



FLYING CEMENT
COMPANY LTD.

ANNUAL REPORT
2019





FLYING CEMENT COMPANY LIMITED



LIME STONE QUARRY



POWER PLANT

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CORE VALUES

At Flying Cement, core values are always given importance. These values are not only theoretical but in actual fact delve deep in the hearts of entire team.

These values are reflected with in the name of **FLYING** itself.

F = Focus	We believe in focusing on reducing cost and improving quality thereby offering profit to our shareholders.
L = Leadership	Our objective is to lead as a cost effective competitor. We understand the demand of cement industry at a global level as well as the needs of people within Pakistan.
Y = You	Flying Cement always maintains ' You first ' approach, not only to please our customer but also to satisfy our shareholders.
I = Initiatives	Taking initiative in incorporating modern technology to reduce cost and to improve quality.
N = New	We are pioneer in using new ideas and strategies for the cost effective and quality cement manufacturing.
G = Global	We strive to be reckoned with dignity in global market.

BUSINESS ETHICS

- ❖ Transparency in transactions
- ❖ Sound business policies
- ❖ Judicious use of Company's resources
- ❖ Avoidance of conflicts of interest
- ❖ Justice to all
- ❖ Integrity at all levels
- ❖ Compliance of laws of the land

STRATEGIC GOALS

- ❖ Lead Cement business
- ❖ Manufacture prime quality products
- ❖ Maintain operational, technological and managerial excellence
- ❖ Create new opportunities for business growth and diversification
- ❖ Eliminate duplication of resources to economize cost
- ❖ Maximize productivity and expand sales

THE VISION

“To be a premier quality cement manufacturing unit engaged in nation building through the most efficient utilization of resources”.

THE MISSION

“Successfully deliver quality cement by using innovative practices with the ultimate goal of increasing the satisfaction of our customers”.

“To minimize the cost of production by using state-of-the-art technology and utilizing our experience in increasing profits for our shareholders”.

Quality Policy

The quality policy of the cement is monitored through the chemical laboratories located at the site installed with latest instrumental analysis techniques directly linked through PLC to control the process of manufacturing automatically keeping lowest variation brand from the required values/parameters laid by the British Standards BS-12-1991.

Flying Cement Company is committed to produce high quality Ordinary Portland Cement as per International and British Standards to achieve customers' satisfaction.

The company is committed to abide by all applicable legal and regulatory requirements and shall strive for continual improvements including prevention of pollution by establishing and monitoring of its Quality and Environmental objectives.

The Chairman and Management are committed to communicate and maintain this policy at all levels of the company, and achieve continual improvement through teamwork.

Environmental Protection

Management of the company is committed towards environmental protection and prevention of pollution. FLYING has been playing its role towards the development of a better society and a better future through continual improvement in the Environmental Management System.

Cement Industry is normally considered to be highly un-friendly to the environment because of its inherent process difficulties. The management with the efforts of its employees succeeded in meeting the environmental objectives and targets after evaluating legal requirements, organizational aspects, technological options and other requirements.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman
Mr. Momin Qamar	Member
Mr. Yousaf Kamran Khan	Member
Mr. Qasim Khan	Member
Mrs. Samina Kamran	Member
Mr. Nadeem Tufail	Member
Mr. Waqar Zahid	Member

CHIEF EXECUTIVE

Agha Hamayun Khan

AUDIT COMMITTEE

Mr. Nadeem Tufail	Chairman
Mr. Qasim Khan	Member
Mr. Yousaf Kamran Khan	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Nadeem Tufail	Chairman
Mrs. Samina Kamran	Member
Mr. Yousaf Kamran Khan	Member

STATUTORY AUDITORS

M/s. Tahir Siddiqi & Co.
Chartered Accountants

INTERNAL AUDITOR

Mr. Imran Matloob Khan

COMPANY SECRETARY

Mr. Muhammad Azeem
cosecretary@flyingcement.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Jamil

LEGAL ADVISOR

Mr. Waqar Hasan, Advocate High Court

BANKERS

Askari Bank Limited
The Bank of Punjab
United Bank Limited.
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited
Bank Al Falah Limited
Habib Bank Limited
Allied Bank Limited
Summit Bank Limited
Meezan Bank Limited

REGISTERED HEAD OFFICE

1-Sarwar Colony, Sarwar Road, Lahore Cantt.
Tel: 042-36674301-5 Fax: 042-36660693

PLANT

25-K.m. Lilla Interchange
Lahore - Islamabad Motorway,
Mangowal, Distt. Khoshab

SHARES REGISTRAR

THK Associates (Pvt) Limited.
1st Floor, 40-C, Block-6,
P.E.C.H.S.
Karachi-75530
Tel: 021-111-000-322, Fax: 021-34168271

WEB SITE

www.flyingcement.com

E-MAIL

info@flyinggroup.com.pk
info@flyingcement.com

NOTICE OF 26th ANNUAL GENERAL MEETING

Notice is hereby given that 26th Annual General Meeting of the members of Flying Cement Company Limited will be held on Monday the October 28, 2019 at 9.30 a.m. at Heaven Banquet Hall 343-D-1, Nespak Society, Lahore to transact the following business:

1. To confirm minutes of 25th Annual General Meeting held on 26th of October 2018.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2019 together with Directors' and Auditors reports thereon.
3. To appoint external Auditors of the Company and fix their remuneration for the next financial year 2019-20.
4. To transact any other business with the permission of Chairman.

(By Order of the Board)



(Muhammad Azeem)
COMPANY SECRETARY
Lahore: October 07, 2019

Notes:

1. The Share Transfer Books of the Company will remain closed from October 21, 2019 to October 28, 2019 (both days inclusive) Transfers received in order by our Share Registrar, M/s THK Associates (Pvt) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S, Karachi-75400 by the close of business on October 19, 2019 will be considered in time for the purpose of attending the Annual General Meeting.
2. A shareholder eligible to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by attorney in case of a corporate entity. In this case the instrument of proxy completed in every respect, must reach to the Registered Office of the Company not later than 48 hours before the time of the meeting. Attested copy of the shareholder's CNIC must be attached with the proxy form.

3. The Original Computerized Identity Card of the shareholder is required to prove his/her identity along with account details etc at the time of attending meeting. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form.
4. The Shareholders who, have not yet submitted copy of their valid CNIC or NTN, are once again requested to immediately submit the same.
5. The Annual Report is being transmitted to shareholders through CDs/DVDs instead of sending these in Book form / hard copy.
6. The Annual Report for the Financial Year ended June 30, 2019 have been placed on Company's website at www.flyingcement.com. However, if any shareholder desire to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.
7. Members can also avail video conference facility in the cities where facility can be provided keeping in view the geographical dispersal of members. In this regard fill the application as per following format and submit to the registered address of the company 7 days before the date of Annual General Meeting. The video conference facility will be provided only If the company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location. The company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

I / We _____ of _____ being member of Flying Cement Company Limited, holder of _____ Ordinary shares as per Register Folio # / CDC Account # / Participant ID # hereby opt for Video conference facility at _____.

Signature of shareholder

CHAIRMAN'S REVIEW

Flying Cement Company Limited complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Flying Cement Company Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

For the Purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2019 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. Engagement in strategic planning: The Board took a major decision to commit the Company for expansion in production capacity. This was based on very well considered strategic plans, while keeping in view the expected growth of the economy and consequent higher demand for cement. As a strategy, the Board has put the Company on the path of becoming a significant player in the market from one of the minor participants in the market. The Board continues to have its focus on strategic planning so as to ensure that the Company is well placed to take on the challenges of steering through the shorter-term business cycles within an overall growth path.
2. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
3. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
4. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behaviour across the company.
5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in all key matters and decisions of the Board.



Kamran Khan

Chairman

Dated October, 07, 2019

DIRECTORS' REPORT

The Directors of your company are pleased to present before you the 26th Annual Report of your company along with Audited Financial Statements for the financial year ended June 30, 2019.

INDUSTRY OVERVIEW

Since 2018 the overall business condition of the country has witnessed a challenging environment due to multifarious factors which include unprecedented depreciation in the value of PKR, significant increase in external debts and status quo in growth of exports, hence, Cement Industry as whole has not been an exception. The Cement Industry has registered a nominal growth rate of 2% during the fiscal year 2018-19.

PRINCIPAL ACTIVITIES

The main objective of the company is manufacture and sale of the Ordinary Gray Port Land Cement.

BUSINESS PERFORMANCE

The production and sales volume performance

The Production and sales volume figures for the year of your Company together with the comparative figures are as under:

Particulars	2019 (Metric Tons)	2018	% of decrease
Cement Production	514,600	527,850	(2.51)
Cement Dispatches	514,890	525,695	(2.06)

The Production and sales of Cement show a slight decrease as compared to last year figure.

Financial Performance

A comparison of the key financial results of your Company for the year ended June 30, 2019 are as under:

Particulars	2019 (Rupees in Thousands)	2018
Sales revenue Gross	4,821,773	4,335,489
Less: Sales Tax/ Federal Excise Duty and Rebates	1,550,398	1,425,129
Net: Sales revenue	3,271,375	2,910,361
Gross Profit	190,613	256,885
Operating profit	118,420	185,274
Profit before tax	184,161	233,134
Net Profit after tax	142,362	181,508
Earnings per Share (After Tax)	0.81	1.03

EARNINGS PER SHARE

The earning per share of the Company reduced from Rs 1.03 for 2018 to Rs 0.81 for the year 2019 under review.

DIVIDEND

The company has not declared dividend attributable due to non-availability of sufficient revenue reserve.

RESERVES

The profit for the year is carried to revenue reserves of the Company.

UPGRADATION OF PLANT

The Company has visualized excessive demand of Cement in coming years and has planned to enhance the capacity of Cement production from current production of 2000 Metric tons to 4000 Metric tons. The management has arranged financial facilities from National Bank of Pakistan and installation of relevant plant is in progress.

RELATED PARTY TRANSACTIONS

All related party transactions entered into are at arm's length basis which were reviewed and approved by Audit Committee as well as by the Board of Directors of the Company in compliance with the PSX Regulations of The Pakistan Stock Exchange Limited and of the requirement of section 208 of Companies Act, 2017.

PRINCIPAL RISKS

Capital Expenditure incurred by the Company in foreign currencies and adverse exchange rate movement can cause increased input cost. Negative impact on Company's earning due to changes in Government policies with respect to Taxation measures, and regulatory matters. Possibility of production loss due to capacity or break down factors due to electricity supply.

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

The cement manufacturing involves generation of emissions, especially the dust emission. The Company prioritizes the environmental sustainability in all its operations and activities and hence has installed de-dusting equipment such as dust cyclones bag houses, personal protective equipment and speed limit controls. And for healthy environment at site the company has planted thousands of trees for healthy atmosphere.

CORPORATE SOCIAL RESPONSIBILITY

The Directors of the Company are aware of their ethical duties towards Society. The company has arranged three times serving food to the employees of head office, factory staff and visitors, serve packets to the deserving staff and others during Ramzan-ul-Mubarak and preferential jobs to disabled persons

WHISTLE BLOWING

The management understands that through the use of a good Whistle Blowing Plan, they can overcome and develop a powerful ally in building trust with its employees and manage fair and transparent operations. All the employees are protected from victimization harassment and advised to immediately report to the higher management any of the following improper, unethical or illegal conduct of any colleague or supervisor to the management or otherwise.

BOARD OF DIRECTORS

Composition of Board of Directors is as under.

	Description	Number of Directors
a)	Male	6
b)	Female	1

Categorical Composition

1)	Independent Directors	2
2)	Non Executive Directors	4
3)	Executive Director	1

Name of Members of the Board of Directors and its Committees.

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman	Non Executive Director
Mr. Yousaf Kamran Khan	Member	Non Executive Director
Mr. Qasim Khan	Member	Non Executive Director
Mrs. Samina Kamran	Member	Non Executive Director
Mr. Momin Qamar	Member	Executive Director
Mr. Nadeem Tufail	Member	Independent Director
Mr. Waqar Zahid	Member	Independent Director

AUDIT COMMITTEE

Mr. Nadeem Tufail	Chairman	Independent Director
Mr. Qasim Khan	Member	Non Executive Director
Mr. Yousaf Kamran Khan	Member	Non Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Nadeem Tufail	Chairman	Independent Director
Mrs. Samina Kamran	Member	Non Executive Director
Mr. Yousaf Kamran Khan	Member	Non Executive Director

CHAIRMAN REVIEW

The Chairman's review is enclosed and duly endorsed by Board of Directors.

CODE OF CONDUCT

Company has formed Code of Conduct to run its business operations effectively.

STATEMENT OF COMPLIANCE

Statement of Compliance duly reviewed by Board of Directors and Auditors is annexed.

REMUNERATION OF DIRECTORS

The company will not pay any remuneration to its independent directors except meeting fee for attending the Board and Committee meetings.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors have established an efficient system of internal financial controls, to ensure effective and efficient conduct of operations, safe guarding of Company assets compliance with applicable laws and regulations and reliable financial reporting.

