COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Khan	Chairman & Chief Executive
Directors	
Mr. Imran Qamar	Director
Mr. Momin Qamar	Director
Mr. Bilal Qamar	Director
Mrs. Shaista Imran	Director
Mrs. Samina Kamran	Director
Mrs. Misbah Momin	Director

AUDIT COMMITTEE

Mrs. Misbah Momin	Chairperson
Mr. Momin Qamar	Member
Mr. Bilal Qamar	Member

STATUTORY AUDITORS

Statutory Auditors
Chartered Accountants
A member firm of TIAG

COST AUDITORS

M/S Mumtaz Balouch & Co.
Chartered Accountants

INTERNAL AUDITORS

Mr. Imran Matloob Khan

COMPANY SECRETARY

Mr. Mubashir Asif

CHIEF FINANCIAL OFFICER

Mr. Muhammad Basharat Jamil

LEGAL ADVISOR

Mr. Muhammad Atif Amin
Advocate High Court

BANKERS

Askari Bank Limited
The Bank of Punjab
United Bank Limited
Al Baraka Islamic Bank
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited
Bank Alflah Limited
Habib Bank Limited

REGISTERED & HEAD OFFICE

103-Fazal Road, Lahore Cantt. Lahore
Tel: 0423-6674301-05
Fax: 0423-6660693
www.flyingcement.com

PRODUCTION FACILITIES

25KM Lilla interchange
Lahore-Islamabad Motorway
Mangowal, District Khushab.

SHARE REGISTRAR

THK Associates (Pvt.) Limited
Ground Floor, State Life Building III
Dr. Zia-ud-Din Ahmed Road
P.O. Box 8533
Karachi 75530
Tel: 0213-111-000-322
Fax: 0213-5655595

WEBSITE

www.flyingcement.com

E-MAIL

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

DIRECTOR'S REVIEW

1 The Board of Directors presents the un-audited financial results of the company for the third quarter ended March 31, 2010.

2 Cement sector in Pakistan remained under pressure due to multiple reasons. Fiscal constraints resulting from economic slowdown caused reduction in spending on public works by the Government, which adversely affected the domestic demand of cement. Prices of coal and furnace oil are increasing in the international market which makes negative effect on the cement industry. Looming load shedding of electricity and gas, worsening law and order situation in the country, and unprecedented inflationary pressure fainted economic indicators of the country to the alarming levels. It is expected that with the revival of economic activities in the country, Government would increase its spending on development projects which would generate the demand of cement in future.

3 During the third quarter, the plant remained closed due to rock bottom cement prices and higher cost of input including captive power unit based on furnace oil. We have closed our plant to save the company from extraordinary losses. However, we have taken steps to economize our production cost. WAPDA connection is at its final stage, Sui Gas connection is in process and imported Vertical Raw Mill is in erection phase. In this way, we will be able to sustain even lower level of cement prices. We envisage that electricity supply from WAPDA will be operational in mid of May 2010. Further cement prices are picking up, and reached to the level of Rs. 270 per bag. We envisage that we shall restart production in the month of May 2010 due to expected lower cost of electricity from WAPDA and increasing trend of cement prices.

4 The Directors of the Company would like to thank all the financial institutions, officers and staff / workers who have associated with the Company for their support and cooperation.

For and on behalf of the Board

Kamran Khan

Lahore: April 30, 2010

FLYING CEMENT COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET (un-audited)
AS AT MARCH 31, 2010

