



Flying Cement Company Limited

**3rd**

**QUATER**

**REPORT (UN-AUDITED)**

**MARCH 31, 2023**



# Contents

## CONDENSED INTERIM FINANCIAL STATEMENTS

Company Information	3
Director's Review	4
Condensed Interim Statement of Financial Position (Un-Audited)	5
Condensed Interim Statement of Profit or Loss (Un-Audited)	6
Condensed Interim Statement of Changes in Equity (Un-Audited)	7
Cash Flow Statement (Un-Audited)	8
Notes to the Condensed Interim Financial Statements (Un-Audited)	9

# COMPANY INFORMATION



## Board of Directors

Mr. Kamran Khan  
Chairman

Mr. Momin Qamar  
Mr. Yousaf Kamran Khan  
Mr. Qasim Khan  
Mrs. Samina Kamran  
Mr. Omar Naeem  
Mr. Pervaiz Ahmad Khan

## Chief Executive

Mr. Agha Hamayun Khan

Registered Head Office

4-Sarwar Colony, Sarwar Road, Lahore Cantt.  
Tel:052-36674301-5 Fax: 042 -36660693  
Website: [www.flyingcement.com](http://www.flyingcement.com)  
Email: [info@flyingcement.com](mailto:info@flyingcement.com)

## Audit Committee

Mr. Omar Naeem	Chairman
Mrs. Samina Kamran	Member
Mr. Yousaf Kamran Khan	Member

## Human Resource And Remuneration Committee

Mr. Pervaiz Ahmad Khan	Chairman
Mr. Momin Qamar	Member
Mr. Yousaf Kamran Khan	Member

Credit Rating

Long Term Rating: A -  
Short Term Rating: A2

## Chief Financial Officer

Mr. Hamid Ur Rehman, FCA

## Internal Auditor

Mr. Imran Matloob Khan

## Company Secretary

Mr. Shahid Awan

## Legal Advisor

Mr. Waqar Hasan

## Production Facility

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

## Share Registrar

THK Associates (Pvt) Limited.  
Plot No.32 C , Jami Commercial Street,  
D.H.A Phase VII, Karachi 75500  
Tel: 021-111-000-322, Fax: 021-35310190

## Auditors

External Auditors  
M/s. Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

## Bankers

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

# DIRECTOR'S REVIEW



The Directors of your Company are pleased to present the un-audited condensed interim financial statements of the Company for the 3<sup>rd</sup> quarter ended 31 March 2023.

## Financial Performance

The summarized financial performance is given below:

	For the nine month ended		For the quarter ended	
	Jul-Mar 2023 (Un-audited)	Jul-Mar 2022 (Un-audited)	Jan-Mar 2023 (Un-audited)	Jan-Mar 2022 (Un-audited)
	.....(Rupees).....			
Gross Sales	4,213,752,434	5,369,834,388	1,461,174,495	1,847,155,800
Net Sales	3,185,166,570	3,975,953,059	1,116,636,672	1,356,073,298
Cost of goods sold	(2,677,085,927)	(3,089,723,802)	(919,790,356)	(987,230,527)
<b>Gross Profit</b>	508,080,643	886,229,257	196,846,316	368,842,771
Admin and selling expenses	(70,601,952)	(67,773,771)	(21,601,156)	(29,496,465)
Financial Cost	(122,839,149)	(82,188,829)	(40,892,231)	(44,693,337)
Taxation	(96,469,803)	(56,915,998)	(46,494,148)	(5,626,405)
<b>Profit After Taxation</b>	226,711,909	766,197,863	87,858,781	302,185,528
(Loss) /Earning Per Share (Rs)	0.33	1.94	0.13	0.77

The net sales as compared to corresponding period has decreased from Rs 3,975 million to Rs.3,185 million and net profit also decreased from Rs 766 million to Rs 227 million in the current period. During the period under review, your Company's overall net sales revenue has decreased by (19.87 %) and net profit decreased by (70.36%). Higher inflation, political uncertainty, heavy floods, increases in KIBOR and import curtailment coupled with Rupee devaluation has affected the cement demand during the period under review.

