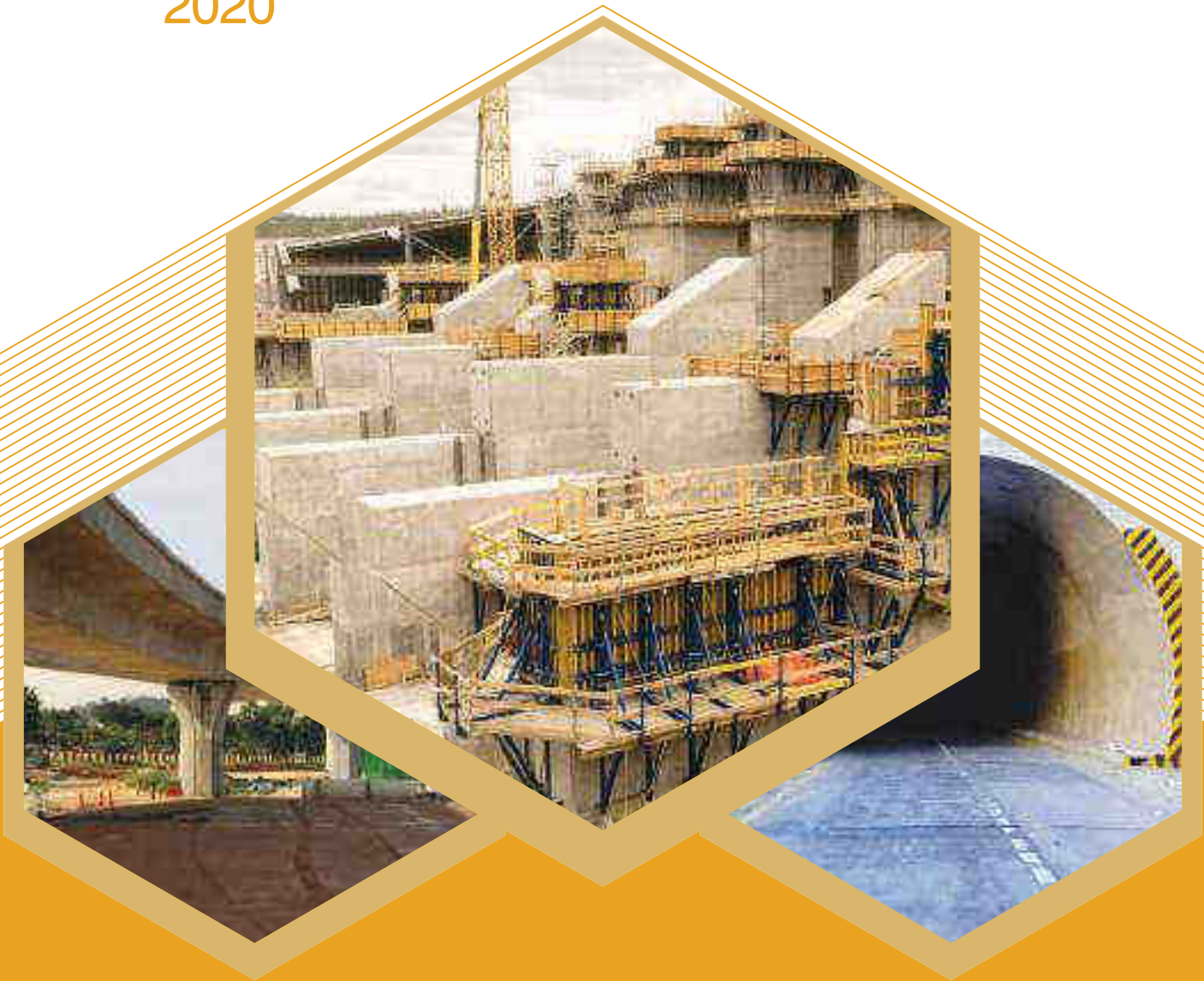




FLYING CEMENT COMPANY LTD.

ANNUAL REPORT 2020





FLYING CEMENT COMPANY LIMITED



LIME STONE QUARRY



POWER PLANT

CONTENTS

Company information	6
Notice of Annual General Meeting	7
Chairman Review	9
Directors' Report	10
Statement of Compliance with the Code of Corporate Governance	16
Review Report to the members on Statement of Compliance with the Best Practices of the Code of Corporate Governance	19
Auditors' Report to the members	20
Statement of Financial Position	26
Statement of Profit or Loss and other Comprehensive Income	27
Cash Flow Statement	28
Statement of Changes in Equity	29
Notes to the Accounts	30
Pattern of Shareholding	53
Additional information on Pattern of Shareholding as required by the Code of Corporate Governance	55
Form of Proxy	67

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 within the name of **FLYING** itself.

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

BUSINESS ETHICS

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

STRATEGIC GOALS

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

Vision

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

Mission

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

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

QUALITY POLICY

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

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

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

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

ENVIRONMENTAL PROTECTION

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

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman
Mr. Momin Qamar	Member
Mr. Yousaf Kamran Khan	Member
Mr. Qasim Khan	Member
Mrs. Samina Kamran	Member
Mr. Nadeem Tufail	Member
Muhammad Mubeen Khan	Member

CHIEF EXECUTIVE

Agha Hamayun Khan

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

STATUTORY AUDITORS

M/s. Tahir Siddiqi & Co.
Chartered Accountants

INTERNAL AUDITOR

Mr. Imran Matloob Khan

COMPANY SECRETARY

Shahid Ahmad Awan
cosecretary@flyingcement.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Jamil

LEGAL ADVISOR OF COMPANY

Mr. Waqar Hasan , Advocate High Court

BANKERS

National Bank of Pakistan
Al Baraka Bank (Pakistan) Limited
United Bank Limited
Habib Bank Limited
Meezan Bank Limited

REGISTERED & HEAD OFFICE

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

PLANT

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

SHARES REGISTRAR

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

WEB SITE

www.flyingcement.com

E-MAIL

info@flyingcement.com

NOTICE OF 27th ANNUAL GENERAL MEETING

Notice is hereby given that 27th Annual General Meeting of the members of Flying Cement Company Limited will be held on Wednesday the October 28, 2020 at 9.30 a.m. at Heaven Banquet Hall 343-D-1, Nespak Society, Lahore to transact the following business:

1. To confirm minutes of Extra Ordinary General Meeting held on March 31, 2020.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2020 together with Directors' and Auditors reports thereon.
3. To appoint external Auditors of the Company and fix their remuneration for the next financial year 2020-21.
4. To transact any other business with the permission of Chairman.

(By Order of the Board)



(Shahid Ahmad Awan)
COMPANY SECRETARY
Lahore: October 05, 2020

Notes:

1. The Share Transfer Books of the Company will remain closed from October 21, 2020 to October 28, 2020 (both days inclusive) Transfers received in order by our Share Registrar, M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S, Karachi-75400 by the close of business on October 20, 2020 will be considered in time for the purpose of attending the Annual General Meeting.
2. A shareholder eligible to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by attorney in case of a corporate entity. In this case the instrument of proxy completed in every respect, must reach to the Registered Office of the Company not later than 48 hours before the time of the meeting. Attested copy of the shareholder's CNIC must be attached with the proxy form.

3. The Original Computerized Identity Card of the shareholder is required to prove his/her identity along with account details etc at the time of attending meeting. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form.
4. The Shareholders who, have not yet submitted copy of their valid CNIC or NTN, are once again requested to immediately submit the same.
5. The Annual Report is being transmitted to shareholders through CDs/DVDs instead of sending these in Book form / hard copy.
6. The Annual Report for the Financial Year ended June 30, 2020 have been placed on Company's website at www.flyingcement.com However, if any shareholder desire to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.
7. Members can also avail video conference facility in the cities where facility can be provided keeping in view the geographical dispersal of members. In this regard fill the application as per following format and submit to the registered address of the company 7 days before the date of Annual General Meeting. The video conference facility will be provided only If the company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, The company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

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

Signature of shareholder

CHAIRMAN'S REVIEW

I am pleased to present the Flying Cement Company Limited's Annual Report for the year ending June 30, 2020.

Flying Cement Company Limited complies with all the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019 with respect to all the required statutory measures laid therein. I, as Chairman of the Board, also have responsibilities related to the statutory laws. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Flying Cement Company Limited (the "Company") has been carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required have been duly considered and action plans have been framed.

This year has witnessed unprecedented circumstances and uncertainties never observed at least in the last few decades, both globally and locally due to the COVID-19 pandemic, and Flying Cement Company Limited has been no exception. The global recession which resulted due to the pandemic certainly had a substantial impact on the local economy as well. The local cement industry that was already on a bumpy ride primarily due to adverse exchange rate fluctuation, high electricity tariffs, high interest rates and other tough economic measures implemented by the Government to stabilize the economy, faced an even greater challenge. The advent of the pandemic and the lockdown situation led to a forceful shutdown of the plant for few months, resulting in drop in sales.

However, circumstances have since improved as business has resumed and construction activity has once again picked up with a renewed interest and vigor. Primarily driven by factors such as hopes of an economic recovery, SBP's economic relief measures for businesses, Government's unprecedented initiatives for the real estate and housing sector and promulgation of the Ordinance to promote the construction industry and enable investors and stakeholders to invest in the industry. Furthermore, the reduction in interest rates, upcoming large scale infrastructure projects such as construction of new dams and the Naya Pakistan Housing Scheme would hopefully prove to be key drivers that would lead the growth of the cement industry.

Finally, 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.



Kamran Khan
Chairman

Dated October, 05, 2020

DIRECTORS' REPORT

The Directors of your company have the pleasure to present before you the 27th Annual Report of your company along with duly Audited Financial Statements for the year ended June 30, 2020.

INDUSTRY OVERVIEW

Cement Industry reflected a decrease in the demand for the year ended June 30, 2020 as compared to the year ended June 30, 2019.

PRINCIPAL ACTIVITIES

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

BUSINESS PERFORMANCE

The production and sales volume performance

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

Particulars	2020	2019
	(Metric Tons)	
Cement Production	86,400	514,600
Cement Dispatches	86,957	514,890

The production and sales show a decrease in the financial year 2020.

Financial Performance

A comparison of the key financial results of your Company for the year ended June 30, 2020 is as under:

Particulars	2020	2019
	(Rupees in Thousands)	
Sales revenue Gross	1,372,198	4,821,773
Less: Sales Tax/ Federal Excise Duty	292,690	1,550,398
Net: Sales revenue	1,079,508	3,271,375
Gross Profit/(Loss)	(462,384)	190,613
Operating profit/(Loss)	(528,353)	118,420
Profit/(Loss) before tax	(512,825)	184,161
Net Profit/ (Loss) after tax	(530,720)	142,362
(Loss)/Earnings per Share	(3.02)	0.81

EARNING PER SHARE

The earning per share of the Company decreased from Rs. 0.81 in 2019 to Rs. (3.02) in the year 2020.

DIVIDEND

The company has not declared dividend in Financial Year 2020.

RELATED PARTY TRANSACTIONS

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

PRINCIPAL RISKS

The COVID-19 pandemic has brought the sector to a halt in the business activities and pandemic of that sort remains a high source of risk in the cement industry. It is pertinent to mention that with the closure of the supply chains across the country for a specific period and non-delivery of the product on time, the industry has been adversely hit.

The recovery from the losses in the pandemic is not fully expected to realize in coming days to come and there remains a risk that the market would be slow in coming months.

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

The management on environment is taken very seriously by the company. The location of the company is also of pivotal impact. The plant near the public living places causes much more impact than the plant which is far away from public places.

The management has been very keen to minimize the effects of the above and several measures including the provision of the personal protective equipment, dust cyclones bag house, speed limit controls have been adopted. The management has also envisioned the plantation of the trees and has planted many trees to this effect as well.

