



Flying Cement  
Company Limited

Annual  
**REPORT**  
**2023**

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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.



## 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.



## New

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



## You

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



## Global

We strive to be reckoned with dignity in global market.

# FLYING



# Flying Cement

New Plant Under Expansion



GERMANY





# Company Information

## Board of Directors

Mr. Kamran Khan  
CHAIRMAN

Mr. Momin Qamar

Mr. Yousaf Kamran Khan

Mr. Qasim Khan

Mrs. Samina Kamran

Mr. Omar Naeem

Mr. Pervaiz Ahmad Khan

Mr. Agha Hamayun Khan  
CHIEF EXECUTIVE

## Registered Head Office

4- Sarwar Colony, Sarwar Road, Lahore Cantt.  
Tel: 042-36674301-5 Fax: 042-36660693  
Website: [www.flyingcement.com](http://www.flyingcement.com)  
Email: [info@flyingcement.com.pk](mailto: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 20, 2023**

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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 has been making a valuable contribution to construction culture by promoting high-grade, sustainable building with the use of concrete. With its involvement in a broad spectrum of local, regional and nationwide activities and institutions, it offers a forum for reliable, responsible dialogue between all those concerned in the art of construction. In this context, we enhanced quality awareness and heightened appreciation for built-up environments. This is one of the reasons why the Flying cement Company Limited has long since been honouring outstanding architectural accomplishments by awarding a Concrete Architecture and a Future Housing. Our Research and Development team has the national Concrete Design Competition aims to promote innovative ways of thinking among the next generation of young architects, designers and engineers. Flying Cement Company Limited firmly believes to invest in its human resources to achieve the growth of the company. Our values of innovation, customer focus, excellence and integrity are at the heart of our efficiency driven culture. The culture of high values has a strong influence on our work-force which helps them in a win-win outcome for both the employees and the organization. Our values provide the foundation of our culture and bind us into a world-class team yearning to stay ahead of the competition. While we thrive in the present and look towards the future, we never forget our roots, constantly reminding ourselves of who we are and how far we have come.







# Key Highlights

## For The Year 2022-23

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



### Gross Sales

PKR in million

2023	5,729
2022	7,146



### Profit/Loss After Tax

PKR in million

2023	271
2022	926



### Total Assets

PKR in million

2023	22,970
2022	20,242



### Earning Per Share

PKR

2023	0.39
2022	1.33



# 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

# CHAIRMAN'S REVIEW

The financial year 2022-23 was another difficult year for Pakistan's economy characterized by massive fall in domestic currency, low availability of coal, inflationary pressure, heavy flooding, highest interest rate, import restrictions tight monetary policy and energy crisis.

The economy continued to face challenges on account of rising imports, current account deficit and increased inflationary pressures. However, this year has also been affected by the heavy flood, political uncertainty, ongoing Russia-Ukraine conflict, sharp increase in fuel and energy prices, high inflation, mounting foreign debt and depleting foreign exchange reserves and the Company has been noexception. Therefore the overall sale of the company has dropped in comparison with last year. The company has gross sales of Rs. 5,729 (M) as compared to Rs.7,145 (M) of last year and profit after taxation decrease from Rs. 926,097,752 to Rs. 271,245,678 in the same period last year.

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Going forward the biggest challenge at hand is increase in the cost of production caused by high inflation, increasing coal and fuel prices in international markets, recent flood disaster, expected hike in electricity rates, weakening PKR currency, increase in interest rates and geo-political uncertainty. We are also closely monitoring the price trend to ensure minimum impact of any price increase on the Company.

We are actively in the process of completion of new Line-II of 9,000 TPD of Clinker, COD of which is targeted by March, 2024.

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 and with your continued support, your Company is ready to scale new heights and achieve unprecedented levels of growth going forward InshaAllah.

**Kamran Khan**  
Chairman

Lahore  
Dated October 04, 2023



# 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 parctices with the ultimate goal of icreasing 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 share holders.

# 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 Rs 10/- each).

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





# Milestones Achieved



Achieved Profitability in the current financial year of Rs 271 million



Maintained gearing ratio at 30.24 % compared to industry average of 44%.



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

# Building Blocks for Our Business

## Business Growth

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

## Business Sustainability

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



# Stakeholder Engagement

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



## Distributors

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

## Suppliers and Vendors

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

## 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](http://www.flyingcement.com)) contains all the major financial information needed for investors' decision-making in a separate tab of "Investor Relations".



# Strategic Goals

Since February 2022, Pakistan along with the rest of the world, has been affected due to Russia-Ukraine conflict, impact of which has been felt across industries and societies. As the cement manufacturer in Pakistan, we were impacted by the disturbed global supply chain. There has been all time high global inflation due to commodities super-cycle which has highly affected the cost of imported material, and eventually the production cost. However, with adapting to changing global spectrum, we not only managed to combat the adverse circumstances, but we also continued to achieve sustainable profitability. In the current times, when the world is significantly influenced by the economic, political, and social situation, we have spared no efforts to continue to serve our customers, while taking care of our employees and taking actions to help the wider society in fighting against the unimaginable consequences of this economic downturn. In a year impacted by political and economic circumstances, we adapted fast to ensure we could continue to create value for all our stake holders. This meant:

- Driving operational efficiencies.
- Caring for our people and the communities we serve; and
- Diversifying and investing to maximize shareholder's wealth. The agility and commitment of our people allowed us to advance.

# Business Ethics:

## **INSPIRING, MOTIVATING & COMPELLING:**

We are ambitious and innovative. We get excited about our work. We bring energy and imagination to our work in order to achieve a level of performance, not achieved before. We achieve a higher standard of excellence.

## **ACCOUNTABILITY AND KEEP PROMISES:**

We are accountable for providing quality products & excellent services along with meeting the strict requirements of regulatory standards and ethical business practices. Everything we do, should work perfectly. We maintain integrity & excellence. We believe in actions, not in words.

## **COMPETENCE:**

We can see things from different perspectives; we are open to change and not bounded by how we have done things in the past. We can respond rapidly and adjust our mode of operation to meet stakeholders' needs and achieve our goals.

## **BE RESPECTFUL:**

We respect our customers, shareholders & others stakeholders and want to fulfill their needs. We always appreciate comments & suggestions from our stakeholders.

## **BE ELABORATED ABOUT OUR PRODUCT:**

Flying Cement Company Limited is committed to conducting its business with honesty and integrity. We expect all our employees to create value for our stakeholders by ensuring transparency and accountability in all our practices. As we continue on our trajectory of growth, we continue to maintain the highest standards of ethical and responsible behavior. The adherence of all employees to high standards of integrity and ethical behavior is mandatory and benefits all stakeholders including our customers, communities and shareholders. The Company carefully checks for compliance with the Code by providing suitable information, laying down prevention and control tools to ensure transparency in all transactions and behaviors and takes corrective measures as and when required.



# 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.

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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.



# Environmental Protection

Focused on bringing new strategies and innovation to the business as our commitment towards environment and the Planet. Flying Cement Company Limited has “Embarked on a Sustainable Future” and already adopted a futuristic approach to its business operations. Through innovation, and adaptability to new technologies with sustainability as a key element to move forward, we not only continue to grow while also making our operations efficient and sustainable. Taking forward the idea of “Innovate, Renew and Sustain”, this year we have started waste heat recovery plant on-site of 7.5 MW and a captive power project with a 12 MW which is operational since January -2022. The company has installed latest technology of bag filter which reduced carbon footprint of the company. We strongly believe that stakeholder value maximization is possible on a long-term basis by implementing best-in-class Environment Social Governance (ESG) protocols. We continue upon our journey of Excellence and building Enterprise of the Future, by delivering towards sustainable development goals. Our dynamic business approach has led us to become the industry leader and we are proud to be a step ahead of our industry peers. Our resolve is to continue our duty as a socially responsible organization and we will continue investing in the betterment of our Country and commitment towards environment.





# Swot Analysis

## STRENGTHS

- Strong brand recognition
- Well diversified fuel mix % & efficient operations
- Strong financial position
- Quality and efficiency of human resources
- Easy access to production resources
- Trusted and efficient supply chain
- Geographically diverse & state-of-art  
production facilities production facilities
- Self-sufficiency in electricity requirement

## WEAKNESSES

- Highly fragmented industry
- Demand supply gap, overcapacity
- High taxation and duties
- High energy cost and inflation
- High interest rates
- Tough competition in local market
- Low exports of cement



## **OPPORTUNITIES**

- Future growth potential
- Focus on cost optimizing
- Export opportunities due to fully operational HUB facility
- CPEC led growth opportunities
- Flood related infrastructure requirement
- Future growth potential particularly exports to

## **THREATS**

- Overcapacity affecting the margins
- Devaluation of money
- Inconsistent economic policies
- Protectionism
- Rising cost of logistics
- High cost of financing
- Slashing PSDP funds
- Rise in coal prices



# 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 support value creation for all of our stakeholders, Flying Cement Company Limited's business is focused on the delivery of following four strategic priorities, which aim to increase upon sustainable growth and cost efficiency. Everyone at Flying Cement Company Limited has a role to play in delivering these strategic priorities. To achieve these strategic objectives, the management carefully sets up strategies and plans. The strategies put in place to achieve the respective strategic objectives are also mentioned below:



## Plan 1

Growing local market share our focus remains on designing business strategies for the local market that ensure holding and increasing our market share. We continue to reinforce our strength to expand our share in the local market. The Company has announced its expansion plan to increase its capacity at Line-2 Plant by 2.7 MTPA in line with cement's demand projections, which will come online by March 2023. The Company is operating warehouses near all major consumption centers, which ensure that the market penetration of Company's products is maximized.

## Plan 2

**Efficiency** We strive to continuously improve efficiency and to bring down our energy consumption and costs by optimally utilizing all available resources. Flying Cement Company Limited has regularly upgraded its manufacturing facilities by adding new, more efficient production line, which will substantially improve our production efficiency. Flying Cement Company Limited has installed state of the art Vertical Cement Mills at its Line-2 Plant thus increasing production efficiency.

## Plan 3

**Sustainable Development** (In terms of environmental and social responsibility) We endeavor to give back to the communities that we operate in and also to the society at large by efficiently using natural resources. We aim to deliver high quality goods at competitive prices while progressively reducing ecological impacts. The Company has installed a 12 MW captive power project, which will provide clean energy as well as reduce the country's reliance on imported fossil fuel. The Company is continuously taking steps to reduce emissions by installing latest technology of bag filter project to reduce carbon emission. Further, the Company has also adopted green technology for power generation by installing 7.5 MW waste heat recovery plant WHR. Company complies with all relevant National Environmental Quality Standards. Contributes generously towards the well-being of communities in and around the geography of its operations. As a responsible corporate citizen, Flying Cement Company Limited ensures that all social and environmental dimensions are considered while developing strategies, policies, practices and procedures.

## Plan 4

**HR Excellence Developing:** our people is important to us. Human capital is an asset and plays an important role in our success. Our Core Values, Code of Conduct and HR policies provide an outline which serves as a guiding force for the whole organization. The Company has put in place processes to develop and groom professionals at various levels. The Company is an equal opportunity employer. Our systems are designed to ensure transparency and fairness at all levels by clearly defining KPIs for each position in alignment with Company's vision and core values. The Company conducts anonymous Climatic Survey to get employee feedback, which helps in continuous improvement. Employees are encouraged to expand their skillset through job rotation.



# Going Forward

## Key Priorities

(Micro)

### **Technological Risk of technological obsolescence.**

To continue its legacy of being unparalleled of the cement industry, Flying Cement Company Limited has always given priority to latest technological developments and in this regard remained at the forefront to upgrade its manufacturing facilities. In addition to installing new Line at its Khushab Plant in recent year, Flying Cement is already in the process of installing a new line-2 in its Khushab Plant. Flying Cement has installed state-of-the art Vertical Cement Mills at its Khushab Plant thus increasing production efficiency.

### **Technological innovation by competitors**

Flying Cement Company Limited has a dedicated team of professionals which ensures that all its processes comply with the applicable regulatory requirements. Even under the circumstances created by the Covid-19, Floods / unprecedented Rain in Pakistan and red eye contamination outbreak our systems and software remained available to our employees making work from home possible.



# Key Opportunities

## (Macro)

- Identification of alternate sources of coal
- Adoption of renewable energy projects
- Cost optimization projects
- Succession planning
- Rewarding high performing employees Medium to long term  
Manufactured Capital
- Investments in technology upgrades and capacity expansions
- Building relationships along the value chain Medium to long  
term Natural Capital
- Responsible use of raw material



# 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 30<sup>th</sup> Annual Report of your company along with duly Audited Financial Statements for the year ended June 30, 2023.

### INDUSTRY OVERVIEW

The Fiscal year 2023 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	2023	2022
Cement Production	324,660	522,500
Cement Dispatches	329,211	522,881

(Metric Tons)

The data shows the change in the financial year 2023 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, 2023 is as under:

Particulars	2023	2022
	(Rupees in Thousand)	
<b>Sales revenue Gross</b>	<b>5,729,080</b>	<b>7,145,904</b>
Less: Sales Tax/ Federal Excise Duty	1,485,554	1,809,779
Net: Sales revenue	4,243,527	5,336,125
Gross Profit	576,996	872,090
<b>Operating profit</b>	<b>446,513</b>	<b>739,111</b>
Profit before tax	369,743	711,228
<b>Net Profit after tax</b>	<b>271,246</b>	<b>926,098</b>
<b>Earnings per Share</b>	<b>0.39</b>	<b>1.33</b>

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, 2023, the Company remained focus on sustainability.

The company has gross sales of Rs.5,729 (M) as compared to Rs.7,145 (M) of last year and profit after taxation decreased from Rs. 926,097,752 to Rs.271,245,678 in the same period last year.

## EARNING PER SHARE

Basic earnings per share after taxation for the year was Rs. 0.39 (2022: Rs. 1.33). 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, 2023.

## 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 2022-23, 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 9,000 TPD of Clinker, COD of which is targeted by March, 2024.

The caretaker government has taken certain corrective long awaited measures to curb smuggling and foreign currency speculation, keep the interest rate remain intact, compliance with IMF' agreement etc. Hence, the economy is expected significant recovery due to timely measures taken by the Government of Pakistan. It is expected that the said measures would be continued by upcoming elected government after the general election due in January 2024. This would result in faster than anticipated growth going forward in construction and allied industries.

The government policies, is expected to strengthen the economy over the longer-term. Going forward, risks of a global and domestic slowdown of economy, rising fuel and power prices, rupee devaluation, inflationary pressures, high cost of borrowing, uncertainties in the domestic business environment and ongoing monetary tightening measures have critical threat to economy and business. Nonetheless, The Company is quite hopeful for improvement in domestic sales on account of the rising population' more demand of houses in the country and need of more infrastructure coupled with construction of new dams.

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	6	N/A	N/A
2	Mr. Momin Qamar	6	N/A	2
3	Mr. Yousaf Kamran Khan	6	4	2
4	Mr. Qasim Khan	6	1	N/A
5	Mrs. Samina Kamran	6	3	N/A
6	Mr. Omar Naeem	5	4	N/A
7	Mr. Pervaiz Ahmad Khan	6	N/A	2
8	Mr. Agha Hamayun Khan	6	N/A	N/A
	<b>Total Number of Meetings Held</b>	<b>6</b>	<b>4</b>	<b>2</b>

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 CRITERRIA 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, 2023 along with disclosures as required by the Code of Corporate Governance is annexed.

## POST BALANCE SHEET EVENTS

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

## ACKNOWLEDGMENT

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

For and on behalf of the Board



**Director**



**Chief Executive**

Lahore

Dated: October 04, 2023

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

FLYING CEMENT COMPANY LIMITED

Year Ended June 30, 2023

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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including Flying Cement Company Limited.

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

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

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

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

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

9. All the directors are either exempt or have acquired the prescribed certification under Directors' Training Program.

10. 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.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

a) Audit Committee:

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

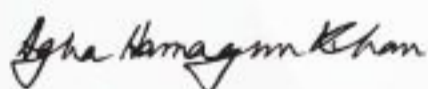
b) HR & Remuneration Committee:

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.	<b>Nomination Committee</b> 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.	<b>Risk Management Committee</b> 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  
Chief Executive

Dated: October 04, 2023

## INDEPENDENT AUDITOR'S I REVIEW REPORT

### To the members of Flying Cement Company Limited

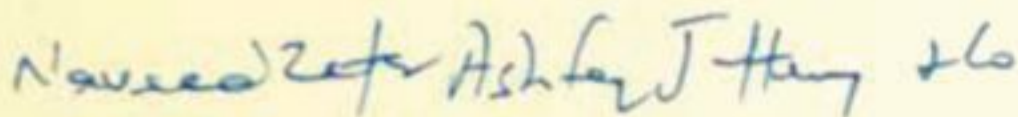
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Flying Cement Company Limited for the year ended June 30, 2023 with the requirements of regulation 36 of the Regulations.

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, 2023



**Naveed Zafar Ashfaq Jaffery & Co.,**  
Chartered Accountants

Place: Lahore  
Date: October 04, 2023

# Financial Highlights

Six Years At Glance





	2023	2022	2021	2020	2019	2018
<b>Financial Position(Rupees in Million)</b>						
Assets Employed by						
Property, plant and equipment	21,175	18,428	15,886	13,287	11,216	6,640
Other assets	33	33	33	33	33	31
Current assets	1,762	1,781	2,361	3,003	2,178	3,090
<b>Total Assets</b>	<b>22,970</b>	<b>20,242</b>	<b>18,280</b>	<b>16,323</b>	<b>13,427</b>	<b>9,762</b>
<b>Financed by(Rupees in Million)</b>						
Shareholders equity	8,389	8,058	4,309	2,158	2,625	2,452
Surplus on revaluation of fixed assets net of tax	3,845	3,905	3,966	4,028	4,091	1,467
Directors & shareholders loan	57	57	697	1,971	1,516	1,516
Long term liabilities	5,360	3,724	5,106	4,366	2,649	1,663
Other current liabilities	5,318	4,498	4,202	3,801	2,547	2,664
<b>Total equity and liabilities</b>	<b>22,970</b>	<b>20,242</b>	<b>18,280</b>	<b>16,323</b>	<b>13,427</b>	<b>9,762</b>
<b>Turnover and Profit/(Loss)(Rupees in Million)</b>						
Gross sales	5729	7,146	4,380	1,372	4,822	4,335
Net turnover	4244	5,336	3,206	1,080	3,271	2,910
Gross Profit/(Loss)	576	872	303	(462)	191	257
Operating Profit/(Loss)	447	739	219	(528)	118	185
Profit/(Loss) before taxation	370	711	254	(513)	184	233
Profit/(Loss) after taxation	271	926	144	(531)	142	182
Earnings/(Loss) per share (Rs.)	0.39	1.33	0.38	(3.02)	0.81	1.03
Breakup value per share (Rs.)	<b>32.69</b>	<b>31.97</b>	<b>23.86</b>	<b>46.34</b>	<b>46.77</b>	<b>30.88</b>
<b>Analysis of Statement of Financial Position (Rupees in Million)</b>						
Equity	12,292	12,020	8,972	8,156	8,232	5,434
Non Current Liabilities	5,360	3,724	5,106	4,366	2,649	1,663
Current Liabilities	5,318	4,498	4,202	3,801	2,547	2,664
<b>Total Equity and Liabilities</b>	<b>22,970</b>	<b>20,242</b>	<b>18,280</b>	<b>16,323</b>	<b>13,427</b>	<b>9,762</b>
Non Current Assets	21,208	18,461	15,919	13,320	11,249	6,671
Current Assets	1,762	1,781	2,361	3,003	2,178	3,090
<b>Total Assets</b>	<b>22,970</b>	<b>20,242</b>	<b>18,280</b>	<b>16,323</b>	<b>13,427</b>	<b>9,762</b>