	Note	Mar-10 Rupees	Jun-09 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital			
200,000,000 ordinary shares of Rs 10/- each.		**2,000,000,000**	2,000,000,000
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 / (loss)		**(212,382,938)**	(149,876,846)
Total Equity		**1,674,596,056**	1,737,102,148
Surplus on revaluation of fixed assets		**1,737,245,848**	1,754,043,587
NON-CURRENT LIABILITIES			
Long term finance	4	**330,857,425**	311,532,325
Liabilities against assets subject to finance lease		**11,105,412**	17,277,466
Long term deposits		**11,800,000**	11,800,000
Deferred liabilities	5	**881,588,648**	923,572,398
		1,235,351,485	1,264,182,189
CURRENT LIABILITIES			
Trade and other payables		**516,953,767**	349,128,710
Accrued interest / mark-up		**15,229,174**	11,396,843
Short term finance	6	**271,963,158**	252,186,666
Current portion of liabilities against assets subject to finance lease		**16,612,529**	16,609,665
Current portion of long term finance	4	**8,749,800**	43,791,500
Provision for taxation		**408,045**	-
		829,916,473	673,113,384
TOTAL LIABILITIES		**2,065,267,958**	1,937,295,573
Contingencies and commitments	7	**-**	-
TOTAL EQUITY AND LIABILITIES		**5,477,109,862**	5,428,441,308
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	8	**3,579,664,119**	3,614,777,204
Capital work in progress	9	**1,213,969,264**	1,139,955,628
		4,793,633,383	4,754,732,832
CURRENT ASSETS			
Stores, spares & loose tools		**35,943,456**	29,174,560
Stock in trade		**446,927,102**	425,981,534
Trade debts		**1,833,542**	10,792,073
Advances, deposits, prepayments & other receivables		**197,810,456**	201,394,643
Cash and bank balances	10	**961,923**	6,365,666
		683,476,479	673,708,476
TOTAL ASSETS		**5,477,109,862**	5,428,441,308

The annexed notes 1 to 13 form an integral part of these financial statements.

Momin Qamar
Director

Kamran Khan
Chief Executive

FLYING CEMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (un-audited)
FOR THE PERIOD ENDED MARCH 31, 2010

	For the nine months ended		For the quarter ended	
	Jul - Mar 2010	Jul - Mar 2009	Jan-Mar 2010	Jan-Mar 2009
	(Rupees)			
Sales	**81,609,058**	439,807,254	**-**	222,414,526
Cost of sales	**169,253,114**	587,579,831	**2,365,382**	224,679,158
Gross Profit / (Loss)	**(87,644,056)**	(147,772,577)	**(2,365,382)**	(2,264,632)
Operating Expenses				
Distribution cost	**2,542,096**	2,662,444	**437,394**	927,435
Administrative expenses	**8,423,649**	12,888,250	**2,168,672**	6,188,100
	10,965,745	15,550,694	**2,606,066**	7,115,535
Operating Profit / (Loss)	**(98,609,801)**	(163,323,271)	**(4,971,448)**	(9,380,167)
Financial cost	**(22,466,194)**	(24,216,329)	**(2,217,053)**	(8,085,671)
Profit/(Loss) Before Taxation	**(121,075,995)**	(187,539,600)	**(7,188,501)**	(17,465,838)
Taxation	**41,772,165**	47,035,520	**2,541,770**	30,801,934
Profit / (Loss) After Taxation	**(79,303,830)**	(140,504,080)	**(4,646,731)**	13,336,096
Earning Per Share- Basic	**(0.45)**	(0.80)	**(0.03)**	0.08

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 13 form an integral part of these financial statements.

Momin Qamar
Director

Kamran Khan
Chief Executive

FLYING CEMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (un-audited)
FOR THE PERIOD ENDED MARCH 31, 2010

	Mar-10 Rupees	Mar-09 Rupees
Cash Flow From Operating Activities		
Loss for the period - before taxation	**(121,075,995)**	(187,539,600)
Adjustment for non cash charges and other items		
Depreciation	**37,214,268**	56,696,136
Provision for Gratuity	**196,459**	-
Financial cost	**22,466,194**	24,216,329
	59,876,921	80,912,465
Cash Inflow from operating activities before working capital changes	**(61,199,074)**	(106,627,135)
Changes In Working Capital		
(Increase) / Decrease in current assets		
Stores, spares & loose tools	**(6,768,896)**	(2,100,290)
Stock-in-trade	**(20,945,570)**	(18,786,674)
Trade debtors	**8,958,531**	(36,988,114)
Advances, deposits, and other receivables	**3,584,188**	4,680,820
	(15,171,747)	(53,194,258)
Increase / (Decrease) in current liabilities		
Creditors, accruals and other liabilities	**167,825,058**	69,000,169
Cash Inflow/(Outflow) from Operating Activities	**91,454,237**	(90,821,224)
Cash Inflow/(Outflow) From Investing Activities		
Fixed Capital Expenditures	**(76,114,819)**	(93,135,561)
Sale proceeds of assets	**-**	4,700,000
	(76,114,819)	(88,435,561)
Cash Inflow/(Outflow) From Financing Activities		
Financial charges paid	**(18,633,863)**	(26,618,876)
Proceeds from directors, shareholders & associates loan	**93,098,896**	41,256,942
Proceeds from / (Repayment) short term finance	**(49,622,404)**	12,979,767
Repayment of liabilities against assets subject to finance lease	**(6,169,190)**	(16,102,488)
Proceeds from / (Repayment to) long term finance	**(39,416,600)**	213,816,177
Repayment of long term deposits	**-**	(2,350,000)
Cash Inflow/(Outflow) From Financing Activities	**(20,743,161)**	222,981,522
Net Increase / (decrease) in Cash and Cash Equivalents	**(5,403,743)**	43,724,737
Cash and Cash Equivalents - at the beginning of the year	**6,365,666**	14,611,976
Cash and Cash Equivalents - at the end of nine months	**961,923**	58,336,713

