



Flying Cement
Company Limited



ANNUAL REPORT 2024



YEAR 2024

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Striving for Excellence in Corporate Reporting

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Core Values

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

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



Focus

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



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.



Global

We strive to be reckoned with dignity in global market.



You

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



Flying Cement

CHAIRMAN'S REVIEW

The financial year 2023-24 has faced a number of challenges such as high inflation; heavy flooding, high power tariff, high interest rate, low foreign exchange reserves and political instability which have affected Country's performance. Overall cement prices have sharply increased during the year. However, margins have reduced due to escalating operational costs driven by increased fuel & power costs, high inflation and rising finance costs. High operational costs remained significant challenges for the Company throughout the year. Therefore, the Company followed rational approach to operate at optimum level to mitigate exposure to uncertainties.

The economy continued to face challenges on account of rising imports, security issues, political instability and high power tariff. Nonetheless, the Company is quite hopeful for improvement in domestic sales on account of Government spending on PSDP and mega projects in the coming year.

The overall sale of the company has increased in comparison with last year. The company has gross sales of Rs. 6,172,885,950 as compared to Rs.5,729,080,532 of last year and profit after taxation has decreased from Rs. 271,245,680 to Rs. 51,446,770 in the same period last year due to mainly abnormal increase in the Wapda tariff and slowdown in the construction activity.

We are actively in the process of completion of new Line-II of 9,000 TPD of Clinker, COD of which is targeted by Financial Year 3rd quarter 24 – 25.

The Company's Board maintains continuous oversight over critical aspects, including adherence to the Company's mission, vision and values, besides providing strategic guidance, and setting benchmarks for the Management. In my role as the Chairman of the Board, I have witnessed the resolute commitment of each member of the Board to strategic leadership, effective governance, and prudent financial stewardship. Their collective expertise has facilitated well-informed decision making, ensuring that our organization remains agile, innovative, and responsive to the dynamic business environment.

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 it would not have been possible for the Company to sail through these tough times without your continued support.



Kamran Khan
Chairman

Lahore
Dated October 03, 2024





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

63-A, Sher Khan 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

Mrs. Samina Kamran
MEMBER

Mr. Yousaf Kamran Khan
MEMBER

Human Resource & Remuneration Committee

Mr. Pervaiz Ahmad Khan
CHAIRMAN

Mr. Momin Qamar
MEMBER

Mr. Yousaf Kamran Khan
MEMBER

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



Credit Rating

Flying Cement Company Limited

A-

Long Term

A2

Short Term

Rated by the Pakistan Credit Rating Agency Limited

Rating as on : April 19, 2024

| Rating Type | Rating | Rating Comments |
|-------------|-------------|--|
| Long Term | A-(A Minus) | High Credit Quality. Low Expectation of credit risk. The Capacity for timely payment of financial commitments is considered strong. This Capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions. |
| Short Term | A2(A Two) | A Satisfactory Capacity for timely payment. This maybe susceptible to adverse changes in business, economic or financial conditions. |



Culture at Flying

Flying Cement Company Limited thrives on a culture of collaboration and shared values. Our team members actively support one another, fostering an environment where knowledge is freely exchanged and communication is key. We believe that every outcome, whether positive or negative, reflects our collective efforts.

This belief system inspires each team member to contribute positively and commit selflessly to our shared goals. We cultivate self-belief and respect for one another, uphold integrity and passion in our actions, and maintain a relentless drive for continuous improvement. Our collaborative spirit has been instrumental in our success, allowing us to consistently excel in cement industry.

At Flying Cement Company Limited, we stand by our motto: "As family we deliver to attain our goals to grow." This philosophy not only drives our performance but also strengthens our bonds as a team, ensuring we remain leaders in our field.





Environment Protection Initiatives

At Flying Cement Company Limited, our commitment to environmental protection is a fundamental aspect of our operations. We are dedicated to pioneering innovative strategies that not only enhance our business but also contribute positively to the planet.

1. Embarking on a Sustainable Future

We have adopted a forward-thinking approach that integrates sustainability into every facet of our operations. By embracing innovation and adapting to new technologies, we strive to create a more efficient and sustainable business model.

Key Initiatives

1. Advanced Technology Implementation

- The installation of cutting-edge bag filters has allowed us to significantly reduce emissions and improve air quality.



2. Sustainable Development Goals

Our guiding principle, "Innovate, Renew, and Sustain," drives our commitment to aligning with global sustainable development goals. We are focused on maximizing stakeholder value through the implementation of best-in-class Environmental, Social, and Governance protocols.

3. Social Responsibility

We recognize our responsibility as a corporate citizen and are committed to investing in the betterment of our country. Our efforts extend beyond compliance; we actively engage in initiatives that promote environmental sustainability and community welfare.



Key Highlights

For The Year 2023-24

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



Gross Sales

PKR in million

| | |
|------|-------|
| 2024 | 6,172 |
| 2023 | 5,729 |



Profit/Loss After Tax

PKR in million

| | |
|------|-----|
| 2024 | 51 |
| 2023 | 271 |



Total Assets

PKR in million

| | |
|------|--------|
| 2024 | 25,361 |
| 2023 | 22,970 |



Earning Per Share

PKR

| | |
|------|------|
| 2024 | 0.07 |
| 2023 | 0.39 |



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



Vision

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

Mission

Successfully delivery 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.



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 8,000 million (800 million ordinary shares of Rs 10/- each) and the Company has paid up capital of Rs 6,948 million (694.8 million ordinary share of Rs10/- each).

The principle activity of the company is to manufacturing, marketing and sale of cement. Registered Head Office is located at 63-A Sher Khan Road, Lahore Cantt Lahore. The Manufacturing plant is located at 25km Lilla interchange Lahore- Islamabad Motorway, Mangowal District khoshab on an area of 127 acres approximately.



Milestones Achieved



Achieved Profitability in the current financial year of Rs **51** million



Maintained gearing ratio at 30% compared to industry average of **30%**.



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

Milestone



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.

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".



Strategic Goals

Navigating Challenges: Flying Cement Company Limited's Response to Global Disruptions Since February 2022, the Russia-Ukraine conflict has significantly impacted economies worldwide, including Pakistan. As a leading cement manufacturer, we faced numerous challenges due to disrupted global supply chains and soaring inflation resulting from a commodities super-cycle. This situation led to increased costs for imported materials and, consequently, higher production expenses.

Resilience in Adversity

Despite these challenges, Flying Cement Company Limited has demonstrated remarkable resilience. By adapting swiftly to the evolving global landscape, we not only weathered the storm but also achieved sustainable profitability. Our commitment to serving our customers and supporting our employees and communities has remained unwavering during these trying times.

Key Strategies for Value Creation

1. Driving Operational Efficiencies

We implemented measures to enhance operational efficiency, optimizing our processes to reduce costs without compromising quality.

2. Caring for Our People and Communities

We prioritized the well-being of our employees, ensuring a safe and supportive work environment. Additionally, we engaged in initiatives to support the communities affected by the economic downturn.

3. Diversifying and Investing for Growth

We focused on diversifying our operations and making strategic investments aimed at maximizing shareholder wealth. This proactive approach has positioned us for long-term success despite external challenges.





Business Ethics **at Flying Cement Company Limited**

INSPIRING, MOTIVATING & COMPELLING:

At Flying Cement Company Limited, we are driven by ambition and innovation. We approach our work with enthusiasm, bringing energy and creativity to achieve unprecedented levels of performance. Our commitment to excellence sets us apart, pushing us to reach higher standards in everything we do.

Accountability and Keeping Promises:

We take accountability seriously, delivering quality products and exceptional service while adhering to regulatory standards and ethical business practices. Our focus is on integrity and excellence; we believe in actions over words. We strive for perfection in every aspect of our operations.

Competence:

We embrace diverse perspectives and remain open to change. Our agility allows us to respond swiftly to the needs of our stakeholders, adapting our operations to meet evolving demands and achieve our goals.



Respect

Respect for our customers, shareholders, and all stakeholders is at the core of our business. We value their feedback and are committed to fulfilling their needs, ensuring a collaborative relationship that fosters mutual growth.

Transparency About Our Products:

Flying Cement Company Limited is dedicated to conducting business with honesty and integrity. We expect every employee to create value for our stakeholders through transparency and accountability. As we continue to grow, maintaining the highest standards of ethical behavior remains paramount.

Commitment to Integrity:

Adherence to our Code of Conduct is mandatory for all employees. This commitment not only benefits our stakeholders—customers, communities, and shareholders—but also strengthens our corporate culture. We continuously monitor compliance, providing the necessary tools and information to ensure transparency in all transactions and behaviors. Corrective measures are taken whenever necessary to uphold our ethical standards.



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 For Flying Cement Company Limited

Strengths

- **Strong Brand Recognition:** Established reputation in the cement industry enhances market presence and customer loyalty.
- **Well Diversified Fuel Mix & Efficient Operations:** A diverse fuel portfolio reduces dependency on any single source and promotes operational efficiency.
- **Strong Financial Position:** Robust financial health allows for investment in growth and innovation.
- **Quality and Efficiency of Human Resources:** Skilled workforce contributes to high productivity and operational excellence.
- **Easy Access to Production Resources:** Proximity to raw materials streamlines the supply chain and reduces costs.
- **Trusted and Efficient Supply Chain:** Established relationships with suppliers ensure reliability and cost-effectiveness.
- **Geographically Diverse & State-of-the-Art Production Facilities:** Modern facilities support high-quality production and adaptability to market demands.
- **Self-Sufficiency in Electricity Requirements:** Reduces vulnerability to external energy supply fluctuations.



Weaknesses

- **Highly Fragmented Industry:** Intense competition can lead to price wars and reduced profitability.
- **Demand-Supply Gap and Overcapacity:** Current market conditions may lead to unsold inventory and lower margins.
- **High Taxation and Duties:** Increased financial burdens can impact competitiveness and profitability.
- **High Energy Costs and Inflation:** Rising operational costs due to energy prices and inflationary pressures.
- **High Interest Rates:** Elevated borrowing costs affect investment potential and financial flexibility.
- **Tough Competition in Local Market:** Competitive pressures can limit market share and growth opportunities.
- **Low Exports of Cement:** Limited international presence restricts revenue diversification.

Opportunities

- **Future Growth Potential:** Expanding construction and infrastructure projects can drive demand for cement.
- **Focus on Cost Optimization:** Streamlining operations and reducing costs can enhance profitability.
- **Export Opportunities Due to Fully Operational HUB Facility:** Leveraging the HUB facility can increase market reach and revenue streams.
- **CPEC-Led Growth Opportunities:** Infrastructure developments related to the China-Pakistan Economic Corridor can create demand for cement.
- **Future Growth Potential in Exports:** Expanding into new international markets can diversify revenue sources.

Threats

- **Overcapacity Affecting Margins:** Excess production capacity can lead to decreased prices and profitability.
- **Devaluation of Currency:** Fluctuations in currency value can increase costs for imported materials and impact profitability.
- **Inconsistent Economic Policies:** Uncertainty in government policies can affect business planning and investments.
- **Protectionism:** Trade barriers may limit export opportunities and increase operational costs.
- **Rising Cost of Logistics:** Increased transportation costs can erode margins and competitiveness.
- **High Cost of Financing:** Elevated borrowing costs can hinder investment in growth and innovation.
- **Slashing PSDP Funds:** Reductions in public sector development funds can negatively impact infrastructure projects and cement demand.
- **Rise in Coal Prices:** Increasing fuel costs can significantly affect production expenses and overall profitability.



Factors Affecting The External Environment And Organisations' Response

Political

Government instability and macroeconomic policies adversely impact the Company's business.

Timely adjustments are made in the organizational processes and policies in response to actual or anticipated changes in Government policies.

Management actively looks for the changes in market conditions and strive to act accordingly in response using projections, forecasts and budgeting.

Issues relating to the Cement Industry are dealt with through the forum of APCMA.

Economic

Extensive competition, fluctuating interest rates and price hike in material cost.

Management of the Company is actively looking for discovering new markets to increase the demand of its products.

Cost reduction initiatives to control the costs and also efficient inventory management systems.

Social

Focus on Corporate Social Responsibility, Donations and development of communities

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.

It donates generously to various social and charitable causes including health, education and social sectors.



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.

The Company takes various steps to protect the environment including compliance with applicable environmental standards.

We manage our environmental performance through efficient use of natural resources.

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 create value for all stakeholders, Flying Cement Company Limited focuses on four strategic priorities that drive sustainable growth and cost efficiency. Every team member plays a vital role in achieving these objectives, which are supported by well-defined strategies and plans.



Plan 1: Growing Local Market Share

- **Objective: Enhance our presence in the local market.**
- **Strategies:**
 - Develop tailored business strategies to strengthen our market position.
 - Implement an expansion plan to increase capacity at Line-2 Plant by 2.7 MTPA to meet growing cement demand.
 - Operate warehouses near major consumption centers to maximize product penetration.

Plan 2: Efficiency

- **Objective: Improve operational efficiency and reduce energy costs.**
- **Strategies:**
 - Continuously upgrade manufacturing facilities with new, efficient production lines.
 - Install state-of-the-art Vertical Cement Mills at Line-2 Plant to enhance production efficiency.
 - Optimize resource utilization to lower overall energy consumption.

Plan 3: Sustainable Development

- **Objective: Commit to environmental and social responsibility.**
- **Strategies:**
 - Utilize natural resources efficiently while delivering high-quality products at competitive prices.
 - Operate a 12 MW captive power project to provide clean energy and reduce reliance on imported fossil fuels.
 - Implement cutting-edge bag filter technology to minimize carbon emissions.
 - Establish a 7.5 MW waste heat recovery plant to promote green energy solutions.
 - Ensure compliance with National Environmental Quality Standards and actively contribute to community well-being

Plan 4: HR Excellence

- **Objective: Foster the development of our human capital.**
- **Strategies:**
 - Uphold core values and a comprehensive Code of Conduct to guide organizational behavior.
 - Develop structured processes for professional growth at all levels, emphasizing equal opportunity and fairness.
 - Define clear KPIs for each role, aligning with the company's vision and values.
 - Conduct anonymous climate surveys to gather employee feedback for continuous improvement.
 - Encourage skill enhancement through job rotation and professional development opportunities.



Going Forward

Key Priorities

Micro-Level Focus: Addressing Technological Risks

1. Technological Obsolescence

- o **Commitment to Innovation:** Flying Cement Company Limited prioritizes staying at the forefront of technological advancements in the cement industry. We are actively upgrading our manufacturing facilities to ensure we maintain our competitive edge.
- o **Current Initiatives:**
- o Installation of a new production line at our Khushab Plant.
- o Implementation of state-of-the-art Vertical Cement Mills to enhance production efficiency and reduce operational costs.

2. Technological Innovation by Competitors

- o **Dedicated Professional Team:** We have established a dedicated team that focuses on ensuring compliance with regulatory requirements while continuously monitoring technological trends in the industry.
- o **Resilience in Adverse Conditions:** Our robust systems and software enabled our employees to work effectively from home during challenging times, such as the Covid-19 pandemic and natural disasters like floods. This adaptability has reinforced our operational continuity and workforce productivity.



Key Opportunities (Macro)

1. **Identification of Alternate Sources of Coal**
 - o Exploring new suppliers can mitigate risks associated with fluctuating fuel prices.
2. **Adoption of Renewable Energy Projects**
 - o Investing in renewable energy can reduce reliance on fossil fuels and enhance sustainability.
3. **Cost Optimization Projects**
 - o Implementing efficiency improvements can lower operational costs and increase margins.
4. **Succession Planning**
 - o Developing a robust succession plan ensures leadership continuity and retention of institutional knowledge.
5. **Rewarding High-Performing Employees**
 - o Recognizing and incentivizing top talent fosters a motivated workforce and drives performance.
6. **Investments in Technology Upgrades and Capacity Expansions (Medium to Long Term)**
 - o Modernizing equipment and expanding capacity can enhance productivity and meet growing demand.
7. **Building Relationships Along the Value Chain (Medium to Long Term)**
 - o Strengthening partnerships with suppliers, customers, and other stakeholders can enhance operational resilience and market positioning.
8. **Responsible Use of Raw Materials (Natural Capital)**
 - o Prioritizing sustainable sourcing and efficient resource utilization can improve environmental impact and reduce costs.



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.**



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.



DIRECTORS' REPORT

The Directors of your company have the pleasure to present before you the 31st Annual Report of your company along with duly Audited Financial Statements for the year ended June 30, 2024.

INDUSTRY OVERVIEW

The Fiscal year 2024 proved to be another challenging year for the world, and Pakistan in particular due to significant geopolitical and macroeconomic uncertainty. During the first quarter of current year under review, unprecedented flooding during the severe monsoon damaged the large scale infra-structure and lives of people at large. Moreover, continued currency depreciation, higher inflation, and unprecedented increases in interest rates have affected the cost of doing business, impacting both demand and margins. The state of economy further deteriorated owing to rising prices of fuel and energy, higher inflation, mounting foreign debt, depleting foreign exchange reserves and the Central Bank's countering contradictory monetary policies regarding interest rate etc. The political uncertainty, geo political situation coupled with the prolonged Russia-Ukraine conflict, pressure on consumer demand and macroeconomic uncertainty had hampered the overall business environment in the country and the Company is not exceptional to that.

In short, the country is passing through unprecedented economic, financial and political turmoil which have quite significantly impacted the overall business activities in the country and consequently, at that of the Company. Consequent upon continuous increase in the cost of raw materials including coal, hike in mark-up rates and electricity tariff as well as increase in government levies/taxes and unprecedented devaluation of Pak-Rupee together with galloping inflation have impacted the financial results of the Company.

Overall, the FY 2023 remained a tough year due to the magnitude of economic and other challenges and the construction sector including the cement industry was unlikely to escape the impact.

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:

| Particulars | 2024 | 2023 |
|-------------------|---------|---------|
| Cement Production | 321,500 | 324,660 |
| Cement Dispatches | 314,854 | 329,211 |

(Metric Tons)

The data shows the change in the financial year 2024 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, 2024 is as under:

Particulars

2024 **2023**
(Rupees in Thousand)

| | | |
|--------------------------------------|------------------|------------------|
| Sales revenue Gross | 6,172,886 | 5,729,080 |
| Less: Sales Tax/ Federal Excise Duty | 1 656,258 | 1,485,554 |
| Net: Sales revenue | 4,516,628 | 4,243,527 |
| Gross Profit | 329,452 | 576,996 |
| Operating profit | 183,099 | 446,513 |
| Profit before tax | 333,831 | 369,743 |
| Net Profit after tax | 51,447 | 271,246 |
| Earnings per Share | 0.07 | 0.39 |

During the year under review, the Company's results of operations, financial position and net assets are indicative of satisfactory financial condition. Throughout the year, we continued to show the satisfactory position by putting the best efforts which is our fundamental priority and are proud of the impact of our efforts. This performance of the Company is the reflection of strength of our team, businesses and operations. During the year ended June 30, 2024, the Company remained focus on sustainability.

The company has gross sales of Rs. 6,173 (M) as compared to Rs.5,729 (M) of last year and profit after taxation decreased from Rs. 271,245,680 to Rs. 51,446,770 in the same period last year.

EARNING PER SHARE

Basic earnings per share after taxation for the year was Rs. 0.07 (2023: Rs. 0.39). 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, 2024.

DIVIDEND AND APPROPRIATIONS

The Board has proposed final cash dividend as Nil.

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

Pakistan, having already been impacted by a myriad of geo-political, economic and political challenges, will now also have to bear the social and economic cost of the damage caused by recent floods. Moreover, expected global recession, economic instability and political uncertainty within the country further dented consumer confidence resulting in decline in demand.

SUSTAINABILITY

Throughout FY 2023-24, FCCL has continued to demonstrate its strong commitment to its sustainability agenda. The implementation of FCCL sustainability requirements and their compliance across the Company's scope of operations, geographical presence and businesses are guided through FCCL holistic Management System. A sustainable mindset is fully integrated into the Company's organizational scheme, and the Company's sustainability initiatives are in line with the Sustainability Council, which acts as a governing body on matters relating to sustainability targets and performance. Furthermore, on its Journey of Enriching Lives, FCCL is taking proactive measures to neutralize its emissions by adopting nature and science-based solutions across its various operations.

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 management is committed to introduce more environmental projects in near future as well.

CORPORATE SOCIAL RESPONSIBILITY

The Directors of the Company are committed towards long term measures in line 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 Director | 2 |

Members of the Board of Directors and its Committees:

BOARD OF DIRECTORS

| | | |
|------------------------|----------|------------------------|
| Mr. Kamran Khan | Chairman | Non-Executive Director |
| Mr. Yousaf Kamran Khan | Member | Non-executive Director |
| Mrs. Samina Kamran | Member | Non-Executive Director |
| Mr. Momin Qamar | Member | Executive Director |
| Mr. Qasim Khan | Member | Executive Director |
| Mr. Omar Naeem | Member | Independent Director |
| Mr. Pervaiz Ahmad Khan | Member | Independent Director |

Chief Executive

Mr. Agha Hamayun Khan

AUDIT COMMITTEE

| | | |
|------------------------|----------|------------------------|
| Mr. Omar Naeem | Chairman | Independent Director |
| Mr. Yousaf Kamran Khan | Member | Non-Executive Director |
| Mrs. Samina Kamran | 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 approved 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

We are actively in the process of completion of new Line-II of 8,000 - 9,000 TPD of Clinker, COD of which is targeted by Financial Year 3rd quarter 24 – 25.

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 | Board Meetings | Audit Committee Meetings | HR & R Committee Meetings |
|--------|--------------------------------------|----------------|--------------------------|---------------------------|
| 1 | Mr. Kamran Khan | 4 | N/A | N/A |
| 2 | Mr. Momin Qamar | 4 | N/A | 2 |
| 3 | Mr. Yousaf Kamran Khan | 4 | 4 | 2 |
| 4 | Mr. Qasim Khan | 4 | N/A | N/A |
| 5 | Mrs. Samina Kamran | 4 | 4 | N/A |
| 6 | Mr. Omar Naeem | 4 | 4 | N/A |
| 7 | Mr. Pervaiz Ahmad Khan | 4 | N/A | 2 |
| 8 | Mr. Agha Hamayun Khan | 4 | N/A | N/A |
| | Total Number of Meetings Held | 4 | 4 | 2 |

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

- 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.

BOARD EVALUTAION

As required under the Listed Companies (Code of Corporate Governance Regulations), 2019, the Board conducts a self- evaluation of its performance on an annual basis. The Board of Directors believes that

continuous assessment is critical in determining how effectively the Board has performed against the objectives and goals that they have set for themselves. Based on the results of the evaluation, areas of improvement are identified and corrective action plans are prepared and acted on

EVALUATION CRITERIA OF THE BOARD

Apart from their mandatory job requirements, the performance of the Board of our Company is evaluated regularly along the following parameters, both at individual and team levels:

- Follow-up and review of annual targets set by the management.
- Review of succession planning of management.
- Contribution and interest in regard to improving health safety and environment, employment and other policies and practices in the Company.
- Effectiveness in bringing in a mix of gender, talents, skills and philosophical perspectives.
- Ability to identify aspects of the organization's performance requiring action.

