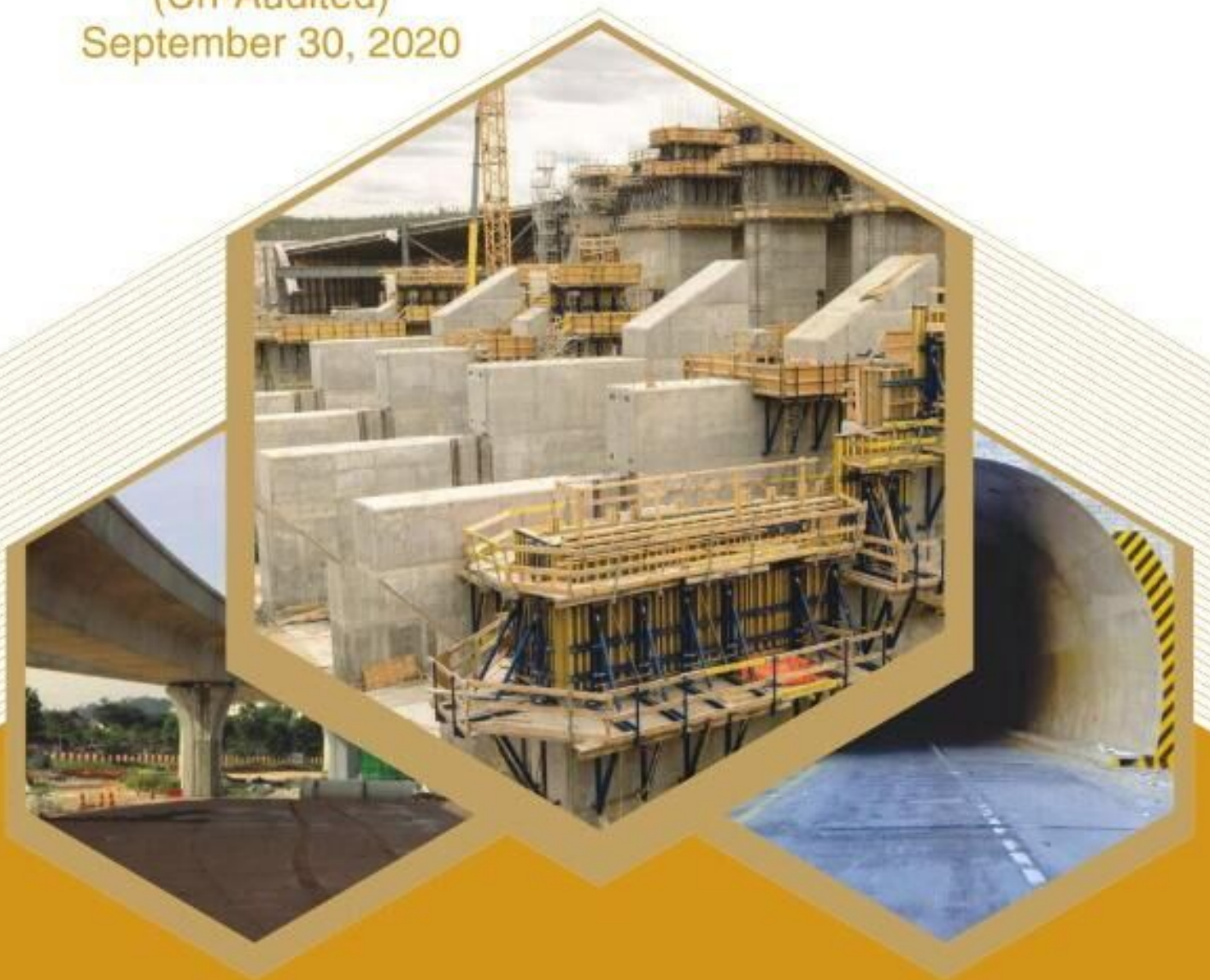




FLYING CEMENT
COMPANY LTD.

1st QUARTER REPORT
(Un-Audited)
September 30, 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
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 AUDITORSM/s. Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants**INTERNAL AUDITOR**

Mr. Imran Matloob Khan

COMPANY SECRETARYShahid Ahmad Awan
cosecretary@flyingcement.com**CHIEF FINANCIAL OFFICER**

Mr. Muhammad Jamil

LEGAL ADVISOR OF COMPANY

Mr. Waqar Hasan , Advocate High Court

BANKERSNational 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@flyinggroup.com.pk
info@flyingcement.com

DIRECTOR'S REVIEW

The Directors of your company are pleased to present the un-audited condensed interim financial statements of the company for the first Quarter ended September 30, 2020.

