



Flying Cement Company Limited

ANNUAL REPORT 2021



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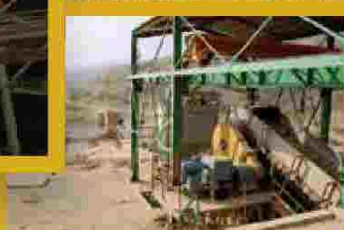
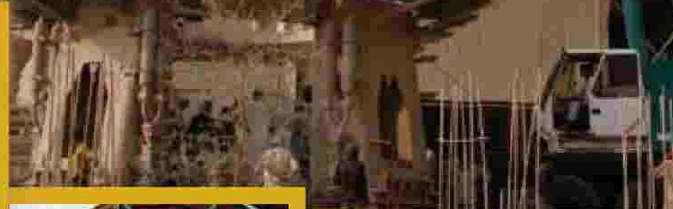
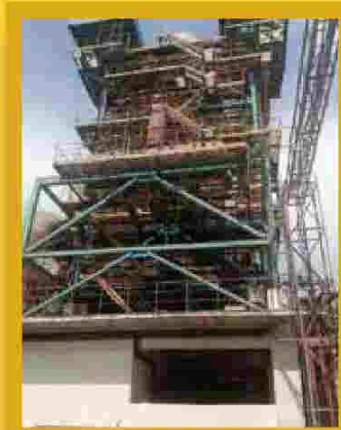
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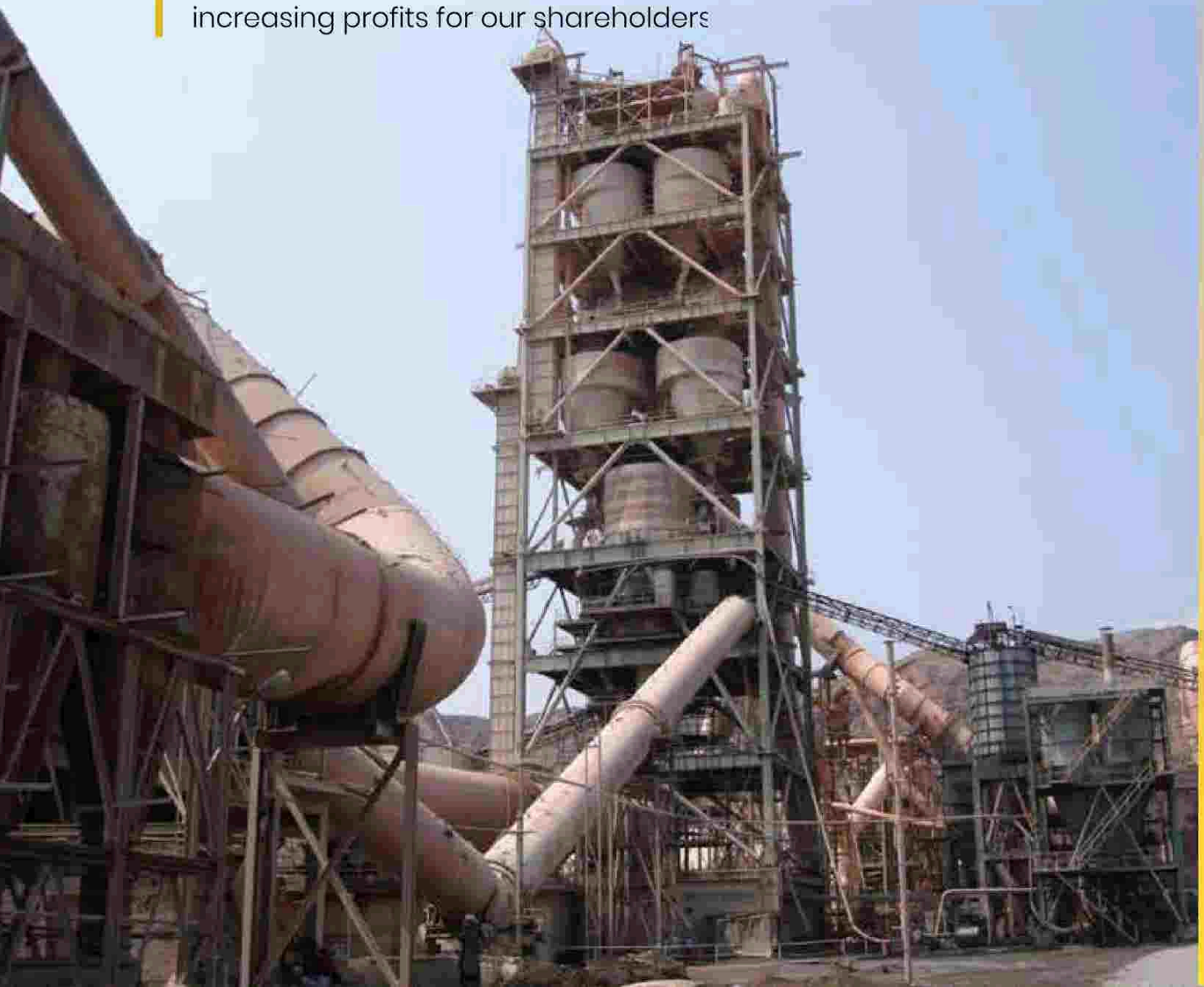
Vision

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

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





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.

Focus

We believe in focusing on reducing cost and improving quality thereby offering profit to our shareholders.

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.

You

Flying Cement always maintains 'You first' approach, not only to please our customer but also to satisfy our shareholders.



Initiatives

Taking initiative in incorporating modern technology to reduce cost and to improve quality.

New

We are pioneer in using new ideas and strategies for the cost effective and quality cement manufacturing.

Global

We strive to be reckoned with dignity in global market.

ING



Key Highlights

For The Year 2020-21

In addition to the reported and comparable metrics, we highlight below key figures for our shareholders.



Gross Sales

PKR in million

2021	2020
4,380	1,372

Profit/(Loss) After Tax

PKR in million

2021	2020
144	(530)

Total Assets

PKR in million

2021	2020
18,280	16,323

Earning Per Share

PKR

2021	2020
0.38	(3.02)



Company Information

Board of Directors

Mr. Kamran Khan
CHAIRMAN

Mr. Momin Qamar

Mr. Yousaf Kamran Khan

Mr. Qasim Khan

Mrs. Samina Kamran

Mr. Omar Naeem

Mr. Pervaiz Ahmad Khan

Mr. Agha Hamayun Khan
CHIEF EXECUTIVE

Registered Head Office

4- Sarwar Colony, Sarwar Road, Lahore Cantt.
Tel: 042-36674301-5 Fax: 042-36660693
Website: www.flyingcement.com
Email: info@flyingcement.com.pk

Chief Financial Officer

Mr. Hamid Ur Rahman, FCA

Internal Auditor

Mr. Imran Matloob Khan

Company Secretary

Mr. Shahid Awan

Legal Advisor

Mr. Waqar Hasan

Production Facility

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

Shares Registrar

THK Associates (Pvt) Limited.
Plot No. 32-C, Jami Commercial Street 2, D.H.A,
Phase VII, Karachi-75500
Tel: 021-111-000-322, Fax: 021-35310190



Audit Committee

Mr. Omar Naeem

CHAIRMAN

Mr. Qasim Khan

MEMBER

Mr. Yousaf Kamran Khan

MEMBER

Human Resource & Remuneration Committee

Mr. Pervaiz Ahmad Khan

CHAIRMAN

Mr. Momin Qamar

MEMBER

Mr. Yousaf Kamran Khan

MEMBER

Credit Rating

Long Term Rating: A-
Short Term Rating: A2
(By PACRA)

Auditor

External Auditor

M/s . Naveed Zafar Ashfaq
Jaffery & Co.

Bankers

National Bank of Pakistan

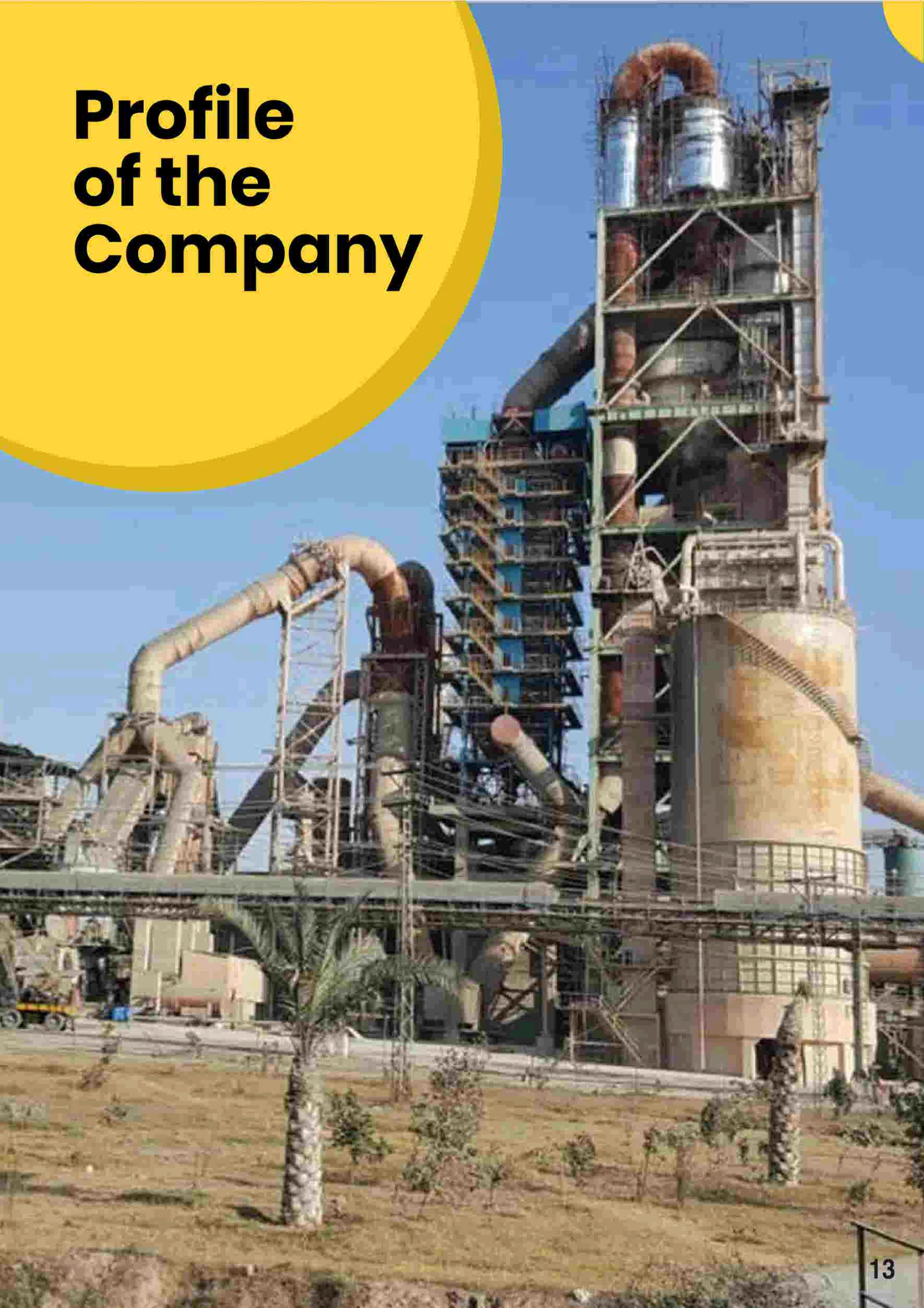
Al Baraka Bank Limited

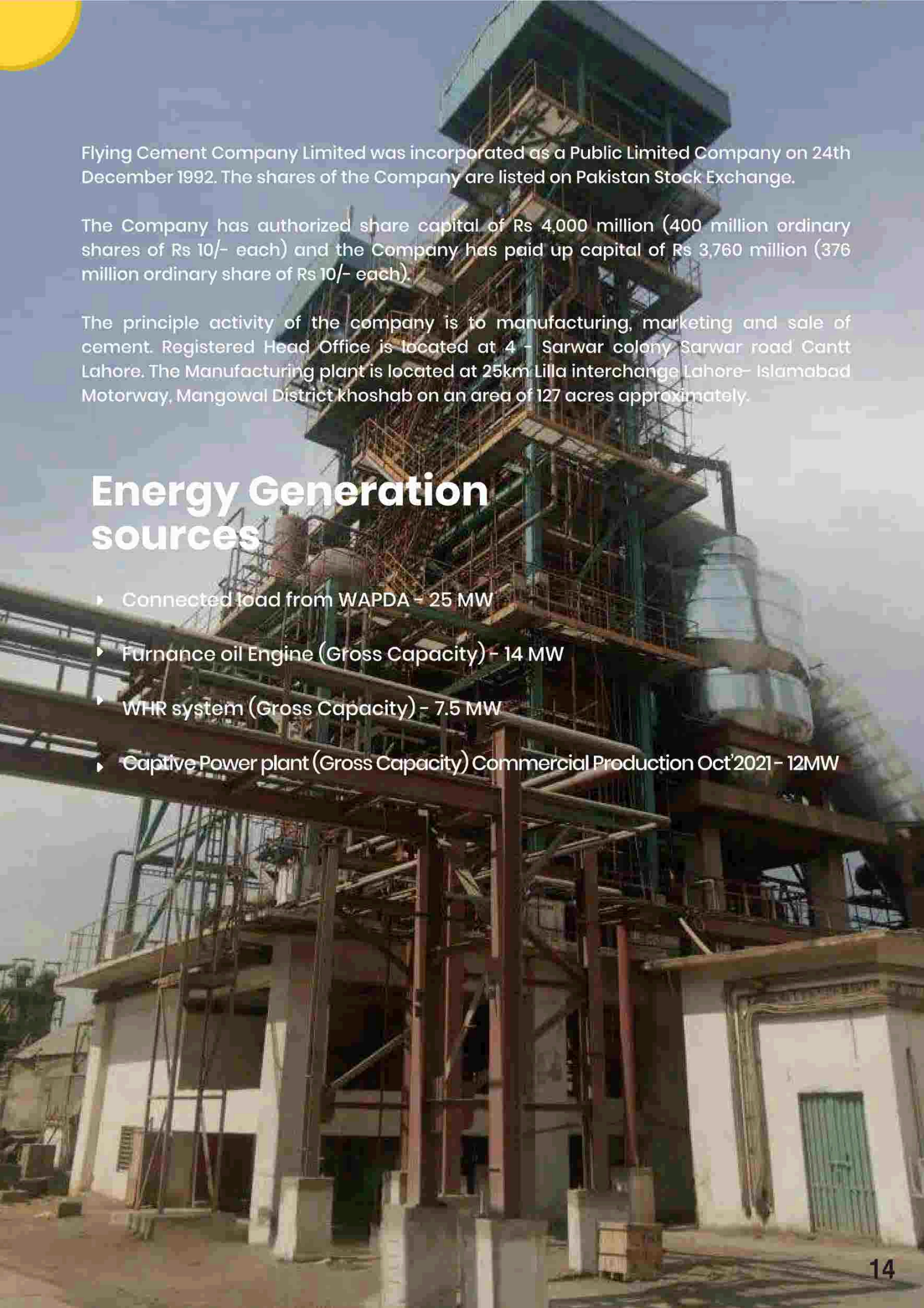
United Bank Limited

Habib Bank Limited

Meezan Bank Limited

Profile of the Company





Flying Cement Company Limited was incorporated as a Public Limited Company on 24th December 1992. The shares of the Company are listed on Pakistan Stock Exchange.

The Company has authorized share capital of Rs 4,000 million (400 million ordinary shares of Rs 10/- each) and the Company has paid up capital of Rs 3,760 million (376 million ordinary share of Rs 10/- each).

The principle activity of the company is to manufacturing, marketing and sale of cement. Registered Head Office is located at 4 - Sarwar colony Sarwar road Cantt Lahore. The Manufacturing plant is located at 25km Lilla interchange Lahore- Islamabad Motorway, Mangowal District khoshab on an area of 127 acres approximately.

Energy Generation sources

- ▶ Connected load from WAPDA - 25 MW
- ▶ Furnance oil Engine (Gross Capacity) - 14 MW
- ▶ WHR system (Gross Capacity) - 7.5 MW
- ▶ Captive Power plant (Gross Capacity) Commercial Production Oct'2021 - 12MW



Culture at Flying

- ▶ Promoting culture of high values
- ▶ High employee morale
- ▶ Investment in human capital
- ▶ Innovation, excellence and integrity
- ▶ Shared values and goals
- ▶ Collaboration and teamwork
- ▶ Equal opportunity employer
- ▶ Commitment and personal responsibility
- ▶ Strong company alignment towards goal achievement
- ▶ Leadership interaction between managers and subordinates





Environmental Protection

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

The Company has installed 7.5MW Waste Heat Recovery Power Plant (WHRPP) at its site to mitigate the environment effects and significantly reduce carbon emissions. The Company has installed latest technology of bag filter which reduces carbon footprint of the Company, it has envisioned the plantation of the trees and has planted many trees to this effect as well. The management is also planning to introduce environmental projects in near future as well.

Milestones Achieved



Successfully completed Installation and commissioning of 7.5MW Waste Heat Recovery Power Plant.



Successful completion of right share issue amounting to Rs 2 Billion.



Achieved Profitability in the current financial year of Rs 144 million as compared to a loss of Rs 531 million in the previous financial year.



Maintained gearing ratio at 38% compared to industry average of 47%.



Installed latest technology of bag filter which reduces carbon footprint of the company making it environment friendly.



Building Blocks for Our Business

Business Growth

- Incremental Revenue
- Incremental Profit
- Higher ROCE
- Future Potential Opportunity

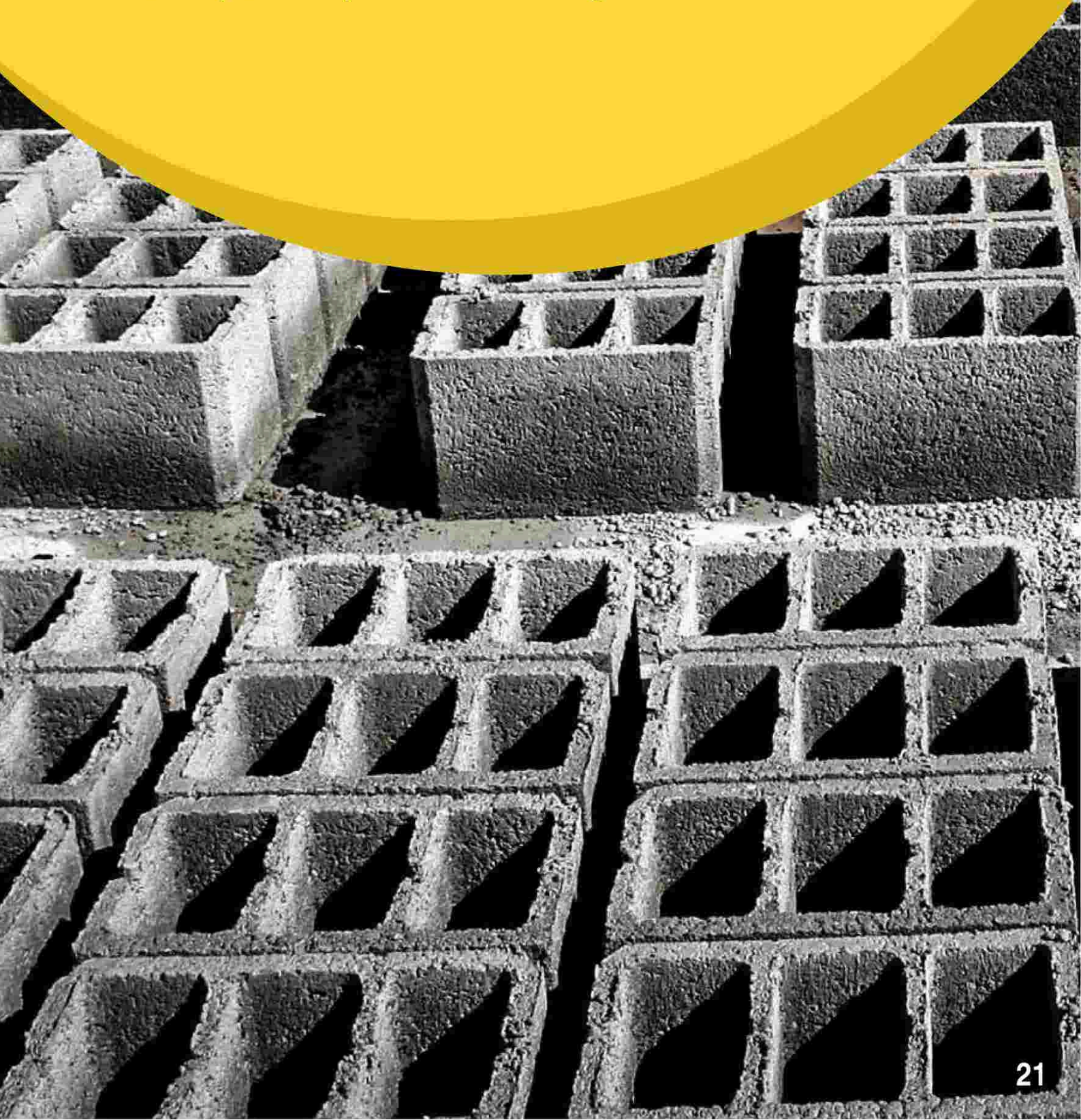
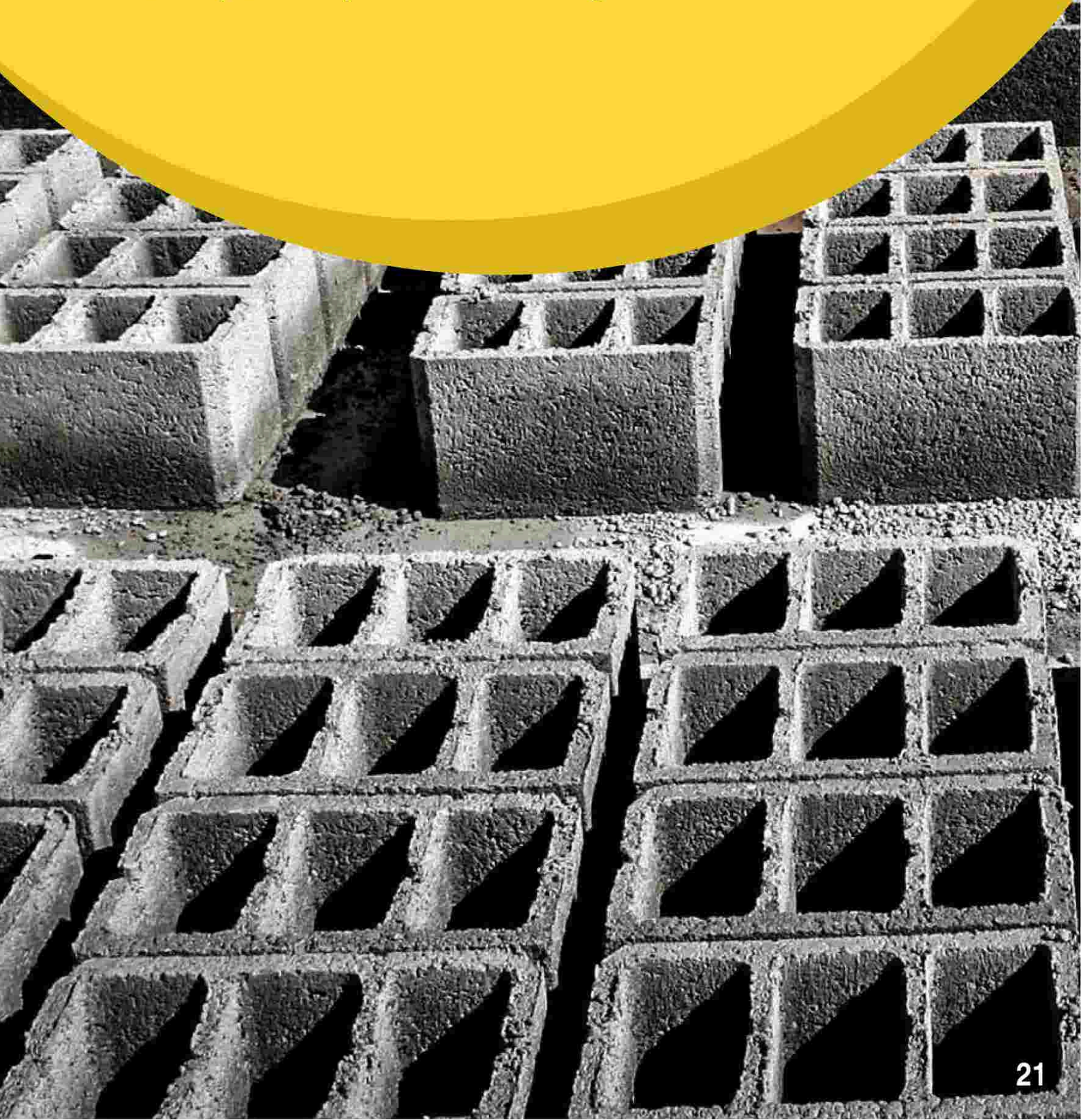
Business Sustainability

- Risk Mitigation
- Changing Trends of the Customers
- Latest Technologies
- Regulatory Compliance
- Strategic Alliances



Stakeholder Engagement

The Company believes in maintaining relationships based on trust and collaboration with its stakeholders. Our stakeholders extend valuable contributions to our growth and existence. Procedure for stakeholders' engagement includes effective communication, good harmony, and compliance with laws & regulations.





Distributors

Developing and sustaining long term relationships with our Distributors forms the key to our business success. Their expectations are focused on product quality and pricing.

Suppliers and Vendors

Our sustainable growth is also attributable to engaging reputed and dependable suppliers & vendors as business partners for supply of raw material, industrial inputs, equipment, and machinery. We believe in strategic relationships and have developed strong connections with top local and international vendors in the industry.