CORPORATE SOCIAL RESPONSIBILITY

The Directors of the Company are aware of their ethical duties towards Society. The company provides all the food requirements of the employees of the company by serving the meal every day. The company has included the faith in its corporate social responsibility and every year two persons are sent to the Saudi Arabia to perform Umrah. The company takes care of its nearest villagers in the time of flood and works for poverty alleviation.

WHISTLEBLOWING

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
a)	Male	6
b)	Female	1

Categorical Composition

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

Members of the Board of Directors and its Committees.

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman	Non Executive Director
Mr. Yousaf Kamran Khan	Member	Non Executive Director
Mr. Qasim Khan	Member	Non Executive Director
Mrs. Samina Kamran	Member	Non Executive Director
Mr. MominQamar	Member	Executive Director
Mr. NadeemTufail	Member	Independent Director
Mr. Muhammad Mubeen Khan	Member	Independent Director

AUDIT COMMITTEE

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

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE**

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

CHAIRMAN REVIEW

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

CODE OF CONDUCT

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

STATEMENT OF COMPLIANCE

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

REMUNERATION OF DIRECTORS

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

FUTURE PROSPECTS

The country is passing through the most difficult time of its history in economic terms. The Covid-19 pandemic has only added the woes of the economy. The government is already on reforms agenda and slight improvements of macroeconomic indicators are visible.

However with the announcement of the Package for the construction industry and the start of the low cost housing package, there is a hope of the improvement for the industry. The demand is expected to rise and with the rise in demand countrywide it is expected that the sales would increase. Also with the announcement of the mega projects and the inclusion of the projects in CPEC, the situation is expected to improve. The construction of the dams for water storage reserve also serves the purpose.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

- (a) The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of accounts have been maintained by the company.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the company's ability to continue as a going concern.
- (g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
- (h) Key operating and financial data for the last six years is annexed.

- (i) No trade in shares of Flying Cement Company Limited was carried out by the CEO, Head of Internal Audit, CFO, Company Secretary and their spouses and minor children except of

those as reported to the regulatory authorities and disclosed in the annexed Pattern of Shareholding.

- (j) Reasons for significant deviations from last year's operating results have been compared in the relevant section of the Directors' report.
- (k) Information about taxes and levies is given in the Notes to the Financial Statements.
- (l) The company has planned to upgrade its production operations by enhancing production capacity of its plant. The matter has been disclosed to shareholders in the due time and also has been written in this directors' report.
- (m) Details of number of Board and Committees meetings held during the year and attendance by each director has been disclosed below:

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

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

** Mr. Muhammad Mubeen Khan was appointed as an independent director on September 10, 2020 to fulfill the casual vacancy arising upon the resignation of Mr. Waqar Zahid

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

Staff Retirement Benefits

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

Auditors

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

Pattern of Shareholding

The pattern of shareholding as at June 30, 2020 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.

Acknowledgement

The Directors are grateful to the Company's shareholders, financial institutions and valued customers for their continued cooperation, support and patronage.

The Directors acknowledge the efforts and dedicated services and hard work put in by the staff members, executives.

For and on behalf of the Board


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive

Lahore
05 October 2020

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019

Name of Company: Flying Cement Company Limited
Year Ending : 30th June 2020

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

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

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

2. The composition of board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than **seven** listed companies, including this Company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the 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. Majority of the Directors of the Company are exempted from the requirement of Director's Training Program.
10. The Board has approved appointment of 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 the Regulations.
11. Chief Financial Officer and chief executive officer duly endorsed the Financial Statements before approval of the board.

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

AUDIT COMMITTEE

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

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE**

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of the meetings of the committee were as per following
Audit Committee: Met four times during the year.
Human Resource and Remuneration Committee: Met once in the year.
15. The Board has setup an effective internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

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

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

On behalf of the Board of Directors



KAMRAN KHAN
Chairman

Dated October 05, 2020

**INDEPENDENT AUDITORS REVIEW REPORT TO THE MEMBERS OF
FLYING CEMENT COMPANY LIMITED**

Review Report on the Statement of Compliance Contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Flying Cement Company Limited (the Company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2020.

Lahore

Date: October 05, 2020



Tahir Siddiqi & Co
Chartered Accountants

Engagement Partner: Sarah Tahir Siddiqi

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

Opinion

We have audited the annexed financial statements of FLYING CEMENT COMPANY LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flow together with notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act 2017 (XIX 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, 2020 and of the loss and other comprehensive Income , the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key Audit Matters:

S.NO	Key Audit Matters	How the matter was addressed in our audit
(i)	<p>Inventories (Refer to Note 21 in the financial statements)</p> <p>Inventories Include</p> <ul style="list-style-type: none"> • Raw materials comprising limestone, clay, gypsum, laterite and bauxite. • Work-in-progress mainly comprising clinker. And • Coal <p>The above inventory items are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventories is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit volumes by using angle of repose and bulk density. Due to significance of inventory balances and related estimations involved, this is considered as a key audit matter.</p>	<p>The company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts.</p> <p>Our audit procedures to assess the existence of inventory included the following.</p> <ul style="list-style-type: none"> • Assessed the management process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield. • Attend the physical count of the inventories and observed the said parameters. A representative of the company and an external surveyor were also present. • Checked the background and experience of the surveyor to ensure his competence and capability. • Obtained sample of items to determine the nature and characteristics of the inventory. Such samples were then sent for lab test to determine the nature and other parameters; and • Obtained and reviewed the inventory count report of the management's external surveyor, assessed its accuracy and performed recalculations on sample basis.

(ii)	<p>Revenue Recognition</p> <p>(Refer notes 4.17 and 25 to the financial statements)</p> <p>The Company is engaged in the production and sale of cement in the local market. The Company recognized gross revenue from the sales of cement Rs. 1,372,197,678. During the year, the demand and price of cement decreased from last year. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant decrease in revenue from last year.</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> • Understood and evaluated management controls over revenue and checked their validation; • Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to ensure revenue has been recognized in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority; • Performed recalculation of rebates, and discounts as per company's policy on test basis; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the appropriateness of disclosures made in the financial statements related to revenue.
------	--	---

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 consolidated and financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Sarah Tahir Siddiqi.



Tahir Siddiqi & Co.
Chartered Accountants

Lahore
Dated: 05 October 2020

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020****EQUITY AND LIABILITIES****SHARE CAPITAL & RESERVES**

Authorized share capital

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

Issued, subscribed and paid up capital

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

Reserves

Directors & shareholders loan

Surplus on revaluation of fixed assets

NON-CURRENT LIABILITIES

Long term liabilities

Loan from associated undertaking

Long term deposits

Deferred liabilities

CURRENT LIABILITIES

Trade and other payables

Unclaimed Dividend

Short term finances

Current portion of long term finance

TOTAL LIABILITIES

Contingencies and commitments

TOTAL EQUITY AND LIABILITIES**ASSETS****NON-CURRENT ASSETS**

Property, plant & equipment

Long term security deposits

CURRENT ASSETS

Stores, spares & loose tools

Stock in trade

Trade debts

Advances, deposits, prepayments & other receivables

Taxation net

Cash and bank balances

TOTAL ASSETS

The annexed notes from 1 to 45 form an integral part of these financial statements.

Note	Restated	
	2020 Rupees	2019 Rupees
	<u>2,000,000,000</u>	<u>2,000,000,000</u>
5	1,760,000,000	1,760,000,000
6	397,721,568	865,126,435
	<u>2,157,721,568</u>	<u>2,625,126,435</u>
7	1,970,674,892	1,515,674,892
8	4,027,666,417	4,090,936,482
	5,998,341,309	5,606,611,374
	<u>8,156,062,877</u>	<u>8,231,737,809</u>
9	3,440,947,104	1,684,107,580
10	328,726,928	368,476,440
11	14,005,340	14,005,340
12	582,753,672	582,431,012
	<u>4,366,433,044</u>	<u>2,649,020,372</u>
13	2,200,036,341	1,981,577,662
14	59,526	53,148
15	1,582,311,299	506,777,638
9	18,252,000	58,252,000
	<u>3,800,659,166</u>	<u>2,546,660,448</u>
	<u>8,167,092,210</u>	<u>5,195,680,820</u>
16	-	-
	<u>16,323,155,087</u>	<u>13,427,418,629</u>
17	13,286,873,693	11,216,453,717
19	32,880,151	32,880,151
20	799,103,679	751,322,337
21	1,307,317,011	457,639,437
22	3,488,783	10,031,693
23	781,130,141	789,624,340
	88,968,704	110,779,358
24	23,392,925	58,687,596
	<u>3,003,401,243</u>	<u>2,178,084,761</u>
	<u>16,323,155,087</u>	<u>13,427,418,629</u>



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2020**

		Restated	
	Note	2020 Rupees	2019 Rupees
Gross Sales	25	1,372,197,678	4,821,772,831
Less Sales tax and federal excise duty		290,048,264	1,537,536,201
Rebates and commission		2,641,280	12,861,720
		<u>292,689,544</u>	<u>1,550,397,921</u>
Net sales		1,079,508,134	3,271,374,910
Cost of Sales	26	(1,541,891,726)	(3,080,761,888)
		<u>(462,383,592)</u>	<u>190,613,022</u>
Gross (Loss) / Profit			
Operating Expenses			
Distribution Expenses	27	(8,290,495)	(9,091,095)
Administrative Expenses	28	(57,679,187)	(49,979,179)
Other Operating Expenses	29	-	(13,122,870)
		<u>(65,969,682)</u>	<u>(72,193,144)</u>
Operating (Loss) / Profit		(526,353,274)	118,419,878
Finance Cost	30	(79,963,580)	(32,719,230)
Other Income	31	95,491,568	98,460,744
(Loss) / Profit Before Taxation		(512,825,286)	184,161,392
Taxation	32	(17,894,634)	(41,799,006)
(Loss) / Profit After Taxation		(530,719,920)	142,362,386
Other comprehensive income:			
Other comprehensive income / (Loss) which will not be reclassified to statement of profit or loss in subsequent periods			
Remeasurement of defined benefits		63,364	103,014
Deferred tax on remeasurement of defined benefits plan		(18,376)	(29,874)
		<u>44,988</u>	<u>73,140</u>
Total Comprehensive (Loss) / income for the year		<u>(530,674,932)</u>	<u>142,435,526</u>
(Loss) / Earnings Per Share (before tax) - Basic	33	(2.91)	1.05
(Loss) / Earnings Per Share (after tax) - Basic	33	(3.02)	0.81

The annexed notes from 1 to 45 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020**

	Note	2020 Rupees	Restated 2019 Rupees
Cash generated from operations	41	(948,928,282)	1,486,589,202
Gratuity Paid		(369,800)	(20,000)
Finance cost paid		(79,963,580)	(32,713,536)
Income Tax (paid) / refund received		(5,804,712)	(118,473,574)
Net Cash from Operating Activities		(1,035,066,374)	1,335,382,092
Cash Flows From Investing Activities:			
Fixed Capital Expenditure		(2,207,851,970)	(2,012,302,481)
Long Term Security deposit		-	(1,463,268)
Net Cash (used in) Investing Activities		(2,207,851,970)	(2,013,765,749)
Cash Flows From Financing Activities			
Short Term Finance		(40,000,000)	(178,997,000)
Long term finance		1,756,839,524	711,131,427
Associated undertaking		(39,749,512)	288,874,761
Director & Shareholders Loan		455,000,000	-
Net Cash from Financing Activities		2,132,090,012	821,009,188
Net increase / (Decrease) in Cash and Cash Equivalents		(1,110,828,332)	142,625,531
Cash and Cash Equivalents - at the beginning of the year		(448,090,042)	(590,715,573)
Cash and Cash Equivalents - at the end of the year	43	(1,558,918,374)	(448,090,042)

The annexed notes from 1 to 45 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

