The Company has capital commitments of Rs. 1,192 million (30 June 2016: Rs. 248 million).

8. PROPERTY, PLANT AND EQUIPMENT	Note	Un-audited 31 March 2017 Rupees'000	Audited 30 June 2016 Rupees'000
Opening book value		21,701,250	23,880,553
Additions during the period / year	8.1	688,905	157,405
Written down value of disposals		(1,377)	(979,618)
Depreciation for the period / year		(987,789)	(1,357,090)
Closing book value		<u>21,400,989</u>	<u>21,701,250</u>

8.1 This includes additions in capital work in progress amounting to Rs. 663 million (30 June 2016: Rs. 96 million).

9 OTHER RECEIVABLES	Note	Un-audited 31 March 2017 Rupees'000	Audited 30 June 2016 Rupees'000
Insurance claim receivable	9.1	279,504	979,504
Other receivables - Considered good		4,463	3,058
		<u>283,967</u>	<u>982,562</u>

9.1 As disclosed in annual financials statements for the year ended 30 June 2016, on 29 May 2016, one of the CF Silo of cement manufacturing lines having capacity of 7,200 tons per day (Line II) of the Company collapsed. As a result the coal mill of line II, a sub-station of coal mill of line I (having capacity of 3,700 MT clinker per day) and some equipment of raw milling area of line II were destroyed. The carrying value of these assets were de-recognized during the year ended 30 June 2016 and insurance claim amounting to Rs. 979 million was recognised. During the period the Company has received Rs. 700 million in respect of insurance claim lodged.

10 CASH AND BANK BALANCES	Note	Un-audited 31 March 2017 Rupees'000	Audited 30 June 2016 Rupees'000
Cash at banks			
Deposit accounts - Conventional banks		206,461	569,545
Deposit accounts - Islamic banks		959,849	-
Current accounts - Conventional banks		105,459	41,449
Current accounts - Islamic banks		50	100
		<u>1,271,819</u>	<u>611,094</u>
Banking instrument in hand - Conventional banks		-	52,001
Banking instrument in hand - Islamic banks		-	1,002,029
Cash in hand		748	455
		<u>1,272,567</u>	<u>1,665,579</u>

Note	Three Months Ended		Nine Months Ended	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	Rupees'000	Rupees'000	Rupees'000	Rupees'000
<b>11 COST OF SALES</b>				
Raw material consumed	121,841	229,821	397,260	711,471
Packing material consumed	214,311	234,585	629,221	709,715
Stores and spares consumed	8,952	10,691	22,471	28,066
Salaries, wages and benefits	284,932	276,773	809,579	799,550
Rent, rates and taxes	6,049	5,662	17,576	16,443
Insurance	20,088	22,187	60,631	72,399
Fuel consumed	384,348	931,771	1,323,951	2,870,837
Power consumed	499,380	362,095	1,308,637	1,312,389
Depreciation	319,557	333,848	972,987	1,008,359
Repairs and maintenance	87,178	190,874	253,724	424,173
Technical assistance	195	4,538	8,664	14,857
Printing and stationery	658	2,153	3,015	3,227
Traveling and conveyance	8,017	4,003	18,607	11,665
Vehicle running and maintenance	3,800	4,341	13,185	16,601
Other directly attributable expenses	5,361	6,270	14,254	18,417
Clinker purchased	11.1 2,003,574	-	7,277,862	-
	<b>3,968,241</b>	2,619,612	<b>13,131,624</b>	8,018,169
Add: Opening work-in-process	1,545,036	675,189	251,313	607,869
Less: Closing work-in-process	(1,027,110)	(572,994)	(1,027,110)	(572,994)
Cost of goods manufactured	<b>4,486,167</b>	2,721,807	<b>12,355,827</b>	8,053,044
Add: Opening finished goods	164,140	93,589	164,028	135,520
Less: Closing finished goods	(219,597)	(73,043)	(219,597)	(73,043)
Less: Own consumption capitalized	(1,944)	-	(2,623)	-
	<b>4,428,766</b>	2,742,353	<b>12,297,635</b>	8,115,521

11.1 This represents the clinker purchased by the Company from the market in order to retain its market share which has lowered the margin during this period. This was necessitated after the accident on 29 May 2016. Due to which Line-II is still under construction.

