

آزادی قیمتی ہے



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Board of Directors

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

Lt Gen Sardar Mahmood Ali Khan (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

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

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

Company Website

<http://www.fccl.com.pk>
 info@fccl.com.pk

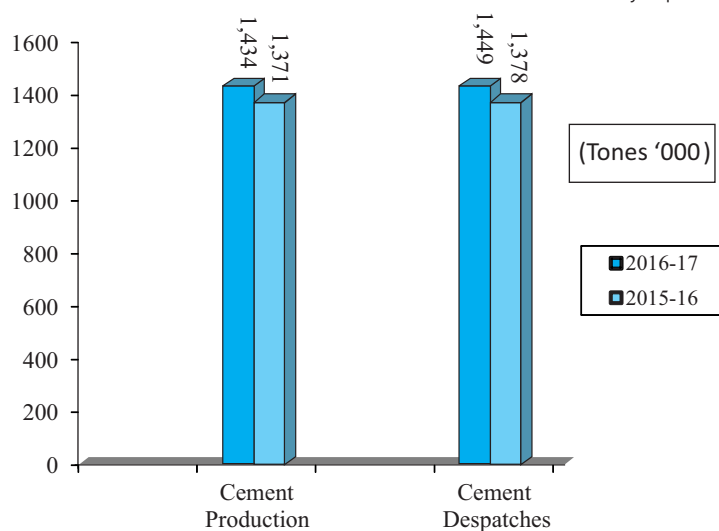
- The Board of Directors is pleased to present its review report along with the Condensed Interim Financial Information of the Company for the Half Year ended 31st December 2016.
- Industry Overview.** Cement industry achieved a growth of 8.7% during six months of current financial year with volumetric sales of 19.81 Million Tons as compared to 18.22 Million Tons during the same period last year. Local sales volume of the industry during six months of current financial year registered a growth of 11% with volumetric sales of 16.89 Million Tons as compared to 15.21 Million Tons in same period last year. Whereas export sales registered a decline of 3.5% with volumetric sales of 2.91 Million Tons as compared to 3.02 Million Tons in same period of last year.
- Company Overview.** Overall sales volume of the Company increased by 5% during the six months of current financial year with volumetric sales of 1.45 Million Tons as compared to 1.38 million tons during the same period last year. Capacity Utilization achieved by the Company is 84% as compared to 80% in the same period last year. Local sales volume of the Company during six months of this financial year registered a growth of 13% with volumetric sales of 1.35 Million Tons as compared to 1.20 million tons in same period last year. Export sales registered a decline of 47% with volumetric sales of 0.096 Million Tons as compared to 0.18 Million Tons in same period of last year.
- Comparison of Key Financial Results.** Key Financial Result for the period ended 31st December 2016 with same period of last year are tabulated below:-

| Particulars | Six Month | |
|-----------------------------|------------|-----------|
| | 2016-17 | 2015-16 |
| Sales Revenue | 10,187,143 | 9,950,378 |
| Gross Profit | 2,318,274 | 4,577,210 |
| Profit Before tax | 1,856,384 | 3,861,270 |
| Net Profit after tax | 1,302,952 | 2,776,711 |
| Earnings Per Share(Basic) | 0.94 | 2.09 |
| Earnings Per Share(Diluted) | 0.94 | 2.01 |

*Rs. in thousand except EPS

- Business Performance.** The production statistics of the Company for the six months ended 31st December 2016 as compared to same period last year are as under:-

| Particulars | Six Months | Six Months | Change |
|-------------------|----------------|----------------|--------|
| | 2016-17 (Tons) | 2015-16 (Tons) | |
| Cement Production | 1,433,774 | 1,371,106 | 4.57% |
| Cement Dispatches | 1,448,690 | 1,377,805 | 5.14% |