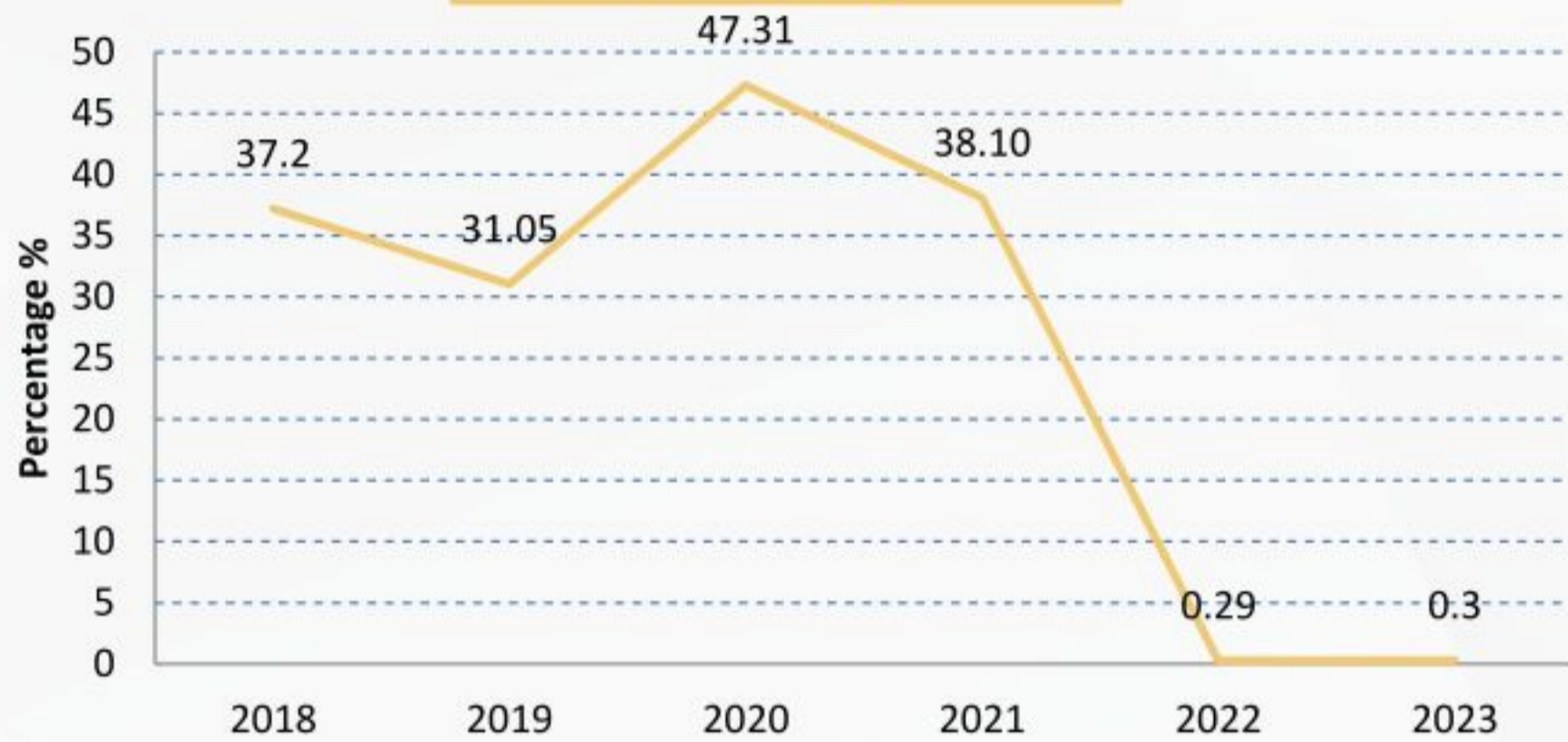
	2023	2022	2021	2020	2019	2018
<b>Vertical Analysis (%)</b>						
Equity	53.51	59.38	49.08	49.97	61.31	55.67
Non Current Liabilities	23.34	18.40	27.93	26.75	19.73	17.04
Current Liabilities	23.15	22.22	22.99	23.28	18.97	27.29
<b>Total Equity and Liabilities</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Non Current Assets	92.33	91.20	87.08	81.60	83.78	68.34
Current Assets	7.67	8.80	12.92	18.40	16.22	31.66
<b>Total Assets</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Horizontal Analysis (Cumulative %)</b>						
Equity	243.74	221.63	140.06	118.24	120.27	45.41
Non Current Liabilities	451.55	122.96	205.67	161.40	58.59	(0.43)
Current Liabilities	200.13	146.95	130.73	108.68	39.83	46.26
<b>Total Equity and Liabilities</b>	<b>895.42</b>	<b>491.54</b>	<b>476.46</b>	<b>388.32</b>	<b>218.68</b>	<b>91.25</b>
Non Current Assets	300.08	226.43	181.47	135.52	98.91	17.96
Current Assets	72.99	13.19	50.06	90.88	38.43	96.41
<b>Total Assets</b>	<b>373.07</b>	<b>239.62</b>	<b>231.53</b>	<b>226.40</b>	<b>137.34</b>	<b>114.37</b>
<b>Horizontal Analysis (Year on Year %)</b>						
Equity	2.26	33.98	10.00	(0.92)	51.47	45.41
Non Current Liabilities	43.93	(27.06)	16.93	64.83	59.27	(0.43)
Current Liabilities	18.23	7.03	10.57	49.24	(4.40)	46.26
<b>Total Equity and Liabilities</b>	<b>64.42</b>	<b>13.95</b>	<b>37.50</b>	<b>113.15</b>	<b>106.34</b>	<b>91.25</b>
Non Current Assets	14.88	15.97	19.51	18.40	68.63	17.96
Current Assets	(1.06)	(24.57)	(21.39)	37.89	(29.52)	96.41
<b>Total Assets</b>	<b>13.82</b>	<b>(8.60)</b>	<b>(1.87)</b>	<b>56.30</b>	<b>39.11</b>	<b>114.37</b>

	2023	2022	2021	2020	2019	2018
<b>Analysis of Statement of Profit and Loss Accounts</b>						
Gross turnover	5,729	7,146	4,380	1,372	4,822	4,335
Net turnover	4,244	5,336	3,206	1,080	3,271	2,910
Cost of sales	3,667	4,464	2,903	1,542	3,081	2,653
<b>Gross Profit/(loss)</b>	<b>577</b>	<b>872</b>	<b>303</b>	<b>(462)</b>	<b>191</b>	<b>257</b>
Administrative Expense	(86)	(76)	(54)	(58)	(50)	(46)
Distribution Expense	(19)	(15)	(11)	(8)	(9)	(7)
Other operating expense	(26)	(42)	(19)	-	(13)	(18)
<b>Operating Profit/(loss)</b>	<b>446</b>	<b>739</b>	<b>219</b>	<b>(528)</b>	<b>118</b>	<b>185</b>
Finance Cost	(169)	(115)	(72)	(80)	(33)	(44)
Other Income	92	87	106	95	98	92
<b>Profit/(Loss) before taxation</b>	<b>369</b>	<b>711</b>	<b>254</b>	<b>(513)</b>	<b>184</b>	<b>233</b>
Taxation	(98)	215	(110)	(18)	(42)	(52)
<b>Profit/(Loss) after taxation</b>	<b>271</b>	<b>926</b>	<b>144</b>	<b>(531)</b>	<b>142</b>	<b>182</b>
Other Comprehensive income	0.047	1.470	0.054	0.045	0.073	0.040
<b>Total Comprehensive income for the year</b>	<b>271</b>	<b>924</b>	<b>144</b>	<b>(531)</b>	<b>142</b>	<b>182</b>
<b>Vertical Analysis-%</b>						
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	86.40	83.66	90.55	142.83	94.17	91.17
<b>Gross Profit</b>	<b>13.60</b>	<b>16.34</b>	<b>9.45</b>	<b>(42.83)</b>	<b>5.83</b>	<b>8.83</b>
Administrative Expense	2.03	1.42	1.68	5.34	1.53	1.60
Distribution Expense	0.45	0.27	0.34	0.77	0.28	0.25
Other operating expense	0.61	0.80	0.59	-	0.40	0.61
<b>Operating (loss) / profit</b>	<b>10.51</b>	<b>13.85</b>	<b>6.85</b>	<b>(48.94)</b>	<b>3.62</b>	<b>6.37</b>
Finance Cost	3.98	2.16	2.24	7.41	1.00	1.51
Other Income	(2.17)	(1.63)	(3.30)	(8.85)	(3.01)	(3.15)
<b>(Loss) / profit before taxation</b>	<b>8.69</b>	<b>13.33</b>	<b>7.91</b>	<b>(47.51)</b>	<b>5.63</b>	<b>8.01</b>
Taxation	2.31	(4.02)	3.43	1.66	1.28	1.77
<b>Profit/(Loss) after taxation</b>	<b>6.39</b>	<b>17.36</b>	<b>4.48</b>	<b>(49.16)</b>	<b>4.35</b>	<b>6.24</b>
Other Comprehensive income	0.001	0.028	0.002	0.004	0.002	0.001
<b>Total Comprehensive income for the year</b>	<b>6.39</b>	<b>17.38</b>	<b>4.48</b>	<b>(49.16)</b>	<b>4.35</b>	<b>6.24</b>

	2023	2022	2021	2020	2019	2018
<b>Horizontal Analysis (Cumulative %)</b>						
Turnover	71.42	116.01	29.77	(56.30)	32.43	17.82
Cost of Sales	58.81	96.93	28.05	(31.98)	35.90	17.05
<b>Gross Profit</b>	<b>246.10</b>	<b>328.79</b>	<b>48.97</b>	<b>(327.38)</b>	<b>(6.27)</b>	<b>26.32</b>
Administrative Expense	225.83	92.48	36.85	46.60	27.03	18.14
Distribution Expense	265.39	139.81	78.20	36.82	50.04	20.71
Other operating expense	70.47	176.44	22.39	(100.00)	(14.58)	15.96
<b>Operating (loss) / profit</b>	<b>272.07</b>	<b>418.43</b>	<b>53.93</b>	<b>(470.54)</b>	<b>(16.95)</b>	<b>29.93</b>
Finance Cost	5,697	1,324	787	889	305	443
Other Income	17.37	35.48	64.47	48.34	52.95	42.49
<b>(Loss) / profit before taxation</b>	<b>88.91</b>	<b>257.68</b>	<b>27.56</b>	<b>(357.86)</b>	<b>(7.40)</b>	<b>17.22</b>
Taxation	97.43	(670.78)	192.39	(52.44)	11.09	37.21
<b>(Loss) / profit after taxation</b>	<b>86.00</b>	<b>474.31</b>	<b>(10.90)</b>	<b>(429.12)</b>	<b>(11.72)</b>	<b>12.56</b>
Other Comprehensive income	(24.15)	1,835.09	(28.39)	(40.78)	(3.72)	(47.52)
<b>Total Comprehensive income for the year</b>	<b>85.96</b>	<b>474.95</b>	<b>(10.90)</b>	<b>(428.93)</b>	<b>(11.71)</b>	<b>12.53</b>
<b>Horizontal Analysis (Year on Year %)</b>						
Turnover	(20.46)	66.45	196.96	(67.00)	12.40	17.82
Cost of Sales	(17.85)	53.78	88.26	(49.95)	16.10	17.05
<b>Gross Profit</b>	<b>(33.83)</b>	<b>187.84</b>	<b>(165.52)</b>	<b>(342.58)</b>	<b>(25.80)</b>	<b>26.32</b>
Administrative Expense	13.16	40.65	(6.65)	15.41	7.53	18.14
Distribution Expense	26.67	34.57	30.24	(8.81)	24.29	20.71
Other operating expense	100.00	125.87	100.00	(100.00)	(26.34)	15.96
<b>Operating (loss) / profit</b>	<b>(39.65)</b>	<b>236.79</b>	<b>(141.54)</b>	<b>(546.17)</b>	<b>(36.08)</b>	<b>29.93</b>
Finance Cost	46.96	60.58	(10.36)	144.39	(25.41)	442.60
Other Income	5.75	(17.62)	10.88	(3.02)	7.34	42.49
<b>(Loss) / profit before taxation</b>	<b>(48.10)</b>	<b>180.39</b>	<b>(149.47)</b>	<b>(378.47)</b>	<b>(21.01)</b>	<b>17.22</b>
Taxation	(145.58)	(295.21)	514.78	(57.19)	(19.04)	37.21
<b>(Loss) / profit after taxation</b>	<b>(70.73)</b>	<b>544.54</b>	<b>(127.07)</b>	<b>(472.80)</b>	<b>(21.57)</b>	<b>12.56</b>
Other Comprehensive income	(96.80)	2,602.18	20.92	(38.49)	83.45	(47.52)
<b>Total Comprehensive income for the year</b>	<b>(70.78)</b>	<b>545.32</b>	<b>(127.09)</b>	<b>(472.57)</b>	<b>(21.54)</b>	<b>12.53</b>

