



FLYING CEMENT COMPANY LIMITED

FLYING/611/522/2022

February 21, 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: Directors and Sponsors' Subscription of Right

Dear Sir,

We are pleased to inform you that as required under clause 4(c) of Annexure I of the PSX Letter No. PSX/C-1113-127 dated January 20, 2022, the subscription money against right entitlement of the Directors and Sponsors Subscription of the Company has been received.

Auditors' Certificate confirming the same is enclosed herewith.

Yours Sincerely
For Flying Cement Company Limited

Shahid Ahmad Awan
Company Secretary

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A member firm of



PrimeGlobal

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Independent Accounting Firms*

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Ref:002/fccl/rts/0222-1
Date: February 18, 2022

The Board of Directors
Flying Cement Company Limited (the Company)
4 Sarwar Rd, Sarwar Colony,
Lahore

Auditor's Certificate on subscription of right shares by sponsors / directors of the Company (or persons arranged by them) as required under the Procedure to be complied with for issue of right shares (the Procedures) of the Pakistan Stock Exchange Limited (PSX)

Dear Sirs,

We have been requested to provide you with a certificate, as required under the Procedures issued by PSX, on the subscription of right shares by the sponsors / directors of the Company (or persons arranged by them) as disclosed in annexed statement (Annexure A) prepared by the management of Company and duly certified by us. This has reference to our engagement letter no. PSX/C-1113-127 dated January 20, 2022.

Scope of Certificate

We understand that this certificate is being issued in the capacity of the statutory auditor of the Company and on the specific request of the management of the Company for onward submission to the PSX as required under procedure 5 of Annexure-I of the letter issued by the PSX.

Management Responsibility

It is the responsibility of the Company to ensure that sponsors / directors of the Company, who have undertaken to the PSX under Form 1 [i.e. undertaking submitted by sponsors/directors] to subscribe to their portion of shares, or arrange for the subscription thereof, at least three working days before commencement of trading of unpaid rights and to comply with all the other legal requirements in this respect.

Auditor's Responsibility

Our responsibility is to certify that the full amount of subscription has been received in accordance with the Guidelines for issue of Certificates for Special Purposes by Practicing



Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- Obtained and checked certified true copy of the resolution of Board of Directors of the Company approving issue of further 300,000,000 ordinary shares of the Company of PKR 10/- each to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder i.e. right issue at a price of PKR 10/- in accordance with Section 83 of Companies Act, 2017;
- Checked Central Depository Company (CDC) records as of the date of book closure to check the number of shares held by the identified sponsors / directors of the Company, which is determined to be 250,939,191 ordinary shares i.e. approximately 63.56 % of the total paid up capital, resulting in having an aggregate right entitlement of 190,683,261 shares, equal to a subscription amount of Rs. 1,906,832,610/-; and
- Checked that the sponsors / directors of the Company, who have undertaken to the PSX under Form 1 to subscribe to their portion of shares (or arrange for the subscription thereof), have subscribed to their respective portions of right shares (including by arranging persons to subscribe to the same), as undertaken by the directors / sponsors in Form 1 submitted to the PSX, at least three working days before Commencement of trading of unpaid rights, including through adjustment of loan amounts payable by the Company i.e. treating the same as advance against equity, and making payment to the Company. In this regard we performed following work steps:
 - Obtained a bank statement of the designated bank account of the Company maintained with Meezan Bank Limited (the "**Bank Account**"), and checked that an aggregate subscription of Rs. 12,490/- has been received into the Bank Account (at least three working days before commencement of trading of unpaid rights); and
 - Obtained a confirmation from the relevant directors / sponsors, confirming to record that their respective loan receivables from the Company, amounting (in aggregate) to Rs. 1,906,820,120/-, as advance against subscription and adjust the same against their obligation towards their right subscription amounts (including right entitlements undertaken to be subscribed by them).

Certificate

Based on the procedures mentioned above, we certify that as per the books and records of the Company:

- For subscription of 1,249 right shares, the aggregate cash proceeds of Rs. 12,490/- have been received into the Bank Account (i.e. at least three working days before commencement of trading of unpaid rights); and
- The aggregate loans from the directors / sponsors amounting to Rs. 1,906,820,120/- has been adjusted against the proceeds receivable under right issue from the directors / sponsors under loan adjustment / treatment authorization letters from the respective directors / sponsors, dated February 14, 2022, for subscription of 190,682,012 shares as

shown in annexed statement (Annexure A).

Based on the above, total shares subscribed by the directors / sponsors as undertaken by them in Form 1 submitted to the PSX. We have been further informed in this respect, there has/have been no condition(s) imposed by concerned regulatory bodies including but not limited to the Securities and Exchange Commission of Pakistan applicable at this stage that were required to be complied with by the Company.

Restriction on use and distribution

This certificate is solely for the purpose set forth in this certificate and for your information and is not to be used for any other purpose or be distributed to any other parties. This certificate is restricted to the facts stated herein and the attachment.

Yours faithfully,



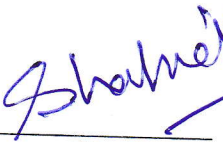
Shahid Mohsin Shaikh – FCA (England & Wales)
Engagement Partner

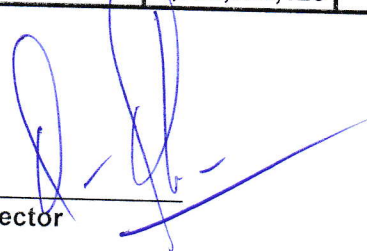


FLYING CEMENT COMPANY LIMITED

Annexure-A

S.No.	Name of Directors/Sponsors	Existing Shareholding	Right Share Entitlement (75.9878%)	Right Shares Subscription - Loan Treatment As Advance Against Equity	Subscription Received
	Directors				
1	Mr. Kamran Khan	17,503,630	13,300,629	217,129,360	-
2	Mrs. Samina Kamran	20,044,166	15,231,129	169,380,720	-
3	Mr. Yousuf Kamran Khan	35,096,960	26,669,421	234,501,130	-
4	Mr. Qasim Khan	35,448,052	26,936,209	4,441,410	-
5	Mr. Momin Qamar	85,148,156	64,702,245	180,000,000	-
6	Mr. Omar Naeem	525	398	-	3,980
7	Mr. Pervaiz Khan	1,121	851	-	8,510
	Sponsors				
1	Mrs. Misbah Momin	4,969,353	3,776,104	262,100,000	
2	Mr. M. Zaman Ahmad Qamar	9,609,975	7,302,412	309,103,390	
3	Mrs. Meezan Fahd	3,596,175	2,732,655		
4	Mr. Ali Alam Qamar	2,144,525	1,629,576	530,164,110	-
5	Mrs. Maryam Absar	7,591,805	5,768,848	-	-
6	Mr. Imran Qamar	15,334,775	11,652,564	-	-
7	Mrs. Shaista Imran	572,544	435,063	-	-
8	Mr. Bilal Qamar	11,608,327	8,820,917	-	-
9	Mr. Asim Qamar	2,269,102	1,724,240	-	-
	Total	250,939,191	190,683,261	1,906,820,120	12,490


Company Secretary


Director