Financial Performance

The operating results of the company for the 1st quarter 2020 and that of the corresponding period last year 1st Quarter 2019 are as under;

	1st Quarter Upto September 2020 (Rs)	1st Quarter Upto September 2019 (Rs)
Net Sales	68,416,887	421,941,748
Cost of goods sold	(101,956,551)	(377,638,938)
Gross Profit/(Loss)	(33,539,664)	44,302,810
Admin and selling expenses	(13,442,991)	(14,137,726)
Financial Cost	(13,753)	(18,613,150)
Taxation	(4,092,630)	(5,042,332)
Profit/ (Loss) After Taxation	(40,692,593)	21,969,702
(Loss) /Earning Per Share (Rs)	(0.23)	0.12

The sales as compared to corresponding period show a decrease from Rs 421 (M) to Rs 68(M) and profit also decreased from Rs 22(M) to Loss Rs 41 (M) in the current 1st Quarter.

Future Outlook

Federal Government focus on construction industry and monetary relief provided by SBP by lowering discount rate in last quarter of FY 20, economic environment showed signs of recovery. Housing and construction sector picked up pace owing to Government schemes and special tax reliefs.

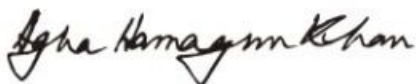
We also expect that the package announced for the construction industry by the Federal Government will continue to have a positive impact on the cement industries.

Foresee that there will be sufficient cement demand in the domestic market and the Company will be able to improve its financial results in future periods.

Acknowledgement

Management of your Company take pleasure in expressing their sincere gratitude and appreciation for the outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by all the stakeholders.

For and on behalf of the board;



Agha Hamayun Khan

Chief Executive
Lahore; October 29, 2020



Momin Qamar

Director

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020 (Un-Audited)**

	Note	Sep 30 ,2020 Rupees	June 30,2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized 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.		<u>1,760,000,000</u>	<u>1,760,000,000</u>
Capital Reserve		<u>126,978,994</u>	<u>126,978,994</u>
Un appropriated Profit		<u>245,551,146</u>	<u>270,742,574</u>
		<u>2,132,530,140</u>	<u>2,157,721,568</u>
Directors & shareholders loan	5	<u>1,970,674,892</u>	<u>1,970,674,892</u>
Surplus on revaluation of fixed assets	6	<u>4,012,165,252</u>	<u>4,027,666,417</u>
		<u>5,982,840,144</u>	<u>5,998,341,309</u>
		<u>8,115,370,284</u>	<u>8,156,062,877</u>
NON-CURRENT LIABILITIES			
Long term liabilities	7	<u>5,620,938,771</u>	<u>3,440,947,104</u>
Loan from associated undertaking		<u>328,326,928</u>	<u>328,726,928</u>
Long term deposits		<u>14,005,340</u>	<u>14,005,340</u>
Deferred liabilities		<u>585,664,102</u>	<u>582,753,672</u>
		<u>6,548,935,141</u>	<u>4,366,433,044</u>
CURRENT LIABILITIES			
Short term finance	8	<u>178,307,722</u>	<u>1,582,311,299</u>
Trade and other payables		<u>2,010,170,363</u>	<u>2,200,036,341</u>
Unclaimed Dividend		<u>59,526</u>	<u>59,526</u>
Current portion of long term finance		<u>-</u>	<u>18,252,000</u>
		<u>2,188,537,611</u>	<u>3,800,659,166</u>
		<u>8,737,472,752</u>	<u>8,167,092,210</u>
TOTAL LIABILITIES		<u>16,852,843,036</u>	<u>16,323,155,087</u>
Contingencies and commitments	9	<u>-</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u>16,852,843,036</u>	<u>16,323,155,087</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	10	<u>6,741,430,909</u>	<u>6,775,059,833</u>
Capital work in progress	11	<u>7,113,501,801</u>	<u>6,511,813,860</u>
		<u>13,854,932,710</u>	<u>13,286,873,693</u>
Long Term Security Deposits		<u>32,880,151</u>	<u>32,880,151</u>
CURRENT ASSETS			
Stores & spares & loose tools		<u>837,491,677</u>	<u>799,103,679</u>
Stock in trade		<u>1,316,524,524</u>	<u>1,307,317,011</u>
Trade debts		<u>3,410,027</u>	<u>3,488,783</u>
Advances, deposits, prepayments & other receivables		<u>783,325,202</u>	<u>781,130,141</u>
Taxation net		<u>1,072,996</u>	<u>88,968,704</u>
Cash and bank balances	12	<u>23,205,749</u>	<u>23,392,925</u>
		<u>2,965,030,175</u>	<u>3,003,401,243</u>
TOTAL ASSETS		<u>16,852,843,036</u>	<u>16,323,155,087</u>

