



**FLYING CEMENT**  
COMPANY LTD.

**1st QUARTER REPORT**  
(Un-Audited)  
September 30, 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

### 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  
Tel: 021-111-000-322, Fax: 021-34168271

### WEB SITE

www.flyingcement.com

### E-MAIL

info@flyinggroup.com.pk  
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## DIRECTOR'S REVIEW

The Directors are pleased to present the un-audited financial statements of the company for the first Quarter ended September 30, 2019.

### Financial Performance

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

	<b>1st Quarter Upto September 2019 (Rs)</b>	<b>1st Quarter Upto September 2018 (Rs)</b>
Net Sales	<b>421,941,748</b>	850,638,538
Cost of goods sold	<b>(377,638,938)</b>	(759,668,735)
Gross Profit	<b>44,302,810</b>	90,969,803
Admin and selling expenses	<b>(14,137,726)</b>	(13,511,442)
Financial Cost	<b>(18,613,150)</b>	(33,974,213)
Taxation	<b>(5,042,332)</b>	(13,243,646)
Profit After Taxation	<b>21,969,702</b>	30,240,502
Earning Per Share (Rs.)	<b>0.12</b>	0.17

The Sales figures shows a decrease in sales as compared to corresponding period from Rs 851 (M) to Rs 422(M) and profit shows decrease from Rs. 30(M) to Rs. 22(M) in the current 1st Quarter of financial year 2019-2020. Earning per share of the Company reduced from Rs. 0.17 to Rs. 0.12 for the 1st Quarter 2019-2020.

### Future Outlook

Cement sales continue to remain challenging. In the current economic scenario which is witnessing double digit inflation along with devaluation of Pak Rupee coupled with tax reforms would be a challenge to maintain gross margins in the period ahead. Moreover, there is no promising news on allocation of development funds towards Public Sector Development projects by the Government of Pakistan. The management is making its utmost efforts to increase in sales of cement and to maintain profit momentum.

We wish to record our appreciation of continued support and cooperation of our shareholders employees and patronage of our customers.

For and on behalf of the board



**Agha Hamayun Khan**  
Chief Executive  
Lahore; October 30, 2019



**Momin Qamar**  
Director

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2019 (un-audited)**

	Note	Sep 30, 2019 Rupees	June 30, 2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
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.		1,760,000,000	1,760,000,000
Capital Reserve		126,978,994	126,978,994
Un appropriated Profit		<u>775,964,533</u>	<u>738,177,315</u>
Total Equity		<u>2,662,943,527</u>	<u>2,625,156,309</u>
Directors & shareholders loan	4	1,970,674,892	1,515,674,892
Surplus on revaluation of fixed assets	5	4,075,118,966	4,090,936,482
<b>NON-CURRENT LIABILITIES</b>			
Long term finance	6	<u>2,084,700,505</u>	<u>2,056,851,940</u>
Long term deposits		14,005,340	14,005,340
Deferred liabilities		<u>580,882,442</u>	<u>582,401,138</u>
		2,679,588,287	2,653,258,418
<b>CURRENT LIABILITIES</b>			
Short term finance	7	<u>998,320,437</u>	<u>506,777,638</u>
Trade and other payables		1,926,951,194	1,977,309,742
Unclaimed Dividend		53,148	53,148
Current portion of long term finance		78,252,000	58,252,000
Provision for taxation		<u>6,561,028</u>	<u>42,122,946</u>
		<u>3,010,137,807</u>	<u>2,584,515,474</u>
<b>TOTAL LIABILITIES</b>		<u>5,689,726,094</u>	<u>5,237,773,892</u>
Contingencies and commitments	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>14,398,463,479</u>	<u>13,469,541,575</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	9	<u>6,878,085,079</u>	<u>6,912,441,827</u>
Capital work in progress	10	<u>4,720,433,369</u>	<u>4,304,011,890</u>
		11,598,518,448	11,216,453,717
Long Term Security Deposits		32,880,151	32,880,151
<b>CURRENT ASSETS</b>			
Stores & spares & loose tools		<u>774,998,024</u>	<u>751,322,337</u>
Stock in trade		521,092,016	457,639,437
Trade debts		9,019,397	10,031,693
Advances, deposits, prepayments & other receivables		1,254,888,289	942,526,644
Cash and bank balances	11	<u>207,067,154</u>	<u>58,687,596</u>
		<u>2,767,064,880</u>	<u>2,220,207,707</u>
<b>TOTAL ASSETS</b>		<u>14,398,463,479</u>	<u>13,469,541,575</u>