The overall performance of the Board measured on the basis of above-mentioned parameters for the year was satisfactory.

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'S

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, 2024 along with disclosures as required by the Code of Corporate Governance is annexed.

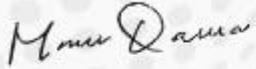
POST BALANCE SHEET EVENTS

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

Lahore

Dated: October 03, 2024



Chief Executive

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

FLYING CEMENT COMPANY LIMITED

Year Ended June 30, 2024

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG/Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. Flying Cement Company Limited ("the Company") has applied the principles contained in the CCG in the following manner:

1. The total number of directors are 7 as per the following:

| | Description | Number of Directors |
|----|-------------|---------------------|
| a. | Male | 06 |
| b. | Female | 01 |

2. The composition of the Board is as follows:

| Category | Names |
|---------------------------------|---|
| Independent Directors | Mr. Pervaiz Ahmad Khan Mr. Omar Naeem |
| Non-Executive Directors | Mr. Kamran Khan Mr. Yousaf Kamran Khan |
| Executive Directors | Mr. Momin Qamar Mr. Qasim Khan |
| Female Director (Non-Executive) | Mrs. Samina Kamran |

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including Flying Cement Company Limited.
- 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.
- 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 significant policies, along with their date of approval or updating, is maintained by the Company.
- 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.
- 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.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- All the directors are either exempt or have acquired the prescribed certification under Directors' Training Program.
- The Board has approved the appointment of the Chief Financial Officer, Company Secretary and head of internal audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of Regulations.
- The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:

a) Audit Committee:

| | |
|------------------------|----------|
| Mr. Omar Naeem | Chairman |
| Mr. Yousaf Kamran Khan | Member |
| Mrs. Samina Kamran | Member |

b) HR & Remuneration Committee:

| | |
|------------------------|----------|
| Mr. Pervaiz Ahmad Khan | Chairman |
| Mr Momin Qamar | Member |
| Mr Yousaf Kamran | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee was as per following.
- Audit Committee 04
 - HR and Remuneration Committee 02
15. The Board has set up an effective internal audit function which comprises of professionals suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company
16. The statutory auditors of Flying Cement Company Limited have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the 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 relatives (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 Companies Act, 2017. 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 requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and
(a) in respect of regulation 6(1), the Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
19. Explanations for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below.

| Sr. No. | Requirement | Explanation of Non-Compliance | Regulation Number |
|---------|---|---|-------------------|
| 1. | Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. | Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee, as and when needed so a separate committee is not considered to be necessary | 29(1) |
| 2. | Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. | Currently, the Board has not constituted a risk management Committee and senior officers of the Company have performed the requisite functions and apprise the Board accordingly. | 30(1) |

On behalf of the Board of Directors

Agha Hamayun Khan

AGHA HAMAYUN KHAN
Chief Executive

Dated: October 03, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Flying Cement Company Limited

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 2024 with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors 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 and also ensure compliance within the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to Our attention which causes us to believe that Compliance does not appropriately reflect the company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Naveed Zafar Ashfaq Jaffery & Co.

Naveed Zafar Ashfaq Jaffery & Co.,
Chartered Accountants

Place: Lahore
Date: October 03, 2024

Financial Highlights

Six Years At Glance



| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|---------------|---------------|--------|--------|--------|--------|
| Financial Position(Rupees in Million) | | | | | | |
| Assets Employed by | | | | | | |
| Property, plant and equipment | 23,174 | 21,175 | 18,428 | 15,886 | 13,287 | 11,216 |
| Other assets | 33 | 33 | 33 | 33 | 33 | 33 |
| Current assets | 2,153 | 1,762 | 1,781 | 2,361 | 3,003 | 2,178 |
| Total Assets | 25,360 | 22,970 | 20,242 | 18,280 | 16,323 | 13,427 |
| Financed by(Rupees in Million) | | | | | | |
| Shareholders equity | 8,499 | 8,389 | 8,058 | 4,309 | 2,158 | 2,625 |
| Surplus on revaluation of fixed assets net of t | 3,787 | 3,845 | 3,905 | 3,966 | 4,028 | 4,091 |
| Directors & shareholders loan | 57 | 57 | 57 | 697 | 1,971 | 1,516 |
| Long term liabilities | 5,083 | 5,360 | 3,724 | 5,106 | 4,366 | 2,649 |
| Other current liabilities | 7,934 | 5,318 | 4,498 | 4,202 | 3,801 | 2,547 |
| Total equity and liabilities | 25,360 | 22,970 | 20,242 | 18,280 | 16,323 | 13,427 |
| Turnover and Profit/(Loss) (Rupees in Milli | | | | | | |
| Gross sales | 6172 | 5729 | 7,146 | 4,380 | 1,372 | 4,822 |
| Net turnover | 4516 | 4244 | 5,336 | 3,206 | 1,080 | 3,271 |
| Gross Profit/(Loss) | 329 | 576 | 872 | 303 | (462) | 191 |
| Operating Profit/(Loss) | 183 | 447 | 739 | 219 | (528) | 118 |
| Profit/(Loss) before taxation | 333 | 370 | 711 | 254 | (513) | 184 |
| Profit/(Loss) after taxation | 51 | 271 | 926 | 144 | (531) | 142 |
| Earnings/(Loss) per share (Rs.) | 0.07 | 0.39 | 1.33 | 0.38 | (3.02) | 0.81 |
| Breakup value per share (Rs.) | 32.83 | 32.69 | 31.97 | 23.86 | 46.34 | 46.77 |
| Analysis of Statement of Financial Position (Rupees in Million) | | | | | | |
| Equity | 12,343 | 12,292 | 12,020 | 8,972 | 8,156 | 8,232 |
| Non Current Liabilities | 5,083 | 5,360 | 3,724 | 5,106 | 4,366 | 2,649 |
| Current Liabilities | 7,934 | 5,318 | 4,498 | 4,202 | 3,801 | 2,547 |
| Total Equity and Liabilities | 25,360 | 22,970 | 20,242 | 18,280 | 16,323 | 13,427 |
| Non Current Assets | 23,207 | 21,208 | 18,461 | 15,919 | 13,320 | 11,249 |
| Current Assets | 2,154 | 1,762 | 1,781 | 2,361 | 3,003 | 2,178 |
| Total Assets | 25,361 | 22,970 | 20,242 | 18,280 | 16,323 | 13,427 |

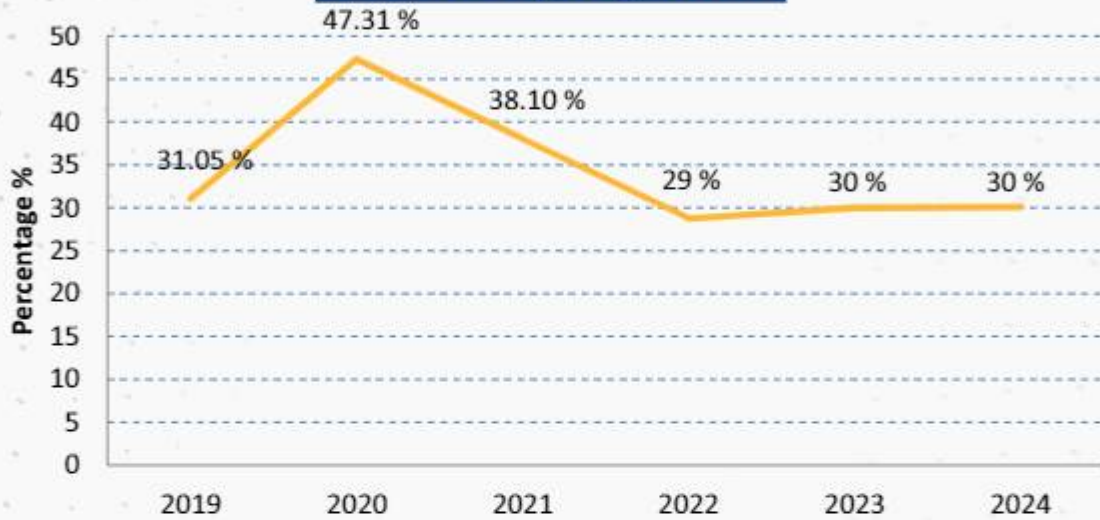
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-----------------|---------------|---------|---------|--------|---------|
| Vertical Analysis (%) | | | | | | |
| Equity | 48.67 | 53.51 | 59.38 | 49.08 | 49.97 | 61.31 |
| Non Current Liabilities | 20.04 | 23.34 | 18.40 | 27.93 | 26.75 | 19.73 |
| Current Liabilities | 31.29 | 23.15 | 22.22 | 22.99 | 23.28 | 18.97 |
| Total Equity and Liabilities | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Non Current Assets | 91.51 | 92.33 | 91.20 | 87.08 | 81.60 | 83.78 |
| Current Assets | 8.49 | 7.67 | 8.80 | 12.92 | 18.40 | 16.22 |
| Total Assets | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Horizontal Analysis (Cumulative %) | | | | | | |
| Equity | 245.18 | 243.74 | 221.63 | 140.06 | 118.24 | 120.27 |
| Non Current Liabilities | 423.05 | 451.55 | 122.96 | 205.67 | 161.40 | 58.59 |
| Current Liabilities | 347.76 | 200.13 | 146.95 | 130.73 | 108.68 | 39.83 |
| Total Equity and Liabilities | 1,015.99 | 895.42 | 491.54 | 476.46 | 388.32 | 218.68 |
| Non Current Assets | 337.79 | 300.08 | 226.43 | 181.47 | 135.52 | 98.91 |
| Current Assets | 111.47 | 72.99 | 13.19 | 50.06 | 90.88 | 38.43 |
| Total Assets | 449.25 | 373.07 | 239.62 | 231.53 | 226.40 | 137.34 |
| Horizontal Analysis (Year on Year %) | | | | | | |
| Equity | 0.42 | 2.26 | 33.98 | 10.00 | (0.92) | 51.47 |
| Non Current Liabilities | (5.17) | 43.93 | (27.06) | 16.93 | 64.83 | 59.27 |
| Current Liabilities | 49.19 | 18.23 | 7.03 | 10.57 | 49.24 | (4.40) |
| Total Equity and Liabilities | 44.44 | 64.42 | 13.95 | 37.50 | 113.15 | 106.34 |
| Non Current Assets | 9.42 | 14.88 | 15.97 | 19.51 | 18.40 | 68.63 |
| Current Assets | 22.24 | (1.06) | (24.57) | (21.39) | 37.89 | (29.52) |
| Total Assets | 31.67 | 13.82 | (8.60) | (1.87) | 56.30 | 39.11 |

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------------|--------------|--------|--------|---------|--------|
| Analysis of Statement of Profit and Loss Accounts | | | | | | |
| Gross turnover | 6,172 | 5,729 | 7,146 | 4,380 | 1,372 | 4,822 |
| Net turnover | 4,516 | 4,244 | 5,336 | 3,206 | 1,080 | 3,271 |
| Cost of sales | 4,187 | 3,667 | 4,464 | 2,903 | 1,542 | 3,081 |
| Gross Profit/(loss) | 329 | 577 | 872 | 303 | (462) | 191 |
| Administrative Expense | (100) | (86) | (76) | (54) | (58) | (50) |
| Distribution Expense | (21) | (19) | (15) | (11) | (8) | (9) |
| Other operating expense | (25) | (26) | (42) | (19) | - | (13) |
| Operating Profit/(loss) | 183 | 446 | 739 | 219 | (528) | 118 |
| Finance Cost | (179) | (169) | (115) | (72) | (80) | (33) |
| Other Income | 329 | 92 | 87 | 106 | 95 | 98 |
| Profit/(Loss) before taxation | 333 | 369 | 711 | 254 | (513) | 184 |
| Taxation | (282) | (98) | 215 | (110) | (18) | (42) |
| Profit/(Loss) after taxation | 51 | 271 | 926 | 144 | (531) | 142 |
| Other Comprehensive income | 0.059 | 0.047 | 1.470 | 0.054 | 0.045 | 0.073 |
| Total Comprehensive income for the year | 51 | 271 | 924 | 144 | (531) | 142 |
| Vertical Analysis-% | | | | | | |
| Turnover | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Cost of Sales | 92.71 | 86.40 | 83.66 | 90.55 | 142.83 | 94.17 |
| Gross Profit | 7.29 | 13.60 | 16.34 | 9.45 | (42.83) | 5.83 |
| Administrative Expense | 2.21 | 2.03 | 1.42 | 1.68 | 5.34 | 1.53 |
| Distribution Expense | 0.47 | 0.45 | 0.27 | 0.34 | 0.77 | 0.28 |
| Other operating expense | 0.55 | 0.61 | 0.80 | 0.59 | - | 0.40 |
| Operating (loss) / profit | 4.05 | 10.51 | 13.85 | 6.85 | (48.94) | 3.62 |
| Finance Cost | 3.96 | 3.98 | 2.16 | 2.24 | 7.41 | 1.00 |
| Other Income | (7.29) | (2.17) | (1.63) | (3.30) | (8.85) | (3.01) |
| (Loss) / profit before taxation | 7.37 | 8.69 | 13.33 | 7.91 | (47.51) | 5.63 |
| Taxation | 6.24 | 2.31 | (4.02) | 3.43 | 1.66 | 1.28 |
| Profit/(Loss) after taxation | 1.13 | 6.39 | 17.36 | 4.48 | (49.16) | 4.35 |
| Other Comprehensive income | 0.001 | 0.001 | 0.028 | 0.002 | 0.004 | 0.002 |
| Total Comprehensive income for the year | 1.13 | 6.39 | 17.38 | 4.48 | (49.16) | 4.35 |

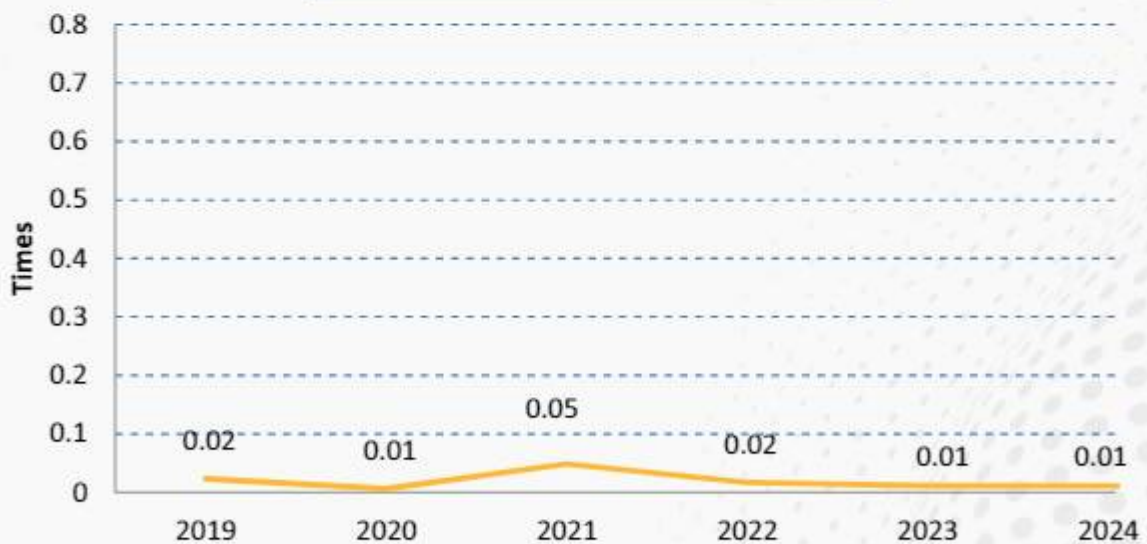
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|----------------|----------------|----------|----------|----------|---------|
| Horizontal Analysis (Cumulative %) | | | | | | |
| Turnover | 82.41 | 71.42 | 116.01 | 29.77 | (56.30) | 32.43 |
| Cost of Sales | 81.33 | 58.81 | 96.93 | 28.05 | (31.98) | 35.90 |
| Gross Profit | 97.34 | 246.10 | 328.79 | 48.97 | (327.38) | (6.27) |
| Administrative Expense | 278.87 | 225.83 | 92.48 | 36.85 | 46.60 | 27.03 |
| Distribution Expense | 303.85 | 265.39 | 139.81 | 78.20 | 36.82 | 50.04 |
| Other operating expense | 63.91 | 70.47 | 176.44 | 22.39 | (100.00) | (14.58) |
| Operating (loss) / profit | 52.67 | 272.07 | 418.43 | 53.93 | (470.54) | (16.95) |
| Finance Cost | 6,040 | 5,697 | 1,324 | 787 | 889 | 305 |
| Other Income | 319.74 | 17.37 | 35.48 | 64.47 | 48.34 | 52.95 |
| (Loss) / profit before taxation | 70.48 | 88.91 | 257.68 | 27.56 | (357.86) | (7.40) |
| Taxation | 468.11 | 97.43 | (670.78) | 192.39 | (52.44) | 11.09 |
| (Loss) / profit after taxation | (65.00) | 86.00 | 474.31 | (10.90) | (429.12) | (11.72) |
| Other Comprehensive income | (4.79) | (24.15) | 1,835.09 | (28.39) | (40.78) | (3.72) |
| Total Comprehensive income for the year | (64.97) | 85.96 | 474.95 | (10.90) | (428.93) | (11.71) |
| Horizontal Analysis (Year on Year %) | | | | | | |
| Turnover | 6.41 | (20.46) | 66.45 | 196.96 | (67.00) | 12.40 |
| Cost of Sales | 14.18 | (17.85) | 53.78 | 88.26 | (49.95) | 16.10 |
| Gross Profit | (42.98) | (33.83) | 187.84 | (165.52) | (342.58) | (25.80) |
| Administrative Expense | 16.28 | 13.16 | 40.65 | (6.65) | 15.41 | 7.53 |
| Distribution Expense | 10.53 | 26.67 | 34.57 | 30.24 | (8.81) | 24.29 |
| Other operating expense | 100.00 | 100.00 | 125.87 | 100.00 | (100.00) | (26.34) |
| Operating (loss) / profit | (58.97) | (39.65) | 236.79 | (141.54) | (546.17) | (36.08) |
| Finance Cost | 5.92 | 46.96 | 60.58 | (10.36) | 144.39 | (25.41) |
| Other Income | 257.61 | 5.75 | (17.62) | 10.88 | (3.02) | 7.34 |
| (Loss) / profit before taxation | (9.76) | (48.10) | 180.39 | (149.47) | (378.47) | (21.01) |
| Taxation | 187.76 | (145.58) | (295.21) | 514.78 | (57.19) | (19.04) |
| (Loss) / profit after taxation | (81.18) | (70.73) | 544.54 | (127.07) | (472.80) | (21.57) |
| Other Comprehensive income | 25.53 | (96.80) | 2,602.18 | 20.92 | (38.49) | 83.45 |
| Total Comprehensive income for the year | (81.16) | (70.78) | 545.32 | (127.09) | (472.57) | (21.54) |