Banks

We value our relationship with our financial partners who are engaged with the Company on an on-going basis in relation to negotiation of rates, lending purposes and short-term financing. Banks are also consulted on issues linked with letters of credit and payments to suppliers, along with other disbursements of operational nature.

Regulators

Our commitment to compliance with laws and regulations is evident from our Corporate and Legal team's continued efforts for efficient and effective legal and regulatory conformity. The engagement includes submission of periodic reports, communicating through letters and emails and responding to enquiries and meetings as and when required. Active engagement with regulators improves the level of compliance.

Local People

Company's main reason for existence is to bring about a positive change in the community. To pursue this cause, the Company invest in the community. Its main areas of focus include Education, Literary Activities, Health Care and Disaster Relief.

Shareholders

Support of shareholders is critical in achieving the Company's objectives. The Company safeguards its shareholders' interest as its prime responsibility. Our shareholders' interest revolves around good returns, profitability, growth, and regulatory compliances. We respond to our shareholders' expectations through improvement in business mechanics, effective governance, and corporate reporting framework.

Investor Relations

Maintaining transparency between the Company and its shareholders, Flying Cement website, (www.flyingcement.com) contains all the major financial information needed for investors' decision-making in a separate tab of "Investor Relations".

Quality Assurance Of Products

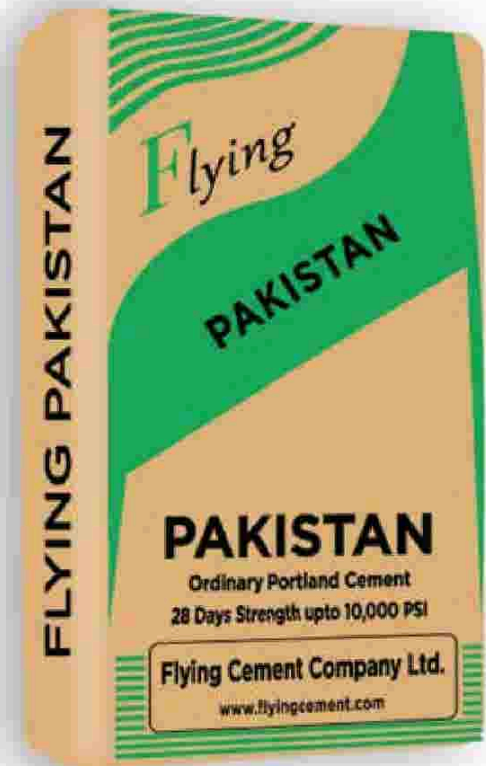
The quality policy of the cement is monitored through the chemical laboratories located at the site installed with latest instrumental analysis techniques directly linked through PLC to control the process of manufacturing automatically keeping lowest variation brand from the required values/parameters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

The Company has quality assurance certificates from Cement Research & Development Institute, Pakistan



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

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



Code of Conduct

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standard. The Company has adopted a comprehensive Code of Conduct (Code) for the members of the Board of Directors and Employees. The Code defines acceptable and unacceptable behavior and provides guidance to directors / Employees in specific situations that may arise and fosters a culture of honesty, accountability and high standards of personal and professional integrity.





Salient features of the Code for the Directors

Conflict of Interests

Each Director must avoid any conflict of interest between the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

Corporate Opportunities

Directors are prohibited from taking for themselves personally, opportunities related to the Company's business: using the Company's property, information or position for personal gain or competing with the Company for business opportunities.

Confidentiality

Directors must maintain confidentiality of information entrusted upon to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated.

Honesty, Integrity and fair dealing

Directors must act honestly and fairly and exhibit high ethical standards in dealing with all stakeholders of the Company.

Compliance with Laws, Rules and Regulations

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act 2017, Listing Regulations of the Stock Exchanges and Insider Trading Laws.

Compliance with Laws, Rules and Regulations

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act 2017, Listing Regulations of the Stock Exchanges and Insider Trading Laws.

Encouraging the Reporting of any Possible Illegal or Unethical Behavior

Directors should take steps to ensure that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violation of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow any retaliation for reports made in good faith.

Trading in Company Shares

Certain restrictions / reporting requirements apply to trading by the Directors in Company shares. Directors shall make sure that they remain compliant with these statutory requirements.

Compliance Procedures

Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.



Salient features of the Code for the Employees

Conflict of Interests

employees / trainees must not engage in activities or transactions which may give rise, or which may be seen to have given rise, to Conflict between their personal interests and the interest of the Company.

Confidentiality and Disclosure of Information.

Employees / trainees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to the press, to any outside source, or to employee / trainees who are not entitled to such information.

Political Contribution

No funds or assets of the Company may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

Bribes and Commercial Payments

An employee / trainee must not give or receive bribes or other payments, which are intended to influence a business decision or compromise independent judgment; nor must any employee / trainee give money in order to obtain business for the Company, nor receive money for giving Company business to an outside agency.

Proper Recording of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

Agreements with Agents, Sales Representatives or Consultants

Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.

Relations and Dealings with Supplier, Consultants, Agents, Intermediaries and Other Third Parties

FCCL relations and dealings with supplier, consultants, agents, intermediaries and other third parties should at all times be such that FCCL's integrity and its reputation should not be damaged if details of the relationship or dealing were to become public knowledge.

Health, Safety & Environmental Policy

Every employee / trainee at work must take reasonable care for the health and safety of himself / herself and others including visitors who may be affected by his / her acts or omission at work; and co-operated in the Company's efforts to protect the environment.

Smoking Policy

Smoking and exposure of workplace to tobacco poses serious health hazards to the employees / trainees besides potential risks of fire and explosions. Considering this, smoking is permitted only in the designated 'Smoking Areas'.



Seat Belt Policy

As per the policy, it is mandatory for all FCCL employees / trainees, contractors, visitors and all other persons to fasten seat belts in the front seats of the vehicle while travelling.

Other Employment, Outside Interests, Civic Activities

FCCL does not allow its employees / trainees to take any part-time and/ or full-time second employment during employees' / trainees' engagement with the Company.

Unsolicited Gifts

Accepting gifts that might place an employee / trainee under obligation is prohibited. Employee / trainee must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

Family Connections and Employment of Relatives

Any dealings between staff and outside organization in which they have a direct, indirect or family connection must be fully disclosed to the Management.

Company and Personal Property

An employee / trainee must not take or use Company property or the property of another employee / trainee without permission; nor must the employee / trainee use Company's property for private purpose without the Management's permission.

Alcohol and Drugs

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all locations.

Gambling

All forms of organized gambling or betting on the Company's premises is forbidden.

Rumor Mongering & Gossiping

Rumor mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow employees / trainees are strictly prohibited.

Harassment

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any employee / trainee that harasses, disrupts or interferes with another's work performance, creates an intimidating, humiliating, offensive or hostile environment.

Grievance Handling

FCCL strives to provide a fair and impartial process to its employees / trainees and ensure timely resolution of their grievance.

Whistle Blowing

In order to enhance good governance and transparency, FCCL has introduced a whistle blowing policy. The policy provides an avenue to employees / trainees and vendors to raise concerns and report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment.

General Discipline

Every employee / trainee must adhere to the Company's rules of service and make sure that he / she is familiar with them.

Reporting Violations / Disciplinary Actions

Any violation of this code shall be promptly reported to the Human Resources department by any employee / trainee having knowledge thereof or having reasonable belief that such a violation has occurred.

Swot Analysis

Strengths

- ▶ Capacity expansion through state of the art production line by FLSmidth Europe expected to significantly improve efficiencies and margins.
- ▶ Self power generation (CPP and WHR plants).
- ▶ Low leverage compared to Industry standards
- ▶ Project cost for expansion more cost efficient than industry players comparatively.
- ▶ Well diverse and cost efficient local and imported coal mix along with biomass
- ▶ Cost efficient extraction and transportation of limestone due to usage of ripping method instead of explosive methods and close proximity of mines to plant.
- ▶ Sustainable production process

Weakness

- ▶ Cyclical Industry
- ▶ Negatively impacted by Increase in WAPDA energy costs
- ▶ Rising input costs



Opportunities

- ▶ Increase in cement prices
- ▶ Lower interest rates
- ▶ Self power generation to further reduce costs and minimises dependency on WAPDA
- ▶ Significant growth in cement demand
- ▶ Increase in market share after expansion

Threats

- ▶ An industry oversupply issue might arise due to ongoing expansion in the sector.
- ▶ Rising logistic and imported coal costs
- ▶ Potential new entrants in the sector
- ▶ Currency devaluation & inflation risk

Factors Affecting The External Environment And Organisations' Response

Political	Government instability and macroeconomic policies adversely impact the Company's business.	<p>Timely adjustments are made in the organizational processes and policies in response to actual or anticipated changes in Government policies.</p> <p>Management actively looks for the changes in market conditions and strive to act accordingly in response using projections, forecasts and budgeting.</p> <p>Issues relating to the Cement Industry are dealt with through the forum of APCMA.</p>
Economic	Extensive competition, fluctuating interest rates and price hike in material cost.	<p>Management of the Company is actively looking for discovering new markets to increase the demand of its products.</p> <p>Cost reduction initiatives to control the costs and also efficient inventory management systems.</p>
Social	Focus on Corporate Social Responsibility, Donations and development of communities	<p>As a socially responsible corporate entity, the Company strives to develop the communities in which it operates by ensuring compliance with all requirements of CSR.</p> <p>It donates generously to various social and charitable causes including health, education and social sectors.</p>



Technological	Continuous development of information technology infrastructures.	The Company is continuously upgrading itself in terms of technological advancement so that the Company can compete its competitor in a better way and to provide best products to its customers.
Environmental	Environmental Footprint, Global warming, Natural disasters etc.	<p>The Company takes various steps to protect the environment including compliance with applicable environmental standards.</p> <p>We manage our environmental performance through efficient use of natural resources.</p>
Legal	Compliance with the applicable regulatory laws.	The Company remains alert to the changes in applicable regulatory laws and ensure compliance with relevant laws and regulations through its professional team.



Competitive Analysis

(Porter's Five Forces)

Threat Of New Competition

Companies in the cement sector are firmly established and the sector has high barriers to entry due to the following reasons:

- ▶ High initial capital investment required;
- ▶ High setup cost; and
- ▶ Access to distribution channel is difficult

Threat From Substitute Products

There isn't any distinct substitute of cement.

Bargaining Power Of Customers

Generally, direct customers of cement manufacturers are distributors, dealers and retailers who further supply to the end consumers. The market seems to have a good appetite for the new-entrants because barriers to the entry as a cement distributor, dealer and retailer are very low. The Company has a sound customer base and enjoys a healthy and mutually beneficial relationship.

Bargaining Power Of Suppliers

The Company has a vendor selection process in place to ensure transparency and fairness. Raw material is obtained through from Mines and Mineral Department .Whereas, other input materials are purchased after market research and negotiation to protect the Company's interests.

Intensity Of Competitive Rivalry

Rivalry in the cement sector is intense and new expansions can cause over supply.



Strategic Objectives

To support value creation for all of our stakeholders, Flying Cement's business is focused on the delivery of the following six strategic priorities, which aim to increase upon sustainable growth and cost efficiency. Everyone at Flying Cement has a role to play in delivering these strategic priorities.



Strategic Objectives

Strategies in place or intended to be implemented to achieve those strategic objectives

Growing local market share

Due to the potential of growth in Cement industry we are focusing to capture more market share.

The Company is focusing on brownfield expansion of Line-II (7,700 tons per day-Clinker) in order to increase the production capacity so that Company will be in line with the market growth.

Efficiency

We are striving to achieve the efficiency by reducing the cost of production and efficient utilisation of resources.

The new plant machinery (Line-II) is being supplied by FLSmidth, world renowned European supplier. The company's focus will be to achieve economies of scale in production.

Sustainable Development

(In terms of environmental and social responsibility)

We endeavor to give back to the communities that we operate in and also to the society at large by efficiently using natural resources. We aim to deliver high quality goods at competitive prices while progressively reducing ecological impacts.

Company complies with all relevant National Environmental Quality Standards. Contributes generously towards the well-being of communities in and around the geography of its operations. The transfer of existing load of electricity to renewable sources of energy such as WHR shows company's commitment to keep the environment clean.

As a responsible corporate citizen, Flying Cement ensures that all social and environmental dimensions are considered while developing strategies, policies, practices and procedures.

HR Excellence

Developing our people is important to us. Human capital is an asset and plays an important role in our success. Our Core Values, Code of Conduct and HR policies provide an outline which serves as a guiding force for the whole organization.

The Company has put in place processes to develop and groom professionals at various levels. The Company is an equal opportunity employer.

Our systems are designed to ensure transparency and fairness at all levels by clearly defining KPIs for each position in alignment with Company's vision and core values.

Key Performance Indicators

Sr. No

Objectives

- 1 Market Share Increase
- 2 HR Excellence
- 3 Sustainability Development
- 4 Efficiency

Measures

- Increase in production capacity
- Reduced employee turnover and higher return on human capital
- Continuous support for community development and measure to implement UN's sustainable development goals
- Internal and external economies of scale



Going Forward

Key Priorities

(Micro)

The new Line-2 is expected to start commercial production in the 1st quarter of FY2022-23, which will take the total clinker production capacity to 11,700 tpd.

A captive power plant of 12MW is being installed at the plant premises which is expected to commence operations by October 2021 which will minimise dependency on WAPDA.

Company's optimum blend of local and imported coal will serve as hedge against inflation.

Adequate gearing ratio to protect against volatility.

Key Opportunities

(Macro)

Stable interest rate policy maintained by SBP along with forward guidance can have positive impact in the future.

The PSDP in FY 2021-22 has been enhanced by 38% from Rs. 650 billion in FY 2020-21 to Rs. 900 billion. Enhanced focus on housing and construction activity and CPEC projects bodes well for overall growth in the economy.

Uptick in construction activities post COVID-19 lock down supported the cement prices. In the wake of improved capacity utilization, the prices are expected to remain stable.



Chairman's Review Report

At Flying Cement Co Ltd we were able to respond promptly and efficiently to a much more challenging year than normal as the industry was posed with multiple economic challenges such as low cement prices, lack of demand in market, emergence of the pandemic at the beginning of the year – this was in good measure because in advance we were building robust foundations for future upon which we were able to implement our multiple actions and initiatives resulting in positive business outlook.

Our top priority remained maintaining Efficient Plant Operations, completion of New Captive Power Plant and prioritising completion of New Cement Line currently in erection stage as well as Health and Safety of all the employees.

Going forward the biggest challenge at hand is the rising energy costs. We are closely monitoring the price trend to ensure minimum impact of any price increase on the Company.

The Composition of the Board is well balanced between executive, non-executive and independent Directors. Corporate strategy and objectives have been set such as to align the Vision of the Company. The Company complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedure and the meetings of the Board of Directors and its Committees.

In the end, I would like to thank all stakeholders for the trust they have posed in their Company without which such a remarkable turnaround in financial and corporate performance versus last year would not have been possible. Your Company is ready to scale new heights and achieve unprecedented levels of growth going forward InshaAllah.

Kamran Khan
Chairman

Lahore

Dated September 20, 2021



Whistle Blowing Policy Statement

The Management encourages whistle blowing culture in the organization and has adopted a culture to detect, identify and report any activity which is not in line with the Company policies, any misuse of Company's properties or any breach of law which may affect the reputation of the Company. The Company has adopted the best corporate policies to protect employee(s) who report corporate wrongdoings, illegal conduct, internal fraud and discrimination against retaliation.

The Company promotes transparency and accountability through publication of accurate financial information to all the stakeholders, implementation of sound, effective and efficient internal control system and operational procedures.

The Company encourages Whistle Blowing System to raise the issue directly to Chairman Audit Committee and / or to Chief Executive and / or to the Company Secretary and / or to Head of Internal Audit provided that:-

- ▶ The Whistleblower has sufficient evidence(s) to ensure genuineness of the fact after a proper investigation at his own end
- ▶ The Whistleblower understands that his act will cause more good than harm to the Company and he / she is doing this because of his loyalty with the Company; and
- ▶ The Whistleblower understands the seriousness of his / her action and is ready to assume his / her own responsibility.

The Management understands that through the use of a good Whistle Blowing Plan, they can discover and develop a powerful ally in building trust with its employees and manage fair and transparent operations. The Company, therefore, provides a mechanism whereby any employee who meets the above referred conditions can report any case based on merit without any fear of retaliation and reprisal to any of the above offices.

Corporate Social Responsibility

In addition to the Contribution of the Company in Economic development, the Company is also aiming to improve the quality of life of the workforce and their families as well as of the local community and society in which the Company is operating.

In order to enrich the lives and to pave the way for sustainable living, the Company has taken different initiatives which are as follow;

- Education and capability development for employability
- Sustainable and resilient infrastructure and mobility
- Charity, Social welfare and reduction of poverty from society
- Culture of environmental protection, health and safety
- Reduction of carbon footprints

We aspire to positively impact Pakistan and to achieve this we undertook, but not limited to, the following activities during the current year;

- Created job opportunities for the local community and provided the platform to train technical staff.
- Free medical facilities to the employees at site.
- Free fire-fighting service for nearby areas in extreme emergencies.
- Donation in shape of supply of food to nearby residents.
- Provided food to needy and poor people of adjoining areas
- Installed latest technology of bag filter which reduces carbon footprint of the company making it environment friendly.
- Promoting Sustainable Workplaces by improving employees' lifestyles, encouraging diversity and creating an environmentally friendly office
- Provided financial assistance for the education of the employee's children.
- Tree plantation activity was performed in the nearby area of plant.



Directors' Report

The Directors of your Company have the pleasure to present before you the 28th Annual Report of your Company along with duly Audited Financial Statements for the year ended June 30, 2021.

Industry Overview

Cement Industry reflected a significant growth in the demand for the year ended June 30, 2021 as compared to the year ended June 30, 2020. Continued initiatives taken by the Government for real estate sector coupled with CPEC activities resulted in high demand of cement during the current year.

Principal Activities

The main objective of the Company is to manufacture and sell Ordinary Portland Cement.

Business Performance

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

Particular	2021	2020	Metric Tons
Cement Production	397,000	86,400	
Cement Dispatches	388,156	86,957	

The data shows astonishing increase in the financial year 2021 both in terms of production and dispatched as compared to last year.

Financial Performance

A comparison of the key financial results of your Company for the year ended June 30, 2021 is as under:

Particulars (Rupees in Thousand)	2021	2020
Sales revenue Gross	4,379,653	1,372,198
Less: Sales Tax/ Federal Excise Duty	1,173,925	292,690
Net: Sales revenue	3,205,728	1,079,508
Gross Profit/(Loss)	302,937	(462,384)
Operating Profit/(Loss)	219,495	(528,353)
Profit/(Loss) before tax	253,698	(512,825)
Net Profit/(Loss) after tax	143,685	(530,720)
Earnings/(Loss) per Share	0.38	(3.02)



During the year under review, the Company's results of operations, financial position and net assets are indicative of an improved financial condition. We have shown the turnaround position by putting the best efforts which is our fundamental priority and are proud of the impact of our efforts. This improved performance of the Company, is the reflection of strength of our team, businesses and operations. During the year ended June 30, 2021, the Company remained focus on growth in terms of top line and capacity utilization. Hence, the Company performed remarkably and was able to eclipse its last year performance in terms of profit after taxation, which converted from loss of Rs. (530,719,920) to profit of Rs. 143,684,742.

The Company recorded a significant revenue growth and the Gross sales of the Company as compared to corresponding year increased from Rs. 1,372 (M) to Rs. 4,380 (M) showing an increase of 219% whereas the Net sales of the Company increased from Rs.1,080 (M) to Rs. 3,206 (M) showing an increase of 197% over the year owing to continued better operational and financial management measures taken by the Company.

The Company is expanding its production capacity as well as enhancing its power generation to recoup the demand. Flying Cement Company Limited has successfully completed the installation and commissioning of 7.5MW Waste Heat Recovery Power Plant (WHRPP) at its site in Mangowal, District Khushab during the year ended June 30, 2021. Adoption of Waste Heat Recovery Power Plant (WHRPP) technology is resulting in significant cost saving in power consumption for the Company when compared to WAPDA's high power tariff.

Earning Per Share

Basic earnings per share after taxation for the year was Rs. 0.38 (2020: loss per share Rs. 3.02). There is no dilution effect on the basic earnings per share of the Company, as the Company has no convertible dilutive potential ordinary shares outstanding as of June 30, 2021.

Dividend And Appropriations

The Board has proposed the final cash dividend as Nil and 5% bonus shares subject to the approval of shareholders in the upcoming Annual General Meeting scheduled to be held on October 28, 2021.

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 the Companies Act, 2017

Principal Risks

The COVID-19 pandemic has brought the sector to a halt in the business activities and pandemic of that sort remains a high source of risk in the cement industry. The recovery from the losses in the pandemic is being realized over the period.

Impact Of Company's Business On The Environment

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

The Company has installed 7.5MW Waste Heat Recovery Power Plant (WHRPP) at its site to mitigate the environment effects and significantly reduce carbon emissions. The Company has Installed latest technology of bag filter which reduces carbon footprint of the Company, it has envisioned the plantation of the trees and has planted many trees to this effect as well. The management is also planning to introduce environmental projects in near future as well.



Corporate Social Responsibility

The Directors of the Company are committed towards long term measures in line with United Nation's Sustainable Development Goals. The Company strives hard to develop communities in which it operates and is actively engaged in community services. The Company meets all the food requirements of all its employees free of cost and strives to take care of their families through provision of educational and health services. It also sends its employees for religious pilgrimage each year to Saudi Arabia which are selected through balloting. The Company has also taken care of its nearest villagers in the time of floods and natural disasters and works for poverty alleviation, to further protect the environment and move closer to sustainable development.

Whistle Blowing

The Company Whistle blowing encourages and enables all concerned to raise serious concerns within the Company rather than overlooking a problem or 'blowing the whistle' outside. The Company is committed to the highest possible standards of honesty, excellence, consistency, compassion, fairness, integrity and accountability.

Board Of Directors

Composition of Board of Directors is as under.

Description	Number of Directors
Male	6
Female	1
Categorical Composition	
Independent Directors	2
Non-Executive Directors	3
Executive Directors	2

Members of the Board of Directors and its Committees.

Board Of Directors

Mr. Kamran Khan	Chairman	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. Omar Naeem	Member	Independent Director
Mr. Pervaiz Ahmad Khan	Member	Independent Director
Mr. Agha Hamayun Khan	Chief Executive	



Audit Committee

Mr. Omar Naeem	Chairman	Independent Director
Mr. Qasim Khan	Member	Non-Executive Director
Mr. Yousaf Kamran Khan	Member	Non-Executive Director

Human Resource And Remuneration Committee

Mr. Pervaiz Ahmad Khan	Chairman	Independent Director
Mr. Momin Qamar	Member	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

The 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 has 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 Company is poised to grow and increase its market share among its competitors and maintain its growth, in a relatively competitive environment. The future outlook of cement industry remains promising and demanding. Moving forward, we are focusing on enhancing the market share of the Company through capacity expansion of new Line-2 of 7,700 TPD of clinker which will take the total clinker production capacity to 11,700 TPD. The new Line-2 is expected to start commercial production in the First quarter of FY2022-23.



Moreover, a captive power plant of 12MW is being installed at the plant premises which started trial production in June 2021 and will commence commercial production in October 2021; this will eliminate the dependency on WAPDA and make the company self-reliant in power consumption whilst also resulting in significant cost saving.

Overall, the economy was able to pull off a V-shape recovery due to timely measures taken by the Government of Pakistan/SBP including accommodative fiscal and monetary measures. This led to faster than anticipated growth during the year in construction and allied industries which is expected gather more pace going forward.

The Company is quite hopeful for improvement in domestic sales on account of Government spending on mega projects, multipurpose water reservoirs / Dams and five million housing schemes including CPEC which will help the company to maintain its growth in the current financial year. The rising population has also increased more demand of houses in the country which is being addressed by the government through Naya Pakistan Housing Scheme (NPHS). Similarly, the package announced for the construction industry by the Federal Government will continue to improve demand of cement in the country. We expect better performance in future as well.

The potential challenges going forward can include Increase in the cost of production caused by high inflation, increasing coal prices in international markets, expected hike in electricity rates, weakening PKR currency, increase in interest rates, COVID-19 situation and geo-political uncertainty.

However, despite the odds, the Company is well positioned for sustainable growth and profit maximization through achieving economies of scale in production, keeping input costs in check through use of optimum blend of local and imported coal and captive power generation. Moreover, Company's lower debt levels compared to peers in industry will also act as a hedge against volatility.

We all are highly motivated and willing to contribute enthusiastically on continuous basis. We assure, the management will continue to work hard to provide long term sustainable growth and value for all its stakeholders.

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) The Directors, executives and their spouse and minor children have made no transactions of the Company's shares during the year, except those 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) Details of number of Board and Committees meetings held during the year and attendance by each director has been disclosed below:

Sr.No.	Name of Director	Board Meetings	Audit Committee Meetings	HR & R Committee meetings
1	Mr. Kamran Khan	8	N/A	N/A
2	Mr. Momin Qamar	8	N/A	N/A
3	Mr. Yousaf Kamran Khan	8	4	1
4	Mr. Qasim Khan	8	4	N/A
5	Mrs. Samina Kamran	6	N/A	1
6	Mr. Omar Naeem	6	2	N/A
7	Mr. Pervaiz Ahmad Khan	6	N/A	N/A
8	Mr. Agha Hamayun Khan	8	N/A	N/A
*	Mr. Muhammad Mubeen Khan	2	N/A	N/A
*	Mr. Nadeem Tufail	2	2	1
Total Number of Meetings Held		8	4	1



The leave of absence was granted to the Directors who could not attend meeting due to their preoccupation.