The annexed notes 1 to 13 form an integral part of these financial statements.

Momin Qamar
Director

Kamran Khan
Chief Executive

FLYING CEMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (un-audited)
FOR THE PERIOD ENDED MARCH 31, 2010

	Issued, subscribed & paid up capital (Rs.)	Accumulated Profit / (Loss) (Rs.)	Capital Reserve (Rs.)	Total (Rs.)
Balance as at June 30, 2008	**1,760,000,000**	**(22,411,187)**	**126,978,994**	**1,864,567,807**
Loss for the year ended June 30, 2009	-	(161,746,756)	-	**(161,746,756)**
Incremental depreciation	-	34,281,097	-	**34,281,097**
Balance as at June 30, 2009	**1,760,000,000**	**(149,876,846)**	**126,978,994**	**1,737,102,148**
Loss upto 3rd quarter ended March 31, 2010	**-**	(79,303,830)	-	(79,303,830)
Incremental depreciation	**-**	16,797,738	-	16,797,738
Balance as at March 31, 2010	**1,760,000,000**	**(212,382,938)**	**126,978,994**	**1,674,596,056**

Momin Qamar
Director

Kamran Khan
Chief Executive

FLYING CEMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMETNS (un-audited)
FOR THE PERIOD ENDED MARCH 31, 2010

1 Status and Operations

Flying Cement Company Limited was incorporated on December 24, 1992 as a public limited company under the Companies Ordinance, 1984. The shares of the company are quoted 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 at Lahore and factory is in Khushab.

2 Basis of Preparation

These condensed interim financial information is un-audited and has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan and the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2009.

3 Significant Accounting Policies

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2009, except adoption of revised IAS 1 as noted below:

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009), was issued in September 2007. The revised standard prohibits the presentation of items of income and expenses (that is , 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income).

The Company has chosen to present all non-owner changes in equity in one performance statement - statement of comprehensive income (profit and loss account). The Company does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have any significant impact on the presentation of the Company's financial statements and does not require the restatement or reclassification of comparative information.

Other amendments relating to other accounting standards

In addition to the above, following new accounting standards and amendments to the accounting standards are mandatory for the first time for the financial year beginning on or after 01 July 2009, however, the adoption of these new standards and amendments to standards did not have any significant impact on the financial information of the company.

- IFRS 2 (amendment)- Sahre based
- IFRS 3 (amendment)- Business Combinations
- IFRS 8 (amendment)- Operating segments
- IAS 23 (revised)- Borrowing costs
- IAS 27 (revised) Consolidated and separate financial statements
- IAS 32 (amendment)- Financial Instruments: Presentation and consequential amendment to IAS 1 Presentation of financial statements
- IFRIC 15- Agreements for the construction of
- IFRIC 16- Hedges of a Net Investment in a Foreign Operation

			Mar-2010	Jun-2009
			Rupees	Rupees

4 LONG TERM FINANCE

Loan from Banking Companies	4.1	**24,791,100**	64,207,700
Loans from related Parties	4.2	**314,816,125**	291,116,125
		339,607,225	355,323,825
Less: Current Portion of long term finance		**8,749,800**	43,791,500
		330,857,425	311,532,325

4.1 Initially Term Finance facility of Rs. 50 million was availed from Askari Bank Limited payable in quarterly installments. The said facility was restructured in August 2008, repayable in quarterly installments with a grace period of 3 months starting from March 2009. The rate of mark-up being 3 months KIBOR + 3% payable quarterly. The finance is secured against 1st charge on present and future current assets of company, personal guarantees of sponsors / directors and additional colleterals along with group inter corporate guarantees.