FUTURE PROSPECTS

The business environment in the Country remains challenging. The Country is passing through a critical phase as the government has embarked on an economic reform agenda. Due to the corrective measures taken by the government, the macroeconomic indicators of the Country are expected to revert to a stable trajectory in due course. However, the growth rate is likely to be affected in the short term. Despite facing difficult times in the past, the cement industry has grown extensively over the years and has generated significant economic activities in the Country. While structural reforms are being implemented, the government is urged to take immediate steps to kick start the economy by initiating construction of dams and low-cost housing projects in the Country, which will generate the demand for cement.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Directors of your company review the Company's strategic direction and business plans on a regular basis. The Audit Committee is empowered for effective compliance of Code of Corporate Governance; we are taking all necessary steps to ensure good corporate governance in your Company as required by the Code. As part of the Compliance, we confirm the following.

- (a) The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of accounts have been maintained by the company.

- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the company's ability to continue as a going concern.
- (g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- (h) Key operating and financial data for the last six years is annexed.
- (i) No trade in shares of Flying Cement Company Limited was carried out by the CEO, Head of Internal Audit, CFO, Company Secretary and their spouses and minor children except of those as reported to the regulatory authorities and disclosed in the annexed Pattern of Shareholding.
- (j) Reasons for significant deviations from last year's operating results have been compared in the relevant section of the Directors' report.
- (k) Information about taxes and levies is given in the Notes to the Financial Statements.
- (l) The company has planned to upgrade its production operations by enhancing production capacity of its plant. The matter has been disclosed to shareholders in the due time and also has been written in this directors' report.
- (m) Detail of number of Board and Committees meetings held during the year and attendance by each director has been disclosed below:

NO.	Name of Director	Board Meetings	Audit Committee Meetings	HR& R Committee Meetings
1	Mr. Kamran Khan	7	N/A	N/A
2	Mr. Momin Qamar	7	N/A	N/A
3	Mr. Yousaf Kamran Khan	6	4	1
4	Mr. Qasim Khan	6	4	N/A
5	Mrs. Samina Kamran	5	N/A	1
6	Mr. Nadeem Tufail	7	4	1
7	Mr. Waqar Zahid	6	N/A	N/A
8	Mr. Agha Hamayun Khan	7	N/A	N/A
	Total Number of Meetings Held	7	4	1

- (n) The board has been provided with detailed in house briefings and information package to acquaint them with the code, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the company for and on behalf of the shareholders.

Staff Retirement Benefits

An unfunded gratuity scheme has been maintained. Provision has been made in the financial statements accordingly for permanent employees of the company.

Auditors

The Auditors M/s. Tahir Siddiqi & Co; Chartered Accountants are retiring at the conclusion of forthcoming Annual General Meeting and being eligible have offered their services for the next term. The Auditors confirmed that they have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP. The Audit Committee and the Board recommended their re-appointment by the shareholders at the Annual General Meeting of Company as Auditors for the year ended June 30, 2020.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2019 along with disclosures as required by the Code of Corporate Governance is annexed.

Post Balance Sheet Events

There have been no material changes in the financial statements date and the reporting date except progress made in upgradation of Plant.

Acknowledgement

The Directors are grateful to the Company's shareholders, financial institutions and valued customers for their continued cooperation, support and patronage. The Directors acknowledge the efforts and dedicated services and hard work put in by the staff members and executives.

For and on behalf of the Board



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2017

Name of Company: Flying Cement Company Limited

Year Ending : 30th June 2019

The company has complied with the requirements of the Regulations in the following manner :

1. The total number of Directors are seven as per the following:

	Description	Number of Directors
a)	Male	6
b)	Female	1

2. The composition of board is as follows:

a)	Independent Directors	2
b)	Non Executive Directors	4
c)	Executive Director	1

3. The directors have confirmed that none of them is serving as a director in more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable)
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/Shareholders as empowered by the relevant provision 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 the Act and the Regulations with respect to frequency, recording and circulating Minutes of Meeting of Board. Written notices of the Board meetings, along-with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these regulations.
9. Three Board Members have completed the Directors Training Program. The requirement of the Code of Corporate Governance Regulations 2017 has not been complied with due to unavoidable circumstances. However the Company will ensure to comply with the requirements of Directors Training Program in its true spirits.
10. No new appointment of Chief Financial Officer (CFO), Company Secretary or Head of Internal Audit has been made during the Year.

11. The Financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
12. The Board has formed an Audit Committee, HR and Remuneration Committee It comprises of three members each, all of them are non- Executive Directors and the chairman of the committees is an independent director.

AUDIT COMMITTEE

Mr. Nadeem Tufail	Chairman	Independent Director
Mr. Qasim Khan	Member	Non Executive Director
Mr. Yousaf Kamran Khan	Member	Non Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Nadeem Tufail	Chairman	Independent Director
Mrs. Samina Kamran	Member	Non Executive Director
Mr. Yousaf Kamran Khan	Member	Non Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings (Quarterly/Half Yearly/Yearly) of the Committees were as per following:
Audit Committee: Met four times during the year.
Human Resource And Remuneration Committee: Met once in the year.
15. The Board has setup an effective Internal Audit function which is considered suitably qualified and experienced for the purpose and is conversant with 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 (ICAP), that neither the firm nor any of the partners of the firm, their spouses and minor children at any time since the last Annual General Meeting held, purchased, sold or took any position in the shares of the company or any of its associated companies or undertakings and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other material principles enshrined in the CCG have been complied with.
On behalf of the Board of Directors



Kamran Khan
Chairman

Dated October, 07, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FLYING CEMENT COMPANY LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2017 (the Regulations), prepared by the Board of Directors of Flying Cement Company Limited (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

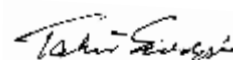
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Lahore:
October 07, 2019



Tahir Siddiqi & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLYING CEMENT COMPANY LIMITED

Opinion

We have audited the annexed financial statements of FLYING CEMENT COMPANY LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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 purpose of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss and other 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 Company's affairs as at June 30, 2019 and of the profit or loss and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's 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 the 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 annexed financial statements of the current period. These matters were addressed in the context of our audit of the annexed 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:

S.NO	Key Audit Matters	How the matters were addressed in our audit
(i)	<p>Inventories (Refer to Note 18 to the financial statements) Inventories Include</p> <ul style="list-style-type: none"> • Raw materials comprising limestone, clay, gypsum, laterite and bauxite. • Work-in-progress mainly comprising clinker. And • Coal <p>The above inventory items are stored in purpose built sheds, stockpiles and silos. As the weighing of these inventories is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit volumes by using angle of repose and bulk density.</p> <p>Due to significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p>	<p>The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts.</p> <p>Our audit procedures to assess the existence of inventory included the following.</p> <ul style="list-style-type: none"> • Assessed the management process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield. • Attend the physical count of the inventories and observed the said parameters. A representative of the company and an external surveyor were also present. • Checked the background and experience of the surveyor to ensure his competence and capability. • Obtained samples of items to determine the nature and characteristics of the inventory. Such samples were then sent for lab test to determine the nature and other parameters; and • Obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on sample basis.

S.NO		
(ii)	<p>Capitalization of property , plant and equipment</p> <p>(Refer to note 15 to the financial statements)</p> <p>The company has made significant capital expenditure of Rs.2220.6 million during the year.</p> <p>We identified it 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.</p>	<p>Our procedures to assess the capitalization of property, plant and equipment included the following.</p> <ul style="list-style-type: none">• Understanding the design and implementation of management controls over capitalization and performing test of controls over authorization of capital expenditure and accuracy of its recording in the system.• Testing on sample basis the costs incurred on project with supporting documentation and contracts.• Assessing the nature of costs incurred on property, plant and equipment through testing on sample basis of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards.• Inspecting supporting documents for the date of capitalization when the assets were ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date.• Assessing the useful life assigned by management including testing the calculation of related depreciation expense.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's 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 the 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 the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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.

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

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 and other 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) in our opinion, 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 auditor's report is Sarah Tahir Siddiqi



Tahir Siddiqi & Co.
Chartered Accountants

Lahore
Date : October 07, 2019

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

EQUITY AND LIABILITIES

SHARE CAPITAL & RESERVES

Authorized share capital

200,000,000 ordinary shares of Rs 10/- each.

Issued, subscribed and paid up capital

176,000,000, ordinary shares of Rs. 10/- each.

Reserves

Directors & shareholders loan

Surplus on revaluation of fixed assets

NON-CURRENT LIABILITIES

Long term liabilities

Long term deposits

Deferred liabilities

CURRENT LIABILITIES

Trade and other payables

Unclaimed Dividend

Short term finances

Current portion of long term finance

Provision for taxation

TOTAL LIABILITIES

Contingencies and commitments

TOTAL EQUITY AND LIABILITIES

ASSETS

NON-CURRENT ASSETS

Property, plant & equipment

Long term security deposits

CURRENT ASSETS

Stores, spares & loose tools

Stock in trade

Trade debts

Advances, deposits, prepayments & other receivables

Cash and bank balances

TOTAL ASSETS

Note	Restated	
	2019 Rupees	2018 Rupees
	2,000,000,000	2,000,000,000
5	1,760,000,000	1,760,000,000
6	865,156,309	692,095,204
	2,625,156,309	2,452,095,204
7	1,515,674,892	1,515,674,892
8	4,090,936,482	1,466,634,998
9	2,056,851,940	1,056,845,752
10	14,005,340	14,005,340
11	582,401,138	592,413,717
	2,653,258,418	1,663,264,809
12	1,977,309,742	1,681,337,685
	53,148	47,454
13	506,777,638	705,597,637
9	58,252,000	237,249,000
29	42,122,946	39,632,839
	2,584,515,474	2,663,864,615
	5,237,773,892	4,327,129,424
14	-	-
	13,469,541,575	9,761,534,518
15	11,216,453,717	6,639,761,686
16	32,880,151	31,416,883
17	751,322,337	727,988,564
18	457,639,437	316,862,420
19	10,031,693	8,590,135
20	942,526,644	1,922,032,767
21	58,687,596	114,882,063
	2,220,207,707	3,090,355,949
	13,469,541,575	9,761,534,518

The annexed notes from 1 to 41 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

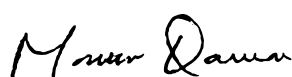


Muhammad Jamil
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019 Rupees	2018 Rupees
Gross Sales	22	4,821,772,831	4,335,489,989
Less Sales tax and federal excise duty		1,537,536,201	1,415,588,231
Rebates and commission		12,861,720	9,540,359
		<u>1,550,397,921</u>	<u>1,425,128,590</u>
Net sales		3,271,374,910	2,910,361,399
Cost of Sales	23	(3,080,761,888)	(2,653,476,436)
Gross Profit		190,613,022	256,884,963
Operating Expenses			
Distribution Expenses	24	(9,091,095)	(7,314,275)
Administrative Expenses	25	(48,959,179)	(46,480,725)
Other Operating Expenses	26	(14,142,870)	(17,815,495)
		<u>(72,193,144)</u>	<u>(71,610,495)</u>
		118,419,878	185,274,468
Finance Cost	27	(32,719,230)	(43,865,443)
Other Income	28	98,460,744	91,725,324
Profit Before Taxation		<u>184,161,392</u>	<u>233,134,349</u>
Taxation	29	(41,799,006)	(51,626,560)
Profit After Taxation		142,362,386	181,507,789
Other comprehensive income:			
Other comprehensive income / (Loss) which will not be reclassified to statement of profit or loss in subsequent periods			
Remeasurements chargeable in other comprehensive income		103,014	39,870
Total Comprehensive income for the year		<u><u>142,465,400</u></u>	<u><u>181,547,659</u></u>
Earnings Per Share (before tax) - Basic	30	<u>1.05</u>	<u>1.32</u>
Earnings Per Share (after tax) - Basic	30	<u>0.81</u>	<u>1.03</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Cash generated from operations	38	1,486,589,202	(959,948,632)
Gratuity Paid		(20,000)	(123,700)
Taxes paid		(118,473,574)	(159,772,071)
Net Cash from Operating Activities		1,368,095,628	(1,119,844,403)
Cash Flows From Investing Activities			
Fixed Capital Expenditure		(2,012,302,481)	(1,094,997,093)
Long Term Security deposit		(1,463,268)	(12,823,723)
Net Cash (used in) Investing Activities		(2,013,765,749)	(1,107,820,816)
Cash Flows From Financing Activities			
Finance cost paid		(32,713,536)	(43,865,443)
Short Term Finance		(178,997,000)	237,249,000
Long term finance		1,000,006,188	1,509,018,731
Long term deposits		-	500,000
Net Cash from Financing Activities		788,295,652	1,702,902,288
Net Increase / (Decrease) in Cash and Cash Equivalents		142,625,531	(524,762,931)
Cash and Cash Equivalents - at the beginning of the year		(590,715,573)	(65,952,642)
Cash and Cash Equivalents - at the end of the year	39	(448,090,042)	(590,715,573)

The annexed notes from 1 to 41 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Ordinary Share Capital	Accumulated Profit / (Loss)	Directors & Shareholders Loan	Capital Reserves		Total
				Revaluation Surplus	Gain on Disposal of Shares	
	(Rs.)	(Rs.)	(Rs.)	(RS.)	(Rs.)	(Rs.)
Balance as at July 01, 2017	1,760,000,000	352,788,164	1,515,674,892	1,497,415,385	126,978,994	5,252,857,435
Revaluation surplus on Property, Plant & Equipment		-	-	-	-	-
Total Comprehensive Income for the Year	-	181,547,659	-	-	-	181,547,659
Incremental depreciation	-	30,780,387	-	(30,780,387)	-	-
Balance as at June 30, 2018 - Restated	1,760,000,000	565,116,210	1,515,674,892	1,466,634,998	126,978,994	5,434,405,094
Revaluation surplus on Property, Plant & Equipment			-	2,654,897,189	-	2,654,897,189
Total Comprehensive Income for the year	-	142,465,400	-		-	142,465,400
Incremental depreciation	-	30,595,705	-	(30,595,705)	-	-
Balance as at June 30, 2019	1,760,000,000	738,177,315	1,515,674,892	4,090,936,482	126,978,994	8,231,767,683

The annexed notes from 1 to 41 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND OPERATIONS

Flying Cement Company Limited (The Company) was incorporated in Pakistan as a Public Limited Company on December 24, 1992 under the Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange Limited (Formerly Karachi, Lahore and Islamabad Stock Exchanges). Its main business activity is manufacturing, marketing and sale of cement. The geographical location and addresses of the Company's business units / immovable assets are as under:

Business Unit	Address
Head Office (Registered office)	01- Sarwar Colony Sarwar Road Cantt, Lahore.
Factory (immovable assets)	25-Km. Lilla Interchange Lahore - Islamabad Motorway, Distt. Khoshab

1.2 Summary of significant transactions and events that have affected Company's financial position and performance during the year are as follows:

Loan from Associate

The increase in associated balances is due to financing by associated companies for expansion of project.

