



FLYING CEMENT
COMPANY LTD.

3rd QUARTER REPORT
(Un-Audited)
March 31, 2020



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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
Mr. Waqar Zahid	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

Mr. Muhammad Azeem
cosecretary@flyingcement.com

CHIEF FINANCIAL OFFICER

Mr. Muhammad Jamil

LEGAL ADVISOR

Mr. Waqar Hasan, Advocate High Court

BANKERS

National Bank of Pakistan
Al Baraka Bank (Pakistan) Limited
United Bank Limited.
The Bank of Punjab
Habib Bank Limited
Allied Bank Limited
Faysal 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. Khoshab

SHARES REGISTRAR

THK Associates (Pvt) Limited.
1st Floor, 40-C, Block-6, P.E.C.H.S
Karachi-75530
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DIRECTORS' REVIEW

The Board of Director's met to review the company's overall performance as well as to announce its financial results for the Quarter ended March 31, 2020.

Financial Performance

The comparative financials for 3rd Quarter ended 31st March, 2020 of the company are summarized below:

	Amount in Rupees			
	For the nine month ended Jul-Mar 2020		For the 3 rd quarter Jan-Mar 2019	
Net Sales	964,605,119	2,649,790,663	35,621,931	858,474,264
Gross Profit/Loss	(336,610,260)	320,277,694	(114,137,738)	121,325,473
Net Profit/Loss after Tax	(404,172,471)	141,847,403	(110,700,204)	64,098,949
Earning Per Share	(2.30)	0.81	(0.63)	0.36

The sales of the company stood at Rs. 965 Million as of 31-03-2020 against Rs. 2650 Million for the correspondence period 2019. The Company net profit decreased from Rs. 142 Million to a loss of Rs. (404) Million. Consequently, the earning per share also decreased from Rs. 0.81 per share to loss of Rs. (2.30) per share.

Due to fast spreading pandemic COVID-19 across Pakistan business activities have been badly hit resulting in a fall of production for all sectors across the spectrum particularly cement. Due to this the cement industry will take some to recover. However, with positive Government policies for the construction sector in the future it is expected that cement industry will bounce back a lot sooner than expected.

We express our gratitude for continuous support and cooperation of our bankers, institutions, shareholders, customers and suppliers. We look forward to their support in future.

For and on behalf of the board



Agha Hamayun Khan
Chief Executive
Lahore; May 30, 2020



Kamran Khan
Director

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2020 (un-audited)**

	Note	March 31, 2020 Rupees	June 30, 2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital			
200,000,000 ordinary shares of Rs 10/- each.		<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid up capital			
176,000,000, ordinary shares of Rs. 10/- each.		1,760,000,000	1,760,000,000
Capital Reserve		126,978,994	126,978,994
Un appropriated Profit		<u>381,457,392</u>	<u>738,177,315</u>
Total Equity		<u>2,268,436,386</u>	2,625,156,309
Directors & shareholders loan			
Surplus on revaluation of fixed assets	5	1,970,674,892	1,515,674,892
	6	4,043,483,934	4,090,936,482
NON-CURRENT LIABILITIES			
Long term finance	7	<u>2,309,825,995</u>	2,056,851,940
Long term deposits		14,005,340	14,005,340
Deferred liabilities	8	<u>581,854,175</u>	582,401,138
		<u>2,905,685,510</u>	2,653,258,418
CURRENT LIABILITIES			
Trade and other payables		<u>2,207,028,647</u>	1,977,309,742
Unclaimed Dividend		53,148	53,148
Short term finance	9	1,573,179,916	506,777,638
Current portion of long term finance		78,252,000	58,252,000
Provision for taxation current year		<u>15,413,794</u>	42,122,946
		<u>3,873,927,505</u>	2,584,515,474
TOTAL LIABILITIES		<u>6,779,613,015</u>	5,237,773,892
Contingencies and commitments	10	-	-
TOTAL EQUITY AND LIABILITIES		<u>15,062,208,227</u>	13,469,541,575
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	11	<u>6,809,371,583</u>	6,912,441,827
Capital work in progress	12	<u>5,810,500,261</u>	4,304,011,890
		<u>12,619,871,844</u>	11,216,453,717
Long Term Security Deposits		32,880,151	32,880,151
CURRENT ASSETS			
Stores, spares & machinery store		<u>507,074,687</u>	751,322,337
Stock in trade		<u>731,506,576</u>	457,639,437
Trade debts		6,009,781	10,031,693
Advances, deposits, prepayments & other receivables		<u>1,143,977,058</u>	942,526,644
Cash and bank balances	13	<u>20,888,130</u>	58,687,596
		<u>2,409,456,232</u>	2,220,207,707
TOTAL ASSETS		<u>15,062,208,227</u>	13,469,541,575