*Mr. Omar Naeem and Mr. Pervaiz Ahmad Khan were appointed as Independent Directors on 03-11-2020 to fulfill the casual vacancy arising upon the resignation of Mr. Muhammad Mubeen Khan and Mr. Nadeem Tufail.

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.

Auditor

The Auditors M/s. Naveed Zafar Ashfaq Jaffery & 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.

Pattern Of Shareholding

The pattern of shareholding as at June 30, 2021 along with disclosures as required by the Code of Corporate Governance is annexed.

Post Balance Sheet Events

Material changes in the Financial Statements date and the reporting date have been duly incorporated in Financials.

Acknowledgment

The Board acknowledges the assistance and cooperation of all stakeholders including financial institutions, customers, creditors and government departments. We also appreciate and admire the continued support and cooperation of employees of the Company.

For and on behalf of the Board

Director

Chief Executive

Lahore
Dated: September 20, 2021



Corporate Governance

Role and Responsibilities of the Chairman

The Chairman is responsible for the Board's authority, effective performance, and high standards of governance. His role is to ensure that the Board as a whole is thoroughly and constructively involved in determining and establishing the strategy and policies of the Company. He also ensures that the decisions taken by the Board are in the best interest of the Company, representing the consensus of the Board.

The Chairman encourages the highest standards of integrity and establishes good corporate governance policies and practices. He ensures that the Chief Executive Officer and the Management team successfully execute the plans and policies decided by the Board.

Roles and Responsibilities of the Board of Directors

Flying's Board of Directors plays an effective role in managing strategic matters, establishing and reviewing targets, and financial objectives.

The Board fulfills its responsibilities in compliance with the legal framework under the Companies Act, 2017, and adopts corporate governance practices for effective control. The collective acumen of the Board is interpreted into its decisions which forms the basis for Management to achieve its targets.

Role and Responsibilities of the Chief Executive Officer

The CEO leads the Management, builds an organizational culture, and is a role model for the entire Company.

The Chief Executive Officer is entrusted with the general management of the Company's business and is responsible for proposing and developing the Company's strategy and overall commercial objectives, in close consultation with the Chairman and the Board of Directors. He is also responsible for the management of the Company's daily operational activities, strategic planning, budgeting, financial reporting, and risk management. The CEO is responsible for the implementation of the plans and policies approved by the Board and its Committees, in pursuit of the Company's goals and objectives, with the support of the Management team.

Evaluation of Board's Performance

As per the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board needs to act on a well-versed basis in the best interest of the Company and its stakeholders. Board's performance evaluation is carried out to set the 'tone at the top' ensuring the right mix of knowledge, expertise, and skills to maximize performance.

Details of Formal Orientation Courses for Directors

The Company makes appropriate arrangements to carry out an orientation for its Directors to acquaint them with the Regulations of the Code, applicable laws, Company's operations, their duties and responsibilities enabling them to effectively govern the affairs of the listed Company. A formal orientation program is arranged for every new member of the Board to provide better understanding of the Company's structure, business, targets and operations. This orientation provides a brief insight of the Company's core competencies, status of Company's affairs, Investments, summary of the Company's major assets, liabilities, noteworthy contracts and major competitors. It also includes details of major risks including all legal and regulatory framework risks, all major shareholders, suppliers, auditors, and other stakeholders.

Governance Practices Exceeding Legal Requirements

The Company has always believed in going the extra mile and staying ahead of the curve. Aligning with this strategy, we have complied with the mandatory legal compliances under all applicable rules, regulations, and standards including listed Companies (Code of Corporate Governance) Regulations, 2019, and the Companies Act, 2017.





Statement of Compliance with Listed Companies(Code of Corporate Governance) Regulations, 2019

Name of company: Flying Cement Company Limited

Year ending: 30th June 2021

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 the Board is as follows:

a) Independent Directors	2
b) Non-executive Directors	3
c) Executive Directors	2

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 (the "Act") and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. Majority of the Directors of the Company are exempted from the requirement of Director's Training Program and Two of Directors have obtained certificate of Directors' Training Program.

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

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.



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

- | | | | |
|----|--|----------|------------------------|
| a) | AUDIT COMMITTEE | | |
| | Mr. Omar Naeem | Chairman | Independent Director |
| | Mr. Qasim Khan | Member | Non-Executive Director |
| | Mr. Yousaf Kamran Khan | Member | Non-Executive Director |
| b) | HUMAN RESOURCE AND
REMUNERATION COMMITTEE | | |
| | Mr. Pervaiz Ahmad Khan | Chairman | Independent Director |
| | Mr. Momin Qamar | Member | Executive Director |
| | Mr. Yousaf Kamran Khan | Member | Non-Executive Director |

c) Nomination Committee: Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee after next election of Directors;

d) Risk Management Committee: Currently, the Board has not constituted a risk management Committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee after next election of Directors.

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 of the committee was as per following:

- a) Audit Committee: Met four times during the year
- b) HR and Remuneration Committee: Met once in the year

15. The Board has set up an effective internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

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

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

18. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Kamran Khan
Chairman

Dated September 20, 2021

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, 2019

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

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

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

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

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



Naveed Zafar Ashfaq Jaffery & Co.,
Chartered Accountants

Place: Lahore
Date: September 20, 2021



Financial Highlights

Six Years At Glance



	2021	2020	2019	2018	2017	2016
Financial Position						
Assets Employed by						
Property, plant and equipment	15,886	13,287	11,216	6,640	5,637	5,282
Other assets	33	33	33	31	19	19
Current assets	2,361	3,003	2,178	3,090	1,573	1,019
Total Assets	18,280	16,323	13,427	9,762	7,229	6,320
Financed by (Rupees in Million)						
Equity	8,972	8,156	8,232	5,434	3,737	3,576
Long term liabilities	5,106	4,366	2,649	1,663	1,670	972
Other current liabilities	4,202	3,801	2,547	2,664	1,821	1,772
Total equity and liabilities	18,280	16,323	13,427	9,762	7,229	6,320
Turnover and profit / (Loss) (Rupees in Million)						
Gross sales	4,380	1,372	4,822	4,335	3,467	3,177
Net turnover	3,206	1,080	3,271	2,910	2,470	2,476
Gross profit / (Loss)	303	(462)	191	257	203	167
Operating profit / (Loss)	219	(528)	118	185	143	120
Profit / (Loss) before taxation	254	(513)	184	233	199	195
Profit / (Loss) after taxation	144	(531)	142	182	161	146
Earnings / (Loss) per share (Rs.)	0.38	(3.02)	0.81	1.03	0.92	0.83
Breakup value per share (Rs.)	23.86	46.34	46.77	30.88	21.23	20.32

Analysis of Statement of Financial Position (Rupees in Million)						
Equity	8,972	8,156	8,232	5,434	3,737	3,576
Non Current Liabilities	5,106	4,366	2,649	1,663	1,670	972
Current Liabilities	4,202	3,801	2,547	2,664	1,821	1,772
Total Equity and Liabilities	18,280	16,323	13,427	9,762	7,229	6,320
Non Current Assets	15,919	13,320	11,249	6,671	5,655	5,301
Current Assets	2,361	3,003	2,178	3,090	1,573	1,019
Total Assets	18,280	16,323	13,427	9,762	7,229	6,320



	2021	2020	2019	2018	2017	2016
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Vertical Analysis %

Equity	49.08	49.97	61.31	55.67	51.70	56.58
Non Current Liabilities	27.93	26.75	19.73	17.04	23.11	15.38
Current Liabilities	22.99	23.28	18.97	27.29	25.19	28.04
Total Equity and Liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non Current Assets	87.08	81.60	83.78	68.34	78.23	83.88
Current Assets	12.92	18.40	16.22	31.66	21.77	16.12
Total Assets	100.00	100.00	100.00	100.00	100.00	100.00

Horizontal Analysis (Cumulative %)

Equity	150.88	128.09	130.20	51.98	4.51	100
Non Current Liabilities	425.40	348.31	172.58	71.15	71.89	100
Current Liabilities	137.16	114.49	43.72	50.34	2.79	100
Total Equity and Liabilities	713.46	591.90	346.52	173.47	79.19	100.00
Non Current Assets	200.30	151.27	112.21	25.85	6.69	100
Current Assets	131.80	194.85	113.83	203.39	54.47	100
Total Assets	332.09	346.12	226.04	229.24	61.16	100.00

Horizontal Analysis (Cumulative %)

Equity	10.00	(0.92)	51.47	45.41	4.51	100
Non Current Liabilities	16.93	64.83	59.27	(0.43)	71.89	100
Current Liabilities	10.57	49.24	(4.40)	46.26	2.79	100
Total Equity and Liabilities	37.50	113.15	106.34	91.25	79.19	100.00
Non Current Assets	19.51	18.40	68.63	17.96	6.69	100
Current Assets	(21.39)	37.89	(29.52)	96.41	54.47	100
Total Assets	(1.87)	56.30	39.11	114.37	61.16	100.00

	2021	2020	2019	2018	2017	2016
Analysis of Statement of Profit and Loss Accounts						
Gross turnover	4,380	1,372	4,822	4,335	3,467	3,177
Net turnover	3,206	1,080	3,271	2,910	2,470	2,476
Cost of sales	2,903	1,542	3,081	2,653	2,267	2,309
Gross (loss) / profit	303	(462)	191	257	203	167
Administrative Expense	(54)	(58)	(50)	(46)	(39)	(26)
Distribution Expense	(11)	(8)	(9)	(7)	(6)	(5)
Other operating expense	(19)	-	(13)	(18)	(15)	(15)
Operating Profit / (Loss)	219	(528)	118	185	143	120
Finance Cost	(72)	(80)	(33)	(44)	(8)	(3)
Other Income	106	95	98	92	64	78
Profit / (Loss) before taxation	254	(513)	184	233	199	195
Taxation	(110)	(18)	(42)	(52)	(38)	(50)
Profit / (Loss) after taxation	144	(531)	142	182	161	146
Other Comprehensive income	0.054	0.045	0.073	0.040	0.076	0.062
Total Comprehensive income for the year	144	(531)	142	182	161	146

Vertical Analysis-%						
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	90.55	142.83	94.17	91.17	91.77	93.27
Gross Profit	9.45	(42.83)	5.83	8.83	8.23	6.73
Administrative Expense	1.68	5.34	1.53	1.60	1.59	1.07
Distribution Expense	0.34	0.77	0.28	0.25	0.25	0.21
Other operating expense	0.59	-	0.40	0.61	0.62	0.62
Operating (loss) / profit	6.85	(48.94)	3.62	6.37	5.77	4.84
Finance Cost	2.24	7.41	1.00	1.51	0.33	0.12
Other Income	(3.30)	(8.85)	(3.01)	(3.15)	(2.61)	(3.17)
Profit / (Loss) before taxation	7.91	(47.51)	5.83	8.01	8.05	7.89
Taxation	3.43	1.66	1.28	1.77	1.52	2.00
Profit / (Loss) after taxation	4.48	(49.16)	4.35	6.24	6.53	5.88
Other Comprehensive income	0.002	0.004	0.002	0.001	0.003	0.003
Total Comprehensive income for the year	4.48	(49.16)	4.35	6.24	6.53	5.89

	2021	2020	2019	2018	2017	2016
Horizontal Analysis (Cummulative %)						
Turnover	29.48	(56.40)	32.14	17.55	(0.22)	100.00
Cost of Sales	25.71	(33.22)	33.42	14.92	(1.83)	100.00
Gross Profit	81.71	(377.35)	14.34	54.09	21.98	100.00
Administrative Expense	103.99	118.53	89.36	76.10	49.06	100.00
Distribution Expense	107.65	59.44	74.83	40.66	16.53	100.00
Other operating expense	23.28	(100.00)	(13.96)	16.81	0.73	100.00
Operating (loss) / profit	83.11	(540.78)	(1.21)	54.56	18.96	100.00
Finance Cost	2,358	2,643	1,022	1,405	177	100.00
Other Income	35.08	22	26	17	(18)	100.00
(Loss) / profit before taxation	29.88	(362.54)	(5.72)	19.35	1.82	100.00
Taxation	121.63	(63.95)	(15.79)	4.01	(24.20)	100.00
(Loss) / profit after taxation	(138)	(464.26)	(2.29)	24.58	10.68	100.00
Other Comprehensive income	(12.21)	(27.40)	18.03	(35.66)	22.59	100.00
Total Comprehensive income for the year	(139)	(464.08)	(2.28)	24.55	10.68	100.00

Horizontal Analysis (Year on Year %)						
Turnover	196.96	(67.00)	12.40	17.82	(0.22)	100.00
Cost of Sales	88.26	(49.95)	16.10	17.05	(1.83)	100.00
Gross Profit	(165.52)	(342.58)	(25.80)	26.32	21.98	100.00
Administrative Expense	(6.65)	15.41	7.53	18.14	49.06	100.00
Distribution Expense	30.24	(8.81)	24.28	20.71	16.53	100.00
Other operating expense	100.00	(100.00)	(26.34)	15.96	0.73	100.00
Operating Profit / (Loss)	(141.54)	(546.17)	(36.08)	29.93		4.84
Finance Cost	(10.36)	144.39	(25.41)	442.60	177.29	100.00
Other Income	10.88	(3.02)	7.34	42.49	(17.87)	100.00
Profit / (Loss) before taxation	(149.47)	(378.47)	(21.01)	17.22	1.82	4.84
Taxation	514.78	(57.19)	(19.04)	37.21	(24.20)	100.00
Profit / (Loss) after taxation	(127.07)	(472.80)	(21.57)	12.56	10.68	100.00
Other Comprehensive income	20.92	(38.49)	83.45	(47.52)	22.59	100.00
Total Comprehensive income for the year	(127.09)	(472.57)	(21.54)	12.53	10.68	100.00



Financial Ratios

Debt to Equity Ratio

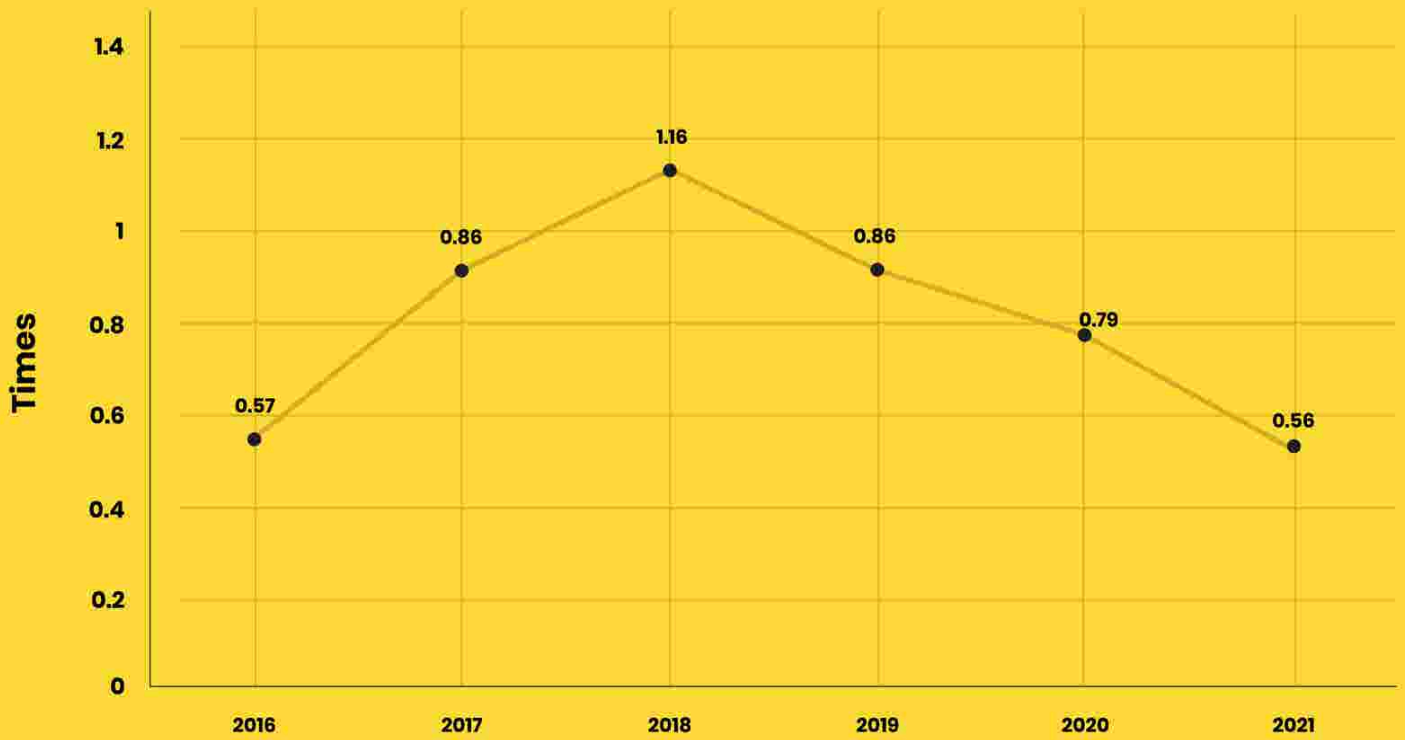


Cash to Current Liabilities

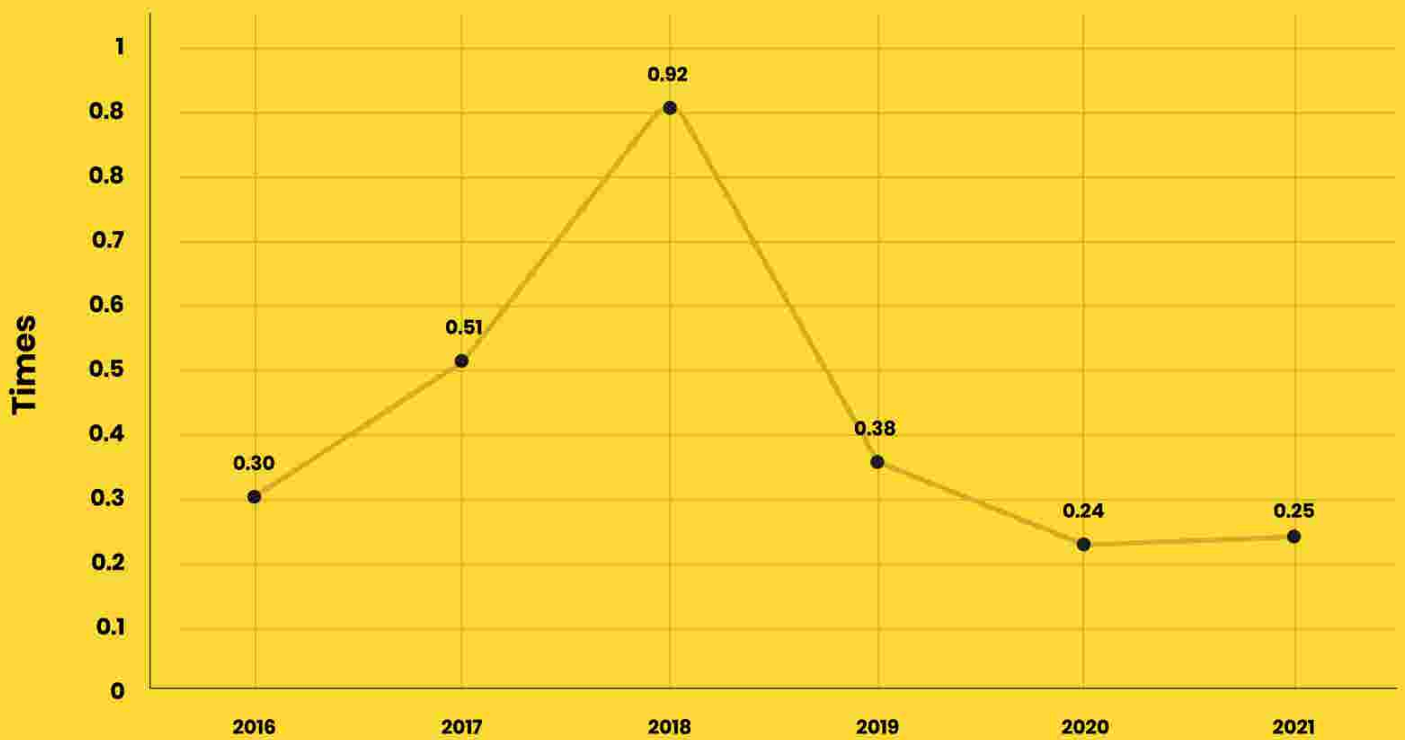




Current Ratio



Acid Test Ratio

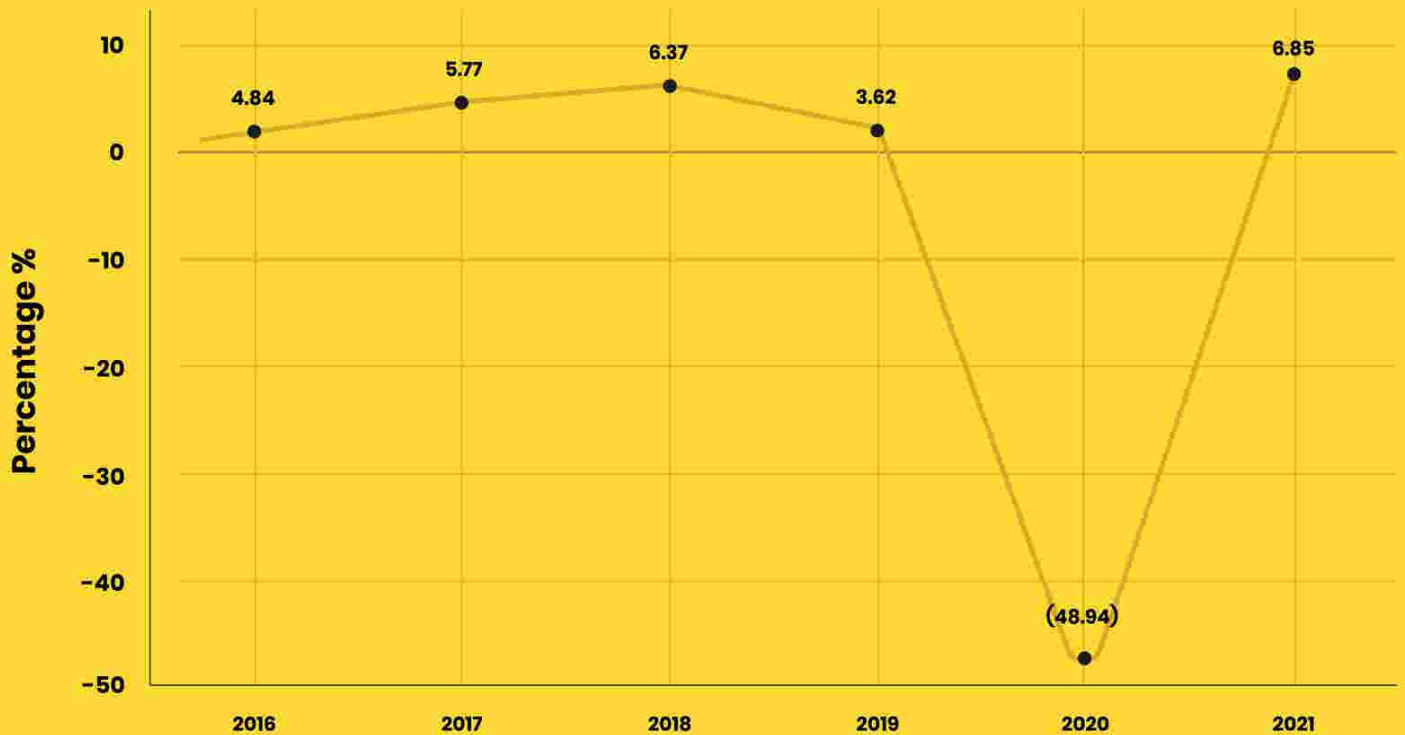




Gross Profit to sales



Operating Profit to Sales





Profit before tax to Sales



Profit after tax to Sales

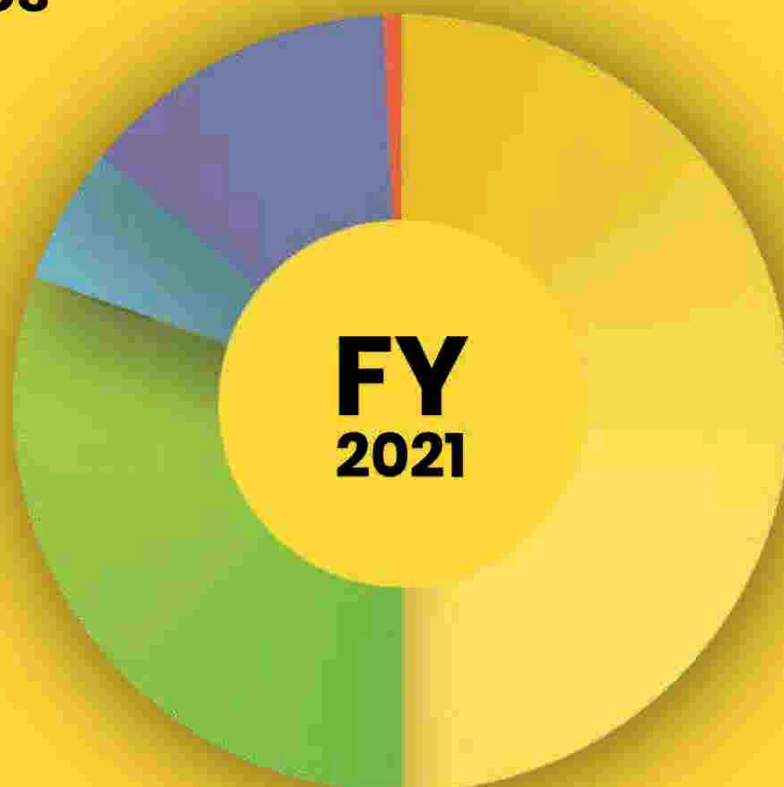


Composition Of Balance Sheet

Equity and Liabilities

Percentage

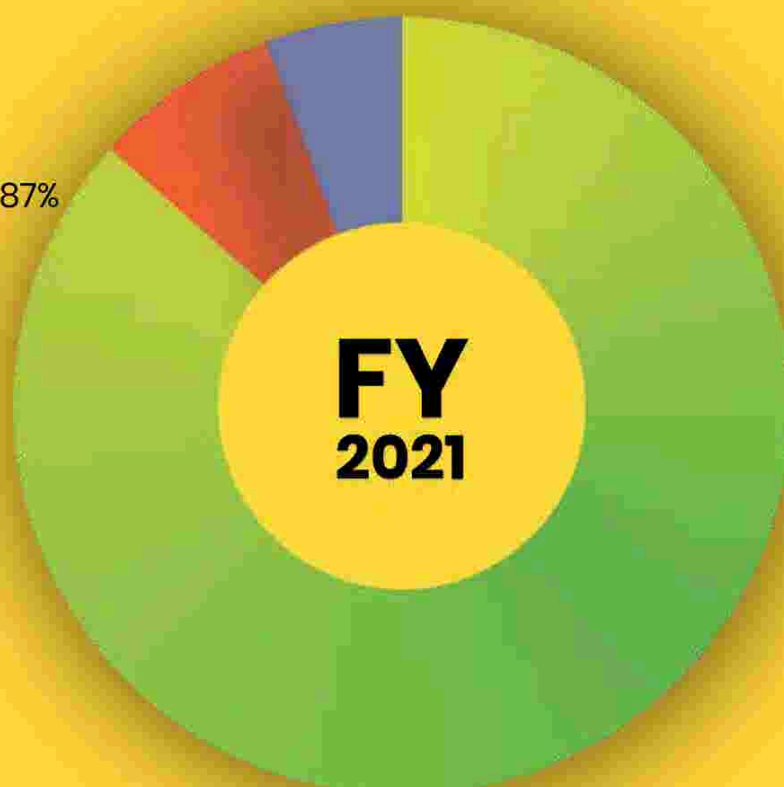
- Trade and other payables-13%
- Short term finance-2%
- Equity-50%
- Long term finance-30%
- Other Liabilities-5%