## Future Outlook

The economy continued to face challenges on account of rising imports, current account deficit and increased inflationary pressures. However, this period has also been affected by the heavy flood, current political uncertainty, ongoing Russia-Ukraine conflict, sharp increase in fuel and energy prices, high inflation, mounting foreign debt and depleting foreign exchange reserves further exacerbated the economic condition for Pakistan. The rising population has also increased more demand of houses in the country which is being addressed. Nonetheless, The Company is quite hopeful for improvement in domestic sales on account of Government spending on re-habilitation of flood disaster and mega projects.

Going forward, potential challenges can include increase in the cost of production caused by high inflation, increasing coal prices expected hike in electricity rates, PKR depreciation against US\$, increase in interest rates and geo-political uncertainty.

We all are willing to go to the extra mile to contribute enthusiastically on a continuous basis. Hence, it is projected that the profitability in the remaining period of the year will improve. We assure, the management is fully committed to provide long term sustainable growth and value for all its stakeholders.

## 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; April 29, 2023




## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023 (UN-AUDITED)

		(Un-Audited) March 31 2023 Rupees	(Audited) June 30 2022 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorized share capital 800,000,000 ordinary shares of Rs. 10/- each.		<b>8,000,000,000</b>	8,000,000,000
Issued, subscribed and paid up capital 694,800,000, ordinary shares of Rs. 10/- each.		<b>6,948,000,000</b>	6,948,000,000
Reserves		<b>1,381,450,058</b>	1,109,989,917
		<b>8,329,450,058</b>	8,057,989,917
Directors & shareholders loan	5	<b>57,035,933</b>	57,035,933
Surplus on revaluation of fixed assets	6	<b>3,860,031,572</b>	3,904,779,804
		<b>3,917,067,505</b>	3,961,815,737
		<b>12,246,517,563</b>	12,019,805,654
<b>NON-CURRENT LIABILITIES</b>			
Long term liabilities	7	<b>4,693,555,835</b>	3,080,625,797
Loan from associated undertaking		<b>344,154,424</b>	319,807,603
Long term deposits		<b>14,005,340</b>	14,005,340
Deferred liabilities	8	<b>348,132,868</b>	309,805,833
		<b>5,399,848,467</b>	3,724,244,573
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>3,971,866,564</b>	2,158,498,915
Directors & shareholders loan		<b>552,604,928</b>	596,923,473
Unclaimed Dividend		<b>59,526</b>	59,526
Short term finances	9	<b>204,233,003</b>	162,751,637
Current portion of long term finance	7	<b>419,413,000</b>	1,579,724,743
		<b>5,148,177,021</b>	4,497,958,294
<b>TOTAL LIABILITIES</b>		<b>10,548,025,488</b>	8,222,202,867
Contingencies and commitments	10	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,794,543,051</b>	20,242,008,521
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	11	<b>20,380,279,825</b>	18,428,169,619
Long term security deposits		<b>32,880,151</b>	32,880,151
		<b>20,413,159,976</b>	18,461,049,770
<b>CURRENT ASSETS</b>			
Stores, spares & loose tools		<b>291,545,196</b>	229,665,596
Stock in trade		<b>786,992,419</b>	609,824,449
Trade debts		<b>255,187,551</b>	173,528,856
Advances, deposits, prepayments & other receivables		<b>998,522,721</b>	692,626,106
Cash and bank balances		<b>49,135,188</b>	75,313,744
		<b>2,381,383,075</b>	1,780,958,751
<b>TOTAL ASSETS</b>		<b>22,794,543,051</b>	20,242,008,521