The annexed notes from 1 to 17 form an integral part of these financial statements.



Kamran Khan
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2020 (un-audited)**

	For the nine month ended		For the quarter ended	
	Jul - Mar 2020	Jul - Mar 2019	Jan - March 2020	Jan - March 2019
	(Rupees)			
Gross sales	1,243,866,683	3,921,102,159	63,296,868	1,261,852,557
Less : Sales Tax & Excise Duty	279,261,564	1,271,311,496	27,674,937	403,378,293
	279,261,564	1,271,311,496	27,674,937	403,378,293
Net Sales	964,605,119	2,649,790,663	35,621,931	858,474,264
Cost of sales	(1,301,215,379)	(2,329,512,969)	(149,759,669)	(737,148,791)
Gross Profit / (Loss)	(336,610,260)	320,277,694	(114,137,738)	121,325,473
Operating Expenses				
Distribution cost	(5,372,468)	(6,464,092)	(1,981,005)	(1,330,308)
Administrative expenses	(46,534,104)	(40,702,272)	(12,039,461)	(12,794,197)
	(51,906,572)	(47,166,364)	(14,020,466)	(14,124,505)
Operating Profit / (Loss)	(388,516,832)	273,111,330	(128,158,204)	107,200,968
Finance cost	(63,769,928)	(148,337,051)	(25,441,482)	(50,306,032)
Operating Profit / (Loss)	(452,286,760)	124,774,279	(153,599,686)	56,894,936
Other Income	62,981,120	65,757,175	47,521,020	20,632,175
Profit Before taxation	(389,305,640)	190,531,454	(106,078,666)	77,527,111
Taxation	(14,866,831)	(48,684,051)	(4,621,538)	(13,428,162)
Profit / (Loss) After Taxation	(404,172,471)	141,847,403	(110,700,204)	64,098,949
Other Comprehensive income	-	-	-	-
Total Comprehensive income / (loss) for the period	(404,172,471)	141,847,403	(110,700,204)	64,098,949
Earning Per Share- Basic	(2.30)	0.81	(0.63)	0.36

The annexed notes from 1 to 17 form an integral part of these financial statements.


Kamran Khan
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020 (un-audited)**

		March 31, 2020 Rupees	March 31, 2019 Rupees
Cash Flow from Operating Activities			
Cash generated from operation	14	(256,267,290)	1,290,227,276
Taxes Paid		(5,655,904)	(97,468,278)
Net Cash from Operating Activities		(261,923,194)	1,192,758,998
Cash flows From Investing Activities			
Fixed Capital Expenditures		(1,506,488,371)	(1,407,750,907)
Long Term Security Deposit			(1,463,268)
Net Cash (used in) Investing Activities		(1,506,488,371)	(1,409,214,175)
Cash Flows From Financing Activities			
Finance cost paid		(63,764,234)	(148,337,051)
Current Maturity Long Term Finance		20,000,000	(202,582,000)
Long Term Finance		252,974,055	762,196,660
Director & Shareholders Loan		455,000,000	-
Net Cash (used in) Financing Activities		664,209,821	411,277,609
Net Increase in Cash and Cash Equivalents		(1,104,201,744)	194,822,432
Cash and Cash Equivalents - at the beginning of the period		(448,090,042)	(590,715,574)
Cash and Cash Equivalents - at the end of the period	14.1	(1,552,291,786)	(395,893,142)

The annexed notes from 1 to 17 form an integral part of these financial statements.