The annexed notes 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 PROFIT OR LOSS AND OTHERS COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (un-audited)**

	Sep 30, 2019 Rupees	Sep 30, 2018 Rupees
Gross Sales	590,240,721	1,277,351,733
Less: Sales tax and federal excise duty	168,298,973	426,713,195
Rebates and commission	-	-
	168,298,973	426,713,195
Net sales	421,941,748	850,638,538
Cost of Sales	(377,638,938)	(759,668,735)
<b>Gross Profit</b>	<b>44,302,810</b>	90,969,803
Distribution cost	(1,394,241)	(2,733,469)
Administrative expenses	(12,743,485)	(10,777,973)
	(14,137,726)	(13,511,442)
<b>Operating Profit</b>	<b>30,165,084</b>	77,458,361
Financial cost	(18,613,150)	(33,974,213)
Others Income	15,460,100	-
<b>Profit Before Taxation</b>	<b>27,012,034</b>	43,484,148
Taxation	(5,042,332)	(13,243,646)
<b>Profit After Taxation</b>	<b>21,969,702</b>	30,240,502
Other Comprehensive income		
Total Comprehensive income / (loss) for the period	<b>21,969,702</b>	30,240,502
<b>Earnings Per Share- Basic</b>	<b>0.12</b>	0.17

- The annexed notes 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 Cash Flow Statement ( Un-Audited)  
For the Quarter Ended September 30,2019**

		Sep-19 Rupees	Sep-18 Rupees
<b>Cash generated from operations</b>	11	<b>(344,650,718)</b>	200,108,579
Taxes Paid		<b>(66,332,154)</b>	(68,148,520)
<b>Net Cash from Operating Activities</b>		<b>(410,982,872)</b>	131,960,059
<b>Cash Flows from Investing Activities</b>			
Fixed Capital Expenditures		<b>(416,421,479)</b>	(61,701,300)
		-	-
<b>Net Cash (used in) Investing Activities</b>		<b>(416,421,479)</b>	(61,701,300)
<b>Cash Flows From Financing Activities</b>			
Finance cost paid		<b>(18,607,456)</b>	(33,974,213)
Current portion of long term finance		<b>20,000,000</b>	-
Long term finance and Director & Shareholders Loan\		<b>27,848,565</b>	23,294,586
Director & Shareholders Loan		<b>455,000,000</b>	-
<b>Net Cash from / (used in) Financing Activities</b>		<b>484,241,109</b>	(10,679,627)
Net Increase in Cash and Cash Equivalents		<b>(343,163,242)</b>	59,579,132
Cash and Cash Equivalents at the beginning of the period		<b>(448,090,042)</b>	(590,715,573)
Cash and Cash Equivalents at the period ended	11.1	<b>(791,253,284)</b>	(531,136,441)

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



**Momin Qamar**  
Director



**Agha Hamayun Khan**  
Chief Executive



**Muhammad Jamil**  
Chief Financial Officer



**Statement of Changes in Equity (Un-Audited)**  
**For the Quarter ended September 30, 2019**

	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.)
<b>Balance as at June 30, 2018</b>	<b>1,760,000,000</b>	<b>565,116,210</b>	<b>1,515,674,892</b>	<b>1,466,634,998</b>	<b>126,978,994</b>	<b>5,434,405,094</b>
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)		-
<b>Balance as at June 30, 2019</b>	<b>1,760,000,000</b>	<b>738,177,315</b>	<b>1,515,674,892</b>	<b>4,090,936,482</b>	<b>126,978,994</b>	<b>8,231,767,683</b>
Revaluation surplus on Property, Plant & Equipment.						-
Total Comprehensive Income for the period	-	21,969,702	-	-		21,969,702
Directors & Shareholders loan			455,000,000			455,000,000
Incremental depreciation	-	15,817,516	-	(15,817,516)		-
<b>Balance as at September 30, 2019</b>	<b>1,760,000,000</b>	<b>775,964,533</b>	<b>1,970,674,892</b>	<b>4,075,118,966</b>	<b>126,978,994</b>	<b>8,708,737,385</b>

- The annexed notes 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 Account (Un-Audited)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (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 of cement. The registered office of the company is situated in Lahore and the factory is in Khushab.

**2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

These condensed interim financial statements of the Company for the quarter ended 30 September 2019 have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. The disclosures in the condensed interim financial statements do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2019. Comparative statement of financial position is extracted from annual financial statements as of 30 June 2019 whereas comparative condensed interim profit or loss, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial statements for the quarter ended 30 September 2018.