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)**

	For the nine month ended		For the quarter ended	
	Jul - Mar 2023 (Un-Audited)	Jul - Mar 2022 (Un-Audited)	Jan-Mar 2023 (Un-Audited)	Jan-Mar 2022 (Un-Audited)
	------(Rupees)-----			
Gross sales	4,213,752,434	5,369,834,388	1,461,174,495	1,847,155,800
Less : Sales tax & excise duty	(1,028,585,864)	(1,393,881,329)	(344,537,823)	(491,082,502)
Net sales	3,185,166,570	3,975,953,059	1,116,636,672	1,356,073,298
Cost of sales	(2,677,085,927)	(3,089,723,802)	(919,790,356)	(987,230,527)
<b>Gross Profit</b>	<b>508,080,643</b>	886,229,257	<b>196,846,316</b>	368,842,771
Distribution cost	(9,858,951)	(5,685,230)	(2,146,010)	(1,767,680)
Administrative expenses	(60,743,001)	(62,088,541)	(19,455,146)	(27,728,785)
	(70,601,952)	(67,773,771)	(21,601,156)	(29,496,465)
<b>Operating Profit</b>	<b>437,478,691</b>	818,455,486	<b>175,245,160</b>	339,346,306
Finance cost	(122,839,149)	(82,188,829)	(40,892,231)	(44,693,337)
Other income	8,542,170	86,847,204	-	13,158,964
<b>Profit before taxation</b>	<b>323,181,712</b>	823,113,861	<b>134,352,929</b>	307,811,933
Taxation	(96,469,803)	(56,915,998)	(46,494,148)	(5,626,405)
<b>Profit after taxation</b>	<b>226,711,909</b>	766,197,863	<b>87,858,781</b>	302,185,528
Other Comprehensive income	-	-	-	-
Total Comprehensive income for the period	<b>226,711,909</b>	766,197,863	<b>87,858,781</b>	302,185,528
<b>Earnings per share- basic</b>	<b>0.33</b>	<b>1.94</b>	<b>0.13</b>	<b>0.77</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Ordinary Share Capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Directors & Shareholders Loan (Rs.)	Advance against issue of right shares (Rs.)	Capital Reserves		Total (Rs.)
					Revaluation Surplus (Rs.)	Gain on Disposal of Shares (Rs.)	
<b>Balance as at July 01, 2021</b>	3,760,000,000	421,576,949	697,298,582	-	3,965,661,753	126,978,994	8,971,516,278
Total Comprehensive income for the period	-	766,197,863	-	-	-	-	766,197,863
Directors & Shareholders loan - Net	-	-	(640,262,649)	1,906,820,120	-	-	1,266,557,471
Advance against issue of right shares	-	-	-	93,245,030	-	-	93,245,030
Incremental depreciation	-	45,661,462	-	-	(45,661,462)	-	-
Issuance of bonus shares	188,000,000	(188,000,000)	-	-	-	-	-
Issue cost of right shares	-	(85,099,776)	-	-	-	-	(85,099,776)
<b>Balance as at March 31, 2022</b>	3,948,000,000	960,336,498	57,035,933	2,000,065,150	3,920,000,291	126,978,994	11,012,416,866
<b>Balance as at June 30, 2022</b>	6,948,000,000	983,010,923	57,035,933	-	3,904,779,804	126,978,994	12,019,805,654
Profit / (Loss) for the period	-	226,711,909	-	-	-	-	226,711,909
Other comprehensive Income for the period	-	-	-	-	-	-	-
Incremental depreciation	-	44,748,232	-	-	(44,748,232)	-	-
<b>Balance as at March 31, 2023</b>	6,948,000,000	1,254,471,064	57,035,933	-	3,860,031,572	126,978,994	12,246,517,563

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



**Director**



**Chief Executive**



**Chief Financial Officer**







CASH FLOW STATEMENT (Un-Audited)  
FOR THE PERIOD ENDED MARCH 31, 2023(UN-AUDITED)