	Ordinary Share Capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Directors & Shareholders Loan (Rs.)	Capital Reserves		Total (Rs.)
				Revaluation Surplus (Rs.)	Gain on Disposal of Shares (Rs.)	
Balance as at July 01, 2018	1,760,000,000	585,116,210	1,515,674,892	1,466,834,998	126,978,994	5,434,405,094
Revaluation surplus on Property, Plant & Equipment	-	-	-	2,654,897,189	-	2,654,897,189
Total Comprehensive Income for the Year	-	142,465,400	-	-	-	142,465,400
Incremental depreciation	-	30,595,705	-	(30,595,705)	-	-
Balance as at June 30, 2019 as previously reported	1,760,000,000	738,177,315	1,515,674,892	4,090,936,482	126,978,994	8,231,767,683
Balance as at June 30, 2019 as restated	-	-	-	2,654,897,189	-	2,654,897,189
Revaluation surplus on Property, Plant & Equipment	-	-	-	-	-	-
Profit / (Loss) for the year	-	142,362,386	-	-	-	142,362,386
Other comprehensive income (Loss) for the year	-	73,140	-	-	-	73,140
Incremental depreciation	-	30,595,705	-	(30,595,705)	-	-
Balance as at June 30, 2019 as restated	1,760,000,000	738,147,441	1,515,674,892	4,090,936,482	126,978,994	8,231,737,809
Revaluation surplus on Property, Plant & Equipment	-	-	-	-	-	-
Profit / (Loss) for the year	-	(530,719,920)	-	-	-	(530,719,920)
Other comprehensive income (Loss) for the year	-	44,988	-	-	-	44,988
Directors & Shareholders loan	-	-	455,000,000	-	-	455,000,000
Incremental depreciation	-	83,270,065	-	(83,270,065)	-	-
Balance as at June 30, 2020	1,760,000,000	270,742,574	1,970,674,892	4,027,666,417	126,978,994	8,198,062,877

The annexed notes from 1 to 45 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

FLYING CEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND OPERATIONS

Flying Cement Company Limited (The Company) was incorporated in Pakistan as a Public Limited Company on December 24, 1992 under the Companies Ordinance, 1984. (Now the companies Act, 2017). The shares of the company are listed on Pakistan Stock Exchange Limited.

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

Business Unit	Geographical Location & Address
Head Office (Registered office)	01- Sarwar Colony Sarwar Road Cantt, Lahore.
Manufacturing Plant	25-Km. Lille Interchange Lahore - Islamabad Motorway, Mangowal Distt. Khoshab

- 1.1 On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The COVID 19 outbreak developed rapidly thereafter with a significant number of COVID-19 cases reported globally. The pandemic has resulted in consequences on health and society and on economy affecting the earnings and cash flows of businesses, after the announcement of lock-downs by the government authorities, resulting in closure of business operations except for specifically exempted industries. The management believes that due to the pandemic the Company's operations, financial position and results have been impacted only on a temporary basis and believes that as normalcy comes about, these impacts have started to recede.

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;
- Provisions of and directives issued under the Companies Act, 2017; and
- 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 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to approved accounting standards effective in current year

Following, standards, amendments and interpretation with respect to published accounting and reporting standards are effective from the date mentioned below.

- IFRS-9, Financial Instruments, (effective for annual periods ending on or after June 30, 2019).

IFRS-9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS-39 that relates to the classification and measurement of financial instruments. IFRS-9, retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI, and fair value through profit or loss. The basis of classification depends on the entity's business model and contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with irrevocable option at inception to present changes in fair value in OCI with no recycling in future. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

- IFRS 15 'Revenue from contract with customer' (effective for annual period beginning on or after July 1, 2018)

The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

- IFRS 16 'Leases' (effective from annual period on or after January 1, 2019).

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position. IFRS 16 supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a lease'.

- IFRIC 23 'Uncertainty over income tax treatments' (effective from accounting period beginning on or after January 1, 2019).

This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS interpretations committee had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

- Amendments to IFRS 9:

Prepayment Features with Negative Compensation Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

- Amendments to IAS 19:

Plan Amendment, Curtailment or Settlement The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

- **Amendments to IAS 28:**

Long-term interests in associates and joint ventures The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

- **Amendments to IFRS 3 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted.

- **Amendments to IFRS 11**

Joint Arrangements An entity that participates in, but does not have joint control of a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted.

- **Amendments to IAS 12, Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

- **Amendments to IAS 23, Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted. Since the Group's current practice is in line with these amendments, they had no impact on the Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Company.

SECP brought certain alterations in 4th schedule of the Companies Act, 2017, with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in these financial statements of the Company.

The following new standards and interpretations are not effective for the financial year beginning on July 1, 2019 and have not been early adopted by the company.

	Effective date
	(Annual periods beginning on or after)
Definition of a business-Amendments to IFRS-3	January 01, 2020
Interest rate benchmark reform-Amendments to IFRS-9, IAS-39, and IFRS-7	January 01, 2020
Definition of material-Amendments to IAS-1 and IAS-8	January 01, 2020
IFRS-7 Insurance Contracts	January 01, 2022

4 Significant Accounting Policies

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

4.1 Property, Plant and equipment

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

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

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

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

4.2 Capital Work In Progress

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

4.3 Stock - In - trade

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

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

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

4.4 Stores, spares & loose tools

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

4.5 Taxation

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

Current

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

Deferred

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

4.6 Trade debts and other receivables

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

4.7 Cash and Cash Equivalents

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

4.8 Trade and other payables

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

4.9 Financial Liabilities

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

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

4.10 Financial Assets

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

4.10.1 Classification

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

a) Financial assets at amortized cost

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

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

b) Financial assets at Fair Value through Other Comprehensive Income

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

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

c) Financial asset at fair value through Profit or loss

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

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

4.10.2 Recognition and Measurement

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

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

4.11 Offsetting of Financial Instruments

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 either 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.

4.12 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.

b) Cash flow Hedge

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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 Revenue recognition

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

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

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

- Interest income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.

4.18 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.

4.19 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 of actuarial recommendations. Actuarial valuation is carried out using the projected unit credit method. All actuarial gains and losses are recognized in other comprehensive income.

4.20 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.

4.21 Dividend and appropriations

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

4.22 Share Capital

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

		2020 Rupees	2019 Rupees
5	SHARE CAPITAL		
	a) Authorized Capital 200,000,000 (2019 : 200,000,000) ordinary shares of Rs.10/- each.	2,000,000,000	2,000,000,000
	b) Issued, Subscribed and Paid Up Capital		
	- 137,419,189 (2019 : 137,419,189) ordinary shares of Rs.10/- each fully paid up in cash.	1,374,191,890	1,374,191,890
	- 22,580,811 (2019: 22,580,811) ordinary shares of Rs. 10/- each fully paid up for consideration other than cash - Plant & Machinery	225,808,110	225,808,110
	- 16,000,000 (2019: 16,000,000) bonus shares of Rs.10/- each fully issued as bonus shares.	160,000,000	160,000,000
		1,760,000,000	1,760,000,000
5.1	All ordinary share holders have same rights regarding voting, board selection, right of first refusal and block voting		
6	RESERVES		
	Capital Reserve	6.1 126,978,994	126,978,994
	Revenue Reserve		
	Un-appropriated Profit/(Loss)	270,742,574	738,147,441
		397,721,568	865,126,435
6.1	Capital reserve consists of gain on disposal of 21,296,200 shares by directors / beneficial owners of the company in open market since 2008.		
7	LOANS FROM RELATED PARTIES - UNSECURED		
	Directors & shareholders loan	7.1 1,970,674,892	1,515,674,892
		1,970,674,892	1,515,674,892
7.1	The directors have personally financed a portion of the expansion project and the loan is interest free. The repayment of the loan will be made after the completion of the expansion project subject to availability of funds in cash through banking channel.		
8	SURPLUS ON REVALUATION OF FIXED ASSETS		
	Opening Balance of Revaluation Surplus	4,090,938,482	1,456,634,998
	Add Revaluation Surplus	-	2,654,897,189
		4,090,938,482	4,121,532,187
	Less: Surplus transferred to retained earnings (accumulated loss)		
	Incremental depreciation	89,112,767	43,092,542
	Deferred Tax effect	(25,842,702)	(12,496,837)
		63,270,065	30,595,705
		4,027,668,417	4,090,936,482
8.1	The company got its assets i.e. land, building, plant & machinery revalued on June 30, 2008 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. This amount was credited to Surplus on Revaluation of Fixed Assets account to comply with the requirements of fourth schedule of the Companies Act, 2017 and IAS 16. It includes surplus on revaluation of freehold land amounting to Rs.111.594 million (2019 Rs. 111.594 million).		
9	LONG TERM LIABILITIES		
	Loans from banking companies - secured	9.1 3,440,947,104	1,694,107,580
		3,440,947,104	1,694,107,580
9.1	LOANS FROM BANKING COMPANIES - SECURED		
	National Bank of Pakistan Demand Finance - 2	9.1.1 1,274,048,580	1,274,048,580
	National Bank of Pakistan Demand Finance -3	9.1.2 50,059,000	88,311,000
	National Bank of Pakistan Demand Finance -4	9.1.3 1,258,548,433	-
	National Bank of Pakistan Demand Finance -5	9.1.4 400,000,000	400,000,000
	Al Baraka Bank Diminishing Musharaka	9.1.5 478,543,091	-
		3,459,199,104	1,742,359,580
	Less: current portion shown under current liabilities	18,252,000	58,252,000
		3,440,947,104	1,694,107,580

- 9.1.1 The Company has availed facility of Demand finance of Rs.1,500 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charge of Rs.2,000 million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of all directors to finance up gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD. The facility rescheduled Rs.1274.049 million on 28-04-2019.

The facility includes a grace period of 2.25 years and principal to be repaid in 14 quarterly instalments of Rs.93.75 million each. The first instalment falls due at the end of 27th month from lodgment of import documents. Markup shall be charged at 3 Months KIBOR plus 1.5% p.a.

Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirement for up-gradation of production capacity to 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.

- 9.1.2 The Company has availed facility of 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 3 month KIBOR plus 2% p.a. The facility will expire on 31-03-2022 and 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 4000 TPD from 2000 TPD fresh facility (PKR equivalent of up to USD 8.882 Million calculated at conversion rate on the date of issuance of LC or PKR 133 USD which ever is lower i.e. maximum up to Rs.1,400 million (enhancement from 1,181.306 Million) against nil Cash Margin to retire import documents / to finance additional machinery arising due to modification in previous CAPEX in order to assure reliability of plant at 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. Upon retirement of each bill of exchange, customer shall deposit prorata amount of exchange difference over and above the DF limit of Rs.1,181.306 Million ensuring that NBP funded exposure remains within DF limit of Rs.1,181.306 Million. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.
- The Company has availed facility of Demand finance of Rs.1,181.306 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st 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 to 4000 tons per day (TPD) from 2000 TPD.
- 9.1.4 The Company has availed facility of Demand finance facility-V of Rs.400 million from National Bank of Pakistan secured against 1st Part Passu charge of Rs.533.6 million over all present and future fixed assets (Hypothecation/Mortgage) of the company, Mortgage of two leased residential properties of Sponsors of 5 & 5A, Bridge Colony, Abid Majeed Road, Lahore having forced sale value Rs.190.153 M and personal guarantees of all directors. The first instalment due at the end of 12th month from 06-02-2020. Markup shall be charged 3 month KIBOR plus 1.75% per annum.
- All these facilities also include commitment of sponsoring directors through pledge of shares.
- 9.1.5 A Diminishing Musharaka 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 PP charge over current assets of the company valuing Rs.144 million, 1st PP charge over Fixed assets of the company valuing Rs.862 million, and personal guarantee of all Directors of the company. Mark-up is charged 6 month KIBOR + 3%.