These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

**3 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies and the methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements for the year ended 30 June 2019 except for the following:

IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company has adopted IFRS 16 during the period. The adoption of IFRS 16 does not have any material impact on these condensed interim financial statements.

**4 LOANS FROM RELATED PARTIES - UNSECURED**

	Sep 30, 2019 Rupees	June 30, 2019 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.

**5 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
	<u>4,090,936,482</u>	<u>4,121,532,187</u>
Less: Surplus transferred to retained earnings (accumulated loss)		
Incremental depreciation	22,278,191	43,092,542
Deferred Tax effect	(6,460,675)	(12,496,837)
	<u>15,817,516</u>	<u>30,595,705</u>
	<u>4,075,118,966</u>	<u>4,090,936,482</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. 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. 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).

		Sep 30, 2019 Rupees	June 30, 2019 Rupees
<b>6</b>	<b>LONG TERM FINANCE</b>		
	Loans from banking companies	<b>6.1</b> <b>1,766,077,580</b>	1,684,107,580
	Long Term Creditors	<b>6.3</b> <b>318,622,925</b>	372,744,360
		<b>2,084,700,505</b>	<b>2,056,851,940</b>
<b>6.1</b>	<b>Loans from banking companies</b>		
	National Bank of Pakistan Demand Finance -2	<b>6.1.1</b> <b>1,274,048,580</b>	1,274,048,580
	National Bank of Pakistan Demand Finance -3	<b>6.1.2</b> <b>63,748,000</b>	68,311,000
	National Bank of Pakistan Demand Finance -4	<b>6.1.3</b> <b>106,533,000</b>	-
	National Bank of Pakistan Demand Finance -5	<b>6.1.4</b> <b>400,000,000</b>	400,000,000
		<b>1,844,329,580</b>	1,742,359,580
	Less: Current portion shown under current liabilities	<b>78,252,000</b>	58,252,000
		<b>1,766,077,580</b>	<b>1,684,107,580</b>
<b>6.1.1</b>	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.		
<b>6.1.2</b>	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 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.

- 6.1.3** 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 to 4000 tons per day (TPD) from 2000 TPD.
- 6.1.4** 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.
- 6.3** 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.60.761 million and Flying Board & Paper Products Limited 209.141 million.

		Sep 30, 2019 Rupees	June 30, 2019 Rupees
<b>7</b>	<b>SHORT TERM FINANCE</b>		
	Albaraka Islamic Bank	<b>7.1</b>	<b>304,104,701</b>
	Albaraka Islamic Bank (Istasna)		<b>92,771,000</b>
	National Bank of Pakistan	<b>7.2</b>	<b>501,444,736</b>
	National Bank of Pakistan (Cash Finance)	<b>7.3</b>	<b>100,000,000</b>
		<b>998,320,437</b>	<b>506,777,638</b>

- 7.1** A letter of credit facility usance / acceptance 180 days of Rs. 277.50 million (2019: Rs.257.50 million) is obtained from Albaraka Islamic Bank 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.
- 7.2** 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.

- 7.2.1** 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 over all 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.

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 overfixed assets of the company amounting to Rs 133.50 Million and personal guarantees of all Directors.

## 8 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.1578.817(M) (2019 Rs.2012.588(M)). It includes letter of credit facilities for procurement of new cement production plant and parts of machinery

	Sep 30, 2019 Rupees	June 30, 2019 Rupees
<b>9 Property, Plant &amp; Equipment</b>		
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
	<u>6,912,441,827</u>	<u>7,002,949,465</u>
	6,912,441,827	7,002,949,465
Less: Depreciation charged during the period	<u>34,356,748</u>	<u>90,507,638</u>
Closing book value	<u>6,878,085,079</u>	<u>6,912,441,827</u>
<b>Additions during the period</b>		
Plant & machinery	-	105,120,847
	<u>-</u>	<u>105,120,847</u>
<b>10 CAPITAL WORK IN PROGRESS</b>		
Building	330,261,890	330,261,890
Plant & machinery	4,390,171,479	3,973,750,000
	<u>4,720,433,369</u>	<u>4,304,011,890</u>

**11 CASH AND BANK BALANCES**

In hand	204,764,997	8,090,882
At Banks- current accounts	2,302,157	50,596,714
	<b>207,067,154</b>	<b>58,687,596</b>