6. **Financial Performance**

- a. During the period under review, overall sales revenue of the Company increased by 2.38%. The increase is mainly attributable to increased dispatches.
 - b. Company achieved a gross profit rate of 23% for the period under review as compared to 46% achieved during same period last year. Sharp decline is due to procurement of costly clinker from other cement manufacturers as the production Line - II is still under Rehabilitation after the incident on May 29th 2016. Therefore, Net Profit ratio of the Company remained at 13% during the period under review as compared to 28% in the same period last year.
7. **Future outlook.** Based on the growth in domestic sales, it is anticipated that the demand of cement in the market will remain stable during 2nd Half of current Financial Year especially due to higher off take in summers. However, exports to Afghanistan will continue to remain under pressure.
 8. The main focus of the Company is on timely completion of Rehabilitation Works and start up of Line - II as soon as possible. It is expected to be fully operational in 1st quarter of FY 2017-18. Further, contracts for set-up of WHRPP on Line - I / Wartsila Power Plant have been executed and work is progressing satisfactorily.
 9. **Acknowledgement.** Directors appreciate all stakeholders i.e. Company's Workers, Staff and Executives for their devotion and hard work.

Rawalpindi
Dated 15 February 2017

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

Auditor's Report to the Members
Review of Interim Financial Information

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Half Yearly Report 2016-17

Introduction

We have reviewed the accompanying condensed interim balance sheet of Fauji Cement Company Limited ("the Company") as at 31 December 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (the interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

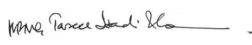
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures for the three months period ended 31 December 2016, in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: 15 February 2017
Islamabad


KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Riaz Pesnani

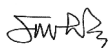
Condensed Interim Balance Sheet as at 31 December 2016 F C C L

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Half Yearly Report 2016-17

| | Note | Un-Audited 31 December 2016 Rupees'000 | Audited 30 June 2016 Rupees'000 |
|--|------|--|---------------------------------------|
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 4 | 13,798,150 | 13,798,150 |
| Reserves | | 4,567,005 | 4,629,705 |
| | | 18,365,155 | 18,427,855 |
| NON - CURRENT LIABILITIES | | | |
| Long term financing | 5 | 1,382,079 | 1,486,178 |
| Deferred liabilities | | 4,302,748 | 4,482,438 |
| | | 5,684,827 | 5,968,616 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,953,618 | 1,968,031 |
| Markup accrued | | 61,498 | 76,265 |
| Short term borrowings | 6 | 788,825 | 78,037 |
| Current portion of long term financing | 5 | 1,420,899 | 2,525,955 |
| Provision for taxation-net | | 410,785 | 312,893 |
| | | 4,635,625 | 4,961,181 |
| | | 28,685,607 | 29,357,652 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | | |

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 December 2016 F C C L **7**

Half Yearly Report 2016-17

| | Un-Audited 31 December 2016 | Audited 30 June 2016 |
|--|--------------------------------|-------------------------|
| Note | Rupees'000 | Rupees'000 |
| NON - CURRENT ASSETS | | |
| Property, plant and equipment | 8 21,573,448 | 21,701,250 |
| Long term deposits and prepayments | 118,479 | 156,733 |
| | 21,691,927 | 21,857,983 |
| CURRENT ASSETS | | |
| Stores, spares and loose tools | 2,226,928 | 2,177,367 |
| Stock in trade | 1,894,528 | 540,588 |
| Trade debts - considered good | 1,207,638 | 569,101 |
| Advances | 141,216 | 218,947 |
| Trade deposits, short term prepayments and balance with statutory authority | 222,079 | 16,593 |
| Interest accrued | 326 | 4,447 |
| Other receivables | 9 433,630 | 982,562 |
| Short term investments | 405,811 | 1,324,485 |
| Cash and bank balances | 10 461,524 | 1,665,579 |
| | 6,993,680 | 7,499,669 |
| | 28,685,607 | 29,357,652 |


 Director

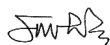
Condensed Interim Profit and Loss Account (Un-Audited)
For the Six Months Period Ended 31 December 2016