Assets

Percentage

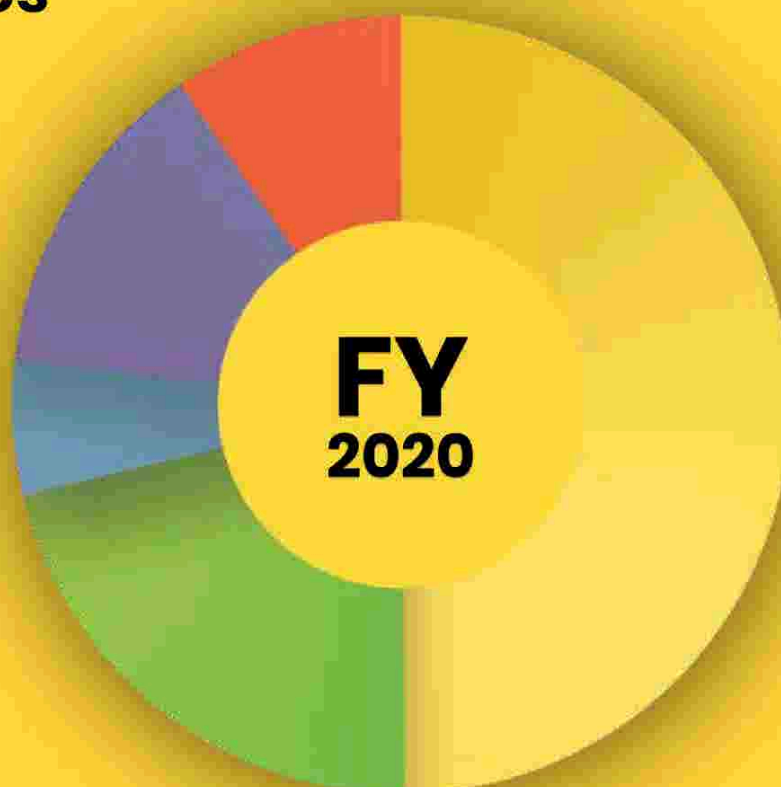
- Property, plant and equipment-87%
- Stock in trade-5%
- Other assets-8%



Equity and Liabilities

Percentage

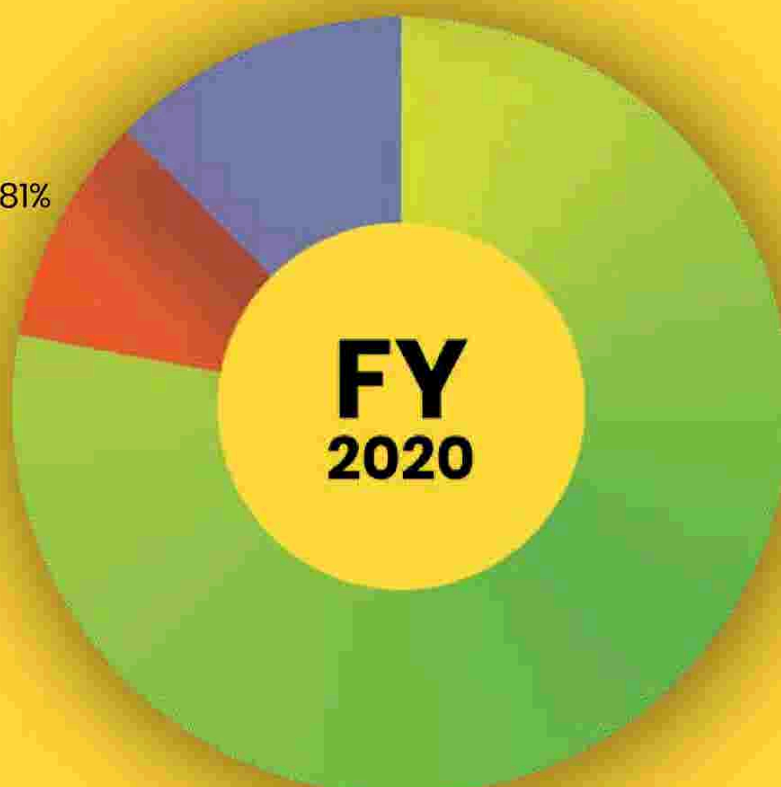
- Trade and other payables-13%
- Short term finance-10%
- Equity-49%
- Long term finance-21%
- Other Liabilities-7%



Assets

Percentage

- Property, plant and equipment-81%
- Stock in trade-8%
- Other assets-11%



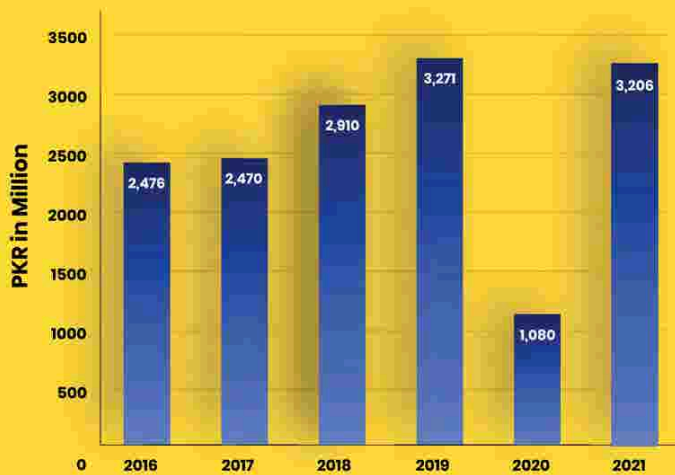


Financials at a Glance

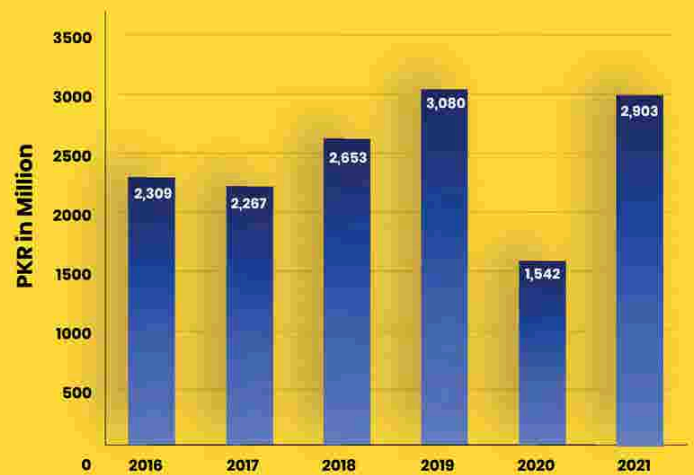




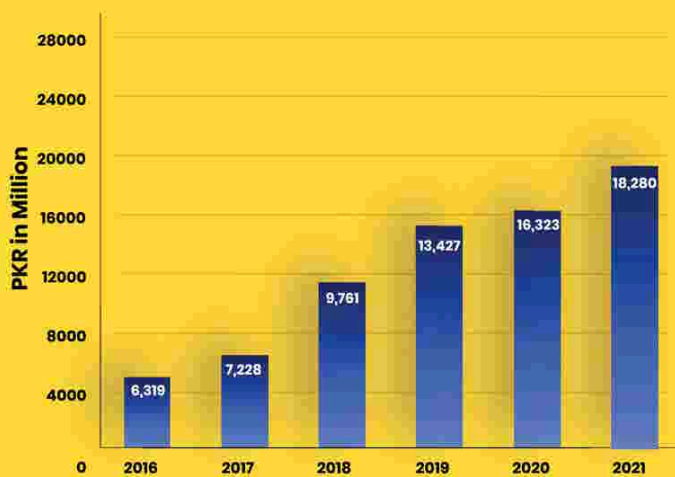
Sales Revenue



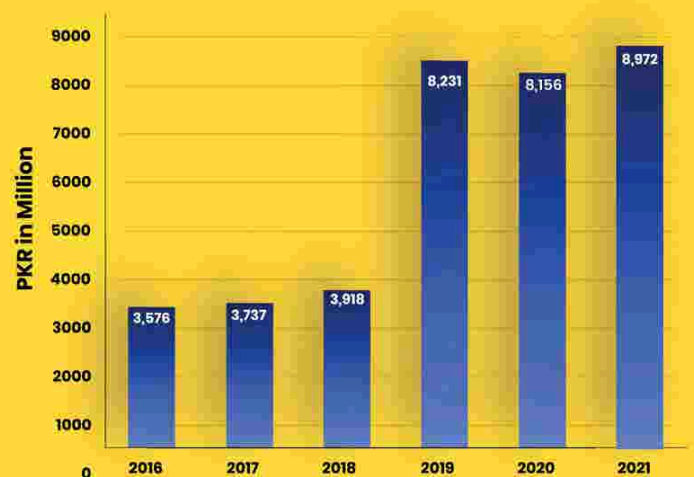
Cost of Sales



Total Assets



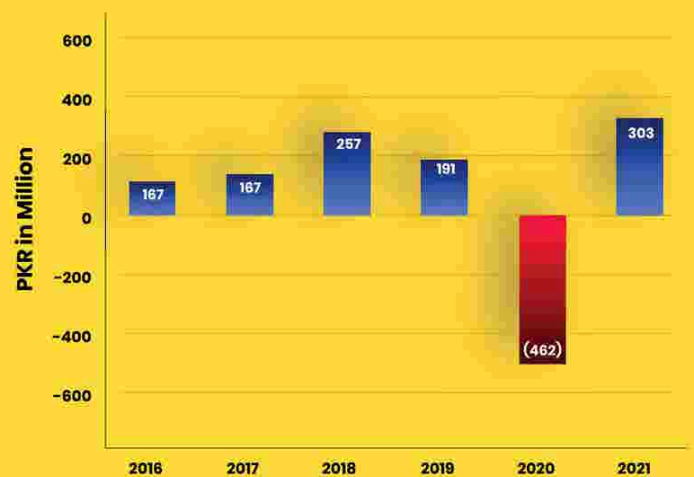
Shareholders Equity



Net Profit/(Loss)



Gross Profit/(Loss)





Striving for Excellence in Corporate Reporting





INDEPENDENT AUDITOR'S REPORT

To the members of Flying Cement Company Limited

Report on the Audit of the Financial Statements for the year ended 30th June 2021

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, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss 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 state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive loss, 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 Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key audit matters:



S.No	Key Audit Matter	How the matter was addressed in our audit
1	<p>Stores, spares and loose tools:</p> <p>(Refer to the note no 19 to the financial statements)</p> <p>The company has store spares and loose tools of amounting Rs. 255.05 million at current year end. The store items are kept by the company at its factory premises and as per policy of the company are recorded at weighted average cost.</p> <p>Due to significance of the value of store items and to ensure accuracy of the quantities and weighted average value we considered store spares and loose tools to be a key audit matter.</p>	<p>We performed following audit procedures to verify store spares and loose tools:</p> <p>Visited company factory during annual stock take to verify the physical quantities of store items at year end.</p> <p>During physical verification checked physical condition of store items for any impairment.</p> <p>Verified purchases and consumption of store items during the year.</p> <p>Verified weighted average rate and ensured that closing store is recorded at accurate value.</p>
2	<p>Loan from associated undertakings:</p> <p>(Refer to the note no 10 to the financial statements)</p> <p>The company has loan from associated undertakings of amounting Rs. 331.89 million at current year end. These companies are being considered associated company on the basis of common shareholding of directors directly or indirectly in excess of 20%.</p> <p>Due to complexity of nature and specific disclosure requirement of applicable financial reporting framework we considered loan from associated undertakings to be a key audit matter.</p>	<p>We performed following audit procedures to verify loan from associated undertakings:</p> <p>Verified common shareholding of directors directly or indirectly in excess of 20% to ensure that associated undertaking are accurately identified.</p> <p>Verified balance of the loan at year end through independent direct confirmation from the parties.</p> <p>Checked subsequent settlement of the loan.</p> <p>Checked the adequacy of disclosure of loan from associated undertaking in the financial statements in accordance with applicable financial reporting framework.</p>



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 Board of Directors for the Financial Statements

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

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

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

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 period 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Flying Cement Company Limited for the year ended June 30, 2020 were audited by Tahir Siddiqui & Co, Chartered Accountants who expressed an unmodified opinion on those financial statements on October 05, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Shahid Mohsin Shaikh (FCA).

Signature:

Naveed Zafar Ashfaq Jaffery

Lahore

Date: September 20, 2021

Flying Cement Company Limited

Statement of Financial Position

As at 30 June 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
400,000,000 ordinary shares of Rs. 10/- each.		4,000,000,000	2,000,000,000
Issued, subscribed and paid up capital	5	3,760,000,000	1,760,000,000
376,000,000, ordinary shares of Rs. 10/- each.			
Reserves	6	548,555,943	397,721,568
		4,308,555,943	2,157,721,568
Directors & shareholders loan	7	697,298,582	1,970,674,892
Surplus on revaluation of fixed assets	8	3,965,661,753	4,027,666,417
		4,662,960,335	5,998,341,309
		8,971,516,278	8,156,062,877
NON-CURRENT LIABILITIES			
Long term liabilities	9	4,114,951,771	3,440,947,104
Loan from associated undertaking	10	331,867,808	328,726,928
Long term deposits	11	14,005,340	14,005,340
Deferred liabilities	12	645,044,386	582,753,672
		5,105,869,305	4,366,433,044
CURRENT LIABILITIES			
Trade and other payables	13	1,620,162,968	1,455,593,421
Directors & shareholders loan		808,540,887	744,442,920
Unclaimed Dividend	14	59,526	59,526
Short term finances	15	415,229,671	1,582,311,299
Current portion of long term finance	9	1,358,298,000	18,252,000
		4,202,291,052	3,800,659,166
TOTAL LIABILITIES		9,308,160,357	8,167,092,210
Contingencies and commitments	16	-	-
TOTAL EQUITY AND LIABILITIES		18,279,676,635	16,323,155,087
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	17	15,885,677,785	13,286,873,693
Long term security deposits	18	32,880,151	32,880,151
		15,918,557,936	13,319,753,844
CURRENT ASSETS			
Stores, spares & loose tools	19	250,053,087	799,103,679
Stock in trade	20	970,617,841	1,307,317,011
Trade debts	21	185,871,391	3,488,783
Advances, deposits, prepayments & other receivables	22	749,642,350	870,098,845
Cash and bank balances	23	204,934,030	23,392,925
		2,361,118,699	3,003,401,243
TOTAL ASSETS		18,279,676,635	16,323,155,087

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


Director


Chief Executive


Chief Financial Officer

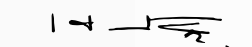
Flying Cement Company Limited
Statement Of Profit or Loss and Other Comprehensive Income
For The Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Gross Sales	24	4,379,653,073	1,372,197,678
Less Sales tax and federal excise duty		1,167,083,956	290,048,264
Trade discount		6,840,640	2,641,280
		<u>1,173,924,596</u>	<u>292,689,544</u>
Net sales		3,205,728,477	1,079,508,134
Cost of Sales	25	(2,902,791,827)	(1,541,891,726)
Gross Profit / (Loss)		302,936,650	(462,383,592)
Operating Expenses			
Distribution Expenses	26	(10,797,764)	(8,290,495)
Administrative Expenses	27	(53,841,326)	(57,679,187)
Other Operating Expenses	28	(18,802,510)	-
		<u>(83,441,600)</u>	<u>(65,969,682)</u>
Operating Profit / (Loss)		219,495,050	(528,353,274)
Finance Cost	29	(71,675,623)	(79,963,580)
Other Income	30	105,878,210	95,491,568
Profit / (Loss) Before Taxation		<u>253,697,637</u>	<u>(512,825,286)</u>
Taxation	31	(110,012,895)	(17,894,634)
Profit / (Loss) After Taxation		143,684,742	(530,719,920)
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of obligation of employees retirement benefits		(76,622)	63,364
Deferred tax on remeasurement of defined benefits plan		<u>22,220</u>	<u>(18,376)</u>
		<u>(54,402)</u>	<u>44,988</u>
Total Comprehensive Income / (Loss) for the year		<u>143,630,340</u>	<u>(530,674,932)</u>
Earnings / (Loss) Per Share (before tax) - Basic	32	<u>0.67</u>	<u>(2.91)</u>
Earnings / (Loss) Per Share (after tax) - Basic	32	<u>0.38</u>	<u>(3.02)</u>

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


Director


Chief Executive


Chief Financial Officer

FLYING CEMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Ordinary Share Capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Directors & Shareholders Loan (Rs.)	Capital Reserves		Total (Rs.)
				Revaluation Surplus (Rs.)	Gain on Disposal of Shares (Rs.)	
Balance as at July 01, 2019	1,760,000,000	738,147,441	1,515,674,892	4,090,936,482	126,978,994	8,231,737,809
Revaluation surplus on Property, Plant & Equipment	-	-	-	-	-	-
Profit / (Loss) for the year	-	(530,719,920)	-	-	-	(530,719,920)
Other comprehensive Income (Loss) for the year	-	44,988	-	-	-	44,988
Directors & Shareholders loan	-	-	455,000,000	-	-	455,000,000
Incremental depreciation	-	63,270,065	-	(63,270,065)	-	-
Balance as at June 30, 2020	1,760,000,000	270,742,574	1,970,674,892	4,027,666,417	126,978,994	8,156,062,877
Revaluation surplus on Property, Plant & Equipment	-	-	-	-	-	-
Profit / (Loss) for the year	-	143,684,742	-	-	-	143,684,742
Other comprehensive Income (Loss) for the year	-	(54,402)	-	-	-	(54,402)
Directors & Shareholders loan - Net	-	-	(1,273,376,310)	-	-	(1,273,376,310)
Incremental depreciation	-	62,004,664	-	(62,004,664)	-	-
Issuance of right shares	2,000,000,000	-	-	-	-	2,000,000,000
Shares issue expenses	-	(54,800,629)	-	-	-	(54,800,629)
Balance as at June 30, 2021	3,760,000,000	421,576,949	697,298,582	3,965,661,753	126,978,994	8,971,516,278

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

Munir Durrani

Director

Agha Khayyam Khan

Chief Executive

14 June 2021

Chief Financial Officer

FLYING CEMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Cash generated from operations	40	1,518,681,011	(981,445,108)
Gratuity Paid		-	(369,800)
Finance cost paid		(71,675,623)	(79,963,580)
Income Tax (paid) / refund received		(17,624,996)	26,712,114
Net Cash from Operating Activities		1,429,380,392	(1,035,066,374)
Cash Flows From Investing Activities			
Fixed Capital Expenditure		(2,769,772,267)	(2,207,851,970)
Long Term Security deposit		-	-
Net Cash (used in) Investing Activities		(2,769,772,267)	(2,207,851,970)
Cash Flows From Financing Activities			
Term Finance		(493,076,961)	2,832,373,185
Current maturity long term finance		1,340,046,000	(40,000,000)
Associated undertaking		3,140,880	(39,749,512)
Increase in Share Capital		2,000,000,000	-
Shares issue expenses		(54,800,629)	-
Director & Shareholders Loan		(1,273,376,310)	455,000,000
Net Cash from Financing Activities		1,521,932,980	3,207,623,673
Net Increase / (Decrease) in Cash and Cash Equivalents		181,541,106	(35,294,671)
Cash and Cash Equivalents - at the beginning of the year		23,392,925	58,687,595
Cash and Cash Equivalents - at the end of the year		204,934,031	23,392,925

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


Director


Chief Executive


Chief Financial Officer

Flying Cement Company Limited

Notes To The Financial Statements

For The Year Ended June 30, 2021

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. (Now the companies Act, 2017). The shares of the company are listed on Pakistan Stock Exchange Limited.

The principal activities of the company are to manufacturing, marketing and sale of cement. The geographical location and address of the company's business units including plants are as follows:

Business Unit

Head Office (Registered office)

Manufacturing Plant

Geographical Location & Address

04- Sarwar Colony Sarwar Road Cantt, Lahore.

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

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

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

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

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

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain items, as disclosed in the relevant accounting policies below.

Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of PKR. / Rupees, unless otherwise stated.

2.3 Key Judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the use of certain critical accounting estimates. In, addition, it requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to ;

- Valuation useful lives, residual values and depreciation method of Property, Plant and equipment [Refer to Note 17].
- Provision for slow moving inventories
- Obligation of defined benefit plans for employees.[Refer to note 12.2]
- Estimate of current and deferred tax.[Refer to note 12.1]
- Estimate of contingent liabilities.
- Impairment loss of non-financial assets other than inventories.

3 Change in accounting standards, interpretations and amendments to accounting and reporting standards

3.1 New and Amendments to published accounting and reporting standards which became effective during the year:

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the year. However, the amendments did not have any significant impact on the financial reporting of the Company.

IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors'; Effective date (annual reporting periods beginning on or after) January 31, 2023

IFRS 3 (Amendments) 'Business Combination'; Effective date (annual reporting periods beginning on or after) January 31, 2022

IFRS 16 (Amendments) 'Leases'; Effective date (annual reporting periods beginning on or after) January 31, 2021

Flying Cement Company Limited

Notes To The Financial Statements

For The Year Ended June 30, 2021

Interest Rate Benchmark Reform which amended IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures'. ; Effective date (annual reporting periods beginning on or after) January 31, 2021

3.2 New and Amendments to published accounting and reporting standards which are not yet effective:

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

IFRS 17 Insurance Contract; Effective date (annual reporting periods beginning on or after) January 01, 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements.

4 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, Plant and equipment

The Company has adopted revaluation model for its property, plant and equipment. Property, plant and equipment except for equipments furniture and fixture and vehicles which are stated at cost less accumulated depreciation and impairment loss if any. Freehold land is stated at cost less impairment loss, if any.

Depreciation charged on all depreciable assets is charged to profit and loss account on the reducing balance method over its estimated useful life at annual rates mentioned in note of fixed assets (17) after taking into account their residual values. Depreciation on additions is charged from the month in which asset is available for use and on disposal before the month of disposal. Residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or are recognized as separate asset as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the company and cost can be measured reliably. The carrying amount of the replaced part is derecognized at the time of replacement. Normal repair and maintenance and day to day servicing are charged to the statement of profit or loss as incurred.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods. Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gain and loss on disposal is determined by comparing the carrying amount of that asset with the sales proceed and is recognised within 'other income / other operating expenses' in the statement of profit .

4.2 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss. All expenditures connected to the specific assets incurred and construction period is carried under capital work in progress. These are transferred to specific assets as and when these are available for use.

4.3 Stock - in - trade

Stock in trade are stated at the lower of cost and net realizable value. Cost of raw materials and components represent invoice values plus other charges incurred thereon. Cost of inventory is based on weighted average cost. Cost in relation to work in process and finished goods represent direct cost of raw materials, wages and appropriate manufacturing overheads. Goods in transit are valued at cost accumulated upto the reporting date.

The company reviews the carrying amount of stock in trade on an ongoing basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make sale.

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For The Year Ended June 30, 2021

4.4 Stores, spares & loose tools

Stores, spares and loose tools are stated at lower of cost and net realizable value. The cost of inventory is based on weighted average cost. Items in transit are stated at cost accumulated up to the reporting date. The Company reviews the carrying amounts of stores, spares and loose tools on an on-going basis and provision is made for obsolescence if there is any change in usage.

4.5 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

4.6 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost according to IFRS 9. Under IAS 39, trade and other receivables were previously classified as loans and receivables. Trade debts are initially recognized at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company estimates the credit losses using a provision matrix, where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Bad debts are written off with the approval of board of directors when identified.

4.7 Cash and Cash Equivalents

Cash and cash equivalents are stated at cost in the statement of financial position. For the purpose of cash flow statement cash and cash equivalent consists of cash in hand and balances with banks and short term borrowings under markup arrangement, saving and deposit accounts.