	Note	(Un-Audited) March 31 2023 Rupees	(Un-Audited) March 31 2022 Rupees
Cash generated from operations	12	1,716,522,072	1,355,396,877
Gratuity Paid		-	-
Finance cost paid		(122,839,149)	(82,188,829)
Income Tax (paid) / refund received		(58,142,768)	(49,421,094)
<b>Net Cash from Operating Activities</b>		<b>1,535,540,155</b>	<b>1,223,786,954</b>
<b>Cash Flows From Investing Activities</b>			
Fixed Capital Expenditure		(2,080,165,193)	(1,829,879,723)
Long Term Security deposit		-	-
<b>Net Cash (used in) Investing Activities</b>		<b>(2,080,165,193)</b>	<b>(1,829,879,723)</b>
<b>Cash Flows From Financing Activities</b>			
Term Finance - Net		494,099,661	(976,380,000)
Short term Finance		-	(124,354,310)
Current maturity - long term finance		-	377,700,000
Associated Undertaking		24,346,820	(17,701,614)
Issue cost of right shares		-	(85,099,776)
Advance received against issue of right shares		-	2,000,065,150
Director & Shareholders loan		-	(640,262,649)
<b>Net Cash from Financing Activities</b>		<b>518,446,481</b>	<b>533,966,801</b>
Net Increase / (Decrease) in Cash and Cash Equivalents		(26,178,557)	(72,125,968)
Cash and Cash Equivalents - at the beginning of the period		75,313,744	204,934,030
<b>Cash and Cash Equivalents - at the end of the period</b>		<b>49,135,188</b>	<b>132,808,062</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Director

Chief Executive

Chief Financial Officer



# Flying Cement Company Limited

## Notes To The Condensed Interim Financial Statements (Un-Audited)

For the period ended March 31, 2023 (Un-Audited)

### 1 LEGAL STATUS AND OPERATIONS

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

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

<b>Business Unit</b>	<b>Geographical Location &amp; Address</b>
Head Office (Registered office)	04- Sarwar Colony Sarwar Road Cantt, Lahore.
Manufacturing Plant	25-Km. Lilla Interchange Lahore - Islamabad Motorway, Mangowal Distt. Khushab

### 2 BASIS OF PREPARATION

#### 2.1 Statement Of Compliance

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

- International Accounting Standards IAS-34, Interim Financial reporting issued by IASB as notified under the Companies Act, 2017
- Provisions of and directives issued under the Act.

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

- 2.2 This condensed interim financial statements comprises the condensed interim statement of financial position of the Company, as at 31 March 2023 and the related condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.
- 2.3 The condensed interim financial statements do not include all the information and disclosures required in an annual financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2022.
- 2.4 Comparative statement of financial statements numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2022, whereas comparatives of condensed interim statement of profit or loss account and other comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the nine months period ended 31 March 2023.
- 2.5 This condensed interim financial information is being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

#### 3 Key Judgments and estimates

In preparing these condensed interim financial statements management has made 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.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2022.

#### 4 Significant Accounting Policies

The accounting policies adopted for the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2022.



Flying Cement Company Limited  
Notes To The Condensed Interim Financial Statements (Un-Audited)  
For the period ended March 31, 2023 (Un-Audited)