FINANCIAL RATIOS

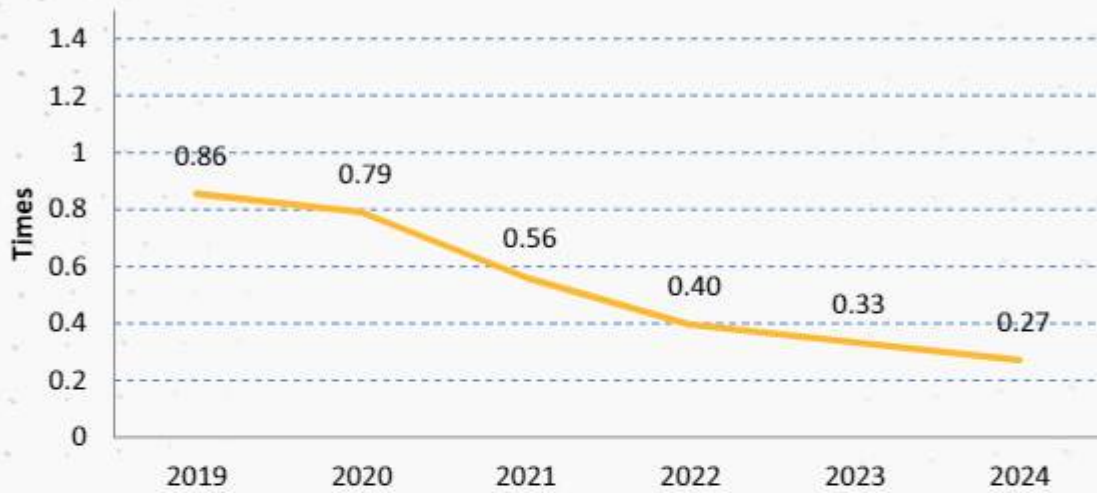
Debt to Equity Ratio



Cash to Current Liabilities



Current Ratio



Acid Test Ratio



Gross Profit to Sales



Operating Profit to Sales



Profit before tax to Sales

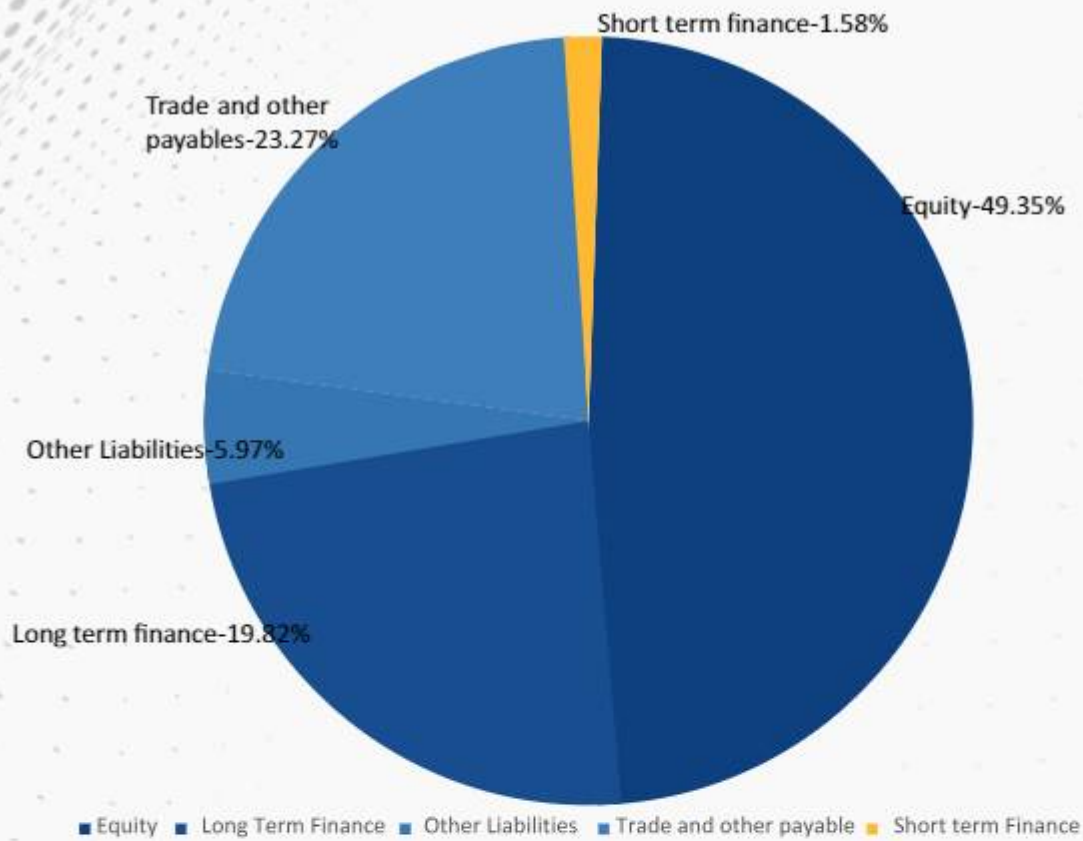


Profit after tax to Sales



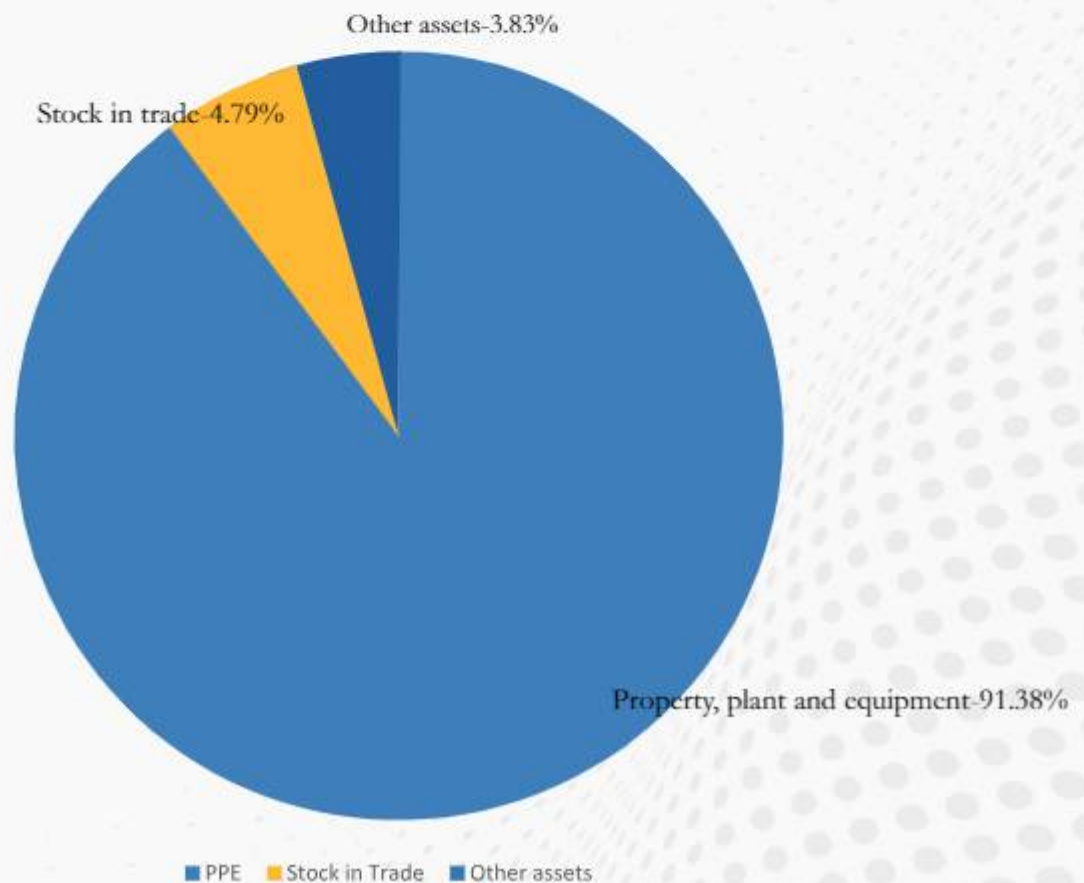
Equity and Liabilities-FY 2024

Percentage



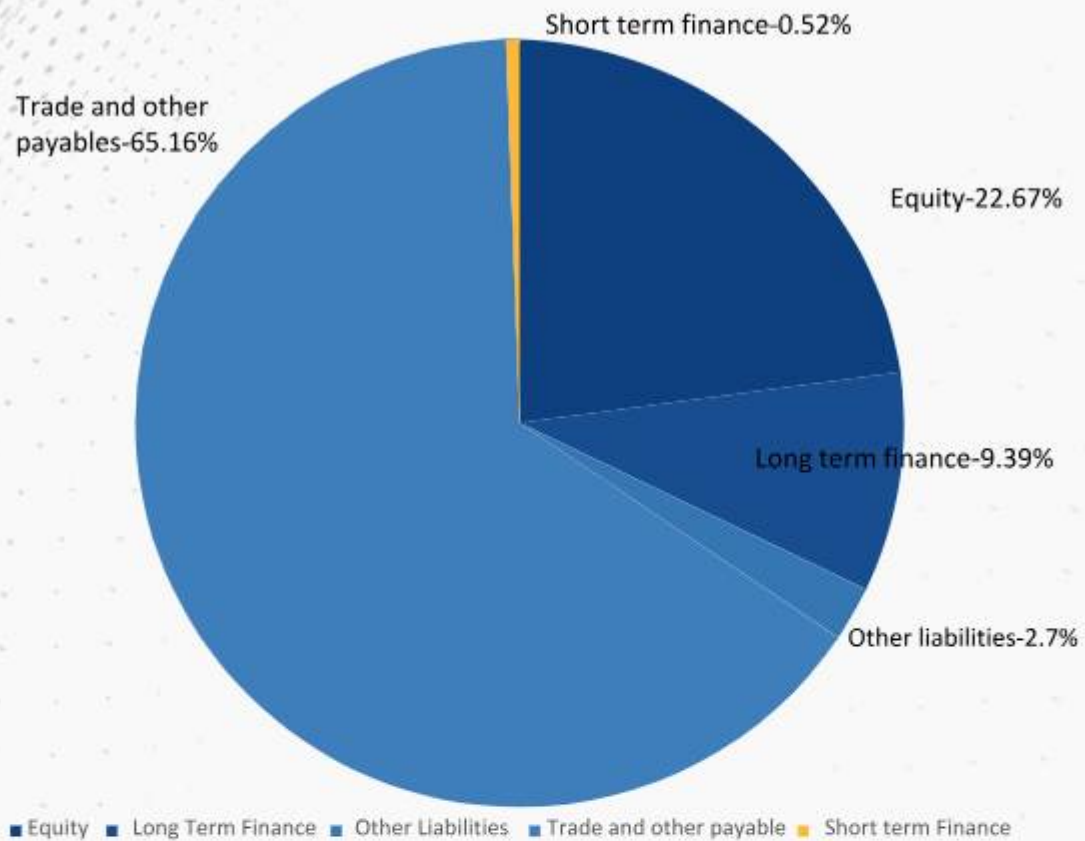
Assets-FY 2024

Percentage



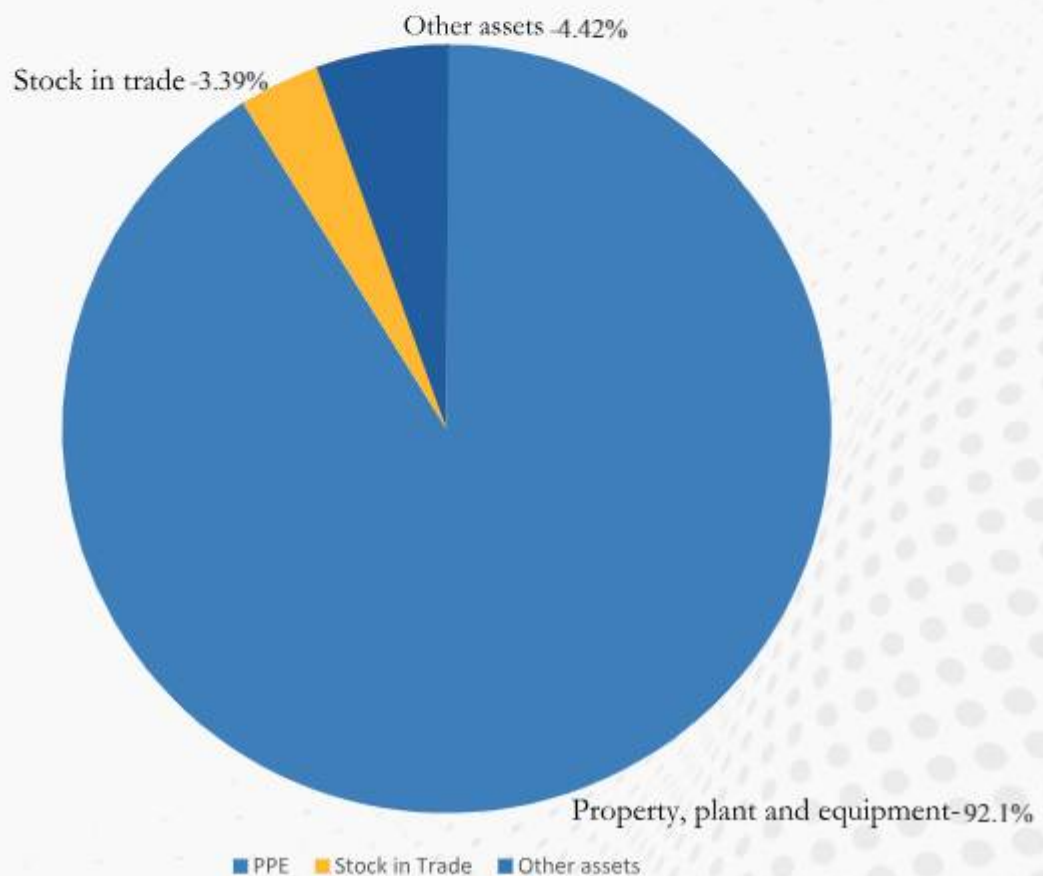
Equity and Liabilities-FY 2023

Percentage



Assets-FY 2023

Percentage





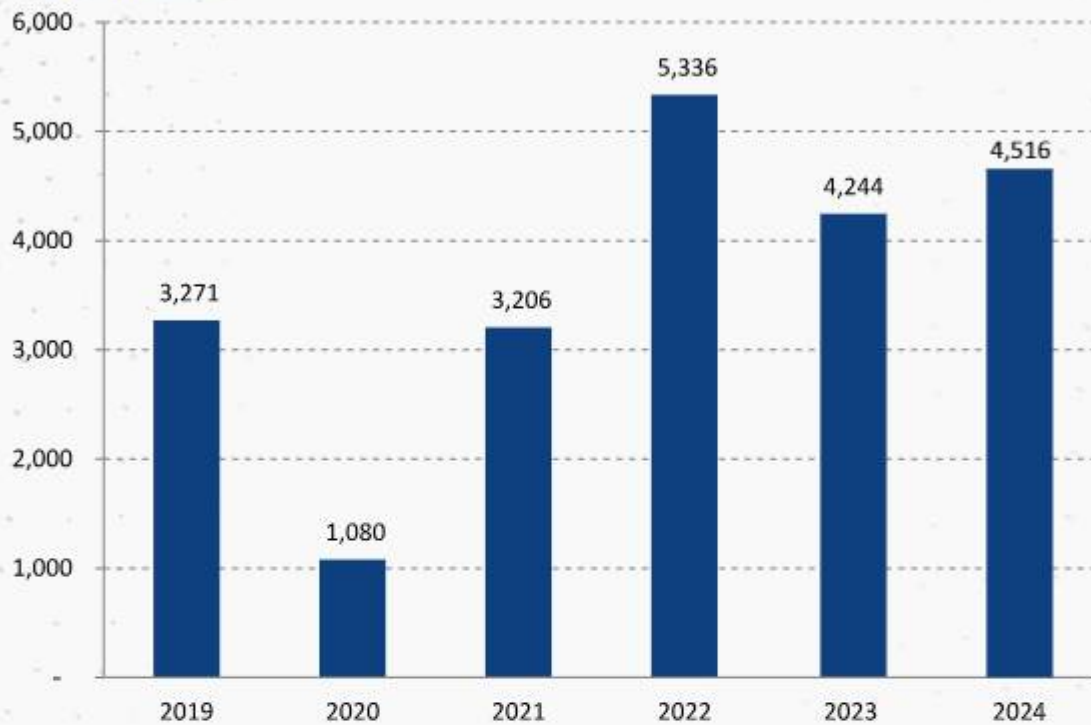
Financials at a Glance



Financial At A Glance

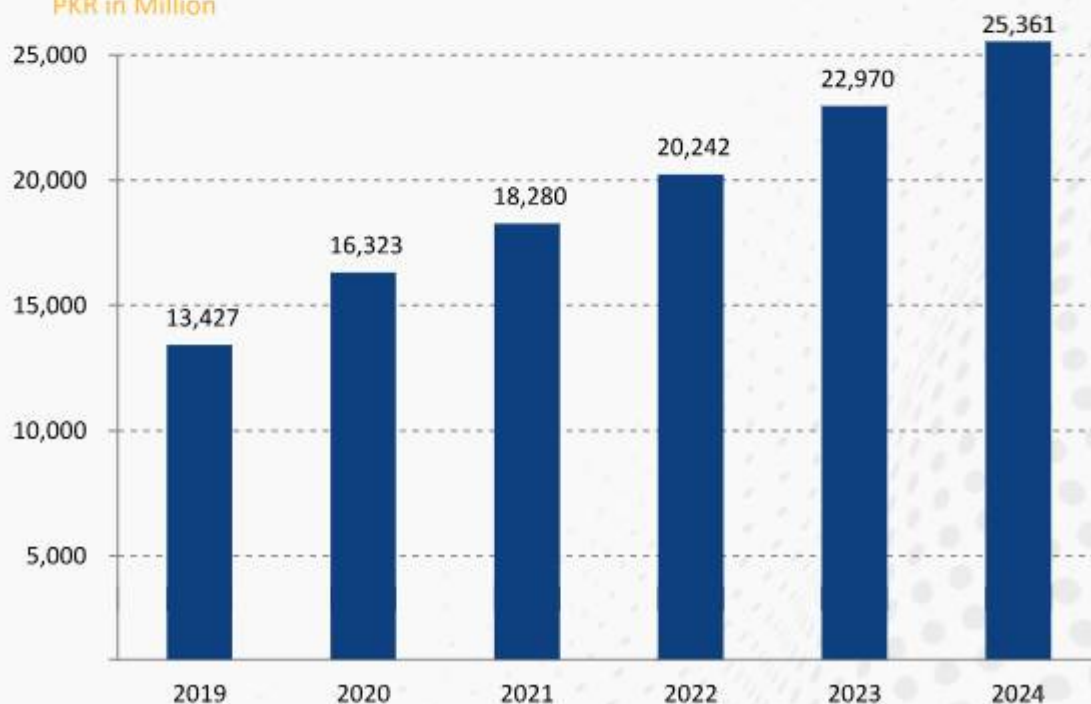
Sales Revenue

PKR in Million



Total Assets

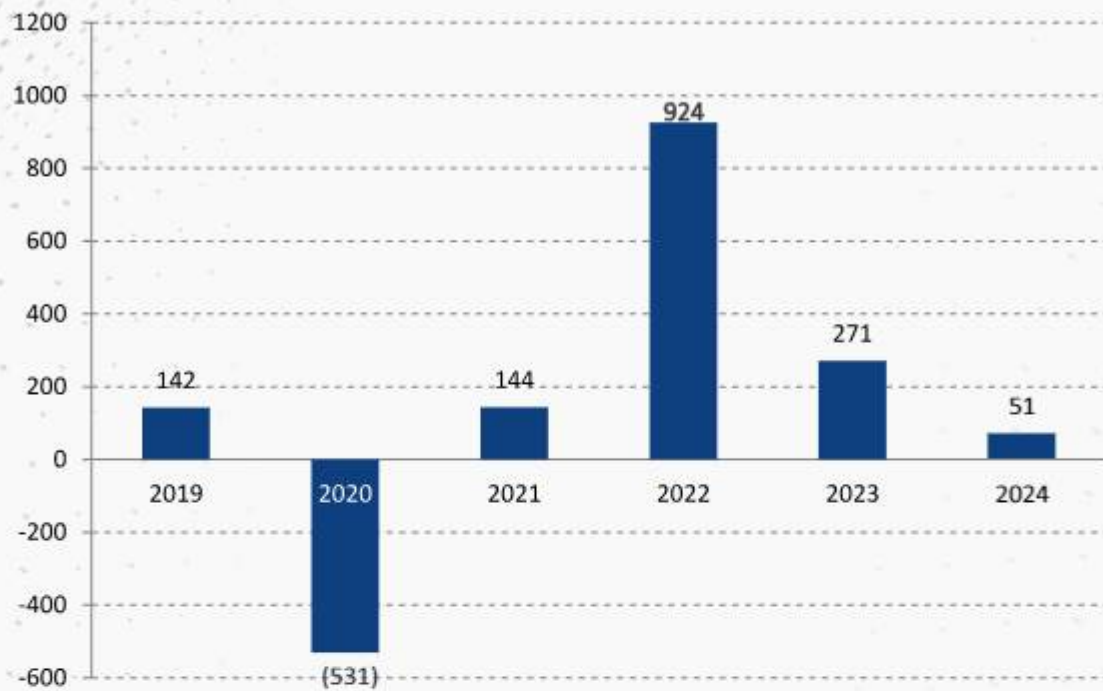
PKR in Million





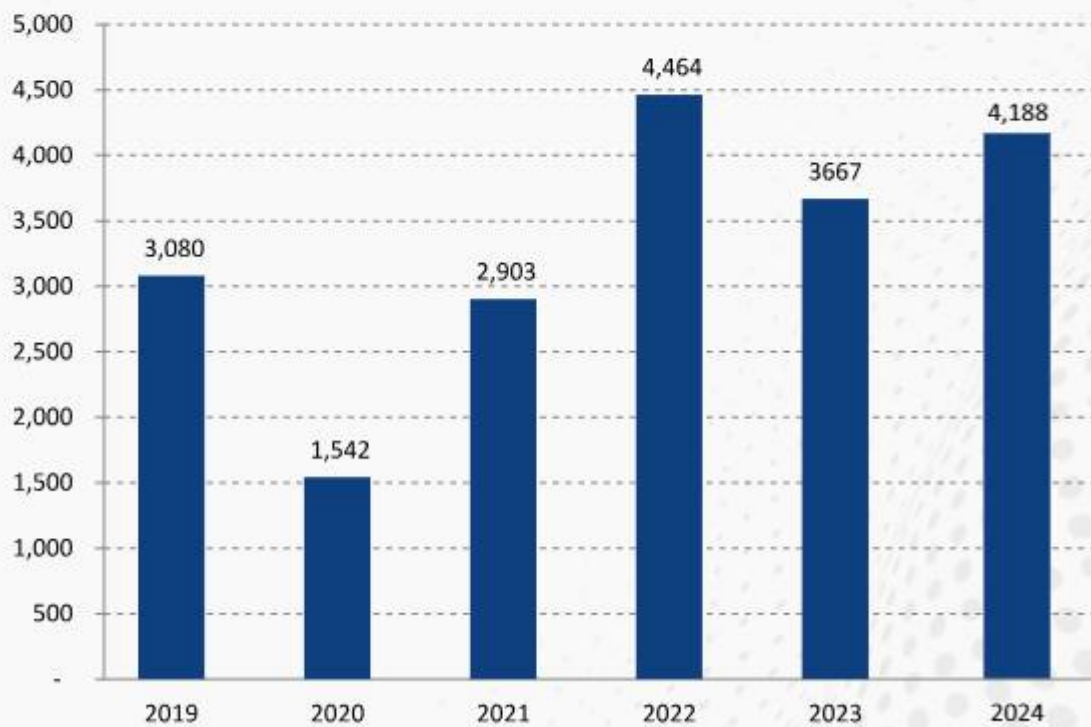
Net Profit/(Loss)

PKR in Million



Cost of Sales

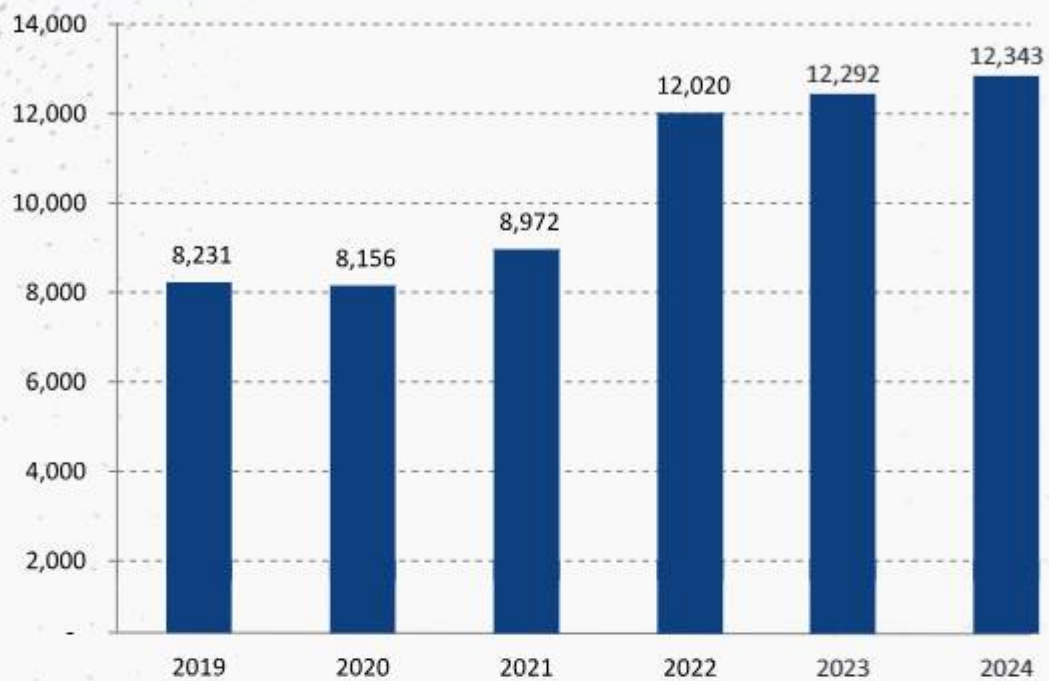
PKR in Million





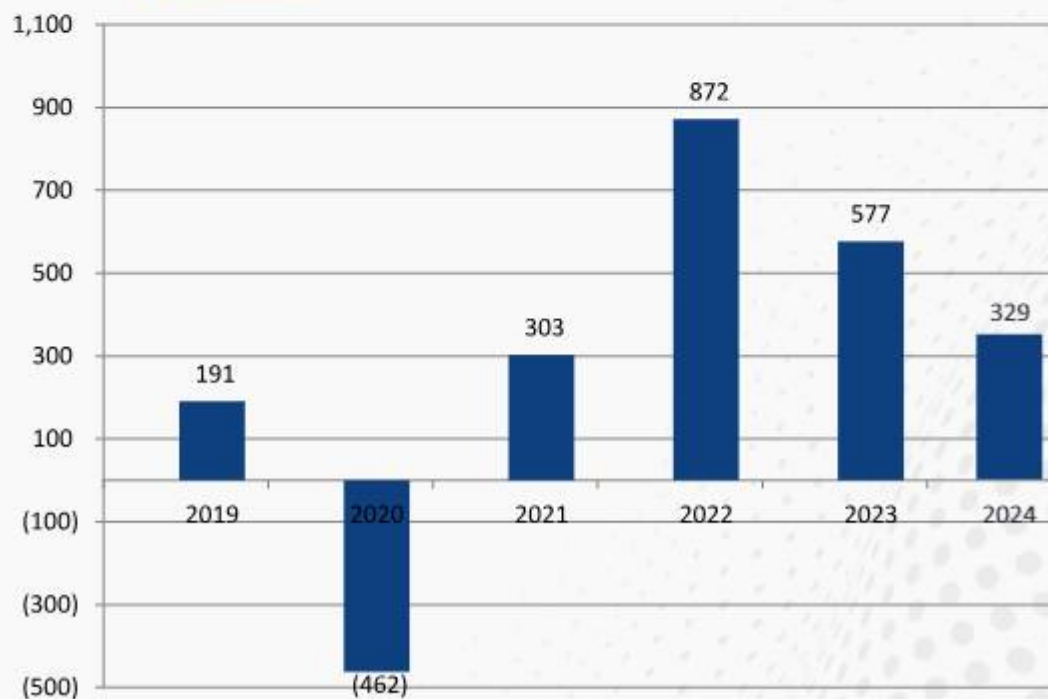
Shareholders Equity

PKR in Million



Gross Profit/(Loss)