The Management of FCCL submitted restructuring / reprofiling of company debts

The NBP subsequently restructure the debt facility

The main features are as below:

- Request for allowing- Finance Facility of Rs.1400 (M)
- Request for allowing- DF Facility of Rs.610 (M)
- Request for allowing- Renewal of Usance LC limit for Rs.400 (M)
- Request for allowing- Rescheduling of DFII-Rs.1461.5 (M)
- Request for allowing- Rescheduling of DFIV-Rs.1181 (M)
- Request for allowing- Rescheduling of DF V-Rs.400 (M)

Below maintained rescheduling in a summarize form

No	Facility	Amount of Facility Rs.(M)	Instalment Start and end date before re-scheduling		Instalment Start and end date after re-scheduling	
			Start date	End Date	Start date	End Date
1	Demand Finance II	1,461.50	Mar-21	Jun-24	Dec-21	Mar-25
2	Demand Finance IV	1,181.00	Mar-21	Dec-24	Dec-21	Sep-25
3	Demand Finance V	400.00	Feb-20	Nov-24	Dec-21	Sep-26

The accounts effect will be given in the subsequent period of Balance Sheet.

Amount

Rs.(M)

- 1 Import LC - Usance (180-Days) Limit 300M
2 Import LC - Usance (180-Days) Limit 400M
3 Import / Inland LC - Usance (180-Days) Limit 1000M
4 CF -Hypo - Limit 100 M

207.00
293.00
800.00
100.00
1,400.00

2020	2019
Rupees	Rupees

- 10 Associated Companies - unsecured
Flying Paper Industries Limited
Flying Board & Paper Products Limited
Poly Paper & Board Mills (Pvt) Limited
Zamam Paper & Board Mills (Pvt) Limited

169,740,989
114,532,306
34,300,000
10,153,633

328,726,928 368,475,440

This includes markup free loan from associated companies that will be repayable on demand with subject to availability of fund.

- 11 LONG TERM DEPOSITS- unsecured

Dealers

11.1

2,805,000 2,805,000

Transporters

11.2

11,200,340 11,200,340

14,005,340 14,005,340

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

		2020 Rupees	2019 Rupees
12 DEFERRED LIABILITIES			
Deferred Taxation	12.1	581,478,388	581,190,352
Gratuity	12.2	1,275,308	1,240,660
		582,753,672	582,431,012
12.1 Deferred Taxation - Net			
Taxable temporary differences - effect thereof			
- Excess of accounting book value of fixed assets over their tax base		1,129,188,533	1,138,583,749
Deductible temporary differences - effect thereof			
- Gratuity		(368,830)	(358,791)
- Excess Tax / Minimum Tax		(17,824,996)	(42,122,946)
- WPPF & WWF		(6,920,640)	(9,381,262)
Remeasurement of defined benefits		18,376	28,674
- Unused tax losses		(523,223,068)	(505,559,272)
		581,478,388	581,190,352
12.2 The amounts recognized in the statement of financial position based on the recent actuarial valuation carried on June 30, 2020 are as follows			
12.2.1 Statement of Financial Position			
Present value of defined benefit obligation plus payable		1,275,308	1,240,660
Balance sheet liability / (asset)		1,275,308	1,240,660
12.2.2 Change in present value of defined benefits obligations			
Present value of defined benefit obligation		1,240,660	963,735
Current service cost		317,364	314,103
Past service cost (credit)		-	-
Interest cost on defined benefit obligation		150,446	85,836
Benefits due but not paid (payable)		-	-
Benefits paid		(368,800)	(20,000)
Gains and losses arising on plan settlements		-	-
Remeasurements			
Actuarial (gains) / losses from changes in demographic assumptions		-	-
Actuarial (gains) / losses from changes in financial assumptions		(7,106)	11,556
Experience adjustments		(58,258)	(114,570)
Present value of defined benefit obligation		1,275,308	1,240,660
Expenses to be charges			
12.2.3 Current service cost		317,364	314,103
Past service cost (credit)		-	-
Gains and losses arising on plan settlements		-	-
Interest cost on defined benefit obligation		150,446	85,836
Expenses charged to profit and loss		467,810	399,939
12.2.4 The charge for the year has been allocated as follows:			
Cost of sales		-	-
Distribution cost		-	-
Administrative expenses		150,446	399,939
Cost of sale of electricity		-	-
		150,446	399,939
12.2.5 Principal actuarial assumptions used are as follows:			
Expected rate of increase in salary level		N/A	13.25%
Valuation discount rate		5.50%	14.25%
The entity operates a salary based defined benefit plan for the employees.			
Expected charge to profit and loss account for year ended June 30, 2021 amount to Rs.204,392.			
12.2.6 Sensitivity analysis			
A sensitivity analysis for the above principal actuarial assumptions as of the statement of financial position date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:			
Discount rate + 100 bps		1,231,773	(69,560)
Discount rate - 100 bps		(1,322,089)	77,284
Salary increases + 100 bps		1,323,864	78,861
Salary increases - 100 bps		(1,230,181)	72,162
12.2.7 Maturity profile of the defined benefit obligation:			
Weighted average duration - in number of years		6 Years	6 Years
The retirement will at most continue - year		2026	2025
12.2.8 Description of the risks to the Company			
The defined benefit plan exposes the Company to the following risks:			
Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries service/age distribution and the benefit.			
Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.			
Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.			

	2020 Rupees	2019 Rupees
13 TRADE AND OTHER PAYABLES		
Trade Payables & others - unsecured	948,144,914	630,314,566
Accrued liabilities	35,324,165	8,115,132
Accrued Markup	222,427,457	57,818,211
Taxes and Other Govt. Levies payable	88,334,666	101,560,745
Other liabilities	181,362,219	1,843,088
Payable Director, Shareholders	13.1	744,442,920
	2,209,036,341	1,981,577,662

13.1 The directors paid from their own sources and adjusted different creditors outstanding in the company account. This amount is repayable on demand subject to availability of fund.

14 UNCLAIMED DIVIDEND

It represent amount of unclaimed dividend pertaining to past years and is still un claimed. This amount is being transferred to a profit bearing account and profit will be utilized for corporate social responsibilities and other specific purposes.

15 SHORT TERM FINANCES

Loans from banking companies-secured	15.1	1,582,311,299	506,777,638
		1,582,311,299	506,777,638
15.1 LOANS FROM BANKING COMPANIES-SECURED			
Banks - secured			
Albaraka Islamic Bank	15.1.1	298,221,165	351,280,892
National Bank of Pakistan	15.1.2	1,184,090,134	55,496,746
National Bank of Pakistan (Cash Finance)		100,000,000	100,000,000
		1,582,311,299	506,777,638

15.1.1 A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (2019: Rs. 257.50 million) is obtained from Albaraka Islamic Bank (Pakistan) Limited with a sub limit of letter of guarantee of Rs. 0.20 million (2019: Rs. 0.20 million), Rs 20 Million LC Usance / Acceptance facility against 100% Cash Margin, Rs 50 Million LC Sight/Usance clubbed with similar credit limit of Flying Paper Industries Limited, Rs 235 Million LC Usance/Acceptance (DTT) to meet the contractual and import requirements of the company. The finance is secured against Ranking charge over current assets of the company valuing Rs. 144 million, Ranking charge over Fixed assets of the company valuing Rs.300 million, lien over import documents valuing Rs. 277.5 million and personal guarantee of all Directors of the company. Markup is charged as per bank's Schedule of charges. This facility is converted into Diminishing Musharika Facility of Rs 600 (Million).

15.1.2 During the year Company has enhanced financing from National Bank of Pakistan through letter of credit facility of usance (180 Days) to Rs. 700 million (wherein Rs 400 Million and Rs 300 Million are regular limits) from 300 million at 20% Cash Margin with expiry of 31-03-2020 and Rs 400 Million at 20 % cash Margin with expiry 31-12-2019 for the purpose of Importing coal, packing material and machinery parts to be repaid through Internal Cash Flows routed through Sinking Fund created for the purpose. The facility is secured against 1st charge of Rs.934 million over all present and future fixed assets of the Company, personal guarantees of all Directors, Accepted Bills of Exchange and Trust Receipt.

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

The Company has availed facility of Demand finance of Rs 1,500 million with sub-limit of Import LC-Sight from National Bank of Pakistan at 25% Margin over Fixed Assets secured against 1st charges of Rs.2,000 million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of all directors to finance up gradation of production capacity to 4000 tons per day (TPD) from 2000 TPD.

The facility includes a grace period of one year and principal to be repaid in 14 quarterly instalments of Rs.83.75 million each. The first installment falls due at the end of 15th month from lodgement of import documents. Markup shall be charged at 3 Months KIBOR plus 1.5% p.a

Sub-limit of LC-Sight includes facility of Rs.1,450 million against nil Cash Margin to finance import requirement for up-gradation of production capacity to 4000 TPD from 2000 TPD secured against lien on documents of title to Goods and same security packages and sponsor commitment as for Demand finance facility. The facility will expire on sight and repayment against the facility will be through disbursement of demand finance / own source of company.

Fresh Cash Finance - Hypo Facility for Rs. 100 M to Finance working capital requirement of the company against First Pari Passu charge of the company amounting to Rs 133.50 Million, First Charge over fixed assets of the company amounting to Rs 133.50 Million and personal guarantees of all Directors.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.2 The Albaraka Islamic Bank has issued letter of guarantees on behalf of the company for the following:

- Excise Collection Office, Sindh Development & Maintenance amounting to Rs. 0.20 million

16.3 The Competition Commission of Pakistan (CCP) has issued a show cause notice to the company for an increase in prices of cement across the country. As a result of it an amount of Rs. 12 million was imposed as a penalty. The case is currently before the Honorable High Court. The Court granted the stay order restricting the CCP to pass any adverse order(s) against the show cause notices issued to the cement manufacturers. Starting date of hearing in the Court was 11-11-2008.

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

Commitments

Commitments in respect of outstanding letter of credit amount to Rs1,411,789(M) (2019 Rs.2012,588(M)). It includes letter of credit facilities for procurement of new cement production plant and parts of machinery

	2020 Rupees	2019 Rupees
17 PROPERTY, PLANT & EQUIPMENT		
Operating Assets - tangible	17.1	6,775,059,833
Capital Work in Progress - at cost	17.11	5,511,813,880
		12,286,873,713
		11,216,453,717

Particulars	As at 01-07-2019		Addition/ (Deduction)		Cost / Revaluation		As at 30-06-2020		Rate %	Accumulated Depreciation		As at 30-06-2020	Book value as at 30-06-2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.		
Owned Assets													
Land - freehold	13,123,748	-	-	-	-	-	13,123,748	-	2	-	-	-	13,123,748
Revaluation	111,693,754	-	-	-	-	-	111,693,754	-	-	-	-	-	111,693,754
Total	124,717,500	-	-	-	-	-	124,717,500	-	-	-	-	-	124,717,500
Building-on freehold land	202,730,850	-	-	-	-	-	202,730,850	-	2	4,122,169	4,122,169	90,744,589	201,996,261
Revaluation	324,893,732	-	-	-	-	-	324,893,732	-	2	5,187,594	5,187,594	71,481,646	253,212,088
Total	617,424,602	-	-	-	-	-	617,424,602	-	-	9,289,763	9,289,763	162,226,235	488,198,347
Roads	5,514,865	-	-	-	-	-	5,514,865	-	2	1,684,888	1,684,888	1,761,686	3,753,279
Plant & machinery	2,805,646,474	-	-	-	-	-	2,805,646,474	-	2	504,205,144	42,024,627	546,229,871	2,068,216,603
Revaluation	4,755,148,781	-	-	-	-	-	4,755,148,781	-	2	507,690,121	83,945,173	651,835,294	4,113,313,487
Total	7,370,895,365	-	-	-	-	-	7,370,895,365	-	-	1,011,895,268	1,011,895,268	1,168,066,365	6,172,330,000
Electrical installations	23,026,765	50,000	-	-	-	-	23,079,765	-	10	12,443,072	1,063,671	13,506,743	9,573,042
Tools & equipment	1,391,363	-	-	-	-	-	1,391,363	-	10	956,771	45,458	982,230	409,133
Furniture, fixtures & equipment	1,524,308	-	-	-	-	-	1,524,308	-	10	1,156,647	36,566	1,193,213	329,096
Vehicles	28,020,385	-	-	-	-	-	28,020,385	-	10	18,530,072	340,037	17,479,345	8,549,036
Total	5,179,327,854	50,000	-	-	-	-	5,179,327,854	-	-	137,431,664	137,431,664	1,395,217,221	6,775,059,833

2019	2020
Rs.	Rs.