	<b>Sep-19</b>	<b>Sep-18</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Cash Flows from Operating Activities</b>		
<b>Profit / (Loss) for the period - before taxation</b>	<b>27,012,034</b>	<b>43,484,148</b>
Adjustment for:		
Depreciation	34,356,748	22,600,483
Finance cost	18,613,150	33,974,213
	<b>52,969,898</b>	<b>56,574,696</b>
	<b>79,981,932</b>	<b>100,058,844</b>
<b>(Increase) / decrease in current assets</b>		
(Increase) in Stores, spares & loose tools	(23,675,687)	(165,440,400)
(Increase) / Decrease in Stock-in-trade	(63,452,579)	(32,745,551)
(Increase) / decrease in Trade debts	1,012,296	3,614,891
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	(288,152,437)	103,049,593
	<b>(374,268,407)</b>	<b>(91,521,467)</b>
<b>(Increase) / decrease in current liabilities</b>		
Increase (Decrease) in Trade and other Payables	(50,364,242)	191,571,202
Cash generated from operations	<b>(344,650,718)</b>	<b>200,108,579</b>

**11.1 CASH AND CASH EQUIVALENTS**

Cash and bank balances	207,067,154	46,956,174
<b>Short term Finances</b>	<b>(998,320,437)</b>	<b>(578,092,616)</b>
	<b>(791,253,284)</b>	<b>(531,136,442)</b>

**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:

<b>Transactions with associated companies</b>	<b>Rupees</b>	<b>Rupees</b>
Sales to Associated Companies	22,394,000	9,700,500
Purchases from Associated Companies	-	48,580,818
<b>Transaction with other key management personnel</b>		
Salaries & Benefits	5,700,000	5,700,000

**13 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorised for issue on October 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 کی جائزہ رپورٹ

30 ستمبر 2019ء کو اختتام پذیر پہلی سہ ماہی کے لئے ڈائریکٹر لئے کمپنی کی غیر پڑتال شدہ مالیاتی گوشوارہ پیش کرنے میں مسرت محسوس کرتے ہیں مالی کارکردگی

پہلی سہ ماہی اور گزشتہ برس کی سہ ماہی کے لئے کمپنی کے تقابلی آپریٹنگ نتائج حسب ذیل ہیں:

تفصیلات	پہلی سہ ماہی 30 ستمبر 2019ء کو اختتام پذیر (روپے)	پہلی سہ ماہی 30 ستمبر 2018ء کو اختتام پذیر (روپے)
خالص فروخت	421,941,748	850,638,538
اشیا کی فروخت پر لاگت	(377,638,938)	(759,668,735)
مجموعی منافع	44,302,810	90,969,803
انتظامی اور فروخت پر اخراجات	(14,137,726)	(13,511,442)
قرضوں کی لاگت	(18,613,150)	(33,974,213)
ٹیکسیشن	(5,042,332)	(13,243,646)
منافع بعد از ٹیکس	21,969,702	30,240,502
فی حصص آمدنی (روپے)	0.12	0.17

2019-2020 فروخت کے اعداد و شمار گزشتہ برس میں 851 ملین روپے کے مقابلہ میں 422 ملین روپے کی کمی ظاہر کرتے ہیں۔ اور اسی طرح سے منافع میں 30 ملین روپے سے 22 ملین روپے کی کمی واقع ہوئی۔ 2019-2020 کی پہلی سہ ماہی میں کمپنی کی فی حصص آمدنی 0.17 روپے سے 0.12 روپے کم ظاہر ہوئی۔

مستقبل کا منظر نامہ

سیمنٹ کی فروخت مشکلات کا شکار رہی۔ موجودہ معاشی تناظر میں روپے کی قدر میں کمی کے ہمراہ دو گنا افراط زر اور ٹیکس اصلاحات کے پیش نظر آئندہ سہ ماہی میں مجموعی اہداف کو حاصل کرنا مشکل ہوگا۔ مزید برآں، حکومت پاکستان کی جانب سے پبلک سیکٹر ڈیولپمنٹ منصوبوں میں ترقیاتی فنڈز سے متعلق کوئی خاطر خواہ پیش رفت سامنے نہیں آئی ہے۔ انتظامیہ سیمنٹ کی فروخت اور نفع کی رفتار کو برقرار رکھنے کے لئے ہر ممکن کوشش کر رہی ہے۔

ہم اپنے حصص داران، ملازمین اور اپنے گراں قدر صارفین کی مسلسل حمایت اور تعاون کی حوصلہ افزائی کرتے ہیں۔

منجانب/ برائے بورڈ آف ڈائریکٹرز

مومن قمر

ڈائریکٹر

آغا ہایوں خان

چیف ایگزیکٹو

لاہور: 30 اکتوبر 2019ء



## FLYING CEMENT COMPANY LIMITED



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