



FLYING CEMENT

COMPANY LTD.

3rd QUARTER REPORT
(Un-Audited)
March 31, 2019



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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
A member firm of TIAG Int'l

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

Askari Bank Limited
The Bank of Punjab
United Bank Limited.
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited
Bank Al Falah Limited
Habib Bank Limited
Allied Bank Limited
Summit Bank Limited
Meezan Bank Limited
Standard Chartered 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
Tel: 021-111-000-322, Fax: 021-34168271

WEB SITE

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DIRECTORS REPORT

The Board of Directors is pleased to present herewith report along with un-audited financial accounts of the company for the 3rd Quarter ended 31st March, 2019.

Financial Performance

The comparative financial results of the company for the period under review are summarized below.

	Amount in Rupees			
	For the nine month ended		For the 3 rd quarter ended	
	Jul-Mar 2019	Jul-Mar 2018	Jan-Mar 2019	Jan-Mar 2018
Net Sales	2,649,790,663	2,048,541,050	858,474,264	788,876,774
Gross Profit	320,277,694	176,536,627	121,325,473	49,968,311
Net Profit after Tax	141,847,403	95,877,768	64,098,949	33,053,378
Earning Per Share	0.81	0.54	0.36	0.19

The sales of the company have stood at Rs 2,650 Million as of 31.03.2019 which registered an increase by Rs 601 Million (29.8%) over the figures of corresponding period of 2018. Likewise, the profit of Rs 142 (M) indicate a rise by around 50% over the results of corresponding period of last year. Consequently the earnings per share have shown improvement by Rs 0.27 and stood at Rs 0.81 as against figure of Rs 0.54 pertaining to corresponding period of last year.

As a concomitant effect of persistent increase in demand for cement the domestic industrial sector has witnessed significant growth over several past years. In order to meet the present and anticipated future increase in demand for cement almost all cement manufacturers have since undertaken constructive steps for increasing their installed capacity by BMR and or by installation of new lines so as to cope with the increasing trend in demand for.

In view of the positive future outlook due to persistent increase in demand for cement the company also undertook strategic measures for enhancing their installed capacity from 2,000 tpd to 4,000 tpd.

We express our gratitude for continuous support and cooperation of our bankers, institutions, shareholders, customers, suppliers and we look forward receiving their continued support in future and also our appreciation for our employees and patronage of our customers.

For and on behalf of the board



Agha Hamayun Khan
Chief Executive
Lahore; April 30, 2019



Momin Qamar
Director

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2019 (un-audited)

	Note	March 31, 2019 Rupees	June 30, 2018 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>729,910,392</u>	<u>565,116,210</u>
Total Equity		<u>2,616,889,386</u>	<u>2,452,095,204</u>
Surplus on revaluation of fixed assets		1,443,688,219	1,466,634,998
NON-CURRENT LIABILITIES			
Long term finance	4	<u>3,334,717,304</u>	<u>2,572,520,644</u>
Long term deposits		14,005,340	14,005,340
Deferred liabilities	5	<u>607,975,385</u>	<u>592,413,717</u>
		<u>3,956,698,029</u>	<u>3,178,939,701</u>
CURRENT LIABILITIES			
Trade and other payables		<u>1,810,156,730</u>	<u>1,681,337,685</u>
Unclaimed Dividend		47,454	47,454
Short term finance	6	432,927,758	705,597,637
Current portion of long term finance	4	34,667,000	237,249,000
Provision for taxation current year		<u>33,122,383</u>	<u>39,632,839</u>
		<u>2,310,921,325</u>	<u>2,663,864,615</u>
TOTAL LIABILITIES		<u>6,267,619,354</u>	<u>5,842,804,316</u>
Contingencies and commitments	7	-	-
TOTAL EQUITY AND LIABILITIES		<u>10,328,196,959</u>	<u>9,761,534,518</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	8	<u>4,502,415,675</u>	<u>4,556,392,342</u>
Capital work in progress	9	<u>3,477,229,201</u>	<u>2,083,369,344</u>
		<u>7,979,644,876</u>	<u>6,639,761,686</u>
Long Term Security Deposits		32,880,151	31,416,883
CURRENT ASSETS			
Stores, spares & loose tools		804,018,460	727,988,564
Stock in trade		416,866,629	316,862,420
Trade debts		4,597,851	8,590,135
Advances, deposits, prepayments & other receivables		1,053,154,376	1,922,032,767
Cash and bank balances	10	<u>37,034,616</u>	<u>114,882,063</u>
		<u>2,315,671,932</u>	<u>3,090,355,949</u>
TOTAL ASSETS		<u>10,328,196,959</u>	<u>9,761,534,518</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive



Muhammad Jamil
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2019 (un-audited)**

	For the nine month ended		For the quarter ended	
	Jul - Mar 2019	Jul - Mar 2018	Jan - March 2019	Jan - March 2018
	(Rupees)			
Gross sales	3,921,102,159	3,050,269,532	1,261,852,557	1,184,217,515
Less : Sales Tax & Excise Duty	1,271,311,496	1,001,728,482	403,378,293	395,340,741
	1,271,311,496	1,001,728,482	403,378,293	395,340,741
Sales	2,649,790,663	2,048,541,050	858,474,264	788,876,774
Cost of sales	(2,329,512,969)	(1,872,004,423)	(737,148,791)	(738,908,463)
Gross Profit	320,277,694	176,536,627	121,325,473	49,968,311
Operating Expenses				
Distribution cost	(6,464,092)	(7,652,473)	(1,330,308)	(1,914,454)
Administrative expenses	(40,702,272)	(38,060,813)	(12,794,197)	(14,031,262)
	(47,166,364)	(45,713,286)	(14,124,505)	(15,945,716)
Operating Profit	273,111,330	130,823,341	107,200,968	34,022,595
Finance cost	(148,337,051)	(42,566,623)	(50,306,032)	(21,301,706)
Operating Profit	124,774,279	88,256,718	56,894,936	12,720,889
Other Income	65,757,175	36,725,400	20,632,175	-
Profit Before taxation	190,531,454	124,982,118	77,527,111	12,720,889
Taxation	(48,684,051)	(29,104,350)	(13,428,162)	20,332,489
Profit After Taxation	141,847,403	95,877,768	64,098,949	33,053,378
Other Comprehensive income	-	-	-	-
Total Comprehensive income / (loss) for the period	141,847,403	95,877,768	64,098,949	33,053,378
Earning Per Share- Basic	0.81	0.54	0.36	0.19

The annexed notes from 1 to 14 form an integral part of these financial statements.

Momin Qamar

Momin Qamar
Director

Agha Hamayun Khan

Agha Hamayun Khan
Chief Executive

Muhammad Jamil

Muhammad Jamil
Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2019 (un-audited)**

		March 31, 2019 Rupees	March 31, 2018 Rupees
Cash Flow from Operating Activities			
Cash generated from operation	11	1,290,227,276	(909,850,969)
Taxes Paid		<u>(97,468,278)</u>	<u>(118,618,739)</u>
Net Cash from Operating Activities		<u>1,192,758,998</u>	<u>(1,028,469,708)</u>
Cash flows From Investing Activities			
Fixed Capital Expenditures		<u>(1,407,750,907)</u>	<u>(730,542,338)</u>
Long Term Security Deposit		<u>(1,463,268)</u>	<u>(12,823,723)</u>
Net Cash (used in) Investing Activities		<u>(1,409,214,175)</u>	<u>(743,366,061)</u>
Cash Flows From Financing Activities			
Finance cost paid		<u>(148,337,051)</u>	<u>(28,291,652)</u>
Short Term Finance		<u>(202,582,000)</u>	<u>66,416,000</u>
Long Term Finance		<u>762,196,660</u>	<u>1,055,692,408</u>
Long term deposits		<u>-</u>	<u>500,000</u>
Net Cash (used in) Financing Activities		<u>411,277,609</u>	<u>1,094,316,756</u>
Net Increase in Cash and Cash Equivalents		194,822,432	(677,519,013)
Cash and Cash Equivalents - at the beginning of the period		(590,715,574)	(65,952,642)
Cash and Cash Equivalents - at the end of the period	11.1	<u>(395,893,142)</u>	<u>(743,471,655)</u>

The annexed notes from 1 to 14 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 CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2019 (un-audited)**