# FINANCIAL RATIOS

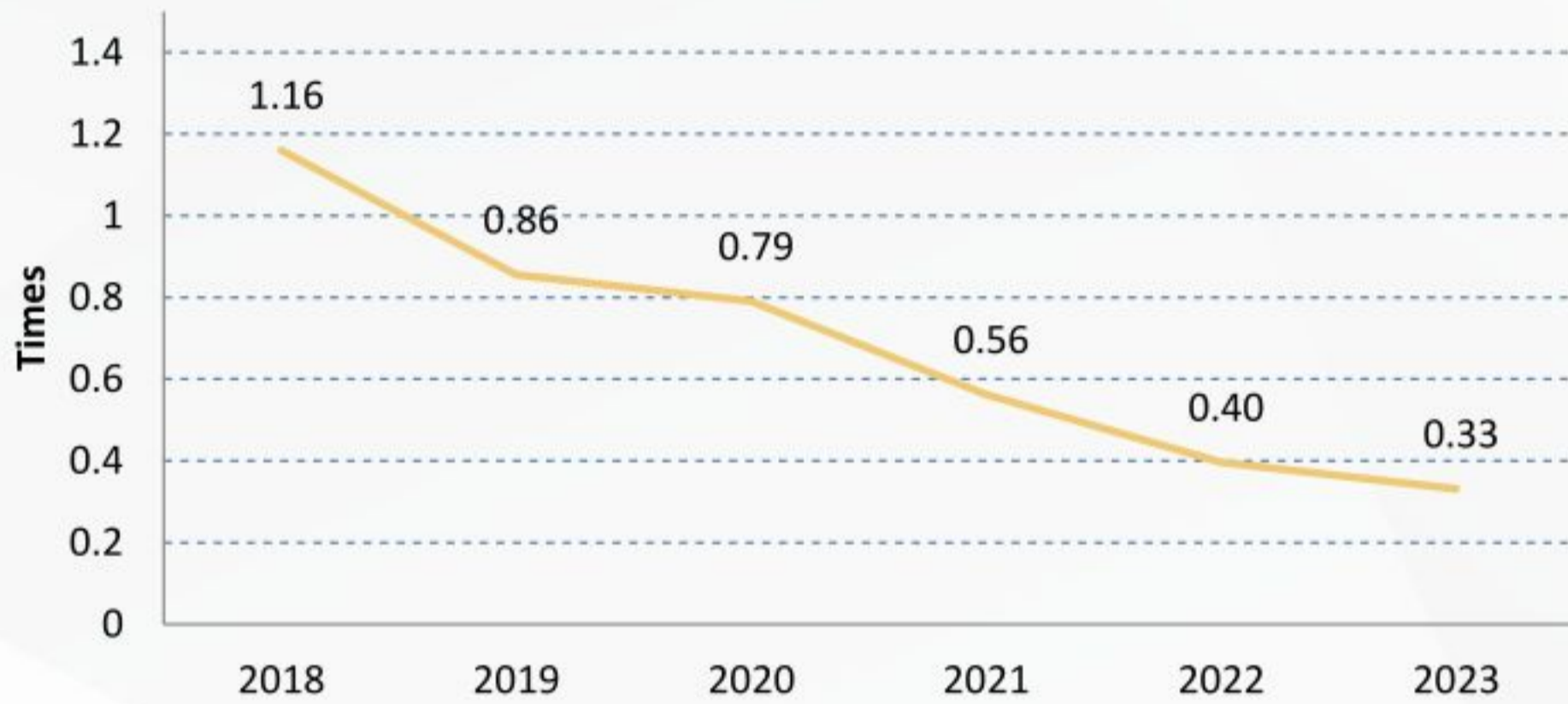
## Debt to Equity Ratio



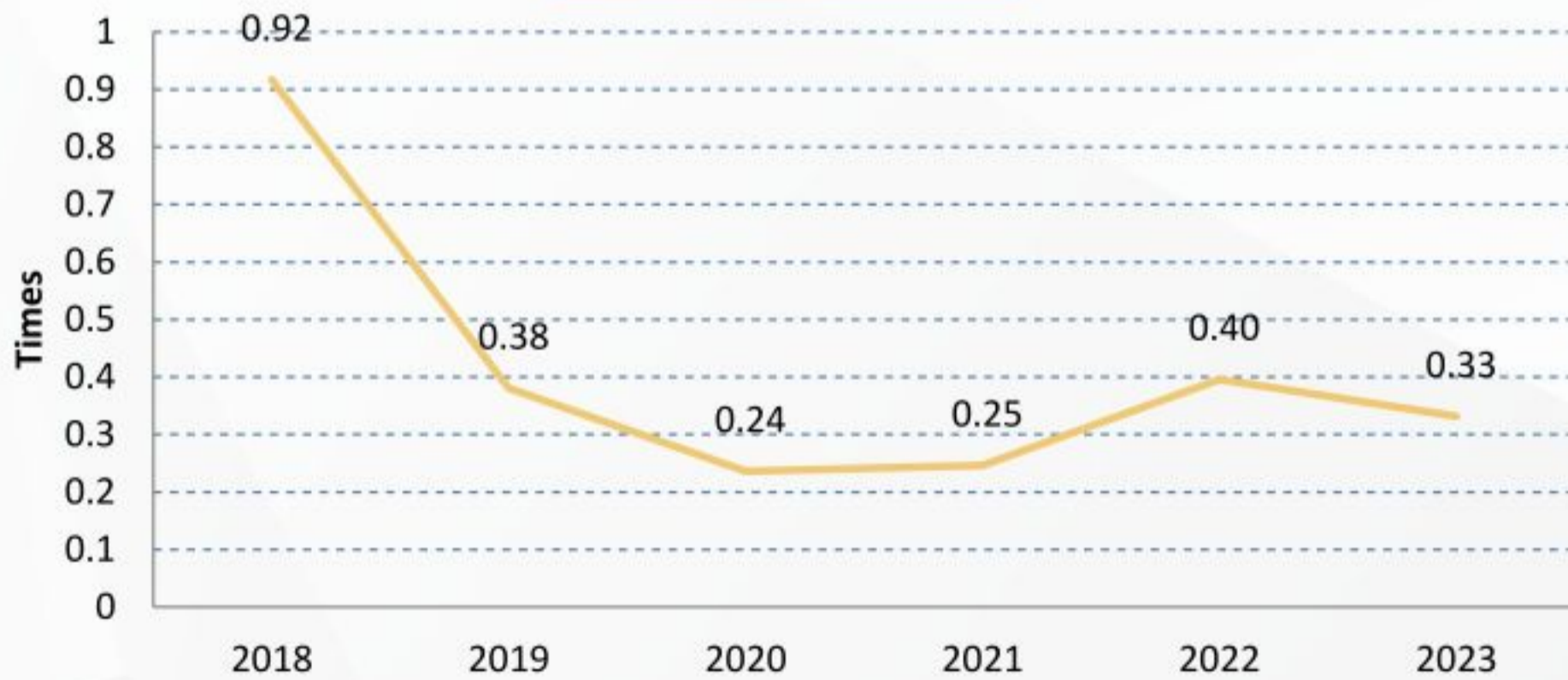
## Cash to Current Liabilities



## Current Ratio



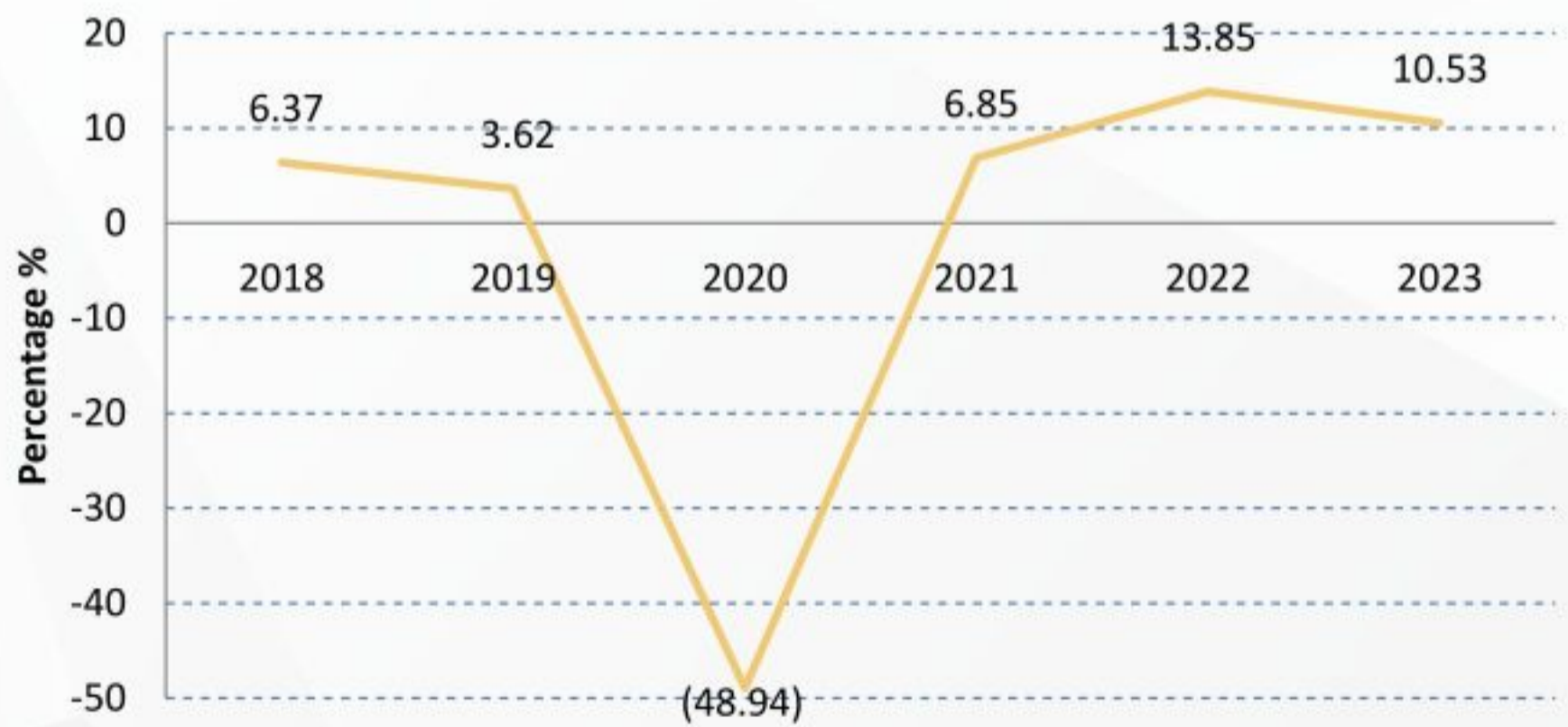
## Acid Test Ratio



## Gross Profit to Sales



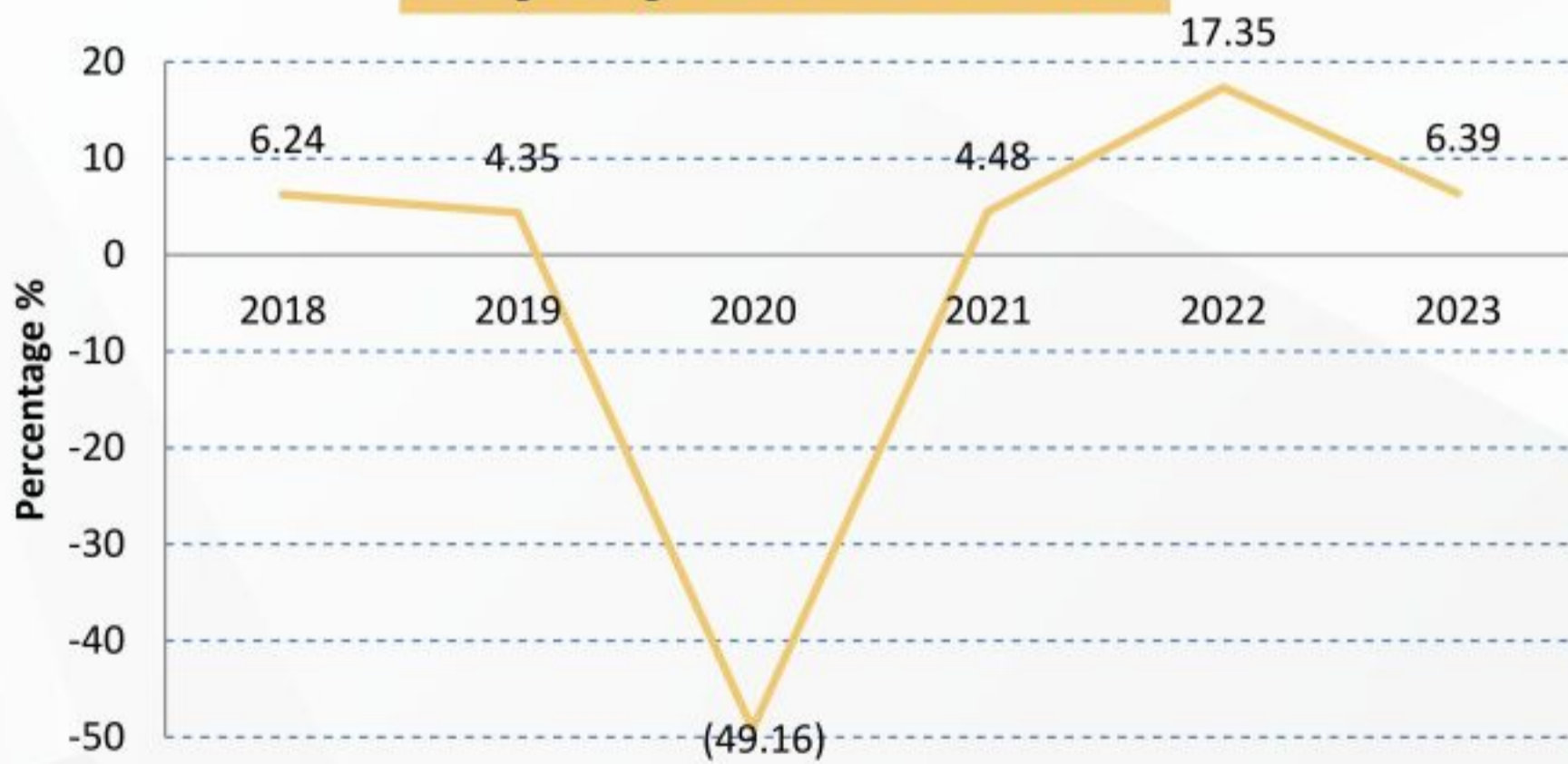
## Operating Profit to Sales



### **Profit before tax to Sales**



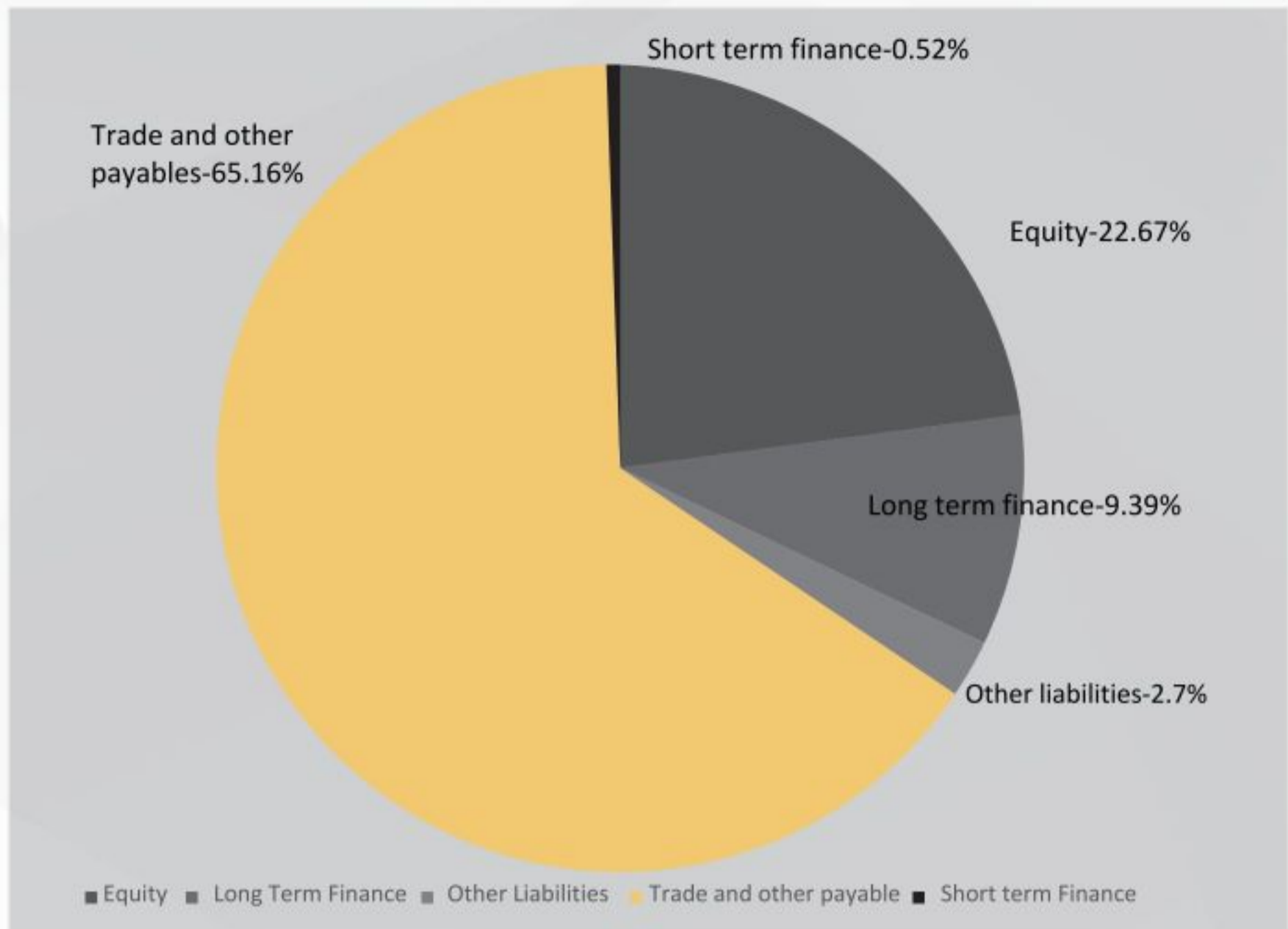
### **Profit after tax to Sales**





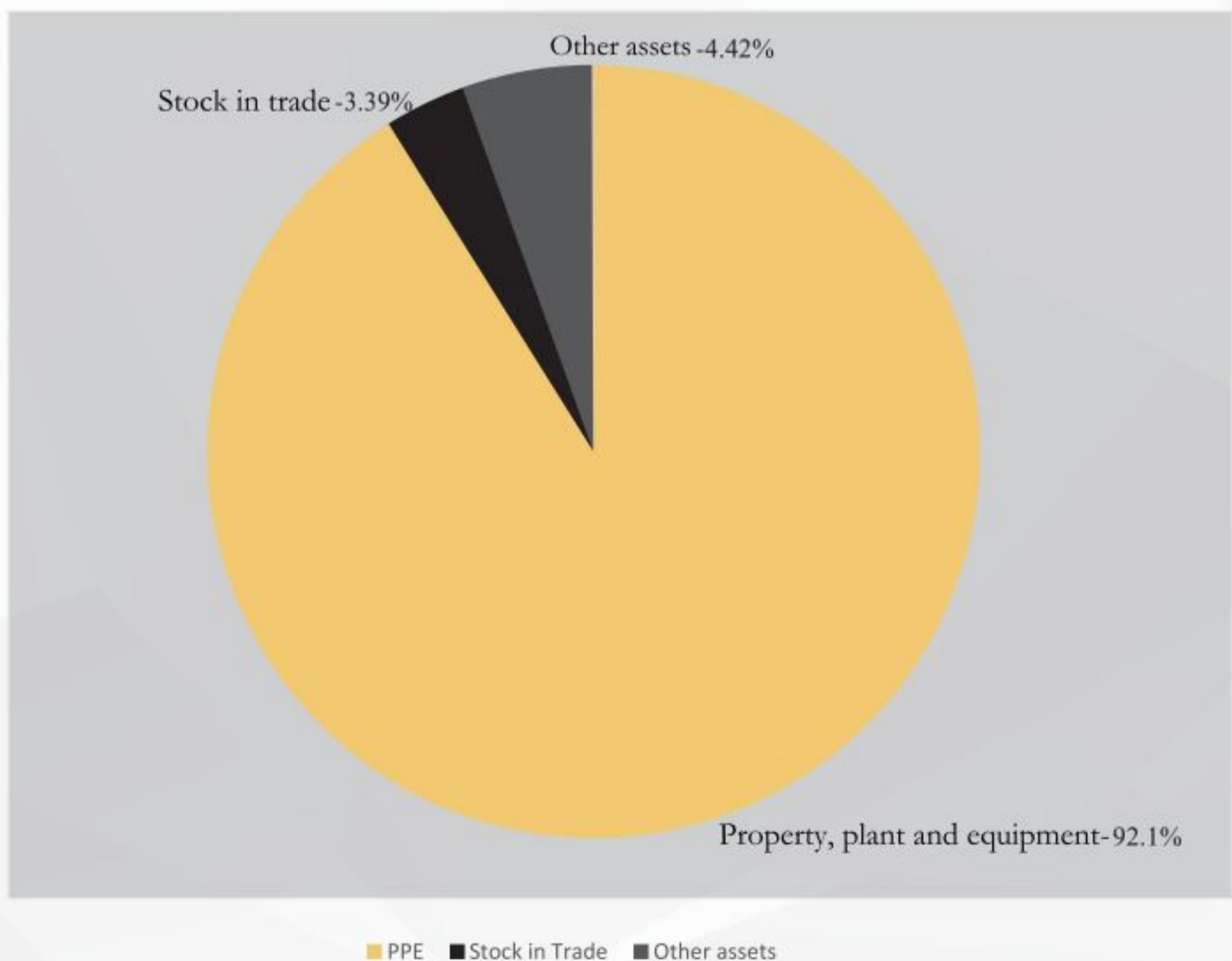
## Equity and Liabilities-FY 2023

Percentage



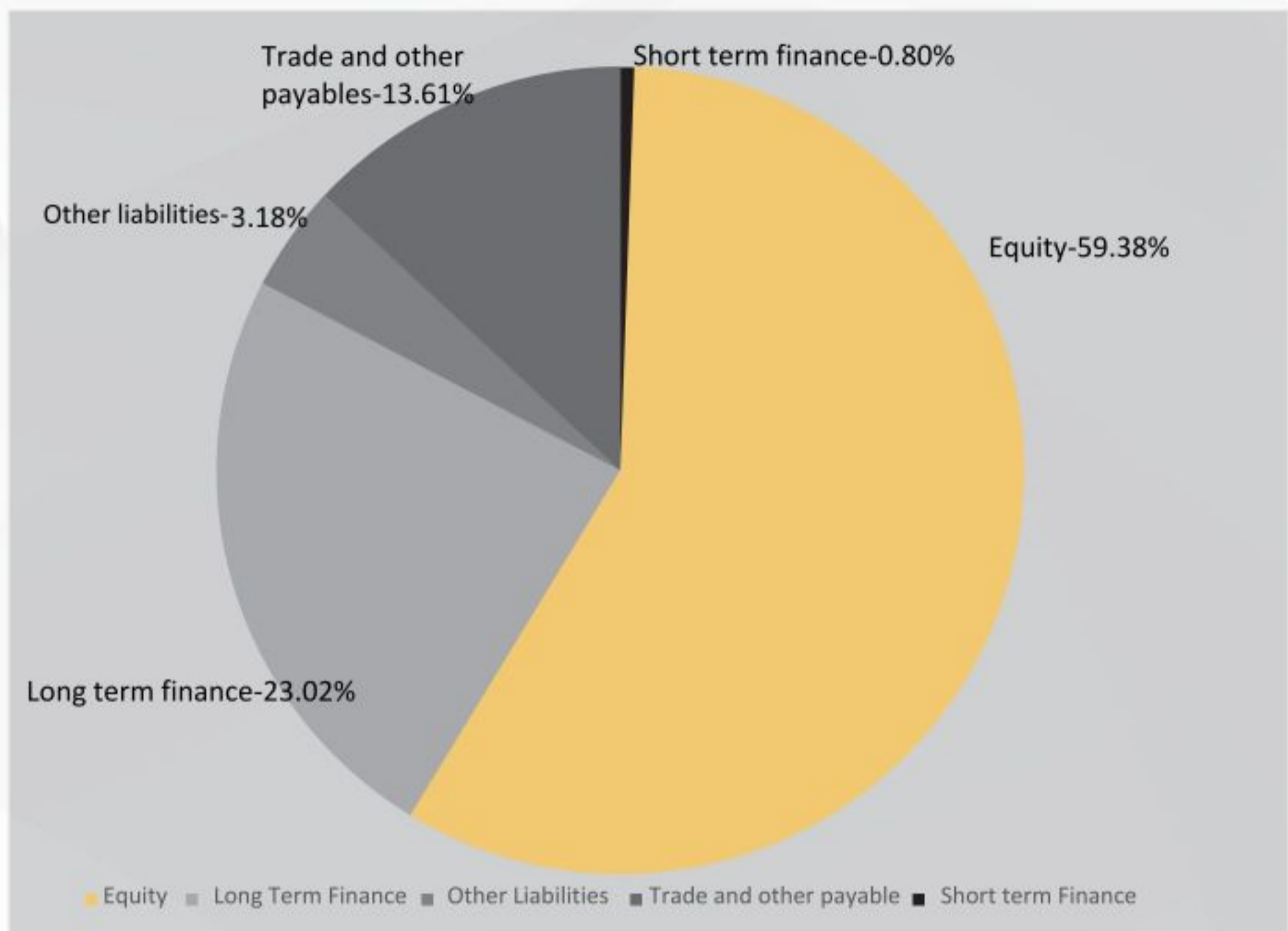
## Assets-FY 2023

Percentage



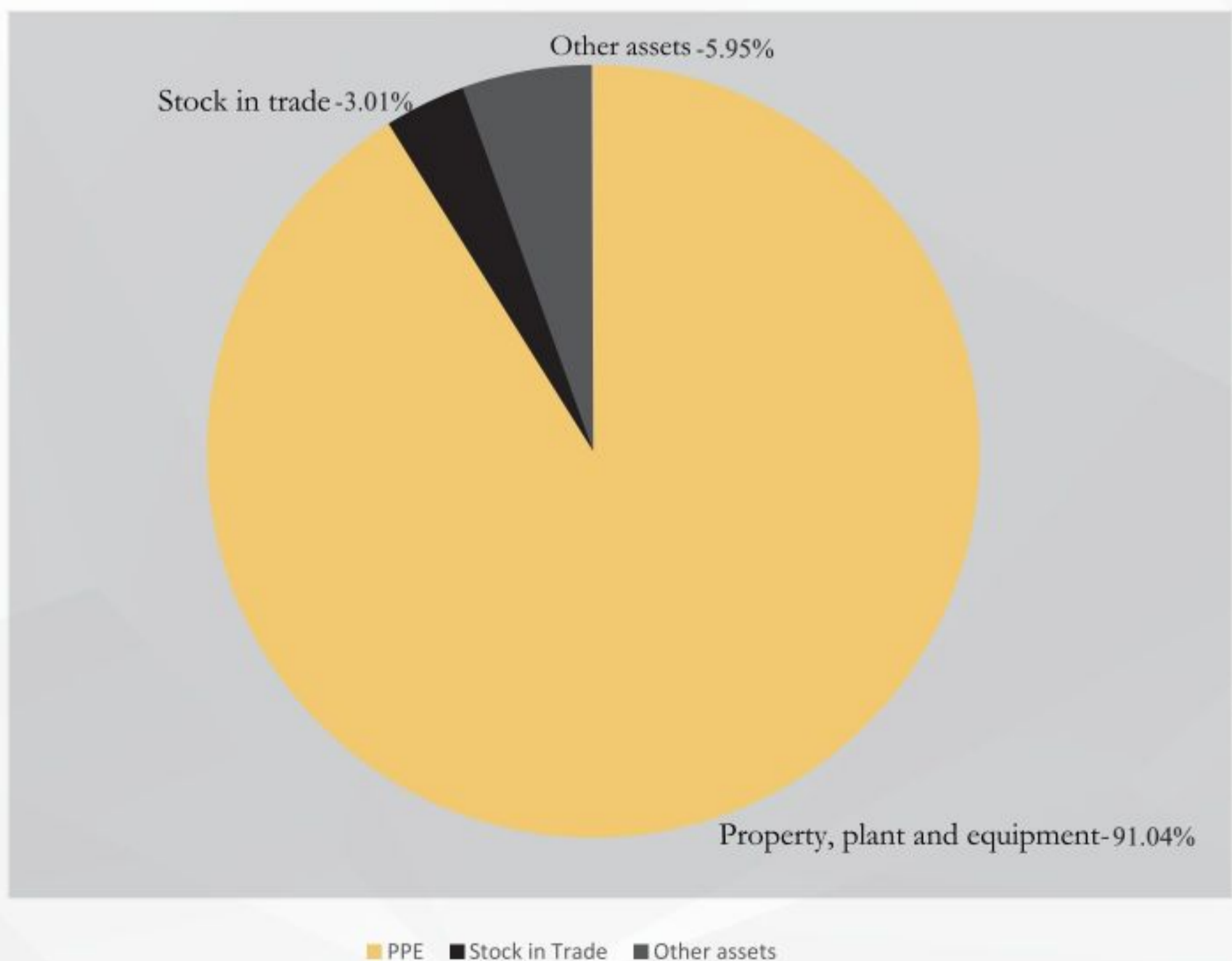
## Equity and Liabilities-FY 2022

Percentage



## Assets-FY 2022

Percentage





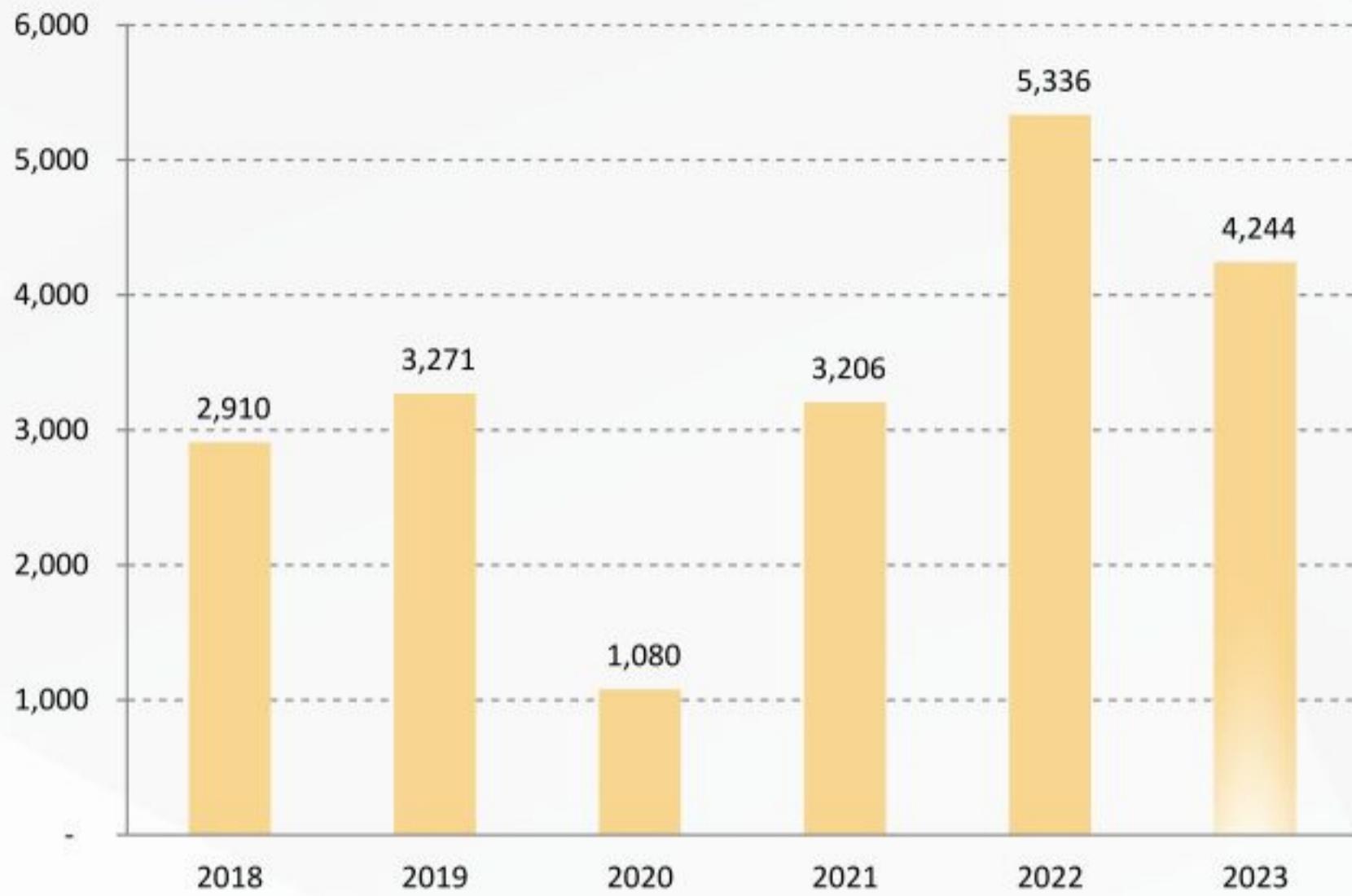
# Financials at a Glance



# Financial At A Glance

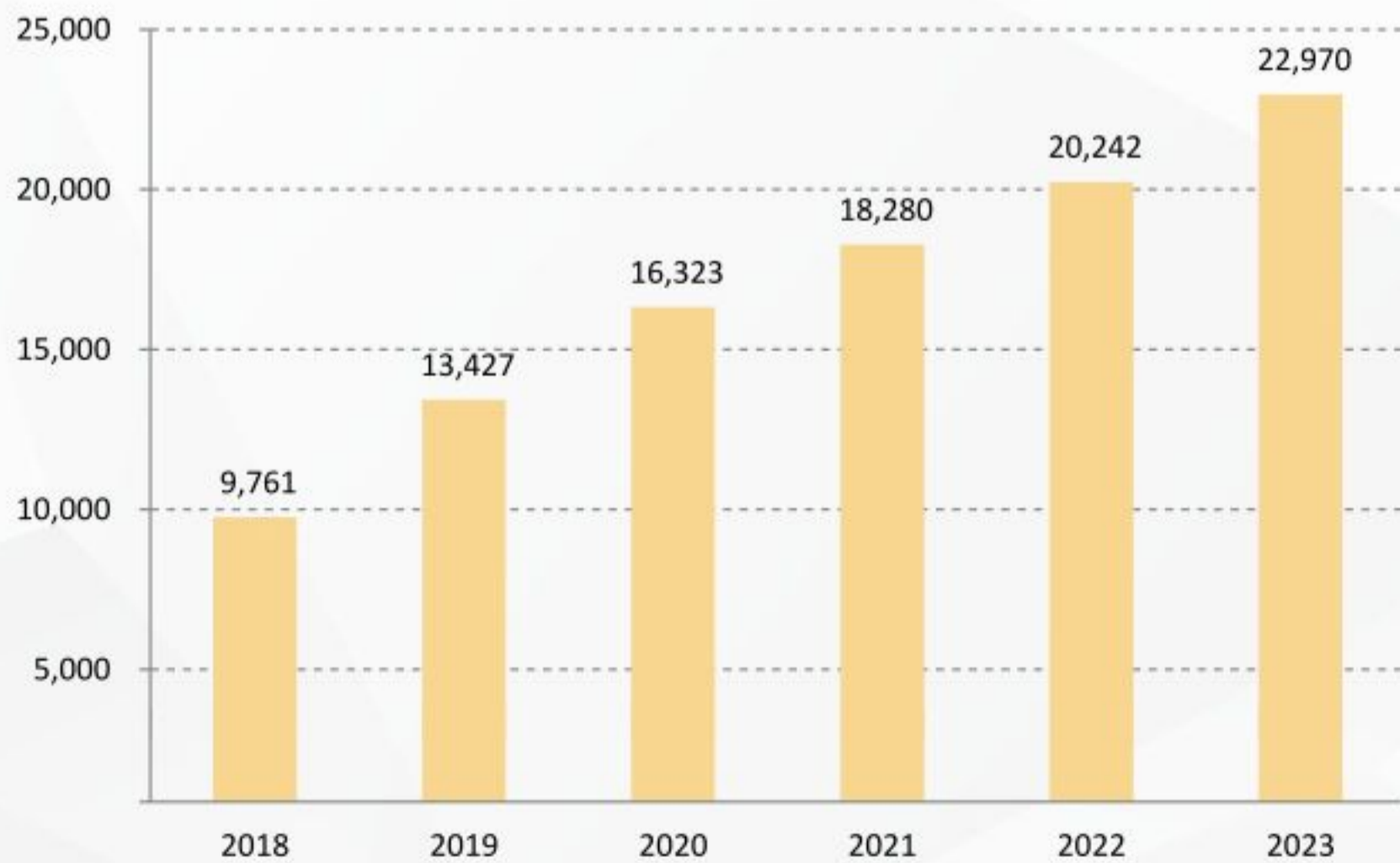
## Sales Revenue

PKR in Million



## Total Assets

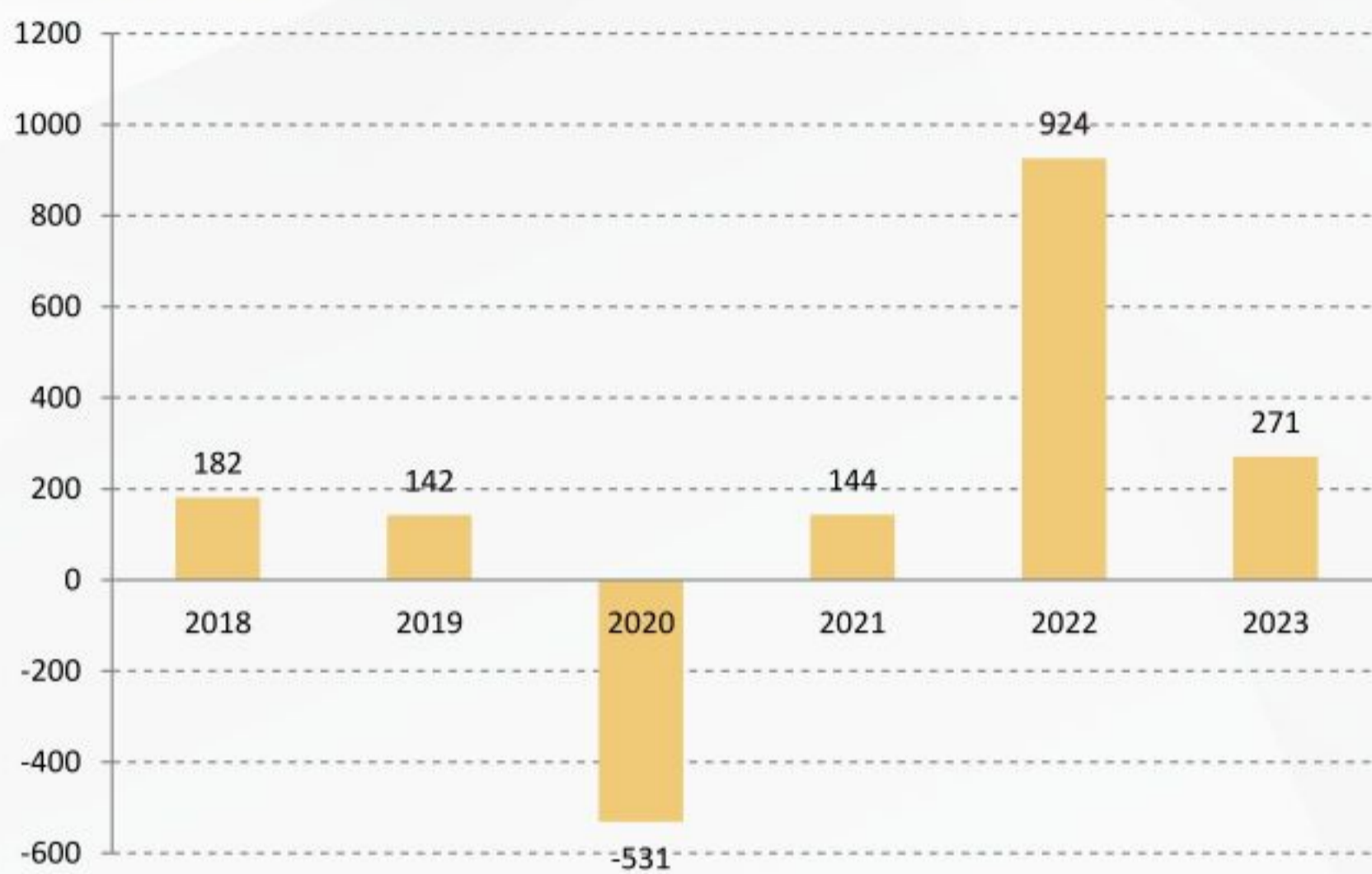
PKR in Million





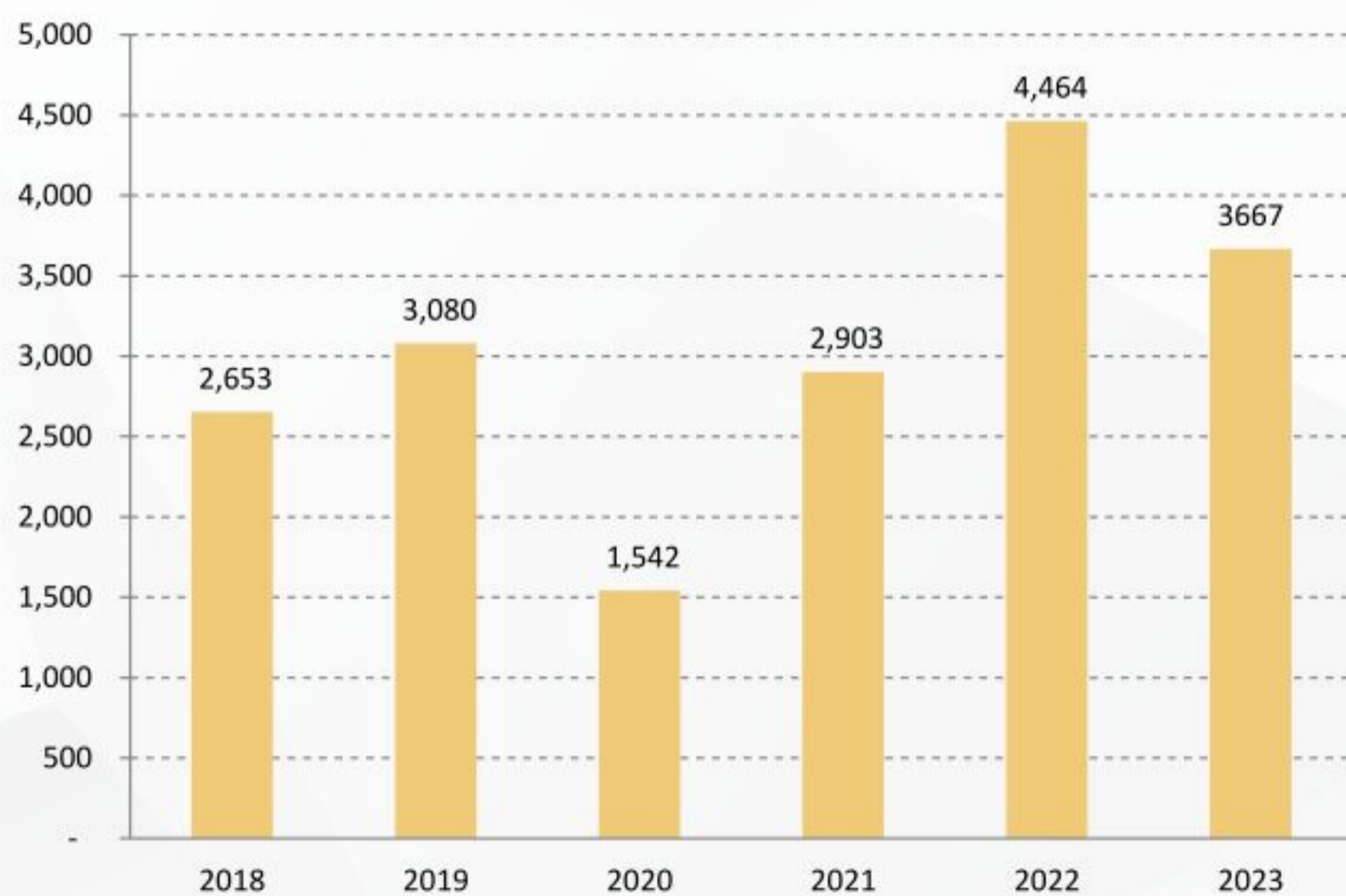
## Net Profit/(Loss)

PKR in Million



## Cost of Sales

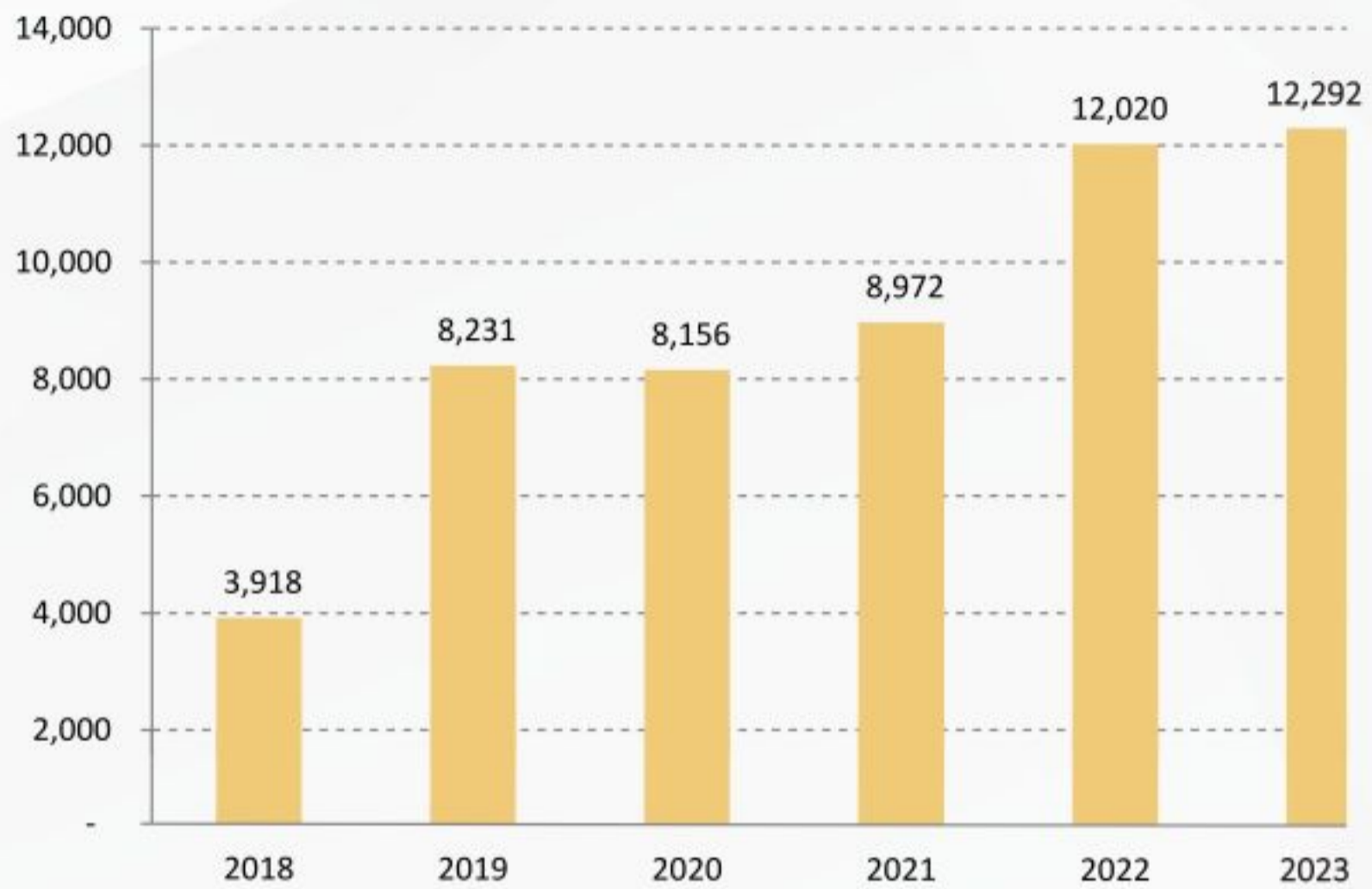