PKR in Million





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 2024

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, 2024, 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, 2024 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>Sales: (Refer to the note no 24 to the financial statements)</p> <p>The company has recognized gross sale of amounting Rs. 6,172,885,950 and net of sale tax and federal excise duty, net sale recognized of amounting Rs. 4,516,627,795 during the current year.</p> <p>We identified sale as a Key Audit Matter because this is a key performance indicator of company and there is an inherent risk that revenue may be misstated to meet expectations or targets.</p> | <p>We performed following audit procedures to verify sale:</p> <p>For sales recorded during the year, we verified a sample of sale transactions from truck loading advice to sales invoices and sales tax returns.</p> <p>Quantity of sale recorded, sales tax amount and amount of federal excise duty verified from the monthly sales tax return.</p> <p>Assessed the adequacy of disclosures related to sale in notes to the accounts.</p> |
| 2 | <p>Addition to Capital Work in Progress: (Refer to the note no 17.7 to the financial statements)</p> <p>The company has recognized addition to capital work in progress of amounting Rs. 4,145,331,368 during the current year</p> <p>We identified addition to capital work in progress as a Key Audit Matter because there may be misclassification between capital and revenue expenditure. Further, there may also be implications on depreciation expense because of this misclassification.</p> | <p>We performed following audit procedures to verify addition to capital work in progress:</p> <p>Visited company factory during annual stock take and physically verify the construction of new plant and building.</p> <p>Checked that markup capitalized as borrowing cost during the year met the conditions specified in IAS-23.</p> <p>On a sample basis, tested cost incurred with supporting documents to verify only capital nature expenses are capitalized.</p> <p>Checked the adequacy of disclosure of Capital Work in Progress 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).

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

Signature: 

Lahore

Date: October 03, 2024

UDIN: AR202410575xbOmcITHg

Flying Cement Company Limited
Statement of Financial Position
As at 30 June 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL & RESERVES | | | |
| Authorized share capital 800,000,000 ordinary shares of Rs. 10/- each. | | <u>8,000,000,000</u> | <u>8,000,000,000</u> |
| Issued, subscribed and paid up capital 694,800,000 ordinary shares of Rs. 10/- each. | 5 | 6,948,000,000 | 6,948,000,000 |
| Reserves | 6 | 1,551,883,173 | 1,441,370,551 |
| | | 8,499,883,173 | 8,389,370,551 |
| Directors & shareholders loan | 7 | 57,035,933 | 57,035,933 |
| Surplus on revaluation of fixed assets | 8 | 3,786,644,456 | 3,845,115,494 |
| | | 3,843,680,389 | 3,902,151,427 |
| | | <u>12,343,563,562</u> | <u>12,291,521,978</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term liabilities | 9 | 3,589,685,120 | 4,091,827,193 |
| Loan from associated undertaking | 10 | 934,678,914 | 906,739,954 |
| Long term deposits | 11 | 18,205,340 | 14,505,340 |
| Deferred liabilities | 12 | 541,136,312 | 339,508,799 |
| | | 5,083,705,686 | 5,352,581,286 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 5,820,070,844 | 3,533,344,450 |
| Directors & shareholders loan | | 350,271,281 | 511,104,928 |
| Unclaimed Dividend | 14 | 59,526 | 59,526 |
| Short term finances | 15 | 395,435,334 | 280,040,805 |
| Current portion of long term finance | 9 | 1,368,184,996 | 1,001,681,928 |
| | | 7,934,021,981 | 5,326,231,637 |
| TOTAL LIABILITIES | | <u>13,017,727,667</u> | <u>10,678,812,923</u> |
| Contingencies and commitments | 16 | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u>25,361,291,229</u> | <u>22,970,334,901</u> |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant & equipment | 17 | 23,174,488,535 | 21,175,355,723 |
| Long term security deposits | 18 | 32,880,151 | 32,880,151 |
| | | 23,207,368,686 | 21,208,235,874 |
| CURRENT ASSETS | | | |
| Stores, spares & loose tools | 19 | 134,840,629 | 130,699,796 |
| Stock in trade | 20 | 1,215,420,461 | 778,965,317 |
| Trade debts | 21 | 192,495,895 | 172,087,368 |
| Advances, deposits, prepayments & other receivables | 22 | 474,870,766 | 617,999,960 |
| Cash and bank balances | 23 | 136,294,792 | 62,346,586 |
| | | 2,153,922,543 | 1,762,099,026 |
| TOTAL ASSETS | | <u>25,361,291,229</u> | <u>22,970,334,901</u> |

The annexed notes from 1 to 42 form an integral part of these financial statements.

Munir Qureshi
Director

Agha Hamza Khan
Chief Executive

Asif Ali Khan
Chief Financial Officer

Flying Cement Company Limited
Statement Of Profit or Loss and Other Comprehensive Income
For The Year Ended June 30, 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|--------------------------|---------------------------|
| Gross Sales | 24 | 6,172,885,950 | 5,729,080,532 |
| Less Sales tax and federal excise duty | | 1,656,258,155 | 1,485,553,773 |
| Trade discount | | - | - |
| | | <u>1,656,258,155</u> | <u>1,485,553,773</u> |
| Net sales | | 4,516,627,795 | 4,243,526,759 |
| Cost of Sales | 25 | (4,187,176,042) | (3,666,530,288) |
| Gross Profit | | 329,451,753 | 576,996,471 |
| Operating Expenses | | | |
| Distribution Expenses | 26 | (20,987,367) | (18,772,976) |
| Administrative Expenses | 27 | (100,746,321) | (86,200,368) |
| Other Operating Expenses | 28 | (24,619,241) | (25,509,955) |
| | | <u>(146,352,929)</u> | <u>(130,483,299)</u> |
| Operating Profit | | 183,098,824 | 446,513,172 |
| Finance Cost | 29 | (178,599,228) | (168,507,788) |
| Other Income | 30 | 329,331,839 | 91,737,400 |
| Profit Before Taxation | | <u>333,831,435</u> | <u>369,742,784</u> |
| Taxation | 31 | (282,384,665) | (98,497,104) |
| Profit / (Loss) After Taxation | | 51,446,770 | 271,245,680 |
| Other comprehensive income: | | | |
| <i>Items that will not be reclassified to profit or loss:</i> | | | |
| Remeasurement of obligation of employees retirement benefits | | 837,766 | 662,882 |
| Deferred tax on remeasurement of defined benefits plan | | (242,952) | (192,236) |
| | | <u>594,814</u> | <u>470,646</u> |
| Total Comprehensive Income / (Loss) for the year | | <u>52,041,584</u> | <u>271,716,326</u> |
| Earnings / (Loss) Per Share (before tax) - Basic | 32 | <u>0.48</u> | <u>0.53</u> |
| Earnings / (Loss) Per Share (after tax) - Basic | 32 | <u>0.07</u> | <u>0.39</u> |

The annexed notes from 1 to 42 form an integral part of these financial statements.

Munir Qureshi
Director

Agha Hamza M Khan
Chief Executive

Asim Ali
Chief Financial Officer

FLYING CEMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

| | 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, 2022 | 6,948,000,000 | 983,010,923 | 57,035,933 | 3,904,779,804 | 126,978,994 | 12,019,805,654 |
| Profit / (Loss) for the year | - | 271,716,324 | - | - | - | 271,716,324 |
| Other comprehensive Income (Loss) for the year | - | - | - | - | - | - |
| Directors & Shareholders loan - Net | - | - | - | - | - | - |
| Incremental depreciation | - | 59,664,310 | - | (59,664,310) | - | - |
| | - | - | - | - | - | - |
| Balance as at June 30, 2023 | 6,948,000,000 | 1,314,391,557 | 57,035,933 | 3,845,115,494 | 126,978,994 | 12,291,521,978 |
| Profit / (Loss) for the year | - | 52,041,584 | - | - | - | 52,041,584 |
| Other comprehensive Income (Loss) for the year | - | - | - | - | - | - |
| Directors & Shareholders loan - Net | - | - | - | - | - | - |
| Incremental depreciation | - | 58,471,038 | - | (58,471,038) | - | - |
| Balance as at June 30, 2024 | 6,948,000,000 | 1,424,904,179 | 57,035,933 | 3,786,644,456 | 126,978,994 | 12,343,561,562 |

The annexed notes from 1 to 42 form an integral part of these financial statements.

Muhammad Danish
 Director

Ahmed Hameed Khan
 Chief Executive

14 June 2024
 Chief Financial Officer

FLYING CEMENT COMPANY LIMITED
CASHFLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|------------------------|------------------------|
| Cash generated from operations | 40 | 2,493,089,751 | 2,005,253,517 |
| Gratuity Paid | | - | (60,000) |
| Finance cost paid | | (178,599,228) | (168,507,788) |
| Income Tax (paid) / refund received | | (81,766,318) | (69,606,900) |
| Net Cash from Operating Activities | | 2,232,724,205 | 1,767,078,829 |
| Cash Flows From Investing Activities | | | |
| Fixed Capital Expenditure | | (2,170,170,484) | (2,906,544,567) |
| Long Term Security deposit | | - | - |
| Net Cash (used in) Investing Activities | | (2,170,170,484) | (2,906,544,567) |
| Cash Flows From Financing Activities | | | |
| Term Finance - Net | | (20,244,476) | 539,066,229 |
| Associated undertaking | | 27,938,962 | 586,932,350 |
| Increase in Long term deposit | | 3,700,000 | 500,000 |
| Net Cash from Financing Activities | | 11,394,486 | 1,126,498,579 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | | 73,948,206 | (12,967,159) |
| Cash and Cash Equivalents - at the beginning of the year | | 62,346,585 | 75,313,744 |
| Cash and Cash Equivalents - at the end of the year | | 136,294,792 | 62,346,585 |

The annexed notes from 1 to 42 form an integral part of these financial statements.


Director


Chief Executive


Chief Financial Officer

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 | Geographical Location & Address |
|---------------------------------|--|
| Head Office (Registered office) | 63A- Sher Khan Road, Lahore Cantt |
| Manufacturing Plant | 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 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 and, therefore, have not been disclosed in these financial statements.

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

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 The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the financial statements.

IFRS 17 Insurance Contract

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.

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.

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.

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 contract with the customers.
- 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 cements and clinker. 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.

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.

4.22 Lease

The Company is the lessee:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments include the following:

- fixed payments, less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------------|----------------------|
| 5 SHARE CAPITAL | | | |
| a) Authorized Capital | | | |
| 800,000,000 (2023 : 800,000,000) ordinary shares of Rs.10/- each. | | <u>8,000,000,000</u> | <u>8,000,000,000</u> |
| b) Issued, Subscribed and Paid Up Capital | | | |
| - 637,419,189 (2023 : 637,419,189) ordinary shares of Rs.10/- each fully paid up in cash. | | 6,374,191,890 | 6,374,191,890 |
| - 22,580,811 (2023: 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 |
| - 34,800,000 (2023: 34,800,000) bonus shares of Rs.10/- each issued as bonus shares. | | 348,000,000 | 348,000,000 |
| | | <u>6,948,000,000</u> | <u>6,948,000,000</u> |
| 6 RESERVES | | | |
| Capital Reserve | | 126,978,994 | 126,978,994 |
| Revenue Reserve | | | |
| Un-appropriated Profit/(Loss) | | <u>1,424,904,179</u> | <u>1,314,391,557</u> |
| | | <u>1,551,883,173</u> | <u>1,441,370,551</u> |
| 7 DIRECTORS & SHAREHOLDERS LOAN - UNSECURED | | | |
| Directors & shareholders loan | 7.1 | <u>57,035,933</u> | <u>57,035,933</u> |
| | | <u>57,035,933</u> | <u>57,035,933</u> |
| 7.1 The directors have provided interest free loan for expansion project. The repayment of the loan is at the discretion of the Company. | | | |
| 8 SURPLUS ON REVALUATION OF FIXED ASSETS | | | |
| Balance as July 01. | | 3,845,115,494 | 3,904,779,804 |
| Add: Revaluation Surplus | | - | - |
| | | <u>3,845,115,494</u> | <u>3,904,779,804</u> |
| Less: Surplus transferred to accumulated profit | | | |
| Incremental depreciation | | 82,353,575 | 84,034,239 |
| Deferred Tax effect | | (23,882,537) | (24,369,929) |
| | | <u>58,471,038</u> | <u>59,664,310</u> |
| | | <u>3,786,644,456</u> | <u>3,845,115,494</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 Hagib 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 Hagib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. Surplus on revaluation includes freehold land amounting to Rs.111.594 million (2022: Rs. 111.594 million).

| | Note | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------------|----------------------|
| 9 LONG TERM LIABILITIES | | | |
| Loans from banking companies - secured | 9.1 | 3,576,467,609 | 4,083,452,707 |
| Loans from non banking financial companies - secured | | - | 8,374,486 |
| Lease from non banking financial companies- secured | 9.2 | 13,217,511 | - |
| | | <u>3,589,685,120</u> | <u>4,091,827,193</u> |
| 9.1 LOANS FROM BANKING COMPANIES - SECURED | | | |
| National Bank of Pakistan Demand Finance - II | 9.1.1 | 1,086,548,580 | 1,086,548,580 |
| National Bank of Pakistan Demand Finance - III | 9.1.2 | - | 4,429,000 |
| National Bank of Pakistan Demand Finance - IV | 9.1.3 | 980,405,433 | 980,405,433 |
| National Bank of Pakistan Demand Finance - V | 9.1.4 | 360,000,000 | 360,000,000 |
| National Bank of Pakistan Demand Finance - VI | 9.1.5 | 103,288,000 | 103,288,000 |
| National Bank of Pakistan Demand Finance - VII | 9.1.6 | 1,218,435,000 | 1,218,435,000 |
| National Bank of Pakistan Demand Finance - VIII | 9.1.7 | 116,162,314 | 116,162,314 |
| National Bank of Pakistan Demand Finance - IX | 9.1.8 | 733,400,000 | 733,400,000 |
| Al Baraka Bank Diminishing Musharika | 9.1.9 | 331,845,282 | 474,289,380 |
| | | 4,930,084,609 | 5,076,957,707 |
| Less: Current portion of loans from banking companies-secured | | (1,353,617,000) | (993,505,000) |
| | | <u>3,576,467,609</u> | <u>4,083,452,707</u> |
| LOANS FROM NON BANKING FINANCIAL COMPANIES - SECURED | | | |
| 9.2 | | | |
| Invest Capital investment Bank LTD- Loan | 9.2.1 | 8,176,928 | 16,551,414 |
| invest Capital investment Bank LTD- Lease | 9.2.2 to 9.2.6 | 19,608,579 | - |
| Less: Current portion of loans from non banking financial companies - secured | | (8,176,928) | (8,176,928) |
| Less: Current portion of lease from non banking financial companies - secured | | (6,391,068) | - |
| | | <u>13,217,511</u> | <u>8,374,486</u> |

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.1086.55 million on 18-10-2023).

The rescheduled facility includes a deferment period of 9 months and principal to be repaid in 12 quarterly instalments of Rs.93.75 million each. The first instalment will be fall due on 30-09-2024. 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 principal is to be repaid in 16 quarterly instalments 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 prorata amount of exchange difference over and above the DF limit of Rs 1,181,306 million ensuring that NBP funded exposure remains within DF limit of Rs 1,181,306 million.

The facility is rescheduled Rs. 981 million on 18-10-2023. The rescheduled facility includes a deferment period of 9 months and principal to be repaid in 14 quarterly instalments of Rs.70.313 million each. The first instalment will be fall due on 30-09-2024. Markup shall be charged at 3 Months KIBOR plus 2.0% p.a.

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 Rs. 360 million on 18-10-2023. As per the rescheduled letter, the Company is required to pay 18 quarterly instalments of Rs 20 million each starting from 31-09-2024. It will be charged with 3 Months KIBOR plus 1.75 %. The repayment of the instalments has been deferred till 31.12.2028.
- 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 %. The facility is rescheduled for Rs. 103.291 million. It will be paid in 37 monthly instalments from 29-09-2024 to 29-09-2027.
- 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. The facility is rescheduled for Rs. 1,219 million. Markup shall be charged at 3 Months KIBOR plus 2 %. It will be paid of in 18 calendar quarterly instalments for Rs. 70 million each starting from 31-03-2025 to 30-06-2029.
- 9.1.7 Fresh Demand Finance Facility Rs 610 M-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. The facility is rescheduled Rs. 116 million. It will be paid in 13 monthly instalments started from 30-09-2024 to 31-10-2025
- 9.1.8 The Company has availed facility of Demand Finance of Rs 750 Million to refinance CAPEX of BMR (waste Heat Recovery Plant) from National Bank of Pakistan at 25% margin on limit over Fixed Assets secured against 1st charge of Rs 1,000 Million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of two Sponsor Directors. The facility is rescheduled for Rs. 734 million. Markup shall be charged at 3 Month Kibor + 1.5% PA. It will be repaid in 20 calendar quarterly instalments starting from 16-11-2024 to 16-08-2029.
- 9.1.9 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 instalment shall be paid by 7 equal half yearly instalments 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%.
- All these facilities also include commitment of sponsoring directors through pledge of shares.
- 9.2.1 Loan finance facility through loan of Rs. 31.5 million is obtained from Investment Capital Bank Limited against finance tenure 36-months with monthly instalment of 1st twelve months of Rs.948,460 and 2nd twelve months of Rs.943,735 and 3rd twelve months of Rs.901,210 starting from March, 2022 till February, 2025. The finance is secured by the pledge of original documents of Mercedes Benz s-400 hybrid, LEB-17-4 which is owned by the director of company.

Lease Liabilities

- 9.2.2 Lease finance facility of Rs. 5,714 million is obtained from Investment Capital Bank Limited against finance tenure 36-months with monthly instalment of 1st twelve months of Rs.243,950 and 2nd twelve months of Rs.242,575 and 3rd twelve months of Rs. 230,175 starting from 20-12-2023 to 20-12-2026. The finance is secured by the pledge of original documents of MG HS Essence 1.5 Turbo AQN-114.
- 9.2.3 Lease finance facility of Rs. 7,429 million is obtained from Investment Capital Bank Limited against finance tenure 36-months with monthly instalment of 1st twelve months of Rs.316,25 and 2nd twelve months of Rs.314,465 and 3rd twelve months of Rs. 298,345 starting from 28-12-2023 to 28-11-2026. The finance is secured by the pledge of original documents of Cherry Tigo 8 Pro AQA-411

9.2.4 Lease finance facility of Rs. 9.556 million is obtained from Investment Capital Bank Limited against finance tenure 36-months with monthly instalment of 1st twelve months of Rs.403,695 and 2nd twelve months of Rs.401,650 and 3rd twelve months of Rs. 383,215 starting from 15-01-2024 to 15-12-2026. The finance is secured by the pledge of original documents of Toyota Hilux Revo G 2.8L.