4.8 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company

4.9 Financial Liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortized cost using effective interest method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a DE recognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.10 Financial Assets

The details of new accounting policies after the application of IFRS 9 is as follows. The new IFRS effectively eliminated loans and receivables category of the previous IAS 39.

4.10.1 Classification

Financial assets are classified, into following categories: financial assets at amortized cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income as per the requirements of IFRS-9. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

Flying Cement Company Limited

Notes To The Financial Statements

For The Year Ended June 30, 2021

a) Financial assets at amortized cost

A financial asset shall be classified as financial asset at amortized cost if both of the following conditions are met

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

b) Financial assets at Fair Value through Other Comprehensive Income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the company is achieved by both collecting cash flows and selling the financial assets.

Equity investments that are not held for trading and the company made an irrevocable election at initial recognition to measure it at fair value with only dividend income recognized in profit or loss.

c) Financial asset at fair value through Profit or loss

Financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive Income.

A debt instrument can be classified as financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring from measuring assets or liabilities or recognizing the gains or losses on them on different basis.

4.10.2 Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. After initial recognition, financial assets are measured at amortized cost. Gains or losses arising from changes in fair value of the ‘financial assets at fair value through profit or loss’ category are presented in the statement of profit or loss within ‘other income / other operating expenses’ in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of ‘other income’ when the Company’s right to receive payments is established. Gains or losses arising from changes in fair value of the ‘financial assets at fair value through other comprehensive income’ category are recognized in other comprehensive income with only dividend income recognized in profit or loss. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of profit or loss. Impairment losses recognized in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on all the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

4.11 Derivative, financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, if so, the nature of the item being hedged. The Company designates certain derivatives as either fair value hedge or cash flow hedge.

a) Fair Value Hedge

A hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment or a component of any such item that is attributable to a particular risk and could affect profit or loss.

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.

4.12 Borrowing Costs

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

Flying Cement Company Limited

Notes To The Financial Statements

For The Year Ended June 30, 2021

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate

4.14 Foreign Currency Transactions

Transactions in foreign currencies are accounted for in Pakistan rupees at monthly average rates. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the reporting date. Exchange gain or losses are charged to profit and loss account.

4.15 Impairment of Non- financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.16 Revenue recognition

According to the core principles of IFRS-15, the Company recognizes the revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. The Company recognizes the revenue in accordance with that core principle by applying the following steps.

- Identify the contract with customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when the entity satisfies a performance obligation.

The Company is involved in manufacturing and sale of cement. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts. Income from different sources other than above is recognized on the following basis

- Dividend income is recognized when the right to receive payment is established.

4.17 Related Party transactions

The company enters into transactions with related parties on 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.

Long term investment in associates

Investment in associated companies is accounted for using the equity method of accounting. Under this method, investment is initially recognized at cost plus the the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investments.

4.18 Staff Retirement benefits

The Company operates a defined benefit plan i.e gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Contributions are made to fund on the basis actuarial recommendations. Actuarial valuation is carried out using the projected unit credit method. All actuarial gains and losses are recognized in other comprehensive Income.

4.19 Earning Per Share-Basic

The Company presents earning per share data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.20 Dividend and appropriations

Dividend is recognised as liability in period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which appropriations are approved.

4.21 Share Capital

Ordinary shares are classified as equity and recognized at face value.

Flying Cement Company Limited
Notes To The Financial Statements
For The Year Ended June 30, 2021

		2021 Rupees	2020 Rupees
5 SHARE CAPITAL			
a) Authorized Capital			
400,000,000 (2020 : 200,000,000) ordinary shares of Rs.10/- each.		<u>4,000,000,000</u>	<u>2,000,000,000</u>
b) Issued, Subscribed and Paid Up Capital			
- 337,419,189 (2020 : 137,419,189) ordinary shares of Rs.10/- each fully paid up in cash.		3,374,191,890	1,374,191,890
- 22,580,811 (2020: 22,580,811) ordinary shares of Rs. 10/- each fully paid up for consideration other than cash - Plant & Machinery		225,808,110	225,808,110
- 16,000,000 (2019: 16,000,000) bonus shares of Rs.10/- each fully issued as bonus shares.		160,000,000	160,000,000
		<u>3,760,000,000</u>	<u>1,760,000,000</u>
6 RESERVES			
Capital Reserve		126,978,994	126,978,994
Revenue Reserve			
Un-appropriated Profit/(Loss)		421,576,949	270,742,574
		<u>548,555,943</u>	<u>397,721,568</u>
7 DIRECTORS & SHAREHOLDERS LOAN - UNSECURED			
Directors & shareholders loan	7.1	697,298,582	1,970,674,892
		<u>697,298,582</u>	<u>1,970,674,892</u>
7.1	The Directors have provided interest free loan for expansion and working capital requirements. The repayment of the loan is at the discretion of the Company.		
8 SURPLUS ON REVALUATION OF FIXED ASSETS			
Balance as July 01,		4,027,666,417	4,090,936,482
Add: Revaluation Surplus		-	-
		<u>4,027,666,417</u>	<u>4,090,936,482</u>
Less: Surplus transferred to accumulated profit			
Incremental depreciation		87,330,512	89,112,767
Deferred Tax effect		(25,325,848)	(25,842,702)
		<u>62,004,664</u>	<u>63,270,065</u>
		<u>3,965,661,753</u>	<u>4,027,666,417</u>

- 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. 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. Surplus on revaluation includes freehold land amounting to Rs.111.594 million (2020: Rs. 111.594 million).

	Note	2021 Rupees	2020 Rupees
9 LONG TERM LIABILITIES			
Loans from banking companies - secured	9.1	4,114,951,771	3,440,947,104
		4,114,951,771	3,440,947,104
9.1 LOANS FROM BANKING COMPANIES - SECURED			
National Bank of Pakistan Demand Finance - II	9.1.1	1,274,048,580	1,274,048,580
National Bank of Pakistan Demand Finance - III	9.1.2	36,370,000	50,059,000
National Bank of Pakistan Demand Finance - IV	9.1.3	1,124,548,433	1,258,548,433
National Bank of Pakistan Demand Finance - V	9.1.4	400,000,000	400,000,000
National Bank of Pakistan Demand Finance - VI	9.1.5	134,000,000	-
National Bank of Pakistan Demand Finance - VII	9.1.6	1,349,369,125	-
National Bank of Pakistan Demand Finance - VIII	9.1.7	608,382,580	-
Al Baraka Bank Diminishing Musharika	9.1.8	546,531,053	476,543,091
		5,473,249,771	3,459,199,104
Less: current portion of long term liabilities as shown under current liabilities		1,358,298,000	18,252,000
		4,114,951,771	3,440,947,104

- 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. The facility rescheduled Rs.1274.049 million on 01-09-2020.

The rescheduled facility includes a deferment period of 9 months and principal to be repaid in 14 quarterly installments of Rs.93.75 million each. The first installment will be fall due on 31-12-2021. 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 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 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 month 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.

- 9.1.3** LC-Sight OTT includes facility for import of additional machinery / upgrading production capacity to 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 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 enhanced capacity 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 prorate 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 the 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 charges 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.

- 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 534 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 facility is rescheduled on 01-09-2020. As per the rescheduled letter, the Company is required to pay 20 quarterly installments of Rs 20 million each starting from 31-12-2021. It will be charged with 3 Months KIBOR plus 1.75 %
- 9.1.5** Fresh Demand Finance - Facility for Rs 134 million to Finance foreign exchange differential amount / finance cost overrun requirement of the Company against First Pari Passu charge of the company amounting to Rs 179 million and personal guarantees of all Directors. It will be charged with 3 Months KIBOR plus 2 %. It will be paid of in 57 months including grace period of 9 months from first draw down in limit. tentatively up 31-03-2025.
- 9.1.6** Fresh Demand Finance Facility Rs 1,400 million have been obtained for against our current facilities of LC 300 million, and 1,000 million and Cash Finance Rs 100 million against 1st Pari Passu charge of the Company amounting to Rs 1,867 million over all present & future fixed assets of the Company, Hypothecation charge over Plant & Machinery and mortgage charge on land and personal guarantees of two sponsor Directors. Markup shall be charged at 3 Months KIBOR plus 2 %. It will be paid of in 78 months including grace period of 18 months from first draw down in limit. tentatively up 31-12-2026.
- 9.1.7** Fresh Demand Finance Facility Rs 610 million have been obtained against our current mark up on CF, DF and LC facilities against 1st Pari Passu charge of the company amounting to Rs 814 Million, First Charge over all present & Future fixed assets of the company. Hypothecation charge over Plant & Machinery and mortgage charge on land and personal guarantees of all Directors. It will be paid in 36 monthly installments started from 31-03-2021 to 29-02-2024.

All these facilities also include commitment of sponsoring directors through pledge of shares.

- 9.1.8** A Diminishing Musharika Facility of Rs 600 million is obtained from Albaraka Bank Pakistan Limited, as per Islamic mode of financing tenor is 5 years with one half years grace period for principal repayment only and afterward, the due amount installment shall be paid by 7 equal half yearly installments over the remaining years of 3.5 years. The finance is secured against 1st Pari Passu charge over current assets of the Company valuing Rs. 144 million, 1st Pari Passu charge over Fixed assets of the Company valuing Rs 882 million, and personal guarantee of all Directors of the Company. Mark-up is charged 6 month KIBOR + 3%.

	Note	2021 Rupees	2020 Rupees
10	LOAN FROM ASSOCIATED UNDERTAKINGS - UNSECURED		
Flying Paper Industries Limited		174,480,989	169,740,989
Flying Board & Paper Products Limited		112,933,186	114,532,306
Poly Paper & Board Mills(Pvt) Limited		34,300,000	34,300,000
Zamam Paper & Board Mills (Pvt) Limited		10,153,633	10,153,633
		331,867,808	328,726,928

These represents markup free loans from associated undertakings that will be repayable on discretion of the company

11	LONG TERM DEPOSITS - UNSECURED		
Dealers	11.1	2,805,000	2,805,000
Transporters	11.2	11,200,340	11,200,340
		14,005,340	14,005,340

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

11.2 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 expiry of previous contract period. These are being utilized by the Company in accordance with agreed terms.

		2021 Rupees	2020 Rupees
12 DEFERRED LIABILITIES			
Deferred Taxation	12.1	643,280,504	581,478,366
Gratuity	12.2	1,763,882	1,275,306
		645,044,386	582,753,672
12.1 Deferred Taxation - Net			
Taxable temporary differences - effect thereof			
-Excess of accounting book value of fixed assets over their tax base		1,130,887,726	1,129,198,533
-Prepaid rent		87,000	-
Deductible temporary differences - effect thereof			
-Gratuity		(489,305)	(369,839)
-WPPF & WWF		(11,973,368)	(6,520,640)
-Remeasurement of defined benefits		(22,220)	18,376
-Unused tax losses		(475,209,329)	(540,848,064)
		643,280,504	581,478,366

12.2 The amounts recognized in the statement of financial position based on the recent actuarial valuation carried on June 30, 2021 are as follows

12.2.1 Statement of Financial Position

Present value of defined benefit obligation	1,763,882	1,275,306
	1,763,882	1,275,306

12.2.2 Change in present value of defined benefits obligations

Present value of defined benefit obligation at the beginning of the year	1,275,306	1,240,660
Current service cost for the year	303,553	317,364
Interest cost on defined benefit obligation	108,401	150,446
Benefits paid	-	(369,800)
Gains and losses arising on plan settlements	-	-
Remeasurements		
Actuarial (gains) / losses from changes in demographic assumptions	-	-
Actuarial (gains) / losses from changes in financial assumptions	2,327	(7,106)
Experience adjustments	74,295	(56,258)
Present value of defined benefit obligation	1,763,882	1,275,306

12.2.3 Charge for the year

Current service cost	303,553	317,364
Interest cost on defined benefit obligation	108,401	150,446
Expenses charged to profit and loss	411,954	467,810

		2021 Rupees	2020 Rupees
12.2.4 The charge for the year has been allocated as follows:			
Cost of sales		-	-
Distribution cost		-	-
Administrative expenses		411,954	150,446
Cost of sale of electricity		-	-
		411,954	150,446
12.2.5 Principal actuarial assumptions used are as follows:			
Expected rate of increase in salary level		N/A	N/A
Valuation discount rate		10%	8.50%
The entity operates a salary based defined benefit plan for the employees.			
Expected charge to profit and loss account for year ended June 30, 2021 amount to Rs.411,954.			
12.2.6 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 + 100 bps		1,709,811	1,231,773
Discount rate - 100 bps		1,822,600	1,322,989
Salary increases + 100 bps		1,823,661	1,323,864
salary increases - 100 bps		1,707,860	1,230,181
12.2.7 Maturity profile of the defined benefit obligation:			
Weighted average duration - in number of years		6 Years	6 Years
The retirement will at most continue - year		2027	2026
12.2.8 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.			
	Note	2021 Rupees	2020 Rupees
13 TRADE AND OTHER PAYABLES			
Trade Payables & others - unsecured		855,731,547	948,144,914
Accrued liabilities		9,751,517	35,324,165
Accrued Markup		225,020,171	222,427,457
Taxes and Other Govt. Levies payable		379,942,770	88,334,666
Other liabilities		149,716,963	161,362,219
		1,620,162,968	1,455,593,421
14 UNCLAIMED DIVIDEND			
It represent amount of unclaimed dividend pertaining to past years and is still un claimed. This amount is being transferred to a separate bank account.			
15 SHORT TERM FINANCES			
Loans from banking companies-secured	15.1	415,229,671	1,582,311,299
		415,229,671	1,582,311,299

15.1 LOANS FROM BANKING COMPANIES-SECURED

	Note	2021 Rupees	2020 Rupees
Albaraka Islamic Bank	15.1.1	45,696,561	298,221,165
National Bank of Pakistan	15.1.2	369,533,110	1,184,090,134
National Bank of Pakistan (Cash Finance)		-	100,000,000
		415,229,671	1,582,311,299

15.1.1 A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (2020: 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 (2020: 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. This facility is converted into Diminishing Musharika Facility of Rs 600 (Million).

15.1.2 During the year, the Company has restructured financing from National Bank of Pakistan through letter of credit facility of usance (180 Days) to Rs. 400 million from 700 million at 20% Cash Margin with expiry of 31-12-2021 for the purpose of importing coal, packing material and machinery parts. The facility is secured against 1st charge of Rs.534 million over all present and future fixed assets of the Company and personal guarantees of two sponsor Directors. All these facilities also include commitment of sponsoring directors through pledge of shares.

16 CONTINGENCIES AND COMMITMENTS**16.1 Contingencies**

16.2 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.

16.3 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 and is likely to be decided in favour of the Company.

16.4 Income tax audit was conducted of tax year 2017 and an impugned liability of Rs.3.6 billion was determined. The company feeling aggrieved filed an appeal before Commissioner Appeal which is pending and is likely to be decided in favor of the Company.

16.5 Income Tax audit was conducted of tax year 2016, 2018 and 2019. and also sales tax audit of the year 2016,2018, 2019 and 2020. The Company have stay order against audit from Honorable Lahore High Court Lahore.

Commitments

16.6 Commitments in respect of outstanding letter of credit amount to Rs.139.614 million (2020 Rs.1,411,789(M). It includes letter of credit facilities for procurement of new cement production plant, raw material and parts of machinery.

16.7 The Banks has issued letter of guarantees on behalf of the Company for the following:

- Albaraka Islamic Bank :Excise Collection Office, Sindh Development & Maintenance amounting to Rs. 0.20 million
- National Bank of Pakistan: Collector of customs MCC appraisalment east Karachi wide B/L No. 00LU2030969510 and GD No. KAPE-HC-163690 dated 05-03-2021 amounting to Rs. 5 million.

	Note	2021 Rupees	2020 Rupees
17 PROPERTY, PLANT & EQUIPMENT			
Operating Assets - tangible	17.1	7,356,066,326	6,775,059,833
Capital Work in Progress - at cost	17.6	8,529,611,459	6,511,813,860
		15,885,677,785	13,286,873,693

17.1

Operating Fixed Assets

Particulars	Land-Freehold	Building on freehold land	Roads	Plant and Machinery	Electrical Insatallatio n	Tools and Equipmen †	Furniture, fixture and equipmen †	Vehicles	Total operating assets
------(Rupees)-----									
At July 01, 2019									
Cost	124,717,500	617,424,582	5,514,865	7,370,595,265	23,029,785	1,391,363	1,524,309	26,029,385	8,170,227,054
Accumulated depreciation	-	152,936,472	1,684,988	1,072,095,265	12,443,072	936,771	1,158,647	16,530,012	1,257,785,227
Net book value	124,717,500	464,488,110	3,829,877	6,298,500,000	10,586,713	454,592	365,662	9,499,373	6,912,441,827
Movement during the period									
Net book value as on July 01, 2019	124,717,500	464,488,110	3,829,877	6,298,500,000	10,586,713	454,592	365,662	9,499,373	6,912,441,827
Additions	-	-	-	-	50,000	-	-	-	50,000
Disposals:									
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	9,289,763	76,598	125,970,000	1,063,671	45,459	36,566	949,937	137,431,994
Closing Net Book Value	124,717,500	455,198,347	3,753,279	6,172,530,000	9,573,042	409,133	329,096	8,549,436	6,775,059,833
At June 30, 2020									
Cost/Revalued amount	124,717,500	617,424,582	5,514,865	7,370,595,265	23,079,785	1,391,363	1,524,309	26,029,385	8,170,277,054
Accumulated depreciation	-	162,226,235	1,761,586	1,198,065,265	13,506,743	982,230	1,195,213	17,479,949	1,395,217,221
Net book value	124,717,500	455,198,347	3,753,279	6,172,530,000	9,573,042	409,133	329,096	8,549,436	6,775,059,833
At July 01, 2020									
Cost/Revalued Amount	124,717,500	617,424,582	5,514,865	7,370,595,265	23,079,785	1,391,363	1,524,309	26,029,385	8,170,277,054
Accumulated depreciation	-	162,226,235	1,761,586	1,198,065,265	13,506,743	982,230	1,195,213	17,479,949	1,395,217,221
Net book value	124,717,500	455,198,347	3,753,279	6,172,530,000	9,573,042	409,133	329,096	8,549,436	6,775,059,833
Movement during the period									
Net book value as on July 01, 2020	124,717,500	455,198,347	3,753,279	6,172,530,000	9,573,042	409,133	329,096	8,549,436	6,775,059,833
Additions	-	-	-	720,651,127	760,000	-	-	-	721,411,127
Disposals:									
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	9,103,967	75,066	129,334,272	962,562	40,913	32,910	854,944	140,404,634
Closing Net Book Value	124,717,500	446,094,380	3,678,213	6,763,846,855	9,370,480	368,220	296,186	7,694,492	7,356,066,326
At June 30, 2021									
Cost/Revalued amount	124,717,500	617,424,582	5,514,865	8,091,246,392	23,839,785	1,391,363	1,524,309	26,029,385	8,891,688,181
Accumulated depreciation	-	171,330,202	1,836,652	1,327,399,537	14,469,305	1,023,143	1,228,123	18,334,893	1,535,621,855
Net book value	124,717,500	446,094,380	3,678,213	6,763,846,855	9,370,480	368,220	296,186	7,694,492	7,356,066,326
Annual rate of depreciation (%)	-	2	2	2	10	10	10	10	

17.2 Depreciation for the year has been allocated as under:

	Note	2021 Rupees	2020 Rupees
Cost of Goods Sold		139,516,780	136,445,491
Administrative expenses		887,854	986,503
		140,404,634	137,431,994

17.3 The company have revalued its Land, Building and Plant & Machinery. Revaluation of the assets was carried out by independent valuer M/S Habib Associates (Pvt) Limited on June 30, 2019. The force sale value of Rs. 6,887,705,610 comprise of Land is Rs.124,717,500 Building is Rs.464,488,100 and Plant and machinery Rs.6,298,500,000 as per valuation report.

17.4

Had there been no revaluation, the carrying amount of the assets would be as follows:

Particulars	Land-Freehold	Building on freehold land	Roads	Plant and Machinery	Electrical Insatallation	Tools and Equipment	Furniture, fixture and equipment	Vehicles	Total operating assets
------(Rupees)-----									
At July 01, 2019									
Cost	13,123,746	292,730,850	5,514,865	2,605,446,474	23,029,785	1,391,363	1,524,309	26,029,385	2,968,790,777
Accumulated depreciation	-	86,622,420	1,684,988	504,205,144	12,443,072	936,771	1,158,647	16,530,012	623,581,054
Net book value	13,123,746	206,108,430	3,829,877	2,101,241,330	10,586,713	454,592	365,662	9,499,373	2,345,209,723
Movement during the period									
Net book value as on July 01, 2019	13,123,746	206,108,430	3,829,877	2,101,241,330	10,586,713	454,592	365,662	9,499,373	2,345,209,723
Additions	-	-	-	-	50,000	-	-	-	50,000
Disposals:									
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	4,122,169	76,598	42,024,827	1,063,671	45,459	36,566	949,937	48,319,226
Closing Net Book Value	13,123,746	201,986,261	3,753,279	2,059,216,503	9,573,042	409,133	329,096	8,549,436	2,296,940,497
At June 30, 2020									
Cost	13,123,746	292,730,850	5,514,865	2,605,446,474	23,079,785	1,391,363	1,524,309	26,029,385	2,968,840,777
Accumulated depreciation	-	90,744,589	1,761,586	546,229,971	13,506,743	982,230	1,195,213	17,479,949	671,900,280
Net book value	13,123,746	201,986,261	3,753,279	2,059,216,503	9,573,042	409,133	329,096	8,549,436	2,296,940,497
At July 01, 2020									
Cost	13,123,746	292,730,850	5,514,865	2,605,446,474	23,079,785	1,391,363	1,524,309	26,029,385	2,968,840,777
Accumulated depreciation	-	90,744,589	1,761,586	546,229,971	13,506,743	982,230	1,195,213	17,479,949	671,900,280
Net book value	13,123,746	201,986,261	3,753,279	2,059,216,503	9,573,042	409,133	329,096	8,549,436	2,296,940,497
Movement during the period									
Net book value as on July 01, 2020	13,123,746	201,986,261	3,753,279	2,059,216,503	9,573,042	409,133	329,096	8,549,436	2,296,940,497
Additions	-	-	-	720,651,127	760,000	-	-	-	721,411,127
Disposals:									
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	4,039,725	75,066	47,189,756	962,562	40,913	32,910	854,944	53,195,875
Closing Net Book Value	13,123,746	197,946,536	3,678,214	2,732,677,874	9,370,480	368,220	296,186	7,694,492	2,965,155,749
At June 30, 2021									
Cost	13,123,746	292,730,850	5,514,865	3,326,097,601	23,839,785	1,391,363	1,524,309	26,029,385	3,690,251,904
Accumulated depreciation	-	94,784,314	1,836,651	593,419,727	14,469,305	1,023,143	1,228,123	18,334,893	725,096,155
Net book value	13,123,746	197,946,536	3,678,214	2,732,677,874	9,370,480	368,220	296,186	7,694,492	2,965,155,749
Annual rate of depreciation (%)	-	2	2	2	10	10	10	10	

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

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

17.6 Movement in Capital Work in Progress

	As at 01-07-2020	Addition	Adjustment	Revaluation	As at 30-06-2021
Building	356,349,590	167,088,830	-	-	523,438,420
Plant & machinery	6,155,464,270	2,571,359,896	720,651,127	-	8,006,173,039
	6,511,813,860	2,738,448,726	720,651,127	-	8,529,611,459

17.7 Movement in Capital Work in Progress

	As at 01-07-2019	Addition	Adjustment	Revaluation	As at 30-06-2020
Building	330,261,890	26,087,700	-	-	356,349,590
Plant & machinery	3,973,750,000	2,181,714,270	-	-	6,155,464,270
	4,304,011,890	2,207,801,970	-	-	6,511,813,860

	Note	2021 Rupees	2020 Rupees
17.8 CAPITAL WORK IN PROGRESS			
Building		523,438,420	356,349,590
Plant & machinery		8,006,173,039	6,155,464,270
		<u>8,529,611,459</u>	<u>6,511,813,860</u>
18 LONG TERM SECURITY DEPOSITS			
Security deposits-WAPDA		32,880,151	32,880,151
		<u>32,880,151</u>	<u>32,880,151</u>
18.1	These are security deposits held with WAPDA and do not carry any markup arrangement.		
19 STORES, SPARES AND LOOSE TOOLS			
Stores & Spares		1,084,673	6,210,934
Furnace oil, coal & lubricants		248,968,414	792,892,745
		<u>250,053,087</u>	<u>799,103,679</u>
20 STOCK IN TRADE			
Raw & Packing material		35,762,643	145,093,288
Work in process	25	830,352,224	1,145,936,536
Finished goods	25	104,502,974	16,287,187
		<u>970,617,841</u>	<u>1,307,317,011</u>
Stock in trade is recorded at lower of cost or net realizable value.			
21 TRADE DEBTS- considered good though unsecured		<u>185,871,391</u>	<u>3,488,783</u>
22 ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
Advances to suppliers - Unsecured, considered good	22.1	146,575,596	46,378,231
Advances to staff - Unsecured, considered good		204,000	-
Margin held by banks		53,626,546	29,800,026
Advance income tax		433,726,721	432,291,191
Sales tax & excise duty tax year 2013		20,000,000	20,000,000
Other advances		95,509,487	341,629,397
		<u>749,642,350</u>	<u>870,098,845</u>
22.1	It includes balance with Flying Kraft Paper Mill (Pvt) Limited and Lahore Paper Sack amounting to Rs 4,311,307 (2020: 4,311,307) and Rs 41,020,828 (2020: 41,020,828) respectively.		
23 CASH AND BANK BALANCES			
In Hand		560,568	838,641
At Banks- current accounts		204,373,462	22,554,284
		<u>204,934,030</u>	<u>23,392,925</u>