PKR in Million





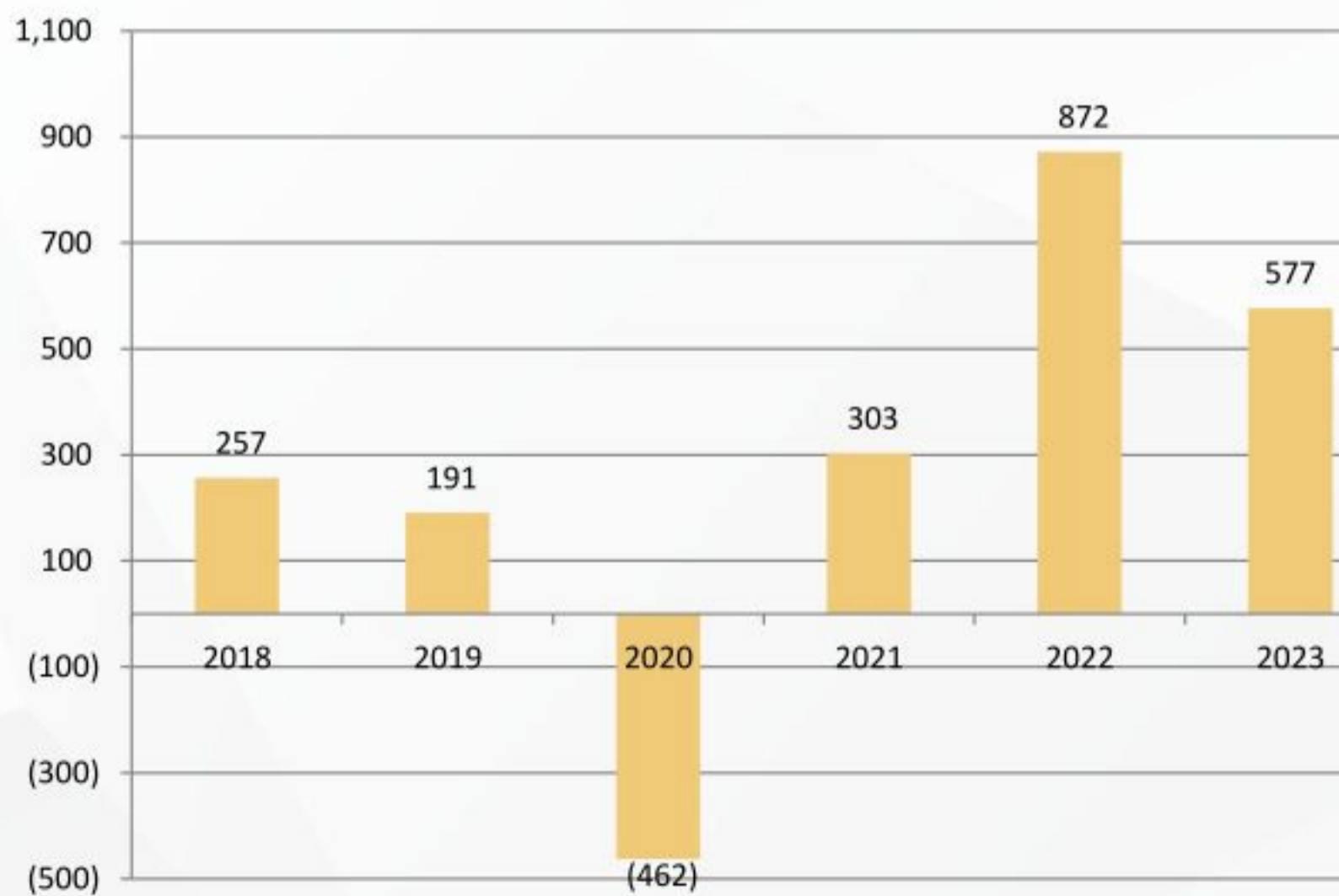
## Shareholders Equity

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 30<sup>th</sup> June 2023

#### 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, 2023, 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, 2023 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><b>Sales:</b></p> <p>(Refer to the note no 24 to the financial statements)</p> <p>The company has recognized gross sale of amounting Rs. 5,729,080,532 and net of sale tax and federal excise duty, net sale recognized of amounting Rs. 4,243,526,759 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 with truck loading advice, sales invoices, gate outward passes.</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><b>Addition to Capital Work in Progress:</b></p> <p>(Refer to the note no 17.6 to the financial statements)</p> <p>The company has recognized addition to capital work in progress of amounting Rs. 2,914,778,015 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 takand 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.