The annexed notes 1 to 15 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHERS COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (Un-Audited)**

	Sep 30 ,2020 Rupees	Sep 30 2019 Rupees
Gross Sales	103,427,443	590,240,721
Less Sales tax and federal excise duty Rebates and commission	35,010,556 -	168,298,973 -
Net sales	35,010,556 68,416,887	168,298,973 421,941,748
Cost of Sales	(101,956,551)	(377,638,938)
Gross (Loss) / Profit	(33,539,664)	44,302,810
Distribution cost	(1,818,234)	(1,394,241)
Administrative expenses	(11,624,757) (13,442,991)	(12,743,485) (14,137,726)
Operating (Loss) / Profit	(46,982,655)	30,165,084
Financial cost	(13,753)	(18,613,150)
Others Income	10,396,445	15,460,100
(Loss) / Profit Before Taxation	(36,599,963)	27,012,034
Taxation	(4,092,630)	(5,042,332)
(Loss) / Profit After Taxation	(40,692,593)	21,969,702
Total Comprehensive income / (loss) for the period	(40,692,593)	21,969,702
(Loss) / Earnings Per Share (before tax) - Basic	(0.23)	0.12

- The annexed notes 1 to 15 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

**Condensed Interim Cash Flow Statement
For the Quarter Ended September 30,2020 (Un-Audited)****CASH FLOW FROM OPERATING ACTIVITIES**

		Sep-20 Rupees	Sep-19 Rupees
Cash Flows from Operating Activities			
Cash generated from operations	11	(252,618,208)	(344,650,718)
Finance cost paid		(13,753)	(18,607,456)
Income Tax (paid) / refund received		96,796,636	(66,332,154)
Net Cash from Operating Activities		<u>(155,821,572)</u>	<u>(429,590,328)</u>
Cash Flows from Investing Activities			
Fixed Capital Expenditures		(601,687,941)	(416,421,479)
		-	-
Net Cash (used in) Investing Activities		<u>(601,687,941)</u>	<u>(416,421,479)</u>
Cash Flows From Financing Activities			
Short Term Finance		(18,252,000)	-
Long term finance		2,179,991,667	20,000,000
Associated undertaking		(400,000)	27,848,565
Director & Shareholders Loan		-	455,000,000
Net Cash from / (used in) Financing Activities		<u>2,161,339,667</u>	<u>502,848,565</u>
Net Increase in Cash and Cash Equivalents		1,403,830,154	(343,163,242)
Cash and Cash Equivalents at the beginning of the period		(1,558,918,374)	(448,090,042)
Cash and Cash Equivalents at the period ended	11.1	<u>(155,088,220)</u>	<u>(791,253,284)</u>

The annexed notes 1 to 15 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30,2020 (Un-Audited)**

	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, 2019	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 - net	-	63,270,065	-	(63,270,065)	-	-
Balance as at June 30, 2020	1,760,000,000	270,742,574	1,970,674,892	4,027,666,417	126,978,994	8,156,062,877
Revaluation surplus on Property, Plant & Equipment			-	-	-	-
Profit / (Loss) for the year	-	(40,692,593)	-	-	-	(40,692,593)
Other comprehensive Income (Loss) for the year		-				-
Directors & Shareholders loan			-			-
Incremental depreciation - net	-	15,501,165	-	(15,501,165)	-	-
Balance as at September 30, 2020	1,760,000,000	245,551,146	1,970,674,892	4,012,165,252	126,978,994	8,115,370,284

The annexed notes from 1 to 15 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive


Muhammad Jamil
Chief Financial Officer

**Notes to the Condensed Interim Account
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 (Un-Audited)**

1 LEGAL STATUS & OPERATIONS

The Company was incorporated as Public Limited Company on December 24, 1992 under the Companies Ordinance, 1984. The company is listed on 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 and the factory is in Khushab.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These unconsolidated 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 unconsolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017 (the 'Act').

These unconsolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2020. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The Company is required to issue consolidated condensed interim financial statements along with its condensed interim separate financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Consolidated condensed interim financial statements are prepared separately.

3 Significant Accounting Policies

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2020 and the adoption of new and amended standards as set out in note 3.2 and 3.3.

There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on July 01, 2020. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

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, 2020, 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 interpretations 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 judgments, 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 judgments 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, 2020, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 4.1

4.1 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

5 LOANS FROM RELATED PARTIES - UNSECURED

	Sep 30 ,2020	June 30,2020
Rupees		
Directors & shareholders loan	1,970,674,892	1,970,674,892
	<u>1,970,674,892</u>	<u>1,970,674,892</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	4,027,666,417	4,090,936,482
Add Revaluation Surplus	-	-
	<u>4,027,666,417</u>	<u>4,090,936,482</u>
Less: Surplus transferred to retained earnings (accumulated loss)		
Incremental depreciation	21,832,627	89,112,767
Deferred Tax effect	(6,331,462)	(25,842,702)
	<u>15,501,165</u>	<u>63,270,065</u>
	<u>4,012,165,252</u>	<u>4,027,666,417</u>

The company got its assets i.e. land, building, plant & machinery revalued on June 30, 2006 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. Subsequently the company got its assets revalued in June 2013 by an independent valuer. However, no material differences were identified. Subsequently, as per principles and guidelines issued by IFRS, the company got its assets i.e. land, building, plant & machinery revalued on June 30, 2019 on the basis of current market prices by M/s Hasib Associates (Pvt.) Limited, an independent and approved valuers from Pakistan Banks Association. 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 (2020 Rs. 111.594 million).

7 LONG TERM FINANCE

		Sep 30 ,2020	June 30,2020
Rupees			
Loans from banking companies	7.1	5,620,938,771	3,440,947,104
		<u>5,620,938,771</u>	<u>3,440,947,104</u>

7.1 Loans from banking companies

National Bank of Pakistan Demand Finance - II	7.1.1	1,274,048,580	1,274,048,580
National Bank of Pakistan Demand Finance - III	7.1.2	50,059,000	50,059,000
National Bank of Pakistan Demand Finance - IV	7.1.3	1,258,548,433	1,258,548,433
National Bank of Pakistan Demand Finance - V	7.1.4	400,000,000	400,000,000
National Bank of Pakistan Demand Finance - VI	7.1.5	134,000,000	-
National Bank of Pakistan Demand Finance - VII	7.1.6	1,349,369,125	-
National Bank of Pakistan Demand Finance - VIII (Forzen Markup)	7.1.7	608,382,580	-
Al Baraka Bank Diminishing Musharika	7.1.8	546,531,053	476,543,091
		<u>5,620,938,771</u>	<u>3,459,199,104</u>
Less: Current portion shown under current liabilities			<u>18,252,000</u>
		<u>5,620,938,771</u>	<u>3,440,947,104</u>