17.2 Depreciation for the year has been absorbed as under:
Cost of Goods Sold
Administrative expenses

136,445,491	81,198,300
966,093	620,573
137,431,664	82,128,873

17.3 Movement in Capital Work In Progress

	As at 01-07-2019	Addition	Adjustment	Revaluation	As at 30-06-2020
Building	187,968,542	26,087,700	-	-	223,997,242
Revaluation	132,392,345	-	-	-	132,392,345
Total	320,360,887	26,087,700	-	-	356,448,086
Plant & machinery	3,702,881,438	2,181,714,270	-	-	5,974,395,708
Revaluation	181,000,964	-	-	-	181,000,964
Total	3,877,790,000	2,181,714,270	-	-	6,156,484,270
Total	4,304,011,890	2,207,801,970	-	-	6,511,813,860

17.4 The company have revalued its Land, Building and Plant & Machinery. Revaluation of the assets was carried out by independent valuer M/S Habib Associates (Pvt) Limited on June 30, 2019. The total main value of Land is Rs. 124,717,500 Building is Rs. 464,488,100 and Plant & machinery is Rs. 2,985,300,000 as per valuation report was Rs. 6,897,705,810

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

Location	Usage	Area
25-4th Lila Hiranagar Lahore - Islamabad Motorway, Margowal Divil, Khanhab	For production purpose	120 Acres 4 Kanal

Particulars	Cost / Revaluation			Accumulated Depreciation		Book value as at 30-06-2019 Rs.
	As at 01-07-2018 Rs.	Addition/ (Deletion) Rs.	Adjustment Rs.	As at 01-07-2018 Rs.	For the period Adjustment Rs.	
Owned Assets -						
Land - freehold Revaluation	10,761,248 114,261,254	2,362,500 -	- (2,067,500)	- -	- -	13,123,748 111,553,754
Building-on freehold land Revaluation	125,022,500	2,382,500	(2,657,500)	-	-	124,747,500
Roads	282,730,850	-	-	4,208,294	-	286,939,144
Plant & machinery Revaluation	287,101,561	-	37,592,081	4,505,869	-	334,199,511
Electrical installations Tools & equipment	5,514,865	-	-	5,712,163	-	11,227,028
Furniture, fixtures & equipment	2,603,793,127	101,683,347	-	43,807,714	-	2,748,683,768
Vehicles	2,458,637,095	-	2,305,511,696	38,589,673	-	5,063,748,364
	4,962,420,222	101,683,347	2,306,511,696	79,394,387	-	8,298,500,000
	21,972,765	1,057,000	-	1,176,302	-	23,126,067
	1,391,363	-	-	50,510	-	1,441,873
	1,624,309	-	-	40,629	-	1,664,938
	25,991,385	38,000	-	1,065,486	-	27,094,871
Total	5,723,669,930	105,126,947	2,341,436,277	90,507,638	-	8,170,227,054

17.7 Depreciation for the year has been allocated as under:

Cost of Goods Sold
Administrative expenses

17.8 Movement in Capital Work in Progress

	As at 01-07-2018	Addition	Adjustment	Revaluation	As at 30-06-2019
Building Revaluation	167,274,390	30,595,152	-	-	197,869,542
Plant & machinery Revaluation	167,274,390	30,595,152	-	132,362,348	330,261,890
	1,916,094,954	1,978,249,029	101,663,347	-	3,795,007,330
	1,916,094,954	1,978,249,029	101,663,347	181,068,564	3,973,760,000
Total	2,003,369,344	2,009,944,981	101,663,347	313,460,912	4,304,011,890

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

Location
Usage
Area

26-Km. Lilla Interchange Lahore - Islamabad Motorway, Mangowal Dielt, Khiprab
For production purposes
120 Acres 4 Kanal

	2018	2018
	Rupees	Rupees
	91,198,300	91,198,300
	930,573	930,573
	<u>90,507,638</u>	<u>90,507,638</u>

	2020 Rupees	2019 Rupees
17.10 Had there been no revaluation the carrying amount of the assets would be:		
Land	13,123,746	13,123,746
Building	201,986,281	206,108,430
Plant & Machinery	2,059,216,503	2,101,241,330
	2,274,326,510	2,320,473,506

17.11 CAPITAL WORK IN PROGRESS

Building	356,340,580	330,261,890
Plant & machinery	6,155,464,270	3,973,750,000
	6,511,813,880	4,304,011,890

18 Restatement of Deferred Tax Assets and other Comprehensive Income/ (Loss)

The Company has restated the opening Deferred Tax Assets and Other Comprehensive Income/ (Loss) in accordance with the requirement of IAS 12 "Income Taxes". Changes in these financial statements are incorporated and presented from the previous year 2019.

In view of above, for better presentation and treatment of respective accounts, restated data is given below:

Effect of Restatement of Deferred Tax Assets

	Rupees As Previously reported	Rupees As restated	Rupees Impact of restatement
Statement of Financial Position			
Deferred tax liabilities	582,401,138	582,431,012	29,874
Unappropriated Profit	738,177,315	738,147,441	(29,874)
Other Comprehensive Income / (Loss)			
Remeasurement of defined benefits	103,014	73,140	29,874
Total comprehensive income for the year	142,465,400	142,435,526	29,874
Statement of Change in Equity			
Other comprehensive income / (Loss)	103,014	73,140	29,874
Unappropriated Profit	142,465,400	142,435,526	29,874

19 LONG TERM SECURITY DEPOSITS

Security deposits-WAPDA	32,880,151	32,880,151
	32,880,151	32,880,151

19.1 These are security deposits held with WAPDA and do not carry any markup arrangement.

20 STORES, SPARES AND LOOSE TOOLS

Stores & Spares	6,210,934	13,760,921
Furnace oil, coal & lubricants	792,892,745	737,561,416
	799,103,679	751,322,337

21 STOCK IN TRADE

Raw & Packing material	145,093,288	89,737,072
Work in process	26	1,145,936,536
Finished goods	26	16,287,187
	1,307,317,011	457,639,437

22 TRADE DEBTS- considered good though unsecured

	3,489,783	10,031,693
--	------------------	-------------------

23 ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES

Advances to suppliers - Unsecured, considered good	46,378,231	16,847,094
Advances to staff - Unsecured, considered good	-	305,400
Margin held by banks	29,800,026	145,566,282
Refundable income tax	343,322,487	333,332,117
Sales tax & excise duty tax year 2013	20,000,000	20,000,000
Other advances	341,629,397	274,573,447
	781,130,141	789,624,340

24 CASH AND BANK BALANCES

In Hand	838,641	8,090,882
At Banks- current accounts	22,554,284	50,596,714
	23,392,925	58,687,596

	2020 Rupees	2019 Rupees
25 SALES		
Gross Sales		
Local - Cement	713,315,174	4,717,351,696
Material Transferred to Associate & Agricultural produce	658,882,504	104,421,135
	1,372,197,678	4,821,772,831
Less :		
Sales Tax	116,134,264	766,201,201
Excise Duty	173,914,000	772,335,000
Rebate/Commission on Sales	2,641,280	12,881,720
	292,689,544	1,550,397,921
NET SALES	1,079,508,134	3,271,374,910
26 COST OF SALES		
Raw Material Consumed	26,161,617	75,083,061
Furnace Oil, Diesel, Coal and Lubricants consumed	655,905,377	1,129,435,300
Pecking Material consumed	84,718,629	401,619,381
Stores and Spares consumed	793,604	4,106,284
Material Transferred to Associate and Agricultural produce	629,166,431	85,235,500
Salaries, Wages and Benefits	85,789,320	89,888,799
Water Charges	-	9,481,616
Electricity	791,176,395	1,235,109,289
Extraction Charges and government charges	32,410,750	48,155,300
Repair and Maintenance	1,724,552	2,278,045
Vehicle Running Expenses	1,249,335	2,789,077
Communication	66,350	141,430
Entertainment	17,680	2,280
Printing and Stationery	105,098	331,650
Travelling and Conveyance	25,400	102,920
Other Manufacturing Expenses	456,855	1,594,352
Depreciation	17.1	136,445,491
	2,336,213,084	3,152,544,787
Work In Process		
Opening stock	343,225,402	284,575,094
Closing stock	(1,145,936,536)	(343,225,402)
	(802,711,134)	(58,650,308)
Cost of Goods Manufactured	1,533,501,950	3,093,894,479
Finished Goods		
Opening stock	24,675,963	11,544,372
Closing stock	(16,287,187)	(24,675,963)
	8,388,776	(13,132,591)
Cost of Sales	1,541,891,726	3,080,761,888
27 DISTRIBUTION COST		
Salaries, Wages and Benefits	7,938,149	8,586,410
Rent, Rates and Taxes	166,000	271,800
Travelling, Conveyance and Vehicle Running	4,800	19,050
Communication	15,600	47,720
Electricity, Water & Sui Gas	6,183	24,785
Advertisement	142,300	126,800
Entertainment & Miscellaneous	25,463	14,720
	8,290,495	9,091,095

	2020 Rupees	2019 Rupees
28 ADMINISTRATIVE EXPENSES		
Salaries , Wages and Benefits	28.1 14,217,816	10,663,879
Directors' Remuneration	22,800,000	22,800,000
Travelling, Conveyance and Vehicle Running	-	211,000
Legal and Professional	2,799,000	2,606,000
Communication	1,701,291	2,748,803
Charity and Donation	28.2 92,000	277,700
Fee and Subscription	7,628,569	2,709,194
Insurance	6,205,160	5,846,466
Auditors' Remuneration	29.1 1,070,000	1,020,000
Fine & Penalties	178,858	-
Depreciation	17.2 986,503	1,096,115
	57,679,187	49,979,179

28.1 Salaries , Wages and Benefits includes Rs467,810/- (2019: Rs. 399,939/-) in respect of gratuity.

28.2 The company has paid the charity and donation of Rs. 92,000/-(2019: Rs.277,700/-) and directors or their spouses were not interested in the donee.

29 OTHER EXPENSES

Workers' Profit Participation Fund	-	9,864,213
Workers' Welfare Fund	-	3,258,667
	-	13,122,870

29.1 Auditors' Remuneration

Audit Fee	800,000	750,000
Half yearly review and CCG certification	220,000	220,000
Out of pocket expenses	50,000	50,000
	1,070,000	1,020,000

30 FINANCE COST

Mark up	79,577,134	31,639,284
Bank Charges and Commission	386,446	1,079,946
	79,963,580	32,719,230

31 OTHER INCOME

Sale of Trees, Scrap and damaged stock	82,981,120	48,906,000
Creditors written off (Over Three Years)	32,510,448	51,554,744
	95,491,568	98,460,744

	2020 Rupees	2019 Rupees
32 TAXATION		
Prior	-	9,965,564
Current	17,624,996	42,122,946
	17,624,996	52,088,510
Deferred	269,638	(10,289,504)
	17,894,634	41,799,006

32.1 Numerical reconciliation between the average tax rate and applicable tax rate has not been presented as the company is subject to the provisions of minimum tax under section 113 and alternate corporate tax under section 113 C of the Income Tax Ordinance, 2001.