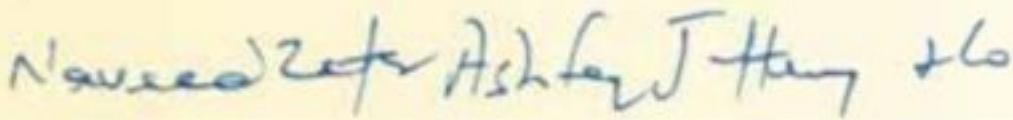
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 4, 2023

UDIN: AR2023105755YSZDjfvV

Flying Cement Company Limited  
Statement of Financial Position

As at 30 June 2023

	Note	2023 Rupees	2022 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital 800,000,000 ordinary shares of Rs. 10/- each.		<b>8,000,000,000</b>	8,000,000,000
Issued, subscribed and paid up capital 694,800,000 ordinary shares of Rs. 10/- each.	5	<b>6,948,000,000</b>	6,948,000,000
Reserves	6	<b>1,441,370,551</b>	1,109,989,917
		<b>8,389,370,551</b>	8,057,989,917
Directors & shareholders loan	7	<b>57,035,933</b>	57,035,933
Surplus on revaluation of fixed assets	8	<b>3,845,115,494</b>	3,904,779,804
		<b>3,902,151,427</b>	3,961,815,737
		<b>12,291,521,978</b>	12,019,805,654
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities	9	<b>4,100,004,121</b>	3,092,007,317
Loan from associated undertaking	10	<b>906,739,954</b>	319,807,604
Long term deposits	11	<b>14,505,340</b>	14,005,340
Deferred liabilities	12	<b>339,508,799</b>	309,805,833
		<b>5,360,758,214</b>	3,735,626,094
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	<b>3,533,344,450</b>	2,158,498,915
Directors & shareholders loan		<b>511,104,928</b>	596,923,473
Unclaimed Dividend	14	<b>59,526</b>	59,526
Short term finances	15	<b>280,040,805</b>	162,751,637
Current portion of long term finance	9	<b>993,505,000</b>	1,579,724,743
		<b>5,318,054,709</b>	4,497,958,294
<b>TOTAL LIABILITIES</b>		<b>10,678,812,923</b>	8,233,584,388
Contingencies and commitments	16	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,970,334,901</b>	20,253,390,042
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	17	<b>21,175,355,723</b>	18,439,551,139
Long term security deposits	18	<b>32,880,151</b>	32,880,151
		<b>21,208,235,874</b>	18,472,431,290
<b>CURRENT ASSETS</b>			
Stores, spares & loose tools	19	<b>130,699,796</b>	229,665,596
Stock in trade	20	<b>778,965,317</b>	609,824,449
Trade debts	21	<b>172,087,368</b>	173,528,856
Advances, deposits, prepayments & other receivables	22	<b>617,999,960</b>	692,626,106
Cash and bank balances	23	<b>62,346,586</b>	75,313,744
		<b>1,762,099,027</b>	1,780,958,751
<b>TOTAL ASSETS</b>		<b>22,970,334,901</b>	20,253,390,042

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

  
Director

  
Chief Executive

  
Chief Financial Officer

Flying Cement Company Limited  
Statement Of Profit or Loss and Other Comprehensive Income  
For The Year Ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
Gross Sales	24	5,729,080,532	7,145,904,911
Less Sales tax and federal excise duty		1,485,553,773	1,809,779,657
Trade discount		-	-
		<u>1,485,553,773</u>	<u>1,809,779,657</u>
Net sales		4,243,526,759	5,336,125,254
Cost of Sales	25	(3,666,530,289)	(4,464,034,650)
<b>Gross Profit</b>		<b>576,996,470</b>	<b>872,090,604</b>
<b>Operating Expenses</b>			
Distribution Expenses	26	(18,772,976)	(14,530,425)
Administrative Expenses	27	(86,200,369)	(75,979,539)
Other Operating Expenses	28	(25,509,955)	(42,469,337)
		<u>(130,483,300)</u>	<u>(132,979,301)</u>
<b>Operating Profit</b>		<b>446,513,170</b>	<b>739,111,303</b>
Finance Cost	29	(168,507,788)	(115,100,229)
Other Income	30	91,737,400	87,217,814
Profit Before Taxation		<u>369,742,782</u>	<u>711,228,888</u>
Taxation	31	(98,497,104)	214,868,864
<b>Profit / (Loss) After Taxation</b>		<b>271,245,678</b>	<b>926,097,752</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
		662,882	(2,070,465)
Remeasurement of obligation of employees retirement benefits			
Deferred tax on remeasurement of defined benefits plan		(192,236)	600,435
		<u>470,646</u>	<u>(1,470,030)</u>
Total Comprehensive Income / (Loss) for the year		<u><b>271,716,324</b></u>	<u><b>924,627,722</b></u>
Earnings / (Loss) Per Share (before tax) - Basic	32	<u>0.53</u>	<u>1.02</u>
Earnings / (Loss) Per Share (after tax) - Basic	32	<u>0.39</u>	<u>1.33</u>

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

  
Director

  
Chief Executive

  
Chief Financial Officer

**FLYING CEMENT COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Ordinary Share Capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Directors & Shareholders Loan (Rs.)	Capital Reserves		Gain on Disposal of Shares (Rs.)	Total (Rs.)
				Revaluation Surplus (Rs.)			
<b>Balance as at July 01, 2021</b>	<b>3,760,000,000</b>	<b>421,576,949</b>	<b>697,298,582</b>	<b>3,965,661,753</b>		<b>126,978,994</b>	<b>8,971,516,278</b>
Profit / (Loss) for the year	-	924,627,722	-	-	-	-	924,627,722
Other comprehensive Income (Loss) for the year	-	-	-	-	-	-	-
Directors & Shareholders loan - Net	-	-	(640,262,649)	-	-	-	(640,262,649)
Incremental depreciation	-	60,881,949	-	(60,881,949)	-	-	(188,000,000)
Issuance of bonus shares	3,188,000,000	(188,000,000)	-	-	-	-	3,188,000,000
Issuance of right shares	-	(236,075,697)	-	-	-	-	(236,075,697)
Shares issue expenses	-	-	-	-	-	-	-
<b>Balance as at June 30, 2022</b>	<b>6,948,000,000</b>	<b>983,010,923</b>	<b>57,035,933</b>	<b>3,904,779,804</b>		<b>126,978,994</b>	<b>12,019,805,654</b>
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)	-	-	-
<b>Balance as at June 30, 2023</b>	<b>6,948,000,000</b>	<b>1,314,391,557</b>	<b>57,035,933</b>	<b>3,845,115,494</b>		<b>126,978,994</b>	<b>12,291,521,978</b>

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

  
 Director

  
 Chief Executive

  
 Chief Financial Officer

**FLYING CEMENT COMPANY LIMITED**  
**CASH FLOW STATEMENT**  
 FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Cash generated from operations	40	2,005,253,517	1,756,239,303
Gratuity Paid		(60,000)	-
Finance cost paid		(168,507,788)	(115,100,229)
Income Tax (paid) / refund received		(69,606,900)	(122,394,474)
<b>Net Cash from Operating Activities</b>		<b>1,767,078,829</b>	<b>1,518,744,600</b>
<b>Cash Flows From Investing Activities</b>			
Fixed Capital Expenditure		(2,906,544,567)	(2,694,589,070)
Long Term Security deposit		-	-
<b>Net Cash (used in) Investing Activities</b>		<b>(2,906,544,567)</b>	<b>(2,694,589,070)</b>
<b>Cash Flows From Financing Activities</b>			
Term Finance - Net		539,066,229	(1,286,804,008)
Current maturity long term finance		-	221,426,743
Associted undertaking		586,932,350	(12,060,205)
Increase in Long term deposit		500,000	-
Increase in Share Capital		-	3,000,000,000
Shares issue expenses		-	(236,075,697)
Director & Shareholders Loan		-	(640,262,649)
<b>Net Cash from Financing Activities</b>		<b>1,126,498,579</b>	<b>1,046,224,184</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		(12,967,159)	(129,620,286)
Cash and Cash Equivalents - at the beginning of the year		75,313,744	204,934,030
<b>Cash and Cash Equivalents - at the end of the year</b>		<b>62,346,586</b>	<b>75,313,744</b>

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

*Muhammad Qasim*  
 Director

*Agha Hamza Khan*  
 Chief Executive

*[Signature]*  
 Chief Financial Officer



# Flying Cement Company Limited

## Notes To The Financial Statements

For The Year Ended June 30, 2023

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### 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:

<b>Business Unit</b>	<b>Geographical Location &amp; Address</b>
Head Office (Registered office)	04- Sarwar Colony Sarwar Road Cantt, Lahore.
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

# Flying Cement Company Limited

## Notes To The Financial Statements

For The Year Ended June 30, 2023

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### 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.

# Flying Cement Company Limited

## Notes To The Financial Statements

For The Year Ended June 30, 2023

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### 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.

# Flying Cement Company Limited

## Notes To The Financial Statements

For The Year Ended June 30, 2023

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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 ins

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

The Company is involved in manufacturing and sale of foam and allied products. 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.

# Flying Cement Company Limited

## Notes To The Financial Statements

*For The Year Ended June 30, 2023*

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### **4.17 Related Party transactions**

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

#### **Long term investment in associates**

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

### **4.18 Staff Retirement benefits**

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

### **4.19 Earning Per Share-Basic**

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

### **4.20 Dividend and appropriations**

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

### **4.21 Share Capital**

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

Flying Cement Company Limited  
Notes To The Financial Statements  
For The Year Ended June 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>5 SHARE CAPITAL</b>			
a) Authorized Capital			
800,000,000 (2022 : 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 (2022 : 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 (2022: 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 (2022: 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>
<b>6 RESERVES</b>			
Capital Reserve		126,978,994	126,978,994
Revenue Reserve			
Un-appropriated Profit/(Loss)		1,314,391,557	983,010,923
		<u>1,441,370,551</u>	<u>1,109,989,917</u>
<b>7 DIRECTORS &amp; SHAREHOLDERS LOAN - UNSECURED</b>			
Directors & shareholders loan	7.1	57,035,933	57,035,933
		<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.			
<b>8 SURPLUS ON REVALUATION OF FIXED ASSETS</b>			
Balance as July 01,		3,904,779,804	3,965,661,753
Add: Revaluation Surplus		-	-
		<u>3,904,779,804</u>	<u>3,965,661,753</u>
Less: Surplus transferred to accumulated profit			
Incremental depreciation		84,034,239	85,749,224
Deferred Tax effect		(24,369,929)	(24,867,275)
		<u>59,664,310</u>	<u>60,881,949</u>
		<u>3,845,115,494</u>	<u>3,904,779,804</u>

8.1 The company got its assets i.e. land, building, plant & machinery revalued on June 30, 2006 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. Subsequently the company got its assets revalued in June 2013 by an independent valuer. However, no material differences were identified. Subsequently, as per principles and guidelines issued by IFRS, the company got its assets i.e. land, building, plant & machinery revalued on June 30, 2019 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. Surplus on revaluation includes freehold land amounting to Rs. 111.594 million (2022: Rs. 111.594 million).

	Note	2023 Rupees	2022 Rupees
<b>9 LONG TERM LIABILITIES</b>			
Loans from banking companies - secured	9.1	4,083,452,707	3,064,301,157
Loans from non banking financial companies - secured	9.2	16,551,414	27,706,160
		<u>4,100,004,121</u>	<u>3,092,007,317</u>
<b>9.1 LOANS FROM BANKING COMPANIES - SECURED</b>			
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	13,555,000
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	111,664,000
National Bank of Pakistan Demand Finance - VII	9.1.6	1,218,435,000	1,400,000,000
National Bank of Pakistan Demand Finance - VIII	9.1.7	116,162,314	133,940,314
National Bank of Pakistan Demand Finance - IX	9.1.8	733,400,000	-
Al Baraka Bank Diminishing Musharika	9.1.9	474,289,380	546,531,053
		5,076,957,707	4,632,644,380
<b>LOANS FROM NON BANKING FINANCIAL COMPANIES - SECURED</b>			
9.2 Invest Capital investment Bank LTD.	9.2.1	16,551,414	27,706,160
		<u>5,093,509,121</u>	<u>4,632,644,380</u>
Less: current portion of long term liabilities as shown under current liabilities		<u>993,505,000</u>	<u>1,579,724,743</u>
		<u>4,100,004,121</u>	<u>3,052,919,637</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 upgradation of production capacity. (The facility rescheduled Rs.1274.049 million on 01-09-2020).

The scheduled facility includes a deferment period of 9 months and principal to be repaid in 14 quarterly installments of Rs. 93.75 million each. The first installment will be fall due on 31-12-2021. Markup shall be charged at 3 Months KIBOR plus 1.5% p.a.

Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirement for up-gradation of production capacity to be 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 whichever 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 Rs1,181.306 million ensuring that NBPF funded exposure remains within DF limit of Rs 1,181.306 million. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance/ own source of the Company with a markup of 3 month KIBOR Plus 2% p.a. It will be paid off in 72 months including grace period of 18 months from the first drawn down in limit tentively up till 30-09-2025. The repayment of the instalments has been deferred till 31.03.2027.

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The Company has availed facility of Demand finance of Rs.1,181.306 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charges of Rs.1,576 million over all present and future fixed assets (Hypothecation/Mortgage) of the Company and personal guarantees of all directors to finance up gradation of production capacity.

- 9.1.4** The Company has availed facility of Demand finance facility-V of Rs 400 million from National Bank of Pakistan secured against 1st Pari Passu charge of Rs 534 million over all present and future fixed assets (Hypothecation/Mortgage) of the Company, Mortgage of two leased residential properties of Sponsors of 5 & 5A, Bridge Colony, Abid Majeed Road, Lahore having forced sale value Rs 190.153 M and personal guarantees of all directors. The facility is rescheduled on 01-09-2020. As per the rescheduled letter, the Company is required to pay 20 quarterly instalments of Rs 20 million each starting from 31-12-2021. It will be charged with 3 Months KIBOR plus 1.75 %. The repayment of the instalments has been deferred till 31.03.2028.
- 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 %. It will be paid of in 57 months including grace period of 9 months from first draw down in limit tentatively up 31-03-2025. The repayment of the instalments has been deferred till 29.01.2027.
- 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. Markup shall be charged at 3 Months KIBOR plus 2 %. It will be paid of in 78 months including grace period of 18 months from first draw down in limit tentatively up 31-03-2027. The repayment of the instalments has been deferred till 30.09.2028.
- 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. It will be paid in 36 monthly instalments started from 31-03-2021 to 29-02-2024. The repayment of the instalments has been deferred till 31.01.2025.
- 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. Mark up shall be charged at 3 Month Kibor + 1.5% PA.
- 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** Lease finance facility of Rs. 31,500,000 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.

	Note	2023 Rupees	2022 Rupees
<b>10 LOAN FROM ASSOCIATED UNDERTAKINGS - UNSECURED</b>			
Flying Paper Industries Limited		729,915,476	161,329,946
Flying Board & Paper Products Limited		132,370,845	114,024,025
Poly Paper & Board Mills(Pvt) Limited		34,300,000	34,300,000
Zamam Paper & Board Mills (Pvt) Limited		10,153,633	10,153,633
		<b>906,739,954</b>	<b>319,807,604</b>
These represents markup free loans from associated undertakings that will be repayable on discretion of the company			
<b>11 LONG TERM DEPOSITS - UNSECURED</b>			
Dealers	11.1	2,805,000	2,805,000
Transporters	11.2	11,700,340	11,200,340
		<b>14,505,340</b>	<b>14,005,340</b>

- 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. 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.



		2023 Rupees	2022 Rupees
<b>12 DEFERRED LIABILITIES</b>			
Deferred Taxation	12.1	334,499,171	305,416,731
Gratuity	12.2	5,009,628	4,389,102
		<u>339,508,799</u>	<u>309,805,833</u>
<b>12.1 Deferred Taxation - Net</b>			
Taxable temporary differences - effect thereof			
-Excess of accounting book value of fixed assets over their tax base		699,686,375	734,455,831
-Prepaid rent			-
Deductible temporary differences - effect thereof			
-Gratuity		(1,260,556)	(1,873,275)
-WPPF & WWF		(16,908,762)	(20,338,224)
Remeasurement of defined benefits		-	-
-Unused tax losses		(347,017,885)	(406,827,602)
		<u>334,499,171</u>	<u>305,416,731</u>
<b>12.2</b>	The amounts recognized in the statement of financial position based on the recent actuarial valuation carried on June 30, 2022 are as follows		
<b>12.2.1 Statement of Financial Position</b>			
Present value of defined benefit obligation		<u>5,009,628</u>	<u>4,329,102</u>
		<u>5,009,628</u>	<u>4,329,102</u>
<b>12.2.2 Change in present value of defined benefits obligations</b>			
Present value of defined benefit obligation at the beginning of the year		4,329,102	1,763,882
Current service cost for the year		769,802	381,367
Interest cost on defined benefit obligation		573,606	173,388
Benefits due but not paid (payable)		-	(60,000)
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		9,493	10,393
Experience adjustments		(672,375)	2,060,072
<b>Present value of defined benefit obligation</b>		<u>5,009,628</u>	<u>4,329,102</u>
<b>12.2.3 Charge for the year</b>			
Current service cost		769,802	381,367
Interest cost on defined benefit obligation		573,606	173,388
Expenses charged to profit and loss		<u>1,343,408</u>	<u>554,755</u>
<b>12.2.4 The charge for the year has been allocated as follows:</b>			
Cost of sales		-	-
Distribution cost		-	-
Administrative expenses		1,343,408	554,755
Cost of sale of electricity		-	-
		<u>1,343,408</u>	<u>554,755</u>

**12.2.5 Principal actuarial assumptions used are as follows:**

Expected rate of increase in salary level	N/A	N/A
Valuation discount rate	13%	10.00%

The entity operates a salary based defined benefit plan for the employees.

Expected charge to profit and loss account for year ended June 30, 2023 amount to Rs.1,343,408.

**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	4,897,383	4,217,111
Discount rate - 100 bps	5,129,280	4,449,561
Salary increases + 100 bps	5,131,455	4,451,746
salary increases - 100 bps	4,893,413	4,213,113

**12.2.7 Maturity profile of the defined benefit obligation:**

Weighted average duration - in number of	2 Years	3 Years
Years retirement will at most continue - year	2029	2027

**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	2023 Rupees	2022 Rupees
<b>13 TRADE AND OTHER PAYABLES</b>			
Trade Payables & others - unsecured		2,430,891,398	1,463,838,709
Accrued liabilities		21,027,923	12,701,315
Accrued Markup		471,294,043	177,190,331
Taxes and Other Govt. Levies payable		329,888,643	361,980,361
Other liabilities		280,242,443	142,788,200
		<u>3,533,344,450</u>	<u>2,158,498,915</u>
<b>14 UNCLAIMED DIVIDEND</b>			
It represents amount of unclaimed dividend pertaining to past years and is still unclaimed. This amount is being transferred to a separate bank account.			
<b>15 SHORT TERM FINANCES</b>			
Loans from banking companies-secured	15.1	280,040,805	162,751,637
		<u>280,040,805</u>	<u>162,751,637</u>
<b>15.1 LOANS FROM BANKING COMPANIES-SECURED</b>			
Albaraka Islamic Bank		-	-
National Bank of Pakistan	15.1.1	280,040,805	162,751,637
		<u>280,040,805</u>	<u>162,751,637</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. 400 million at 20% Cash Margin with expiry of 31-12-2022 for the purpose of importing coal, packing material and machinery parts. The facility is secured against its 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, a fine of Rs. 12 million was imposed as a penalty. The case is currently before the Honorable High Court. The Court granted the stay order restricting the CCP to pass any adverse order(s) against the show cause notices issued to the cement manufacturers. Starting date of hearing in the Court was 11-11-2008.

**16.3** Sales tax audit was conducted in 2015 and an impugned liability of Rs. 40.9 million was determined out of which Rs. 20 million has been deposited by the company under protest. The company feeling aggrieved filed an appeal before appellate tribunal which is pending and is likely to be decided in favour of the Company.

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

### Commitments

**16.5** Commitments in respect of outstanding letter of credit amount to Rs. 117.653 million (2022 Rs. 239(M)). It includes letter of credit facilities for procurement of new cement production plant, raw material and parts of machinery.

## 17 PROPERTY, PLANT & EQUIPMENT

Operating Assets - tangible

Capital Work in Progress - at cost

Note	0 Rupees	2022 Rupees
17.1	8,391,893,103	8,559,485,014
17.6	12,783,462,620	9,880,066,125
	<u>21,175,355,723</u>	<u>18,439,551,139</u>

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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)-----									
<b>At July 01, 2021</b>									
Cost	124,717,500	617,424,582	5,514,865	8,091,246,392	23,839,785	1,391,363	1,524,309	26,029,385	8,891,688,181
Accumulated depreciation	-	171,330,202	1,836,652	1,327,399,537	14,469,305	1,023,143	1,228,123	18,334,893	1,535,621,855
Net book value	124,717,500	446,094,380	3,678,213	6,763,846,855	9,370,480	368,220	296,186	7,694,492	7,356,066,326
<b>Movement during the period</b>									
Net book value as on July 01, 2021	124,717,500	446,094,380	3,678,213	6,763,846,855	9,370,480	368,220	296,186	7,694,492	7,356,066,326
Additions	-	-	-	1,365,723,200	5,683,500	-	-	4,505,274	1,375,911,974
Disposals:				(20,396,050)					(20,396,050)
Cost	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	8,921,888	73,564	140,741,525	963,908	36,822	29,619	1,329,910	152,097,236
Closing 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
<b>At June 30, 2022</b>									
Cost/Revalued amount	124,717,500	617,424,582	5,514,865	9,436,573,542	29,523,285	1,391,363	1,524,309	30,534,659	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	1,687,719,091
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
<b>At July 01, 2022</b>									
Cost/Revalued Amount	124,717,500	617,424,582	5,514,865	9,436,573,542	29,523,285	1,391,363	1,524,309	30,534,659	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	1,687,719,091
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
<b>Movement during the period</b>									
Net book value as on July 01, 2021	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	-	8,743,450	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
<b>At June 30, 2023</b>									
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
Annual rate of depreciation (%)	-	2	2	2	10	10	10	10	

17.2 Depreciation for the year has been allocated as under:

	2023 Rupees	2022 Rupees
Cost of Goods Sold	169,626,340	150,737,707
Administrative expenses	1,113,643	1,359,529
	<b>170,739,983</b>	<b>152,097,236</b>

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.