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Half Yearly Report 2016-17

| | Note | Three Months Ended | | Six Months Ended | |
|---------------------------------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 31 December 2016 Rupees'000 | 31 December 2015 Rupees'000 | 31 December 2016 Rupees'000 | 31 December 2015 Rupees'000 |
| Turnover-net | | 5,795,574 | 5,569,281 | 10,187,143 | 9,950,378 |
| Cost of sales | 11 | (4,524,216) | (2,870,647) | (7,868,869) | (5,373,168) |
| Gross profit | | 1,271,358 | 2,698,634 | 2,318,274 | 4,577,210 |
| Distribution cost | | (41,332) | (57,753) | (75,421) | (94,453) |
| Administrative expenses | | (89,377) | (80,387) | (167,138) | (150,294) |
| Other operating expenses | | (75,719) | (171,969) | (136,966) | (284,697) |
| Finance cost | | (71,541) | (121,834) | (149,254) | (319,824) |
| Other income | 12 | 31,788 | 64,701 | 66,889 | 133,328 |
| Profit before taxation | | 1,025,177 | 2,331,392 | 1,856,384 | 3,861,270 |
| Taxation | | | | | |
| - Current | | (475,405) | (638,027) | (736,349) | (1,104,662) |
| - Deferred | | 144,267 | (19,290) | 182,917 | 20,103 |
| | | (331,138) | (657,317) | (553,432) | (1,084,559) |
| Profit for the period | | 694,039 | 1,674,075 | 1,302,952 | 2,776,711 |
| Earnings per share - Basic (Rupees) | | 0.50 | 1.26 | 0.94 | 2.09 |
| Earnings per share - Diluted (Rupees) | | 0.50 | 1.21 | 0.94 | 2.01 |

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



Chief Executive



Director

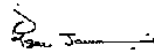
Condensed Interim Statement of Comprehensive Income(Un - Audited) F C C L **9**
 For the Six Months Period Ended 31 December 2016 Half Yearly Report 2016-17

| | Three Months Ended | | Six Months Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2016 | 31 December 2015 | 31 December 2016 | 31 December 2015 |
| | Rupees'000 | Rupees'000 | Rupees'000 | Rupees'000 |
| Profit for the period | 694,039 | 1,674,075 | 1,302,952 | 2,776,711 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 694,039 | 1,674,075 | 1,302,952 | 2,776,711 |

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)

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For the Six Months Period Ended 31 December 2016