9.2.5 Set out below is the carrying amount of lease liabilities recognized and the movement during the year

| | Moto Vehicles |
|-------------------------------|-------------------|
| Opening Balance July 01, 2023 | - |
| Additions | 22,699,789 |
| Accretion of interest | 2,677,545 |
| Payments | (5,768,755) |
| Closing Balance June 30, 2024 | <u>19,608,579</u> |

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|--------------------|--------------------|
| 10 | | | |
| LOAN FROM ASSOCIATED UNDERTAKINGS - UNSECURED | | | |
| Flying Paper Industries Limited | | 736,415,476 | 729,915,476 |
| Flying Board & Paper Products Limited | | 153,809,805 | 132,370,845 |
| Poly Paper & Board Mills(Pvt) Limited | | 34,300,000 | 34,300,000 |
| Zamam Paper & Board Mills (Pvt) Limited | | 10,153,633 | 10,153,633 |
| | | <u>934,678,914</u> | <u>906,739,954</u> |

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

| | Note | 2024 Rupees | 2023 Rupees |
|---------------------------------------|------|-------------------|-------------------|
| 11 | | | |
| LONG TERM DEPOSITS - UNSECURED | | | |
| Dealers | 11.1 | 2,805,000 | 2,805,000 |
| Transporters | 11.2 | 15,400,340 | 11,700,340 |
| | | <u>18,205,340</u> | <u>14,505,340</u> |

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.

| | Note | 2024 Rupees | 2023 Rupees |
|-----------------------------|------|--------------------|--------------------|
| 12 | | | |
| DEFERRED LIABILITIES | | | |
| Deferred Taxation | 12.1 | 535,360,471 | 334,499,172 |
| Gratuity | 12.2 | <u>5,775,841</u> | <u>5,009,628</u> |
| | | <u>541,136,312</u> | <u>339,508,800</u> |

| | | | |
|--|--|----------------------|----------------------|
| 12.1 | | | |
| Deferred Taxation - Net | | | |
| Taxable temporary differences - effect thereof | | | |
| -Excess of accounting book value of fixed assets over their tax base | | 819,342,555 | 699,686,374 |
| -Prepaid rent | | - | - |
| Deductible temporary differences - effect thereof | | | |
| -Gratuity | | (1,209,840) | (1,260,556) |
| -WPPF & WWF | | (18,317,177) | (16,908,762) |
| Remeasurement of defined benefits | | - | - |
| -Unused tax losses | | <u>(264,455,067)</u> | <u>(347,017,885)</u> |
| | | <u>535,360,471</u> | <u>334,499,172</u> |

| Note | 2024 Rupees | 2023 Rupees |
|---|---|------------------|
| 12.2 | The amounts recognized in the statement of financial position based on the recent actuarial valuation carried on June 30, 2024 are as follows | |
| 12.2.1 Defined Benefits Plan | | |
| Present value of defined benefit obligation | <u>5,775,841</u> | <u>5,009,628</u> |
| | <u>5,775,841</u> | <u>5,009,628</u> |
| 12.2.2 Change in present value of defined benefits obligations | | |
| Present value of defined benefit obligation at the beginning of the year | 5,009,628 | 4,329,102 |
| Current service cost for the year | 789,914 | 769,802 |
| Interest cost on defined benefit obligation | 814,065 | 573,606 |
| Benefits due but not paid (payable) | - | - |
| Benefits paid | - | - |
| Gains and losses arising on plan settlements | - | - |
| Remeasurements | | |
| Actuarial (gains)/ losses from changes in demographic assumptions | - | - |
| Actuarial (gains)/ losses from changes in financial assumptions | (116,766) | 9,493 |
| Experience adjustments | (721,000) | (672,375) |
| Present value of defined benefit obligation | <u>5,775,841</u> | <u>5,009,628</u> |
| 12.2.3 Charge for the year | | |
| Current service cost | 789,914 | 769,802 |
| Interest cost on defined benefit obligation | 814,065 | 573,606 |
| Expenses charged to profit and loss | <u>1,603,979</u> | <u>1,343,408</u> |
| 12.2.4 The charge for the year has been allocated as follows: | | |
| Administrative expenses | <u>1,603,979</u> | <u>1,343,408</u> |
| | 1,603,979 | 1,343,408 |
| 12.2.5 Principal actuarial assumptions used are as follows: | | |
| Expected rate of increase in salary level | 13.75% | N/A |
| Valuation discount rate | 16% | 13% |
| The entity operates a salary based defined benefit plan for the employees. | | |
| Expected charge to profit and loss account for year ended June 30, 2024 amount to Rs. 1,603,979. | | |
| 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 | 5,626,285 | 4,897,383 |
| Discount rate - 100 bps | 5,938,427 | 5,129,280 |
| Salary increases + 100 bps | 5,943,690 | 5,131,455 |
| salary increases - 100 bps | 5,618,813 | 4,893,413 |
| 12.2.7 Maturity profile of the defined benefit obligation: | | |
| Weighted average duration - in number of | 3 Years | 2 Years |
| The retirement will at most continue - year | 2030 | 2029 |
| 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 is more pronounced in schemes where the age and service distribution is on the higher side. | | |
| Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increase as salary increase. | | |
| Withdrawal risks - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary. | | |

| | Note | 2024 Rupees | 2023 Rupees |
|---|---|------------------------|------------------------|
| 13 TRADE AND OTHER PAYABLES | | | |
| Trade Payables & others - unsecured | | 3,446,900,505 | 2,430,891,398 |
| Accrued liabilities | | 38,601,176 | 21,027,923 |
| Accrued Markup | | 2,030,434,708 | 747,116,712 |
| Taxes and Other Govt. Levies payable | | 295,496,584 | 329,888,643 |
| Other liabilities | | 8,637,870 | 4,419,774 |
| | | <u>5,820,070,844</u> | <u>3,533,344,450</u> |
| 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 | 395,435,334 | 280,040,805 |
| | | <u>395,435,334</u> | <u>280,040,805</u> |
| 15.1 LOANS FROM BANKING COMPANIES-SECURED | | | |
| Albaraka Islamic Bank | | - | - |
| National Bank of Pakistan | 15.1.1 | 395,435,334 | 280,040,805 |
| | | <u>395,435,334</u> | <u>280,040,805</u> |
| 15.1.1 | | | |
| During the year, the Company has facility of letter of credit facility of usance (180 Days) from National Bank of Pakistan of Rs. 388 million at 20% Cash Margin with expiry of 31-05-2025 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 decided at tribunal in favor of Flying Cement Company Limited Rs. 16.991 million refunded from department. | | | |
| 16.4 | | | |
| 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. | | | |
| 16.5 | | | |
| Commitments in respect of outstanding letter of credit amount to Rs.99.450lion (2023 Rs.117.653(M)). It includes letter of credit facilities for procurement of new cement production plant.raw material and parts of machinery. | | | |
| 16.6 Lease Payable | Note | 2024 Rupees | 2023 Rupees |
| | | | |
| | Maturity Analysis | | |
| | Undiscounted Lease Payments are as follows: | | |
| | Less than One Year | 11,126,890 | - |
| | Less than five years and more than one year | 16,119,800 | - |
| | More than five years. | - | - |
| | | <u>2024 Rupees</u> | <u>2023 Rupees</u> |
| 17 PROPERTY, PLANT & EQUIPMENT | | | |
| Operating Assets - tangible | 17.1 | 8,235,288,138 | 8,391,893,103 |
| Right of Use Assets | 17.6 | 21,588,746 | - |
| Capital Work in Progress - at cost | 17.7 | 14,917,611,651 | 12,783,462,620 |
| | | <u>23,174,488,535</u> | <u>21,175,355,723</u> |

17.1

Operating Assets - tangible

| Particulars | Land-Freehold | Building on freehold land | Roads | Plant and Machinery | Electrical Installation | Tools and Equipment | Furniture, fixture and equipment | Vehicles | Total operating assets |
|------------------------------------|---------------|---------------------------|-----------|---------------------|-------------------------|---------------------|----------------------------------|------------|------------------------|
| (Rupees) | | | | | | | | | |
| At July 01, 2022 | | | | | | | | | |
| Cost | 124,717,500 | 617,424,582 | 5,514,865 | 9,436,573,542 | 29,523,285 | 1,391,363 | 1,524,309 | 30,634,659 | 10,247,204,105 |
| Accumulated depreciation | - | 180,252,090 | 1,910,216 | 1,468,141,062 | 15,433,213 | 1,059,965 | 1,257,742 | 19,664,803 | 1,467,719,091 |
| Net book value | 124,717,500 | 437,172,492 | 3,604,649 | 7,968,432,480 | 14,090,072 | 331,398 | 266,567 | 10,869,856 | 8,559,485,014 |
| Movement during the period | | | | | | | | | |
| Net book value as on July 01, 2022 | 124,717,500 | 437,172,492 | 3,604,649 | 7,968,432,480 | 14,090,072 | 331,398 | 266,567 | 10,869,856 | 8,559,485,014 |
| Additions | - | - | - | - | 3,048,500 | - | - | 99,572 | 3,148,072 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Cost | | | | | | | | | |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | 8,743,650 | 72,093 | 159,368,650 | 1,409,007 | 33,140 | 26,657 | 1,086,986 | 170,739,983 |
| Closing Net Book Value | 124,717,500 | 428,429,042 | 3,532,556 | 7,809,063,830 | 15,729,565 | 298,258 | 239,910 | 9,882,442 | 8,391,893,103 |
| At June 30, 2023 | | | | | | | | | |
| Cost/Revalued amount | 124,717,500 | 617,424,582 | 5,514,865 | 9,436,573,542 | 32,571,785 | 1,391,363 | 1,524,309 | 30,634,231 | 10,250,352,177 |
| Accumulated depreciation | - | 188,995,540 | 1,982,309 | 1,627,509,712 | 16,842,220 | 1,093,105 | 1,284,399 | 20,751,789 | 1,858,459,074 |
| Net book value | 124,717,500 | 428,429,042 | 3,532,556 | 7,809,063,830 | 15,729,565 | 298,258 | 239,910 | 9,882,442 | 8,391,893,103 |
| At July 01, 2023 | | | | | | | | | |
| Cost/Revalued Amount | 124,717,500 | 617,424,582 | 5,514,865 | 9,436,573,542 | 32,571,785 | 1,391,363 | 1,524,309 | 30,634,231 | 10,250,352,177 |
| Accumulated depreciation | - | 188,995,540 | 1,982,309 | 1,627,509,712 | 16,842,220 | 1,093,105 | 1,284,399 | 20,751,789 | 1,858,459,074 |
| Net book value | 124,717,500 | 428,429,042 | 3,532,556 | 7,809,063,830 | 15,729,565 | 298,258 | 239,910 | 9,882,442 | 8,391,893,103 |
| Movement during the period | | | | | | | | | |
| Net book value as on July 01, 2023 | 124,717,500 | 428,429,042 | 3,532,556 | 7,809,063,830 | 15,729,565 | 298,258 | 239,910 | 9,882,442 | 8,391,893,103 |
| Additions | - | - | - | - | 13,321,664 | - | - | - | 13,321,664 |
| Disposals | - | - | - | - | - | - | - | - | - |
| Cost | | | | | | | | | |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | 8,568,581 | 70,651 | 156,181,277 | 2,905,123 | 29,806 | 23,991 | 2,147,180 | 169,926,629 |
| Closing Net Book Value | 124,717,500 | 419,860,461 | 3,461,905 | 7,652,882,553 | 26,146,106 | 268,432 | 215,919 | 7,735,262 | 8,230,268,138 |
| At June 30, 2024 | | | | | | | | | |
| Cost/Revalued amount | 124,717,500 | 617,424,582 | 5,514,865 | 9,436,573,542 | 45,893,449 | 1,391,363 | 1,524,309 | 30,634,231 | 10,263,673,841 |
| Accumulated depreciation | - | 197,564,121 | 2,052,960 | 1,783,690,989 | 19,747,343 | 1,122,931 | 1,308,390 | 22,898,969 | 2,028,385,703 |
| Net book value | 124,717,500 | 419,860,461 | 3,461,905 | 7,652,882,553 | 26,146,106 | 268,432 | 215,919 | 7,735,262 | 8,230,268,138 |
| Annual rate of depreciation (%) | - | 2 | 2 | 2 | 10 | 10 | 10 | 10 | - |

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|--------------------|--------------------|
| 17.2 Depreciation for the year has been allocated as under: | | | |
| Cost of Goods Sold | | 167,755,458 | 169,626,340 |
| Administrative expenses | | 2,171,171 | 1,113,643 |
| | | 169,926,629 | 170,739,983 |

17.3 The company have revalued its Land, Building and Plant & Machinery. Revaluation of the assets was carried out by indipended 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.

Flying Cement Company Limited
Notes To The Financial Statements
For The Year Ended June 30, 2024

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 Installation | Tools and Equipment | Furniture, fixture and equipment | Vehicles | Total operating assets |
|------------------------------------|---------------|---------------------------|-----------|---------------------|-------------------------|---------------------|----------------------------------|--------------|------------------------|
| (Rupees) | | | | | | | | | |
| At July 01, 2022 | | | | | | | | | |
| Cost | 13,123,746 | 292,730,850 | 5,514,865 | 4,671,424,751 | 29,523,285 | 1,391,363 | 1,524,309 | 30,534,659 | 5,045,767,828 |
| Accumulated depreciation | - | 98,743,245 | 1,910,215 | 662,045,793 | 15,433,213 | 1,059,965 | 1,257,742 | 19,214,275 | 799,664,448 |
| Net book value | 13,123,746 | 193,987,605 | 3,604,650 | 4,009,378,958 | 14,090,072 | 331,398 | 266,567 | 11,320,384 | 4,246,103,380 |
| Movement during the period | | | | | | | | | |
| Net book value as on July 01, 2022 | 13,123,746 | 193,987,605 | 3,604,650 | 4,009,378,958 | 14,090,072 | 331,398 | 266,567 | 11,320,384 | 4,246,103,380 |
| Additions | - | - | - | - | 3,048,500 | - | - | - | 3,048,500 |
| Disposals: | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | 3,879,752 | 72,093 | 80,187,579 | 1,409,007 | 33,140 | 28,657 | 1,132,038 | 86,740,266 |
| Closing Net Book Value | 13,123,746 | 190,107,853 | 3,532,557 | 3,929,191,379 | 15,729,565 | 298,258 | 239,910 | 10,188,346 | 4,162,411,614 |
| At June 30, 2023 | | | | | | | | | |
| Cost | 13,123,746 | 292,730,850 | 5,514,865 | 4,671,424,751 | 32,571,785 | 1,391,363 | 1,524,309 | 30,534,659 | 5,048,816,328 |
| Accumulated depreciation | - | 102,622,997 | 1,982,308 | 742,233,372 | 16,842,220 | 1,093,105 | 1,284,399 | 20,346,313 | 886,404,714 |
| Net book value | 13,123,746 | 190,107,853 | 3,532,557 | 3,929,191,379 | 15,729,565 | 298,258 | 239,910 | 10,188,346 | 4,162,411,614 |
| At July 01, 2023 | | | | | | | | | |
| Cost | 13,123,746 | 292,730,850 | 5,514,865 | 4,671,424,751 | 32,571,785 | 1,391,363 | 1,524,309 | 30,534,659 | 5,048,816,328 |
| Accumulated depreciation | - | 102,622,997 | 1,982,308 | 742,233,372 | 16,842,220 | 1,093,105 | 1,284,399 | 20,346,313 | 886,404,714 |
| Net book value | 13,123,746 | 190,107,853 | 3,532,557 | 3,929,191,379 | 15,729,565 | 298,258 | 239,910 | 10,188,346 | 4,162,411,614 |
| Movement during the period | | | | | | | | | |
| Net book value as on July 01, 2023 | 13,123,746 | 190,107,853 | 3,532,557 | 3,929,191,379 | 15,729,565 | 298,258 | 239,910 | 10,188,346 | 4,162,411,614 |
| Additions | - | - | - | - | 13,321,664 | - | - | - | 13,321,664 |
| Deletion | - | - | - | - | - | - | - | - | - |
| Disposals: | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | 3,802,157 | 70,651 | 78,593,828 | 3,695,495 | 29,826 | 23,991 | 2,166,661.49 | 88,372,609 |
| Closing Net Book Value | 13,123,746 | 186,305,696 | 3,461,906 | 3,850,607,551 | 25,355,734 | 268,432 | 215,919 | 8,021,685 | 4,087,360,669 |
| At Dec 31, 2024 | | | | | | | | | |
| Cost | 13,123,746 | 292,730,850 | 5,514,865 | 4,671,424,751 | 45,893,449 | 1,391,363 | 1,524,309 | 30,534,659 | 5,062,137,992 |
| Accumulated depreciation | - | 106,425,154 | 2,052,959 | 820,817,200 | 20,537,715 | 1,122,931 | 1,308,390 | 22,512,974 | 974,777,323 |
| Net book value | 13,123,746 | 186,305,696 | 3,461,906 | 3,850,607,551 | 25,355,734 | 268,432 | 215,919 | 8,021,685 | 4,087,360,669 |
| 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 Right of Use Assets

| | Moto Vehicles |
|-------------------------------|---------------|
| Opening Balance July 01, 2023 | - |
| Additions | 22,699,789 |
| Depreciation Charged | (1,111,043) |
| Closing Balanc June 30, 2024 | 21,588,746 |

17.7 Movement in Capital Work in Progress

| | As at 01-07-2023 | Addition | Adjustment | Revaluation | As at 30-06-2024 |
|-------------------|-----------------------|----------------------|----------------------|-------------|-----------------------|
| Building | 1,282,756,762 | 223,497,972 | - | - | 1,506,254,734 |
| Plant & machinery | 11,500,705,858 | 3,921,833,396 | 2,013,780,660 | - | 13,408,758,594 |
| | 12,783,462,620 | 4,145,331,368 | 2,013,780,660 | - | 14,915,013,328 |

During the year mark up Rs.738,541,534,100,593 is capitalized at the average (bank) mark up rate of 22%.

Movement in Capital Work in Progress

| | As at 01-07-2022 | Addition | Adjustment | Revaluation | As at 30-06-2023 |
|-------------------|----------------------|----------------------|------------|-------------|-----------------------|
| Building | 1,009,624,408 | 273,132,354 | - | - | 1,282,756,762 |
| Plant & machinery | 8,859,060,197 | 2,641,645,661 | - | - | 11,500,705,858 |
| | 9,868,684,605 | 2,914,778,015 | - | - | 12,783,462,620 |

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|-----------------------|-----------------------|
| 17.8 CAPITAL WORK IN PROGRESS | | | |
| Building | | 1,506,254,734 | 1,282,756,762 |
| Plant & machinery | | 13,411,356,917 | 11,500,705,858 |
| | | 14,917,611,651 | 12,783,462,620 |
| 18 LONG TERM SECURITY DEPOSITS | | | |
| Security deposits-WAPDA | | 32,880,151 | 32,880,151 |
| | | 32,880,151 | 32,880,151 |
| 18.1 These are security deposits held with WAPDA and do not carry any markup arrangement. | | | |
| 19 STORES, SPARES AND LOOSE TOOLS | | | |
| Stores & Spares | | 63,873,387 | 67,313,054 |
| Furnace oil, coal & lubricants | | 70,967,242 | 63,386,742 |
| | | 134,840,629 | 130,699,796 |
| 20 STOCK IN TRADE | | | |
| Raw & Packing material | | 60,594,842 | 78,896,115 |
| Work in process | 25 | 1,007,229,724 | 645,119,723 |
| Finished goods | 25 | 147,595,895 | 54,949,479 |
| | | 1,215,420,461 | 778,965,317 |
| Stock in trade is recorded at lower of cost or net realizable value. | | | |
| 21 TRADE DEBTS- considered good though unsecured | | 192,495,896 | 172,087,368 |
| 22 ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES | | | |
| Advances to suppliers - Unsecured, considered good | | 96,143,070 | 1,314,620 |
| Advances to staff - Unsecured, considered good | | 618,000 | 52,000 |
| Margin held by banks | | 8,019,300 | 60,663,007 |
| Advance income tax | | 127,256,723 | 161,167,732 |
| Sales tax & excise duty tax year 2013 | | 16,991,083 | 20,000,000 |
| Other advances | | 225,842,590 | 374,802,601 |
| | | 474,870,766 | 617,999,960 |

Flying Cement Company Limited
Notes To The Financial Statements
For The Year Ended June 30, 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|----------------------|----------------------|
| 23 CASH AND BANK BALANCES | | | |
| In Hand | | 26,604,422 | 10,341,721 |
| At Banks- current accounts | | 109,690,371 | 52,004,865 |
| | | <u>136,294,792</u> | <u>62,346,586</u> |
| 24 SALES | | | |
| Gross Sales | | | |
| Local - Cement | | 6,172,885,950 | 5,729,080,532 |
| | | 6,172,885,950 | 5,729,080,532 |
| Less : | | | |
| Sales Tax | | 1,026,550,155 | 924,862,773 |
| Excise Duty | | 629,708,000 | 560,691,000 |
| Trade discount | | - | - |
| | | <u>1,656,258,155</u> | <u>1,485,553,773</u> |
| NET SALES | | <u>4,516,627,795</u> | <u>4,243,526,759</u> |
| 25 COST OF SALES | | | |
| Raw Material Consumed | | 167,380,490 | 142,940,992 |
| Furnace Oil, Diesel, Coal and Lubricants consumed | | 1,407,712,191 | 1,478,185,637 |
| Packing Material consumed | | 336,767,498 | 401,869,527 |
| Stores and Spares consumed | | 29,578,780 | 20,723,760 |
| Salaries , Wages and Benefits | | 148,187,825 | 138,078,280 |
| Electricity | | 2,218,802,933 | 1,323,595,297 |
| Extraction Charges and government charges | | 147,717,641 | 60,687,500 |
| Repair and Maintenance | | 812,640 | 3,445,734 |
| Vehicle Running Expenses | | 12,158,799 | 14,162,152 |
| Communication | | 771,190 | 882,218 |
| Entertainment | | 221,776 | 228,737 |
| Printing and Stationery | | 596,654 | 1,309,566 |
| Travelling and Conveyance | | 1,593,142 | 1,669,038 |
| Other Manufacturing Expenses | | 1,875,441 | 4,568,830 |
| Depreciation | 17.2 | 167,755,458 | 169,626,340 |
| | | 4,641,932,459 | 3,761,973,608 |
| Work In Process | | | |
| Opening stock | | 645,119,723 | 533,533,215 |
| Closing stock | | (1,007,229,724) | (645,119,723) |
| | | (362,110,001) | (111,586,508) |
| Cost of Goods Manufactured | | 4,279,822,458 | 3,650,387,100 |
| Finished Goods | | | |
| Opening stock | | 54,949,479 | 71,092,667 |
| Closing stock | | (147,595,895) | (54,949,479) |
| | | (92,646,416) | 16,143,188 |
| Cost of Sales | | <u>4,187,176,042</u> | <u>3,666,530,288</u> |

| | Note | 2024 Rupees | 2023 Rupees |
|--|---|--------------------|--------------------|
| 26 DISTRIBUTION COST | | | |
| Salaries, Wages and Benefits | | 20,084,880 | 18,052,740 |
| Rent, Rates and Taxes | | 90,400 | 87,200 |
| Travelling, Conveyance and Vehicle Running | | 91,078 | 53,663 |
| Communication | | 26,230 | 23,409 |
| Electricity, Water & Sui Gas | | 27,920 | 25,173 |
| Advertisement | | 580,000 | 449,040 |
| Entertainment & Miscellaneous | | 86,859 | 81,751 |
| | | <u>20,987,367</u> | <u>18,772,976</u> |
| 27 ADMINISTRATIVE EXPENSES | | | |
| Salaries, Wages and Benefits | 27.1 | 40,943,171 | 31,629,476 |
| Directors' Remuneration | | 32,400,000 | 26,850,000 |
| Rent, Rates and Taxes | | - | 3,990,000 |
| Electricity, Water & Sui Gas | | 188,885 | 1,347,658 |
| Legal and Professional | | - | 400,000 |
| Communication | | 560,695 | 1,485,771 |
| Charity and Donation | 27.2 | 899,500 | 814,700 |
| Fee and Subscription | | 6,918,401 | 6,295,370 |
| Insurance | | 12,395,386 | 9,828,957 |
| Auditors' Remuneration | 27.3 | 3,129,000 | 2,392,500 |
| Fine & Penalties | | 8,429 | 36,283 |
| Entertainment | | 20,640 | 16,010 |
| Depreciation | 17.2 | 2,171,171 | 1,113,643 |
| Depreciation on Right of Use Assets | 17.6 | 1,111,043 | - |
| | | <u>100,746,321</u> | <u>86,200,368</u> |
| 27.1 | Salaries, Wages and Benefits includes Rs. 1,603,979 (2023: Rs. 1,343,404/-) in respect of gratuity. | | |
| 27.2 | The Company has paid the charity and donation of Rs.899,500/- (2023: Rs.814,700/-) and directors or their spouses were not interested in the donee. | | |
| 27.3 Auditors' Remuneration | | | |
| Audit Fee | | 2,160,000 | 1,630,000 |
| Code of Corporate Governance | | 300,000 | 240,000 |
| Half yearly review | | 525,000 | 472,500 |
| Out of pocket expenses | | 144,000 | 50,000 |
| | | <u>3,129,000</u> | <u>2,392,500</u> |
| 28 OTHER EXPENSES | | | |
| Workers' Profit Participation Fund | | 17,840,030 | 19,762,637 |
| Workers' Welfare Fund | | 6,779,211 | 5,747,318 |
| | | <u>24,619,241</u> | <u>25,509,955</u> |
| 29 FINANCE COST | | | |
| Mark up | | 174,103,910 | 167,734,558 |
| Leasing Markup | | 4,095,948 | - |
| Lease Expenses | | 87,000 | - |
| Bank Charges and Commission | | 312,370 | 773,230 |
| | | <u>178,599,228</u> | <u>168,507,788</u> |
| 30 OTHER INCOME | | | |
| Sale of Trees, Scrap and damaged stock | | 181,698,535 | 91,737,400 |
| Sale of Agricultural Products | 30.1 | 147,633,304 | - |
| | | <u>329,331,839</u> | <u>91,737,400</u> |
| 30.1 | | | |
| Sales of Agricultural Products | | 454,256,321 | - |
| Purchase of Agricultural Products | | (306,623,017) | - |
| Net Profit | | 147,633,304 | - |

| 31 | TAXATION | Note | 2024 | 2023 |
|----|---------------------|------|--------------------|-------------------|
| | | | Rupees | Rupees |
| | Prior year Taxation | | 17,075,175 | 3,201,877 |
| | Current | | 64,691,143 | 66,405,023 |
| | Deferred | | 200,618,347 | 28,890,204 |
| | | | <u>282,384,665</u> | <u>98,497,104</u> |