Kamran Khan
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

Statement of Changes in Equity (Un-Audited)
For the Period Ended March 31, 2020

	Ordinary Share Capital	Accumulated Profit / (Loss)	Directors & Shareholders Loan	Capital Reserves		Total
				Revaluation Surplus	Gain on Disposal of Shares	
	(Rs.)	(Rs.)	(Rs.)	(RS.)	(Rs.)	(Rs.)
Balance as at June 30, 2018	1,760,000,000	565,116,210	1,515,674,892	1,466,634,998	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	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 July 01, 2019	1,760,000,000	738,177,315	1,515,674,892	4,090,936,482	126,978,994	8,231,767,683
Revaluation surplus on Property, Plant & Equipment.						-
Total Comprehensive Income for the period		(404,172,471)		-		(404,172,471)
Directors & Shareholders loan			455,000,000			455,000,000
Incremental depreciation		47,452,548	-	(47,452,548)		-
Balance as at March 31, 2020	1,760,000,000	381,457,392	1,970,674,892	4,043,483,934	126,978,994	8,282,595,212

- The annexed notes 1 to 17 form an integral part of these financial statements.



Kamran Khan
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2020 (un-audited)****1 Legal Status and Operations**

The Company was incorporated as Public Limited Company on December 24, 1992 under the Companies Ordinance, 1984 [now Companies Act, 2017]. The company is listed on Pakistan stock exchange formerly Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. The main objective of the company is to manufacture and sale the cement. The registered office of the company is situated in Lahore at 1 - Sarwar Road Lahore Cantt and the factory in Khushab.

2 Statement of Compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2019.

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2020 and 2019 and in the notes forming part thereof have not been reviewed by the auditors of the Company.

3 Significant Accounting Policies

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except those stated in note 3.2 (a) below.

3.2 Standards, amendments to published standards and interpretations that are effective in the current period
Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting periods beginning on July 1, 2019, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3.3 Standards, amendments and interpretation to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4 Accounting estimates

The preparation of these unconsolidated condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unconsolidated condensed interim financial statements, the significant judgements made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Company for the year ended June 30, 2019, with the exception of change in estimate that is required in determining the provision for income taxes as referred.

5 LOANS FROM RELATED PARTIES - UNSECURED	March 2020	Jun-2019
	Rupees	Rupees
Directors & shareholders loan	1,970,674,892	1,515,674,892
	<u>1,970,674,892</u>	<u>1,515,674,892</u>

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.

6 SURPLUS ON REVALUATION OF FIXED ASSETS		
Opening Balance of Revaluation Surplus	4,090,936,482	1,466,634,998
Add Revaluation Surplus	-	2,654,897,189
	4,090,936,482	4,121,532,187
Less: Surplus transferred to retained earnings (accumulated loss)		
Incremental depreciation	66,834,575	43,092,542
Deferred Tax effect	(19,382,027)	(12,496,837)
	47,452,548	30,595,705
	4,043,483,934	4,090,936,482

The company got its assets i.e. land, building, plant & machinery revalued on June 30, 2006 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. This amount was credited to Surplus on Revaluation of Fixed Assets account to comply with the requirements of section 235 of the Companies Ordinance, 1984 [now Companies Act, 2017]. 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).