Half Yearly Report 2016-17

| | 31 December 2016 Rupees'000 | 31 December 2015 Rupees'000 |
|---|--------------------------------|--------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 1,856,384 | 3,861,270 |
| Adjustments for: | | |
| Depreciation | 663,320 | 682,894 |
| Provision for compensated absences | 24,068 | 29,426 |
| Workers' (Profit) Participation Fund including interest and Workers' Welfare Fund | 141,723 | 284,756 |
| Finance cost (excluding interest on WPPF) | 144,497 | 319,582 |
| Gain on disposal of property, plant and equipment | (2,302) | (1,050) |
| Interest income including interest on long term advance | (14,188) | (68,122) |
| | <u>957,118</u> | <u>1,247,486</u> |
| | 2,813,502 | 5,108,756 |
| Decrease / (increase) in working capital | | |
| Stores, spares and loose tools | (49,561) | 310,521 |
| Stock in trade | (1,353,940) | (9,702) |
| Trade debts | (638,537) | (259,270) |
| Advances | 77,731 | (12,150) |
| Trade deposits, short term prepayments and balance with statutory authority | (205,486) | (14,210) |
| Other receivables | (3,068) | 3,483 |
| Trade and other payables | 49,877 | (62,567) |
| | <u>(2,122,984)</u> | <u>(43,895)</u> |
| Cash generated from operations | 690,518 | 5,064,861 |
| Compensated absences paid | (7,753) | (1,851) |
| Payment to Workers' (Profit) Participation Fund including interest | (425,175) | (15,162) |
| Income tax paid | (638,457) | (778,056) |
| Net cash (used in) / generated from operating activities | <u>(380,867)</u> | <u>4,269,792</u> |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (535,801) | (60,683) |
| Proceeds from disposal of property, plant and equipment | 2,585 | 1,164 |
| Insurance claim received | 552,000 | - |
| Short term investments encashment / additions | 918,674 | (1,212,665) |
| Interest received on bank deposits | 18,309 | 68,057 |
| Net cash generated from / (used in) investing activities | <u>955,767</u> | <u>(1,204,127)</u> |
| Cash flows from financing activities | | |
| Repayment of long term financing | (1,210,293) | (1,326,343) |
| Dividend paid on preference shares | - | (240,785) |
| Dividend paid on ordinary shares | (1,173,745) | (1,932,689) |
| Finance cost paid | (105,705) | (193,379) |
| Net cash used in financing activities | <u>(2,489,743)</u> | <u>(3,693,196)</u> |
| Decrease in cash and cash equivalents | (1,914,843) | (627,531) |
| Cash and cash equivalents at beginning of the period | 1,587,542 | 2,290,845 |
| Cash and cash equivalents at end of the period | (327,301) | 1,663,314 |
| Cash and cash equivalents comprise of the following: | | |
| Cash and bank balances | 461,524 | 1,929,932 |
| Short term borrowings - secured | (788,825) | (266,618) |
| | <u>(327,301)</u> | <u>1,663,314</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 | Un-appropriated profit | |
| | | | Rupees'000 | | | |
| Balance at 30 June 2015 | 13,311,158 | 486,992 | (1,364,385) | (72,895) | 5,058,114 | 17,418,984 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 2,776,711 | 2,776,711 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | 2,776,711 | 2,776,711 |
| Transfer during the period | - | - | - | 30,571 | - | 30,571 |
| Transaction with owners of the Company | | | | | | |
| Distribution | | | | | | |
| Final dividend 2015: Rs 1.50 per share | - | - | - | - | (1,996,674) | (1,996,674) |
| Balance at 31 December 2015 | 13,311,158 | 486,992 | (1,364,385) | (42,324) | 5,838,151 | 18,229,592 |
| Balance at 30 June 2016 | 13,798,150 | - | (1,364,385) | (19,874) | 6,013,964 | 18,427,855 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 1,302,952 | 1,302,952 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 1,302,952 | 1,302,952 |
| Transfer during the period | - | - | - | 14,163 | - | 14,163 |
| Transaction with owners of the Company | | | | | | |
| Distribution | | | | | | |
| Final dividend 2016: Rs 1.00 per share | - | - | - | - | (1,379,815) | (1,379,815) |
| Balance at 31 December 2016 | 13,798,150 | - | (1,364,385) | (5,711) | 5,937,101 | 18,365,155 |

Balance at 30 June 2015

Total comprehensive income for the period

Profit for the period

Other comprehensive income

Total comprehensive income

Transfer during the period

Transaction with owners of the Company

Distribution

Final dividend 2015: Rs 1.50 per share

Balance at 31 December 2015

Balance at 30 June 2016

Total comprehensive income for the period

Profit for the period

Other comprehensive income

Total comprehensive income for the period

Transfer during the period

Transaction with owners of the Company

Distribution

Final dividend 2016: Rs 1.00 per share

Balance at 31 December 2016



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 six months period ended 31 December 2016 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 six months period ended 31 December 2015.