Current portion of long term finance

Current portion of long term finance figure decreased from Rs.237(M) to 58(M) mainly due to rescheduling in financial facility by National Bank of Pakistan.

Addition in capital work in progress

Capital addition is the cost involved for adding new production line for increasing the production capacity from 2000 TPD per to 4000 TPD per day

2 STATEMENT OF COMPLIANCE

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

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, management has made the following estimates and judgements which are significant to the financial statements:

- (a) recognition of taxation and deferred tax;
- (b) determining the residual value and useful lives of property, plant and equipment;
- (c) accounting for post employment benefits;
- (d) impairment of inventories / adjustment of their net realizable value.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting Convention

These financial statements have been prepared under the historical cost convention except for those as stated in the respective policies and notes given here under.

4.2 New Accounting Standards, amendments to approved accounting standards and new interpretations.

New standards, amendments and improvements effective during the year

- (a) The Company has adopted the following standards, amendments and improvements of IFRS which became effective for the current year :

IFRS 2 - Share-based Payments: Classification and Measurement of Share-based Payments Transactions
 IFRS 9 - Financial Instruments
 IFRS 15 - Revenue from Contracts with Customers
 IAS 40 - Investment Property: Transfers of Investment Property (Amendments)
 IFRIC 22 - Foreign Currency Transactions and Advance Consideration

Improvements to IFRSs issued by IASB in December 2016

IAS 28 - Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The adoption of the above standards, amendments and improvements to IFRS did not have any material effect on these financial statements, except for IFRS 15 and IFRS 9 as explained below:

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company generates its revenue from sale of goods. The Company's contracts with customers for the sale of goods generally include one performance obligation. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognised.

In general the contracts for the sale of goods do not provide customers with a right of return. Accordingly, the application of the constraint on variable consideration did not have any impact on the revenue recognised by the Company.

IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). During February 2019, the SECP modified the effective date for applicability of IFRS 9 in place of IAS 39 as reporting period / year ending on or after 30 June 2019. The Company early adopted IFRS 9 as was allowed to do so by SECP.

The Company's financial assets mainly includes, long term loans, long term deposits, trade debts, loans, trade deposits, other receivables, cash and bank balances held with commercial banks.

IFRS 9 retain but simplifies the measurement model and establishes the measurement categories of financial asset: amortised cost, fair value through other comprehensive income and fair value through the statement of profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The Company continues measuring at fair value all the financial assets previously held at fair value under IAS 39. The measurement basis followed by the Company under IFRS 9 are as follows:

- Trade debts and other financial assets previously classified as loans and receivables are now measured at amortised cost.

The Classification and measurement of IFRS 9, as described above did not have a significant impact on the Company's financial statements.

Expected Credit Loss (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL.

The adoption of the ECL approach under IFRS 9 resulted in an immaterial impact on the Company's financial assets.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

(b) Standards, amendments and improvements to IFRSs that are not yet effective

The following standards, amendments and interpretations with respect to the IFRSs as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective date (annual periods beginning on or after)
IFRS - 3 Definition of a Business (Amendments)	01-January-2020
IFRS - 3 Business combinations : Previously held interests in a joint operation	01-January 2019
IFRS - 9 Prepayment Features with Negative Compensation (Amendments)	01-January-2019
IFRS -10 Consolidated Financial Statements and Investment in Associates and Joint / IAS 28 Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not Yet Finalized
IFRS - 11 Joint Arrangements: Previously held interests in a joint operation	01-January-2019
IFRS - 16 Leases	01-January-2019
IAS - 1 / IAS - 8 Definition of Material (Amendments)	01-January-2020
IAS - 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity	01-January-2019
IAS - 19 Plan Amendment, Curtailment or Settlement (Amendments)	01-January-2019
IAS - 23 Borrowing Costs - Borrowing costs eligible for capitalization	01-January-2019
IAS - 28 Long-term Interests in Associates and Joint Ventures (Amendments)	01-January-2019
IFRIC - 23 Uncertainty over Income Tax Treatments	01-January-2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application, except for IFRS 16 - 'Leases'. The management of the Company is currently evaluating the impact of this standard on the financial statements of the Company.

In addition to the above standards, amendments and improvements to various IFRS have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan. The management of the Company expects that below new standards will not have any material impact on the Company's financial statements in the period of initial application.

	IASB effective date (annual periods beginning on or after)
IFRS 1 - First time adoption of IFRSs	01-January-2004
IFRS 14 - Regulatory Deferral Accounts	01-January-2016
IFRS 17 - Insurance Contracts	01-January-2021

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

4.3 Property, Plant & Equipment

4.3.1 Owned

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land, building and plant and machinery which are stated under fair value model and capital work-in-progress which are stated at cost less impairment losses, if any.

Maintenance and normal repairs are charged to profit or loss account, as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

An item of property, plant & equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the Profit or Loss Account in the year the asset is derecognized.

The carrying values of the Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If such indications exist and where the carrying values exceed the recoverable amount, the assets are written down to the recoverable amounts.

Depreciation on all property, plant and equipment is charged to Profit or Loss Account on the reducing balance method, over its estimated useful life at annual rates mentioned in note 15 after taking into account their residual values. Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is acquired or capitalized while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each financial year end.

4.4 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss. These costs are transferred to fixed assets as and when assets are available for use.

4.5 Stock - in - trade

These are stated at the lower of cost and net realizable value. The methods used for the calculation of cost are as follows:

(a) Raw and packing material

At weighted average cost comprising quarrying / purchase price, transportation, government levies and other overheads.

(b) Work-in-process and finished goods

At weighted average cost comprising direct cost of raw material, labour and other manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary to make sale.

4.6 Stores, spares & loose tools

These are valued at lower of cost and estimated net realizable value. The cost is determined on weighted average cost basis. Items in transit are valued at cost comprising invoice value and other charges thereon accumulated at the balance sheet date.

4.7 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of tax. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent to which it is probable that taxable profits will be available against which the deductible temporary difference, unused tax loss, and tax credits can be utilized. Deferred tax is charged or credited to profit or loss account.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date.

4.8 Trade Debts

Trade Debts are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

4.9 Cash and Cash Equivalents

Cash and Cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks on current, saving and deposit accounts and short term borrowings under mark-up arrangements.

4.10 Trade and other payables

Trade and other payables are carried at the cost which is the fair value of the consideration to be paid in future for the goods and services received, whether or not invoiced to the company.

4.11 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at fair value and Subsequently at amortized cost using effective interest rate method. Borrowing cost are recognized as expenses in the period in which these are incurred except the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset. Borrowing payable within next twelve months are classified as current liability.

4.12 Borrowing costs

Mark-up, interest and other direct charges on borrowings are capitalized to the related qualifying asset till substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other mark-up, interest and related charges are charged to the profit or loss account in the year in which they are incurred.

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event, and it is probable that outflow of economic benefits will be required in the balance sheet to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimates.

4.14 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistan rupees using exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains or losses are accounted for in Profit or Loss Account.

4.15 Financial Assets and liabilities

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. The particular measurement methods adopted are considered in individual policy statement associated with each item.

4.16 Offsetting

A financial asset and financial liability is offset and net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the assets value and settle the liability simultaneously.

4.17 Impairment

The carrying amount of Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment losses are recognized.

4.18 Related Party Transactions

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so.

4.19 Staff Retirement Benefits

The company operates an unfunded gratuity scheme for all its permanent employees which provides for the graduated scale of benefits dependent on the length of service of the employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employee's last drawn salary.

Remeasurement gains / losses as per actuarial valuation done at financial year end are recognised immediately in other comprehensive income and all other expenses are recognised in accordance with IAS-19 "Employee Benefits" in the profit or loss account. The most recent valuation was carried out as on June 30, 2019 using the "Projected Unit Credit Method".

4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4.21 Surplus on Revaluation of Fixed Assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003.

- (a) Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit or loss account; and
- (b) An amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets account" to accumulated profit / (loss) through Statement of Changes in Equity to record realization of Surplus to the extent of the incremental depreciation charge for the year.

4.22 Revenue Recognition

- (a) - Revenue from sale of goods is recognized on dispatch of goods to the customers.
- (b) - Gain on sale of property, plant and equipment is recorded when title is transferred in favour of transferee.
- (c) - Income from Banks is recognized when earned.

5 SHARE CAPITAL

a) Authorized Capital

200,000,000 (2018 : 200,000,000) ordinary shares of Rs.10/- each.

b) Issued, Subscribed and Paid Up Capital

- 137,419,189 (2018 : 137,419,189) ordinary shares of Rs.10/- each fully paid up in cash.

- 22,580,811 (2018: 22,580,811) ordinary shares of Rs. 10/- each fully paid up for consideration other than cash - Plant & Machinery

- 16,000,000 (2018: 16,000,000) bonus shares of Rs.10/- each fully issued as bonus shares.

2019 Rupees	2018 Rupees
2,000,000,000	2,000,000,000
1,374,191,890	1,374,191,890
225,808,110	225,808,110
160,000,000	160,000,000
1,760,000,000	1,760,000,000

5.1 All ordinary shareholders have same rights regarding voting, board selection, right of first refusal and block voting

6 RESERVES

Capital Reserve

6.1 126,978,994 126,978,994

Revenue Reserve

Un-appropriated Profit/(Loss)

738,177,315	565,116,210
865,156,309	692,095,204

6.1 Capital reserve consists of gain on disposal of 21,296,200 shares by directors / beneficial owners of the company in open market since 2008. This gain is tendered to the company as required by the Companies Ordinance, 1984.

7 LOANS FROM RELATED PARTIES - UNSECURED

Directors & shareholders loan

7.1 1,515,674,892 1,515,674,892

1,515,674,892	1,515,674,892
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7.1 The directors have personally financed a portion of the expansion project and the loan is interest free. The repayment of the loan will be made after the completion of the expansion project subject to availability of funds.

8 SURPLUS ON REVALUATION OF FIXED ASSETS

Opening Balance of Revaluation Surplus

1,466,634,998 1,497,415,385

Add Revaluation Surplus

2,654,897,189 -

Less: Surplus transferred to retained earnings (accumulated loss)

4,121,532,187 1,497,415,385

Incremental depreciation

43,092,542 43,971,982

Deferred Tax effect

(12,496,837) (13,191,595)

30,595,705	30,780,387
4,090,936,482	1,466,634,998

8.1 The company got its assets i.e. land, building, plant & machinery revalued on June 30, 2006 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. This amount was credited to Surplus on Revaluation of Fixed Assets account to comply with the requirements of section 235 of the Companies Ordinance, 1984. Subsequently the company got its assets revalued in June 2013 by an independent valuer. However, no material differences were identified. Subsequently, as per principles and guidelines issued by IFRS, the company got its assets i.e. land, building, plant & machinery revalued on June 30, 2019 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. This amount was credited to Surplus on Revaluation of Fixed Assets account to comply with the requirements of fourth schedule of the Companies Act, 2017 and IAS 16. It includes surplus on revaluation of freehold land amounting to Rs.111.594 million (2018 Rs. 114.261 million).