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Had there been no revaluation, the carrying amount of the assets would be as follows:  
For The Year Ended June 30, 2023

17.4	Particulars	Land-freehold	Building on freehold land	Roads	Plant and Machinery	Electrical Installation	Tools and Equipment	Furniture, fixture and equipment	Vehicles	Total operating assets
Had there been no revaluation, the carrying amount of the assets would be as follows: (Rupees)										
<b>At July 01, 2019</b>										
Cost	13,123,746	292,730,850	5,514,865	3,326,097,601	23,839,785	1,391,363	1,524,309	26,029,385	3,690,251,904	
Accumulated depreciation	-	94,784,314	1,836,651	593,419,727	14,469,305	1,023,143	1,228,123	18,334,893	725,096,156	
<b>Net book value</b>	<b>13,123,746</b>	<b>197,946,536</b>	<b>3,678,214</b>	<b>2,732,677,874</b>	<b>9,370,480</b>	<b>368,220</b>	<b>296,186</b>	<b>7,694,492</b>	<b>2,965,155,748</b>	
Cost	13,123,746	292,730,850	5,514,865	3,326,097,601	23,839,785	1,391,363	1,524,309	26,029,385	3,690,251,904	
<b>Movement during the period</b>										
Net book value as on July 01, 2019	13,123,746	197,946,536	3,678,214	2,732,677,874	9,370,480	368,220	296,186	7,694,492	2,965,155,748	
Additions	-	-	-	1,365,723,200	5,683,500	-	-	4,505,274	1,375,911,974	
<b>Movement during the period</b>										
Net book value as on July 01, 2019	13,123,746	197,946,536	3,678,214	2,732,677,874	9,370,480	368,220	296,186	7,694,492	2,965,155,748	
Additions	-	-	-	1,365,723,200	5,683,500	-	-	4,505,274	1,375,911,974	
Disposals:										
Cost	-	-	-	(20,396,050)	-	-	-	-	(20,396,050)	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	
Depreciation charge	-	3,958,991	73,564	68,626,066	943,908	36,822	29,219	879,382	74,566,902	
<b>Closing Net Book Value</b>	<b>13,123,746</b>	<b>193,987,605</b>	<b>3,604,650</b>	<b>4,009,378,958</b>	<b>14,090,072</b>	<b>331,398</b>	<b>266,567</b>	<b>11,320,384</b>	<b>4,246,103,380</b>	
<b>At June 30, 2022</b>										
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	
<b>Net book value</b>	<b>13,123,746</b>	<b>193,987,605</b>	<b>3,604,650</b>	<b>4,009,378,958</b>	<b>14,090,072</b>	<b>331,398</b>	<b>266,567</b>	<b>11,320,384</b>	<b>4,246,103,380</b>	
<b>At July 01, 2022</b>										
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	
<b>Net book value</b>	<b>13,123,746</b>	<b>193,987,605</b>	<b>3,604,650</b>	<b>4,009,378,958</b>	<b>14,090,072</b>	<b>331,398</b>	<b>266,567</b>	<b>11,320,384</b>	<b>4,246,103,380</b>	
<b>Movement during the period</b>										
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	
Deletion	-	-	-	-	-	-	-	-	-	
Disposals:										
Cost	-	-	-	-	-	-	-	-	-	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	
Depreciation charge	-	3,879,752	72,093	80,187,579	1,409,007	33,140	26,657	1,132,038	86,740,266	
<b>Closing Net Book Value</b>	<b>13,123,746</b>	<b>190,107,853</b>	<b>3,532,557</b>	<b>3,929,191,379</b>	<b>15,729,565</b>	<b>298,258</b>	<b>239,911</b>	<b>10,188,346</b>	<b>4,162,411,614</b>	
<b>At June 30, 2023</b>										
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	1,284,398	20,346,313	886,404,714	
<b>Net book value</b>	<b>13,123,746</b>	<b>190,107,853</b>	<b>3,532,557</b>	<b>3,929,191,379</b>	<b>15,729,565</b>	<b>298,258</b>	<b>239,911</b>	<b>10,188,346</b>	<b>4,162,411,614</b>	
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.

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

**17.6 Movement in Capital Work in Progress**

	As at 01-07-2022	Addition	Adjustment	Revaluation	As at 30-06-2023
Building	1,009,624,408	273,132,338	-	-	1,282,756,746
Plant & machinery	8,859,060,197	2,641,645,661	-	-	11,500,705,858
	<b>9,868,684,605</b>	<b>2,914,778,009</b>	<b>-</b>	<b>-</b>	<b>12,783,462,620</b>

During the year mark up Rs.739,100,593 is capitalized at the average (bank) mark up rate of 18.98%.

**Movement in Capital Work in Progress**

	As at 01-07-2021	Addition	Adjustment	Revaluation	As at 30-06-2022
Building	523,438,420	486,185,988	-	-	1,009,624,408
Plant & machinery	8,006,173,039	2,229,991,878	1,366,723,200	-	8,870,441,717
	<b>8,529,611,459</b>	<b>2,716,177,866</b>	<b>1,366,723,200</b>	<b>-</b>	<b>9,880,066,125</b>

	Note	2023 Rupees	2022 Rupees
<b>17.7 CAPITAL WORK IN PROGRESS</b>			
Building		1,282,756,762	1,009,624,408
Plant & machinery		11,500,705,858	8,870,441,717
		<b>12,783,462,620</b>	<b>9,880,066,125</b>
<b>18 LONG TERM SECURITY DEPOSITS</b>			
Security deposits-WAPDA		32,880,151	32,880,151
		<b>32,880,151</b>	<b>32,880,151</b>
<b>18.1</b>	These are security deposits held with WAPDA and do not carry any markup arrangement.		
<b>19 STORES, SPARES AND LOOSE TOOLS</b>			
Stores & Spares		67,313,054	40,670,224
Furnace oil, coal & lubricants		63,386,742	188,995,372
		<b>130,699,796</b>	<b>229,665,596</b>
<b>20 STOCK IN TRADE</b>			
Raw & Packing material		78,896,115	5,198,567
Work in process	25	645,119,723	533,533,215
Finished goods	25	54,949,479	71,092,667
		<b>778,965,317</b>	<b>609,824,449</b>
	Stock in trade is recorded at lower of cost or net realizable value.		
<b>21 TRADE DEBTS- considered good though unsecured</b>		<b>172,087,368</b>	173,528,856
<b>22 ADVANCES, DEPOSITS, PREPAYMENTS &amp; OTHER RECEIVABLES</b>			
Advances to suppliers - Unsecured, considered good		1,314,620	136,204,209
Advances to staff - Unsecured, considered good		52,000	149,000
Margin held by banks		60,663,007	82,398,566
Advance income tax		161,167,732	200,578,545
Sales tax & excise duty tax year 2013		20,000,000	20,000,000
Other advances		374,802,601	253,295,786
		<b>617,999,960</b>	<b>692,626,106</b>

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		2023 Rupees	2022 Rupees
<b>23 CASH AND BANK BALANCES</b>			
In Hand		10,341,721	40,712,294
At Banks- current accounts		52,004,865	34,601,450
		<u>62,346,586</u>	<u>75,313,744</u>
		2023	2022
	Note	Rupees	Rupees
<b>24 SALES</b>			
Gross Sales			
Local - Cement		5,729,080,532	6,496,400,651
- Agriculture Produce		-	649,504,260
		<u>5,729,080,532</u>	<u>7,145,904,911</u>
Less :			
Sales Tax		924,862,773	1,025,458,157
Excise Duty		560,691,000	784,321,500
Trade discount		-	-
		<u>1,485,553,773</u>	<u>1,809,779,657</u>
<b>NET SALES</b>		<u>4,243,526,759</u>	<u>5,336,125,254</u>
<b>25 COST OF SALES</b>			
Raw Material Consumed		142,940,992	120,358,132
Furnace Oil, Diesel, Coal and Lubricants consumed		1,478,185,637	1,603,567,670
Packing Material consumed		401,869,527	464,056,894
Stores and Spares consumed		20,723,760	16,778,800
Agriculture Produce		-	306,700,512
Salaries , Wages and Benefits		138,078,280	99,402,513
Electricity		1,323,595,297	1,278,447,214
Extraction Charges and government charges		60,687,500	76,610,078
Repair and Maintenance		3,445,734	4,150,359
Vehicle Running Expenses		14,162,152	5,055,326
Communication		882,218	274,029
Entertainment		228,737	73,317
Printing and Stationery		1,309,566	940,041
Travelling and Conveyance		1,669,038	286,840
Other Manufacturing Expenses		4,568,830	6,365,902
Depreciation	17.2	169,626,340	150,737,707
		<u>3,761,973,609</u>	<u>4,133,805,334</u>
<b>Work In Process</b>			Cement
Opening stock		533,533,215	830,352,224
Closing stock		(645,119,723)	(533,533,215)
		<u>(111,586,508)</u>	<u>296,819,009</u>
<b>Cost of Goods Manufactured</b>		<u>3,650,387,101</u>	<u>4,430,624,343</u>
<b>Finished Goods</b>			
Opening stock		71,092,667	104,502,974
Closing stock		(54,949,479)	(71,092,667)
		<u>16,143,188</u>	<u>33,410,307</u>
<b>Cost of Sales</b>		<u>3,666,530,289</u>	<u>4,464,034,650</u>

	Note	2023 Rupees	2022 Rupees
<b>26 DISTRIBUTION COST</b>			
Salaries, Wages and Benefits		18,052,740	14,183,430
Rent, Rates and Taxes		87,200	80,000
Travelling, Conveyance and Vehicle Running		53,663	48,785
Communication		23,409	21,675
Electricity, Water & Sui Gas		25,173	22,885
Advertisement		449,040	100,000
Entertainment & Miscellaneous		81,751	73,650
		<u>18,772,976</u>	<u>14,530,425</u>
		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>27 ADMINISTRATIVE EXPENSES</b>			
Salaries, Wages and Benefits	27.1	31,629,476	22,347,156
Directors' Remuneration		26,850,000	9,600,000
Rent, Rates and Taxes		3,990,000	3,660,000
Electricity, Water & Sui Gas		1,347,659	1,904,035
Legal and Professional		400,000	125,000
Communication		1,485,771	606,907
Charity and Donation	27.2	814,700	378,200
Fee and Subscription		6,295,370	16,940,208
Insurance		9,828,957	17,104,542
Auditors' Remuneration	27.3	2,392,500	1,917,500
Fine & Penalties		36,283	28,962
Entertainment		16,010	7,500
Depreciation	17.2	1,113,643	1,359,529
		<u>86,200,369</u>	<u>75,979,539</u>
<b>27.1</b>	Salaries, Wages and Benefits includes Rs. 1,343,408 (2022: Rs. 554,755/-) in respect of gratuity.		
<b>27.2</b>	The Company has paid the charity and donation of Rs. 814,700 /-(2022: Rs.378,200/-) and directors or their spouses were not interested in the donee.		
<b>27.3 Auditors' Remuneration</b>			
Audit Fee		1,870,000	1,500,000
Code of Corporate Governance		-	-
Half yearly review		472,500	367,500
Out of pocket expenses		50,000	50,000
		<u>2,392,500</u>	<u>1,917,500</u>
<b>28 OTHER EXPENSES</b>			
Workers' Profit Participation Fund		19,762,637	37,335,685
Workers' Welfare Fund		5,747,318	5,133,652
		<u>25,509,955</u>	<u>42,469,337</u>
<b>29 FINANCE COST</b>			
Mark up		167,734,558	114,781,500
Leasing Expenses		-	58,000
Bank Charges and Commission		773,230	260,729
		<u>168,507,788</u>	<u>115,100,229</u>
<b>30 OTHER INCOME</b>			
Sale of Trees, Scrap and damaged stock		91,737,400	87,217,814
Creditors written back (Over Three Years)		-	-
		<u>91,737,400</u>	<u>87,217,814</u>



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	Note	2023 Rupees	2022 Rupees
<b>31 TAXATION</b>			
Prior year Taxation		3,201,877	1,485,563
Current		66,405,023	120,908,911
Deferred		28,890,204	(337,263,338)
		<b>98,497,104</b>	<b>(214,868,864)</b>
<b>31.1</b>	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.		
<b>31.2</b>	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.		
<b>32 EARNINGS / (LOSS) PER SHARE-BASIC</b>			
There is no dilutive effect on the earnings per share, and basic earnings per share is based on:			
Profit / (Loss) before taxation		369,742,782	711,228,888
Profit / (Loss) after taxation		271,245,678	926,097,752
		(No. of shares)	
Weighted average number of ordinary shares		694,800,000	694,800,000
		(Rupees)	
<b>32.1</b>	Earnings/(Loss) per share (before tax) - Basic	0.53	1.02
<b>32.2</b>	Earnings/(Loss) per share (after tax) - Basic	0.39	1.33
<b>33 NUMBER OF EMPLOYEES</b>			
Number of employees at the end of year		540	535
Average number of employees during the year		505	469
<b>34 RELATED PARTIES TRANSACTIONS</b>			
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	2023 Rupees	2022 Rupees
Purchase of assets			
Flying Paper Industries Limited	Associate	607,551,950	-

		2023	2022
	Notes	Rupees	Rupees
<b>34.1 Year end balances</b>			
Payable to related parties.	<b>10</b>	<b>906,739,954</b>	319,807,603

**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
<b>Balance as on 01 July 2022</b>	162,751,637	3,092,007,317	1,579,724,743	319,807,604	57,035,933
<b>Increase / (Decrease)</b>					
Short Term Finance	110,280,168				
L          ce ,		1,007,996,804	(586,219,743)		
C          ity of long term loan				586,932,160	Undertaking
Asso					
Total comprehensive Profit for the year					-
Director loan					
<b>Balance as on 30 June 2023</b>	<b>280,040,805</b>	<b>4,100,004,121</b>	<b>993,505,000</b>	<b>906,739,954</b>	<b>57,035,933</b>
	2022				
	Short Term Finance	Long term loan	Current Maturity of Long Term Loan	Associated under taking	Director Loan
<b>B          ce as on 01 July 21</b>	415,229,671	4,114,951,771	1,358,298,000	331,867,808	697,298,582
<b>Increase / (Decrease)</b>					
Short Term Finance	(260,918,084)				
L          ce 1,0		( 4,107,951,771)			ciated Undertaking
C          Assoity of long term loan			221,426,743		
Asso					
Total comprehensive Prof					12,060,000
T          it for the year					
Director loan					(6,062,649)
<b>B          ce as on 30 June 2022</b>	<b>162,751,637</b>	<b>3,080,625,797</b>	<b>1,579,724,743</b>	<b>319,807,603</b>	<b>57,035,933</b>

### 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	2023 Rupees	2022 Rupees
Trade debtors	21	172,087,368	173,528,856
Advances, deposits, prepayments and other receivables	22	435,517,608	335,843,352
Cash at banks	23	52,004,865	34,601,450
Long term security deposits	18	32,880,151	32,880,151
		<u>692,489,992</u>	<u>576,853,810</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 date:

	2023 Rupees	2022 Rupees
Not past due	44,742,716	45,117,503
Past due 1-30 days	63,672,326	64,205,677
Past due 31-60 days	37,859,221	38,176,348
Past due 61-90 days	15,487,863	15,617,597
Over 90 days	10,325,242	10,411,731
	<u>172,087,368</u>	<u>173,528,856</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 telecommunications 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 financing 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	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>

	Carrying amount	Contractual cash flows	2022			
			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	5,009,487,917	5,009,487,917	972,341,364	600,564,859	1,208,275,229	2,228,306,465
Trade and other payables	1,619,328,224	1,619,328,224	1,619,328,224	-	-	-
Accrued Markup	177,190,331	177,190,331	177,190,331	-	-	-
Short term borrowings	162,751,637	162,751,637	162,751,637	-	-	-
Unclaimed dividend	59,526	59,526	59,526	-	-	-
	<u>6,968,817,635</u>	<u>6,968,817,635</u>	<u>2,931,671,082</u>	<u>600,564,859</u>	<u>1,208,275,229</u>	<u>2,228,306,465</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)	
	2023	2022	2023	2022
<b>Financial Liabilities</b>				
Variable Rate instruments:				
Short term borrowings	23.98	11.43	280,040,805	162,751,637
Long term borrowings	23.48	11.28	5,076,957,707	4,632,644,380

#### 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 particular foreign currency rate (if any), remains constant. The analysis is performed on the same basis as for the previous year:-

	Rupees Increase Profit	Rupees Decrease Profit
As at June 30, 2023	53,569,985	(53,569,985)
As at June 30, 2022	(47,953,960)	47,953,960

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 in 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:

	2023 Rupees	2022 Rupees
Outstanding letter of credits	280,040,805	162,751,637
Average rate	245.71	181.46
Reporting date rate	286.58	204.85

#### 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 amounts 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	28,004,080	16,275,164
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The weakening of PKR against foreign currencies would have an equal but opposite impact on the post-tax profit. The sensitivity analysis prepared is not necessarily indicative of the effects on (loss)/profit for the year and assets/liabilities of the Company.

### 36.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

The Company has not disclosed fair values of these financial assets and liabilities as these are for short term or 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.

	2023 Rupees	2022 Rupees
Total Borrowings	5,327,269,399	3,603,896,331
Total Equity	12,291,521,978	12,019,805,654
<b>Total Capital Employed</b>	<b>17,618,791,377</b>	<b>15,623,701,985</b>
Gearing Ratio	30.24%	23.07%

### 38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Managerial remuneration	876,000	876,000	24,409,091	8,727,273	-	-	18,900,973	15,000,000
Medical allowance	87,600	87,600	2,440,909	872,727	-	-	1,890,097	1,500,000
	<b>963,600</b>	<b>963,600</b>	<b>26,850,000</b>	<b>9,600,000</b>	<b>-</b>	<b>-</b>	<b>20,791,070</b>	<b>16,500,000</b>
Number of persons	1	1	2	1			32	25

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

### 39 PRODUCTION CAPACITY

	Installed Capacity		Actual Production	
	2023 Tons	2022 Tons	2023 Tons	2022 Tons
Clinker	686,000	686,000	302,460	450,948
Cement	720,000	720,000	324,660	522,500

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

		2023 Rupees	2022 Rupees
<b>Cash Flows from Operating Activities</b>			
<b>40 Profit / (Loss) for the period - before taxation</b>	Note	369,742,782	711,228,888
Adjustment for:			
Depreciation		170,739,983	152,097,236
Creditors written off		-	-
Provision for Gratuity		1,343,408	554,755
Finance cost		168,507,788	115,100,229
		<u>340,591,179</u>	<u>267,752,220</u>
		710,333,961	978,981,108
<b>(Increase) / decrease in current assets</b>			
(Increase) in Stores, spares & loose tools		98,965,800	20,387,491
(Increase) / Decrease in Stock-in-trade		(169,140,868)	360,793,392
(Increase) / decrease in Trade debts		1,441,488	12,342,535
(Increase) / Decrease in Advances, deposits, prepayments and other receivables		74,626,146	57,016,244
		5,892,566	450,539,662
(Increase) / decrease in current liabilities			
Increase / (Decrease) in director and Shareholder loan		(85,818,545)	(211,617,414)
Increase (Decrease) in Trade and other Payables		1,374,845,535	538,335,947
		<u>1,289,026,990</u>	<u>326,718,532</u>
Cash generated from operations		<u>2,005,253,517</u>	<u>1,756,239,303</u>

**41 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on October 04, 2023 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 **30<sup>th</sup> Annual General Meeting** of the Shareholders of **Flying Cement Company Limited** (the "Company") will be held on 28 October 2023 at 10:00 hours at (Saturday) at Heaven 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 27-10-2022.
2. To receive, consider and adopt audited financial statements of the Company for the year ended 30 June 2023 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 2024.

## **SPECIAL BUSINESS:**

### **Ratify and Approval of Related Parties Transaction**

4. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the following special resolutions with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 34 of the financial statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed."

5. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2024 by passing the following special resolutions with or without modification:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2024.

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

### **Circulation of Annual Report through QR enabled code and weblink**

6. To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolution, as special resolutions, to enable and authorize the Company to circulate the Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

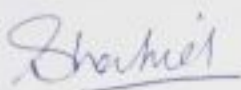
"RESOLVED THAT Flying Cement Company Limited (the "Company") be and is hereby authorized to circulate its annual report, including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein, to the members of the Company through QR enabled code and weblink, in allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023, and that the practice of circulation of the annual report through CD / USB be discontinued."

(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:**

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

**By order of the Board**



**Shahid Ahmad Awan**  
Company Secretary

Lahore  
Dated: October 04, 2023



## Notes:

### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from **October 21, 2023 to October 28, 2023** (both days inclusive). Transfers received in order at the office of Share Registrar M/s THK Associates (Pvt.) Ltd., Plot No. 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi by the closed of business on **October 20, 2023**, 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 Head Office 4-Sarwar Colony, Sawar Road, Lahore Cantt., Lahore duly stamped and signed not later than 48 hours before the meeting. Proxy Form may also be downloaded from the Company's website: **www.flyingcement.com**

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

#### A. For Attending the Meeting:

- I. In case of individuals, the account holders or sub account holders and / or the person whose securities are in group account and their registration detail are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- II. In case of corporate entity, the Board of Director's resolution / power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier at the time of the meeting).

#### B. For Appointing Proxies:

- I. In case of individuals, the holder or sub account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- III. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- IV. The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- V. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

### 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 28, 2023 at 10:00 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 20-10-2023.
- 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 25-10-2023, 09:00 hours and shall close on 27-10-2023 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 4-Sarwar Colony, Sarwar Road, Lahore Cantt one day before the Annual General Meeting on October 27, 2023 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. The Annual Report is being transmitted to shareholders through CDs/DVDs instead of sending these in Book form / hard copy.
6. The Annual Report for the Financial Year ended June 30, 2023 has been placed on Company's website at "<http://www.flyingcement.com>". However, if any shareholder desire to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.