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 1 January 2017 and are not expected to have any significant effect on condensed interim unconsolidated 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. However the Company is in process of enhancing the limit of authorised share capital to Rs. 15,000 million from existing limit of Rs. 14,513 million.

| | Un-Audited | Audited |
|--|-------------------------|-------------------------|
| | Note 31 December | 30 June |
| | 2016 | 2016 |
| | Rupees'000 | Rupees'000 |
| 5. LONG TERM FINANCING - SECURED | | |
| - From banking companies (conventional banks) | | |
| Term finance facilities including syndicated term finance facilities - secured | 5.1 2,802,978 | 4,012,133 |
| Less: Current portion shown under current liabilities | (1,420,899) | (2,525,955) |
| | <u>1,382,079</u> | <u>1,486,178</u> |
| 5.1 Movement in this account during the period/year is as follows: | | |
| Opening balance | 4,012,133 | 6,525,097 |
| Repayments during the period / year | (1,210,293) | (2,612,928) |
| Exchange loss on revaluation and transaction cost adjustment | 5.1.1 1,138 | 99,964 |
| Closing balance | <u>2,802,978</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. 2,200 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. The markup rates are the same as disclosed in the annual audited financial statements of the Company for the year ended 30 June 2016.

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 spare parts and coal valuing Rs. 958 million (30 June 2016: Rs. 147 million).

7.2.2 The Company has capital commitments of Rs. 722 million (30 June 2016: Rs. 248 million).

| | | Un-Audited 31 December 2016 Rupees'000 | Audited 30 June 2016 Rupees'000 |
|---|-----|---|--|
| 8. PROPERTY, PLANT AND EQUIPMENT | | | |
| Opening book value | | 21,701,250 | 23,880,553 |
| Additions during the period / year | 8.1 | 535,801 | 157,405 |
| Written down value of disposals | | (283) | (979,618) |
| Depreciation for the period / year | | (663,320) | (1,357,090) |
| Closing book value | | <u>21,573,448</u> | <u>21,701,250</u> |

8.1 This includes additions in capital work in progress amounting to Rs. 338 million (30 June 2016: Rs. 96 million).

| | | Un-Audited 31 December 2016 Rupees'000 | Audited 30 June 2016 Rupees'000 |
|-------------------------------------|-----|---|--|
| 9 OTHER RECEIVABLES | | | |
| Insurance claim receivable | 9.1 | 427,504 | 979,504 |
| Other receivables - Considered good | | 6,126 | 3,058 |
| | | <u>433,630</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. 552 million in respect of insurance claim lodged and subsequent to the period end a further amount of Rs. 148 million was received by the Company.

| | | Un-Audited 31 December 2016 Rupees'000 | Audited 30 June 2016 Rupees'000 |
|---|------|---|--|
| 10 CASH AND BANK BALANCES | | | |
| Cash at banks | | | |
| Deposit accounts - Conventional banks | | 109,470 | 569,545 |
| Deposit accounts - Islamic banks | | 312 | - |
| Current accounts - Conventional banks | 10.1 | 350,697 | 41,449 |
| Current accounts - Islamic banks | | 150 | 100 |
| | | <u>460,629</u> | 611,094 |
| Banking instrument in hand - Conventional banks | | - | 52,001 |
| Banking instrument in hand - Islamic banks | | - | 1,002,029 |
| Cash in hand | | 895 | 455 |
| | | <u>461,524</u> | <u>1,665,579</u> |