9 LONG TERM LIABILITIES

Loans from banking companies - secured

9.1 1,684,107,580 972,976,153

Long term creditors - unsecured

9.2 372,744,360 83,869,599

2,056,851,940	1,056,845,752
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9.1 LOANS FROM BANKING COMPANIES - SECURED

National Bank of Pakistan Demand Finance - 2

9.1.1 1,274,048,580 1,160,476,153

National Bank of Pakistan Demand Finance (WHR)

9.1.2 - 49,749,000

National Bank of Pakistan Demand Finance -3

9.1.3 68,311,000 -

National Bank of Pakistan Demand Finance -5

9.1.4 400,000,000 -

1,742,359,580	1,210,225,153
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Less: current portion shown under current liabilities

58,252,000	237,249,000
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1,684,107,580	972,976,153
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- 9.1.1** The Company has availed facility of Demand finance of Rs.1,500 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charge of Rs.2,000 million over all present and future fixed assets (Hypothecation / Mortgage) of the company and personal guarantees of all directors to finance up gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD. The facility was rescheduled to Rs.1274.049 million on 26-04-2019
The facility includes a grace period of 2.25 years and principal to be repaid in 14 quarterly installments of Rs.93.75 million each. The first installment falls due at the end of 27th month from lodgment of Import documents. Markup shall be charged at 3 Months KIBOR plus 1.5% p.a.
Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirement for up-gradation of production capacity to 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.
- 9.1.2** The Company has availed facility of letter of credit-sight limit of Rs.100 million with nil cash margin and markup payable as per schedule of charges of the bank to import Heat Exchanger.
The Company has availed facility of demand finance as a sub-limit to LC-Sight at nil cash margin with a markup of 3 months KIBOR plus 1.5% p.a to finance import of Heat Exchanger. The facility will expire on 31-12-2018 including 6 months grace period and principal is to be repaid in 6 quarterly installments of Rs.16.67 million. The facility of LC-Sight and its sub limit of demand finance are secured against 1st charge of Rs.134 million over all present and future fixed assets (hypothecation/Mortgage) of the company, lien of import documents and personal guarantees of all Directors.
- 9.1.3** The Company has availed facility of demand finance facility III fresh facility of Rs.73 million for cost over runs of plant expansion to finance for retirement of import documents including bills of exchange arising due to upward fluctuations in currency appreciation of Euro / Dollar parity with Pak Rupees with a markup of 3 months KIBOR plus 2% p.a. The facility will expire on 31-03-2022 and principal is to be repaid in 16 quarterly installments of Rs.4.563 million. The facility of demand finance are secured against 1st charge of Rs.98 million over all present and future fixed assets (hypothecation / Mortgage) of the company, lien of import documents and personal guarantees of all Directors.
LC-Sight OTT includes facility for import of additional machinery / upgrading production capacity to 4000 TPD from 2000 TPD fresh facility PKR equivalent of up to USD 8.882 Million calculated at conversion rate on the date of issuance of LC or PKR 133 USD which ever is lower i.e. maximum up to Rs.1,400 million (enhancement from 1,181.306 Million) against nil Cash Margin to retire import documents / to finance additional machinery arising due to modification in previous CAPEX in order to assure reliability of plant at 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. Upon retirement of each bill of exchange, customer shall deposit prorata amount of exchange difference over and above the DF limit of Rs 1,181.306 Million ensuring that NBP funded exposure remains within DF limit of Rs 1,181.306 Million. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.
The Company has availed facility of Demand finance of Rs.1,181.306 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charge of Rs.1,576 million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of all directors to finance up gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD.
- 9.1.4** The Company has availed facility of Demand finance facility-V of Rs 400 million from National Bank of Pakistan secured against 1st Pari Passu charge of Rs 533.6 million over all present and future fixed assets (Hypothecation / Mortgage) of the company, Mortgage of two leased residential properties of Sponsors of 5 & 5A, Bridge Colony, Abid Majeed Road, Lahore having forced sale value Rs 190.153 M and personal guarantees of all directors. The first instalment due at the end of 12th month from 06-02-2020. Markup shall be charged 3 month KIBOR plus 1.75% per annum.
All these facilities also include commitment of sponsoring directors through pledge of shares.
- 9.2** This includes markup free loan from associated companies i.e. Poly Paper & Board Mills (Pvt.) Limited of Rs. 34.3 million, Zaman Paper & Board Mills (Pvt.) Limited of Rs.10.153 million, Flying Paper Industries Limited Rs.113.382 million and Flying Board & Paper Products Limited 210.641 million.

10 LONG TERM DEPOSITS- unsecured

		2019 Rupees	2018 Rupees
Dealers	10.1	2,805,000	2,805,000
Transporters	10.2	11,200,340	11,200,340
		14,005,340	14,005,340

10.1 These represent interest free security deposits from dealers and the dealership is provided for a period of five years. The agreement is renewable on expiration of previous contract period. These are being utilized by the company in accordance with agreed terms.

10.2 These represent interest free security deposits from transporters and as per agreement these are repayable after a period of five years. The agreement is renewable on expiration of previous contract period. These are being utilized by the company in accordance with agreed terms.

		2019 Rupees	2018 Rupees
11 DEFERRED LIABILITIES			
Deferred Taxation	11.1	581,160,478	591,449,982
Gratuity	11.2	1,240,660	963,735
		582,401,138	592,413,717
11.1 Deferred Taxation - Net			
Taxable temporary differences - effect thereof			
- Excess of accounting book value of fixed assets over their tax base		1,138,583,749	1,171,096,295
Deductible temporary differences - effect thereof			
- Gratuity		(359,791)	(289,121)
- Excess Tax / Minimum Tax		(42,122,946)	(39,632,839)
- WPPF & WWF		(9,381,262)	(9,521,641)
- Unused tax losses		(505,559,272)	(530,202,712)
		581,160,478	591,449,982
11.2 The amounts recognized in the statement of financial position based on the recent actuarial valuation carried on June 30, 2019 are as follows			
11.2.1 Present value of defined benefit obligation		1,240,660	963,735
11.2.2 Changes in the present value of defined benefit obligation are as follows:			
Balance as at July 1		963,735	844,520
Charge for the year		399,939	282,785
Remeasurement loss/ (gain) recognised in other comprehensive income		(103,014)	(39,870)
		1,260,660	1,087,435
Payment made during the year		(20,000)	(123,700)
		1,240,660	963,735
11.2.3 Charge for the year recognised in the profit or loss is as follows:			
Current service cost		314,103	210,388
Finance cost		85,836	72,397
Total amount chargeable to profit and loss account		399,939	282,785
11.2.4 The charge for the year has been allocated as follows:			
Cost of sales		-	-
Distribution cost		-	-
Administrative expenses		399,939	282,785
Cost of sale of electricity		-	-
		399,939	282,785
11.2.5 Principal actuarial assumptions used are as follows:			
Expected rate of increase in salary level		13.25%	8.00%
Valuation discount rate		14.25%	9.00%
11.2.6 Sensitivity analysis			
A sensitivity analysis for the above principal actuarial assumptions as of the statement of financial position date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:			
Discount rate +1%		(69,560)	(62,851)
Discount rate -1%		77,284	70,432
Long term salary increases +1%		78,861	71,890
Long term salary increases -1%		(72,182)	(65,292)
11.2.7 Maturity profile of the defined benefit obligation:			
Weighted average duration - in number of years		6 Years	7 Years
The retirement will at most continue - year		2025	2025
11.2.8 Description of the risks to the Company			
The defined benefit plan exposes the Company to the following risks:			
Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries service/age distribution and the benefit.			
Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.			
Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.			

		2019 Rupees	2018 Rupees
12 TRADE AND OTHER PAYABLES			
Trade Payables & others		630,314,566	309,108,684
Accrued liabilities		6,115,132	6,772,300
Taxes and Other Govt. Levies payable		155,111,036	153,106,693
Other liabilities		1,843,088	1,793,088
Payable Director, Shareholders	12.1	1,183,925,920	1,210,556,920
		1,977,309,742	1,681,337,685
12.1	The directors paid from their own sources and adjusted different creditors outstanding in the company account.		
13 SHORT TERM FINANCES			
Loans from banking companies-secured	13.1	506,777,638	705,597,637
		506,777,638	705,597,637
13.1 LOANS FROM BANKING COMPANIES-SECURED			
Banks - secured			
Albaraka Islamic Bank	13.1.1	351,280,892	163,034,936
National Bank of Pakistan	13.1.2	55,496,746	442,562,701
National Bank of Pakistan (Cash Finance)		100,000,000	100,000,000
		506,777,638	705,597,637
13.1.1	A letter of credit facility usance / acceptance 180 days of Rs. 257.5 million (2018: Rs. 22.50 million) is obtained from Albaraka Islamic Bank (Pakistan) Limited with a sub limit of letter of guarantee of Rs. 0.20 million (2018: Rs. 0.20 million), Rs 20 Million LC Usance / Acceptance facility against 100% Cash Margin, Rs 50 Million LC Sight/Usance clubbed with similar credit limit of Flying Paper Industries Limited, Rs 235 Million LC Usance / Acceptance (OTT) to meet the contractual and import requirements of the company. The finance is secured against Ranking charge over current assets of the company valuing Rs. 144 million, Ranking charge over Fixed assets of the company valuing Rs.300 million, lien over import documents valuing Rs. 277.5 million and personal guarantee of all Directors of the company. Mark-up is charged as per bank's Schedule of charges.		
13.1.2	During the year, Company has enhanced financing from National Bank of Pakistan through letter of credit facility of usance (180 Days) to Rs. 700 million (wherein Rs 400 Million and Rs 300 Million are regular limits) from 300 million at 20% Cash Margin with expiry of 31-03-2020 and Rs 400 Million at 20 % cash Margin with expiry 31-12-2019 for the purpose of importing coal, packing material and machinery parts to be repaid through internal Cash Flows routed through Sinking Fund created for the purpose. The facility is secured against 1st charge of Rs.934 million overall present and future fixed assets of the Company, personal guarantees of all Directors, Accepted Bills of Exchange and Trust Receipt. The Company has availed facility of letter of credit-sight of Rs.100 million with nil cash margin and markup payable as per schedule of charges of the bank to import Heat Exchanger. The Company has availed facility of demand finance as a sub-limit to LC-Sight at nil cash margin with a markup of 3 months KIBOR plus 1.5% p.a to finance import of Heat Exchanger. The facility will expire on 31-12-2018 including 6 months grace period and principal is to be repaid in 6 quarterly installments of Rs.16.67 million. The facility of LC-Sight and its sub limit of demand finance are secured against 1st charge of Rs.134 million over all present and future fixed assets (hypothecation / Mortgage) of the company, lien of import documents and personal guarantees of all Directors. All these facilities also include commitment of sponsoring directors through pledge of shares. The Company has availed facility of Demand finance of Rs.1,500 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charge of Rs.2,000 million over all present and future fixed assets (Hypothecation / Mortgage) of the company and personal guarantees of all directors to finance up gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD. The facility includes a grace period of one year and principal to be repaid in 14 quarterly installments of Rs.93.75 million each. The first installment falls due at the end of 15th month from lodgement of Import documents. Markup shall be charged at 3 Months KIBOR plus 1.5% p.a Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirements for up-gradation of production capacity to 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company. Fresh Cash Finance - Hypo Facility for Rs 100 M to Finance working capital requirements of the company against First Pari Pass charge of the company amounting to Rs 133.50 Million, First Charge over fixed assets of the company amounting to Rs 133.50 Million and personal guarantees of all Directors.		
14 CONTINGENCIES AND COMMITMENTS			
14.1 Contingencies			
14.2	The Albaraka Islamic Bank has issued letter of guarantees on behalf of the company for the following: - Excise Collection Office, Sindh Development & Maintenance amounting to Rs. 0.20 million		
14.3	The Competition Commission of Pakistan (CCP) has issued a show cause notice to the company for an increase in prices of cement across the country. As a result of it an amount of Rs. 12 million was imposed as a penalty. The case is currently before the Honorable High Court. The Court granted the stay order restricting the CCP to pass any adverse order(s) against the show cause notices issued to the cement manufacturers. Starting date of hearing in the Court was 11-11-2008.		
14.4	Sales tax audit was conducted in 2015 and an impugned liability of Rs. 40.9 million was determined out of which Rs. 20 million has been deposited by the company under protest. The company feeling aggrieved filed an appeal before appellate tribunal which is pending yet and is likely to be decided in favour of the company		
Commitments	Commitments in respect of outstanding letter of credit amount to Rs.2012.588(M) (2018 Rs.768.812(M). It includes letter of credit facilities for procurement of new cement production plant and parts of machinery		
15 PROPERTY, PLANT & EQUIPMENT			
Operating Assets - tangible	15.1	6,912,441,827	4,556,392,342
Capital Work in Progress - at cost	15.10	4,304,011,890	2,083,369,344
		11,216,453,717	6,639,761,686