Flying Cement Company Limited
Notes To The Financial Statements
For The Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
24 SALES			
Gross Sales			
Local - Cement		3,639,948,382	713,315,174
- Biomass Fuel		739,704,691	658,882,504
		<u>4,379,653,073</u>	<u>1,372,197,678</u>
Less :			
Sales Tax		584,849,956	116,134,264
Excise Duty		582,234,000	173,914,000
Trade discount		6,840,640	2,641,280
		<u>1,173,924,596</u>	<u>292,689,544</u>
NET SALES		<u><u>3,205,728,477</u></u>	<u><u>1,079,508,134</u></u>
25 COST OF SALES			
Raw Material Consumed		86,585,099	26,161,617
Furnace Oil, Diesel, Coal and Lubricants consumed		778,540,712	655,905,377
Packing Material consumed		271,582,975	64,718,829
Stores and Spares consumed		11,305,097	793,604
Biomass Fuel		352,565,578	629,166,431
Salaries , Wages and Benefits		88,024,339	85,789,320
Electricity		855,822,647	701,176,395
Extraction Charges and government charges		79,650,750	32,410,750
Repair and Maintenance		2,915,100	1,724,552
Vehicle Running Expenses		915,391	1,249,335
Communication		83,100	66,350
Entertainment		68,825	17,680
Printing and Stationery		215,030	105,098
Travelling and Conveyance		163,270	25,400
Other Manufacturing Expenses		7,468,609	456,855
Depreciation	17.2	139,516,780	136,445,491
		<u>2,675,423,302</u>	<u>2,336,213,084</u>
Work In Process			
Opening stock		1,145,936,536	343,225,402
Closing stock		(830,352,224)	(1,145,936,536)
		<u>315,584,312</u>	<u>(802,711,134)</u>
Cost of Goods Manufactured		<u>2,991,007,614</u>	<u>1,533,501,950</u>
Finished Goods			
Opening stock		16,287,187	24,676,963
Closing stock		(104,502,974)	(16,287,187)
		<u>(88,215,787)</u>	<u>8,389,776</u>
Cost of Sales		<u><u>2,902,791,827</u></u>	<u><u>1,541,891,726</u></u>

	Note	2021 Rupees	2020 Rupees
26 DISTRIBUTION COST			
Salaries, Wages and Benefits		10,524,042	7,936,149
Rent, Rates and Taxes		204,405	160,000
Travelling, Conveyance and Vehicle Running		17,190	4,800
Communication		6,722	15,600
Electricity, Water & Sui Gas		11,273	6,183
Advertisement		-	142,300
Entertainment & Miscellaneous		34,132	25,463
		<u>10,797,764</u>	<u>8,290,495</u>
27 ADMINISTRATIVE EXPENSES			
Salaries, Wages and Benefits	27.1	13,558,278	14,217,816
Directors' Remuneration		22,800,000	22,800,000
Rent, Rates and Taxes		600,000	-
Legal and Professional		1,650,000	2,799,000
Communication		873,494	1,701,281
Charity and Donation	27.2	20,000	92,000
Fee and Subscription		2,650,808	7,628,569
Insurance		8,560,127	6,205,160
Auditors' Remuneration	27.3	1,277,000	1,070,000
Fine & Penalties		963,765	178,858
Depreciation	17.2	887,854	986,503
		<u>53,841,326</u>	<u>57,679,187</u>
27.1	Salaries, Wages and Benefits includes Rs. 411,954/- (2020: Rs. 467,810/-) in respect of gratuity.		
27.2	The Company has paid the charity and donation of Rs. 20,000/- (2020: Rs.92,000/-) and directors or their spouses were not interested in the donee.		
27.3 Auditors' Remuneration			
Audit Fee		852,000	750,000
Code of Corporate Governance		60,000	50,000
Half yearly review		315,000	220,000
Out of pocket expenses		50,000	50,000
		<u>1,277,000</u>	<u>1,070,000</u>
28 OTHER EXPENSES			
Workers' Profit Participation Fund		13,625,007	-
Workers' Welfare Fund		5,177,503	-
		<u>18,802,510</u>	<u>-</u>
29 FINANCE COST			
Mark up		71,232,931	79,577,134
Bank Charges and Commission		442,692	386,446
		<u>71,675,623</u>	<u>79,963,580</u>
30 OTHER INCOME			
Sale of Trees, Scrap and damaged stock		76,690,921	62,981,120
Creditors written back (Over Three Years)		29,187,289	32,510,448
		<u>105,878,210</u>	<u>95,491,568</u>

		2021	2020
31	TAXATION	Rupees	Rupees
	Current	48,188,537	17,624,996
	Deferred	61,824,358	269,638
		110,012,895	17,894,634

31.1 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.

31.2 The applicable income tax rate for subsequent years beyond tax year 2019 was reduced to 29% on account of changes made to the Income Tax Ordinance, 2001 through Finance Act 2020. Therefore, deferred tax is computed at the rate of 29% applicable to the period when temporary differences are expected to be reversed / utilized.

32 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	253,697,637	(512,825,286)
Profit / (Loss) after taxation	143,684,742	(530,719,920)

(No. of shares)

Weighted average number of ordinary shares	376,000,000	176,000,000
--	-------------	-------------

(Rupees)

32.1 Earnings/(Loss) per share (before tax) - Basic	0.67	(2.91)
32.2 Earnings/(Loss) per share (after tax) - Basic	0.38	(3.02)

33 NUMBER OF EMPLOYEES

Number of employees at the end of year	544	415
Average number of employees during the year	403	415

34 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	2021	2020
		Rupees	Rupees
Flying Paper Industries Limited	Associate	4,740,000	170,460,725
Flying Board & Paper Products Limited	Associate	1,599,120	-
		6,339,120	170,460,725
Sales of goods, services	Relationship		
Flying Board & Paper Products Limited	Associate	-	25,194,000
		-	25,194,000
Loan Received from	Relationship		
Kamran Khan	Director	93,909,845	200,000,000
Momin Qamar	Director	17,650,000	200,000,000
Samina Kamran	Director	-	55,000,000
		111,559,845	455,000,000

Flying Cement Company Limited
Notes To The Financial Statements
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34.1	Year end balances	Notes	2021 Rupees	2020 Rupees
	Payable to related parties.	10	331,867,808	328,726,928
	Receivable from related parties	Relationship		
	Flying Kraft Paper Mills (Pvt) Ltd	10% Shareholding of directors of Flying Cement Company Limited in Flying Kraft Paper Mills	4,311,307	4,311,307
	Lahore Paper Sack	Son of director of Flying Cement Company Limited is proprietor in Lahore Paper Sack.	41,020,828	41,020,828
			45,332,135	45,332,135

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

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

34.4 The maximum balance was outstanding as at 30th June 2021 shown in note above.

Name	Basis of association	Aggregate % of Shareholding (Directly or Indirectly)
Flying Paper Industries Limited	Associated Company - Common share holding	23% shareholding in Flying Paper Industries Limited and 26% shareholding in Flying Cement Company Limited
Flying Board & Paper Products Limited	Associated Company - Common share holding	64% shareholding in Flying Board & Paper Products Limited and 31% shareholding in Flying Cement Company Limited
Zaman Paper & Board Mill (Private) Limited	Associated Company - Common share holding	64% shareholding in Zaman Paper & Board Mill (Private) Limited and 31% shareholding in Flying Cement Company Limited
Poly Paper & Board Mills (Private) Limited	Associated Company - Common share holding	41% shareholding in Poly Paper & Board Mills (Private) Limited and 26% shareholding in Flying Cement Company Limited

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

	2021				
	Short Term Finance	Long term loan	Current Maturity of Long Term Loan	Associated under taking	Director Loan
Balance as on 01 July 2020	1,582,311,299	3,440,947,104	18,252,000	328,726,928	1,970,674,892
Increase / (Decrease)					
Short Term Finance	(1,167,081,628)				
Long term finance		674,004,667	1,340,046,000		(1,273,376,310)
Director & Shareholders Loan					
Associated Undertaking				3,140,880	
Balance as on 30 June 2021	415,229,671	4,114,951,771	1,358,298,000	331,867,808	697,298,582

	2020				
	Short Term Finance	Long term loan	Current Maturity of Long Term Loan	Associated under taking	Director Loan
Balance as on 01 July 2019	506,777,638	1,684,107,580	58,252,000	368,476,440	1,515,674,892
Increase / (Decrease)					
Short Term Finance	1,075,533,661				
Long term finance		1,756,839,524	(40,000,000)		455,000,000
Director & Shareholders Loan					
Associated Undertaking				(39,749,512)	
Balance as on 30 June 2020	1,582,311,299	3,440,947,104	18,252,000	328,726,928	1,970,674,892

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

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

- Credit risk
- Liquidity risk
- Market risk

36.1 Credit risk

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations that is susceptible to changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The maximum exposure to credit risk at the reporting date is as follows:

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:

	Note	2021 Rupees	2020 Rupees
Trade debtors	21	185,871,391	3,488,783
Advances, deposits, prepayments and other receivables	22	149,340,033	136,060,891
Cash at banks	23	204,373,462	22,554,284
Long term security deposits	18	32,880,151	32,880,151
		572,465,037	194,984,109

The trade debts at the statement of financial position date are all domestic debts. Furthermore, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on that basis, individual credit limits are set. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the Company is not exposed to any significant credit risk.

The aging of trade receivables at the reporting

	2021 Rupees	2020 Rupees
Not past due	48,326,562	907,084
Past due 1-30 days	68,772,415	1,290,850
Past due 31-60 days	40,891,706	767,532
Past due 61-90 days	16,728,425	313,990
Over 90 days	11,152,283	209,327
	185,871,391	3,488,783

Advances, deposits, prepayments and other receivable includes staff advances, margin held with the Banks and advances to Associated Companies. Considering the financial position of related parties and credit quality of the institution, the Company's exposure to credit risk is not significant.

Long term deposits have been mainly placed with suppliers of electricity, gas and telecommunication services. Considering the financial position and credit quality of the institutions, the Company's exposure to credit risk is not significant.

36.2 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 following are the contractual maturity analysis of financial

2021						
	Carrying amount	Contractual cash flows	Within 6 months	More than 6 months and upto 1 year	More than 1 year and upto 2 years	More than 2 years and upto 5 years
Long term finances	6,502,416,161	6,502,416,161	678,111,000	680,187,000	1,360,240,000	3,783,878,161
Trade and other payables	1,015,200,027	1,015,200,027	1,015,200,027	-	-	-
Accrued Markup	225,020,171	225,020,171	225,020,171	-	-	-
Short term borrowings	415,229,671	415,229,671	415,229,671	-	-	-
Unclaimed dividend	59,526	59,526	59,526	-	-	-
	8,157,925,556	8,157,925,556	2,333,620,395	680,187,000	1,360,240,000	3,783,878,161

2020						
	Carrying amount	Contractual cash flows	Within 6 months	More than 6 months and upto 1 year	More than 1 year and upto 2 years	More than 2 years and upto 5 years
Long term finances	5,740,348,924	5,740,348,924	9,126,000	49,126,000	1,275,779,000	2,234,227,912
Trade and other payables	1,144,831,298	1,144,831,298	1,144,831,298	-	-	-
Accrued Markup	222,427,457	222,427,457	222,427,457	-	-	-
Short term borrowings	1,582,311,299	1,582,311,299	1,582,311,299	-	-	-
Unclaimed dividend	59,526	59,526	59,526	-	-	-
	8,689,978,504	8,689,978,504	2,958,755,580	49,126,000	1,275,779,000	2,234,227,912

36.3 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.

36.3.1 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)	
	2021	2020	2021	2020
Financial Liabilities				
Variable Rate instruments:				
Short term borrowings	8.76	14.72	415,229,671	1,582,311,299
Long term borrowings	9.26	14.72	5,473,249,771	3,459,199,104

36.3.1.1 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 and loss. Therefore a change in interest rate at the reporting date would not affect profit and loss account.

36.3.1.2 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, 2021	58,884,794	(58,884,794)
As at June 30, 2020	22,491,372	(22,491,372)

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

36.3.2 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.

36.3.3 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:

	2021 Rupees	2020 Rupees
Outstanding letter of credits	415,229,671	1,482,311,299
Average rate	160.31	155.84
Reporting date rate	158.30	167.86

36.3.3.1 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 and loss account is	41,522,967	148,231,130
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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.

36.4 Fair value of 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. Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the date of statement of financial position. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual or regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The Company has not disclosed fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, carrying amounts of material assets and liabilities are reasonable approximation of fair value.

30-Jun-21*Note***Financial assets - measured at fair value****Financial assets - not measured at fair value**

Long term security deposits
Trade debts
Advances, deposits, prepayments & other receivables
Cash and bank balances

Financial liabilities - measured at fair value**Financial liabilities - not measured at fair value**

Long term liabilities
Trade and other payables
Short term finances
Directors & shareholders loan
Markup accrued
Unclaimed dividend

30-Jun-20**Financial assets - measured at fair value****Financial assets - not measured at fair value**

Long term security deposits
Trade debts
Advances, deposits, prepayments & other receivables
Cash and bank balances

Financial liabilities - measured at fair value**Financial liabilities - not measured at fair value**

Long term liabilities
Trade and other payables
Short term finances
Directors & shareholders loan
Markup accrued
Unclaimed dividend

	Fair value through profit / loss	Fair value through OCI	Cash and cash equivalents	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
18	-	-	-	32,880,151	32,880,151	-	-	-	-
21	-	-	-	185,871,391	185,871,391	-	-	-	-
22	-	-	-	749,642,350	749,642,350	-	-	-	-
23	-	-	204,934,030	-	204,934,030	-	-	-	-
	-	-	204,934,030	968,393,892	1,173,327,922	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
9	-	-	-	5,473,249,771	5,473,249,771	-	-	-	-
13	-	-	-	1,395,142,797	1,395,142,797	-	-	-	-
15	-	-	-	415,229,671	415,229,671	-	-	-	-
	-	-	-	808,540,888	808,540,888	-	-	-	-
13	-	-	-	225,020,171	225,020,171	-	-	-	-
14	-	-	-	59,526	59,526	-	-	-	-
	-	-	-	8,317,242,823	8,317,242,823	-	-	-	-
	Fair value through profit / loss	Fair value through OCI	Cash and cash equivalents	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
18	-	-	-	32,880,151	32,880,151	-	-	-	-
21	-	-	-	3,488,783	3,488,783	-	-	-	-
22	-	-	-	870,098,845	870,098,845	-	-	-	-
23	-	-	23,392,925	-	23,392,925	-	-	-	-
	-	-	23,392,925	906,467,779	929,860,704	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
9	-	-	-	3,459,199,104	3,459,199,104	-	-	-	-
13	-	-	-	1,233,165,964	1,233,165,964	-	-	-	-
15	-	-	-	1,582,311,299	1,582,311,299	-	-	-	-
	-	-	-	744,442,920	744,442,920	-	-	-	-
13	-	-	-	222,427,457	222,427,457	-	-	-	-
14	-	-	-	59,526	59,526	-	-	-	-
	-	-	-	7,241,606,270	7,241,606,270	-	-	-	-

37 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 statement of financial position plus debt.

	2021 Rupees	2020 Rupees
Total Borrowings	5,559,347,832	7,322,660,223
Total Equity	8,971,516,278	8,156,062,877
Total Capital Employed	14,530,864,110	15,478,723,100
Gearing Ratio	38.26%	47.31%

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Managerial remuneration	876,000	876,000	8,727,273	8,727,273	-	-	9,600,000	7,500,000
Medical allowance	87,600	87,600	872,727	872,727	-	-	960,000	750,000
	963,600	963,600	9,600,000	9,600,000	-	-	10,560,000	8,250,000
Number of persons	1	1	1	1			20	18

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

39 PRODUCTION CAPACITY

	Installed Capacity		Actual Production	
	2021 Tons	2020 Tons	2021 Tons	2020 Tons
Clinker	686,000	686,000	291,741	186,576
Cement	720,000	720,000	397,000	86,400

Shortfall in production is due to closure of factory in the 1st quarter of financial year 2021 because of COVID-19 and also due to prevailing market conditions.

		2021 Rupees	2020 Rupees
Cash Flows from Operating Activities			
40 Profit / (Loss) for the period - before taxation	Note	253,697,637	(512,825,286)
Adjustment for:			
Depreciation		140,404,634	137,431,994
Creditors written off		(29,187,289)	(32,510,448)
Provision for Gratuity		411,954	467,810
Finance cost		71,675,623	79,963,580
		183,304,922	185,352,936
		437,002,559	(327,472,350)
(Increase) / decrease in current assets			
(Increase) in Stores, spares & loose tools		549,050,592	(47,781,342)
(Increase) / Decrease in Stock-in-trade		336,699,170	(849,677,574)
(Increase) / decrease in Trade debts		(182,382,608)	6,542,910
(Increase) / Decrease in Advances, deposits, prepayments and other receivables		120,456,495	18,484,569
		823,823,649	(872,431,437)
(Increase) / decrease in current liabilities			
Increase / (Decrease) in director and Shareholder loan		64,097,968	(439,483,000)
Increase (Decrease) in Trade and other Payables		193,756,836	657,941,679
		257,854,803	218,458,679
Cash generated from operations		1,518,681,011	(981,445,108)

41 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services and have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. However, the impact varies from industry to industry in different jurisdictions. Based on management's assessment, considering measures taken by Government, COVID-19 does not have a significant impact on the Company during the year and supports the appropriateness of its going concern assumption.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 20 September 2021 by the Board of Directors of the Company.

43 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.


Director


Chief Executive


Chief Financial Officer



Notice Of Annual General Meeting

Notice is hereby given that 28th Annual General Meeting of the Shareholders of Flying Cement Company Limited (the "Company") will be held on 28th October 2021 at 09:30 hours at (Thursday) at Heaven Banquet Hall, 343-D-1, Nespak Society, Near Wapda Town Lahore to transact the following business:

Ordinary Business:

- 1- To confirm the minutes of the last General Meeting held on 28-10-2020.
- 2- To receive, consider and adopt audited financial statements of the Company for the year ended 30 June 2021 together with Directors' Auditors' reports and Chairman's Review thereon.
- 3- To appoint auditors and to fix their remuneration for the year ending 30 June 2022.
- 4- To elect (7) Directors of the Company, as fixed by the Board of Directors, for the next term of three years, in accordance with the provisions of Section 159 of the Companies Act 2017, in place of following retiring Directors.
 - 1. Mr. Kamran Khan
 - 2. Mr. Momin Qamar
 - 3. Mr. Yousaf Kamran Khan
 - 4. Mrs. Samina Kamran
 - 5. Mr. Qasim Khan
 - 6. Mr. Omar Naeem
 - 7. Mr. Pervaiz Ahmad Khan

Special Business

Issue of Bonus Shares

- 5- To consider and approve the bonus shares issue @ 5% (1 bonus share for every 20 shares held) for the year ended June 30, 2021 as recommended by the Board of Directors.

In order to give effect to the aforesaid, if thought fit, pass with or without modification the following resolutions as Special Resolution:

RESOLVED "that a sum of Rs.188,000,000/- out of Company's profit be capitalized for issuing 18,800,000 paid ordinary shares of Rs.10/- each as bonus shares to be allotted to those shareholders of the Company, whose names shall appear in the register of members at the close of business on October 20, 2021 @ 5% in the proportion of 1 ordinary shares of Rs.10/- each for every 20 ordinary shares held by a shareholder. The said shares shall rank pari passu with the existing shares of the Company as regards future dividend and in all other respects".

FURTHER RESOLVED "that fractional entitlements, if any, of the members shall be consolidated into whole shares and sold in the stock market and the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements, as per the applicable regulations.



FUTHER RESOLVED THAT the Chief Executive Officer or Company Secretary of the Company be and are hereby singly authorized and empowered to give effect to these resolutions and to do and cause to be done all acts, deeds and things that may be necessary or requested for issue, allotment and distribution of the said bonus shares and the deposit of share proceeds of the fractions into aforementioned account”.

FURTHER RESOLVED “that the Secretary of the Company or any one of the Directors be and is hereby authorized to issue a certified true copy of mentioned resolutions, as and when required.”

Ratify and Approval of Related Parties Transaction

6. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2021 by passing the following special resolution with or without modification:

“RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 34 of the financial statements for the year ended June 30, 2021 be and are hereby ratified, approved and confirmed.”

7. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2022 by passing the following special resolutions with or without modification:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2022.

RESOLVED FURTHER that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134 (3) of the Companies Act, 2017).

Any other Business:

8. To transact any other business with permission of the Chair.

By order of the Board

Shahid Ahmad Awan
Company Secretary

Lahore
Dated: September 20, 2021



Notes

1 Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 21, 2021 to October 28, 2021 (both days inclusive). Transfers received in order at the office of Share Registrar M/s THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi by the closed of business on October 20, 2021, will be considered in time to determine the entitlement of Bonus shares and to attend and vote at the meeting.

2 Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at Company's Head Office 4-Sarwar Colony, Sarwar Road, Lahore Cantt., Lahore duly stamped and signed not later than 48 hours before the meeting. Proxy Form may also be downloaded from the Company's website: www.flyingcement.com

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan

A For Attending the Meeting:

I. In case of individuals, the account holders or sub account holders and / or the person whose securities are in group account and their registration detail are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

II. In case of corporate entity, the Board of Director's resolution / power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier at the time of the meeting).

B For Appointing Proxies:

I. In case of individuals, the holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.

III. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

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

V. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3 Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city other than Lahore, and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein above at least 7 days prior to the date of the meeting. 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
_____.

4 Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) participants and (ii) in of physical securities to the Share Registrar of The Company

5 Email, CNIC, IBAN:

Members are requested to provide their Email, International Banking Account Number (IBAN), NTN and a copy of their Computerized National Identity Card (CNIC) to update our records otherwise all dividends entitlement (if any) will be withheld in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017

- For physical shares to M/s THK Associates (Pvt.) Ltd.
- For shares in CDS to CDC Investors A/c Services or respective Participant

6 The Annual Report is being transmitted to shareholders through CDs/DVDs instead of sending these in Book form / hard copy.

7 The Annual Report for the Financial Year ended June 30, 2021 has 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.

8 Deposit of Physical Shares into CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

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

9 Covid-19 Contingency Planning for Annual General Meeting of Shareholders

Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan ("SECP") in terms of its Circular No.6 of 2021 issued on March 03, 2021 advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requested the members to consolidate their attendance and voting at the AGM through proxies.

Accordingly, the Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at 'cosecretary@flyingcement.com' with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC No.	Folio No./ CDC Account No.	Cell No.	Email Address

Members, who will be registered, after necessary verification as per the above requirements, will be provided a password protected video link by the Company via email. The said link will remain open from 09:30 a.m. on the date of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address 'cosecretary@flyingcement.com'.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.



Statement Of Material Facts Under Section 134 (3) Of The Companies Act, 2017

Agenda item No. 4 – Election of Directors

The term of office of the present Directors of the company will expire on October 31, 2021. In terms of Section 159(1) of the Companies Act, 2017 ("Act"), the Board of Directors in its Board Meeting held on September 20, 2021 has fixed the number of elected Directors at seven (7) to be elected in the Annual General Meeting of the Company for the period of next three years commencing from October 31, 2021.

Any person who seeks to contest the election to the office of a Director, whether he is retiring director or otherwise, shall file with the Company Secretary, at Company's Head Office 4-Sarwar Colony Sarwar Road Lahore Cantt Lahore not later than fourteen (14) days before the date of Annual General Meeting, the following documents:

1. His/her Folio No./CDC Investors Account No. CDC Participant No./Sub-Account No.
2. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Act, together with the consent to act as a Director in Form 28 prescribed under the Companies Act, 2017.
3. A detailed profile along with office address as required under SECP SRO 1196(I)/2019.
4. A director must be a member of the Company at the time of filing of his / her consent for contesting election of Directors except a person representing a member, which is not a natural person.
5. A declaration confirming that:
 - (a) He / she is aware of his / her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange; and
 - (b) He / she is not ineligible to become a director of a listed company under any provision of the Act, the Listed Companies (Code of Corporate Governance) Regulation, 2019 and any other applicable law, rules and regulations.
6. Independent Director(s) will be elected through the process of election of Director in terms of Section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Agenda No.5 of Notice of AGM

The Board of Directors has recommended to the members of the Company to declare dividend by way of issue of fully paid bonus shares @5% for the year ended June 30, 2021 and thereby capitalize a sum of Rs.188,000,000/-. The Directors have also recommended that all the fractional bonus shares shall be consolidated into whole shares and sold in the stock market and the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements, as per the applicable regulations.

Agenda No.6 of Notice of AGM

Ratification and approval of the related party transactions carried out during the year ended June 30, 2021:

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since Company's Directors were interested in certain transactions due to their common directorships in the associated companies, therefore common directors did not participate for approval of these transactions pursuant to section 207 of the Companies Act, 2017. The Board of Directors has approved the transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2021 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the AGM for their formal approval /ratification.

All transactions with related parties to be ratified have been disclosed in the note 34 to the financial statement for the year ended June 30, 2021.



The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Audit Committee, such transactions are placed before the board of directors for approval.

The nature of relationship with these related parties has also been indicated in the note 34 to the financial statement for the year ended June 30, 2021. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

Agenda No.7 of Notice of AGM

Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2022:

The Company shall be conducting transactions with its related parties during the year ending June 30, 2022 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The Directors interested in these transactions due to their common directorship in the associated companies and other related parties. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2022, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

Share Price Sensitivity Analysis



Month	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21
Share Price	7.98	8.60	8.04	7.88	7.72	8.46	9.48	10.67	12.62	11.67	17.30	21.17

The Company's market capitalisation stood at Rs 8 billion, depicting an increase of 468% as compared to last year whereas KSE-100 index rose from 34,889 to 47,356 at the end of the year registering an increase of 36% as compared to last year. Market Price of the Company reached an all time high during the year of Rs 25.50 per share.