	Issued, subscribed & paid up capital (Rs.)	Accumulated (Loss) (Rs.)	Capital Reserve (Rs.)	Total (Rs.)
Balance as at July 30, 2017	1,760,000,000	352,788,164	126,978,994	2,239,767,158
Total comprehensive income for the period ended March 31, 2018	-	95,877,768	-	95,877,768
Incremental depreciation	-	23,085,290	-	23,085,290
Balance as at March 31, 2018	1,760,000,000	471,751,222	126,978,994	2,358,730,216
Balance as at July 01, 2018	1,760,000,000	565,116,210	126,978,994	2,452,095,204
Total comprehensive income for the period ended March 31, 2019	-	141,847,403	-	141,847,403
Incremental depreciation	-	22,946,779	-	22,946,779
Balance as at March 31, 2019	1,760,000,000	729,910,392	126,978,994	2,616,889,386

The annexed notes from 1 to 14 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 FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019 (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. Registered address has been changed from 15-Jan-2019 vide letter No.ARL/0029341/7500 Dated 21.01.2019 after reporting date.

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, 2018.
- 2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended March 31, 2019 and 2018 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, 2018 except those stated in note 3.2 (a) below.
- 3.2 **Change in accounting standards, interpretations and amendments to published approved accounting standards**
- a New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the quarters ended March 31, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers'
- IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Changes laid down by these standards do not have any significant impact on these condensed interim financial statements of the Company.

IFRS - 16 was issued in January 2016 and is effective from 1 January 2019.

New standard eliminates lessees classification of leases as either operating leases or finance leases.

Instead, almost all leases are "Capitalized" by recognizing a lease liability and right of use asset on the balance sheet. There is little change for lessors accounting.

b New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2018. The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2018.

		March 31, 2019 Rupees	June 30, 2018 Rupees
4 LONG TERM FINANCE			
National Bank of Pakistan - secured	4.1	1,728,670,580	972,976,153
Loans from related Parties - unsecured	4.2	1,515,674,892	1,515,674,892
Long Term Creditors		<u>90,371,832</u>	<u>83,869,599</u>
		3,334,717,304	2,572,520,644
4.1 Loans from banking companies - secured			
National Bank of Pakistan Demand Finance	4.1.1	1,274,048,580	1,160,476,153
National Bank of Pakistan Demand Finance (WHR)	4.1.2	16,415,000	49,749,000
National Bank of Pakistan Demand Finance - 3	4.1.3	72,874,000	-
National Bank of Pakistan Demand Finance - 4	4.1.4	400,000,000	-
		1,763,337,580	1,210,225,153
Less: current portion shown under current liabilities		34,667,000	237,249,000
		<u>1,728,670,580</u>	<u>972,976,153</u>

4.1.1 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 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 tpd from 2000 tpd.

The facility includes a grace period of one year and principal to be repaid in 16 quarterly installments of Rs.93.75 million each. The first installment falls due at the end of 15th 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.

4.1.2 The Company has availed facility of letter of credit-sight limited of Rs.100 million with nil cash margin and markup payable as per schedule of charges of the bank to import Heat Exchanger.

The Company has availed facility of demand finance as a sub-limit to LC-Sight at nil cash margin with a markup of 3 month KIBOR plus 1.5% p.a to finance import of Heat Exchanger. The facility will expire on 31-12-2018 including 6 months grace period and principal is to be repaid in 6 quarterly installments of Rs.16.67 million. The facility of LC-Sight and its sub limit of demand finance are secured against 1st charge of Rs.134 million over all present and future fixed assets (hypothecation/Mortgage) of the company, lien of import documents and personal guarantees of all Directors.

- 4.1.3** 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.

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 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 tpd from 2000 tpd.

- 4.1.4** The Company has availed facility of Demand finance facility-V of Rs 400 million from National Bank of Pakistan secured against 1st Pari Passo 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

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

4.2 LOANS FROM RELATED PARTIES -UNSECURED

		March 31, 2019	June 30, 2018
		Rupees	Rupees
Directors & Shareholders loan	4.2.1	1,515,674,892	1,515,674,892

- 4.2.1** 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 completion of the expansion project subject to availability of funds.