4.2 The related parties have financed the company for 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 DEFERRED LIABILITIES

Deferred Taxation	**879,460,298**	921,640,507
Staff Gratuity	**2,128,350**	1,931,891
	881,588,648	923,572,398
Deferred tax liability - difference in tax and accounting bases of Property, plant and equipment	**1,149,093,957**	1,148,659,540
Deferred tax assets		
- Unabsorbed tax losses	**(269,633,659)**	(227,019,033)
	879,460,298	921,640,507

6 Short Term Finance

Loan from Banking Companies			
Askari Bank Ltd.	6.1	**88,280,000**	106,105,000
Albaraka Islamic Bank	6.2	**7,583,356**	25,200,000
The Bank of Punjab	6.3	**70,903,800**	85,084,560
		166,767,156	216,389,560
Loans from related parties	6.4	**105,196,002**	35,797,106
		271,963,158	252,186,666

6.1 A letter of credit (S/U 180 days) of Rs. 160.54 million was obtained from Askari Bank Limited. The facility is secured against 1st charge on current assets of the company, mark-up is charged as per bank's schedule of charges.

6.2 A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million was obtained from Albaraka Islamic Bank with a sub limit of letter of guarantee of Rs. 0.2 million to meet the contractual and import requirements of the company. The facility is secured against 2nd charge on current assets of the company. Mark-up is charged as per bank's schedule of charges.

6.3 Forced Demand Finance Facility of Rs. 85.084 million was availed from The Bank of Punjab. Finance is secured against Ist charge on both present & future fixed assets of M/s Poly Paper & Board Mills (Pvt) Ltd. Mark-up is charged at average 3 months KIBOR + 300 BPS.

6.4 The related parties have financed the company for 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

7 CONTINGENCIES AND COMMITMENTS

7.1 Letters of Credit other than capital expenditure outstanding amounted to Rs. nil million. (June 2009: 6.35 million).

7.2 The Competition Commission of Pakistan (CCP) imposed a penalty on the Company via an order dated August 27, 2009 amounting to Rs. 12 million, which is 7.5% of the turnover as reported in the last published financial statements. CCP has also imposed penalties on 19 other cement manufacturing companies against cartelization by cement manufacturers under the platform of All Pakistan Cement Manufacturers Association (APCMA) to increase the cement prices by artificially restricting production. The amount of penalty has been challenged in the Court of Law. The Company's legal counsel is confident that the Comapny has a good case and there are reasonable chances of success to avoid the penalty, hence no provision for the above has been made in the interim condensed financial statements.

	Mar-2010 Rupees	Jun-2009 Rupees
8 PROPERTY, PLANT & EQUIPMENT		
Opening book value	**3,614,777,204**	3,617,627,473
Add: Additions during the period	**2,101,183**	77,282,759
	3,616,878,387	3,694,910,232
Less Deletion during the year - net off depreciation	**-**	4,730,583
	3,616,878,387	3,690,179,649
Less: Depreciation charged during the period	**37,214,268**	75,402,445
Closing book value	**3,579,664,119**	3,614,777,204
Additions during the period		
Plant & machinery	**2,101,183**	64,800,870
Electric Installation	**-**	7,618,000
Tools & Equipments	**-**	579,289
Vehicles	**-**	4,284,600
	2,101,183	77,282,759
9 CAPITAL WORK IN PROGRESS		
Building	**177,644,096**	177,644,096
Plant & machinery	**1,036,325,168**	962,311,532
	1,213,969,264	1,139,955,628
10 CASH AND BANK BALANCES		
In hand	**176,652**	485,842
At Banks- current accounts	**785,271**	5,879,824
	961,923	6,365,666

11 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:

Sales to Associated Companies	**12,335,301**	36,407,828
Purchases from Associated Companies	**58,421,580**	55,239,467

Transactions with related parties were made at arm's length prices determined in accordance with the comparable uncontrolled method.

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 30, 2010 by the board of directors of the company.

13 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

Kamran Khan
Chief Executive