- 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 Rs.1274.049 million on 01-09-2020
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 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.
- 7.1.2** The Company has availed facility of demand finance facility III fresh facility of Rs.73 million for cost over runs of plant expansion to finance for retirement of import documents including bills of exchange arising due to upward fluctuations in currency appreciation of Euro / Dollar parity with Pak Rupees with a markup of 3 month KIBOR plus 2% p.a. The 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.
- 7.1.3** 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 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. The facility rescheduled Rs.1,181.306 million on 01-09-2020
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.
- 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. The facility rescheduled Rs.400 million on 01-09-2020
All these facilities also include commitment of sponsoring directors through pledge of shares.
- 7.1.5** Fresh Demand Finance - Facility for Rs 134 M to Finance foreign exchange differential amount / finance cot overrun requirement of the company against First Pari Passu charge of the company amounting to Rs 179 Million and personal guarantees of all Directors. It will be charged with 3 Months KIBOR plus 2 %. It will be paid of in 57 months including grace period of 9 months from first draw down in limit. tentatively up 31-03-2025.
- 7.1.6** Fresh Demand Finance Facility Rs 1,400 M- we have requested for Demand Finance Facility for Rs 1,400 Million against our current facilities of LC 300 M, and 1,000 M and Cash Finance Rs 100 M against 1st Pari Passu charge of the company amounting to Rs 1,867 Million, First Charge over all present & Future fixed assets of the company. Hypothecation charge over Plant & Machinery and mortgage charge on land and personal guarantees of all Directors. Mark shall be charged at 3 Months KIBOR plus 2 %. It will be paid of in 78 months including grace period of 18 months from first draw down in limit. tentatively up 31-12-2026.
- 7.1.7** Frozen Mark up Fresh Demand Finance Facility Rs 610 M- we have requested for our frozen mark up fresh Demand Finance Facility for Rs 610 Million against our current mark up on CF, DF and LC facilities against 1st Pari Passu charge of the company amounting to Rs 814 Million, First Charge over all present & Future fixed assets of the company. Hypothecation charge over Plant & Machinery and mortgage charge on land and personal guarantees of all Directors. It will be paid of in 36 monthly instalments starting from 31-03-2021 to 29-02-2024.

- 7.1.8** A Diminishing Musharika Facility of Rs 600 (Million) is obtained from Albaraka Bank Pakistan Limited, as per Islamic mode of financing tenor is 5 years with one half years grace period for principal repayment only and afterward, the due amount installment shall be paid by 7 equal half yearly installments 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 882 million, and personal guarantee of all Directors of the company. Mark-up is charged 6 month KIBOR + 3%.

		Sep 30, 2020	June 30, 2020
		Rupees	
8	SHORT TERM FINANCE		
	Albaraka Islamic Bank	8.1	178,307,722
	National Bank of Pakistan	8.2	-
	National Bank of Pakistan (Cash Finance)	8.3	-
		<u>178,307,722</u>	<u>1,582,311,299</u>

- 8.1** A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (2020: 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 (2020: 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 (OTT) 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. Mark-up is charged as per bank's Schedule of charges. This facility is converted into Diminishing Musharika Facility of Rs 600 (Million).

- 8.2** 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.

- 8.2.1** 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.

- 8.3** 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.

9 CONTINGENCIES AND COMMITMENTS

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. 00.20 million

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.

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.1411.789(M) (2020 Rs.1411.789(M)). It includes letter of credit facilities for procurement of new cement production plant and parts of machinery

	Sep 30 ,2020	June 30,2020
	Rupees	
10 Property, Plant & Equipment		
Opening book value	6,775,059,833	6,912,491,827
Add: Additions during the period	-	-
	<u>6,775,059,833</u>	<u>6,912,491,827</u>
	6,775,059,833	6,912,491,827
Less: Depreciation charged during the period	33,628,924	137,431,994
Closing book value	<u>6,741,430,909</u>	<u>6,775,059,833</u>
Additions during the period		
Plant & machinery	-	-
	<u>-</u>	<u>-</u>
	-	-
11 CAPITAL WORK IN PROGRESS		
Building	356,349,590	356,349,590
Plant & machinery	6,757,152,211	6,155,464,270
	<u>7,113,501,801</u>	<u>6,511,813,860</u>
12 CASH AND BANK BALANCES		
In hand	15,857,086	838,641
At Banks- current accounts	7,348,663	22,554,284
	<u>23,205,749</u>	<u>23,392,925</u>
	<u>23,205,749</u>	<u>23,392,925</u>
	Sep-20	Sep-19
	Rupees	
Cash Flows from Operating Activities		
Profit / (Loss) for the period - before taxation	(36,599,963)	27,012,034
Adjustment for:		
Depreciation	33,628,924	34,356,748
Finance cost	13,753	18,613,150
	<u>33,642,677</u>	<u>52,969,898</u>
	(2,957,286)	79,981,932
(Increase) / decrease in current assets		
(Increase) in Stores, spares & loose tools	(38,387,998)	(23,675,687)
(Increase) / Decrease in Stock-in-trade	(9,207,513)	(63,452,579)
(Increase) / decrease in Trade debts	78,756	1,012,296
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	(12,278,189)	(288,152,437)
	<u>(59,794,944)</u>	<u>(374,268,407)</u>
(Increase) / decrease in current liabilities		
Increase (Decrease) in Trade and other Payables	(189,865,978)	(50,364,242)
Cash generated from operations	<u>(252,618,208)</u>	<u>(344,650,718)</u>
	<u>(252,618,208)</u>	<u>(344,650,718)</u>
	Sep-20	Sep-19
	Rupees	
12.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	23,205,749	207,067,154
Short term Finances	(178,307,722)	(998,320,437)
	<u>(155,101,973)</u>	<u>(791,253,283)</u>
	<u>(155,101,973)</u>	<u>(791,253,283)</u>