15.1

Particulars	Cost / Revaluation				Rate %	Accumulated Depreciation				Book value as at 30-06-2019 Rs.
	As at 01-07-2018	Addition/ (Deletion)	Revaluation	As at 30-06-2019		As at 01-07-2018	Adjustment	For the period	As at 30-06-2019	
	Rs.	Rs.		Rs.		Rs.	Rs.	Rs.	Rs.	
Owned Assets										
Land - freehold	10,761,246	2,362,500	-	13,123,746		-	-	-	-	13,123,746
Revaluation	114,261,254	-	(2,667,500)	111,593,754		-	-	-	-	111,593,754
	125,022,500	2,362,500	(2,667,500)	124,717,500		-	-	-	-	124,717,500
Building-on freehold land					2					
Revaluation	292,730,850	-	-	292,730,850		82,416,126	-	4,206,294	86,622,420	206,108,430
	287,101,651	-	37,592,081	324,693,732	2	61,808,183	-	4,505,869	66,314,052	258,379,680
	579,832,501	-	37,592,081	617,424,582		144,224,309	-	8,712,163	152,936,472	464,488,110
Roads	5,514,865	-	-	5,514,865	2	1,606,827	-	78,161	1,684,988	3,829,877
Plant & machinery	2,503,783,127	101,663,347		2,605,446,474	2	463,397,430		40,807,714	504,205,144	2,101,241,330
Revaluation	2,458,637,095	-	2,306,511,696	4,765,148,791	2	529,303,448	-	38,586,673	567,890,121	4,197,258,670
	4,962,420,222	101,663,347	2,306,511,696	7,370,595,265		992,700,878	-	79,394,387	1,072,095,265	6,298,500,000
Electrical installations	21,972,785	1,057,000	-	23,029,785	10	11,266,770	-	1,176,302	12,443,072	10,586,713
Tools & equipment	1,391,363	-	-	1,391,363	10	886,261	-	50,510	936,771	454,592
Furniture, fixtures & equipment	1,524,309	-	-	1,524,309	10	1,118,018	-	40,629	1,158,647	365,662
Vehicles	25,991,385	38,000	-	26,029,385	10	15,474,526	-	1,055,486	16,530,012	9,499,373
	5,723,669,930	105,120,847	2,341,436,277	8,170,227,054		1,167,277,589	-	90,507,638	1,257,785,227	6,912,441,827
Total										

15.2 Depreciation for the year has been allocated as under:

Cost of Goods Sold
Administrative expenses

2019 Rupees	2018 Rupees
89,411,523	91,198,300
1,096,115	930,573
90,507,638	92,128,873

15.3 Movement in Capital Work in Progress

	As at 01-07-2018	Addition	Adjustment	Revaluation	As at 30-06-2019
Building	167,274,390	30,595,152		132,392,348	330,261,890
Plant & machinery	1,916,094,954	1,978,249,829	101,663,347	181,068,564	3,973,750,000
	2,083,369,344	2,008,844,981	101,663,347	313,460,912	4,304,011,890

15.4 Particulars of immovable property (i.e. land & building in the name of company) are as follows.

Location	25-Km. Lilia Interchange Lahore - Islamabad Motorway, Distt. Khroshab
Usage	For production purposes
Area	120 Acres 4 Kanal

15.5

Particulars	Cost / Revaluation				Rate %	Accumulated Depreciation				Book value as at 30-06-2018 Rs.
	As at 01-07-2017 Rs.	Addition/ (Deletion) Rs.	Adjustment	As at 30-06-2018 Rs.		As at 01-07-2017 Rs.	Adjustment Rs.	For the period Rs.	As at 30-06-2018 Rs.	
Owned Assets										
Land - freehold	6,276,246	4,485,000	-	10,761,246		-	-	-	-	10,761,246
Revaluation	114,261,254	-	-	114,261,254		-	-	-	-	114,261,254
	120,537,500	4,485,000	-	125,022,500		-	-	-	-	125,022,500
Building-on freehold land	292,730,850	-	-	292,730,850	2	78,123,989	-	4,292,137	82,416,126	210,314,724
Revaluation	287,101,651	-	-	287,101,651	2	57,210,357	-	4,597,826	61,808,183	225,293,468
	579,832,501	-	-	579,832,501		135,334,346	-	8,889,963	144,224,309	435,608,192
Roads	5,514,865	-	-	5,514,865	2	1,527,071	-	79,756	1,606,827	3,908,038
Plant & machinery	2,503,783,127	-	-	2,503,783,127	2	421,756,906	-	41,640,524	463,397,430	2,040,385,697
Revaluation	2,458,637,095	-	-	2,458,637,095	2	489,929,292	-	39,374,156	529,303,448	1,929,333,647
	4,962,420,222	-	-	4,962,420,222		911,686,198	-	81,014,680	992,700,878	3,969,719,344
Electrical installations	21,686,785	286,000	-	21,972,785	10	10,108,991	-	1,157,779	11,266,770	10,706,016
Tools & equipment	1,391,363	-	-	1,391,363	10	830,139	-	56,122	886,261	505,102
Furniture, fixtures & equipment	1,524,309	-	-	1,524,309	10	1,072,874	-	45,144	1,118,018	406,291
Vehicles	23,443,385	2,548,000	-	25,991,385	10	14,589,097	-	885,429	15,474,526	10,516,859
	5,716,350,930	7,319,000	-	5,723,669,930		1,075,148,716	-	92,128,873	1,167,277,589	4,556,392,342
Total										

15.6 Depreciation for the year has been allocated as under:

Cost of Goods Sold
Administrative expenses

15.7 Movement in Capital Work in Progress

	As at 01-07-2017	Addition/ (Deletion)	Adjustment	As at 30-06-2018
Building	113,132,700	54,141,690	-	167,274,390
Plant & machinery	882,558,551	1,033,536,403	-	1,916,094,954
	995,691,251	1,087,678,093	-	2,083,369,344

15.8 Particulars of immovable property (i.e. land & building in the name of company) are as follows.

Location 25-Km. Lila Interchange Lahore - Islamabad Motorway, Distt. Khoshab
Usage For production purposes
Area 120 Acres 4 Kanal

		2019 Rupees	2018 Rupees
15.9	Had there been no revaluation the carrying amount of the assets would be:		
	Land	13,123,746	10,761,246
	Building	206,108,430	210,314,724
	Plant & Machinery	2,101,241,330	2,040,385,697
		<u>2,320,473,506</u>	<u>2,261,461,667</u>
15.10	CAPITAL WORK IN PROGRESS		
	Building	330,261,890	167,274,390
	Plant & machinery	3,973,750,000	1,916,094,954
		<u>4,304,011,890</u>	<u>2,083,369,344</u>
16	LONG TERM SECURITY DEPOSITS		
	Security deposits-WAPDA	32,880,151	31,416,883
		<u>32,880,151</u>	<u>31,416,883</u>
16.1	These are security deposits held with WAPDA and do not carry any markup arrangement.		
17	STORES, SPARES AND LOOSE TOOLS		
	Stores & Spares	13,760,921	8,671,151
	Furnace oil, coal & lubricants	737,561,416	719,317,413
		<u>751,322,337</u>	<u>727,988,564</u>
18	STOCK IN TRADE		
	Raw & Packing material	89,737,072	20,742,954
	Work in process	23 343,225,402	284,575,094
	Finished goods	23 24,676,963	11,544,372
		<u>457,639,437</u>	<u>316,862,420</u>
19	TRADE DEBTS- considered good though unsecured	<u>10,031,693</u>	<u>8,590,135</u>
20	ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES		
	Advances to suppliers - Unsecured, considered good	15,847,094	329,160,936
	Advances to staff - Unsecured, considered good	305,400	331,400
	Margin held by banks	145,566,282	186,641,873
	Advance income tax	486,234,421	417,359,250
	Sales tax & excise duty tax year 2013	20,000,000	20,000,000
	Other advances	274,573,447	968,539,308
		<u>942,526,644</u>	<u>1,922,032,767</u>
21	CASH AND BANK BALANCES		
	In Hand	8,090,882	2,847,150
	At Banks- current accounts	50,596,714	112,034,913
		<u>58,687,596</u>	<u>114,882,063</u>

22 SALES

Gross Sales
Local - Cement
Material Transferred to Associate & others
Less :
Sales Tax
Excise Duty
Rebate/Commission on Sales

2019 Rupees	2018 Rupees
4,717,351,696	4,335,489,989
104,421,135	-
4,821,772,831	4,335,489,989
765,201,201	743,480,981
772,335,000	672,107,250
12,861,720	9,540,359
1,550,397,921	1,425,128,590
3,271,374,910	2,910,361,399

NET SALES

23 COST OF SALES

Raw Material Consumed
Furnace Oil, Diesel, Coal and Lubricants consumed
Packing Material consumed
Stores and Spares consumed
Material Transferred to Associate and others
Salaries , Wages and Benefits
Water Charges
Electricity
Extraction Charges
Repair and Maintenance
Vehicle Running Expenses
Communication
Entertainment
Printing and Stationery
Travelling and Conveyance
Other Manufacturing Expenses
Depreciation

15.1

Work In Process

Opening stock
Closing stock

Cost of Goods Manufactured

Finished Goods

Opening stock
Closing stock

Cost of Sales

75,083,061	203,532,297
1,129,435,300	1,124,893,843
401,619,381	262,233,742
4,105,284	3,561,462
85,235,500	-
69,688,799	64,661,963
9,481,616	1,284,564
1,235,109,269	955,114,072
46,155,300	45,470,990
2,278,045	2,885,085
2,769,077	2,398,343
141,430	119,180
2,280	71,310
331,650	43,950
102,920	243,340
1,594,352	1,561,713
89,411,523	91,198,300
3,152,544,787	2,759,274,154
284,575,094	188,257,571
(343,225,402)	(284,575,094)
(58,650,308)	(96,317,523)
3,093,894,479	2,662,956,631
11,544,372	2,064,177
(24,676,963)	(11,544,372)
(13,132,591)	(9,480,195)
3,080,761,888	2,653,476,436

24 DISTRIBUTION COST

Salaries , Wages and Benefits
Rent, Rates and Taxes
Travelling, Conveyance and Vehicle Running
Communication
Electricity, Water & Sui Gas
Advertisement
Entertainment & Miscellaneous

2019 Rupees	2018 Rupees
8,586,410	6,861,794
271,600	220,400
19,050	57,294
47,720	43,410
24,795	18,736
126,800	98,750
14,720	13,891
9,091,095	7,314,275

		2019 Rupees	2018 Rupees
25 ADMINISTRATIVE EXPENSES			
Salaries , Wages and Benefits	25.1	10,663,879	7,911,532
Directors' Remuneration		22,800,000	22,800,000
Travelling, Conveyance and Vehicle Running		211,000	3,092,530
Legal and Professional		2,608,000	2,494,400
Communication		2,746,803	2,869,121
Charity and Donation	25.2	277,700	272,100
Fee and Subscription		2,709,194	2,229,520
Insurance		5,846,488	3,880,949
Depreciation	15.2	1,096,115	930,573
		<u>48,959,179</u>	<u>46,480,725</u>
25.1	Salaries , Wages and Benefits includes Rs.399,939/- (2018: Rs. 282,785/-) in respect of gratuity.		
25.2	The company has paid the charity and donation of Rs. 277,700/-(2018: Rs.272,100/-) and directors or their spouses were not interested in the donee.		
26 OTHER EXPENSES			
Workers' Profit Participation Fund		9,864,213	12,512,492
Workers' Welfare Fund		3,258,657	4,333,003
Auditors' Remuneration	26.1	1,020,000	970,000
		<u>14,142,870</u>	<u>17,815,495</u>
26.1 Auditors' Remuneration			
Audit Fee		750,000	700,000
Half yearly review and CCG certification		220,000	220,000
Out of pocket expenses		50,000	50,000
		<u>1,020,000</u>	<u>970,000</u>
27 FINANCE COST			
Mark up		31,639,284	42,105,696
Bank Charges and Commission		1,079,946	1,759,747
		<u>32,719,230</u>	<u>43,865,443</u>
28 OTHER INCOME			
Sale of Trees & Scrap		46,906,000	71,602,770
Creditors written off (Over Three Years)		51,554,744	20,122,554
		<u>98,460,744</u>	<u>91,725,324</u>
29 TAXATION			
Prior		9,965,564	13,095,184
Current		42,122,946	39,632,839
		52,088,510	52,728,023
Deferred		(10,289,504)	(1,101,463)
		<u>41,799,006</u>	<u>51,626,560</u>

- 29.1** Numerical reconciliation between the average tax rate and applicable tax rate has not been presented as the company is subject to the provisions of minimum tax under section 113 and alternate corporate tax under section 113 C of the Income Tax Ordinance, 2001.
- 29.2** The applicable income tax rate for subsequent years beyond tax year 2018 was reduced to 30% on account of changes made to the Income Tax Ordinance, 2001 through Finance Act 2015. Therefore, deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed / utilized.
- 29.3** The company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provisions for the purpose of taxation is available which can be analysed as follow:

Tax Year	Provision for Taxation as per accounts	Tax assessed as per return	Excess / (under)
2018	39,632,839	39,632,839	-
2017	33,809,723	33,809,723	-
2016	33,206,934	33,206,934	-

30 EARNINGS / (LOSS) PER SHARE-BASIC

There is no dilutive effect on the earnings per share, and basic earnings per share is based on:

Profit/(Loss) before taxation	184,161,392	233,134,349
Profit / (Loss) after taxation	142,362,386	181,507,789
	(No. of shares)	
Weighted average number of ordinary shares	176,000,000	176,000,000
	(Rupees)	
30.1 Earnings/(Loss) per share (before tax) - Basic	1.05	1.32
30.2 Earnings/(Loss) per share (after tax) - Basic	0.81	1.03