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

33 EARNINGS / (LOSS) PER SHARE-BASIC

There is no dilutive effect on the earnings per share, and basic earnings per share is based on:
Profit/(Loss) before taxation

	(512,825,286)	184,161,392
Profit / (Loss) after taxation	(530,719,920)	142,362,386
	(No. of shares)	
Weighted average number of ordinary shares	176,000,000	176,000,000

33.1 Earnings/(Loss) per share (before tax) - Basic

	(2.91)	1.05
--	---------------	-------------

33.2 Earnings/(Loss) per share (after tax) - Basic

	(3.02)	0.81
--	---------------	-------------

34 NUMBER OF EMPLOYEES

Number of employees at the end of year

415

398

Average number of employees during the year

415

400

35 RELATED PARTIES TRANSACTIONS

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

Nature of transaction

Purchase of goods, services

Relationship

	2020 Rupees	2019 Rupees
Flying Paper Industries Limited	170,460,725	66,037,714
Flying Board & Paper Products Limited	-	45,836,624
	170,460,725	131,674,338

Nature of transaction

Sales of goods, services

Relationship

Flying Board & Paper Products Limited

Associate

	25,194,000	24,235,500
	25,194,000	24,235,500

Loan Received from

Relationship

Kamran Khan

Director

200,000,000

-

Momin Qamar

Director

200,000,000

-

Samina Kamran

Director

55,000,000

-

35.1 Year end balances

Payable to related parties

10

328,726,928

368,476,440

Receivable from related parties

45,332,135

4,311,307

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

35.3 The maximum balance was outstanding as at 30th June 2020 shown in note above.

Name	Basis of association	Aggregate % of Shareholding
Flying Paper Industries Limited	Associated Company - Common share holding	Nil
Flying Board & Paper Products Limited	Associated Company - Common share holding	Nil
Zaman Paper & Board Mill (Private) Limited	Associated Company - Common share holding	Nil
Poly Paper & Board Mills (Private) Limited	Associated Company - Common share holding	Nil

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

	Short Term Finance	Long term loan	Associated under taking	Director Loan	Retained earnings	Total
Balance as on 01 July 2019	506,777,638	1,684,107,580	368,476,440	1,515,674,892	738,147,441	4,813,183,991
Increase / (Decrease)						-
Short Term Finance	1,075,533,661					1,075,533,661
Long term finance		1,756,839,524				1,756,839,524
Director & Shareholders Loan				455,000,000		455,000,000
Associated Undertaking			(39,749,512)			(39,749,512)
Total comprehensive Profit / (Loss) for the year					(530,674,932)	(530,674,932)
Incremental depreciation					63,315,053	63,315,053
Balance as on 30 June 2020	1,582,311,299	3,440,947,104	328,726,928	1,970,674,892	270,787,562	7,593,447,785

Re-stated

37 FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor the risks and adherence to the limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Company oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Company. The Board is assisted in its oversight role by Internal Audit Function. Internal Audit Function undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

37.1 Credit risk

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

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

	2020 Rupees	2019 Rupees
Trade debtors	3,488,783	10,031,883
Advances, deposits, prepayments and other receivables	33,489,839	140,541,491
Cash at banks	22,554,284	50,598,714
	59,532,906	210,169,888

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

The aging of trade receivables at the reporting date:

Not past due	907,064	2,808,240
Past due 1-30 days	1,290,850	3,711,728
Past due 31-60 days	767,532	2,206,972
Past due 61-90 days	313,890	902,852
Over 90 days	206,327	601,907
	3,488,783	10,031,883

The carrying amount of financial liabilities represent. The maximum exposure to credit risk at reporting date was:

Long term creditors - unsecured	-	-
---------------------------------	---	---

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

37.2 Liquidity risk

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

The Table below show :-

At June 30, 2020	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	5,740,348,924	5,740,348,924	9,126,000	112,002,000	491,857,000	5,127,863,924
Trade and other payables	1,889,274,218	1,889,274,218	1,889,274,218	-	-	-
Accrued Markup	222,427,457	222,427,457	222,427,457	-	-	-
Short term borrowings	1,582,311,299	1,582,311,299	1,582,311,299	-	-	-
	9,434,381,898	9,434,381,898	3,703,138,974	112,002,000	491,857,000	5,127,863,924
At June 30, 2019	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
Long term finances	3,588,258,912	3,588,258,912	9,126,000	49,126,000	1,275,779,000	2,234,227,912
Trade and other payables	1,822,198,706	1,822,198,706	1,822,198,706	-	-	-
Accrued Markup	57,818,211	57,818,211	57,818,211	-	-	-
Short term borrowings	506,777,638	506,777,638	506,777,638	-	-	-
	5,965,053,467	5,965,053,467	2,385,920,555	49,126,000	1,275,779,000	2,234,227,912

37.3 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 rate only.

37.3.1 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)	
	2020	2019	2020	2019
Financial Liabilities				
Variable Rate Instruments:				
Short term borrowings	8.78	14.72	1,582,311,299	508,777,838
Long term borrowings	9.28	14.72	3,458,198,104	1,742,359,560

37.3.1.1 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.

37.3.1.2 Cash flow sensitivity analysis for various rate instruments

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

	Rupees	
	Increase Profit	Decrease Profit
As at June 30, 2020	50,415,184	(50,415,184)
As at June 30, 2019	22,481,372	(22,481,372)

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

37.3.2 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.

37.3.3 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 when receivable and payable exist due to transactions entered into foreign currencies. The company is exposed to currency risk on Import of machinery mainly dominated in US dollars. The Company's exposure to foreign currency risk for US dollars is as follows:

	2020	2019
	Rupees	Rupees
Outstanding letter of credits	1,482,311,299	408,777,838
Average rate	155.84	140.56
Reporting date rate	167.88	158.89

37.3.3.1 Sensitivity Analysis

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

The effect on profit and loss account is

	148,231,130	40,877,784
--	-------------	------------

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.

37.4 Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying value of all financial assets and liabilities reflected in the financial statements approximate fair value.

	30-06-20			30-06-19		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Land	124,717,500	-	-	124,717,500	-	-
Building	455,198,347	-	-	464,488,110	-	-
Plant and Machinery	6,172,530,000	-	-	6,288,500,000	-	-

38 Capital Risk Management

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

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

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

	2020	2019
	Rupees	Rupees
Total Borrowings	7,322,880,233	4,075,036,550
Total Equity	8,188,982,877	8,231,787,983
Total Capital Employed	15,478,723,109	12,308,804,233
Gearing Ratio	47.31%	33.11%

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Managerial remuneration	876,000	870,000	8,727,273	8,727,273	12,000,000	12,000,000	7,500,000	8,511,000
Medical allowance	87,600	87,800	872,727	872,727	1,200,000	1,200,000	790,000	551,100
	963,600	963,800	9,600,000	9,600,000	13,200,000	13,200,000	8,290,000	7,162,100
Number of persons	1	1	1	1	2	2	18	14

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

40 PRODUCTION CAPACITY

	Installed Capacity		Actual production	
	2020	2019	2020	2019
	Tons	Tons	Tons	Tons
Clinker	886,000	886,000	188,878	468,771
Cement	720,000	720,000	86,400	514,600

Reason for shortfall of production

The factory remained under production of the capacity due to old and obsolete plant. Covid 19 further aggravated the situation and production activities had been halted altogether since March 2020 to end of the financial year.

41 Cash Flows from Operating Activities

	2020 Rupees	2019 Rupees
Profit / (Loss) for the period - before taxation	(512,825,290)	184,151,392
Adjustment for:		
Depreciation	137,431,894	80,507,038
Creditors written off	(32,910,448)	(51,554,744)
Provision for Gratuity	467,810	399,039
Finance cost	78,883,580	32,719,230
	165,352,836	72,072,053
(Increase) / decrease in current assets	(327,472,330)	258,233,455
(Increase) / decrease in current liabilities	(47,781,342)	(23,333,773)
(Increase) / Decrease in Stock-in-trade	(848,877,574)	(140,777,017)
(Increase) / decrease in Trade debts	6,542,918	(1,441,568)
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	18,484,000	1,048,351,294
	(872,431,437)	882,828,945
(Increase) / decrease in current liabilities	299,875,505	347,526,801
Increase (Decrease) in Trade and other Payables	(948,928,282)	1,486,589,202
Cash generated from operations		

42 FINANCIAL INSTRUMENTS BY CATEGORIES

IAS 38 Measurement Category

As at June 30, 2020

	Carrying amount Before release/floatation	Fair Value Through Profit or loss	IFRS 9 Measurement Category	
			Amortized Cost	Fair Value through OCI
Financial Assets				
Trade Debts	3,488,783	-	3,488,783	-
Advances, Deposits and prepayments	417,807,584	-	417,807,584	-
Cash and Bank Balances	23,392,925	-	23,392,925	-
	444,689,292	-	444,689,292	-

As at June 30, 2019

Trade Debts	10,031,693	-	10,031,693	-
Advances, Deposits and prepayments	436,292,223	-	436,292,223	-
Cash and Bank Balances	58,687,596	-	58,687,596	-
	505,011,512	-	505,011,512	-

Financial Liabilities

As at June 30, 2020

Trade and other Payables	2,111,701,575	-	2,111,701,575	-
Un-claimed Dividend	59,526	-	59,526	-
Short Term Borrowings	1,582,311,298	-	1,582,311,298	-
Long term liabilities	3,440,947,104	-	3,440,947,104	-
Long term deposits	14,005,340	-	14,005,340	-
	7,148,924,844	-	7,148,924,844	-

As at June 30, 2019

Trade and other Payables	1,880,016,817	-	1,880,016,817	-
Un-claimed Dividend	53,148	-	53,148	-
Short Term Borrowings	506,777,836	-	506,777,836	-
Long term liabilities	1,664,107,580	-	1,664,107,580	-
Long term deposits	14,005,340	-	14,005,340	-
	4,064,960,623	-	4,064,960,623	-

	2020 Rupees	2019 Rupees
Cash & Bank balances	23,392,925	58,667,596
Short term finances	<u>(1,582,311,299)</u>	<u>(506,777,638)</u>
	<u>(1,558,918,374)</u>	<u>(448,090,042)</u>

43 CASH AND CASH EQUIVALENTS

Cash & Bank balances
Short term finances

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 05 , 2020 by the board of directors of the company.

45 GENERAL

- Figures in the financial statements have been rounded off to the nearest rupee.
- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

Operating and Financial Data

Particulars	2020	2019	2018	2017	2016	2015
Operating Results (Rs.)						
Net Sales	1,079,508,134	3,271,374,910	2,910,361,399	2,470,224,763	2,475,777,927	2,222,797,816
Gross Profit / (Loss)	(462,383,592)	190,613,022	256,884,983	203,356,804	166,714,477	119,612,703
Pre tax profit / (loss)	(512,825,286)	184,161,392	233,134,349	198,880,723	195,334,906	188,375,282
After tax profit / (loss)	(530,718,920)	142,382,386	181,507,789	181,255,848	145,696,468	117,134,811
Financial Position (Rs.)						
Current Assets	3,003,401,243	2,220,207,707	3,090,355,949	1,573,418,169	1,018,604,825	895,780,306
Current Liabilities	3,800,659,186	2,584,515,474	2,863,864,615	1,821,319,033	1,771,924,390	1,805,745,250
Property, Plant & Equipment	13,286,873,693	11,216,453,717	6,639,761,686	5,636,893,465	5,282,375,198	5,163,980,638
Total Assets	16,323,155,087	13,469,541,575	9,761,534,518	7,228,904,794	6,319,573,183	6,101,534,104
Long Term Liabilities	3,769,674,032	2,056,851,940	1,056,845,752	1,077,007,253	377,692,765	278,389,686
Shareholders Equity	8,156,062,877	8,231,787,683	5,434,405,094	2,239,767,159	2,047,028,785	1,869,218,800
Ratios (%)						
Current Ratio	0.79	0.86	1.16	0.86	0.57	0.50
Debt to Equity Ratio	47.31%	31.05%	37.20%	32.57%	17.22%	13.75%
Gross Profit to Sale Ratio	-42.83%	5.83%	8.83%	8.23%	6.73%	5.38%
Net Profit to Sales Ratio (before tax)	-47.51%	5.63%	8.01%	8.05%	7.89%	8.47%
(Loss) / Earnings Per Share (Rs.)						
Basic (before tax)	(2.91)	1.05	1.32	1.13	1.11	1.07
Basic (after tax)	(3.02)	0.81	1.03	0.92	0.83	0.67