Company's share price directly linked with the operational and financial performance of the Company. Following are the major factors which might affect the share price of the Company in stock exchange.

Increase in Demand

Increase in demand of cement may result in increase in market price of bag which will contribute towards better profitability and Earning per Share (EPS), which will ultimately increase the share price.

Increase in Input Costs

Any variation in major input costs (coal and electricity) may affect the gross margins, profitability and EPS favorably or unfavorably.

Currency Risk

The currency exchange rate fluctuations can have an adverse or favorable affect the market share prices as the Company is involved in import.

Change in Government Policies

Any change in Government policies related to cement sector may affect the share price of the Company favorably or unfavorably.

A 10 % increase / decrease in share price of the Company would have the following impact on its Market Capitalization:

Share Price Sensitivity	Impact on Market Capitalization(Rs. Million)
+10%	+800
-10%	-800



Pattern Of Shareholding

AS AT JUNE 30, 2021





No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
625	1	100	25,464
622	101	500	275,386
1554	501	1,000	1,146,956
1576	1,001	5,000	4,381,355
459	5,001	10,000	3,737,435
191	10,001	15,000	2,474,330
129	15,001	20,000	2,414,133
93	20,001	25,000	2,190,284
54	25,001	30,000	1,514,297
22	30,001	35,000	725,318
29	35,001	40,000	1,123,500
19	40,001	45,000	823,022
48	45,001	50,000	2,391,000
6	50,001	55,000	317,409
4	55,001	60,000	240,000
5	60,001	65,000	315,776
12	65,001	70,000	822,090
9	70,001	75,000	664,772
6	75,001	80,000	475,000
4	80,001	85,000	328,868
1	85,001	90,000	87,500
3	90,001	95,000	281,500
20	95,001	100,000	1,995,499
4	100,001	105,000	412,045
8	105,001	110,000	855,058
4	110,001	115,000	454,068
6	115,001	120,000	712,500



No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
3	120,001	125,000	370,000
2	125,001	130,000	259,500
2	130,001	135,000	262,273
1	135,001	140,000	139,000
1	140,001	145,000	145,000
6	145,001	150,000	895,101
1	150,001	155,000	151,681
2	160,001	165,000	327,500
1	170,001	175,000	174,500
1	175,001	180,000	180,000
1	180,001	185,000	181,500
1	185,001	190,000	189,500
1	190,001	195,000	190,500
4	195,001	200,000	800,000
1	205,001	210,000	206,000
4	210,001	215,000	851,636
1	220,001	225,000	222,500
2	225,001	230,000	455,500
1	235,001	240,000	240,000
1	240,001	245,000	243,000
2	245,001	250,000	496,500
1	250,001	255,000	253,000
1	265,001	270,000	269,181
1	270,001	275,000	275,000
1	275,001	280,000	280,000
1	290,001	295,000	293,100
2	295,001	300,000	600,000



No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
1	375,001	380,000	380,000
1	390,001	395,000	390,500
2	395,001	400,000	800,000
1	405,001	410,000	409,000
1	420,001	425,000	421,500
1	445,001	450,000	448,000
1	450,001	455,000	454,000
1	490,001	495,000	495,000
3	495,001	500,000	1,500,000
1	530,001	535,000	534,090
1	545,001	550,000	545,280
1	555,001	560,000	558,000
1	585,001	590,000	590,000
1	595,001	600,000	600,000
2	625,001	630,000	1,258,000
1	630,001	635,000	633,500
2	795,001	800,000	1,600,000
1	890,001	895,000	893,000
1	915,001	920,000	920,000
1	950,001	955,000	950,500
1	985,001	990,000	987,500
1	1,495,001	1,500,000	1,500,000
1	1,870,001	1,875,000	1,872,500
1	1,955,001	1,960,000	1,959,000
1	2,160,001	2,165,000	2,160,050
1	2,845,001	2,850,000	2,845,811
1	2,995,001	3,000,000	3,000,000



No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
1	3,025,001	3,030,000	3,028,448
1	3,435,001	3,440,000	3,439,000
1	3,480,001	3,485,000	3,485,000
1	3,510,001	3,515,000	3,510,492
1	4,060,001	4,065,000	4,060,001
1	4,215,001	4,220,000	4,216,000
1	4,730,001	4,735,000	4,732,718
1	6,040,001	6,045,000	6,045,000
1	7,230,001	7,235,000	7,230,291
1	9,605,001	9,610,000	9,609,500
1	9,660,001	9,665,000	9,660,050
1	11,055,001	11,060,000	11,055,550
1	11,080,001	11,085,000	11,082,007
1	14,600,001	14,605,000	14,604,474
1	19,085,001	19,090,000	19,089,682
1	22,190,001	22,195,000	22,193,670
1	24,095,001	24,100,000	24,100,000
1	24,125,001	24,130,000	24,127,500
1	28,820,001	28,825,000	28,824,314
1	93,065,001	93,070,000	93,065,035
5611	Total		376,000,000



Categories Of Shareholders

AS AT JUNE 30, 2021

Particulars	Shareholders	Shares held	Percentage
Directors, CEO, Spouse & Children	12	218,623,303	58.1445
Banks, DFI, NBFIs	1	25,000	0.0066
Insurance Companies	1	130,000	0.0346
Modarabas, Mutual Funds	8	8,352,500	2.2214
General Public (Local)	5207	126,995,045	33.7753
General Public (Foreign)	327	4,695,123	1.2487
Others	53	15,945,529	4.2408
Foreign Companies	2	1,233,500	0.3281
Total	5611	376,000,000	100

Shareholders Category Directors, CEO, Their Spouses And Minor Children	No. of Shares held
Mr. Kamran Khan	31,670,125
Mr. Momin Qamar	96,093,483
Mr. Yousaf Kamran Khan	33,275,677
Mr. Qasim Khan	33,760,050
Mrs. Samina Kamran	19,089,682
Mr. Pervaiz Ahmad Khan	1,068
Mr. Omar Naeem	500
Mrs. Misbah Momin (W/O Mr. Momin Qamar)	4,732,718



Categories Of Shareholders

AS AT JUNE 30, 2021

Shareholders Category Directors, CEO, Their Spouses And Minor Children	No. of Shares held
Executives	-
Associated Companies, Under Taking And Related Parties	-
Public Sector Companies And Corporations	-
Banks, Development Financial Institutions, Non Banking Financial Institutions And Insurance Companies.	155,000
Shareholders Holding 10% Or More (Other Than Those Reported In Directors)	-
Mutual Funds	8,352,500
Others	15,945,529
Individuals Local	126,995,045
Foreign	4,695,123
Foreign Companies	1,233,500
	376,000,000

Transaction / Trade of Company's Shares

The CEO, Directors, CFO, Head of Internal Auditors, Company Secretary (including their spouses and minor Children) executed the following transactions in the shares of the Company during the financial year ended June 30, 2021

Name	Purchase	Gift In	Sales	Gift Out
Mr. Kamran Khan	-	34,000,000	-	34,000,000
Mr. Momin Qamar	-	34,000,000	-	-
Mr. Qasim Khan	-	-	480,000	14,000,000
Mrs. Samina Kamran	-	-	-	20,000,000
Mr. Pervaiz Ahmad Khan	500	-	-	-
Mr. Omar Naeem	5,000	-	10,909	-
*Mr. Waqar Zahid	-	-	500	-
**Mr. Muhammad Mubeen Khan	500	-	-	-
Mrs. Misbah Momin	-	-	3,370,000	15,000,000
Mr. Shahid Ahmad Awan	20,000	-	20,000	-

*Resigned on 10.09.2020

**Resigned on 03.11.2020

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021ء کو اختتام پذیر سال کے لئے باقاعدہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ اٹھائیسویں (28 ویں) سالانہ رپورٹ ازراہ سرٹیفکیشن کرتے ہیں۔

صنعتی تجزیہ

سینٹ کی صنعت نے گزشتہ برس کے مقابلہ میں 30 جون 2021ء کو اختتام پذیر سال کے دوران طلب میں نمایاں نمو ظاہر کی ہے۔ ریئل اسٹیٹ شعبہ کے لئے حکومت کی جانب سے جاری اقدامات اور CPEC سرگرمیوں کی بدولت رواں برس کے دوران سینٹ کی طلب میں اضافہ ہوا۔

بنیادی سرگرمیاں

کمپنی کی بنیادی سرگرمیوں میں عام پورٹ لینڈ سینٹ کی تیاری اور فروخت شامل ہے۔

کاروباری کارکردگی

آپ کی کمپنی کے پیداواری اور فروخت کے حجم کے اعداد و شمار اور تقابلی اعداد و شمار مندرجہ ذیل ہیں:

تفصیلات	2021ء	2020ء
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(میشرک ٹن)

سینٹ پیداوار	397,000	86,400
سینٹ کی ترسیل	388,156	86,957

گزشتہ برس کے مقابلہ میں پیداوار اور ترسیل کے ضمن میں مالیاتی سال 2021ء کے دوران اعداد و شمار نمایاں اضافہ ظاہر کرتے ہیں۔

مالیاتی کارکردگی

30 جون 2021ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

تفصیلات	2021ء	2020ء
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(ہزار روپوں میں)

مجموعی سیلرز یونیو	4,379,653	1,372,198
متقی: سیلر ٹیکس/فیڈرل ایکسائز ڈیوٹی	1,173,925	292,690
خالص سیلرز یونیو	3,205,728	1,079,508
مجموعی نفع/(نقصان)	302,937	(462,384)
آپریٹنگ نفع/(نقصان)	219,495	(528,353)
نفع/(نقصان) بمعہ ٹیکس	253,698	(512,825)
خالص نفع/(نقصان) علاوہ ٹیکس	143,685	(530,720)
فی حصص آمدنی/(خسارہ)	0.38	(3.02)

زیر جائزہ سال کے دوران کمپنی آپریٹنگ کے نتائج، مالیاتی حالت اور خالص اثاثہ جات بہتر مالیاتی حالت کی عکاسی کرتے ہیں۔ ہم نے اپنی بنیادی ترجیح کو مد نظر رکھتے ہوئے ہر ممکن کوشش کو بروئے کار لا کر اپنی منافع بخش پوزیشن واضح کی ہے اور ہم اپنی ان کوششوں پر فخر محسوس کرتے ہیں۔ کمپنی کی یہ بہتر کارکردگی ہماری ٹیم، کاروباری نوٹس اور آپریٹنگ کی قوت کی عکاسی کرتے ہیں۔ 30 جون 2021ء کو اختتام پذیر سال کے دوران کمپنی نے ٹاپ لائن اور صلاحیت کے بھرپور استعمال کے ذریعے نمور پر بھرپور توجہ دی۔ لہذا کمپنی نے حیران کن کارکردگی دکھائی اور نفع علاوہ ٹیکس کی مد میں گزشتہ برس کی کارکردگی کے مقابلہ میں بہتر نمو حاصل کی جو (530,719,920) روپے خسارہ کے مقابلہ میں 143,684,742 روپے نفع میں تبدیل ہوا۔ آپ کی کمپنی نے گزشتہ برس کے مقابلہ میں آمدنی اور مجموعی فروخت میں نمایاں نموریکارڈ کی۔ اعداد و شمار کے مطابق آمدنی و مجموعی فروخت میں 1,372 ملین روپے سے 4,380 ملین روپے یعنی 219 فی صد اضافہ ہوا۔ جب کہ کمپنی کی جانب سے بہتر فعالی و مالیاتی اقدامات کی بدولت کمپنی کی خالص سیلرز میں 1,080 ملین روپے سے 3,206 ملین روپے یعنی 197 فیصد ریکارڈ کیا گیا۔

کمپنی طلب کو پورا کرنے کے لئے اپنی پیداواری صلاحیت اور پاور جنریشن میں اضافہ کر رہی ہے۔ فلائنگ سیمنٹ کمپنی لمیٹڈ نے 30 جون 2021ء کو اختتام پذیر سال کے دوران اپنی سائٹ واقع منگوال ضلع خوشاب پر 7.5 میگا واٹ ویسٹ ہیٹ ریکوری پاور پلانٹ (WHRPP) کی کمیٹنگ اور تنصیب کا کام کامیابی سے مکمل کر لیا ہے۔ ویسٹ ہیٹ ریکوری پاور پلانٹ (WHRPP) کے ذریعے کمپنی واپڈا کی مہنگی شرح کے مقابلہ میں بجلی کی کمپٹ میں کمی سے لاگت میں نمایاں کمی کرنے کے قابل ہوگی۔

فی حصص آمدنی

سال بھر کے دوران بنیادی فی حصص آمدنی علاوہ ٹیکس 0.38 روپے (2020: 3.02- روپے) رہی۔ کمپنی کی بنیادی فی حصص آمدنی میں تخفیفی اثر شامل نہیں ہے کیونکہ 30 جون 2021ء کو اختتام پذیر سال تک کمپنی کے پاس تعمیر پذیر ممکنہ تخفیفی عمومی حصص موجود نہ تھے۔

مناہج متقسمہ اور تخصیصات

بورڈ نے صفر حقیقی نقد منافع متقسمہ اور 5 فی صد بونس حصص تجویز کیا ہے جو 28 اکتوبر 2021ء کو منعقد ہونے والے سالانہ اجلاس عام میں حصص داران کی منظوری سے مشروط ہے۔

متعلقہ فریق سے لین دین

متعلقہ فریقین سے لین دین کا عمل arm's length کی بنیاد پر کیا جاتا ہے اور پاکستان سٹاک ایکسچینج کے PSX ضوابط اور کمپنیز ایکٹ 2017ء کے سیکشن 208 کے معیارات کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی نظر ثانی اور منظوری سے مشروط ہے۔

بنیادی خطرات

کرونا وائرس کی وبا کے باعث کاروباری سرگرمیاں جمود کا شکار ہو گئیں اور عالمگیر وبا سیمنٹ کی صنعت کو شدید خطرات سے دوچار کرنے کا بہت بڑا ذریعہ ہے۔ وبا کے دوران نقصان سے بحالی میں کافی وقت درکار ہوگا۔

کمپنی کاروبار کے ماحولیاتی اثرات

کمپنی کی انتظامیہ ماحولیاتی تحفظ اور آلودگی سے بچاؤ کے لئے پرعزم ہے۔ کمپنی ماحولیاتی انتظام کے سسٹم میں مسلسل بہتری کے ذریعے بہترین معاشرے کے قیام اور بہتر مستقبل کو یقینی بنانے میں اپنا کلیدی کردار ادا کر رہی ہے۔ کمپنی نے اپنی سائٹ پر 7.5MW ویسٹ ہیٹ ریکوری پاور پلانٹ (WHRPP) قائم کیا ہے تاکہ ماحولیاتی اثرات کو کم کیا جاسکے اور کاربن کے اخراج میں نمایاں کمی کی جاسکے۔ کمپنی نے بیک فلٹر کی جدید ٹیکنالوجی کو استعمال کیا ہے جو کمپنی کے کاربن فٹ پرنٹس میں کمی

لائے گی۔ کمپنی نے شجرکاری کے ویژن پر عمل کرتے ہوئے کئی درخت لگائے ہیں۔ انتظامیہ مستقبل قریب میں ماحولیاتی منصوبوں کو متعارف کرانے کے لئے بھی منصوبہ بندی کر رہی ہے۔

کاروباری و سماجی ذمہ داری

کمپنی کے ڈائریکٹرز اقوام متحدہ کے پائیدار ترقیاتی اہداف (UNSDG) کی روشنی میں طویل مدتی اقدامات پر عمل درآمد کے لئے پرعزم ہیں۔ کمپنی اپنے امور سے منسلک معاشرتوں کی ترویج کے کوشاں ہے اور کمیونٹی سرورسز میں فعال کردار ادا کرتی ہے۔ کمپنی اپنے تمام ملازمین کی غذائی ضروریات کو بالکل مفت پورا کرتی ہے اور تعلیم و صحت کی سہولیات کے ذریعے ان کے گھرانوں کی دیکھ بھال کے لئے بھی پرعزم ہے۔ کمپنی بذریعہ قرعہ اندازی اپنے ملازمین کو ہر سال سعودی عرب میں حج کے لئے بھی بھیجتی ہے۔ کمپنی نے سیلاب اور قدرتی آفات کے دوران ملحقہ علاقوں میں بھی اپنی خدمات سرانجام دی ہیں۔ کمپنی غربت مٹانے، ماحولیاتی تحفظ اور پائیدار ترقی کے لئے بھی کام کر رہی ہے۔

وہسل بلوننگ

کمپنی مسئلہ کونٹینر بنانے یا بیرون کمپنی اس کی تشہیر کی بجائے وہسل بلوننگ پالیسی کے ذریعے تمام متعلقہ افراد کو کمپنی میں پیدا ہونے والے سنجیدہ معاملات پر آواز اٹھانے کی حوصلہ افزائی کرتی ہے۔ کمپنی ایمانداری، برتری، مستقل مزاجی، ہمدردی، انصاف پسندی، سالمیت اور جوابدہی کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

تعداد ڈائریکٹرز	تفصیل
6	مرد
1	خاتون
درجہ بندی کے لحاظ سے ترکیب	
2	خود مختار ڈائریکٹرز
3	ٹائٹلڈ ڈائریکٹرز
2	ایگزیکٹو ڈائریکٹرز

بورڈ آف ڈائریکٹرز کے اراکین اور اس کی کمیٹیاں

بورڈ آف ڈائریکٹرز

ایگزیکٹو ڈائریکٹر	چیئرمین	مسٹر کامران خان
ٹان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر یوسف کامران خان
ٹان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر قاسم خان
ٹان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر شمیمہ کامران
ایگزیکٹو ڈائریکٹر	رکن	مسٹر مومن قمر
خود مختار ڈائریکٹر	رکن	مسٹر عمر نعیم
خود مختار ڈائریکٹر	رکن	مسٹر پرویز احمد خان
چیف ایگزیکٹو		مسٹر آغا ہاپوں خان
		آڈٹ کمیٹی

خود مختار ڈائریکٹر	چیئرمین	مسٹر عمر نعیم
ٹان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر قاسم خان
ٹان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر یوسف کامران خان
		ہیومن ریسورس اینڈ ریمونریشن کمیٹی

خود مختار ڈائریکٹر	چیئرمین	مسٹر پرویز احمد خان
ایگزیکٹو ڈائریکٹر	رکن	مسٹر مومن قمر
ٹان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر یوسف کامران خان

چیئرمین کا تجزیہ

چیئرمین کا تجزیہ لف ہذا ہے جس کی بورڈ آف ڈائریکٹرز نے توثیق کی ہے۔

ضابطہ اخلاق

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

تعمیل کا بیان

بورڈ آف ڈائریکٹرز اور آڈیٹرز کی جانب سے باقاعدہ نظر ثانی شدہ تعمیلی بیان لف ہذا ہے۔

ڈائریکٹر کا معاوضہ

بورڈ کمیٹی اجلاس میں شرکت کے لئے اجلاس فیس کے علاوہ کمپنی اپنے خود مختار ڈائریکٹر کو معاوضہ ادا نہیں کرے گی۔

داخلی مالیاتی نظم و ضبط کی موزونیت

بورڈ آف ڈائریکٹرز نے مروجہ قوانین و ضوابط اور قابل بھروسہ مالیاتی رپورٹنگ کی تعمیل میں داخلی مالیاتی نظم و ضابطہ کا ایک موثر سسٹم تشکیل دیا ہے تاکہ آپریشنز کو موثر انداز میں اور عمدگی سے چلایا جاسکے اور کمپنی کے اثاثہ جات کو محفوظ رکھا جاسکے۔

مستقبل کے امکانات

کمپنی حریفین کے درمیان مارکیٹ میں اپنی حیثیت میں اضافہ اور ترقی اور متقابل ماحول میں اپنی نموبہر قرار رکھنے کے لئے پرعزم ہے۔ سینٹ انڈسٹری کا مستقبل ہمیشہ روشن رہا ہے۔ مزید برآں، ہم 7,700 TPD کی نئی لائن-2 کلنکر کی پیداواری صلاحیت بڑھا کر مارکیٹ میں قدم بجا رہے ہیں اس طرح کلنکر کی کل پیداواری صلاحیت 11,700 TPD ہو جائے گی۔ نئی لائن-2 مالیاتی سال 2022-2023 کی پہلی سہ ماہی میں تجارتی سطح پر پیداوار کا آغاز ہو جائے گا۔

مزید برآں، پلانٹ کے احاطہ میں 12 میگا واٹ کا کچھو پاور پلانٹ بھی قائم کیا جا رہا ہے جس نے جون 2021ء میں ٹرائل پروڈکشن شروع کی اور اکتوبر 2021ء میں اس کی تجارتی پیداوار کا آغاز ہو جائے گا۔ اس طرح واپڈا پر انحصار کم ہو جائے گا اور کمپنی بجلی کی کھپت میں خود مختار ہو جائے گی اور لاگت میں نمایاں کمی بھی واقع ہوگی۔

مجموعی طور پر حکومت پاکستان/SBP کے بروقت اقدامات اور موافق مالیاتی و مانیٹری اقدامات کی بدولت معیشت V-shape بحال کے قابل ہوئی۔ جس کے باعث سال بھر کے دوران تعمیریاتی و ملحقہ صنعتوں میں توقع سے زیادہ نمو میں تیزی آئی۔ مستقبل قریب میں اس کی رفتار بڑھنے کے قوی امکانات ہیں۔

حکومت پاکستان کی جانب سے بڑے منصوبوں، کثیر المقاصد پانی کے ذخائر/ڈیمز اور پانچ ملین گھر کی سکیموں بشمول CPEC پر سرمایہ کاری کی وجہ سے کمپنی ملکی سطح پر فروخت میں بہتری کے لئے پرامید ہے۔ بڑھتی ہوئی آبادی کی وجہ سے ملک میں گھروں کی طلب میں اضافہ ہوا ہے اور حکومت پاکستان نیا پاکستان ہاؤسنگ سکیم (NPHS) کے ذریعے اس طلب کو پورا کرنے کے لئے پرعزم ہے۔ اسی طرح سے وفاقی حکومت کی جانب سے تعمیریاتی صنعت کے لئے اعلان کردہ پیکیج کی بدولت ملک میں سینٹ کی طلب میں مزید اضافہ ہوگا۔ ہم مستقبل میں بہتر کارکردگی کی توقع رکھتے ہیں۔

مستقبل میں ممکنہ چیلنجز میں زیادہ افراط زر کے باعث پیداواری لاگت میں اضافہ، بین الاقوامی منڈیوں میں کوئلے کی قیمتوں میں اضافہ، بجلی کے نرخوں میں متوقع اضافہ، پاکستانی روپے کی بے قدری، شرح سود میں اضافہ، کرونا وائرس کی ابتر صورت حال اور سیاسی بے یقینی شامل ہیں۔

تاہم مذکورہ بالا مشکلات کے باوجود کمپنی مقامی اور درآمدی کوئلہ کے استعمال اور کپھو پاور جنریشن کی مدد سے کم لاگت پیداوار کے ذریعے پائیدار نمو اور منافع حاصل کرنے کی پوزیشن میں ہے۔ مزید برآں، حریفین کے مقابلہ میں قرضہ کی کم ترین سطح کے باعث کمپنی عدم استحکام کے آگے سبسہ پلائی ہوئی دیوار بن جائے گی۔

ہم مستقبل بنیادوں پر کام کر کے اپنی کمپنی کو پائیدار نمو کے قابل بنانے کے لئے کوشاں ہیں۔ ہمیں یقین ہے کہ انتظامیہ طویل مدتی پائیدار نمو اور اپنے سٹیک ہولڈرز کو بھرپور منافع دینے کے لئے ان تھک محنت جاری رکھے گی۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

آپ کی کمپنی کے ڈائریکٹرز کمپنی کی حکمت عملی اور کاروباری منصوبہ کا باقاعدگی سے جائزہ لیتے ہیں۔ آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کی موثر تعمیل کے لئے ذمہ داری ہے۔ ہم ضابطہ کے تحت آپ کی کمپنی میں بہتر کاروباری عمل داری کو یقینی بنانے کے لئے تمام ضروری اقدامات کر رہے ہیں۔ تعمیل کے طور پر ہم مندرجہ ذیل کی توثیق کرتے ہیں:

(a) کمپنی کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس نصفیت میں تبدیلی، کیش فلو، آپریشنز اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔

(b) کمپنی کے کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں۔

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

(d) مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ سٹینڈرڈز (IFRS) کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے سقم کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔

(e) داخلی نظم و ضبط ایک مربوط نظام موجود ہے اور اس کو موثر انداز میں لاگو اور مانٹر کیا جاتا ہے۔

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

(g) لسٹنگ ضوابط میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کوئی سقم موجود نہ ہے۔

(h) گزشتہ چھ سال کے اہم فعالی و مالیاتی اعداد و شمار رپورٹ کے ساتھ لف ہیں۔

(i) ڈائریکٹرز، ایگزیکٹوز اور ان کے اہلیان اور نابالغ بچے سال بھر میں کمپنی کے حصص میں کسی لین دین کے عمل کا حصہ نہ

تھے۔ ماسوائے ان افراد کے جن کے متعلق ریگولیٹری اتھارٹیز کو آگاہ کیا گیا ہو اور ان کا منسلک شیئر ہولڈنگ کی وضع

میں درج ہو۔

- (j) گزشتہ برس کے آپریٹنگ نتائج سے نمایاں انحراف کی وجوہات کا ڈائریکٹرز کی رپورٹ کے متعلقہ شعبہ میں موازنہ کیا گیا ہے۔
- (k) مالیاتی اسٹیٹمنٹس کے نوٹس میں ٹیکس اور لیوی کی معلومات درج ہیں۔
- (l) کمپنی اپنے پلانٹ کی پیداواری صلاحیت میں اضافہ کے ذریعے پیداواری امور کو بڑھانے کا ارادہ رکھتی ہے۔ مقررہ وقت میں اس معاملہ کو شیئر ہولڈرز کے سامنے رکھا گیا ہے جسے ڈائریکٹرز رپورٹ ہذا میں تحریر بھی کیا گیا ہے۔
- (m) سال بھر میں منعقد ہونے والے بورڈ اور اس کی کمیٹیوں کے اجلاس کی تعداد اور ہر ڈائریکٹر کی حاضری حسب ذیل درج کی گئی ہے:

نمبر شمار	نام ڈائریکٹر	بورڈ اجلاس	آڈٹ کمیٹی اجلاس	HR&R کمیٹی اجلاس
1	مسٹر کامران خان	8	N/A	N/A
2	مسٹر مومن قمر	8	N/A	N/A
3	مسٹر یوسف کامران خان	8	4	1
4	مسٹر قاسم خان	8	4	N/A
5	مسٹر ثمینہ کامران	6	N/A	1
6	مسٹر عمر نعیم	6	2	N/A
7	مسٹر پرویز احمد خان	6	N/A	N/A
8	مسٹر آغا ہمایوں خان	8	N/A	N/A
*	مسٹر محمد مبین خان	2	N/A	N/A
*	مسٹر ندیم طفیل	2	2	1
	منعقدہ اجلاس کی کل تعداد	8	4	1

معروفیت کے باعث اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی رخصت مناتیت کی گئی۔

* مسٹر عمر نعیم اور مسٹر پرویز احمد خان کو 03 نومبر 2020ء کو خود مختار ڈائریکٹر مقرر کیا گیا تا کہ مسٹر محمد مبین خان اور مسٹر ندیم طفیل کے استعفیٰ پر خالی نشست کو پُر کیا جاسکے۔

(n) ڈائریکٹر کو اپنے فرائض و ذمہ داریوں، لاگو قوانین اور ضابطہ سے واقف کرانے کے لئے بورڈ نے انہیں تفصیلی ان ہاؤسنگ بریفنگ اور معلوماتی ٹیکج فراہم کیا ہے تاکہ وہ حصص داران کی جانب سے / کے لئے کمپنی کے امور کو مؤثر انداز میں چلا سکیں۔

عملے کے لئے ریٹائرمنٹ مراعات

ایک ان فنڈڈ (unfunded) گریجویٹ سیسٹم تیار کی گئی ہے۔ کمپنی کے مستقل ملازمین کے لئے باضابطہ طور پر مالیاتی اسٹیمینٹس میں اس کی حق موجود ہے۔

آڈیٹرز

آڈیٹرز میسرز نوید، ظفر، اشفاق، جعفری اینڈ کو، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں اور اہلیت کی بنا پر اگلی مدت کے لئے اپنی خدمات کی پیش کش کرتے ہیں۔ آڈیٹرز نے توثیق کی ہے کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت انہیں تسلی بخش درجہ دیا گیا ہے اور فرم ICAP کے اپنائے گئے ضابطہ اخلاق میں انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) ہدایات کی کلی تعمیل کرتی ہے۔ آڈٹ کمیٹی اور بورڈ نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کی وضع

کوڈ آف کارپوریٹ گورننس کے تحت 30 جون 2021ء تک شیئر ہولڈنگ کی وضع اور اس کا اظہار ناف ہذا ہے۔

پوسٹ بیننس شیٹ ایوٹس

مالیاتی اسٹیمینٹس میں مادی تبدیلیوں کی تاریخ اور رپورٹنگ کی تاریخ کو مالیات میں باقاعدگی سے درج کیا گیا ہے۔

اعتراف

بورڈ تمام سٹیک ہولڈرز بشمول مالیاتی اداروں، صارفین، قرض دہندگان اور سرکاری محکموں کے تعاون اور مدد کا مشکور ہے۔ ہم کمپنی کے ملازمین کی مسلسل سپورٹ اور تعاون کو بھی قدر کی نگاہ سے دیکھتے ہیں۔

منجانب / برائے بورڈ

چیف ایگزیکٹو

ڈائریکٹر

لاہور:

مؤرخہ: 20 ستمبر 2021ء

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فلائنگ سینٹ کمپنی لمیٹڈ ("کمپنی") کا اثاثہ نمبر 343-D-1، جیپاک سوسائٹی لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا۔
کوئٹہ 09:30 بجے بروز جمعرات ہیون بیگ ویٹ ہال، 343-D-1، جیپاک سوسائٹی لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا۔

عمومی امور

1. سابقہ اجلاس عام منعقدہ 28-10-2020 کی روئیداد کی توثیق کرنا۔
2. 30 جون 2021ء کو اختتام پذیر سال کے لئے ڈائریکٹرز، آڈیٹرز رپورٹ اور جیٹریٹین کے تجزیہ کے ہمراہ کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کو وصول کرنا اور اپنانا اور انہیں زیر غور لانا۔
3. 30 جون 2022ء کو اختتام پذیر سال کے لئے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔
4. کمپنیز ایکٹ 2017ء کے سیکشن 159 کے تحت اگلے تین سال کی مدت کے لئے بورڈ آف ڈائریکٹرز کی منظوری سے مندرجہ ذیل ریٹائر ہونے والے ڈائریکٹرز کی جگہ کمپنی کے سات ڈائریکٹرز کا انتخاب کرنا۔

- | | |
|-------------------------|---------------------|
| 1. مسٹر کامران خان | 4. مسز شمیمہ کامران |
| 2. مسٹر مومن قمر | 5. مسٹر قاسم خان |
| 3. مسٹر یوسف کامران خان | 6. مسٹر عمر نعیم |
| 7. مسٹر پرویز احمد خان | |

خصوصی امور

پولس حصص کا اجراء

5. بورڈ آف ڈائریکٹرز کی سفارشات پر 30 جون 2021ء کو اختتام پذیر سال کے لئے 5 فی صد کی شرح سے (ہر 20 ملکیٹی حصص کے لئے ایک پولس حصص) منظور کرنا اور زیر غور لانا۔

مذکورہ بالا پر عمل درآمد کے لئے، حسب ضرورت، مندرجہ ذیل خصوصی قراردادوں کو بمعہ خصوصی ترمیم منظور کرنا:

قرار پایا کہ 10/- روپے فی حصص کی شرح سے کمپنی کے نفع سے -/188,000,000 روپے 18,800,000 ادا شدہ عمومی حصص بطور پولس شیئرز جاری کرنا جو کمپنی کے ان حصص داران کو الٹ کئے جائیں گے جن کے نام 20 اکتوبر 2021ء کو کاروبار بند ہونے تک اراکین کے رجسٹر میں درج ہوں (5 فی صد کی شرح سے ہر 20 ملکیٹی حصص کے لئے ایک پولس حصص)۔ مستقبل میں منافع منقسمہ کے اعلان اور دیگر امور کے ضمن میں مذکورہ حصص کا درجہ کمپنی کے موجودہ حصص کے مساوی ہوگا۔

مزید قرار پایا کہ اراکین کی جزوی ملکیت، اگر کوئی ہو، کو کلی حصص میں شامل کیا جائے گا اور انہیں سٹاک مارکیٹ میں فروخت کیا جائے گا اور فروخت سے حاصل خالص آمدنی مرچہ قواعد کے عین مطابق اُن کی ملکیت کے تناسب سے حصص داران میں تقسیم یا انہیں ادا کیا جائے گا۔

مزید قرار پایا کہ "چیف ایگزیکٹو آفیسر یا کمپنی سیکریٹری جداگانہ حیثیت میں ان قرارداد کو موثر کرنے کے مجاز اور با اختیار ہیں۔ وہ

مذکورہ پوائنٹس حصص کے اجراء الاٹمنٹ اور تقسیم کے لئے درکار تمام ضروری امور سرانجام دیں گے اور مذکورہ بالا اکاؤنٹ میں آمدنی کا متناسب حصہ جمع کرائیں گے۔“

مزید قرار پایا کہ کمپنی سیکریٹری یا کوئی بھی ڈائریکٹر مذکورہ قراردادوں کی تصدیق شدہ نقول حسب ضرورت جاری کرنے کے مجاز ہوں گے۔

متعلقہ فریقین سے لین دین کی منظوری اور تصحیح

6. مندرجہ ذیل قرارداد بمعہ خصوصی ترمیم پاس کر کے 30 جون 2021ء کو اختتام پذیر سال کے لئے متعلقہ فریقین کے ساتھ کئے گئے لین دین کی تصحیح کرنا اور منظوری دینا۔

”قرار پایا کہ 30 جون 2021ء کو اختتام پذیر سال کے لئے مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں بیان کردہ متعلقہ فریقین سے لین دین کی تصحیح، منظوری اور توثیق کی جاتی ہے۔“

7. مندرجہ ذیل قرارداد بمعہ خصوصی ترمیم پاس کر کے 30 جون 2022ء کو اختتام پذیر مالیاتی سال کے لئے کمپنی کے بورڈ آف ڈائریکٹرز کو متعلقہ فریقین سے لین دین کا مجاز ٹھہرانا۔

”قرار پایا کہ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2022ء کو اختتام پذیر مالیاتی سال کے لئے متعلقہ فریقین سے لین دین کی منظوری کے مجاز ہوں گے۔“

”مزید قرار پایا کہ بورڈ کا یہ لین دین حصص داران کی باخابطہ منظوری شمار ہوگا جسے اگلے سالانہ اجلاس میں رکی تصحیح/منظوری کے لئے حصص داران کے سامنے رکھا جائے گا۔“

(نوٹس ہذا کے ہر ایک کنویژ ایکٹ 2017ء کے سیکشن (3) 134 کے تحت درکار مذکورہ بالا خصوصی امور کا احاطہ کرنے والا مادی حقائق کا بیان منسلک ہے)

دیگر امور

8. چیئرمین کی اجازت سے دیگر امور پر بحث کرنا۔

محکم بورڈ

شاہد احمد عثمان

کمپنی سیکریٹری

لاہور

مؤرخہ: 20 ستمبر 2021ء

نوٹ:

1. شیئرفرانسفر بک کی بندش:

کمپنی کی شیئرفرانسفرنہیں مؤرخہ 21 اکتوبر 2021 سے 28 اکتوبر 2021ء (بشمول دونوں ایام) تک بند رہیں گی۔ 20 اکتوبر 2021ء کو کاروبار بند ہونے تک شیئرجسٹرار میسرز THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ دفتر واقع C-32، جانی کمرشل سٹریٹ 2، ڈی ایچ اے، فیر VII، کراچی کو باقاعدہ موصول فرانسفر ڈکویٹس حصص کے حصول اور اجلاس میں شرکت اور ووٹ کا اہل قرار دینے کے لئے بروقت وصولی شمار کی جائیں گی۔

2. سالانہ اجلاس عام میں شرکت

اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن دوسرے رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراسی مقرر کر سکتا/سکتی ہے۔ پراسی کی تقرری کا باقاعدہ مہر و دستخط شدہ دستاویز کمپنی کے مرکزی دفتر 4- سرور کالونی، سرور روڈ، لاہور کیسٹ لاہور کو اجلاس کے انعقاد سے 48 گھنٹے قبل پہنچ جانا چاہئے۔ پراسی فارم کمپنی کی ویب سائٹ www.flyingcement.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔

CDC اکاؤنٹ ہولڈرز کو مؤرخہ 26 جنوری، 2000ء کو جاری کردہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مراسلہ نمبر 1 میں بیان کردہ ہدایات پر عمل کرنا ہوگا:

A. اجلاس میں شرکت کے لئے:

i. فرد واحد کی صورت میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا گروپ اکاؤنٹ میں سکیورٹیز اور ضوابط کے تحت اپ لوڈ رجسٹریشن معلومات کے حامل افراد کو اجلاس میں شرکت کے وقت اپنی شناخت ثابت کرنے کے لئے اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

ii. کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/اختیار نامہ بمعہ نامہ فرد کے نمونہ کے دستخط (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس میں شرکت سے قبل پیش کرنا ہوگا۔

B. پراسی کی تقرری کے لئے

i. فرد واحد کی صورت میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا گروپ اکاؤنٹ میں سکیورٹیز اور ضوابط کے تحت اپ لوڈ رجسٹریشن معلومات کے حامل افراد کو مذکورہ بالا معیار کے مطابق اپنا پراسی فارم جمع کرنا ہوگا۔

ii. پراسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم میں تحریر ہوں گے۔
iii. استفادہ حاصل کرنے والے مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراسی فارم کے ساتھ جمع کرائی جائیں۔

iv. پراسی کو اجلاس کے موقع پر اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

v. کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/اختیار نامہ بمعہ نامہ فرد کے نمونہ کے دستخط (اگر

کئی سہولیات میسر آئیں گی جس میں وہ کسی بھی وقت حصص کا قبضہ اور فروخت کر سکتے ہیں کیونکہ پاکستان سٹاک ایکسچینج کی تازہ ترین ضوابط کے تحت فزیکل شیئرز میں تجارت کی اجازت نہیں ہے۔

9. حصص داران کے سالانہ اجلاس عام کے لئے کرونا وائرس کے تذکرہ کی منصوبہ بندی کرونا وائرس کی حالیہ عالمگیر وبا کے ماحول میں حکومت نے ایک جگہ پر کثیر عوامی اجتماعات کو معطل کر رکھا ہے۔ اسی طرح سے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") نے 03 مارچ 2021ء کو جاری کردہ اپنے مراسلہ نمبر 6/2021 کے تحت حصص داران اور عوام الناس کے تحفظ کے لئے اجلاس عام کی معمول کی کارروائی میں ترمیم کی ہدایت کی ہے۔ SECP کی ہدایات کو مد نظر رکھتے ہوئے کمپنی AGM ہذا کا انعقاد حصص داران کے کم از کم طبعی رابطہ کے ساتھ انعقاد کرنے کا ارادہ رکھتی ہے جب کہ اس دوران کورم کی ضروریات کی تعمیل کو بھی یقینی بنایا گیا ہے اور اراکین کو درخواست کی جاتی ہے کہ وہ اپنی حاضری اور اجلاس کو بذریعہ پراکسی یقینی بنائیں۔

اسی طرح سے کمپنی نے یہ یقینی بنانے کے انتظامات کئے ہیں کہ تمام شرکاء بشمول حصص داران اب بذریعہ ویڈیو لنک AGM کی کارروائی میں شرکت کر سکتے ہیں۔ AGM شرکت کرنے کے خواہش مند اراکین کو اجلاس کے انعقاد سے 48 گھنٹے قبل بذریعہ ای میل مندرجہ ذیل معلومات کے ساتھ اپنے نام کا اندراج کرنے اور جائز شناختی کارڈ کی نقول cosecretary@flyingcement.com پر بھیجنے کی درخواست کی جاتی ہے۔ ای میل کا عنوان 'Registration

for AGM' ہوگا۔

نام شیئر ہولڈر	شناختی کارڈ نمبر	فولیو نمبر/CDC اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس

مذکورہ بالا معیارات کے مطابق تصدیق کے بعد رجسٹرڈ اراکین کو کمپنی کی جانب سے بذریعہ ای میل پاس ورڈ سے محفوظ ویڈیو لنک بھیجا جائے گا۔ مذکورہ لنک AGM کے وقت صبح 09:30 بجے سے اجلاس کے اختتام تک فعال رہے گا۔ شیئر ہولڈرز ای میل

cosecretary@flyingcement.com پر AGM ایجنڈا آن لائن پر اپنے رائے/سوالات پیش کر سکتے ہیں۔

لہذا اراکین کو بذریعہ ویڈیو لنک یا بذریعہ پراکسی اپنی حاضری کو یقینی بنانا AGM میں شرکت کی تلقین کی جاتی ہے۔

کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان

ایجنڈا نمبر 4- ڈائریکٹرز کا انتخاب

31 اکتوبر 2021ء کو کمپنی کے موجودہ ڈائریکٹرز کی مدت ختم ہو جائے گی۔ کمپنیز ایکٹ 2017ء کے سیکشن (1) 159 کے تحت 20 ستمبر 2021ء کو منعقدہ بورڈ اجلاس میں بورڈ آف ڈائریکٹرز نے منتخب ڈائریکٹرز کی کل تعداد سات (7) متعین کی ہے جنہیں کمپنی کے سالانہ اجلاس عام میں اگلے تین سال کے لئے منتخب کیا جائے گا۔ مدت کا آغاز 31 اکتوبر 2021ء سے ہوگا۔

ڈائریکٹرز کے انتخاب میں حصہ لینے کے خواہشمند افراد، ریٹائرنگ یا دیگر، کو مندرجہ ذیل دستاویزات کمپنی کے مرکزی دفتر واقع 4- سرور کالونی، سرور روڈ، لاہور کیٹ لاہور میں کمپنی سیکریٹری کو سالانہ اجلاس عام کے انعقاد سے چودہ (14) یوم قبل جمع کراویں۔

1. فوئیو نمبر/ CDC انویسٹرز کا ڈاؤنٹ نمبر، CDC شراکت نمبر/ ذیلی اکاؤنٹ نمبر
2. ایکٹ کے سیکشن (3) 159 کے تحت ڈائریکٹرز کے انتخاب کی پیکٹس کے لئے رضامندی کا نوٹس بر کمپنیز ایکٹ 2017 کے تحت مقرر فارم نمبر 28 میں ڈائریکٹرز کی حیثیت سے کام کرنے کا اقرارنامہ
3. SECP مراسلہ نمبر 1196(I)/2019 SRO کے تحت دفتر کا پتہ اور تفصیلی پروفائل
4. ڈائریکٹر کو ڈائریکٹرز کے انتخاب کے لئے کاغذات نامزدگی جمع کراتے وقت کمپنی کا رکن ہونا چاہئے۔ ماسوائے ان افراد کے جو کسی رکن کا نمائندہ ہو اور وہ فطری فرد نہ ہوں۔
5. مندرجہ ذیل کی توثیق کا اقرارنامہ
 - (a) وہ متعلقہ قوانین، کمپنی کے میمورڈم اور آرٹیکلز آف ایسوسی ایشن اور لنٹک ریگولیشنز آف پاکستان شاہک آپیکس کے تحت اپنے فرائض و اختیارات سے بخوبی آگاہ ہے۔
 - (b) ایکٹ کی کسی بھی شق، سلسلہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن، 2019، دیگر مروجہ قوانین، اصول و ضوابط کے تحت سلسلہ کمپنی کا ڈائریکٹر بننے کا اہل نہیں ہے۔
6. خود مختار ڈائریکٹر کو ایکٹ کے سیکشن 159 کے تحت ڈائریکٹرز کے انتخاب کے عمل کے لئے منتخب کیا جائے گا۔ اور انہیں ایکٹ کے سیکشن 166 اوپنیز (خود مختار ڈائریکٹرز کا انتخاب اور طریقہ کار) ضوابط 2018ء میں بیان کردہ معیار پر پورا اترنا ہوگا۔

AGM نوٹس کا ایجنڈا نمبر 5

بورڈ آف ڈائریکٹرز نے کمپنی اراکین کو 30 جون 2021ء کو اختتام پزیر سال کے لئے 5 فی صد کی شرح سے کل ادا شدہ نوٹس حصص کے اجرا کے ذریعے منافع معسمہ کا اعلان کرنے اور 188,000,000/- روپے کی رقم کھپلا نذر کرنے کی سفارش کی ہے۔ ڈائریکٹرز نے یہ بھی تجویز کیا ہے کہ تمام جڑی نوٹس حصص کو کل حصص میں منتقل کیا جائے گا اور اسے شاہک مارکیٹ میں فروخت کیا جائے گا۔ فروخت سے حاصل خالص آمدنی کو متعلقہ حصہ کے تناسب اہل شیئر ہولڈرز کو لاگو ضوابط کے تحت تقسیم کیا جائے گا۔

AGM نوٹس کا ایجنڈا نمبر 6

30 جون 2021ء کو اختتام پذیر سال کے لئے متعلقہ فریقین سے لین دین کی تصحیح و منظوری:

لسٹ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی شق 15 کی پیروی میں سرمایہ بنیادوں پر آڈٹ کمیٹی کی باضابطہ سفارشات پر بورڈ آف ڈائریکٹرز کے منظور شدہ متعلقہ فریقین سے لین دین کی منظوری درکار ہے۔ تاہم، سال بھر کے دوران کمپنی کے ڈائریکٹرز الحاق شدہ کمپنیوں میں شریک ڈائریکٹرز کی وجہ سے کئی لین دین میں دلچسپی رکھتے تھے لہذا مشترکہ ڈائریکٹرز کمپنیز ایکٹ 2017ء کے سیکشن 207 کی پیروی میں ان لین دین کی منظوری میں شریک نہ تھے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2021ء کو اختتام پذیر سال کے لئے ہر معاملہ پر متعلقہ فریقین سے ہمہ وقت لین دین کی منظوری دی ہے۔ ایسے لین دین کی منظوری کو شیئر ہولڈرز کی منظوری شمار کیا جائے گا۔ رسی منظوری/تصحیح کے لئے ایسے لین دین کو سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔

متعلقہ فریقین کے ساتھ قابل تصحیح تمام لین دین کو 30 جون 2021ء کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں ظاہر کیا گیا ہے۔ کمپنی کاروباری کے عمومی امور کے دوران متعلقہ فریقین سے لین دین کی منظور شدہ پالیسی کے تحت am's length بنیاد پر متعلقہ فریقین کے ساتھ لین دین کا عمل کرتی ہے۔ متعلقہ فریقین سے طے شدہ تمام لین دین کی منظوری کمپنی کی آڈٹ کمیٹی سے درکار ہوتی ہے۔ جس کی صدارت کمپنی کا خود مختار ڈائریکٹر کرتا ہے۔ آڈٹ کمیٹی سفارش پر منظوری کے لئے ایسے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے رکھا جاتا ہے۔

متعلقہ فریقین کے سے تعلق کی نوعیت کے بارے میں 30 جون 2021ء کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں واضح کیا گیا ہے۔ ڈائریکٹرز متعلقہ فریقین کے ضمن میں مشترکہ ڈائریکٹرز شپ کی حد تک ہی قراردادیں دلچسپی رکھتے ہیں۔

AGM نوٹس کا ایجنڈا نمبر 7

30 جون 2022ء کو اختتام پذیر سال کے دوران متعلقہ فریق سے لین دین کی منظوری کے لئے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانا: کمپنی کاروباری کے عمومی امور میں 30 جون 2022ء اختتام پذیر سال کے لئے متعلقہ فریقین سے لین دین کی منظور شدہ پالیسی کے تحت am's length بنیاد پر متعلقہ فریقین کے ساتھ لین دین کا عمل کرے گی۔ الحاق شدہ کمپنیوں اور دیگر متعلقہ فریقین میں مشترکہ ڈائریکٹرز شپ کی بنا پر اس لین دین میں دلچسپی رکھنے والے ڈائریکٹرز۔ شفاف کاروباری عمل داری کی ترویج کے لئے حصص داران بورڈ کو 30 جون 2022ء اختتام پذیر سال کے لئے ہر معاملہ پر متعلقہ فریقین سے ہمہ وقت لین دین کی منظوری کے لئے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانے کے خواہش مند ہیں۔ ایسے لین دین کی منظوری کو شیئر ہولڈرز کی منظوری شمار کیا جائے گا۔ ایسے لین دین کی رسی منظوری/تصحیح کے لئے اگلے سالانہ اجلاس عام میں حصص داران کے سامنے پیش کیا جائے گا۔

متعلقہ فریقین میں اپنی مشترکہ ڈائریکٹرز شپ کی حد تک ہی قراردادیں دلچسپی ظاہر کرتے ہیں۔

فلائنگ سیمنٹ کمپنی لمیٹڈ

پراسی فارم

بطور رکن فلائنگ سیمنٹ کمپنی لمیٹڈ میں / ہم
 عدم حاضری کی صورت میں کمپنی کے رکن کو یہاں
 باضابطہ طور پر مورخہ 28 اکتوبر 2021ء بوقت 09:30 بجے صبح بروز جمعرات ہیون بیگلویت ہال، 1-D-343، جیپاک،
 سوسائٹی، لاہور میں منعقدہ سالانہ اجلاس عام یا اس کی دیگر نشست میں شرکت اور ووٹ کرنے کے لئے اپنا / ہمارا پراسی مقرر
 کرتا ہوں / کرتے ہیں۔

مورخہ کو مندرجہ ذیل گواہان کی موجودگی میں مذکورہ رکن
 نے اپنے دستخط ثبت کئے۔
 -5/- روپے کی ریونیو سٹامپ
 چسپاں کریں۔

..... دستخط گواہ: دستخط گواہ:
..... نام: نام:
..... شناختی کارڈ نمبر: شناختی کارڈ نمبر:

اہم ترین:
 پراسی کا یہ دستاویز مجاز تصور نہیں کیا جائے گا تاوقتیکہ کمپنی کے رجسٹرڈ آفس واقع 4-سرور کالونی، سرور روڈ، لاہور کیسٹ کو اجلاس کے انعقاد سے
 48 گھنٹے قبل یہ جمع اور وصول نہ کرایا جائے۔



Proxy Form

IMPORTANT

Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Registered Office at 4-Sarwar Colony, Sarwar Road, Lahore Cantt not later than 48 hours before the time of holding the meeting.

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

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 28th Annual General Meeting of the Company to be held on Thursday 28th
October 2021 at 09:30 hours or adjournment thereof.

Signature

Please affix
Rupees Five
Revenue stamp

Witnesses:

1 Signature: _____

1 Signature: _____

Name: _____

Name: _____

Address: _____

Address: _____

CNIC or Passport _____

CNIC or Passport _____

Dated _____ 2021.



AFFIX
CORRECT
POSTAGE

The Company Secretary,

Flying Cement Company Limited
4-Sarwar Colony, Sarwar Road,
Lahore Cantt. Pakistan

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**FAX**

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**ADDRESS**

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