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 | <u>333,831,435</u> | <u>369,742,784</u> |
| Profit / (Loss) after taxation | <u>51,446,770</u> | <u>271,245,680</u> |

(No. of shares)

| | | |
|--|--------------------|--------------------|
| Weighted average number of ordinary shares | <u>694,800,000</u> | <u>694,800,000</u> |
|--|--------------------|--------------------|

(Rupees)

| | | |
|---|-------------|-------------|
| 32.1 Earnings/(Loss) per share (before tax) - Basic | <u>0.48</u> | <u>0.53</u> |
| 32.2 Earnings/(Loss) per share (after tax) - Basic | <u>0.07</u> | <u>0.39</u> |

33 NUMBER OF EMPLOYEES

| | | |
|---|-----|-----|
| Number of employees at the end of year | 553 | 540 |
| Average number of employees during the year | 529 | 505 |

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 | Relationship | 2024 | 2023 |
|---------------------------------|--------------|--------|-------------|
| | | Rupees | Rupees |
| Flying Paper Industries Limited | Associate | - | 607,551,950 |

| | | 2024 | 2023 |
|-----------------------------|-------|-------------|-------------|
| | Notes | Rupees | Rupees |
| 34.1 Year end balances | | | |
| Payable to related parties. | 10 | 934,678,914 | 906,739,954 |

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 2023 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

| | 2023 | | | | |
|---|--------------------|----------------------|------------------------------------|-------------------------|-------------------|
| | Short Term Finance | Long term loan | Current Maturity of Long Term Loan | Associated under taking | Director Loan |
| Balance as on 01 July 2023 | 280,040,805 | 4,091,827,193 | 1,001,681,928 | 906,739,954 | 57,035,933 |
| Increase / (Decrease) | | | | | |
| Short Term Finance | 115,394,529 | | | | |
| Long term finance | | (502,142,073) | 366,503,068 | | |
| Current Maturity of long term loan | | | | 27,938,960 | |
| Associated Undertaking | | | | | |
| Total comprehensive Profit for the year | | | | | |
| Director loan | | | | | |
| Balance as on 30 June 2024 | 395,435,334 | 3,589,685,120 | 1,368,184,996 | 934,678,914 | 57,035,933 |

| | 2023 | | | | |
|---|--------------------|----------------------|------------------------------------|-------------------------|-------------------|
| | Short Term Finance | Long term loan | Current Maturity of Long Term Loan | Associated under taking | Director Loan |
| Balance as on 01 July 22 | 162,751,637 | 3,092,007,317 | 1,579,724,743 | 319,807,604 | 57,035,933 |
| Increase / (Decrease) | | | | | |
| Short Term Finance | 117,289,168 | | | | |
| Long term finance | | 1,007,996,804 | | | |
| Current Maturity of long term loan | | | (586,217,743) | | |
| Associated Undertaking | | | | 586,932,350 | |
| Total comprehensive Profit for the year | | | | | |
| Director loan | | | | | |
| Balance as on 30 June 2023 | 280,040,805 | 4,100,004,121 | 993,507,000 | 906,739,954 | 57,035,933 |

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 | 2024 Rupees | 2023 Rupees |
|---|------|--------------------|--------------------|
| Trade debtors | 21 | 192,495,896 | 172,087,368 |
| Advances, deposits, prepayments and other receivables | 22 | 234,479,890 | 435,517,608 |
| Cash at banks | 23 | 109,690,371 | 52,004,865 |
| Long term security deposits | 18 | 32,880,151 | 32,880,151 |
| | | <u>569,546,308</u> | <u>692,489,992</u> |

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

| | 2024 Rupees | 2023 Rupees |
|---------------------|--------------------|--------------------|
| Not past due | | 44,742,716 |
| Past due 1-30 days | 62,311,741 | 63,672,326 |
| Past due 31-60 days | 310,970 | 37,859,221 |
| Past due 61-90 days | 2,435,928 | 15,487,863 |
| Over 90 days | 127,601,116 | 10,325,242 |
| | <u>192,659,755</u> | <u>172,087,368</u> |

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

| | Carrying amount | Contractual cash flows | 2024 | | | |
|--------------------------|-----------------------|------------------------|----------------------|------------------------------------|-----------------------------------|------------------------------------|
| | | | 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 | 5,921,799,456 | 5,921,799,456 | 353,149,000 | 738,797,000 | 1,402,921,000 | 3,426,932,456 |
| Trade and other payables | 3,494,139,551 | 3,494,139,551 | 3,494,139,551 | - | - | - |
| Accrued Markup | 2,030,434,708 | 2,030,434,708 | 2,030,434,708 | - | - | - |
| Short term borrowings | 395,435,334 | 395,435,334 | 395,435,334 | - | - | - |
| Unclaimed dividend | 59,526 | 59,526 | 59,526 | - | - | - |
| | <u>11,841,868,575</u> | <u>11,841,868,575</u> | <u>6,273,218,119</u> | <u>738,797,000</u> | <u>1,402,921,000</u> | <u>3,426,932,456</u> |

| | Carrying amount | Contractual cash flows | 2023 | | | |
|--------------------------|----------------------|------------------------|----------------------|------------------------------------|-----------------------------------|------------------------------------|
| | | | 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 | 6,040,733,594 | 6,040,733,594 | 585,838,357 | 920,755,964 | 116,167,287 | 4,417,971,986 |
| Trade and other payables | 2,732,161,764 | 2,732,161,764 | 2,732,161,764 | - | - | - |
| Accrued Markup | 471,294,043 | 471,294,043 | 471,294,043 | - | - | - |
| Short term borrowings | 280,040,805 | 280,040,805 | 280,040,805 | - | - | - |
| Unclaimed dividend | 59,526 | 59,526 | 59,526 | - | - | - |
| | <u>9,524,289,732</u> | <u>9,524,289,732</u> | <u>4,069,394,495</u> | <u>920,755,964</u> | <u>116,167,287</u> | <u>4,417,971,986</u> |

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) | |
|------------------------------|---------------------|-------|--------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Financial Liabilities | | | | |
| Variable Rate instruments: | | | | |
| Short term borrowings | 242.55 | 23.98 | 395,435,334 | 280,040,805 |
| Long term borrowings | 240.05 | 23.48 | 4,930,084,609 | 5,076,957,707 |

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, 2024 | <u>53,255,199</u> | <u>(53,255,199)</u> |
| As at June 30, 2023 | <u>(53,569,985)</u> | <u>53,569,985</u> |

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:

| | 2024 Rupees | 2023 Rupees |
|-------------------------------|----------------|----------------|
| Outstanding letter of credits | 395,435,334 | 280,040,805 |
| Average rate | 278.53 | 245.71 |
| Reporting date rate | 277.70 | 286.58 |

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 | <u>39,543,533</u> | <u>28,004,080</u> |
|--|-------------------|-------------------|

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 reprice over short term. Therefore, carrying amounts of material assets and liabilities are reasonable approximation of fair value.

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.

| | 2024 Rupees | 2023 Rupees |
|-------------------------------|-----------------------|-----------------------|
| Total Borrowings | 4,963,617,790 | 5,327,269,399 |
| Total Equity | 12,343,563,562 | 12,291,521,978 |
| Total Capital Employed | 17,307,181,352 | 17,618,791,377 |
| Gearing Ratio | 28.68% | 30.24% |

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Chief Executive | | Executive Directors | | Non Executive Directors | | Executives | |
|-------------------------|-----------------|----------------|---------------------|-------------------|-------------------------|----------------|-------------------|-------------------|
| | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees |
| Managerial remuneration | 876,000 | 876,000 | 29,454,545 | 24,409,091 | - | - | 32,272,730 | 18,900,973 |
| Medical allowance | 87,600 | 87,600 | 2,945,455 | 2,440,909 | - | - | 3,227,270 | 1,890,097 |
| | 963,600 | 963,600 | 32,400,000 | 26,850,000 | - | - | 35,500,000 | 20,791,070 |
| Number of persons | 1 | 1 | 2 | 1 | | | 45 5,500,000 | 32 |

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

39 PRODUCTION CAPACITY

| | Installed Capacity | | Actual Production | |
|---------|--------------------|--------------|-------------------|--------------|
| | 2024 Tons | 2023 Tons | 2024 Tons | 2023 Tons |
| Clinker | 686,000 | 686,000 | 322,624 | 302,000 |
| Cement | 720,000 | 720,000 | 321,500 | 302,460 |

- Shortfall in production is due to prevailing market condition and old plant.

| | Note | 2024 Rupees | 2023 Rupees |
|--|------|----------------------|----------------------|
| Cash Flows from Operating Activities | | | |
| 40 Profit / (Loss) for the period - before taxation | | 333,831,435 | 369,742,782 |
| Adjustment for: | | | |
| Depreciation | | 171,037,672 | 170,739,983 |
| Provision for Gratuity | | 1,603,979 | 1,343,408 |
| Finance cost | | 178,599,228 | 168,507,788 |
| | | <u>351,240,879</u> | <u>340,591,179</u> |
| | | 685,072,314 | 710,333,961 |
| (Increase) / decrease in current assets | | | |
| (Increase) in Stores, spares & loose tools | | (4,140,833) | 98,965,800 |
| (Increase) / Decrease in Stock-in-trade | | (436,455,144) | (169,140,868) |
| (Increase) / decrease in Trade debts | | (20,408,527) | 1,441,488 |
| (Increase) / Decrease in Advances, deposits, prepayments and other receivables | | 143,129,194 | 74,626,146 |
| | | <u>(317,875,310)</u> | <u>5,892,566</u> |
| (Increase) / decrease in current liabilities | | | |
| Increase / (Decrease) in director and Shareholder loan | | (160,833,647) | (85,818,545) |
| Increase (Decrease) in Trade and other Payables | | 2,286,726,394 | 1,374,845,535 |
| | | <u>2,125,892,747</u> | <u>1,289,026,989</u> |
| Cash generated from operations | | 2,493,089,751 | 2,005,253,517 |

41 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 03, 2024 by the Board of Directors of the Company.

42 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 31st Annual General Meeting of the Shareholders of Flying Cement Company Limited (the "Company") will be held on 24 October 2024 at 09:00 hours at (Thursday) at Leeds Banquet Hall, 343-D-1, Nespak Society, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last General Meeting held on 28-10-2023.
2. To receive, consider and adopt audited financial statements of the Company for the year ended 30 June 2024 together with Directors', Auditors' Report and Chairman's Review thereon.
3. To appoint auditors and to fix their remuneration for the year ending 30 June 2025.

SPECIAL BUSINESS:

4. Increased in Authorized Capital:

To consider and, if thought fit, increase the authorized share capital of the Company from Rs. 8,000,000,000/- (Pak Rupees Eight Billion) to Rs. 10,000,000,000/- (Pak Rupees Ten Billion), by creation of 200,000,000 (Two Hundred Million) new ordinary shares of Rs. 10/- (Pak Rupees Ten) each, and approve the consequential amendments in the Memorandum and Articles of Association of the Company, and in that connection to pass the following resolutions as Special Resolutions, with or without modification:

"RESOLVED THAT the authorized share capital of the Company be and is hereby increased from Rs. 8,000,000,000/- (Pak Rupees Eight Billion), divided into 800,000,000 Ordinary Shares of Rs. 10/- each, to Rs. 10,000,000,000/- (Pak Rupees Ten Billion), divided into 1,000,000,000 Ordinary Shares of Rs. 10/- each.

FUTHER RESOLVED THAT, as a consequence of the said increase in the authorized share capital of the Company:

Clause V of Memorandum of Association of the Company be and is hereby replaced accordingly to read as follows

"The Authorized Capital of the Company is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 ordinary shares of Rs. 10/- each. The Company has powers from time to time to increase, consolidate, sub-divide, reduce or otherwise re-organise its capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017."

Article 7 of Articles of Association of the Company be and is hereby replaced accordingly to read as follows:

"The Share Capital of the Company is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 ordinary shares of Rs. 10/- each"

FUTHER RESOLVED THAT the Chief Executive Officer or Company Secretary be and are hereby singly authorized and empowered to do all acts, deeds and things, take any and all actions as may be necessary or expedient to complete all legal formalities, and to sign for and behalf and in the name of the Company and to file, whether with any authority or regulator or other person, any and all such applications, documents, declarations, agreements, deeds, undertakings and other papers as may be necessary or proper or expedient or incidental, for the purposes of implementing the aforesaid resolutions, and to do all such acts, deeds and things as may be ancillary and/or incidental to the foregoing and/or as may be necessary to fully achieve the objects of the resolutions aforesaid, including, without limiting the generality of the foregoing, obtaining any approvals (if required) and carrying out any filings with the Securities and Exchange Commission of Pakistan or other regulatory bodies."

Ratify and Approval of Related Parties Transaction

5. Further to get effect of the Board's recommendation regarding ratify / approval of the related parties transaction, It is proposed that the following Resolutions be considered and passed as Special Resolutions, with or without modification in the upcoming Annual General Meeting schedule to held on October 24, 2024:

To ratify / approve Related Parties Transaction for the Year ended June 30, 2024:

"RESOLVED That pursuant to the powers conferred upon the Board of Directors of Flying Cement Company Limited (the Company) by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 28, 2023, the Related Party Transactions made during the financial year ended June 30, 2024 and as approved by the Board of Directors of the Company be and are hereby ratified, approved and confirmed in all respects.

(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).

ANYOTHER BUSINESS:

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

Lahore

Dated: October 03, 2024

By order of the Board



**Shahid Ahmad Awan
Company Secretary**

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from **October 18, 2024 to October 24, 2024** (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 17, 2024**, will be considered in time for attending 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 Registered Office 63-A, Sher Khan Road Lahore Cantt., 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.

2. 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 _____.

3. E-voting and Postal Ballot

The members of the Company are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, issued by the Securities and Exchange commission of Pakistan ("SECP"), Wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility and voting by post for the special business in its Annual General Meeting to be held on October 24, 2024 at 09:00 hours, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations,

For the convenience of the members, ballot paper is annexed to this notice and the same is also available on the Company's website.

Procedure for E-Voting:

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business of 17-10-2024.
- b) The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of e-voting service provider.
- c) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) E-voting lines will start from 22-10-2024, 09:00 hours and shall close on 23-10-2024 at 05:00 hours. Member can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot:


The members shall ensure that duly filled and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's registered address, at 63-A, Sher Khan Road, Lahore Cantt., one day before the Annual General Meeting schedule on October 24, 2024 during working hours. The signature on the ballot paper shall match with the signature on CNIC.

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. **Transmission of Annual Audited Financial Statements:**

The Securities and Exchange Commission of Pakistan vide SRO No.389(I)/2023 dated march 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements (i.e. The Annual Balance Sheet and profit or Loss Account, Auditor's Report and Directors' Report) to its member through QR enabled code and web-link, which is given bellow:

| | |
|--|---|
| Web-link: http://www.flyingcement.com/pdf/2023-2024/annual_report2024.pdf | QR  |
|--|---|

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

Agenda No.4 of Notice of AGM

Increased in Authorized Capital:

This statement sets out the material facts concerning the special business given in agenda item No. 4 of the Notice, to be transacted at the 31st Annual General Meeting of Flying Cement Company Limited (the "Company") to be held on October 24, 2024.

In order to cater for future increase in the issued and paid up share capital of the Company / issuance of shares, the authorized share capital of the Company needs to be enhanced.

In the light of the same and for future potential issuance of shares, the Board of Directors of the Company has resolved (subject to obtaining the approval of the shareholders of the Company) that the authorized share capital of the Company be increased from Rs. 8,000,000,000/- (Pak Rupees Eight Billion), divided into 800,000,000 (Eight Hundred Million) ordinary shares of Rs. 10/- (Pak Rupees Ten) each, to Rs. 10,000,000,000/- (Pak Rupees Ten Billion), divided into 1,000,000,000 (One Billion) ordinary shares of Rs. 10/- (Pak Rupees Ten) each. Accordingly, the amount of increase in the authorized share capital of the Company will be equal to Rs. 2,000,000,000/- (Pak Rupees Two Billion), comprising 200,000,000 ordinary shares of Rs. 10/- (Pak Rupees Ten Only) each.

For the purposes of the same, corresponding amendments are required to be made to the Memorandum and Articles of Association of the Company to reflect the increase in the authorized share capital of the Company, as detailed in the proposed resolutions appearing in the notice of the general meeting.

The above requires the approval of the shareholders / members of the Company, through special resolutions, in accordance with Article 25 of the Articles of Association of the Company, read with Section 85 of the Companies Act, 2017.

The Board of Directors of the Company has confirmed that the requisite alterations to the Memorandum and Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework.

The Directors of the Company have no personal interest in the resolutions, except in their capacity as shareholders of the Company to the extent of their shareholdings.

Agenda No.5 of Notice of AGM

Ratification and approval of the related party transactions carried out during the year ended June 30, 2024:

Further to get effect of the Board's recommendation regarding ratify / approval of the related parties transaction, It is proposed that the Resolutions mentioned in Agenda 5 be considered and passed as Special Resolutions, with or without modification in the upcoming Annual General Meeting schedule to held on October 24, 2024



FLYING CEMENT COMPANY LIMITED

| | |
|---|--|
| Ballot paper for voting through post for Special Business at the Annual General Meeting to be held on (Wednesday) October 24, 2024 at 09:00 hours at Leeds Banquet Hall, 343-D-1, Nespak Society, Lahore | |
| Designated email address of the Chairman at which the duly filled in ballot paper may be sent: cosecretary@flyingcement.com | |
| Name of shareholder/joint shareholders | |
| Registered Address | |
| Folio No./CDC Participant / Investor ID with sub-account No. | |
| Number of shares held | |
| CNIC, NICOP/Passport No. (in case of foreigner)(copy to be attached) | |
| Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.) | |
| Name of Authorized Signatory: | |
| CNIC, NICOP/Passport No. (in case of foreigner)of Authorized Signatory (copy to be attached) | |

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (V) mark in the appropriate box below (delete as appropriate);

| “Special Resolutions” | |
|---|--|
| AGM Agenda Item No: | |
| <p>4. “RESOLVED THAT the authorized share capital of the Company be and is hereby increased from Rs. 8,000,000,000/- (Pak Rupees Eight Billion), divided into 800,000,000 Ordinary Shares of Rs. 10/- each, to Rs. 10,000,000,000/- (Pak Rupees Ten Billion), divided into 1,000,000,000 Ordinary Shares of Rs. 10/- each.</p> <p>FUTHER RESOLVED THAT, as a consequence of the said increase in the authorized share capital of the Company:</p> <p>Clause V of Memorandum of Association of the Company be and is hereby replaced accordingly to read as follows</p> <p>“The Authorized Capital of the Company is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 ordinary shares of Rs. 10/- each. The Company has powers from time to time to increase, consolidate, sub-divide, reduce or otherwise re-organise its capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.”</p> <p>Article 7 of Articles of Association of the Company be and is hereby replaced accordingly to read as follows:</p> <p>“The Share Capital of the Company is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 ordinary shares of Rs. 10/- each”</p> <p>FUTHER RESOLVED THAT the Chief Executive Officer or Company Secretary be and are hereby singly authorized and empowered to do all acts, deeds and things, take any and all actions as may be necessary or expedient to complete all legal formalities, and to sign for and behalf and in the name of the Company and to file, whether with any authority or regulator or other person, any and all such applications, documents, declarations, agreements, deeds, undertakings and other papers as may be necessary or proper or expedient or incidental, for the purposes of implementing the aforesaid resolutions, and to do all such acts, deeds and things as may be ancillary and/or incidental to the foregoing and/or as may be necessary to fully achieve the objects of the resolutions aforesaid, including, without limiting the generality of the foregoing, obtaining any approvals (if required) and carrying out any filings with the Securities and Exchange Commission of Pakistan or other regulatory bodies.</p> | |
| <p>5. To ratify / approve Related Parties Transaction for the Year ended June 30, 2024:</p> <p>“RESOLVED That pursuant to the powers conferred upon the Board of Directors of Flying Cement Company Limited (the Company) by the members of the Company through Special Resolution passed in their Annual General Meeting held on October 28, 2023, the Related Party Transactions made during the financial year ended June 30, 2024 and as approved by the Board of Directors of the Company be and are hereby ratified, approved and confirmed in all respects.</p> | |

| Sr. No. | Nature and Description of resolutions “Special Resolutions” | I/We assent to the Resolutions (FOR) | I/We dissent to the Resolutions (AGAINST) |
|---------|---|--------------------------------------|---|
| 1. | As per AGM Agenda item No.4 (as given above) | | |
| 2. | As per AGM Agenda item No.5 (as given above) | | |

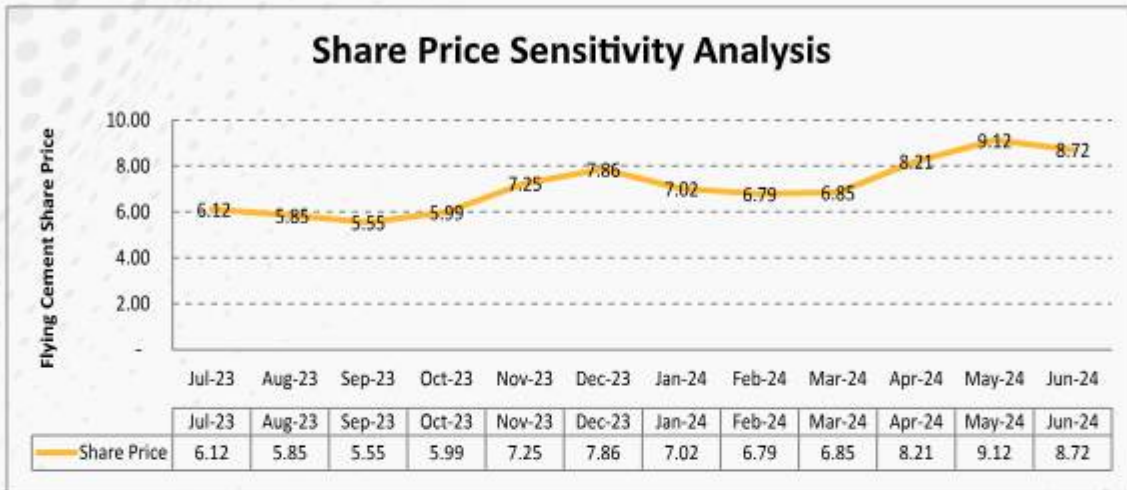
Signature of shareholder/Proxy holder/Authorized Signatory
(in case of corporate entity, please affix company stamp)

Place: _____ Date: _____

NOTES:

- Dully filled postal ballot should be sent to chairman of Flying Cement Company Limited at Registered Office 63-A Sher Khan Road, Lahore Cantt. Or e-mail at cosecretary@flyingcement.com
- Copy of CNIC should be enclosed with the postal ballot form.
- Postal ballot forms should reach chairman of the meeting on or before 23-10-2024(last date of receiving postal ballot). Any postal ballot received after this date, will not be considered for voting.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
- Signature on postal ballot should match with signature on CNIC.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Share Price Sensitivity Analysis



The Company's market capitalisation stood at Rs 5,470 billion, depicting an increase of (7.63)% as compared to last year whereas KSE-100 index rose from 41,453 to 75,575 at the end of the year registering an increase of (82)% as compared to last year.