		(Un-Audited) March 31 2023 Rupees	(Audited) June 30 2022 Rupees
<b>5 DIRECTORS &amp; SHAREHOLDERS LOAN - UNSECURED</b>			
Directors & shareholders loan	5.1	<u>57,035,933</u>	<u>57,035,933</u>
		<u><b>57,035,933</b></u>	<u><b>57,035,933</b></u>
<b>5.1</b>	The directors have provided interest free loan for expansion and working capital requirements. The repayment of the loan is at the discretion of the Company.		
<b>6 SURPLUS ON REVALUATION OF FIXED ASSETS</b>			
Balance as July 01,		<u>3,904,779,804</u>	<u>3,965,661,753</u>
Add: Revaluation Surplus		<u>-</u>	<u>-</u>
		<u><b>3,904,779,804</b></u>	<u><b>3,965,661,753</b></u>
Less: Surplus transferred to accumulated profit			
Incremental depreciation		<u>63,025,679</u>	<u>85,749,224</u>
Deferred Tax effect		<u>(18,277,447)</u>	<u>(24,867,275)</u>
		<u><b>44,748,232</b></u>	<u><b>60,881,949</b></u>
		<u><b>3,860,031,572</b></u>	<u><b>3,904,779,804</b></u>
<b>7 LONG TERM LIABILITIES</b>			
Loans from banking companies - secured	7.1	<u>4,683,173,025</u>	<u>3,064,301,157</u>
Loans from banking companies - secured	7.2	<u>10,382,810</u>	<u>16,324,640</u>
		<u><b>4,693,555,835</b></u>	<u><b>3,080,625,797</b></u>
<b>7.1 LOANS FROM BANKING COMPANIES - SECURED</b>			
National Bank of Pakistan Demand Finance - II	7.1.1	<u>1,086,548,580</u>	<u>1,086,548,580</u>
National Bank of Pakistan Demand Finance - III	7.1.2	<u>8,992,000</u>	<u>13,555,000</u>
National Bank of Pakistan Demand Finance - IV	7.1.3	<u>980,405,433</u>	<u>980,405,433</u>
National Bank of Pakistan Demand Finance - V	7.1.4	<u>360,000,000</u>	<u>360,000,000</u>
National Bank of Pakistan Demand Finance - VI	7.1.5	<u>103,288,000</u>	<u>111,664,000</u>
National Bank of Pakistan Demand Finance - VII	7.1.6	<u>1,218,435,000</u>	<u>1,400,000,000</u>
National Bank of Pakistan Demand Finance - VIII	7.1.7	<u>116,162,314</u>	<u>133,940,314</u>
National Bank of Pakistan Demand Finance - IX	7.1.8	<u>733,400,000</u>	<u>-</u>
Al Baraka Bank Diminishing Musharika	7.1.9	<u>483,973,178</u>	<u>546,531,053</u>
		<u><b>5,091,204,505</b></u>	<u><b>4,632,644,380</b></u>
<b>LOANS FROM BANKING COMPANIES - SECURED</b>			
Invest Capital Investment Bank Ltd.	7.2	<u>21,764,330</u>	<u>27,706,160</u>
		<u><b>5,112,968,835</b></u>	<u><b>4,660,350,540</b></u>
Less: current portion of long term liabilities as shown under current liabilities		<u><b>419,413,000</b></u>	<u><b>1,579,724,743</b></u>
		<u><b>4,693,555,835</b></u>	<u><b>3,080,625,797</b></u>



**Flying Cement Company Limited**  
**Notes To The Condensed Interim Financial Statements (Un-Audited)**  
**For the period ended March 31, 2023 (Un-Audited)**

**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. (The facility rescheduled Rs.1274.049 million on 01-09-2020.

The first instalment will be fall due on 31-12-2021. Mark-up shall be charged at 3 Months KIBOR plus 1.5% p.a. The repayment of the quarterly instalments has been deferred till 30.09.2026.

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 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 principal is to be repaid in 16 quarterly instalments of Rs.4.563 million. The repayment of quarterly instalments has been defered till 12.06.2023. 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 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 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 enhanced capacity 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 prorated 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 the Company with a markup of 3 month KIBOR Plus 2% p.a. It will be paid off in 72 months including grace period of 18 months from the first drawn down in limit tentively up till 30-09-2025. The repayment of the quarterly instalments has been defered till 31.03.2027.

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.