31 NUMBER OF EMPLOYEES

Number of employees at the end of year (Factory)	383	335
Number of employees at the end of year (Head Office)	15	12
Average number of employees during the year. (Factory)	385	315
Average number of employees during the year. (Head Office)	15	12

32 RELATED PARTIES TRANSACTIONS

Related parties of the company comprise associated undertakings, directors, key employees and management personnel. Detail of transactions with related parties except remuneration and benefits to directors and management personnel under their terms of employment, are as under:

Nature of transaction			
Purchase of goods, services	Relationship	2019 Rupees	2018 Rupees
Flying Paper Industries Limited	Associate	86,037,714	184,683,551
Flying Board & Paper Products Limited	Associate	45,636,624	96,763,791
		131,674,338	281,447,342
Nature of transaction			
Sales of goods, services	Relationship		
Flying Board & Paper Products Limited	Associate	24,235,500	-
		24,235,500	-
32.1 Year end balances			
Payable to related parties.	9.2	372,744,360	83,869,599
Receivable from related parties		4,311,307	64,832,734

32.2 All transactions with related parties have been carried out on commercial terms and conditions.

32.3 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

32.4 The maximum balance was outstanding as at 30th June 2019 as shown in note above.

Name	Basis of associaton	Aggregate % of Shareholding
Flying Paper Industries Limited	Accociated Company	Nil
Flying Board & Paper Products Limited	Accociated Company	Nil
Zaman Paper & Board Mill (Private) Limited	Accociated Company	Nil
Poly Paper & Board Mills (Private) Limited	Accociated Company	Nil

33 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOW ARISING FROM FINANCING ACTIVITIES

	Short term running finance used for cash management purposes	Long term loan	Accrued markup	Share Capital	Retained earnings	Total
Balance as on 01 July 2018 - Restated	705,597,637	2,809,769,644	-	1,760,000,000	692,095,204	5,967,462,485
Change from financing cash flow						
Repayment of loan						-
Finance cost paid for the year			(32,713,536)			(32,713,536)
Dividend paid						-
Total changes from financing flows	705,597,637	2,809,769,644	(32,713,536)	1,760,000,000	692,095,204	5,934,748,949
Other Changes						-
Liability related						-
Increase in short term running finance	(198,819,999)	821,009,188				622,189,189
Finance cost expense for the year			32,713,536			32,713,536
Total liability related other changes	(198,819,999)	821,009,188	32,713,536	-	-	654,902,725
Equity related						-
Total comprehensive income for the year					173,061,105	173,061,105
change in unclaimed dividend						-
Total equity related other changes	-	-	-	-	173,061,105	173,061,105
Balance as on 30 June 2019	506,777,638	3,630,778,832	-	1,760,000,000	865,156,309	6,762,712,779

34 FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have 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 risk faced by the Company, to set appropriate risk limits and controls, and to monitor the risks and adherence to the limits. Risk management policies and systems are regularly reviewed 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 Board of Directors 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 risk faced by the Company. The Board is assisted in its oversight role by Internal Audit Function. Internal Audit Function undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

34.1 Credit risk

The company's Credit risk exposures are categorized under the following heads:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

	2019 Rupees	2018 Rupees
Trade debtors	10,031,693	8,590,135
Advances, deposits, prepayments and other receivables	420,445,129	1,155,512,581
Cash at banks	50,596,714	112,034,913
	481,073,536	1,276,137,629

The trade debts at the balance sheet date are all domestic debts.

The aging of trade receivables at the reporting date:

Not past due	2,608,240	2,233,435
Past due 1-30 days	3,711,727	3,178,350
Past due 31-60 days	2,206,972	1,889,830
Past due 61-90 days	902,852	773,112
Over 90 days	601,902	515,408
	10,031,693	8,590,135

Based on historic records, the company believes that no impairment allowance in respect of loans and receivables is required.

34.2 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 manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially obligations/ commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

The Table below shows :-

At June 30 , 2019	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	3,199,782,472	3,199,782,472	9,126,000	49,126,000	1,275,779,000	1,865,751,472
Trade and other payables	638,272,786	638,272,786	638,272,786	-	-	-
Accrued Markup	-	-	-	-	-	-
Short term borrowings	506,777,638	506,777,638	506,777,638	-	-	-
	4,344,832,896	4,344,832,896	1,154,176,424	49,126,000	1,275,779,000	1,865,751,472
At June 30 , 2018	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	2,488,651,045	2,488,651,045	-	-	-	2,488,651,045
Trade and other payables	317,674,072	317,674,072	317,674,072	-	-	-
Accrued Markup	-	-	-	-	-	-
Short term borrowings	705,597,637	705,597,637	705,597,637	-	-	-
subject to finance lease	-	-	-	-	-	-
	3,511,922,754	3,511,922,754	1,023,271,709	-	-	2,488,651,045

34.3 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 instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rates only.

34.3.1 Interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were:

	Effective rate in %		Carrying Amount (Rupees)	
	2019	2018	2019	2018
Financial Liabilities				
Variable Rate instruments:				
Short term borrowings	14.72	8.42	506,777,638	705,597,637
Long term borrowings	14.72	8.42	1,742,359,580	1,210,225,153
		-	-	-

34.3.1.1 Fair value sensitivity analysis for fixed rate instruments

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

34.3.1.2 Cash flow sensitivity analysis for various rate instruments

A change of 100 basis points in interest rate at the reporting date would have increased / (decreased) profit or loss by amount shown below. This analysis assumes that all other variables, in a particular foreign currency rate (if any), remains constant. The analysis is performed on the same basis as for the previous year:-

	Rupees	Rupees
	Increase Profit	Decrease Profit
As at June 30, 2019	22,491,372	(22,491,372)
As at June 30, 2018	19,158,228	(19,158,228)

The sensitivity analysis prepared is not necessarily indicative of the effect on profit / (loss) for the year and assets / liabilities of the company.

34.3.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

34.3.3 Currency Risk

Foreign currency risk is the risk that the value of financial assets or liabilities will fluctuate due to change in foreign exchange rates. It arises mainly where receivable and payable exist due to transactions entered into foreign currencies. The company is exposed to currency risk on import of machinery mainly dominated in US dollars. The Company's exposure to foreign currency risk for US dollars is as follows:

	2019 Rupees	2018 Rupees
Outstanding letter of credits	406,777,638	605,597,637
Average rate	140.58	112.44
Reporting date rate	159.69	121.50

34.3.3.1 Sensitivity Analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of outstanding letter of credits.

The effect on profit or loss account is	40,677,764	60,559,764
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The weakening of PKR against foreign currencies would have an equal but opposite impact on the post tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on (loss)/profit for the year and assets/liabilities of the Company.

34.4 Fair values of the financial instruments

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. The carrying value of all financial assets and liabilities reflected in the financial statements approximate fair value.

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2 : Those involving inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 : Those whose inputs for the asset or liability that are not based on observable market data.

During the year entity has made no investment in financial Instruments therefore the levels mentioned above are not applicable.

35 Capital Risk Management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital employed. Total capital employed is calculated as equity as shown in the balance sheet plus debt.

	2019 Rupees	2018 Rupees
Total Borrowings	3,706,560,110	3,194,248,682
Total Equity	8,231,767,683	5,434,405,094
Total Capital Employed	11,938,327,793	8,628,653,776
Gearing Ratio	31.05%	37.02%

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Managerial remuneration	876,000	876,000	8,727,273	8,727,273	12,000,000	12,000,000	6,511,000	5,236,000
Medical allowance	87,600	87,600	872,727	872,727	1,200,000	1,200,000	651,100	523,600
	963,600	963,600	9,600,000	9,600,000	13,200,000	13,200,000	7,162,100	5,759,600
Number of persons	1	1	1	1	2	2	14	12

36.1 No amount was paid to directors for attending the Board of Directors meeting.

37 PRODUCTION CAPACITY

	Installed Capacity		Actual production	
	2019 Tons	2018 Tons	2019 Tons	2018 Tons
Clinker	686,000	686,000	466,771	503,379
Cement	720,000	720,000	514,600	527,850

Reason for shortfall

The major reason of short fall in production vis-à-vis production capacity is due to old Plant & Machinery causing frequent break down of the Plant. Further frequent long load shedding of Electricity also augmented the short fall of the production.

2019 Rupees	2018 Rupees
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Cash Flows from Operating Activities

38 Profit / (Loss) for the period - before taxation	184,161,392	233,134,349
Adjustment for:		
Depreciation	90,507,638	92,128,873
Provision for Gratuity	399,939	282,785
Finance cost	32,719,230	43,865,443
	123,626,807	136,277,101
	307,788,199	369,411,450
(Increase) / Decrease in current assets		
(Increase) / Decrease in Stores, spares & loose tools	(23,333,773)	(289,953,377)
(Increase) / Decrease in Stock-in-trade	(140,777,017)	(106,706,945)
(Increase) / Decrease in Trade debts	(1,441,558)	(5,160,552)
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	1,048,381,294	(902,467,404)
	882,828,946	(1,304,288,278)
(Increase) / decrease in current liabilities		
Increase (Decrease) in Trade and other Payables	295,972,057	(25,071,804)
Cash generated from operations	1,486,589,202	(959,948,632)

2019 Rupees	2018 Rupees
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39 CASH AND CASH EQUIVALENTS

Cash & Bank balances	58,687,596	114,882,063
Short term finances	(506,777,638)	(705,597,637)
	(448,090,042)	(590,715,574)


40 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 07, 2019 by the board of directors of the company.

41 GENERAL

- Figures in the financial statements have been rounded off to the nearest rupee.

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

Operating and Financial Data

Particulars	2019	2018	2017	2016	2015	2014
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(Restated)

Operating Results (Rs.)

Net Sales	3,271,374,910	2,910,361,399	2,470,224,763	2,475,777,927	2,222,797,816	2,064,569,791
Gross Profit / (Loss)	190,613,022	256,884,963	203,356,804	166,714,477	119,612,703	105,978,256
Pre tax profit / (loss)	184,161,392	233,134,349	198,880,723	195,334,906	188,375,282	151,341,885
After tax profit / (loss)	142,362,386	181,507,789	161,255,848	145,696,468	117,134,811	100,358,339

Financial Position (Rs.)

Current Assets	2,220,207,707	3,090,355,949	1,573,418,169	1,018,604,825	895,760,306	736,287,613
Current Liabilities	2,584,515,474	2,663,864,615	1,821,319,033	1,771,924,390	1,805,745,250	1,502,531,941
Property, Plant & Equipment	11,216,453,717	6,639,761,686	5,636,893,465	5,282,375,198	5,163,980,638	5,234,261,754
Total Assets	13,469,541,575	9,761,534,518	7,228,904,794	6,319,573,183	6,101,534,104	6,012,342,527
Long Term Liabilities	2,056,851,940	1,056,845,752	1,077,007,253	377,692,765	278,389,686	633,868,898
Shareholders Equity	8,231,767,683	5,434,405,094	2,239,767,159	2,047,026,785	1,869,218,800	1,720,824,278

Ratios (%)

Current Ratio	0.86	1.16	0.86	0.57	0.50	0.49
Debt to Equity Ratio	31.05%	37.02%	32.57%	17.22%	13.75%	25.00%
Gross Profit to Sale Ratio	5.83%	8.83%	8.23%	6.73%	5.38%	5.13%
Net Profit to Sales Ratio (before tax)	5.63%	8.01%	8.05%	7.89%	8.47%	7.33%

Earnings Per Share (Rs.)

Basic (before tax)	1.05	1.32	1.13	1.11	1.07	0.86
Basic (after tax)	0.81	1.03	0.92	0.83	0.67	0.57

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2019

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
621	1	100	26989
354	101	500	149711
1241	501	1000	810458
547	1001	5000	1404441
114	5001	10000	919484
39	10001	15000	495701
28	15001	20000	511200
16	20001	25000	384650
9	25001	30000	253000
4	30001	35000	130700
2	35001	40000	80000
2	40001	45000	85000
8	45001	50000	400000
3	50001	55000	158549
1	55001	60000	56000
3	60001	65000	186800
2	65001	70000	138000
5	70001	75000	360000
1	80001	85000	85000
4	95001	100000	397500
1	101000	105000	102500
1	105001	110000	105500
2	110001	115000	225500
2	120001	125000	250000
1	125001	130000	126000
1	140001	145000	140101
1	145001	150000	146000
1	225001	230000	227000
1	245001	250000	250000
1	280001	285000	282000
1	410001	415000	412000
1	425001	430000	430000
1	1965001	1970000	1970000
1	2160001	2165000	2160050
1	2650001	2655000	2651000
1	3510001	3515000	3510492
1	3645001	3650000	3647050
1	5035001	5040000	5039280
1	7005001	7010000	7009400
1	7230001	7235000	7230291
1	9180001	9185000	9180500
1	10490001	10495000	10491500
1	11055001	11060000	11055550
1	11080001	11085000	11082007
1	14210001	142150001	14211500
1	14825001	14830000	14829549
1	14830001	14835000	14834314
1	18295001	18300000	18297298
1	29070001	29075000	29070435
3035	Total		176000000

CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2019

Particulars	Shareholders	Shares held	Percentage
Directors, CEO, Spouse & Children	8	83,941,504	47.6940
Banks, DFI, NBFi	1	25,000	0.0142
Modarabas, Mutual Funds	1	5,000	0.0028
General Public (Local)	2969	91,269,105	51.8574
General Public (Foreign)	38	202,285	0.1149
Others	18	557,106	0.3165
Total	3035	176,000,000	100

**PATTERN OF SHAREHOLDING
ADDITIONAL INFORMATION AS AT JUNE 30, 2019**

SHAREHOLDERS CATEGORY **No. of Shares held**

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN

Mr. Kamran Khan	14834314
Mr. Momin Qamar	29070435
Mr. Yousaf Kamran Khan	11082007
Mr. Qasim Khan	3647050
Mrs. Samina Kamran	18297298
Mr. Nadeem Tufail	500
Mr. Waqar Zahid	500
Mrs. Misbah Momin (W/O Mr. Momin Qamar)	7009400

EXECUTIVES -

PUBLIC SECTOR COMPANIES AND CORPORATIONS -

BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, 25000
NON BANKING FINANCIAL INSTITUTIONS AND
INSURANCE COMPANIES.