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.

1 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.

2 Increase in Input Costs

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

3 Currency Risk

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

4 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, 2024

| No. of Shareholders | Having Shares | | Total Shares Held |
|---------------------|---------------|--------|-------------------|
| | From | To | |
| 831 | 1 | 100 | 32826 |
| 585 | 101 | 500 | 201305 |
| 1426 | 501 | 1000 | 937861 |
| 1756 | 1001 | 5000 | 4357049 |
| 604 | 5001 | 10000 | 4523888 |
| 272 | 10001 | 15000 | 3310304 |
| 153 | 15001 | 20000 | 2778144 |
| 116 | 20001 | 25000 | 2681153 |
| 98 | 25001 | 30000 | 2710423 |
| 41 | 30001 | 35000 | 1351728 |
| 38 | 35001 | 40000 | 1484065 |
| 23 | 40001 | 45000 | 976950 |
| 60 | 45001 | 50000 | 2933177 |
| 36 | 50001 | 55000 | 1899322 |
| 31 | 55001 | 60000 | 1810289 |
| 15 | 60001 | 65000 | 933419 |
| 17 | 65001 | 70000 | 1163227 |
| 18 | 70001 | 75000 | 1316470 |
| 12 | 75001 | 80000 | 941173 |
| 11 | 80001 | 85000 | 911700 |
| 7 | 85001 | 90000 | 615086 |
| 7 | 90001 | 95000 | 648075 |
| 36 | 95001 | 100000 | 3588868 |
| 15 | 100001 | 105000 | 1558886 |
| 8 | 105001 | 110000 | 857844 |
| 6 | 110001 | 115000 | 676451 |
| 4 | 115001 | 120000 | 467450 |
| 8 | 120001 | 125000 | 983750 |
| 2 | 125001 | 130000 | 254000 |
| 2 | 130001 | 135000 | 261001 |
| 1 | 135001 | 140000 | 139250 |
| 4 | 145001 | 150000 | 600000 |
| 6 | 150001 | 155000 | 911808 |
| 3 | 155001 | 160000 | 472015 |
| 1 | 160001 | 165000 | 165000 |
| 1 | 165001 | 170000 | 170000 |
| 2 | 170001 | 175000 | 342000 |
| 3 | 175001 | 180000 | 538750 |
| 3 | 180001 | 185000 | 551000 |
| 3 | 185001 | 190000 | 566564 |
| 2 | 190001 | 195000 | 385003 |
| 9 | 195001 | 200000 | 1800000 |
| 1 | 200001 | 205000 | 203000 |
| 1 | 205001 | 210000 | 210000 |
| 1 | 215001 | 220000 | 216000 |
| 4 | 220001 | 225000 | 898442 |
| 3 | 225001 | 230000 | 679600 |
| 1 | 230001 | 235000 | 232500 |
| 3 | 235001 | 240000 | 715375 |
| 3 | 245001 | 250000 | 749375 |
| 1 | 255001 | 260000 | 259000 |
| 1 | 275001 | 280000 | 275500 |
| 2 | 285001 | 290000 | 574228 |

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

| No. of Shareholders | Having Shares | | Total Shares Held |
|---------------------|---------------|----------|-------------------|
| | From | To | |
| 3 | 295001 | 300000 | 900000 |
| 1 | 310001 | 315000 | 315000 |
| 1 | 315001 | 320000 | 320000 |
| 2 | 320001 | 325000 | 647000 |
| 1 | 330001 | 335000 | 332279 |
| 1 | 350001 | 355000 | 355000 |
| 2 | 360001 | 365000 | 725388 |
| 1 | 370001 | 375000 | 374500 |
| 2 | 375001 | 380000 | 756000 |
| 4 | 395001 | 400000 | 1598500 |
| 1 | 435001 | 440000 | 438500 |
| 4 | 440001 | 445000 | 1774000 |
| 2 | 445001 | 450000 | 896040 |
| 2 | 450001 | 455000 | 905629 |
| 1 | 455001 | 460000 | 456000 |
| 1 | 470001 | 475000 | 470400 |
| 1 | 495001 | 500000 | 500000 |
| 1 | 520001 | 525000 | 523323 |
| 1 | 570001 | 575000 | 572544 |
| 1 | 580001 | 585000 | 584500 |
| 1 | 595001 | 600000 | 600000 |
| 1 | 645001 | 650000 | 650000 |
| 1 | 680001 | 685000 | 685000 |
| 1 | 695001 | 700000 | 700000 |
| 1 | 700001 | 705000 | 703500 |
| 2 | 710001 | 715000 | 1428000 |
| 1 | 830001 | 835000 | 832500 |
| 1 | 880001 | 885000 | 882500 |
| 1 | 935001 | 940000 | 936950 |
| 3 | 995001 | 1000000 | 2999800 |
| 1 | 1035001 | 1040000 | 1035998 |
| 1 | 1175001 | 1180000 | 1176500 |
| 1 | 1195001 | 1200000 | 1200000 |
| 1 | 1245001 | 1250000 | 1250000 |
| 1 | 1275001 | 1280000 | 1277500 |
| 1 | 1590001 | 1595000 | 1593375 |
| 1 | 2110001 | 2115000 | 2110500 |
| 1 | 2215001 | 2220000 | 2220000 |
| 1 | 2265001 | 2270000 | 2268052 |
| 1 | 2335001 | 2340000 | 2337500 |
| 1 | 2470001 | 2475000 | 2474000 |
| 1 | 2660001 | 2665000 | 2660500 |
| 1 | 2715001 | 2720000 | 2716800 |
| 1 | 2955001 | 2960000 | 2960000 |
| 1 | 3340001 | 3345000 | 3342500 |
| 1 | 3425001 | 3430000 | 3429870 |
| 1 | 3685001 | 3690000 | 3686016 |
| 1 | 4295001 | 4300000 | 4298500 |
| 1 | 4690001 | 4695000 | 4694000 |
| 1 | 4715001 | 4720000 | 4715500 |
| 1 | 4915001 | 4920000 | 4915245 |
| 1 | 5080001 | 5085000 | 5081000 |
| 1 | 5565001 | 5570000 | 5569817 |
| 1 | 7590001 | 7595000 | 7591805 |
| 2 | 10495001 | 10500000 | 20997000 |
| 1 | 11605001 | 11610000 | 11608327 |
| 1 | 15330001 | 15335000 | 15334697 |
| 1 | 30980001 | 30985000 | 30982238 |

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

| No. of Shareholders | Having Shares | | Total Shares Held |
|---------------------|---------------|----------|-------------------|
| | From | To | |
| 1 | 31175001 | 31180000 | 31179353 |
| 1 | 35520001 | 35525000 | 35520314 |
| 1 | 35890001 | 35895000 | 35892193 |
| 1 | 47065001 | 47070000 | 47068046 |
| 1 | 47150001 | 47155000 | 47151411 |
| 1 | 56680001 | 56685000 | 56682871 |
| 1 | 59910001 | 59915000 | 59910573 |
| 1 | 69765001 | 69770000 | 69768042 |
| 1 | 75415001 | 75420000 | 75416810 |
| 6381 | Total | | 694800000 |

Categories of Shareholders

As At June 30, 2024

| Particulars | Shareholders | Shares held | Percentage |
|---------------------------|--------------|--------------------|---------------|
| DIRECTORS, CEO & CHILDREN | 11 | 308,992,474 | 44.47 |
| BANKS, DFI & NBFI | 4 | 2,262,300 | 0.33 |
| INSURANCE COMPANIES | 1 | 50,000 | 0.01 |
| MUTUAL FUNDS | 7 | 1,055,747 | 0.15 |
| GENERAL PUBLIC (LOCAL) | 5,813 | 345,307,874 | 49.70 |
| GENERAL PUBLIC (FOREIGN) | 492 | 10,101,968 | 1.45 |
| OTHERS | 52 | 26,315,637 | 3.79 |
| FOREIGN COMPANIES | 1 | 714,000 | 0.10 |
| Total: | 6,381 | 694,800,000 | 100.00 |

Shareholders Categories

Directors, CEO, their Spouses And Minor Children

No. of Shares held

| | |
|---|------------|
| Mr. Kamran Khan | 75,416,810 |
| Mr. Momin Qamar | 73,197,912 |
| Mr. Yousaf Kamran Khan | 60,210,573 |
| Mr. Qasim Khan | 38,002,693 |
| Mrs. Samina Kamran | 30,982,238 |
| Mr. Pervaj Ahmad Khan | 1,972 |
| Mr. Omar Naem | 923 |
| Mrs. Misbah Momin (W/O Mr. Momin Qamar) | 31,179,353 |

Categories of Shareholders

As At June 30, 2024

| Shareholders Categories | | No. of Shares held |
|---|---------|--------------------|
| Directors, CEO, their Spouses And Minor Children | | |
| Executives | | - |
| Associattted Companies, Undertaking and Related Rarties | | - |
| Public Sector Companies and Corporations | | - |
| Banks, Development Financial Institutions, Non-Banking | | 2,312,300 |
| Financial Instiutuions And Insurance Companines | | |
| Shareholders Holding 10% or More Other Than Those Reported in Directors | | - |
| Mutual Funds | | 1,055,747 |
| Others | | 26,315,637 |
| Individuals | Local | 345,307,874 |
| | Foreign | 10,101,968 |
| Foregin Companies | | 714,000 |
| Total | | 694,800,000 |

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, 2024

| Name | Purchase | Gift In | Sales | Others & Gift Out |
|------------------------|-----------|---------|-------|-------------------|
| Mr. Yousaf Kamran Khan | 300,000 | - | - | - |
| Mr. Qasim Khan | 2,110,500 | - | - | - |

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

AGM نوٹس کا ایجنڈا آئیٹم نمبر 4

مجاز سرمایہ میں اضافہ:

یہ اعلامیہ 24 اکتوبر 2024ء کو فلائنگ سیمنٹ کمپنی لمیٹڈ ("کمپنی") کے منعقد ہونے والے 31 ویں سالانہ اجلاس عام میں زیر بحث لائے جانے والے ایجنڈا آئیٹم نمبر 4 میں درج خصوصی امور کی بابت مادی حقائق بیان کرتا ہے۔ کمپنی کے اجراء شدہ اور ادا شدہ سرمایہ/حصص/حصص کے اجراء میں مستقبل میں اضافہ سے نبرد آزما ہونے کے لئے کمپنی کے مجاز سرمایہ/حصص میں اضافے کی ضرورت ہے۔

مذکورہ بالا کی روشنی میں اور مستقبل میں حصص کے اجراء کے لئے کمپنی کے بورڈ آف ڈائریکٹرز نے قرار پایا (کمپنی کے شیئر ہولڈرز کی منظوری سے مشروط) کہ کمپنی کا مجاز سرمایہ/حصص -/10 روپے (دس روپے) فی حصص کی شرح سے 800,000,000 (اسی کروڑ) عمومی حصص میں تقسیم -/8,000,000,000 روپے (8 ارب روپے) سے -/10 روپے (دس روپے) فی حصص کی شرح سے 1,000,000,000 عمومی حصص میں تقسیم -/10,000,000,000 روپے (دس ارب روپے) تک بڑھا دیا جائے۔ اسی طرح سے کمپنی کے مجاز سرمایہ/حصص میں اضافہ کی رقم -/2,000,000,000 روپے (دو ارب روپے صرف) کے مساوی ہو جائے گی جو -/10 روپے (دس روپے صرف) فی حصص کی شرح سے -/200,000,000 عمومی حصص پر مشتمل ہوگی۔

مذکورہ بالا کے مقصد کے لئے نوٹس برائے اجلاس عام میں بیان کی گئی مجوزہ قراردادوں کے مطابق کمپنی کے مجاز سرمایہ/حصص میں اضافہ کی عکاسی کے لئے کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن میں متعلقہ ترامیم درکار ہیں۔

مذکورہ بالا کے لئے کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 25 اور کمپنیز ایکٹ 2017ء کے سیکشن 85 کے تحت خصوصی قرارداد کے ذریعے شیئر ہولڈرز/کمپنی اراکین کی منظوری درکار ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے توثیق کی ہے کہ کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن میں درکار ترامیم مروجہ قوانین اور ریگولیٹری فریم ورک کے عین مطابق کی گئی ہیں۔

کمپنی کے ڈائریکٹرز بطور کمپنی شیئر ہولڈرز اپنی شیئر ہولڈنگ کی حد تک قراردادوں میں دلچسپی رکھتے ہیں۔

AGM نوٹس کا ایجنڈا آئیٹم نمبر 5

30 جون 2024ء کو اختتام پذیر سال کے دوران متعلقہ فریقین سے ہونے والے لین دین کی منظوری اور توثیق: متعلقہ فریقین کے ساتھ لین دین کی توثیق/منظوری کی بابت بورڈ کی سفارشات پر عمل درآمد کرتے ہوئے تجویز کیا جاتا ہے کہ ایجنڈا نمبر 5 میں درج قراردادوں کو بطور خصوصی قراردادیں 24 اکتوبر 2024ء کو منعقد ہونے والے سالانہ اجلاس عام میں جمعاً/علاوہ ترامیم زیر غور لایا جائے اور انہیں منظور کیا جائے۔

ای ووٹنگ کا طریقہ کار

- (a) ای ووٹنگ سہولت کی تفصیلات صرف انہیں اراکین کو بذریعہ ای میل فراہم کی جائیں گی جن کے کارآمد شناختی کارڈ نمبر، موبائل نمبر اور ای میل ایڈریس 17 اکتوبر 2024ء کو کاروبار بند ہونے تک کمپنی اراکین کے رجسٹر میں دستیاب ہوں گے۔
- (b) ویب ایڈریس، لاگ ان تفصیلات سے متعلق اراکین کو بذریعہ ای میل آگاہ کیا جائے گا۔ ای ووٹنگ سروس پرووائیڈر کے ویب پورٹل سے بذریعہ SMS اراکین کو سکیورٹی کوڈز بھیجے جائیں گے۔
- (c) بذریعہ ای ووٹنگ ووٹ کاسٹ کرنے کے خواہشمند اراکین کی شناخت الیکٹرونک دستخط یا لاگ ان کی توثیق کے ذریعے کی جائے گی۔
- (d) ای ووٹنگ لائنز 22-10-2024 کو صبح 09:00 بجے کھل جائیں گے اور 23-10-2024 کو شام 05:00 بجے بند ہو جائیں گی۔ اس دورانہ میں اراکین کسی بھی وقت ووٹ کاسٹ کر سکتے ہیں۔ ایک قرارداد پر جب کوئی رکن ووٹ کاسٹ کر لیتا ہے تو وہ بعد میں اسے تبدیل کرنے کا مجاز نہ ہوگا۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

اراکین یقینی بنائیں گے کہ باقاعدہ دستخط و پُر شدہ بیلٹ پیپر بمعہ نقل شناختی کارڈ اجلاس کے چیئرمین کو کمپنی کے رجسٹرڈ پتہ 4- سرور کالونی، سرور روڈ، لاہور کینٹ کو بذریعہ ڈاک سالانہ اجلاس عام کے انعقاد سے قبل یعنی 24 اکتوبر 2024ء کو کام کے اوقات کار میں پہنچ جانا چاہئے۔ بیلٹ پیپر کے دستخط شناختی کارڈ پر موجود دستخط کے عین مطابق ہونے چاہئیں۔

4. پتہ میں تبدیلی

اپنے پتہ میں تبدیلی کے صورت میں اراکین کو فوراً آگاہ کرنے کی درخواست کی جاتی ہے۔ حصص داران سے درخواست ہے کہ وہ مذکورہ بالا معلومات/ دستاویزات (i) متعلقہ سینٹرل ڈیپازٹری سسٹم (CDS) شرکاء اور (ii) فزیکل سیکورٹیز کی صورت میں کمپنی کے شیئر رجسٹرار کو درج کرائیں۔

5. سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ SRO نمبر 389(I)/2023 مؤرخہ 21 مارچ، 2023ء کے تحت تمام لسٹڈ کمپنیوں کو اجازت دی گئی ہے کہ وہ اپنی سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس (یعنی سالانہ سیلنس سٹیٹ اور نفع و نقصان اکاؤنٹ، آڈیٹرز اور ڈائریکٹرز کی رپورٹ) اپنے اراکین کو بذریعہ QR کوڈ اور ویب لنک ارسال کریں جو مندرجہ ذیل ہیں:

- IV. پراکسی 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/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے فراہم نہ کیا گیا ہو) بمعہ پراکسی فارم اجلاس میں شرکت سے قبل پیش کرنا ہوگا۔

2. ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ کے قواعد کی پیروی میں لاہور کے علاوہ کسی اور شہر میں مقیم اور کم از کم 10 فی صد ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز اجلاس میں شرکت کے لئے ویڈیو لنک سہولت کی فراہمی کا مطالبہ کر سکتے ہیں۔ ویڈیو لنک سہولت کی درخواست اجلاس کے انعقاد سے 7 یوم قبل شیئر رجسٹرار کے مذکورہ پتہ پر وصول ہو جانی چاہئے۔ کمپنی سہولت تک رسائی حاصل کرنے کے لئے سالانہ اجلاس عام سے 5 یوم قبل ویڈیو کانفرنس سہولت کے مقام اور دیگر ضروری معلومات سے متعلق اراکین کو آگاہ کرے گی۔

فلائنگ سیمینٹ کمپنی لمیٹڈ کے رکن اور رجسٹرڈ لیونمبر / CDC کاؤنٹ نمبر / شرکت آئی ڈی نمبر کے تحت عمومی حصص کا مالک ہونے کی حیثیت سے میں / ہم مقام پر ویڈیو کانفرنس سہولت حاصل کرنے کے خواہش مند ہیں۔

3. ای-ووٹنگ اور پوسٹل بیلٹ

کمپنی اراکین کو یہاں مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ضوابط، 2018ء کے قواعد ترمیمی بذریعہ نوٹیفکیشن مورخہ 05 دسمبر 2022ء جاری کردہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کی روشنی میں

SECP نے تمام لسٹڈ کمپنیوں کو ہدایت جاری کی ہے کہ وہ خصوصی امور کی بابت بذریعہ الیکٹرونک ووٹنگ سہولت اور ڈاک کے ذریعے ووٹ کرنے کا اختیار دیں۔

اسی طرح سے کمپنی کے اراکین کو 24 اکتوبر 2024ء کو صبح 09:00 بجے منعقد ہونے والے سالانہ اجلاس عام میں بذریعہ الیکٹرونک ووٹنگ سہولت اور ڈاک اپنا ووٹ کرنے کا اختیار استعمال کرنے کی اجازت دے جائے گی جو مذکورہ بالا قراردادوں میں موجود شرائط کے عین مطابق ہوگا۔

اراکین کی سہولت کے لئے بیلٹ پیپر نوٹس ہذا کے ساتھ منسلک کیا گیا ہے جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

1. شیر ٹرانسفر بکس کی بندش:

کمپنی کی شیر ٹرانسفر بکس مورخہ 18 اکتوبر 2024ء تا 24 اکتوبر 2024ء (بشمول دونوں ایام) بند رہیں گی۔ 17 اکتوبر 2024ء کو کاروبار بند ہونے تک شیر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ دفتر واقع پلاٹ نمبر C-32، جامی کمرشل سٹریٹ 2، ڈی ایچ اے، فیز Vil، کراچی کو باقاعدہ موصول ٹرانسفرز کو اجلاس میں شرکت کے لئے بروقت وصولی شمار کیا جائے گا۔ اجلاس ہذا میں شرکت اور ووٹ کرنے کا/کی اہل رکن کسی دوسرے رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراسس مقرر کر سکتا/سکتی ہے۔ پراسس کی تقرری کا باقاعدہ مہر اور دستخط شدہ دستاویز کمپنی کے رجسٹرڈ آفس واقع A-63، شیرخان روڈ، لاہور کینٹ کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔ پراسس فارم کمپنی کی ویب سائٹ www.flyingcement.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔

CDC اکاؤنٹ ہولڈرز کو مورخہ 26 جنوری، 2000ء کو جاری کردہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مراسلہ نمبر 1 میں بیان کردہ مندرجہ ذیل 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/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس میں شرکت سے قبل پیش کرنا ہوگا۔

B. پراسسز 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 نمونہ کو بالامعیار کے مطابق اپنا پراسس فارم جمع کرنا ہوگا۔
- ii. پراسس 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 پراسس فارم کے ساتھ جمع کرائی جائیں۔

تقسیم -/10,000,000,000 روپے ہے۔“

مزید قرار پایا کہ چیف ایگزیکٹو آفیسر یا کمپنی سیکریٹری کو جداگانہ حیثیت میں مذکورہ بالا قراردادوں کے اطلاق کی غرض سے تمام عمل، معاہدے اور کام کرنے کی بابت تمام تر قانونی تقاضے پورے کرنے کے لئے تمام تر ضروری یا معقول اقدامات کرنے اور کسی اتھارٹی، ریگولیٹر یا دیگر افراد کی مدد سے کمپنی کے نام پر/کی جانب سے تمام تر اطلاعات، دستاویزات، اعلامیوں، معاہدوں، حلف ناموں اور دیگر کاغذات پر حسب ضرورت دستخط کرنے اور مذکورہ زیریں بشمول لیکن محدود نہیں (حسب ضرورت) منظوری حاصل کرنے اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان یا دیگر ریگولیٹری اداروں میں فائلز داخل کرنے اور/یا مذکورہ بالا قراردادوں کے مکمل مقاصد حاصل کرنے کے لئے حسب ضرورت تمام عمل کرنے، معاہدے اور کام کرنے کا مجاز اور باختیار ٹھہرایا جاتا ہے۔“