		March 31, 2020	June 30, 2019
		Rupees	Rupees
7 LONG TERM FINANCE			
National Bank of Pakistan - secured	7.1	1,885,186,754	1,684,107,580
Long Term Creditors	7.2	424,639,241	372,744,360
		2,309,825,995	2,056,851,940
7.1 Loans from banking companies - secured			
National Bank of Pakistan Demand Finance - 2	7.1.1	1,274,048,580	1,274,048,580
National Bank of Pakistan Demand Finance -3	7.1.2	59,185,000	68,311,000
National Bank of Pakistan Demand Finance -4	7.1.3	230,205,174	-
National Bank of Pakistan Demand Finance -5	7.1.4	400,000,000	400,000,000
		1,963,438,754	1,742,359,580
Less: current portion shown under current liabilities		78,252,000	58,252,000
		1,885,186,754	1,684,107,580

7.1.1 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 at Rs.1274.049 million as on 26-04-2019

The facility includes a grace period of 2.25 years and principal to be repaid in 14 quarterly installments of Rs.93.75 million each. The first installment 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 TDP secured against lien on documents of title of 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.

7.1.2 The Company has availed facility of demand finance facility III fresh facility of Rs.73 million for cost overruns of plant expansion to finance for retirement of import documents including bills of exchange arising due to upward fluctuations in currency appreciation of Euro / Dollar parity with Pak Rupees with a markup of 3 month KIBOR plus 2% p.a. The facility will expire on 31-03-2022 and principal is to be repaid in 16 quarterly installments of Rs.4.563 million. The facility of demand finance are secured against 1st charge of Rs.98 million over all present and future fixed assets (hypothecation/Mortgage) of the company, lien of import documents and personal guarantees of all Directors.

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 TDP 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.

7.1.3 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.

7.1.4 The Company has availed facility of Demand finance facility-V of Rs 400 million from National Bank of Pakistan secured against 1st Pari Passu charge of Rs 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.

7.2 This includes markup free loan from associated companies i.e. Poly Paper & Board Mills (Pvt.) Limited of Rs. 34.3 million, Zaman Paper & Board Mills (Pvt.) Limited of Rs.10.153 million, Flying Paper Industries Limited Rs.208.098 million and Flying Board & Paper Products Limited 168.045million.

	March 31, 2020	June 30, 2019
	Rupees	Rupees
8 DEFERRED LIABILITIES		
Deferred Taxation	580,613,515	581,160,478
Gratuity	1,240,660	1,240,660
	<u>581,854,175</u>	<u>582,401,138</u>
8.1 Deferred Taxation - Net		
Taxable temporary differences - effect thereof		
- Excess of accounting book value of fixed assets over their tax base	1,094,883,090	1,138,583,749
Deductible temporary differences - effect thereof		
- Gratuity	(359,791)	(359,791)
- Excess Tax / Minimum Tax	(15,413,794)	(42,122,946)
- WPPF & WWF	(9,381,262)	(9,381,262)
- Unused tax losses	(489,114,728)	(505,559,272)
	<u>580,613,515</u>	<u>581,160,478</u>
9 SHORT TERM FINANCE		
Loan from Banking Companies-Secured		
Albaraka Islamic Bank	9.1 282,141,469	351,280,892
National Bank of Pakistan	9.2 1,191,038,447	55,496,746
National Bank of Pakistan (Cash Finance)	9.3 100,000,000	100,000,000
	<u>1,573,179,916</u>	<u>506,777,638</u>