13 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:

Transactions with associated companies	Rupees	Rupees
Sales to Associated Companies	-	25,194,000
Purchases from Associated Companies	-	170,460,725
Transaction with other key management personnel		
Salaries & Benefits	5,700,000	5,700,000

14 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on October 29, 2020 by the board of directors of the company.

15 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

ڈائریکٹرز کا تجزیہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو اختتام پذیر پہلی سہ ماہی کے لئے کمپنی کی غیر پڑتال شدہ مختصر عبوری مالیاتی اسٹیٹمنٹس ازراہ مسرت پیش کرتے ہیں۔

مالیاتی کارکردگی

سال 2019ء اور 2020ء کی پہلی سہ ماہی کے لئے کمپنی کے آپریٹنگ نتائج کا تقابلی جائزہ حسب ذیل ہے:

پہلی سہ ماہی	پہلی سہ ماہی
ستمبر 2019ء تک	ستمبر 2020ء تک

روپے		
421,941,748	68,416,887	خالص فروخت
(377,638,938)	(101,956,551)	فروخت شدہ اشیاء پر لاگت
44,302,810	(33,539,664)	مجموعی منافع/(نقصان)
(14,137,726)	(13,442,991)	انتظامی و فروخت کے اخراجات
(18,613,150)	(13,753)	مالیاتی لاگت
(5,042,332)	(4,092,630)	ٹیکسیشن
21,969,702	(40,692,593)	نفع/(نقصان) علاوہ ٹیکسیشن
0.12	(0.23)	(خسارہ)/(آمدنی فی حصص (روپے))

گذشتہ برس کی اسی مدت میں خالص فروخت کے مقابلہ میں 421 ملین روپے سے 68 ملین روپے کمی واقع ہوئی۔ اور پہلی سہ ماہی کے دوران نفع میں بھی 22 ملین روپے کے مقابلہ میں 41 ملین روپے کا نقصان ہوا۔

مستقبل کا منظر نامہ

وفاقی حکومت تعمیراتی صنعت پر بھرپور توجہ دے رہی ہے اور SBP نے مالیاتی سال 2020ء کی آخری سہ ماہی کے دوران ڈسکاؤنٹ ریٹ میں کمی کر کے مانیٹری ریلیف بھی فراہم کیا ہے لہذا معاشی ماحول میں بہتری کے امکانات موجود ہیں۔ حکومتی سکیموں اور خصوصی ٹیکس ریلیف کی وجہ سے ہاؤسنگ اور تعمیراتی شعبہ نے اپنی رفتار پکڑ لی ہے۔

ہم وفاقی حکومت کی جانب سے تعمیراتی شعبہ کے لئے اعلان کردہ پیکیج سے سیمنٹ انڈسٹری پر بتدریج مثبت اثرات مرتب ہونے کی توقع رکھتے ہیں۔

ہم مقامی منڈیوں میں سیمنٹ کی طلب میں اضافہ دیکھ رہے ہیں اور کمپنی نتیجتاً آئندہ سہ ماہی میں اپنے مالیاتی نتائج میں بہتری لے آئے گی۔

اعتراف

آپ کی کمپنی کی انتظامیہ تمام ملازمین کے شاندار عزم اور تعاون اور تمام سٹیک ہولڈرز کی جانب سے کمپنی پر مسلسل بھروسہ کے لئے تہہ دل سے شکریہ ادا کرتے ہیں۔

منجانب / برائے بورڈ آف ڈائریکٹرز

مومن قمر
ڈائریکٹر

آغا ہمایوں خان
چیف ایگزیکٹو

لاہور، 29 اکتوبر 2020ء



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