5 DEFERRED LIABILITIES		March 31, 2019 Rupees	June 30, 2018 Rupees
Deferred Taxation		607,011,650	591,449,982
Gratuity		963,735	963,735
		<u>607,975,385</u>	<u>592,413,717</u>
Deferred Taxation - Net			
Taxable temporary differences - effect thereof			
- Excess of accounting book value of fixed assets over their tax base		1,128,935,344	1,171,096,295
Deductible temporary differences - effect thereof			
- Gratuity		(279,483)	(289,121)
- Excess Tax / Minimum Tax		(33,122,383)	(39,632,839)
- WPPF & WWF		(5,575,630)	(9,521,641)
- Unused tax losses		(482,946,198)	(530,202,712)
		<u>607,011,650</u>	<u>591,449,982</u>
6 SHORT TERM FINANCE			
Loan from Banking Companies-Secured			
Albaraka Islamic Bank	6.1	303,393,969	163,034,936
National Bank of Pakistan	6.2	29,533,789	442,562,701
National Bank of Pakistan (Cash Finance)	6.3	100,000,000	100,000,000
		<u>432,927,758</u>	<u>705,597,637</u>

6.1 A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (2018: Rs. 22.50 million) is obtained from Albaraka Islamic Bank (Pakistan) Limited with a sub limit of letter of guarantee of Rs. 0.20 million (2018: 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.

6.2 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 31-03-2019 (renewal is under consideration) 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.

The Company has availed facility of letter of credit-sight limited of Rs.100 million with nil cash margin and markup payable as per schedule of charges of the bank to import Heat Exchanger.

The Company has availed facility of demand finance as a sub-limit to LC-Sight at nil cash margin with a markup of 3 month KIBOR plus 1.5% p.a to finance import of Heat Exchanger. The facility will expire on 31-12-2018 including 6 months grace period and principal is to be repaid in 6 quarterly installments of Rs.16.67 million. The facility of LC-Sight and its sub limit of demand finance are secured against 1st charge of Rs.134 million over all present and future fixed assets (hypothecation/Mortgage) of the company, lien of import documents and personal guarantees of all Directors.

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 16 quarterly installments of Rs.93.75 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.

- 6.3** 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.

7 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES:

- 7.1** The Albaraka Islamic Bank has issued letter of guarantees on behalf of company for the following:
- Excise Collection Office, Sindh Development & Maintenance amounting to Rs.0.20 million
- 7.2** 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.
- 7.3** 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 feel 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.1766.173(M) (2018 Rs.768.812(M)). It includes letter of credit facilities for procurement of new cement production plant, parts of machinery

8 PROPERTY, PLANT & EQUIPMENT	March 31, 2019 Rupees	June 30, 2018 Rupees
Opening book value	4,556,392,342	4,641,202,215
Add: Additions during the period	<u>13,891,050</u>	<u>7,319,000</u>
	4,570,283,392	4,648,521,215
Less Deletion during the year - net off depreciation	<u>4,570,283,392</u>	<u>-</u>
	4,570,283,392	4,648,521,215
Less: Depreciation charged during the period	<u>67,867,717</u>	<u>92,128,873</u>
Closing book value	<u><u>4,502,415,675</u></u>	<u><u>4,556,392,342</u></u>
Additions during the period		
Land, plant & machinery	13,891,050	7,319,000
	<u>13,891,050</u>	<u>7,319,000</u>
9 CAPITAL WORK IN PROGRESS		
Building	167,274,390	167,274,390
Plant & machinery	<u>3,309,954,811</u>	<u>1,916,094,954</u>
	<u>3,477,229,201</u>	<u>2,083,369,344</u>
10 CASH AND BANK BALANCES		
In hand	1,802,736	2,847,150
At Banks- current accounts	<u>35,231,880</u>	<u>112,034,913</u>
	<u>37,034,616</u>	<u>114,882,063</u>
11 Cash Generated from Operations	March 31, 2019 Rupees	March 31, 2018 Rupees
Profit / (Loss) for the period - before taxation	190,531,454	124,982,118
Adjustment for:		
Depreciation	67,867,717	69,096,656
Finance cost	148,337,051	42,566,623
	216,204,768	111,663,279
(Increase) / decrease in current assets	406,736,222	236,645,397
(Increase) in Stores, spares & loose tools	(76,029,896)	(299,166,293)
(Increase) in Stock-in-trade	(100,004,209)	(37,052,681)
(Increase) in Trade debts	3,992,284	(5,004,152)
(Increase) in Advances, deposits, prepayments and other receivables	926,713,830	(890,014,744)
	754,672,009	(1,231,237,870)
Increase / (decrease) in current liabilities		
Increase / (Decrease) in Trade and other Payables	128,819,045	84,741,504
Cash Flow from operating activities	1,290,227,276	(909,850,969)
11.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	37,034,616	19,336,696
Short term Finances	(432,927,758)	(762,808,351)
	<u>(395,893,142)</u>	<u>(743,471,655)</u>