- 9.1** A letter of credit facility usance / acceptance 180 days of Rs. 277.50 million (2019: Rs. 25.50 million) is obtained from Albaraka Bank (Pakistan) Limited with a sub limit of letter of guarantee of Rs. 0.20 million (2019: Rs. 0.20 million) and a sub limit of Istisna of Rs 200 Million to meet the contractual and import requirements of the company. The finance is secured against 1st Pari Passu charge over current assets of the company valuing Rs. 144 million, 1st Pari Passu Charge over Fixed Assets of the company valuing Rs 300 Million., lien over import documents valuing Rs. 277.5 million and personal guarantee of all Directors of the company. Mark-up is charged as per bank's Schedule of charges.
- 9.2** 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.
Fresh Import / Inland-limit of LC-(Usance-180 days) includes facility of Rs.1,000 million against 20% Cash Margin to finance to procure coal, packing material, Grinding Media, Castable, Refractory Bricks, Paper Bags and Spares / Parts of Cement Plant requirement, secured against 1st Pari Passu Charge of Rs 1,334 Million overall present and future fixed assets (Hypothecation / Mortgage) of the company. Personal Guarantees of all Directors including Sponsor Directors Mr. Kamran Khan and Mr. Momin Qamar. The facility will expire on 31-03-2020.
All these facilities also include commitment of sponsoring directors through pledge of shares.
- 9.3** 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.

10 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES:

- 10.1** The Albaraka Bank (Pakistan) Limited has issued letter of guarantees on behalf of company for the following:
- Excise Collection Office, Sindh Development & Maintenance amounting to Rs.0.20 million
- 10.2** The Competition Commission of Pakistan (CCP) has issued a show cause notice to the company for an increase in prices of cement across the country. As a result of it an amount of Rs. 12 million was imposed as a penalty. The case is currently before the 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.
- 10.3** Sales tax audit was conducted in 2015 and an impugned liability of Rs. 40.9 million was determined out of which Rs. 20 million has been deposited by the company under protest. The company feeling aggrieved filed an appeal before appellate tribunal which is pending yet and is likely to be decided in favour of the company.

Commitments

Commitments in respect of outstanding letter of credit amount to Rs.1040.555(M) (2019 Rs.2012.588(M)). It includes letter of credit facilities for procurement of new cement production plant and parts of machinery

	March 31, 2020	June 30, 2019
	Rupees	Rupees
11 PROPERTY, PLANT & EQUIPMENT		
Opening book value	6,912,441,827	4,556,392,341
Add: Revaluation Surplus		2,341,436,277
Add: Additions during the period	-	105,120,847
	6,912,441,827	7,002,949,465
Less Deletion during the year - net off depreciation		-
	6,912,441,827	7,002,949,465
Less: Depreciation charged during the period	103,070,244	90,507,638
Closing book value	6,809,371,583	6,912,441,827
Additions during the period		
Plant & machinery	-	105,120,847
	-	105,120,847

	March 31, 2020 Rupees	June 30, 2019 Rupees
12 CAPITAL WORK IN PROGRESS		
Building	356,349,590	330,261,890
Plant & machinery	<u>5,454,150,671</u>	<u>3,973,750,000</u>
	<u>5,810,500,261</u>	<u>4,304,011,890</u>
13 CASH AND BANK BALANCES		
In hand	6,907,150	8,090,882
At Banks- current accounts	<u>13,980,980</u>	<u>50,596,714</u>
	<u>20,888,130</u>	<u>58,687,596</u>
	March 31, 2020 Rupees	March 31, 2019 Rupees
14 Cash Generated from Operations		
Profit / (Loss) for the period - before taxation	(389,305,640)	190,531,454
Adjustment for:		
Depreciation	103,070,244	67,867,717
Finance cost	63,769,928	148,337,051
	<u>166,840,172</u>	<u>216,204,768</u>
	(222,465,468)	406,736,222
(Increase) / decrease in current assets		
(Increase) in Stores, spares & loose tools	244,247,650	(76,029,896)
(Increase) in Stock-in-trade	(273,867,139)	(100,004,209)
(Increase) in Trade debts	4,021,912	3,992,284
(Increase) in Advances, deposits, prepayments and other receivables	(237,917,456)	926,713,830
	<u>(263,515,033)</u>	<u>754,672,009</u>
Increase / (decrease) in current liabilities		
Increase / (Decrease) in Trade and other Payables	229,713,211	128,819,045
14.1 Cash Flow from operating activities	<u>(256,267,290)</u>	<u>1,290,227,276</u>
Cash and bank balances	20,888,130	58,687,596
Short term Finances	(1,573,179,916)	(506,777,638)
	<u>(1,552,291,786)</u>	<u>(448,090,042)</u>