متعلقہ فریقین کے ساتھ لین دین کی توثیق کرنا اور منظوری دینا

5. متعلقہ فریقین سے لین دین کی توثیق/منظوری کی بابت بورڈ کی سفارشات کو مزید مؤثر کرنے کے لئے تجویز کیا جاتا ہے کہ 24 اکتوبر 2024 کو منعقد ہونے والے آئندہ سالانہ اجلاس عام میں مذکورہ زیریں قراردادوں پر غور کیا جائے اور بمعہ/علاوہ ترمیم خصوصی قرارداد کے طور پر منظور کیا جائے:

30 جون 2024ء کو اختتام پذیر سال کے لئے متعلقہ فریقین کے ساتھ لین دین کی توثیق کرنا اور منظوری دینا:

”قرار پایا کہ سالانہ اجلاس عام منعقدہ 28 اکتوبر 2023ء میں خصوصی قرارداد کی منظوری کے ذریعے فلائنگ سیمٹ کمپنی لمیٹڈ (”کمپنی“) کے اراکین کی جانب سے بورڈ آف ڈائریکٹرز کو سونپے گئے اختیارات کی پیروی میں 30 جون 2024ء کو اختتام پذیر سال کے دوران ہونے والے متعلقہ فریقین کے ساتھ لین دین (کمپنی کے بورڈ آف ڈائریکٹرز سے منظور شدہ) کی ہر لحاظ سے یہاں باقاعدہ توثیق، منظوری اور تصدیق کی جاتی ہے۔

(کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت درکار مذکورہ بالا خصوصی قرارداد پر مبنی مادی حقائق کا اعلامیہ نوٹس ہذا کے ساتھ منسلک ہے۔)

دیگر امور:

6. چیئرمین کی اجازت سے دیگر امور پر کارروائی کرنا۔

بحکم بورڈ

شاہد احمد اعوان

کمپنی سیکریٹری

لاہور

مؤرخہ 03 اکتوبر 2024ء

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ فلائنگ سیمنٹ کمپنی لمیٹڈ ("کمپنی") کے شیئر ہولڈرز کا اکتیسواں (31واں) سالانہ اجلاس عام مورخہ 24 اکتوبر 2024ء صبح 09:00 بجے بروز جمعرات بمقام لیڈز بینکویٹ ہال، 1-D-343، ہیسپاک سوسائٹی لاہور میں مندرجہ ذیل امور پر کارروائی کے لئے منعقد ہوگا۔

عمومی امور

1. سابقہ اجلاس عام منعقدہ 28-10-2023 کی کارروائی کی توثیق کرنا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے ڈائریکٹرز، آڈیٹرز رپورٹ اور چیئرمین کے تجزیہ کے ہمراہ کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کو وصول کرنا، اپنانا اور انہیں زیر غور لانا۔
3. 30 جون 2025ء کو اختتام پذیر سال کے لئے آڈیٹرز کا تقررنا اور ان کا مشاہیرہ طے کرنا۔

خصوصی امور

4. مجاز سرمایہ میں اضافہ
- 10/- روپے (دس روپے صرف) فی حصص کی شرح سے 800,000,000 (اسی کروڑ) عمومی حصص قائم کر کے کمپنی کے مجاز سرمایہ حصص میں 8,000,000,000/- روپے (آٹھ ارب روپے صرف) سے 10,000,000,000/- روپے (دس ارب روپے صرف) تک اضافہ کرنا اور کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوشن میں متعلقہ ترامیم منظور کرنا اور اس بابت مندرجہ ذیل خصوصی قرارداد کو بمعہ/علاوہ ترمیم زیر غور لانا اور مناسب سمجھنے پر منظور کرنا:
- "قرار پایا کہ کمپنی کا مجاز سرمایہ حصص 10/- روپے (دس روپے) فی حصص کی شرح سے 800,000,000 (اسی کروڑ) عمومی حصص میں تقسیم 8,000,000,000/- روپے (8 ارب روپے) سے 10/- روپے (دس روپے) فی حصص کی شرح سے 1,000,000,000 عمومی حصص میں تقسیم 10,000,000,000/- روپے (دس ارب روپے) تک بڑھادیا گیا ہے۔
- مزید قرار پایا کہ کمپنی کے مجاز سرمایہ حصص میں مذکورہ اضافہ کے نتیجے میں:
- میمورنڈم آف ایسوشن کی شق 7 کو تبدیل کر کے حسب ذیل پڑھا جائے:
- "کمپنی کا مجاز سرمایہ حصص 10/- روپے (دس روپے) فی حصص کی شرح سے 1,000,000,000 عمومی حصص میں تقسیم 10,000,000,000/- روپے ہے۔ کمپنی اپنے سرمایے میں وقتاً فوقتاً اضافے، مستقل، تقسیم، کمی یا اس کے برعکس کمپنیز ایکٹ 2017 کے قواعد کے مطابق متعدد درجوں میں سرمایے میں موجود حصص میں ردوبدل کرنے کا اختیار رکھتی ہے۔"

کمپنی کے آرٹیکلز آف ایسوشن کے آرٹیکل 7 کو تبدیل کر کے حسب ذیل پڑھا جائے:

"کمپنی کا سرمایہ حصص 10/- روپے (دس روپے) فی حصص کی شرح سے 1,000,000,000 عمومی حصص میں

اظہار تشکر

بورڈ تمام سٹیک ہولڈرز بشمول مالیاتی اداروں، صارفین، قرض دہندگان اور سرکاری محکموں کے تعاون اور مدد کا اعتراف کرتا 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: 03 اکتوبر 2024ء

بورڈ کے جائزے کا معیار

اپنے عہدے کے لازمی فرائض کے علاوہ مندرجہ ذیل پیرامیٹرز کی بنیاد پر ہماری کمپنی کے بورڈ کی کارکردگی کا انفرادی اور اجتماعی سطح پر جائزہ لیا جاتا ہے:

- انتظامیہ کے طے شدہ سالانہ اہداف پر فالو اپ اور جائزہ
 - انتظامیہ کی سکسیشن پلاننگ پر جائزہ
 - کمپنی صحت، حفاظت اور ماحولیات، ملازمت اور دیگر پالیسیوں اور طریق عمل کی بہتری کے لئے کردار اور دلچسپی
 - متنوع جنس، قابلیت، مہارت اور فلسفیانہ نقطہ نظر کو موثر کرنا
 - ادارے کی کارکردگی کی بابت درکار عمل کے عوامل کی نشاندہی کرنا۔
- مذکورہ سال کے لئے مذکورہ بالا پیرامیٹرز کی بنیاد پر بورڈ کی مجموعی کارکردگی کا جائزہ تسلی بخش قرار دیا گیا۔

عملے کے لئے ریٹائرمنٹ مراعات

ایک ان فنڈڈ (unfunded) گریجویٹ سکیم وضع کی گئی ہے۔ کمپنی کے مستقل ملازمین کے لئے باضابطہ طور پر مالیاتی اسٹیٹمنٹس میں اس کی شق موجود ہے۔

آڈیٹرز

آڈیٹرز میسرز نوید، ظفر، اشفاق، جعفری اینڈ کو، چارٹرڈ اکاؤنٹنٹس، آئینہ 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۔

شیر ہولڈنگ کا پیٹرن

کوڈ آف کارپوریٹ گورننس کے تحت 30 جون 2024 تک شیر ہولڈنگ کا پیٹرن اور اس کا اظہار لف ہذا ہے۔

پوسٹ بیلنس شیٹ ایونٹس

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

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 | جناب کامران خان | 4 | دستیاب نہیں | دستیاب نہیں |
| 2 | جناب مومن قر | 4 | دستیاب نہیں | 2 |
| 3 | جناب یوسف کامران خان | 4 | 4 | 2 |
| 4 | جناب قاسم خان | 4 | دستیاب نہیں | دستیاب نہیں |
| 5 | محترمہ شمیمہ کامران | 4 | 4 | دستیاب نہیں |
| 6 | جناب عمر نعیم | 4 | 4 | دستیاب نہیں |
| 7 | جناب پرویز احمد خان | 4 | دستیاب نہیں | 2 |
| 8 | جناب آغا ہمایوں خان | 4 | دستیاب نہیں | دستیاب نہیں |
| | منعقدہ اجلاس کی کل تعداد | 4 | 4 | 2 |

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

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

بورڈ کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے تحت بورڈ ہر سال اپنی کارکردگی کا از خود جائزہ لیتا ہے۔ بورڈ آف ڈائریکٹرز یقین رکھتے ہیں کہ لگاتار جائزے سے اپنے طے شدہ مقاصد و اہداف پر بورڈ کی کارکردگی کا تعین کرنے میں مدد ملتی ہے۔ تجزیے کے نتائج کی بنیاد پر بہتری کے شعبوں کی نشاندہی کی گئی ہے اور اصلاحی ایکشن پلان وضع اور نافذ کئے گئے ہیں۔

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 دار 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 مانیٹر 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) گذشتہ 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 شیئرز ہولڈنگ کی وضع میں درج ہو۔

(j) گذشتہ 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 پائٹ کی پیداواری صلاحیت میں اضافہ کے ذریعے پیداواری امور کو بڑھانے کا ارادہ رکھتی ہے۔

مقررہ وقت میں اس معاملہ کو شیئرز ہولڈرز کے سامنے رکھا گیا ہے جسے ڈائریکٹرز رپورٹ ہذا میں تحریر بھی کیا گیا

| | | |
|----------------------|---------|------------------------|
| جناب پرویز احمد خان | چیئرمین | خود مختار ڈائریکٹر |
| جناب مومن قمر | رکن | ایگزیکٹو ڈائریکٹر |
| جناب یوسف کامران خان | رکن | نان۔ ایگزیکٹو ڈائریکٹر |

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 اعلامیہ

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

ڈائریکٹرز کا معاوضہ

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

داخلی مالیاتی نظم و ضبط کی موزونیت

بورڈ آف ڈائریکٹرز نے مروجہ قوانین و ضوابط اور باعتبار مالیاتی رپورٹنگ کی تعمیل میں داخلی مالیاتی نظم و ضبط 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

ہم کلنکر کی 9,000 TPD کی نئی لائن-II کو تیز رفتاری سے مکمل کر رہے ہیں جس کی تکمیل کا ہدف مالیاتی سال 2024-2025 کی تیسری سہ ماہی رکھا گیا ہے۔

البتہ، مشکلات کے باوجود کمپنی پیداوار میں توازن کی معیشت کو حاصل کر کے پائیدار نمو اور نفع کو بڑھانے کے لئے بالکل تیار ہے۔ جب کہ مقامی اور درآمدی کوسٹس اور مقید پاور جنریشن کے سازگار اشتراک کے استعمال کے ذریعے پیداواری لاگت پر نگرانی رکھی گئی ہے۔ مزید برآں، انڈسٹری کے دیگر ساتھیوں کے مقابلے میں کمپنی کے کم قرضے عدم استحکام کے خلاف ایک رکاوٹ کے طور پر کام کریں گے۔ ہم یقین دلاتے ہیں کہ انتظامیہ طویل مدتی پائیدار نمو اور اپنے تمام اسٹیک لوڈرز کو منافع دینے کے لئے انتھک محنت جاری رکھے گی۔

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 | نان-ایگزیکٹو ڈائریکٹرز |
| 2 | ایگزیکٹو ڈائریکٹرز |

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اراکین

بورڈ آف ڈائریکٹرز

| | | |
|----------------------|---------|-----------------------|
| جناب کامران خان | چیئرمین | نان ایگزیکٹو ڈائریکٹر |
| جناب یوسف کامران خان | رکن | نان-ایگزیکٹو ڈائریکٹر |
| محترمہ شمیمہ کامران | رکن | نان-ایگزیکٹو ڈائریکٹر |
| جناب مومن قر | رکن | ایگزیکٹو ڈائریکٹر |
| جناب قاسم خان | رکن | ایگزیکٹو ڈائریکٹر |
| جناب عمر نعیم | رکن | خود مختار ڈائریکٹر |
| جناب پرویز احمد خان | رکن | خود مختار ڈائریکٹر |

چیف ایگزیکٹو

مسٹر آغا ہمایوں خان

آڈٹ کمیٹی

| | | |
|----------------------|---------|-----------------------|
| جناب عمر نعیم | چیئرمین | خود مختار ڈائریکٹر |
| جناب یوسف کامران خان | رکن | نان-ایگزیکٹو ڈائریکٹر |
| محترمہ شمیمہ کامران | رکن | نان-ایگزیکٹو ڈائریکٹر |

استحکام

مالیاتی سال 2023-2024 کے دوران FCCL نے اپنے استحکام کے ایجنڈا پر مضبوط عزم کا اظہار کیا ہے۔ FCCL استحکام کے معیارات پر عمل درآمد اور کمپنی کے آپریشنز، جغرافیائی مقام اور کاروباروں کے دائرہ کار میں ان کی تعمیل کی بابت FCCL ہولسٹک مینجمنٹ سسٹم سے رہنمائی ملتی ہے۔ کمپنی کی ادارہ جاتی سکیم میں پائیداری کا مائنڈ سیٹ مکمل طور پر شامل کیا گیا ہے اور کمپنی کے استحکام کے لئے اقدامات پائیداری کونسل کے عین مطابق ہیں جو اہداف اور کارکردگی سے متعلق تمام معاملات کی گورننگ باڈی کے طور پر کام کرتا ہے۔ مزید برآں، زندگی میں خوشحالی لانے کے سفر میں، FCCL آلودگی کو ختم کرنے کے لئے کمپنی کے تمام آپریشنز میں فطرت اور سائنس پر مبنی حل کو اپنا کر قبل از وقت اقدامات کرتا ہے۔

کمپنی کاروبار کے ماحول پر 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 روشن مستقبل کو یقینی بنانے میں اپنا کلیدی کردار ادا کر رہی ہے۔ انتظامیہ مستقبل قریب میں مزید ماحولیاتی پروجیکٹس شروع کرنے کے لئے پرعزم 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 کے دائرہ کار میں موجود کمیونٹیز کی ترقی و ترویج کے لئے کوشاں ہے اور کمیونٹی سروسز میں فعال کردار ادا کرتی ہے۔ کمپنی اپنے تمام ملازمین کی غذائی ضروریات کو خالصتاً اپنے خرچہ پر 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 بلونک

کمپنی مسئلہ کو سنگین بنانے یا کمپنی سے باہر اس کی تشہیر کی بجائے وہسل بلونک 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۔

زیر جائزہ سال کے دوران کمپنی آپریشنز کے نتائج، مالیاتی حالت اور خالص اثاثہ جات تسلی بخش مالیاتی حالت کی عکاسی کرتے ہیں۔ سال بھر میں 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 ہمیں اپنی ان کوششوں کے نتائج پر فخر ہے۔ کمپنی کی یہ کارکردگی ہماری ٹیم، کاروبار اور آپریشنز کے استحکام کی عکاسی کرتے ہیں۔ 30 جون 2024ء کو اختتام پذیر سال کے دوران کمپنی نے پائیدار نمو پر اپنی توجہ جاری رکھی۔

کمپنی نے گذشتہ برس میں 5,729 ملین روپے کے مقابلے میں 6,173 ملین روپے کی مجموعی سیلز کی جب کہ کمپنی کا منافع علاوہ ٹیکسیشن گذشتہ برس کی نسبت 271,245,680 روپے سے کم ہو کر 51,446,770 روپے ہو گیا۔

فی حصص آمدنی

سال بھر کے دوران بنیادی فی حصص آمدنی علاوہ ٹیکس 0.07 روپے (2023: 0.39 روپے) رہی۔ کمپنی کی بنیادی فی حصص آمدنی میں تحلیلی اثر شامل نہیں ہے کیونکہ 30 جون 2024ء تک کمپنی کے پاس تغیر پذیر ممکنہ تحلیلی عمومی حصص موجود نہیں تھے۔

منافع منقسمہ اور تخصیصات

بورڈ نے صفر روپے حتمی نقد منافع منقسمہ تجویز کیا ہے۔

متعلقہ فریق سے لین دین

متعلقہ فریقین سے لین دین کا عمل آرمز لیٹنگھ (arm's length) کی بنیاد پر کیا جاتا ہے جو 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

جیو پالیٹیکل، معاشی اور سیاسی چینجز بحر انوں سے متاثرہ پاکستان کو اب حالیہ سیلابی صورت حال سے پیدا نقصان کے لئے سماجی و معاشی اثرات کو بھی برداشت کرنا پڑے گا۔ مزید برآں، ممکنہ عالمی جمود، معاشی عدم استحکام اور ملک میں جاری سیاسی بے چینی نے صارفین کے اعتماد کو ٹھیس پہنچائی ہے جس کے نتیجے میں طلب کا گراف کم ہوا 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 | 2024ء | 2023ء |
|---------|-------|-------|
|---------|-------|-------|

(میٹرک ٹن)

| | | |
|----------------|---------|---------|
| سیمنٹ پیداوار | 321,500 | 324,660 |
| سیمنٹ کی ترسیل | 314,854 | 329,211 |

گذشتہ برس کے مقابلہ میں پیداوار اور ترسیل کے ضمن میں مالیاتی سال 2024ء کے دوران اعداد و شمار واضح تبدیلی ظاہر کرتے ہیں۔

مالیاتی کارکردگی

30 جون 2024ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

| تفصیلات | 2024ء | 2023ء |
|---------|-------|-------|
|---------|-------|-------|

(ہزار روپوں میں)

| | | |
|-------------------------------------|-----------|-----------|
| مجموعی سیلز ریونیو | 6,172,886 | 5,729,080 |
| منفی: سلیز ٹیکس/فیڈرل ایکسائز ڈیوٹی | 1,656,258 | 1,485,554 |
| خالص سیلز ریونیو | 4,516,628 | 4,243,527 |
| کل منافع | 329,452 | 576,996 |
| آپریٹنگ نفع | 183,099 | 446,513 |
| نفع بمعہ ٹیکس | 333,831 | 369,743 |
| خالص نفع علاوہ ٹیکس | 51,447 | 271,246 |
| فی حصص آمدنی | 0.07 | 0.39 |

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024ء کو اختتام پذیر سال کے لئے باقاعدہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ اکتیسویں (31 ویں) سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

صنعتی تجزیہ

مالیاتی سال 2024ء پوری دنیا خصوصاً پاکستان کے لئے شدید جیو پالیٹیکل اور کئی اقتصادی بے یقینی کے باعث مشکل ترین سال ثابت ہوا۔ زیر جائزہ رواں برس کی پہلی سہ ماہی کے دوران مون سون میں غیر متوقع سیلاب نے بڑے پیمانے پر بنیادی ڈھانچے کو نقصان پہنچایا اور اس دوران کئی قیمتیں جانیں بھی ضائع ہوئیں۔ مزید برآں، روپے کی قدر میں جاری فرسودگی، افراط زر کی بلند شرح اور شرح سود میں ہوشربا اضافے نے کاروباری لاگت کو متاثر کیا اور نتیجتاً طلب اور منافع پر منفی اثرات مرتب ہوئے۔ ایندھن اور توانائی کی قیمتوں میں اضافے، افراط زر کی بلند شرح، غیر ملکی قرضوں میں اضافے، گرتے ہوئے زرمبادلہ کے ذخائر اور شرح سود اور دیگر کی بابت مرکزی بینک کی غیر موافق مانیٹری پالیسیوں نے معاشی صورت حال کو مزید بگاڑ کر رکھ دیا۔ سیاسی بے چینی، جیو پالیٹیکل صورت حال اور روس-یوکرین کے مابین طویل عرصے سے جاری تنازعہ، صارفین کی طلب پر دباؤ ڈالا اور کئی اقتصادی بے یقینی کی صورتحال نے ملک بھر میں مجموعی کاروباری ماحول کو متاثر کیا جس کے اثرات سے کمپنی بھی نہ بچ سکی۔

مختصراً، ملک اس وقت معاشی، مالیاتی و سیاسی بحران کا سامنا کر رہا ہے جس نے کمپنی سمیت ملک بھر میں مجموعی کاروباری سرگرمیوں کو بہت زیادہ متاثر کیا ہے۔ کونسلے جیسے خام مال کی قیمت میں مسلسل اضافے، مارک اپ کی شرح اور بجلی کی قیمتوں بشمول حکومتی لیوی/ٹیکسوں میں اضافے اور پاکستانی روپے کی قدر میں کمی کے باعث بڑھتی ہوئی منہ گائی نے کمپنی کے مالیاتی نتائج پر منفی اثرات مرتب کئے ہیں۔

مجموعی طور پر، مالیاتی سال 2024ء معاشی و دیگر چیلنجز کے باعث مشکل ترین سال رہا اور تعمیراتی شعبہ بشمول سیمنٹ کی صنعت ان اثرات سے محفوظ نہ رہ سکا۔

بنیادی سرگرمیاں

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



فلاننگ سیمینٹ کمپنی لمیٹڈ پراکسی فارم

بطور رکن فلاننگ سیمینٹ کمپنی لمیٹڈ میں / ہم
عدم حاضری کی صورت میں کمپنی کے رکن کو یہاں
باضابطہ طور پر مورخہ 24 اکتوبر 2024ء بوقت 09:00 بجے صبح بروز جمعرات ایڈز بینکو ایٹ ہال، 1-D-343، ٹیسپاک،
سوسائٹی، لاہور میں منعقدہ سالانہ اجلاس عام یا اس کی دیگر نشست میں شرکت اور ووٹ کرنے کے لئے اپنا/ ہمارا پراکسی مقرر
کرتا ہوں / کرتے ہیں۔

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

دستخط گواہ:
نام:
شناختی کارڈ نمبر:

دستخط گواہ:
نام:
شناختی کارڈ نمبر:

اہم ترین:
پراکسی کا یہ دستاویز مجاز تصور نہیں کیا جائے گا تا وقتیکہ کمپنی کے رجسٹرڈ آفس واقع 63-A شہر خان روڈ، لاہور کینٹ 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 63-A Sher Khan 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 31st Annual General Meeting of the Company to be held on Thursday 24th
October 2024 at 09:00 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 _____ 2024.

AFFIX
CORRECT
POSTAGE

The Company Secretary,

Flying Cement Company Limited
63-A Sher Khan Road,
Lahore Cantt. Pakistan



Flying Cement Company Limited

**LANDLINE**

+92-42-36674301-5 Lines

**FAX**

+92-42-36660693

**ADDRESS**

63-A Sher Khan Road,
Lahore Cantt

**MAIL**

info@flyingcement.com

**WEBSITE**

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