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

#### **Agenda No.4 of Notice of AGM**

*Ratification and approval of the related party transactions carried out during the year ended June 30, 2023:*  
Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since Company's Directors were interested in certain transactions due to their common directorships in the associated companies, therefore common directors did not participate for approval of these transactions pursuant to section 207 of the Companies Act, 2017. The Board of Directors has approved the transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2023 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the AGM for their formal approval /ratification.

All transactions with related parties to be ratified have been disclosed in the note 34 to the financial statement for the year ended June 30, 2023.

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

The nature of relationship with these related parties has also been indicated in the note 34 to the financial statement for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

#### **Agenda No.5 of Notice of AGM**

*Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2024:*

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The Directors interested in these transactions due to their common directorship in the associated companies and other related parties. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2024, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

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

#### **Agenda No.6 of Notice of AGM**

In view of technological advancements, and taking into account that old technology is becoming obsolete, the Securities and Exchange Commission of Pakistan, vide its SRO.389(1)/2023 dated March 21, 2023 has allowed listed companies to circulate the annual report, including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein, to their members through QR enabled code and web-link (instead of CD/DVD/USB), subject to approval of the shareholders in the general meeting. To comply with the requirement of said SRO shareholder's approval is being sought.



# FLYING CEMENT COMPANY LIMITED

<b>Ballot paper for voting through post for Special Business at the Annual General Meeting to be held on (Saturday) October 28, 2023 at 10:00 hours at Heaven Banquet Hall, 343-D-1, Nespak Society, Lahore</b>	
<b>Designated email address of the Chairman at which the duly filled in ballot paper may be sent: cosecretary@flyingcement.com</b>	
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)	
<u>Additional Information and enclosures</u> (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);

<b>“Special Resolutions”</b>	
<b>AGM Agenda Item No:</b>	
4. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the following special resolution with or without modification: “RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 34 of the financial statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed.”	
5. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2024 by passing the following special resolutions with or without modification: “RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2024. RESOLVED FURTHER that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”	
6. To consider and, if deemed fit, pass, with or without modification(s), addition(s) or deletion(s), the following resolution, as special resolutions, to enable and authorize the Company to circulate the Annual Report (including the audited financial statements, auditor’s report, Directors’ report, Chairman’s review report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.  “RESOLVED THAT Flying Cement Company Limited (the “Company”) be and is hereby authorized to circulate its annual report, including the annual audited financial statements, auditor’s report, Directors’ report, Chairman’s review report and other reports contained therein, to the members of the Company through QR enabled code and weblink, in allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023, and that the practice of circulation of the annual report through CD / USB be discontinued.”	

Sr. No.	Nature and Description of resolutions <b>“Special Resolutions”</b>	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	<b>As per AGM Agenda item No.4 (as given above)</b>		
2.	<b>As per AGM Agenda item No.5 (as given above)</b>		
3.	<b>As per AGM Agenda item No.6 (as given above)</b>		

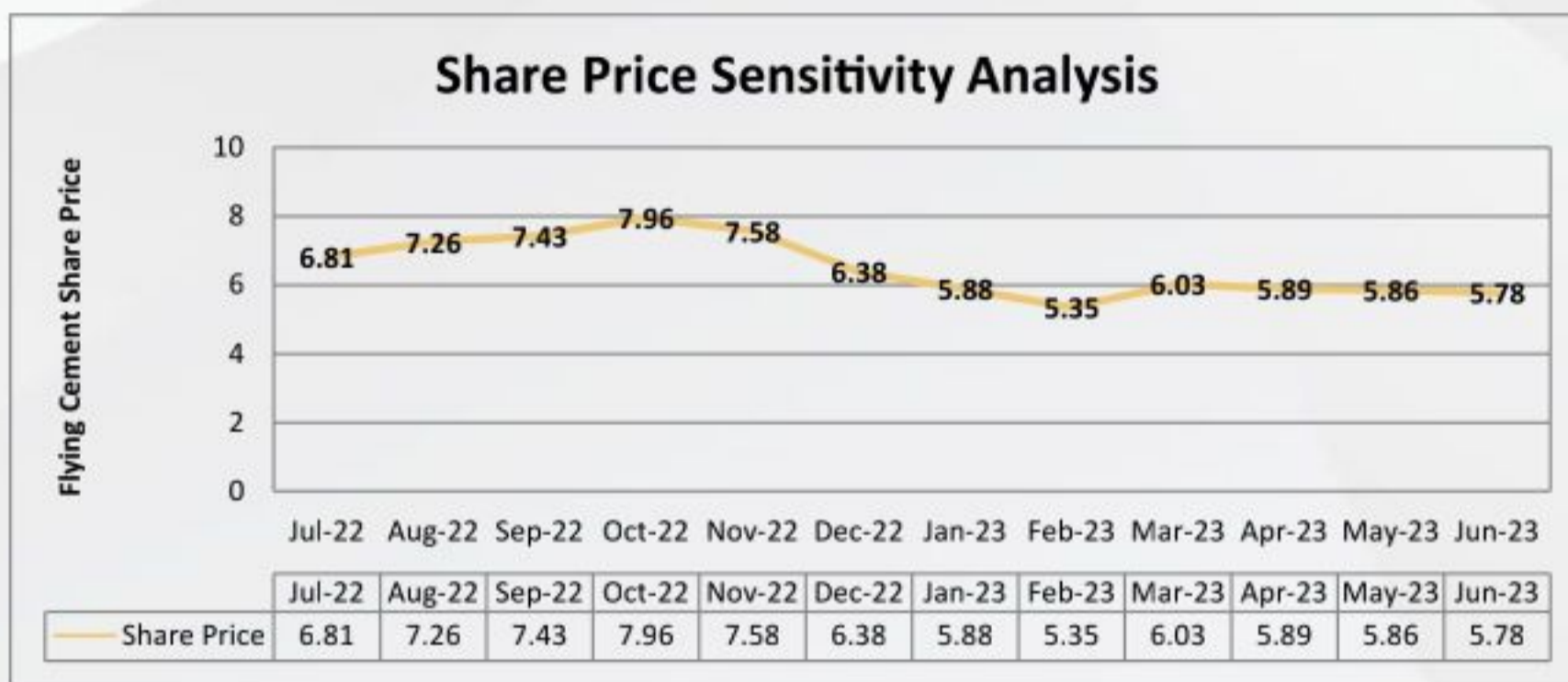
Signature of shareholder/Proxy holder/Authorized Signatory  
(in case of corporate entity, please affix company stamp)

Place: \_\_\_\_\_ Date: \_\_\_\_\_

**NOTES:**

- Dully filled postal ballot should be sent to **chairman of Flying Cement Company Limited at Registered Office 4-Sarwar Road, Sarwar Colony, 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 27-10-2023 (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 5.082 billion, depicting a decrease of (41.30)% as compared to last year whereas KSE-100 index rise from 41,540 to 41,453 at the end of the year registering a decrease of (0.21)% 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 affect 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, 2023

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
790	1	100	31386
712	101	500	265891
1641	501	1000	1118036
2439	1001	5000	6171804
856	5001	10000	6428666
396	10001	15000	4861529
244	15001	20000	4390497
158	20001	25000	3640565
147	25001	30000	4086134
79	30001	35000	2596540
59	35001	40000	2274890
45	40001	45000	1920213
68	45001	50000	3330769
38	50001	55000	2004261
28	55001	60000	1628889
22	60001	65000	1402904
20	65001	70000	1369602
24	70001	75000	1757575
14	75001	80000	1094975
14	80001	85000	1167550
7	85001	90000	624935
8	90001	95000	742243
35	95001	100000	3492900
23	100001	105000	2373656
13	105001	110000	1407343
6	110001	115000	677433
7	115001	120000	823950
12	120001	125000	1473250
4	125001	130000	509500
3	130001	135000	398000
5	135001	140000	688025
5	145001	150000	746250
4	150001	155000	613106
4	155001	160000	631015
3	160001	165000	491000
2	165001	170000	333500
2	170001	175000	347500
3	175001	180000	538750
2	180001	185000	366000
1	185001	190000	190000
9	195001	200000	1792325
1	200001	205000	203847
3	205001	210000	627450
2	210001	215000	423875
2	215001	220000	437000
3	220001	225000	670442
2	225001	230000	453725
1	230001	235000	235000
2	235001	240000	479500
5	245001	250000	1246200
1	260001	265000	262000
1	265001	270000	270000
1	270001	275000	275000

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2023

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
1	285001	290000	286000
4	295001	300000	1195500
1	300001	305000	304000
1	305001	310000	308000
3	310001	315000	940500
2	315001	320000	639180
2	320001	325000	643000
1	325001	330000	327503
2	330001	335000	665724
2	350001	355000	705500
1	360001	365000	360847
2	375001	380000	760000
1	380001	385000	384000
1	385001	390000	390000
1	390001	395000	395000
3	395001	400000	1200000
2	400001	405000	802540
1	415001	420000	419500
1	430001	435000	433500
1	435001	440000	437500
1	440001	445000	442000
1	445001	450000	449700
1	470001	475000	470400
1	475001	480000	479000
1	495001	500000	500000
1	505001	510000	507050
1	520001	525000	525000
1	570001	575000	572544
1	700001	705000	701000
1	710001	715000	714000
1	775001	780000	777000
1	780001	785000	784000
1	825001	830000	830000
1	875001	880000	878000
1	900001	905000	902650
1	925001	930000	926000
1	935001	940000	936950
3	995001	1000000	2999800
1	1045001	1050000	1046000
2	1175001	1180000	2352823
1	1240001	1245000	1241775
1	1310001	1315000	1315000
1	1365001	1370000	1367000
1	1375001	1380000	1377500
1	1590001	1595000	1593375
1	1675001	1680000	1676200
1	1895001	1900000	1896000
1	1945001	1950000	1950000
1	1975001	1980000	1979000
1	2180001	2185000	2180500
1	2265001	2270000	2268052
1	2395001	2400000	2400000
1	2470001	2475000	2474000
1	2660001	2665000	2660500
1	2715001	2720000	2716800
1	2800001	2805000	2800500
1	3340001	3345000	3342500
1	3425001	3430000	3429870

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2023

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
1	3555001	3560000	3558500
1	3685001	3690000	3686016
1	3700001	3705000	3702500
1	3815001	3820000	3819000
1	4260001	4265000	4263001
1	4380001	4385000	4380500
1	4715001	4720000	4715500
1	4870001	4875000	4872500
1	7590001	7595000	7591805
1	10495001	10500000	10499500
1	11605001	11610000	11608327
1	15330001	15335000	15334697
1	28775001	28780000	28778846
1	30980001	30985000	30982238
1	31175001	31180000	31179353
1	35520001	35525000	35520314
1	35890001	35895000	35892193
1	47150001	47155000	47151411
1	57720001	57725000	57720695
1	59910001	59915000	59910573
1	69765001	69770000	69768042
1	75415001	75420000	75416810
<b>8072</b>	<b>Total</b>		<b>694800000</b>



# Categories of Shareholders

As At June 30, 2023

Particulars	Shareholders	Shares held	Percentage
DIRECTORS, CEO & CHILDREN	9	306,581,974	44.13
BANKS, DFI & NBFI	5	1,156,550	0.17
INSURANCE COMPANIES	1	200,000	0.03
MUTUAL FUNDS	7	2,039,825	0.29
GENERAL PUBLIC (LOCAL)	7,308	345,193,503	49.68
GENERAL PUBLIC (FOREIGN)	683	14,006,096	2.02
OTHERS	58	24,908,052	3.58
FOREIGN COMPANIES	1	714,000	0.10
<b>Total:</b>	<b>8,072</b>	<b>694,800,000</b>	<b>100.00</b>

## Shareholders Categories

Directors, CEO, their Spouses And Minor Childern

No. of Shares held

Mr. Kamran Khan	75,416,810
Mr. Momin Qamar	73,197,912
Mr. Yousaf Kamran Khan	59,910,573
Mr. Qasim Khan	35,892,193
Mrs. Samina Kamran	30,982,238
Mr. Pervaiz Ahmad Khan	1,972
Mr. Omar Naeem	923
Mrs. Misbah Momin (W/O Mr. Momin Qamar)	31,179,353

# Categories of Shareholders

As At June 30, 2023

## Shareholders Categories

Directors, CEO, their Spouses And Minor Childern

No. of Shares held

Executives	-
Associatted Companies, Undertaking and Related Rarties	-
Public Sector Companies and Corporations	-
Banks, Development Financial Institutions, Non-Banking	1,356,550
Financial Instiuions And Insurance Companines	-
Shareholders Holding 10% or More Other Than Those Reported in Directors	-
Mutual Funds	2,039,825
Others	24,908,052
Individuals	
Local	345,193,503
Foreign	14,006,096
Foregin Companies	714,000
<b>Total</b>	<b>694,800,000</b>

## Transaction / Trade of Company's Shares

The CEO, Directors, Cfo, Head of Internal Auditors, Company Secretary (including their spouses and minor Childern) executed the following transactions in the shares of the Company during the financial year ended June 30, 2023

Name	Purchase	Gift In	Sales	Others & Gift Out
Mr. Kamran Khan	-	6,000,000	-	-
Mr. Momin Qamar	250,000	-	-	-
Mrs. Samina Kamran	-	-	-	6,000,000

## فلائنگ سیمنٹ کمپنی لمیٹڈ

### بیلٹ پیپر

بروز ہفتہ 28 اکتوبر 2023 کو صبح 10:00 بجے ہیون بیکنگ ہال، 343-D-1، چیمپاک سوسائٹی لاہور میں منعقد ہونے والے سالانہ اجلاس عام کے خصوصی امور پر بذریعہ ڈاک ووٹنگ کے لئے بیلٹ پیپر چیئر مین کا مقررہ ای میل ایڈریس جس پر باقاعدہ شدہ بیلٹ پیپر بھیجا جاسکتا ہے: cosecretary@flyingcement.com

نام شیئر ہولڈر/جوائنٹ شیئر ہولڈرز	
رجسٹرڈ پتہ	
فونو نمبر/CDC شریک/انویسٹری ڈی بی بعد ذیلی اکاؤنٹ نمبر	
تعداد ملکیتی حصص فونو نمبر	
شناختی کارڈ، NICOP/پاسپورٹ نمبر (غیر ملکی کی صورت میں) (نقل لف کریں)	
اضافی معلومات اور دستاویزات	
(ہاڈی کارپوریشن، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	
نام مجاز دستخط کنندہ	
مجاز دستخط کنندہ کے شناختی کارڈ، NICOP/پاسپورٹ نمبر (غیر ملکی کی صورت میں) (نقل لف کریں)	

میں/ہم مندرجہ ذیل کے متعلقہ باکس میں (✓) لگا کر مندرجہ ذیل قرارداد پر رضامندی یا غیر رضامندی کا اظہار کر کے بذریعہ پوسٹل بیلٹ مندرجہ ذیل قرارداد کی بابت اپنا/ہمارا ووٹ کا حق باضابطہ طور پر استعمال کرتا/کرتے ہوں/ہیں۔

### ”خصوصی قراردادیں“

### AGM ایجنڈا آئیکم نمبر:

- 30 جون 2023ء کا اختتام پہلے سال کے لئے متعلقہ فریقین سے کئے گئے لین دین کی توثیق اور منظوری کی بابت مندرجہ ذیل خصوصی قرارداد کو بعد/علاوہ ترمیم پاس کرنا:  
”قرارداد پر 30 جون 2023ء کا اختتام پہلے سال کی مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں ظاہر متعلقہ فریقین سے کئے گئے لین دین کی یہاں باضابطہ طور پر تصدیق، منظوری اور توثیق کی جاتی ہے۔“
- مالیاتی سال ختم 30 جون 2024ء کے لئے متعلقہ فریقین سے لین دین کی منظوری کی بابت کھینچی کے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانے کے لئے مندرجہ ذیل خصوصی قرارداد کو بعد/علاوہ ترمیم پاس کرنا:  
”قرارداد پر 30 جون 2024ء کے لئے متعلقہ فریقین سے ہمدقت لین دین کی منظوری کی بابت کھینچی کے بورڈ آف ڈائریکٹرز کو یہاں باضابطہ طور پر مجاز ٹھہرایا جاتا ہے۔“
- ”مزید قراردادیں کہ بورڈ کی جانب سے کی گئی بیگز ایگزیکٹو شیئر ہولڈرز کی جانب سے منظوری تصور ہوں گی اور باضابطہ توثیق/منظوری کے لئے انہیں آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔“
- سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹس 21 مارچ 2023ء کے سلسلہ S.R.O. 389(I)/2023 بیکٹ 2017ء کے سیکشن 223(6) کی پیروی میں شیئر ہولڈرز کو سالانہ پرنٹ شدہ مالیاتی اسٹیٹمنٹس، آڈیٹرز رپورٹ اور ڈائریکٹرز کی رپورٹ اور چیئر مین کی جائزہ رپورٹ اور دیگر رپورٹس کھینچی کے اراکین کو بذریعہ QR کوڈ اور ویب لنک ارسال کرنے کے لئے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹس 21 مارچ 2023ء کے سلسلہ S.R.O. 389(I)/2023 کے تحت فلائنگ سیمنٹ کمپنی لمیٹڈ (”کھینچی“) کو مجاز ٹھہرایا جاتا ہے اور سالانہ رپورٹ کی بذریعہ CD/USB تریل کو غیر فعال کیا جاتا ہے۔

نمبر شمار	قرارداد کی نوعیت و تفصیل ”خصوصی قراردادیں“	میں/ہم قراردادوں کے حق میں رضامندی کا اظہار کرتا/کرتے ہوں/ہیں	میں/ہم قراردادوں کے خلاف رضامندی کا اظہار کرتا/کرتے ہوں/ہیں
1	برطانیہ AGM ایجنڈا آئیکم نمبر 4 (ذکورہ بالا)		
2	برطانیہ AGM ایجنڈا آئیکم نمبر 5 (ذکورہ بالا)		
3	برطانیہ AGM ایجنڈا آئیکم نمبر 6 (ذکورہ بالا)		

دستخط شیئر ہولڈر/پراسی ہولڈر/مجاز دستخط کنندہ

(کاروباری ادارے کی صورت میں براہ کرم کھینچی کی مہر ثبت کریں)

مقام:

تاریخ:

مندرجہ ذیل:

1.	باقاعدہ شدہ پوسٹل بیلٹ فلائنگ سیمنٹ کمپنی لمیٹڈ کے رجسٹرڈ آفس 4-سرور کالونی، سرور روڈ، لاہور کیسٹ یا ای میل cosecretary@flyingcement.com پر چیئر مین کے نام ارسال کریں۔
2.	پوسٹل بیلٹ فارم کے ساتھ شناختی کارڈ کی نقل لف کی جائے۔
3.	پوسٹل بیلٹ فارم 27-10-2023 (پوسٹل بیلٹ وصولی کی آخری تاریخ) سے قبل چیئر مین کو پہنچ جائیں۔ اس تاریخ کے بعد وصول بیلٹ پیپر کو ووٹنگ کے لئے شمار نہیں کیا جائے گا۔
4.	کمیونٹی ایکٹ 2017ء کے سیکشن 138 یا 139 کے مطابق ہاڈی کارپوریشن، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں دستخط کنندہ کے شناختی کارڈ کی نقل، بورڈ قرارداد/مقررہ اجازت نامہ، مہر، مہرہ کی تصدیق، بیلٹ پیپر کے ساتھ لف ہونی چاہئے۔ غیر ملکی ہاڈی کارپوریشن کی صورت میں تمام دستاویزات پاکستان کے قونصل خانے سے تصدیق شدہ ہونی چاہئیں جس کے دائرہ کار کا اطلاق رکن پر ہوتا ہو۔
5.	پوسٹل بیلٹ پر کئے گئے دستخط شناختی کارڈ پر موجود دستخط کے عین مطابق ہونے چاہئیں۔
6.	باکمل، غیر دستخط شدہ، غلط تہراب، پھٹے ہوئے، مسخ شدہ اور اورورژن بیلٹ پیپر کو مسترد کر دیا جائے گا۔

سامنے پیش کیا جائے گا۔

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

### **AGM نوٹس کا ایجنڈا آئیٹم نمبر 6**

ٹیکنالوجی میں جدت اور پرانی ٹیکنالوجی کے کم استعمال کو مد نظر رکھتے ہوئے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے مورخہ 21 مارچ 2023ء کے مراسلہ S.R.O. 389(I)/2023 کے تحت سالانہ رپورٹ بشمول سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس، آڈیٹرز و ڈائریکٹرز کی رپورٹ اور چیئرمین کی جائزہ رپورٹ اور دیگر رپورٹس (USB / DVD / CD) کی بجائے) بذریعہ QR کوڈ اور ویب لنک ترسیل کے لئے لسٹڈ کمپنیوں کو اجازت دی ہے جو اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ مذکورہ SRO کے معیار کی تعمیل کے لئے شیئر ہولڈرز کی منظوری درکار ہے۔

کمپنی کی باضابطہ سفارشات پر متعلقہ فریقین سے لین دین کی منظوری بورڈ آف ڈائریکٹرز منظوری دیں۔ البتہ، سال بھر کے دوران کمپنی کے ڈائریکٹرز ایسوسی ایٹڈ کمپنیوں میں مشترکہ ڈائریکٹر شپ ہونے کے باعث، کئی لین دین کی چند سرگرمیوں میں دلچسپی رکھتے تھے۔ لہذا مشترکہ ڈائریکٹر کمپنیز ایکٹ 2017ء کے سیکشن 207 کی پیروی میں ان لین دین کے امور کی منظوری میں شریک نہ تھے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2023ء کو اختتام پذیر سال کے لئے ہر معاملہ پر متعلقہ فریقین سے ہمہ وقت لین دین کی منظوری دی ہے۔ ایسے لین دین کی منظوری کو شیئر ہولڈرز کی منظوری شمار کیا جائے گا۔ باقاعدہ منظوری/توثیق کے لئے ایسے لین دین کو سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔

متعلقہ فریقین کے ساتھ قابل تصحیح تمام لین دین کو 30 جون 2023ء کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں ظاہر کیا گیا ہے۔

کمپنی کاروباری کے عمومی امور کے دوران متعلقہ فریقین سے لین دین کی منظور شدہ پالیسی کے تحت arm's length بنیاد پر متعلقہ فریقین کے ساتھ لین دین کا عمل کرتی ہے۔ متعلقہ فریقین سے طے شدہ تمام لین دین کی منظوری کمپنی کی آڈٹ کمیٹی سے درکار ہوتی ہے جس کی صدارت کمپنی کا خود مختار ڈائریکٹر کرتا ہے۔ آڈٹ کمیٹی کی سفارش پر منظوری کے لئے ایسے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے رکھا جاتا ہے۔

متعلقہ فریقین کے سے تعلق کی نوعیت کے بارے میں 30 جون 2023ء کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں وضاحت کی گئی ہے۔ ڈائریکٹرز متعلقہ فریقین کے ضمن میں مشترکہ ڈائریکٹر شپ کی حد تک ہی قرارداد میں دلچسپی لیتے ہیں۔

## **AGM نوٹس کا ایجنڈا آئٹم نمبر 5**

30 جون 2024ء کو اختتام پذیر سال کے دوران متعلقہ فریقین سے لین دین کی منظوری کے لئے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانا:

30 جون 2024ء کو اختتام پذیر مالیاتی سال کے دوران متعلقہ فریقین سے لین دین کی بابت منظور شدہ پالیسی کے تحت کمپنی عمومی کاروباری امور میں آرمز لیٹنگھ (arm's length) کی بنیاد پر متعلقہ فریقین سے لین دین کرے گی۔ ایسوسی ایٹڈ کمپنی میں مشترکہ ڈائریکٹر شپ کے باعث ان لین دین کے امور میں دلچسپی رکھنے والے ڈائریکٹرز، شفاف کاروباری عمل داری کی ترویج کے لئے حصص داران بورڈ کو 30 جون 2024ء کو اختتام پذیر سال کے لئے ہر معاملہ پر متعلقہ فریقین سے ہمہ وقت لین دین کی منظوری کے لئے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانے کے خواہش مند ہیں۔ ایسے لین دین کی منظوری کو شیئر ہولڈرز کی منظوری شمار کیا جائے گا۔ ایسے لین دین کی باقاعدہ منظوری/تصحیح کے لئے اگلے سالانہ اجلاس عام میں حصص داران کے

میل ایڈریس بطور ای ووٹنگ سروس پرووائیڈر کارپ لنک (پرائیویٹ) لمیٹڈ کی جانب سے کمپنی کے رجسٹر ممبران میں 17 اکتوبر 2023ء کو کاروبار بند ہونے تک دستیاب ہوں۔

اراکین کی سہولت کے لئے بیلٹ پیپر نوٹس ہذا کے ساتھ منسلک کیا گیا ہے جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔ بذریعہ ای-ووٹنگ ووٹ کاسٹ کرنے کے خواہشمند اراکین کی شناخت الیکٹرونک دستخط اور لاگ ان کی توثیق کے ذریعے کی جائے گی۔

**پوشل 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 27 اکتوبر 2023ء 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 رپورٹ کتابی صورت/کاغذی نقل کی بجائے DVDs/CDs کے ذریعے حصص داران کو ارسال کی جا رہی ہے۔

6. 30 جون 2023ء کو اختتام پذیر مالیاتی سال کے لئے سالانہ رپورٹ کمپنی کی ویب سائٹ [www.flyingcement.com](http://www.flyingcement.com) پر جاری کر دی گئی ہے۔ سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی کاغذی نقل حاصل کرنے کے خواہش مند حصص داران کو درخواست موصول ہونے کے 7 یوم کے اندر اسے بالکل مفت فراہم کیا جائے گا۔

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

#### **AGM نوٹس کا ایجنڈا آئیٹم نمبر 4**

30 جون 2023ء کو اختتام پذیر سال کے لئے متعلقہ فریقین سے لین دین کی تصحیح و منظوری:

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کی شق 15 کی پیروی میں لازمی امر ہے کہ سہ ماہی بنیادوں پر آڈٹ

III. استفادہ حاصل کرنے والے مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پر کسی فارم کے ساتھ جمع کرائی جائیں۔

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

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

## 2. ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 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۔

فلاننگ سیمنٹ کمپنی لمیٹڈ کے رکن اور رجسٹرڈ فوئیو نمبر/ICDC کا ونٹ 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. پوسٹل بیلٹ/ای-ووٹنگ

کمپنیز (پوسٹل بیلٹ) ضوابط، 2018ء ("ضوابط") کے قواعد اور سیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے جاری کردہ 05 دسمبر 2022ء کے ترمیمی نوٹیفیکیشن 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 28 اکتوبر 2023ء کو صبح 10:00 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۔

ای-ووٹنگ سہولت کی تفصیلات صرف انہیں اراکین کو بذریعہ ای میل فراہم کی جائیں گی جن کے کارآمد سیل نمبر/ای

## مندرجات:

### 1. شیئر ٹرانسفر بک کی بندش:

کمپنی کی شیئر ٹرانسفر کتابیں مورخہ 21 اکتوبر 2023ء سے 28 اکتوبر 2023ء (بشمول دونوں ایام) تک بند رہیں گی۔ 20 اکتوبر 2023ء کو کاروبار بند ہونے تک شیئر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ دفتر واقع پلاٹ نمبر C-32، جامی کمرشل سٹریٹ 2، ڈی ایچ اے، فیئر ویل، 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 پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کی تقرری کا باقاعدہ مہر اور دستخط شدہ دستاویز کمپنی کے مرکزی دفتر واقع 4-سرور کالونی، سرور روڈ، لاہور کینٹ، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔ پراکسی فارم کمپنی کی ویب سائٹ [www.flyingcement.com](http://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. پراکسی کی تقرری کے لئے

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

II. پراکسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم میں تحریر ہوں گے۔



## سالانہ رپورٹ کی بذریعہ QR کوڈ اور ویب لنک ترسیل

6. سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 21 مارچ 2023ء کے مراسلہ S.R.O. 389(I)/2023 کمپنیز ایکٹ 2017ء کے سیکشن (6) 223 کی پیروی میں شیئر ہولڈرز کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس، آڈیٹرز و ڈائریکٹرز کی رپورٹ اور چیئر مین کی جائزہ رپورٹ کی بذریعہ QR کوڈ اور ویب لنک ترسیل کے لئے کمپنی کو مجاز ٹھہرانے کی غرض سے مندرجہ ذیل قرارداد کو بطور خصوصی قرارداد زیر غور لانا اور حسب ضرورت بمعہ/علاوہ ترمیم، اضافہ یا حذف منظور کرنا۔

قرار پایا کہ اپنی سالانہ رپورٹ بشمول سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس، آڈیٹرز و ڈائریکٹرز کی رپورٹ بمعہ چیئر مین کی جائزہ رپورٹ اور دیگر رپورٹس کمپنی کے اراکین کو بذریعہ QR کوڈ اور ویب لنک ارسال کرنے کے لئے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 21 مارچ 2023ء کے مراسلہ S.R.O. 389(I)/2023 کے تحت فلائنگ سیمنٹ کمپنی لمیٹڈ ("کمپنی") کو مجاز ٹھہرایا جاتا ہے اور سالانہ رپورٹ کی بذریعہ CD/USB ترسیل کو غیر فعال کیا جاتا ہے۔

(کمپنیز ایکٹ 2017ء کے سیکشن (3) 134 کے تحت مذکورہ بالا خصوصی امور کی بابت مادی حقائق کا اعلامیہ نوٹس ہذا کے ساتھ منسلک ہے)

دیگر امور

7. چیئر مین کی اجازت سے دیگر امور پر بحث کرنا۔

بحکم بورڈ

شاہد احمد اعوان  
کمپنی سیکریٹری

لاہور

مورخہ: 04 اکتوبر 2023ء

## نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فلائنگ سیمنٹ کمپنی لمیٹڈ ("کمپنی") کا تیسواں (30واں) سالانہ اجلاس عام مورخہ 28 اکتوبر 2023ء کو صبح 10:00 بجے بروز ہفتہ ہیون بیکنویٹ ہال، 343-D-1، نیسپاک سوسائٹی لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا۔

### عمومی امور

1. سابقہ اجلاس عام منعقدہ 27-10-2022 کی کارروائی کی توثیق کرنا۔
2. 30 جون 2023ء 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 2024ء کو اختتام پذیر سال کے لئے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔

### خصوصی امور

#### متعلقہ فریقین سے لین دین کی توثیق اور منظوری

4. 30 جون 2023ء کو اختتام پذیر سال کے لئے متعلقہ فریقین سے کئے گئے لین دین کی توثیق اور منظوری کی بابت مندرجہ ذیل خصوصی قرارداد کو بمعہ/علاوہ ترمیم پاس کرنا:  
"قرار پایا کہ 30 جون 2023ء کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس کے نوٹ 34 میں ظاہر متعلقہ فریقین سے کئے گئے لین دین کی یہاں باضابطہ طور پر تصدیق، منظوری اور توثیق کی جاتی ہے۔"
5. مالیاتی سال مختتمہ 30 جون 2024ء کے لئے متعلقہ فریقین سے لین دین کی منظوری کی بابت کمپنی کے بورڈ آف ڈائریکٹرز کو مجاز ٹھہرانے کے لئے مندرجہ ذیل خصوصی قرارداد کو بمعہ/علاوہ ترمیم پاس کرنا:  
"قرار پایا کہ مالیاتی سال مختتمہ 30 جون 2024ء کے لئے متعلقہ فریقین سے ہمہ وقت لین دین کی منظوری کی بابت کمپنی کے بورڈ آف ڈائریکٹرز کو یہاں باضابطہ طور پر مجاز ٹھہرایا جاتا ہے۔"  
"مزید قرار پایا کہ بورڈ کی جانب سے کی گئی یہ ٹرانزیکشنز شیئر ہولڈرز کی جانب سے منظوری تصور ہوں گی اور باضابطہ توثیق/منظوری کے لئے انہیں آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔"

نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

## شیئر ہولڈنگ کا پیٹرن

کوڈ آف کارپوریٹ گورننس کے تحت 30 جون 2023ء تک شیئر 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۔

## 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

ڈائریکٹر

لاہور:

مؤرخہ: 04 اکتوبر 2023ء

چیف ایگزیکٹو

(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 موثر 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۔

### 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 سیکنڈ ٹیری 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 اکاؤنٹس 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

- (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 شیئر 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 پلانٹ کی پیداواری صلاحیت میں اضافہ کے ذریعے پیداواری امور کو بڑھانے کا ارادہ رکھتی ہے۔ مقررہ وقت میں اس معاملہ کو شیئر ہولڈرز کے سامنے رکھا گیا ہے جسے ڈائریکٹرز رپورٹ ہذا میں تحریر بھی کیا گیا ہے۔
- (m) سال بھر میں منعقد ہونے والے بورڈ اور اس کی کمیٹیوں کے اجلاس کی تعداد اور ہر ڈائریکٹر کی حاضری حسب ذیل درج کی گئی ہے:

نمبر شمار	نام ڈائریکٹر	بورڈ اجلاس	آڈٹ کمیٹی اجلاس	HR&R کمیٹی اجلاس
1	مسٹر کامران خان	6	دستیاب نہیں	دستیاب نہیں
2	مسٹر مومن قمر	6	دستیاب نہیں	2
3	مسٹر یوسف کامران خان	6	4	2
4	مسٹر قاسم خان	6	1	دستیاب نہیں
5	مسز شمینہ کامران	6	3	دستیاب نہیں
6	مسٹر عمر نعیم	5	4	دستیاب نہیں
7	مسٹر پرویز احمد خان	6	دستیاب نہیں	2
8	مسٹر آغا ہمایوں خان	6	دستیاب نہیں	دستیاب نہیں
	منعقدہ اجلاس کی کل تعداد	6	4	2

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

توقع ہے کہ حکومتی پالیسیاں طویل مدتی معاشی استحکام لائیں گی۔ آگے بڑھتے ہوئے، عالمی ملکی سطح پر معیشت کی سست روی، ایندھن اور توانائی کی قیمتوں میں اضافہ، روپے کی قدر میں کمی، منہگائی کا دباؤ، قرضوں پر اضافی لاگت، ملکی کاروباری ماحول میں بے یقینی کی فضا، جاری مالیاتی تناؤ کے اقدامات معیشت اور کاروبار کے لئے شدید خطرہ ثابت ہوں گے۔ علاوہ ازیں، آبادی میں اضافے کے باعث ملک میں گھروں کی مزید ڈیمانڈ، بنیادی ڈھانچے کی ضروریات اور نئے ڈیموں کی تعمیر کو مد نظر رکھتے ہوئے کمپنی ملکی سطح پر فروخت کو بہتر کرنے کے لئے پرامید ہے۔

البتہ، مذکورہ بالا مشکلات کے باوجود، کمپنی پیداوار میں اضافے، ملکی و درآمدی کونسلے کے استعمال سے پیداواری لاگت پر کنٹرول اور کپٹو (captive) پاور جنریشن کے ذریعے دائمی نمو اور نفع میں اضافہ کرنے کی حالت میں ہے۔ مزید برآں، اس صنعت کے حریفین کے مقابلے میں کمپنی کا قرضوں پر کم انحصار عدم استحکام میں بھرپور مزاحمت پیش کرے گا۔ ہم سب انتہائی پرجوش ہیں اور مسلسل محنت کے ذریعے دائمی نمو کے لئے اپنا کردار ادا کرتے رہیں گے۔ ہم یقین دلاتے ہیں کہ انتظامیہ طویل مدتی دائمی نمو پیش کرنے اور اپنے اسٹیک ہولڈرز کو خاطر خواہ منافع دینے کے لئے انتھک محنت کر رہی ہے۔

### 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 نصف میں تبدیلی، کیش فلو، آپریشنز اور کاروباری امور کی بہترین عکاسی کرتی ہیں۔

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

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

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

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

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

## ہیومن ریسورس اینڈ ریمونریشن کمیٹی

خود مختار ڈائریکٹر	چیئر مین	مسٹر پرویز احمد خان
ایگزیکٹو ڈائریکٹر	رکن	مسٹر مومن قمر
نان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر یوسف کامران خان

### چیئر مین کا تجزیہ

چیئر مین 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 تعمیلی 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 ضابطہ کا ایک موثر سسٹم تشکیل دیا ہے تاکہ آپریشنز کو موثر انداز میں اور عمدگی سے چلایا جاسکے اور کمپنی کے اثاثہ جات کو محفوظ رکھا جاسکے۔

### مستقبل کے امکانات

ہم کلنکر کی 9,000 TPD کی نئی لائن-II کو تیز رفتاری سے مکمل کر رہے ہیں جس کی تکمیل کا ہدف مارچ، 2024ء ہے۔  
نگران حکومت نے سمگلنگ اور غیر ملکی کرنسی پر ابہام کو ختم کرنے کے لئے خاطر خواہ اصلاحی اقدامات کئے ہیں۔ جب کہ شرح سود کو برقرار رکھا گیا ہے اور آئی ایم ایف کے ساتھ معاہدہ کی تعمیل کے لئے پرعزم ہے۔ لہذا حکومت پاکستان کی جانب سے بروقت اقدامات کے باعث معیشت میں نمایاں بہتری کے امکانات ہیں۔ توقع کی جاتی ہے کہ جنوری 2024ء میں ہونے والے عام انتخابات کے نتیجے میں منتخب حکومت مذکورہ اقدامات کو جاری رکھے گی۔ اس طرح تعمیراتی و ملحقہ صنعتوں میں توقع کے برعکس تیز رفتاری کے آثار موجود ہیں۔

## 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 کے اراکین اور اس کی کمیٹیاں

### بورڈ آف ڈائریکٹرز

نان ایگزیکٹو ڈائریکٹر	چیرمین	مسٹر کامران خان
نان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر یوسف کامران خان
نان-ایگزیکٹو ڈائریکٹر	رکن	مسز شمینہ کامران
ایگزیکٹو ڈائریکٹر	رکن	مسٹر مومن قمر
ایگزیکٹو ڈائریکٹر	رکن	مسٹر قاسم خان
خود مختار ڈائریکٹر	رکن	مسٹر عمر نعیم
خود مختار ڈائریکٹر	رکن	مسٹر پرویز احمد خان
<u>چیف ایگزیکٹو</u>		

مسٹر آغا ہمایوں خان

### آڈٹ کمیٹی

خود مختار ڈائریکٹر	چیرمین	مسٹر عمر نعیم
نان-ایگزیکٹو ڈائریکٹر	رکن	مسٹر یوسف کامران خان
نان-ایگزیکٹو ڈائریکٹر	رکن	مسز شمینہ کامران



## استحکام

مالیاتی سال 2022-23 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 ہولڈنگ 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 قرضہ 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 بلوئنگ

کمپنی مسئلہ کو سٹگین بنانے یا کمپنی سے باہر اس کی تشہیر کی بجائے وہسل بلوئنگ 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 پر فخر ہے۔ کمپنی کی یہ کارکردگی ہماری ٹیم، کاروبار اور آپریشنز کے استحکام کی عکاسی کرتے ہیں۔ 30 جون 2023ء کو اختتام پذیر سال کے دوران کمپنی نے پائیدار نمو پر اپنی توجہ جاری رکھی۔

کمپنی نے گذشتہ برس میں 7,145 ملین روپے کے مقابلے میں 5,729 ملین روپے کی مجموعی سیلز کی جب کہ کمپنی کا منافع علاوہ ٹیکسیشن گذشتہ برس کی نسبت 926,097,752 روپے سے کم ہو کر 271,245,678 روپے ہو گیا۔

## فی حصص آمدنی

سال بھر کے دوران بنیادی فی حصص آمدنی علاوہ ٹیکس 0.39 روپے (2022: 1.33 روپے) رہی۔ کمپنی کی بنیادی فی حصص آمدنی میں تحلیلی اثر شامل نہیں ہے کیونکہ 30 جون 2023ء تک کمپنی کے پاس تغیر پذیر ممکنہ تحلیلی عمومی حصص موجود نہیں ہیں۔

## 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 لینگتھ (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 چیلنجز بحرانوں 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	2023ء	2022ء
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(میٹرک ٹن)

سیمنٹ پیداوار	324,660	522,500
سیمنٹ کی ترسیل	329,211	522,881

گذشتہ برس کے مقابلہ میں پیداوار اور ترسیل کے ضمن میں مالیاتی سال 2023ء کے دوران اعداد و شمار میں واضح تبدیلی ظاہر کرتے ہیں۔

## مالیاتی کارکردگی

30 جون 2023ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

تفصیلات	2023ء	2022ء
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(ہزار روپوں میں)

مجموعی سیلز ریونیو	5,729,080	7,145,904
منفی: سیلز ٹیکس / فیڈرل ایکسائز ڈیوٹی	1,485,554	1,809,779
خالص سیلز ریونیو	4,243,527	5,336,125
مجموعی منافع	576,996	872,090
آپریٹنگ نفع	446,513	739,111
نفع بمعہ ٹیکس	369,743	711,228
خالص نفع علاوہ ٹیکس	271,246	926,098
فی حصص آمدنی	0.39	1.33

## ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023ء کو اختتام پذیر سال کے لئے باقاعدہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ تیسویں (30 ویں) سالانہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

### صنعتی تجزیہ

مالیاتی سال 2023ء پوری دنیا خصوصاً پاکستان کے لئے شدید جیو پالیٹیکل اور کئی اقتصادی بے یقینی کے باعث مشکل ترین سال ثابت ہوا۔ زیر جائزہ حالیہ برس کی پہلی سہ ماہی کے دوران مومن 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، افراطِ 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، افراطِ زر کی بلند شرح، غیر ملکی قرضوں میں اضافے، گرتے ہوئے زر مبادلہ 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 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۔ کونکے 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 منہگائی نے کمپنی کے مالیاتی نتائج پر منفی اثرات مرتب کئے ہیں۔

مجموعی طور پر، مالیاتی سال 2023ء 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۔

## فلائنگ سیمنٹ کمپنی لمیٹڈ پراکسی فارم

بطور رکن فلائنگ سیمنٹ کمپنی لمیٹڈ میں / ہم .....  
عدم حاضری کی صورت میں کمپنی کے رکن ..... کو یہاں  
باضابطہ طور پر مورخہ 28 اکتوبر 2023ء بوقت 10:00 بجے صبح بروز ہفتہ ہیون بینکوئیٹ ہال، 1-D-343، نیپاک،  
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 ریونیوشامپ  
چسپاں کریں۔

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

اہم ترین:  
پراکسی کا یہ دستاویز مجاز تصور نہیں کیا جائے گا تا وقتیکہ کمپنی کے رجسٹرڈ آفس واقع 4-سرور کالونی، سرور 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 4-Sarwar Colony, Sarwar Road, Lahore Cantt not later than 48 hours before the time of holding the meeting.

<b>Registered Folio /</b>
<b>Participant ID No. &amp;</b>
<b>A/c No.</b>
<b>No. of Shares Held.</b>

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 30th Annual General Meeting of the Company to be held on Saturday 28th October 2023 at 10:00 hours or adjournment thereof.

Signature

<b>Please affix</b>
<b>Rupees Five</b>
<b>Revenue stamp</b>

## Witnesses:

1 Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or Passport \_\_\_\_\_

1 Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC or Passport \_\_\_\_\_

Dated \_\_\_\_\_

AFFIX  
CORRECT  
POSTAGE

## **The Company Secretary,**

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



Flying Cement Company Limited



**LANDLINE**

+92-42-36674301-5 Lines



**FAX**

+92-42-36660693



**ADDRESS**

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Sarwar Colony, Lahore Cantt



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**WEBSITE**

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