	Three Months Ended		Nine Months Ended	
	31 March 2017 Rupees'000	31 March 2016 Rupees'000	31 March 2017 Rupees'000	31 March 2016 Rupees'000
<b>12 OTHER INCOME</b>				
<b>Income from financial assets</b>				
Income from deposits, advances and investments				
- Conventional banks	1,809	39,555	9,719	107,676
- Islamic banks	5,085	6,718	11,363	6,718
	<b>6,894</b>	<b>46,273</b>	<b>21,082</b>	<b>114,394</b>
Gain on re-measurement of investments classified as fair value through profit or loss-held for trading				
- Conventional funds	308	11,457	26,848	55,031
- Islamic funds	-	-	2,533	-
	<b>308</b>	<b>11,457</b>	<b>29,381</b>	<b>55,031</b>
<b>Income from non financial assets</b>				
Gain on disposal of property, plant and equipment	7,475	-	9,777	1,050
Other income	16,182	22,825	37,508	43,408
	<b>30,859</b>	<b>80,555</b>	<b>97,748</b>	<b>213,883</b>

### 13 RELATED PARTY TRANSACTIONS AND BALANCES

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

	Nine Months Ended	
	31 March 2017 Rupees'000	31 March 2016 Rupees'000
<b>Transactions and balances with associated undertakings/companies due to common directorship</b>		
- Sale of cement	14,674	5,768
- Preference dividend paid	-	240,785
- Dividend paid on ordinary shares	674,900	939,302
- Payment for use of medical facilities	940	102
- Donation paid	500	500
- Payment on account of clearance of shipments	17	136
- Payment of rent and utilities	6,843	8,286
- Investment made in Askari Investment Management Limited (AIML)	-	200,000
- Investment matured in AIML	206,388	206,560
- Balance at AIML-mutual fund	-	202,017 *
- Payment for purchase of clinker	588,985	-
<b>Employees funds</b>		
- Payments made into Employees' Provident Fund	31,030	29,221
<b>Others</b>		
- Director's fee	2,360	1,470
- Remuneration including benefits and perquisites to Chief Executive	17,075	16,612
- Remuneration including benefits and perquisites to key management personnel	52,008	58,287

\* This represents balance as at 30 June 2016.

**14 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. 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).

**14.1** 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				
		Fair value through profit & loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>31 March 2017</b>		Rupees '000							
<b>Financial assets measured at fair value</b>									
Short term investments		-	-	-	-	-	-	-	
<b>Financial assets not measured at fair value</b>									
Long term deposits	14.1.1	-	86,601	-	86,601	-	-	-	
Trade debts - considered good		-	1,199,682	-	1,199,682	-	-	-	
Advances		-	900	-	900	-	-	-	
Trade deposits		-	10,848	-	10,848	-	-	-	
Interest accrued		-	3,598	-	3,598	-	-	-	
Other receivables		-	283,967	-	283,967	-	-	-	
Cash and bank balances		-	1,272,567	-	1,272,567	-	-	-	
		-	2,858,163	-	2,858,163	-	-	-	
<b>Financial liabilities not measured at fair value</b>									
Long term financing	14.1.1	-	1,063,046	-	1,063,046	-	-	-	
Trade and other payables	14.1.2	-	1,616,439	-	1,616,439	-	-	-	
Markup accrued		-	25,655	-	25,655	-	-	-	
Short term borrowings		-	29,650	-	29,650	-	-	-	
Current portion of long term financing		-	1,193,406	-	1,193,406	-	-	-	
		-	3,928,196	-	3,928,196	-	-	-	
<b>30 June 2016</b>									
<b>Financial assets measure at fair value</b>									
Short term investment		1,324,485	-	-	1,324,485	1,324,485	-	-	
		1,324,485	-	-	1,324,485	1,324,485	-	-	



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30 June 2016	Note	Carrying amount			Fair value				
		Fair value through profit & loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees '000									
<b>Financial assets not measured at fair value</b>									
	14.1.1								
		-	86,601	-	86,601	-	-	-	-
		-	540,588	-	540,588	-	-	-	-
		-	900	-	900	-	-	-	-
		-	9,224	-	9,224	-	-	-	-
		-	4,447	-	4,447	-	-	-	-
		-	982,562	-	982,562	-	-	-	-
		-	1,665,579	-	1,665,579	-	-	-	-
		-	3,289,901	-	3,289,901	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
	14.1.1								
		-	1,486,178	-	1,486,178	-	-	-	-
	14.1.2	-	1,052,900	-	1,052,900	-	-	-	-
		-	76,265	-	76,265	-	-	-	-
		-	78,037	-	78,037	-	-	-	-
		-	2,525,955	-	2,525,955	-	-	-	-
		-	5,219,335	-	5,219,335	-	-	-	-

**14.1.1** The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

**14.1.2** It includes advances from customers, provision for workers profit participation fund, provision for workers' welfare fund, federal excise duty, and sales tax payable (net).

**15 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on 17 April 2017.

**16 GENERAL**

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



Chief Executive



Director