10.1 This includes Rs. 228 million (30 June 2016: Rs. 23 million) in respect of dividend payable to shareholders.

| | Note | Three Months Ended | | Six Months Ended | |
|--|------|--------------------|------------------|------------------|------------------|
| | | 31 December 2016 | 31 December 2015 | 31 December 2016 | 31 December 2015 |
| | | Rupees'000 | Rupees'000 | Rupees'000 | Rupees'000 |
| 11 COST OF SALES | | | | | |
| Raw material consumed | | 145,195 | 255,283 | 275,419 | 481,649 |
| Packing material consumed | | 233,585 | 258,990 | 414,910 | 475,130 |
| Stores and spares consumed | | 6,220 | 8,701 | 13,519 | 17,375 |
| Salaries, wages and benefits | | 283,020 | 277,658 | 524,647 | 522,777 |
| Rent, rates and taxes | | 6,712 | 5,929 | 11,527 | 10,781 |
| Insurance | | 20,321 | 25,082 | 40,543 | 50,212 |
| Fuel consumed | | 417,196 | 1,054,353 | 939,603 | 1,939,066 |
| Power consumed | | 493,013 | 429,162 | 809,257 | 950,294 |
| Depreciation | | 326,785 | 337,389 | 653,430 | 674,511 |
| Repairs and maintenance | | 100,508 | 131,449 | 166,546 | 233,299 |
| Technical assistance | | 8,342 | 10,239 | 8,469 | 10,319 |
| Printing and stationery | | 1,621 | 625 | 2,357 | 1,074 |
| Traveling and conveyance | | 5,752 | 3,464 | 10,590 | 7,662 |
| Vehicle running and maintenance expenses | | 4,722 | 6,288 | 9,385 | 12,260 |
| Other directly attributable expenses | | 4,904 | 7,628 | 8,893 | 12,148 |
| Clinker purchased | 11.1 | 2,415,314 | - | 5,274,288 | - |
| | | 4,473,210 | 2,812,240 | 9,163,383 | 5,398,557 |
| Add: Opening work-in-process | | 1,570,140 | 645,003 | 251,313 | 607,869 |
| Less: Closing work-in-process | | (1,545,036) | (675,189) | (1,545,036) | (675,189) |
| Cost of goods manufactured | | 4,498,314 | 2,782,054 | 7,869,660 | 5,331,237 |
| Add: Opening finished goods | | 190,721 | 182,182 | 164,028 | 135,520 |
| Less: Closing finished goods | | (164,140) | (93,589) | (164,140) | (93,589) |
| Less: Own consumption capitalized | | (679) | - | (679) | - |
| | | 4,524,216 | 2,870,647 | 7,868,869 | 5,373,168 |

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

| Note | Three Months Ended | | Six Months Ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2016 | 31 December 2015 | 31 December 2016 | 31 December 2015 |
| | Rupees'000 | Rupees'000 | Rupees'000 | Rupees'000 |
| 12 OTHER INCOME | | | | |
| Income from financial assets | | | | |
| Income from deposits, advances and investments | | | | |
| - Conventional Banks | 4,797 | 26,153 | 7,910 | 68,122 |
| - Islamic Banks | 1,710 | - | 6,278 | - |
| Gain on re-measurement of investments classified as fair value through profit or loss-held for trading | 6,507 | 26,153 | 14,188 | 68,122 |
| - Conventional funds | 11,081 | 25,092 | 26,462 | 43,573 |
| - Islamic funds | 1,178 | - | 2,611 | - |
| | <u>12,259</u> | <u>25,092</u> | <u>29,073</u> | <u>43,573</u> |
| Income from non financial assets | | | | |
| Gain on disposal of property, plant and equipment | 569 | 12,957 | 2,302 | 1,050 |
| Other income | 12,453 | 499 | 21,326 | 20,583 |
| | <u>31,788</u> | <u>64,701</u> | <u>66,889</u> | <u>133,328</u> |

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:

| | Six Months Ended | |
|--|-----------------------------------|-----------------------------------|
| | 31 December 2016 Rupees'000 | 31 December 2015 Rupees'000 |
| Transactions and balances with associated undertakings/companies due to common directorship | | |
| - Sale of cement | 7,813 | 2,679 |
| - Preference dividend paid | - | 240,785 |
| - Payment for use of medical facilities | 571 | 102 |
| - Donation paid | 500 | 500 |
| - Payment on account of clearance of shipments | 17 | 100 |
| - Payment of rent and utilities | 6,144 | 5,532 |
| - Dividend paid on ordinary shares | 543,650 | 939,302 |
| - Dividend payable on ordinary shares | 131,250 | * |
| - Investment made in Askari Investment Management Limited (AIML) | - | 200,000 |
| - Investment matured in AIML | 206,388 | - |
| - Unrealized gain from investment at AIML | - | 4,893 |
| - Balance at AIML-Mutual Fund | - | 202,017* |
| - Payment for purchase of Clinker | 352,064 | - |
| Employees funds | | |
| - Payments made into Employees' Provident Fund | 20,819 | 16,262 |
| Others | | |
| - Director's Fee | 1,510 | 1,050 |
| - Remuneration including benefits and perquisites to Chief Executive | 10,511 | 9,444 |
| - Remuneration including benefits and perquisites to key management personnel | 44,134 | 45,548 |