12 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, 2019	March 31, 2018
	Rupees	Rupees
Transactions with associated companies		
Sales to Associated Companies	24,235,500	-
Purchases from Associated Companies	121,216,587	160,513,862
Transaction with other key management personnel		
Salaries & Benefits	17,100,000	17,100,000

13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 30, 2019 by the board of directors of the company.

14 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 رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2019ء کو اختتام پذیر تیسری سہ ماہی کے لئے کمپنی کے غیر پڑتال شدہ مالیاتی کھاتوں کے ہمراہ اپنی جائزہ رپورٹ پیش کرنے میں مسرت کا اظہار کرتے ہیں۔

مالیاتی کارکردگی

زیر جائزہ مدت کے لئے کمپنی کی متقابل مالیات کا خلاصہ حسب ذیل ہے:

اختتام پذیر تیسری سہ ماہی کے لئے		اختتام پذیر نو ماہی کے لئے		
جنوری۔ مارچ 2018ء	جنوری۔ مارچ 2019ء	جولائی۔ مارچ 2018ء	جولائی۔ مارچ 2019ء	
788,876,774	858,474,264	2,048,541,050	2,649,790,663	خالص فروخت
49,968,311	121,325,473	176,536,627	320,277,694	مجموعی منافع
33,053,378	64,098,949	95,877,768	141,847,403	ٹیکس کے بعد منافع
0.19	0.36	0.54	0.81	فی حصص آمدنی

31 مارچ 2019ء کو کمپنی کی فروخت 2650 ملین روپے رہی جو سال 2018ء کی اسی مدت کے اعداد سے 601 ملین روپے (29.8 فی صد) اضافہ ظاہر کرتے ہیں۔ اسی طرح سے 142 ملین روپے کا منافع ظاہر کرتا ہے جو کہ گذشتہ مدت کے مقابلہ میں 50 فی صد اضافہ ظاہر کرتا ہے۔ نتیجتاً فی حصص آمدنی گذشتہ سال کی اسی مدت میں 0.54 روپے کے مقابلہ میں 0.27 روپے اضافہ کے ساتھ 0.81 روپے رہی۔

سیمنٹ کی طلب میں موجودہ اضافہ کے خوشگوار اثرات سے ڈومیسٹک اور صنعتی شعبہ میں گذشتہ کئی سالوں میں نمایاں ترقی دیکھنے میں آئی ہے۔ سیمنٹ کی موجودہ اور متوقع طلب کو پورا کرنے کے لئے تقریباً سیمنٹ کے تمام صنعت کاروں نے اپنی نصب شدہ صلاحیت کو BMR میں تبدیلی اور طلب میں اضافہ کے رجحان پر قابو پانے کے لئے نئی تخصیبات جیسے تعمیری اقدامات اٹھائے ہیں۔ سیمنٹ کی طلب میں نمایاں اضافہ کی وجہ سے مستقبل میں مثبت نتائج کے پیش نظر کمپنی نے اپنی موجودہ نصب شدہ صلاحیت میں 2,000 ٹی پی ڈی سے 4,000 ٹی پی ڈی اضافہ کرنے جیسا مثبت قدم اٹھایا ہے۔

ہم اپنے مینکریز، اداروں، حصص داران، صارفین، سپلائرز کے تعاون اور مسلسل حمایت پر شکریہ ادا کرتے ہیں اور ہم مستقبل میں بھی ان کے مسلسل تعاون کے خواہاں ہیں۔ مزید برآں ہم اپنے ملازمین اور معزز صارفین کی محنت کو بھی قدر کی نگاہ سے دیکھتے ہیں۔

آغا ہمایوں خان

چیف ایگزیکٹو

لاہور: 30 اپریل، 2019ء

مومن قمر

ڈائریکٹر



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