*SHAREHOLDERS HOLDING 5% OR MORE
(other than those reported in Directors) 62020599

MUTUAL FUNDS 5000

OTHERS 557106

INDIVIDUALS	Local	29248506
	Foreign	202285
		<u>176000000</u>

***SHAREHOLDERS HOLDING 5% OR MORE**

Munaf Ibrahim	14211500
Umair Ammanullah	10491500
Bilal Qamar	11055550
Imran Qamar	16799549
Muhammad Zaman Ahmed Qamar	9462500

The CEO, Directors, CFO, Head of Internal Auditors, Company Secretary and their spouses and minor children have made no Sale/Purchase in the shares of company during the financial year ended June 30, 2019.

اطلاع برائے 26 واں سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فلائنگ سیمنٹ کمپنی لمیٹڈ کے اراکین کا چھبیسواں (26 واں) سالانہ اجلاس عام ہیون بینکوئیٹ ہال، 343-D-1، نیسپاک سوسائٹی لاہور میں بروز پیر 28 اکتوبر 2019ء کو صبح 09:30 بجے مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

1. 26 ویں سالانہ اجلاس عام میں 25 ویں سالانہ اجلاس عام کی جو کہ 26 اکتوبر 2018ء کو ہوا تھا کے روئیداد کی توثیق کرنا۔
2. 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ کھاتوں اور ڈائریکٹرز کی رپورٹ کو وصول کرنا، انہیں زیر غور لانا اور اپنانا۔
3. آئندہ مالیاتی سال 2019-20 کے لئے کمپنی کے بیرونی آڈیٹرز کی تقرری اور ان کا مشاہیرہ طے کرنا۔
4. چیئرمین کی اجازت سے دیگر امور پر بحث کرنا۔

(بحکم بورڈ)

(محمد عظیم)

کمپنی سیکریٹری

لاہور: 07 اکتوبر، 2019ء

بیانات:

1. کمپنی کی شیئر ٹرانسفر بکس 21 اکتوبر 2019ء سے 28 اکتوبر 2019ء تک (بشمول دونوں ایام) بند رہیں گی۔ 19 اکتوبر 2019ء کو کاروباری اوقات کا ختم ہونے تک شیئر رجسٹر میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، C-40، بلاک 6، پی ای سی ایچ ایس، کراچی۔ 75400 کو موصول باقاعدہ ٹرانسفرز کو سالانہ اجلاس عام کے مقصد کے لئے اہل تصور کیا جائے گا۔
 2. اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل شیئر ہولڈر اپنی جگہ ووٹ اور شرکت کرنے کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ ووٹ ذاتی طور پر یا بذریعہ پراکسی یا کاروباری ادارہ کی صورت میں بذریعہ مجاز فرد کیا جاسکتا ہے۔ اس صورت میں ہر لحاظ سے مکمل پراکسی کا دستاویز اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں پہنچ جانا چاہئے۔ شیئر ہولڈر کے CNIC کی نقل پراکسی فارم کے ساتھ منسلک کی جائے گی۔
 3. اجلاس میں شرکت کے وقت اپنی شناخت بمعہ اکاؤنٹ تفصیلات کو ثابت کرنے کے لئے شیئر ہولڈر کو اپنا اصلی کمپیوٹرائزڈ شناختی کارڈ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد کے نمونہ کے دستخط پراکسی فارم کے ہمراہ جمع کرائے جائیں گے (اگر یہ پہلے فراہم نہ کیا گیا ہے)۔
 4. جن حصص داران نے ابھی تک اپنا کارآمد CNIC یا NTN جمع نہیں کرایا ہے انہیں ایک مرتبہ پھر درخواست کی جاتی ہے کہ انہیں فوراً جمع کرائیں۔
 5. حصص داران کو سالانہ رپورٹ کتابی شکل/کاغذی نقل میں ارسال کرنے کی بجائے بذریعہ سی ڈی/ڈی وی ڈی فراہم کی جائے گی۔
 6. 30 جون 2019ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ کمپنی کی ویب سائٹ www.flyingcement.com پر شائع کر دی گئی ہے۔ تاہم، اگر کوئی شیئر ہولڈر سالانہ پڑتال شدہ مالیاتی ایسٹیمٹس کی کاغذی کاپی حاصل کرنے کا خواہش مند ہے تو درخواست موصول ہونے کے بعد کام کے سات یوم کے اندر یہ رپورٹ بالکل مفت فراہم کی جائے گی۔
 7. اراکین کی دوسرے شہر میں موجودگی کے پیش نظر اس شہر میں سہولت دستیاب ہونے سے مشروط اراکین ویڈیو کانفرنس سہولت حاصل کر سکتے ہیں۔ اس تناظر میں، مندرجہ ذیل وضع کردہ فارم میں درخواست تحریر کریں اور سالانہ اجلاس عام کے انعقاد سے سات (7) یوم قبل کمپنی کے رجسٹرڈ پتہ پر جمع کرائیں۔ اگر کمپنی 10 فی صد یا زائد شیئر ہولڈنگ کے حامل دوسرے شہر میں مقیم اراکین سے اقرار نامہ وصول کرے تو ویڈیو کانفرنس کی سہولت فراہم کی جائے گی۔ کمپنی سالانہ اجلاس عام کے انعقاد سے کم از کم پانچ یوم قبل ویڈیو کانفرنس سہولت کا مقام اور سہولت حاصل کرنے کے لئے ضروری معلومات سے متعلق آگاہ کرے گی۔
- میں/ہم..... فلائنگ سیمنٹ کمپنی لمیٹڈ کے رکن کی حیثیت سے..... عمومی حصص
- کا مالک ہوں۔ میرا رجسٹرڈ فوئیو نمبر/سی ڈی سی اکاؤنٹ نمبر/شراکت آئی ڈی نمبر..... ہے۔ اور میں
- پرویڈیو کانفرنس سہولت حاصل کرنے کا خواہش مند ہوں۔

شیئر ہولڈر کے دستخط

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2019ء کو اختتام پذیر مالیاتی سال کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ چھبیسویں (26 ویں) سالانہ رپورٹ از راہ مسرت پیش کرتے ہیں۔

صنعتی جائزہ

سال 2018ء کے آغاز سے مجموعی کاروباری حالات پاکستانی روپے کی قدر میں کمی، بیرونی قرضوں میں نمایاں اضافہ اور برآمدات کی نمو میں عدم استحکام جیسے پہلوؤں کی وجہ سے تذبذب کا شکار رہے۔ لہذا سیمنٹ انڈسٹری ہی صرف اس جمود کا شکار نہ ہے۔ مالیاتی سال 2018-19 کے دوران سیمنٹ کی شرح نمو 2 فی صد رہی۔

بنیادی سرگرمیاں

کمپنی کا بنیادی کام عمومی گرے پورٹ لینڈ سیمنٹ کی تیاری اور فروخت ہے۔

کاروباری کارکردگی

پیداوار اور فروخت حجم کی کارکردگی

زیر جائزہ سال کے لئے آپ کی کمپنی کے پیداواری اور فروخت حجم کے اعداد اور مقابل اعداد حسب ذیل ہیں:

تفصیلات	2019ء	2018ء	(فی صد کمی)
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(میٹرک ٹن)

سیمنٹ کی پیداوار	514,600	527,850	(2.51)
سیمنٹ کی فروخت	514,890	525,695	(2.06)

سیمنٹ کی فروخت اور پیداوار کے اعداد گزشتہ برس کے مقابلہ میں کچھ کم ہیں۔

مالیاتی کارکردگی

زیر جائزہ سال کے لئے آپ کی کمپنی کے پیداواری اور فروخت حجم کے اعداد اور متقابل اعداد حسب ذیل ہیں:

تفصیلات	2019ء	2018ء
(روپے ہزاروں میں)		
مجموعی سیلرز یونیو	4,821,773	4,335,489
منفی: سیلرز ٹیکس/ فیڈرل ایکسائز ڈیوٹی/ کمیشن	1,550,398	1,425,129
خالص سیلرز یونیو	3,271,375	2,910,361
مجموعی منافع	190,613	256,885
فعال منافع	118,420	185,274
نفع بمعہ ٹیکس	184,161	233,134
خالص منافع علاوہ ٹیکس	142,362	181,508
فی حصص آمدنی (روپے)	0.81	1.03

فی حصص آمدنی

سال 2018ء میں 1.03 روپے فی حصص آمدنی کے مقابلہ میں سال 2019ء میں فی حصص آمدنی کم ہو کر 0.81 روپے ہو گئی۔

منافع منقسمہ

مناسب ریونیوز خاڑ کی عدم دستیابی کی وجہ سے کمپنی نے کسی قسم کے منافع منقسمہ کا اعلان نہ کیا ہے۔

ذخائر

منافع کو کمپنی کے ریونیوز خاڑ میں منتقل کر دیا گیا ہے۔

پلانٹ کی استطاعت کو بڑھانا

کمپنی نے آئندہ برسوں میں سیمنٹ کی طلب میں اضافہ کی توقع کی ہے۔ اور سیمنٹ کی پیداواری صلاحیت کو 2000 میٹرک ٹن سے 4000 میٹرک ٹن تک بڑھانے کا فیصلہ کیا ہے۔ انتظامیہ نے نیشنل بینک آف پاکستان سے مالی تعاون حاصل کرنے کا انتظام کیا ہے اور متعلقہ پلانٹ کی تنصیب زیر عمل ہے۔

متعلقہ پارٹی لین دین

تمام متعلقہ پارٹی لین دین کلی طور پر آزادانہ ہیں جن پر پاکستان اسٹاک ایکسچینج لمیٹڈ کے PSX ضوابط اور کمپنیز ایکٹ 2017ء کے سیکشن 208 کی پیروی میں کمپنی کے بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی جانب نظر ثانی کی گئی ہے اور منظوری دی گئی ہے۔

بنیادی خطرات

غیر ملکی کرنسیوں کے مقابلہ میں روپے کی قیمت میں کمی کی وجہ سے سرمایہ داری اخراجات اور زر مبادلہ کی شرح میں اتار چڑھاؤ کی وجہ سے داخلی لاگت میں اضافہ ہوا ہے۔ ٹیکسیشن اقدامات اور ریگولیٹری معاملات میں حکومتی پالیسیوں میں تبدیلیوں کی وجہ سے کمپنی کی آمدنی پر منفی اثرات مرتب ہوئے ہیں۔ پیداوار میں کمی اور بجلی کی سپلائی کی وجہ سے رکاوٹ کے سبب پیداواری خسارہ کے امکانات موجود ہیں۔

کمپنی کے کاروبار کا ماحول پر اثر

سیمنٹ کی تیاری کے دوران باریک سائز کے قابل تنفس ذرات کا اخراج ہے۔ جو دائمی مہلک بیماری یعنی سلیکوسس کا باعث بن سکتے ہیں۔ پلانٹ کی وجہ سے گرد جیسے مسئلہ سے چھٹکارا پانے کے لئے انتظامیہ نے مندرجہ ذیل اقدامات کئے ہیں تاکہ ماحولیاتی مسائل کم سے کم ہوں۔ کمپنی نے گرد کو ختم کرنے کے لئے سائیکلون بیگ ہاؤسز، ذاتی حفاظتی سامان اور سپیڈ لمٹ کنٹرولز جیسا ایکو پمنٹ نصب کیا ہے۔ سائٹ پر صحت مند ماحول کے لئے کمپنی ہزاروں درخت لگائے ہیں۔

کاروباری سماجی ذمہ داری

کمپنی کے ڈائریکٹرز معاشرتی اخلاقی فرائض سے بخوبی آگاہ ہیں۔ کمپنی نے مرکزی دفتر، فیکٹری کے عملہ اور فیکٹری آنے والے مہمانوں کے لئے تین وقت کے کھانے کا انتظام کیا ہے اور رمضان المبارک میں مستحق عملہ کے لئے پیکٹ تقسیم کئے جاتے ہیں اور معذور افراد کے لئے ترجیحی ملازمتیں دی جاتی ہیں۔