## Flying Cement Company Limited

### Notes To The Condensed Interim Financial Statements (Un-Audited)

#### For the period ended March 31, 2023 (Un-Audited)

- 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 534 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 facility is rescheduled on 01-09-2020. As per the rescheduled letter, the Company is required to pay 20 quarterly instalments of Rs 20 million each starting from 31-12-2021. It will be charged with 3 Months KIBOR plus 1.75 %. The repayment of the quarterly instalments has been deferred till 31.03.2028.
- 7.1.5** Fresh Demand Finance - Facility for Rs 134 million to Finance foreign exchange differential amount / finance cost 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. The repayment of the monthly instalments has been deferred till 29.01.2027.
- 7.1.6** Fresh Demand Finance Facility Rs 1,400 million have been obtained for against our current facilities of LC 300 million, 400 million, 1,000 million and Cash Finance Rs 100 million against 1st Pari Passu charge of the Company amounting to Rs 1,867 million over all present & future fixed assets of the Company, Hypothecation charge over Plant & Machinery and mortgage charge on land and personal guarantees of two sponsor Directors. Markup 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 31-03-2027. The repayment of the quarterly instalments has been deferred till 30.09.2028.
- 7.1.7** Fresh Demand Finance Facility Rs 610 M-million have been obtained 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 in 29 monthly instalments started from 31-03-2021 to 29-02-2024. The repayment of the monthly instalments has been deferred till 31.01.2025.
- All these facilities also include commitment of sponsoring directors through pledge of shares.
- 7.1.8** The Company has availed facility of Demand Finance of Rs 750 Million to refinance CAPEX of BMR (waste Heat Recovery Plant) from National Bank of Pakistan at 25% margin on limit over Fixed Assets secured against 1st charge of Rs 1,000 Million over all present and future fixed assets (Hypothecation/Mortgage) of the company and personal guarantees of two Sponsor Directors. Mark up shall be charged at 3 Month Kibor + 1.5% PA.
- 7.1.9** 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 instalment shall be paid by 7 equal half yearly instalments over the remaining years of 3.5 years. 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 882 million, and personal guarantee of all Directors of the Company. Mark-up is charged 6 month KIBOR + 3%.
- 7.2** Lease finance facility of Rs. 31,500,000 is obtained from Investment Capital Bank Limited against finance tenure 36-months with monthly instalment of 1st twelve months of Rs.948,460 and 2nd twelve months of Rs.943,735 and 3rd twelve months of Rs.901,210 starting from March, 2022 till February, 2025. The finance is secured by the pledge of original documents of Mercedes Benz s-400 hybrid, LEB-17-4 which is owned by the director of company.

#### 8 DEFERRED LIABILITIES

Deferred Taxation	8.1	343,743,766	305,416,731
Gratuity		4,389,102	4,389,102
		<u>348,132,868</u>	<u>309,805,833</u>



Flying Cement Company Limited  
Notes To The Condensed Interim Financial Statements (Un-Audited)  
For the period ended March 31, 2023 (Un-Audited)

		(Un-Audited) March 31 2023 Rupees	(Audited) June 30 2022 Rupees
<b>8.1 Deferred Taxation - Net</b>			
Taxable temporary differences - effect thereof			
-Excess of accounting book value of fixed assets over their tax base		717,310,574	734,455,832
-Prepaid rent			-
Deductible temporary differences - effect thereof			
-Gratuity		(1,272,840)	(1,873,275)
-WPPF & WWF		(20,338,224)	(20,338,224)
-Remeasurement of defined benefits		-	-
-Unused tax losses		(351,955,745)	(406,827,602)
		<u>343,743,766</u>	<u>305,416,731</u>
<b>9 SHORT TERM FINANCES</b>			
Loans from banking companies-secured	9.1	204,233,003	162,751,637
		<u>204,233,003</u>	<u>162,751,637</u>
<b>9.1 LOANS FROM BANKING COMPANIES-SECURED</b>			
Albaraka Islamic Bank		-	-
National Bank of Pakistan		204,233,003	162,751,637
		<u>204,233,003</u>	<u>162,751,637</u>
<b>9.2</b>			
There is no change in the terms and conditions as disclosed in the Company's annual audited financial statements for the year ended June 30, 2022.			
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>			
<b>10.1</b>			
There is no significant change in the contingencies as disclosed in the financial statements for the year ended June 30, 2022.			
<b>Commitments</b>			
<b>10.2</b>			
Commitments in respect of outstanding letter of credit amount to Rs. 127.551million (30 June 2022 Rs.239 million). It includes letter of credit facilities for procurement of new cement production plant, raw material and parts of machinery.			
<b>11 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating Assets - tangible	11.1	8,433,078,527	8,559,485,014
Capital Work in Progress - at cost	11.2	11,947,201,298	9,868,684,605
		<u>20,380,279,825</u>	<u>18,428,169,619</u>
<b>11.1 Operating Assets - tangible</b>			
Opening book value		8,559,485,014	7,356,066,326
Additions for the period / year	11.1.1	1,648,500	1,375,911,974
Deletions during the period / year		-	-
Insurance Claim		-	(20,396,050)
Depreciation for the period / year		(128,054,987)	(152,097,236)
		<u>8,433,078,527</u>	<u>8,559,485,014</u>
<b>11.1.1 Additions for the period / year - net</b>			
Plant & Machinery		-	1,375,911,974
Electric Installation		1,648,500	-
Vehicles		-	-
		<u>1,648,500</u>	<u>1,375,911,974</u>
<b>11.2 CAPITAL WORK IN PROGRESS</b>			
Building		1,019,640,546	1,009,624,408
Plant & machinery		10,927,560,752	8,859,060,197
		<u>11,947,201,298</u>	<u>9,868,684,605</u>