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2020

No. of Shareholders	Having Shares		Total Shares Held
	From	To	
626	1	100	26854
385	101	500	165892
1312	501	1000	885957
657	1001	5000	1749417
172	5001	10000	1384488
77	10001	15000	995701
45	15001	20000	825200
23	20001	25000	553650
17	25001	30000	486000
5	30001	35000	164200
6	35001	40000	234500
6	40001	45000	254500
11	45001	50000	544500
3	50001	55000	159549
2	55001	60000	112500
4	60001	65000	250800
3	65001	70000	206000
4	70001	75000	287500
2	75001	80000	156500
3	80001	85000	252500
1	85001	90000	89500
1	90001	95000	94000
7	95001	100000	698000
4	105001	110000	435500
3	110001	115000	340500
2	120001	125000	250000
1	125001	130000	126000
1	145001	150000	145101
1	175001	180000	179500
1	195001	200000	200000
1	225001	230000	230000
1	235001	240000	237500
1	245001	250000	250000
1	345001	350000	350000
1	375001	380000	380000
1	845001	850000	850000
1	1120001	1125000	1120500
1	2160001	2165000	2160050
1	2650001	2655000	2656000
1	3510001	3515000	3510492
1	3575001	3580000	3580000
1	5035001	5040000	5039280
1	5775001	5780000	5776500
1	7005001	7010000	7009400
1	7230001	7235000	7230291
1	9180001	9185000	9180500
1	11055001	11060000	11055550
1	11080001	11085000	11082007
1	14600001	14605000	14604474
1	14820001	14825000	14824314
1	15255001	15260000	15256500
1	18295001	18300000	18297298
1	29065001	29070000	29065035
3408	Total		176000000

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2020

Particulars	Shareholders	Shares held	Percentage
Directors, CEO, Spouse & Children	11	116,718,908	66.3176
Banks, DFI, NBFII	1	25,000	0.0142
Modarabas, Mutual Funds	1	5,000	0.0028
General Public (Local)	3315	56,892,057	32.3250
General Public (Foreign)	61	736,379	0.4184
Others	19	1,622,656	0.9220
Total	3408	176,000,000	100

**PATTERN OF SHAREHOLDING
ADDITIONAL INFORMATION AS AT JUNE 30, 2020**

SHAREHOLDERS CATEGORY	No. of Shares held
DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN	
Mr. Kamran Khan	14,824,314
Mr. Momin Qamar	29,065,035
Mr. Yousaf Kamran Khan	11,082,007
Mr. Qasim Khan	3,580,050
Mrs. Samina Kamran	18,297,298
Mr. Nadeem Tufail	500
Mr. Waqar Zahid	500
Mrs. Misbah Momin (W/O Mr. Momin Qamar)	7,009,400
EXECUTIVES	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS	-
BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES.	25,000
*SHAREHOLDERS HOLDING 5% OR MORE (other than those reported in Directors)	50,097,099
MUTUAL FUNDS	5,000
OTHERS	1,622,656
INDIVIDUALS	
Local	39,654,762
Foreign	736,379
	<u>176,000,000</u>
*SHAREHOLDERS HOLDING 5% OR MORE	
MUSARAT HUSSAIN	15,256,500
IMRAN QAMAR	14,604,549
BILAL QAMAR	11,055,550
MOHAMMAD ZAMAN AHMAD QAMAR	9,180,500

The CEO, Directors, CFO, Head of Internal Auditors, Company Secretary and their spouses and minor children have made no Sale/Purchase in the shares of company during the financial year ended June 30, 2020.

نوٹس سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فلائنگ سیمنٹ کمپنی لمیٹڈ کے اراکین کا ستائیسواں (27واں) سالانہ اجلاس عام مورخہ 28 اکتوبر 2020ء بروز بدھ بوقت 09:30 بجے صبح ہیون ٹیکویٹ ہال 1-D-343، نیپاک سوسائٹی لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

1. 31 مارچ 2020ء کو منعقدہ غیر معمولی اجلاس عام کی روئیداد کی توثیق کرنا۔
2. 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ کھاتوں بمعہ ڈائریکٹرز اور آڈیٹرز رپورٹ وصول کرنا، ان کو زیر غور لانا اور اپنانا۔
3. کمپنی کے خارجی آڈیٹرز کا تقرر کرنا اور آئندہ مالیاتی سال 2020-21 کے لئے ان کا مشاہیرہ طے کرنا۔
4. چیئرمین کی اجازت سے دیگر امور پر بحث کرنا۔

(محکم بورڈ)

(شاہد احمد اعوان)

کمپنی سیکریٹری

لاہور: 05 اکتوبر، 2020ء

مندرجات:

1. کمپنی کی شیئرز ٹرانسفر بکس 21 اکتوبر 2020 سے 28 اکتوبر 2020ء تک (بشمول دونوں ایام) بند رہیں گی۔
- 20 اکتوبر 2020ء کو کاروباری اوقات کا ختم ہونے تک ہمارے شیئرز رجسٹرار، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، بلاک P.E.C.H.S.6 کراچی، 75400 کو موصول ٹرانسفرز کو سالانہ اجلاس عام میں شرکت کی غرض سے بروقت تصور کیا جائے گا۔
2. اجلاس شرکت اور رائے شماری کا/کی اہل حصص دار اپنی جگہ شرکت اور رائے شماری کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ اس تناظر میں ہر لحاظ سے مکمل پراکسی کا دستاویز اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرار آفس کو لازمی پہنچ جانا چاہئے۔ حصص دار کے شناختی کارڈ کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک ہو۔
3. اجلاس میں شرکت کے وقت حصص دار کو اپنی شناخت ثابت کرنے کے لئے اصلی کمپیوٹرائزڈ شناختی کارڈ اور فوٹو نمبر کی

تفصیلات پیش کرنا ہوں گی۔ کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ نامزد شخص کے دستخط پر مشتمل مختار نامہ (اگر پہلے جمع نہ کرایا گیا ہو) پر کسی فارم کے ہمراہ جمع کرایا جائے گا۔

4. ایسے حصص داران جنہوں نے اپنا کارآمد CNIC یا NTN کی نقل ابھی تک جمع نہیں کرائی ہے انہیں یہ دوبارہ جمع کرانے کی درخواست کی جاتی ہے۔

5. حصص داران کو سالانہ رپورٹ DVD / CD کی بجائے کتابچہ/ دستاویز کی صورت میں ارسال کی جا رہی ہے۔

6. 30 جون 2020ء کو اختتام پذیر مالیاتی سال کی سالانہ رپورٹ کمپنی کی ویب سائٹ www.flyingcement.com پر شائع کر دی گئی ہے۔ اگر شیئر ہولڈر سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی کاغذات کی صورت میں نقل حاصل کرنے کا خواہش مند ہے تو درخواست موصول ہونے کے ساتھ کام کے دنوں کے دوران یہ بالکل مفت فراہم کی جائے گی۔

7. جعفریائی لحاظ سے مختلف شہر میں مقیم اراکین ویڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں۔ اس تناظر میں مندرجہ ذیل وضع کے مطابق درخواست فارم پُر کریں اور سالانہ اجلاس عام سے قبل سات (7) یوم کے اندر رجسٹرڈ پتہ پر جمع کرائیں۔ ویڈیو کانفرنس کی سہولت صرف اسی صورت میں فراہم کی جائے گی اگر کمپنی دور دراز مقام پر رہائش پذیر 10 فی صد یا زائد شیئر ہولڈنگ کے حامل اراکین سے اقرار نامہ وصول نہ کر لیں۔ کمپنی سالانہ اجلاس عام کے انعقاد سے کم از کم 5 یوم قبل ویڈیو کانفرنس کی سہولت کے مقام سے متعلق اراکین کو آگاہ کرے گی۔ جس میں اس سہولت تک رسائی حاصل کرنے کے لئے مکمل لازمی معلومات فراہم کی جائیں گی:

فلانینگ سینٹ کمپنی لمیٹڈ کے رکن کی حیثیت سے رجسٹر فوئیو نمبر/ CDC اکاؤنٹ نمبر/ شراکت آئی ڈی نمبر
..... کے مطابق عمومی حصص کا ملک ہونے پر سے میں/ ہم
..... مقام پر ویڈیو کانفرنس کی سہولت حاصل
کرنے کا انتخاب کرتا/ کرتے ہیں۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹر 30 جون 2020ء کو اختتام پذیر سال کے لئے آپ کے سامنے ازراہ مسرت ستائیسویں (27 ویں) سالانہ رپورٹ کے ہمراہ حسب ضابطہ پڑتال شدہ مالیاتی اسٹیٹمنٹس پیش کرتے ہیں۔

صنعتی جائزہ

سیمنٹ انڈسٹری نے 30 جون 2019ء کے مقابلہ میں 30 جون 2020ء کو اختتام پذیر سال کے لئے طلب میں واضح کمی دیکھی ہے۔

اہم سرگرمیاں

کمپنی کا بنیادی مقصد آرڈینری پورٹ لینڈ سیمنٹ کی تیاری اور فروخت ہے۔

کاروباری کارکردگی

پیداواری اور فروخت کے حجم کی کارکردگی

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

(میکڑ ٹن)

تفصیلات	2020ء	2019ء
سیمنٹ کی پیداوار	85,400	514,600
سیمنٹ کی ڈسٹریبیویشن	86,957	514,890

سال 2020ء میں پیداوار اور فروخت میں نمایاں کمی واقع ہوئی۔

مالیاتی کارکردگی

30 جون 2020 کو اختتام پذیر سال کے لئے آپ کی کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:
(روپے ہزاروں میں)

تفصیلات	2020ء	2019ء
مجموعی سیلز ریونیو	1,372,198	4,821,773
منفی: سیلز ٹیکس / فیڈرل ایکسائز ڈیوٹی	292,690	1,550,398
خالص: سیلز ریونیو	1,079,508	3,271,375
مجموعی نفع / (نقصان)	(462,384)	190,163
آپریٹنگ نفع / (نقصان)	(528,353)	118,420
نفع / (نقصان) بعد ٹیکس	(512,825)	184,161
خالص نفع / (نقصان) علاوہ ٹیکس	(530,720)	142,362
(خسارہ) / آمدنی فی حصص	(3.02)	0.81

فی حصص آمدنی

کمپنی کی فی حصص آمدنی 2019 میں 0.81 روپے سے کم ہو کر سال 2020ء میں (3.02) روپے ہو گئی۔

منافع منقسمہ

کمپنی نے سال 2020ء میں منافع منقسمہ کا اعلان نہ کیا ہے۔

متعلقہ فریقین سے لین دین

تمام متعلقہ فریقین سے لین دین آزادانہ بنیادوں پر ہوتا ہے اور کمپنی ایکٹ 2017ء کے سیکشن 208 اور پاکستان سٹاک ایکچینج لمیٹڈ کے PSX ضوابط کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی ان پرنظر ثانی کرتی ہے اور اس کی منظوری دیتی ہے۔

اہم خدشات و خطرات

COVID-19 وبا نے اس صنعت کی کاروباری سرگرمیوں کو مفلوج کر دیا ہے اور یہ وبا سیمٹ کی صنعت کے لئے ایک خطرہ ہے۔ یہاں یہ واضح کرنا ضروری ہے کہ ایک مخصوص مدت کے لئے ملک بھر میں سپلائی چین کی بندش اور مصنوعات کی بروقت ترسیل سے اس صنعت کو بہت نقصان پہنچا ہے۔

اس وبا سے بچنے والے نقصان کی تلافی آئندہ دنوں میں ممکن نہ ہے اور یہ خطرہ ہمیشہ موجود رہے گا کہ آئندہ مہینوں میں منڈی انجماد کا شکار رہے گی۔

ماحول پر کمپنی کے کاروباری اثرات

کمپنی ماحولیاتی اثرات کو انتہائی سنجیدگی سے لیتی ہے۔ کمپنی کا مکمل وقوع بھی اہمیت کا حامل ہے۔ آبادی کے قریب موجود پلانٹ عوامی سطح سے دور پلانٹ سے زیادہ منفی اثرات مرتب کرتے ہیں۔