وہسل بلونگ

انتظامیہ کو ادراک ہے کہ بہتر وہسل بلونگ منصوبہ کے ذریعے وہ اپنے ملازمین کے ساتھ اعتماد کی فضا پیدا کر سکتے ہیں اور صاف شفاف آپریشنز کر سکتے ہیں۔ تمام ملازمین کو انتقام و ہراسگی سے تحفظ حاصل ہے۔ اور کسی بھی ساتھی یا سپروائزر کی جانب سے کسی بھی قسم کے نامناسب رویہ یا غیر اخلاقی یا غیر قانونی فعل کے بارے میں اعلیٰ انتظامیہ کو فوراً آگاہ کریں۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی تشکیل حسب ذیل ہے:

تعداد ڈائریکٹرز	تفصیل
6	(a) مرد
1	(b) خاتون
درجہ کے لحاظ سے تشکیل	
2	(1) آزاد ڈائریکٹرز
4	(2) نان ایگزیکٹو ڈائریکٹر
1	(3) ایگزیکٹو ڈائریکٹر

چیئرمین کا تجزیہ

بورڈ آف ڈائریکٹرز کی حسب ضابطہ توثیق سے چیئرمین کا تجزیہ لف ہذا ہے۔

ضابطہ اخلاق

اپنے کاروباری امور کو موثر انداز میں چلانے کے لئے کمپنی نے ضابطہ اخلاق مرتب کیا ہے۔

تعمیلی بیان

بورڈ آف ڈائریکٹرز اور آڈیٹرز کا نظر ثانی شدہ تعمیلی بیان ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز

نام ڈائریکٹر	عہدہ
محترم کامران خان	چیئرمین (نان ایگزیکٹو ڈائریکٹر)
محترم یوسف کامران خان	رکن (نان ایگزیکٹو ڈائریکٹر)
محترم قاسم خان	رکن (نان ایگزیکٹو ڈائریکٹر)
محترمہ ثمنہ کامران	رکن (نان ایگزیکٹو ڈائریکٹر)
محترم مومن قمر	رکن (ایگزیکٹو ڈائریکٹر)
محترم ندیم طفیل	رکن (آزاد ڈائریکٹر)
محترم وقار زاہد	رکن (آزاد ڈائریکٹر)

آڈٹ کمیٹی

نام ڈائریکٹر	عہدہ
محترم ندیم طفیل	چیئرمین (آزاد ڈائریکٹر)
محترم قاسم خان	رکن (نان ایگزیکٹو ڈائریکٹر)
محترم یوسف کامران	رکن (نان ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

نام ڈائریکٹر	عہدہ
محترم ندیم طفیل	چیئرمین (آزاد ڈائریکٹر)
محترمہ ثمنہ کامران	رکن (نان ایگزیکٹو ڈائریکٹر)
محترم یوسف کامران	رکن (نان ایگزیکٹو ڈائریکٹر)

ڈائریکٹرز کا مشاہیرہ

بورڈ اور کمیٹی اجلاس میں شرکت کرنے کے لئے اجلاس فیس کے علاوہ کمپنی اپنے آزاد ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کرے گی۔

داخلی مالیاتی کنٹرولز کی افادیت

بورڈ آف ڈائریکٹرز نے داخلی مالیاتی کنٹرولز کا مربوط نظام قائم کیا ہے تاکہ لاگو قوانین کی تعمیل میں افعال، کمپنی کے اثاثہ جات کے تحفظ اور قابل بھروسہ مالیاتی رپورٹنگ کو مؤثر انداز میں عمل میں لایا جاسکے۔

مستقبل کے امکانات

ملک کا کاروباری ماحول انتشار کا شکار ہے۔ ملک اس وقت نازک صورت حال سے گزر رہا ہے اور حکومت نے معاشی اصلاحات کا ایجنڈا اپنا رکھا ہے۔ حکومت کی جانب سے اصلاحی اقدامات کی وجہ سے ملک کے معاشی اشاروں کے استحکام میں وقت لگے گا۔ تاہم، قلیل مدت میں شرح نمو متاثر ہونے کا خدشہ ہے۔ ماضی میں بگڑے حالات کا سامنا کرنے کے باوجود سیمنٹ کی صنعت میں خاطر خواہ ترقی ہوئی ہے اور ملک کی معاشی سرگرمیوں میں اہم کردار ادا کیا ہے۔ اگرچہ سٹرکچرل اصلاحات کا اطلاق کیا جا رہا ہے لہذا حکومت کو معیشت کی ڈوبتی کشتی کو سہارا دینے کے لئے ڈیز کی تعمیر اور کم لاگت پر ہاؤسنگ پراجیکٹ کا آغاز فوراً کر دینا چاہئے۔ نتیجتاً سیمنٹ کی طلب میں اضافہ ہوگا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کمپنی کے ڈائریکٹرز کمپنی کی سٹرٹیجک سمت اور کاروباری منصوبوں پر باقاعدگی سے نظر ثانی کرتے ہیں۔ آڈٹ کمیٹی کو کوڈ آف کارپوریٹ گورننس کی مؤثر تعمیل کے لئے اختیار دیا گیا ہے۔ ہم ضابطہ کے تحت آپ کی کمپنی میں کارپوریٹ گورننس کو یقینی بنانے کے لئے تمام ضروری اقدامات اٹھا رہے ہیں۔ تعمیل کی خاطر ہم مندرجہ ذیل کی توثیق کرتے ہیں:

(a) انتظامیہ کی جانب سے تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور و افعال، کیش فلو اور ایکویٹی میں تبدیلی کو مناسب انداز میں پیش کرتی ہیں۔

(b) کمپنی کے کھاتوں کو باضابطہ طور پر تیار کیا ہے۔

(c) مالیاتی اسٹیٹمنٹس کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا موزوں اطلاق کیا گیا ہے۔ اور اکاؤنٹنگ تخمینہ جات قابل بھروسہ اور اہل فیصلوں کی بنیاد پر لگائے گئے ہیں۔

(d) پاکستان میں لاگو انٹرنیشنل فنانسینشل رپورٹنگ معیارات کو مالیاتی اسٹیٹمنٹس کی تیاری میں بروئے کار لایا گیا ہے۔

(e) داخلی ضبط کا نظام مربوط ہے اور اس کی مؤثر نگرانی اور اطلاق کیا جاتا ہے۔

(f) کمپنی کی کاروباری جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہ ہے۔

لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی مادی اخراج نہ ہے۔

(h) گذشتہ چھ ماہ کے اہم فعالی اور مالیاتی اعداد و شمار ساتھ منسلک ہیں۔

(i) CEO، داخلی آڈٹ کے سربراہ، CFO، کمپنی سیکریٹری اور ان کے جیون ساتھی اور کم سن بچوں کی جانب سے فلائنگ سیمنٹ کمپنی لمیٹڈ کے حصص میں کوئی تجارت نہ کی گئی ہے۔ ماسوائے ان کے جنہیں ریگولیٹری اتھارٹیز کو رپورٹ کیا گیا ہے اور جنہیں شیئر ہولڈنگ کی منسلکہ وضع میں بیان کیا گیا ہے۔

(j) گذشتہ سال کے فعالی نتائج سے نمایاں انحراف کی وجوہات کا ڈائریکٹرز کی رپورٹ کے متعلقہ سیکشن میں موازنہ کیا گیا ہے۔

(k) ٹیکسز اور لیویز کی تفصیلات مالیاتی اسٹیٹمنٹس کے نوٹس میں دی گئی ہیں۔

(l) کمپنی اپنی پیداواری صلاحیت بڑھانے کا ارادہ رکھتی ہے۔ اس معاملہ کو بروقت شیئر ہولڈرز کے سامنے رکھا گیا ہے اور اسے ڈائریکٹرز رپورٹ میں تحریر کیا گیا ہے۔

(m) سال بھر میں بورڈ اور کمیٹی اجلاسوں کی تعداد اور ڈائریکٹرز کی حاضر حسب ذیل ہے:

نام ڈائریکٹر	بورڈ کے اجلاس	آڈٹ کمیٹی کے اجلاس	HR&R کمیٹی کے اجلاس
محترم کامران خان	7	دستیاب نہیں	دستیاب نہیں
محترم مومن قمر	7	دستیاب نہیں	دستیاب نہیں
محترم یوسف کامران خان	6	4	1
محترم قاسم خان	6	4	دستیاب نہیں
محترمہ ثمنہ کامران	5	دستیاب نہیں	1
محترم ندیم طفیل	7	4	1
محترم وقار زاہد	6	دستیاب نہیں	دستیاب نہیں
محترم آغا ہمایوں خان	7	دستیاب نہیں	دستیاب نہیں
منعقدہ اجلاس کی کل تعداد	7	4	1

بورڈ کو تفصیلی ان ہاؤس بریفنگ اور معلوماتی پیکیج فراہم کیا گیا ہے تاکہ وہ ضابطہ، لاگو قوانین کے عین مطابق کام کر سکیں۔ ان کے فرائض و ذمہ داریاں بھی اسی پیکیج میں شامل ہیں تاکہ وہ شیئر ہولڈرز کو کیا جانب سے یا ان کے لئے کمپنی کے امور کو احسن طریقے سے سرانجام دے سکیں۔

سٹاف ریٹائرمنٹ مراعات

غیر فنڈ شدہ گریجویٹ اسکیم مرتب کی گئی ہے۔ مالیاتی اسٹیٹمنٹس میں کمپنی کے مستقل ملازمین کے لئے قواعد تیار کئے گئے ہیں۔

آڈیٹرز

آڈیٹرز میسرز طاہر صدیق اینڈ کو، چارٹرڈ اکاؤنٹنٹس آئینڈہ سالانہ اجلاس کے اختتام پر ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے اگلی مدت کے لئے اپنی دستیابی کی پیشکش کرتے ہیں۔ آڈیٹرز تصدیق کرتے ہیں کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ دیا گیا ہے۔ اور فرم ICAP کے ضابطہ اخلاق کی انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کی مکمل تعمیل کرتی ہے۔ آڈٹ کمیٹی اور بورڈ نے حصص داران کی سفارش پر 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کے طور پر سالانہ اجلاس عام میں ان کی تقرری کی تجویز دی ہے۔

شیئر ہولڈنگ کی وضع

مالیاتی سسٹمٹنس کی تاریخ اور رپورٹنگ تاریخ میں کوئی مادی تبدیلی نہ کی گئی ہے۔ ماسوائے پلانٹ لائن-2 کی تجدید میں پیش رفت کے۔

اعتراف

ڈائریکٹرز کمپنی کے حصص داران، مالیاتی اداروں اور معزز صارفین کے مسلسل تعاون، حمایت اور دستگیری کے شکر گزار ہیں۔
ڈائریکٹرز عملہ اور ایگزیکٹو کی کاوشوں اور لگن اور ان تھک محنت کا اعتراف کرتے ہیں۔

برائے/منجانب بورڈ

مومن قمر

ڈائریکٹر

آغا ہمایوں خان

چیف ایگزیکٹو آفیسر

فلاننگ سیمنٹ کمپنی لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں / ہم _____ ساکن _____
فلاننگ سیمنٹ کمپنی لمیٹڈ کا / کی / کے حصص
دار ہوں / ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت _____ عمومی حصص کا / کی / کے مالک _____
ہوں / ہیں۔ اپنی جگہ پر حق رائے دہی کے لیے _____ رہائشی _____ اور بموجب
رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____ کو یا اس کے نہ آنے کی صورت میں _____
رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____
کو جو کہ فلاننگ سیمنٹ کمپنی لمیٹڈ کا / کی / کے حصہ دار ہے ہیں۔ کو اپنی جگہ بروز پیر بتاریخ 28 اکتوبر 2019 بوقت صبح 9:30 بجے
لاہور میں منعقد ہونے والے 26 ویں سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی
/ کرتے ہوں / ہیں۔

پانچ روپے کی رسیدی ٹکٹ

چسپاں کریں

دستخط۔

کمپنی کے ریکارڈ کے مطابق دستخط

گواہ نمبر: 2

دستخط

نام

پتہ

شناختی کارڈ نمبر یا

پاسپورٹ نمبر

گواہ نمبر: 1

دستخط

نام

پتہ

شناختی کارڈ نمبر یا

پاسپورٹ نمبر

تاریخ: 2019 _____

FLYING CEMENT COMPANY LIMITED
26th Annual General Meeting

Registered Folio /
Participant ID No. &
A/c No.
No. of Shares Held.

PROXY FORM

IMPORTANT

Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Registered Office at 1-Sarwar Colony, Sarwar Road, Lahore Cantt. Not later than 48 hours before the time of holding the meeting.

I / We _____ of _____ being a member of **Flying Cement Company Limited** and holder of _____ Shares do hereby authorize _____ of _____ another member of the company as my/our proxy to attend and vote for me /us and on my /our behalf at the 26th Annual General Meeting of the Company to be held on Monday, 28th October 2019 at 9:30 hours or any adjournment thereof.

Signature

Please affix
Rupees Five
revenue stamp

Witnesses:

1. Signature: _____

Name _____

Address: _____

CNIC or Passport _____

2. Signature: _____

Name _____

Address: _____

CNIC or Passport _____

Dated 2019

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