Flying Cement Company Limited  
Notes To The Condensed Interim Financial Statements (Un-Audited)  
For the period ended March 31, 2023 (Un-Audited)



	(Un-Audited) March 31 2023 Rupees	(Un-Audited) March 31 2022 Rupees
<b>12 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) for the period - before taxation	323,181,712	823,113,861
<b>Adjustment for:</b>		
Depreciation	128,054,987	112,475,666
Provision for Gratuity	-	-
Finance cost	122,839,149	82,188,829
	<b>250,894,136</b>	<b>194,664,495</b>
	<b>574,075,848</b>	<b>1,017,778,356</b>
<b>(Increase) / decrease in current assets</b>		
(Increase) in Stores, spares & loose tools	(61,879,600)	(67,195,276)
(Increase) / Decrease in Stock-in-trade	(177,167,970)	300,832,866
(Increase) / decrease in Trade debts	(81,658,695)	4,189,697
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	(305,896,615)	179,732,465
	<b>(626,602,880)</b>	<b>417,559,752</b>
<b>(Increase) / decrease in current liabilities</b>		
Increase / (Decrease) in director and Shareholder loan	(44,318,545)	(231,494,998)
Increase (Decrease) in Trade and other Payables	1,813,367,649	151,553,767
	<b>1,769,049,104</b>	<b>(79,941,231)</b>
Cash generated from operations	<b>1,716,522,072</b>	<b>1,355,396,877</b>

**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:

	(Un-audited) Jul - Mar 2023 Rupees	(Un-audited) Jul - Mar 2022 Rupees
<b>Transactions with associated companies during the period</b>		
Sales to Associated Companies	-	-
Purchases from Associated Companies	607,551,950	-
	<b>607,551,950</b>	<b>-</b>
<b>Transaction with others key management personal during the period</b>		
Salaries & Benefits	18,750,000	17,100,000
	<b>18,750,000</b>	<b>17,100,000</b>
<b>Transaction with directors &amp; sponsors</b>		
Advance received against issue of right shares	-	1,906,820,120



Flying Cement Company Limited  
Notes To The Condensed Interim Financial Statements (Un-Audited)  
For the period ended March 31, 2023 (Un-Audited)

		(Un-Audited) March 31 2023 Rupees	(Audited) June 30 2022 Rupees
<b>Year end balances</b>	<b>Relationship</b>		
Payable to related parties.	Associated undertakings	<b>951,706,374</b>	319,807,603
<b>Receivable from related parties</b>			
Flying Kraft Paper Mills (Pvt) Ltd	10% Shareholding of directors of Flying Cement Company Limited in Flying Kraft Paper Mills	4,311,307	4,311,307
Lahore Paper Sack	Son of director of Flying Cement Company Limited is proprietor in Lahore Paper Sack.	41,020,828	41,020,828
		<b>45,332,135</b>	45,332,135
Loan payable to director and shareholders	Directors and shareholders	<b>57,035,933</b>	57,035,933

**14 FINANCIAL RISK MANAGEMENT**

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

There have been no changes in the risk management policies since June 30, 2022. Consequently, these condensed interim financial statements do not include all the financial risk management information and disclosures required for the annual financial statements.

**15 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on April 29, 2023 by the Board of Directors of the Company.

**16 GENERAL**

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

Director

Chief Executive

Chief Financial Officer







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