انتظامیہ مذکورہ بالا کے اثرات کو کم کرنے کے لئے کوشاں ہے اور ذاتی حفاظتی سامان کی فراہمی، ڈسٹ سائیکلونز بیگ ہاؤس، رفتار پر کنٹرول جیسے متعدد اقدامات اپنائے گئے ہیں۔ انتظامیہ نے شجر کاری پر بھی بھرپور توجہ دی ہے اور اس تناظر میں متعدد درخت کاشت کئے ہیں۔

کاروباری و سماجی ذمہ داری

کمپنی کے ڈائریکٹرز معاشرے میں اپنی اخلاقی ذمہ داری سے بخوبی آگاہ ہیں۔ کمپنی اپنے ملازمین کو روزانہ کی بنیاد پر کھانا فراہم کرتی ہے۔ کمپنی مذہبی لحاظ سے بھی کاروباری و سماجی ذمہ داری پر یقین رکھتی ہے اور ہر سال عمرہ کی ادائیگی کے لئے دو افراد کو سعودی عرب بھیجتی ہے۔ کمپنی سیلابی موسم میں قریبی دیہاتیوں کی دیکھ بھال کرتی ہے اور غربت کے خاتمہ کے لئے اقدامات بھی اٹھاتی ہے۔

وہسل بلونگ

کمپنی کی وہسل بلونگ پالیسی تمام متعلقہ افراد کو باہر کے لوگوں سے مسئلہ اٹھانے کی بجائے کمپنی کے اندر ہی پیدا مسائل کو سامنے لانے کی حوصلہ افزائی کرتی ہے۔ کمپنی ایمانداری، عمدگی، تسلسل، جذبہ، انصاف پسندی، سہولیت اور جواب دہی کے اعلیٰ معیار کے لئے پرعزم ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

تعداد ڈائریکٹرز	تفصیل
6	(a) مرد
1	(b) خاتون

درجہ بندی کے لحاظ سے ترکیب

نمبر شمار	تفصیل	تعداد ڈائریکٹرز
1.	آزاد ڈائریکٹرز	2
2.	نان ایگزیکٹو ڈائریکٹرز	4
3.	ایگزیکٹو ڈائریکٹرز	1

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اراکین:

بورڈ آف ڈائریکٹرز

نمبر شمار	تفصیل	عہدہ و درجہ
1.	مسٹر کامران خان	چیئر مین - نان ایگزیکٹو ڈائریکٹر
2.	مسٹر یوسف کامران خان	رکن - نان ایگزیکٹو ڈائریکٹر
3.	مسٹر قاسم خان	رکن - نان ایگزیکٹو ڈائریکٹر
4.	مسز شمینہ کامران	رکن - نان ایگزیکٹو ڈائریکٹر
5.	مسٹر مومن قمر	رکن - ایگزیکٹو ڈائریکٹر
6.	مسٹر ندیم طفیل	رکن - آزاد ڈائریکٹر
7.	مسٹر محمد مبین	رکن - آزاد ڈائریکٹر

آڈٹ کمیٹی

نمبر شمار	تفصیل	عہدہ و درجہ
1.	مسٹر ندیم طفیل	چیئر مین - آزاد ڈائریکٹر
2.	مسٹر قاسم خان	رکن - نان ایگزیکٹو ڈائریکٹر
3.	مسٹر یوسف کامران خان	رکن - نان ایگزیکٹو ڈائریکٹر

کوڈ آف کارپوریٹ گورننس کی تعمیل

آپ کی کمپنی کے ڈائریکٹرز کمپنی کی حکمت عملی اور کاروباری منصوبہ بندی پر باقاعدگی سے نظر ثانی کرتے ہیں۔ آڈٹ کمیٹی کوڈ آف گورننس کی موثر تعمیل کے لئے بااختیار ہے۔ ہم ضابطہ کے مین مطابق آپ کی کمپنی میں کارپوریٹ گورننس کی بہترین عمل داری کے لئے تمام ضروری اقدامات اٹھا رہے ہیں۔ تعمیل کے تناظر میں ہم مندرجہ ذیل کی توثیق کرتے ہیں:

(a) انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔

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

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

(d) ان مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے نقص کو واضح طور پر بیان کیا گیا ہے۔

(e) داخلی نظم و ضبط کے سسٹم کو مزید مضبوط کیا گیا ہے اور سال بھر میں اس کو موثر انداز میں برقرار اور مانیٹر کیا گیا ہے۔

(f) گروپ کی مالیاتی حالت کو مد نظر رکھتے ہوئے ہمیں کاروبار جاری رکھنے کی صلاحیت میں کوئی شک و شبہ نہ ہے۔

(g) زیر جائزہ سال کے دوران لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین عمل داری میں کسی قسم کی ٹھوس رکاوٹ نہ ہے۔

(h) گزشتہ چھ سال کا اہم آپرینٹنگ اور مالیاتی ڈیٹا لف ہذا ہے۔

(i) فلائینگ سینٹ کے حصص میں CEO، داخلی آڈٹ کے سربراہ، CFO، کمپنی سیکریٹری اور ان کی اہلیہ اور کم سن بچوں کی طرف سے تجارت نہ کی گئی ہے ماسوائے ان کے جنہیں ریگولیٹری اتھارٹی کو رپورٹ کیا گیا ہے اور منسلک شیئر ہولڈنگ کی وضع میں جنہیں ظاہر کیا گیا ہے۔

(j) گزشتہ برس کے آپرینٹنگ نتائج سے واضح انحراف کی وجوہات کا ڈائریکٹرز رپورٹ کے متعلقہ سیکشن میں موازنہ کیا گیا ہے۔

(k) مالیاتی اسٹیٹمنٹس کے مندرجات میں ٹیکسوں اور لیوی کی معلومات بیان کی گئی ہیں۔

(l) کمپنی نے اپنے پلانٹ کی پیداواری صلاحیت بڑھانے کے لئے پیداواری آپریشنز میں تجدید کی منصوبہ بندی کی ہوئی ہے۔ اس معاملہ کو حصص داران کے سامنے بروقت اٹھایا گیا ہے اور اس ڈائریکٹرز رپورٹ میں تحریر کیا گیا ہے۔

(m) سال بھر میں بورڈ اور کمیٹی اجلاس کی تعداد اور ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

نمبر شمار	نام ڈائریکٹر	بورڈ اجلاس	آڈٹ کمیٹی اجلاس	HR&R کمیٹی اجلاس
1.	مسٹر کامران خان	7	دستیاب نہیں	دستیاب نہیں
2.	مسٹر مومن قمر	7	دستیاب نہیں	دستیاب نہیں
3.	مسٹر یوسف کامران خان	5	4	1
4.	مسٹر قاسم خان	5	4	دستیاب نہیں
5.	مسٹر شمیمہ کامران	6	دستیاب نہیں	1
6.	مسٹر ندیم طہیل	6	4	1
7.	مسٹر محمد مبین خان	1	دستیاب نہیں	دستیاب نہیں
8.	مسٹر آغا ہمایوں خان	6	4	1
**	مسٹر وقار زاہد	4	دستیاب نہیں	دستیاب نہیں
	منعقدہ اجلاس کی کل تعداد	7	4	1

اپنی مصروفیت کی بنا پر اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی رخصت عنایت کی گئی۔
** مسٹر محمد مبین خان کو 10 ستمبر 2020 کو مسٹر وقار زاہد کے استعفیٰ سے پیدا ہونے والی خالی نشست کو پورا کرنے کے لئے آزاد ڈائریکٹر کی حیثیت سے منتخب کیا گیا۔

عملہ کے لئے ریٹائرمنٹ مراعات

ایک غیر فنڈ شدہ سکیم تیار کی گئی ہے۔ کمپنی کے مستقل ملازمین کے لئے مالیاتی بیانات میں ایک شق قائم کی گئی ہے۔

آڈیٹرز

آڈیٹرز میسرز ظاہر صدیق اینڈ کو، چارٹرڈ اکاؤنٹنٹس آئسٹوڈیو، چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوائٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریننگ حاصل کی ہے اور کمپنی ICAP کے ضابطہ اخلاق میں انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کی ہدایات پر مکمل طور پر عمل کرتی ہے۔ آڈٹ کمیٹی اور بورڈ نے ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کی وضع

30 جون 2020 کو شیئر ہولڈنگ کی وضع اور کوڈ آف کارپوریٹ گورننس کے تحت اس کا اظہار لف ہذا ہے۔

مابعد بیلنس شیٹ ایونٹس

مالیاتی اسٹیٹمنٹس میں مادی تبدیلیوں اور رپورٹنگ کی تاریخ مالیات میں بیان کی گئی ہے۔

اعتراف

ڈائریکٹرز کمپنی کے حصص داران، مالیاتی اداروں اور معزز صارفین کے مسلسل تعاون اور حمایت کے تہدول سے شکر گزار ہیں۔
ڈائریکٹرز عملہ اور افسران کی کاوشوں، جذبہ اور ان تھک محنت کو سراہتے ہیں۔

منجانب / برائے بورڈ آف ڈائریکٹرز

آغا ہمایوں خان

چیف ایگزیکٹو

مومن قمر

ڈائریکٹر

لاہور

105 اکتوبر 2020ء

فلائنگ سیمنٹ کمپنی لمیٹڈ

تفصیلی نیابت داری برائے سالانہ اجلاس عام

میں / ہم _____ ساکن _____
 فلائنگ سیمنٹ کمپنی لمیٹڈ کا / کی کے حصص دار ہوں / ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت _____ عمومی حصص کا / کی کے مالک ہوں / ہیں۔ اپنی جگہ پر حق رائے دہی کے لیے _____ رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت _____ کو یا اس کے نہ آنے کی صورت میں _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____ رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____ کو جو کہ فلائنگ سیمنٹ کمپنی لمیٹڈ کا / کی کے حصہ دار ہے ہیں۔ کو اپنی جگہ بروز بدھ بتاریخ 28 اکتوبر 2020 بوقت صبح 9:30 بجے لاہور میں منعقد ہونے والے 27 ویں سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرنا کرتی / کرتے ہوں / ہیں۔

پانچ روپے کی رسیدی ٹکٹ

چسپاں کریں

دستخط۔

کمپنی کے ریکارڈ کے مطابق دستخط

گواہ نمبر: 2

گواہ نمبر: 1

دستخط

دستخط

نام

نام

پتہ

پتہ

شناختی کارڈ نمبر یا

شناختی کارڈ نمبر یا

پاسپورٹ نمبر

پاسپورٹ نمبر

تاریخ: _____ 2020

FLYING CEMENT COMPANY LIMITED
27th Annual General Meeting

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

PROXY FORM

IMPORTANT

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

I / We _____
of _____ being a
member of **Flying Cement Company Limited** and holder of _____ Shares do hereby
authorize _____ of _____ another member of the company
as my/our proxy to attend and vote for me /us and on my /our behalf at the 27th Annual General
Meeting of the Company to be held on Wednesday 28th October 2020 at 9:30 hours or
any adjournment thereof.

Signature

Please affix
Rupees Five
revenue stamp

Witnesses:

1. Signature: _____

Name _____

Address: _____

CNIC or Passport _____

2. Signature: _____

Name _____

Address: _____

CNIC or Passport _____

Dated 2020

Fold Here

AFFIX
CORRECT
POSTAGE

The Company Secretary,
Flying Cement Company Limited
1-Sarwar Colony, Sarwar Road,
Lahore Cantt. Pakistan

Fold Here

Fold Here

Fold Here

www.jamapunji.pk



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax Credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



Jama Punji is an Investor Education initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



FLYING CEMENT COMPANY LIMITED



1-Sarwar Road,
Sarwar Colony,
Lahore Cantt.



+92-42-36674301-5 Lines



+92-42-36660693



info@flyingcement.com



www.flyingcement.com