* 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 |
| 31 December 2016 | | Rupees '000 | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Short term investments | | 405,811 | - | - | 405,811 | 405,811 | - | - | 405,811 |
| Financial assets not measured at fair value | | | | | | | | | |
| Long term deposits | 14.1.1 | - | 86,601 | - | 86,601 | - | - | - | - |
| Trade debts - considered good | | - | 1,207,638 | - | 1,207,638 | - | - | - | - |
| Advances | | - | 900 | - | 900 | - | - | - | - |
| Trade deposits | | - | 10,132 | - | 10,132 | - | - | - | - |
| Interest accrued | | - | 326 | - | 326 | - | - | - | - |
| Other receivables | | - | 433,630 | - | 433,630 | - | - | - | - |
| Cash and bank balances | | - | 461,524 | - | 461,524 | - | - | - | - |
| | | - | 2,200,751 | - | 2,200,751 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | |
| Long term financing | 14.1.1 | - | 1,382,079 | - | 1,382,079 | - | - | - | - |
| Trade and other payables | 14.1.2 | - | 1,519,914 | - | 1,519,914 | - | - | - | - |
| Markup accrued | | - | 61,498 | - | 61,498 | - | - | - | - |
| Short term borrowings | | - | 788,825 | - | 788,825 | - | - | - | - |
| Current portion of long term financing | | - | 1,420,899 | - | 1,420,899 | - | - | - | - |
| | | - | 5,173,215 | - | 5,173,215 | - | - | - | - |

30 June 2016

Financial assets measure at fair value

| | | | | | | | | |
|-----------------------|-----------|---|---|-----------|-----------|---|---|-----------|
| Short term investment | 1,324,485 | - | - | 1,324,485 | 1,324,485 | - | - | 1,324,485 |
|-----------------------|-----------|---|---|-----------|-----------|---|---|-----------|

| 30 June 2016 | Note | Carrying amount | | | Fair value | | | Total |
|---|--------|----------------------------------|-----------------------|-----------------------------|------------|---------|---------|-------|
| | | Fair value through profit & loss | Loans and receivables | Other financial liabilities | Level 1 | Level 2 | Level 3 | |
| Rupees '000 | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | |
| Long term deposits | 14.1.1 | - | 86,601 | - | 86,601 | - | - | - |
| Trade debts - net of provision | | - | 540,588 | - | 540,588 | - | - | - |
| Advances | | - | 900 | - | 900 | - | - | - |
| Deposits | | - | 9,224 | - | 9,224 | - | - | - |
| Interest accrued | | - | 4,447 | - | 4,447 | - | - | - |
| Other receivables | | - | 982,562 | - | 982,562 | - | - | - |
| Cash and bank balances | | - | 1,665,579 | - | 1,665,579 | - | - | - |
| | | - | 3,289,901 | - | 3,289,901 | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| Long term financing | 14.1.1 | - | 1,486,178 | - | 1,486,178 | - | - | - |
| Trade and other payables | 14.1.2 | - | 1,052,900 | - | 1,052,900 | - | - | - |
| Markup accrued | | - | 76,265 | - | 76,265 | - | - | - |
| Short term borrowings | | - | 78,037 | - | 78,037 | - | - | - |
| Current portion of long term financing | | - | 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.

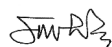
14.1.2 It excludes advances from customers, provision for Workers Profit Participation Fund, provision for Workers' Welfare Fund, federal excise duty, and sales tax payable (net).

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 15 February 2017

16 GENERAL

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



Chief Executive



Director