15 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:

	March 31, 2020	March 31, 2019
	Rupees	Rupees
Transactions with associated companies		
Sales to Associated Companies	25,194,000	24,235,500
Purchases from Associated Companies	159,434,077	121,216,587
Transaction with other key management personnel		
Salaries & Benefits	17,100,000	17,100,000
Transaction with directors & shareholders		
Transaction with directors & shareholders loan	455,000,000	-

16 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on May 30, 2020 by the board of directors of the company.

17 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.



Kamran Khan
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

ڈائریکٹرز کا تجزیہ

31 مارچ 2020ء کو اختتام پذیر تیسری سہ ماہی کے لئے کمپنی کی مجموعی کارکردگی کا جائزہ لینے کی غرض سے بورڈ آف ڈائریکٹرز کا اجلاس ہوا۔ مالیاتی کارکردگی

31 مارچ 2020ء کو اختتام پذیر تیسری سہ ماہی کے لئے کمپنی کی متقابل مالیات کا خلاصہ حسب ذیل ہے:

رقم روپوں میں

تیسری سہ ماہی کے لئے		اختتام پذیر نو ماہی کے لئے		
جنوری-مارچ	جنوری-مارچ	جولائی-مارچ	جولائی-مارچ	
2019	2020	2019	2020	
858,474,264	35,621,931	2,649,790,663	964,605,119	خالص سیلز
121,325,473	(114,137,738)	320,277,694	(336,610,260)	مجموعی نفع/نقصان
64,098,949	(110,700,204)	141,847,403	(404,172,471)	خالص نفع/نقصان علاوہ ٹیکس
0.36	(0.63)	0.81	(2.30)	فی حصص آمدنی

کمپنی کی سیلز 31 مارچ 2020ء کو 965 ملین روپے رہی جو سال 2019ء کی اسی مدت کے اعداد و شمار کے مطابق 2650 ملین روپے ظاہر کر رہی ہے۔ 404 ملین روپے کا نقصان گذشتہ برس 142 ملین روپے نفع کے مقابلہ میں واضح کمی ظاہر کرتا ہے۔ اس سال تیسری سہ ماہی کے دوران کمپنی کو اس کے نتیجے میں فی حصص آمدنی میں (2.30) روپے کمی واقع ہوئی اور گذشتہ برس کی اسی مدت کے مقابلہ میں اس سال 0.81 روپے رہی۔

COVID-19 (کورونا وائرس) کی تیزی سے پھیلتی ہوئی عالمی وبا کی وجہ سے ملک میں کاروباری سرگرمیاں بری طرح متاثر ہوئی ہیں۔ سیمنٹ انڈسٹری کی پیداواری سرگرمیوں پر بھی منفی اثرات مرتب ہوئے ہیں۔ لہذا بحالی میں سیمنٹ انڈسٹری کو کچھ وقت لگے گا۔ تاہم، تعمیراتی شعبے کے لئے حکومت کی پالیسیوں کی وجہ سے مستقبل قریب میں امید کی جارہی ہے کہ سیمنٹ انڈسٹری توقعات سے زیادہ جلد دوبارہ پروان چڑھے گی۔

ہم اپنے بینکرز، اداروں، شیئر ہولڈرز، صارفین اور سپلائرز کی مسلسل حمایت اور تعاون کا شکریہ ادا کرتے ہیں اور مستقبل میں بھی اسی قسم کے تعاون کے خواہاں ہیں۔

منجانب/ برائے بورڈ آف ڈائریکٹرز

کامران خان

ڈائریکٹر

آغا ہمایوں خان


چیف ایگزیکٹو

30 مئی، 2020ء



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