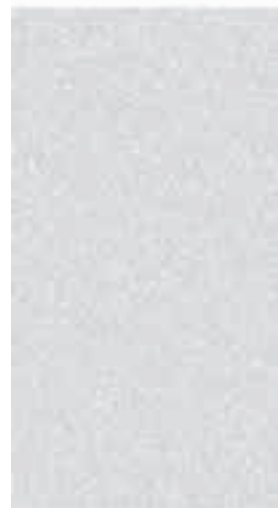


1ST QUARTER REPORT

(Un-Audited)
September 30, 2015



FLYING CEMENT COMPANY LIMITED

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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
Mr. Asim Qamar	Member
Mrs. Shaista Imran	Member
Mrs. Samina Kamran	Member
Mr. M. Tawassal Majid	Member

CHIEF EXECUTIVE

Agha Hamayun Khan

AUDIT COMMITTEE

Mr. M. Tawassal Majid	Chairman
Mr. Qasim Khan	Member
Mr. Yousaf Kamran Khan	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. M. Tawassal Majid	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

COST AUDITORS

M/s. Mumtaz Bloach & 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 OF COMPANY

Mr. Muhammad Atif Amin, 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

REGISTERED HEAD OFFICE

103-Fazil Road, Lahore Cantt. Lahore
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.
Ground Floor, State Life Building -3
Dr. Zia Uddin Ahmed Road, P.O.Box 8533
Karachi-75530
Tel: 021-111-000-322, Fax: 021-5655595

WEB SITE

www.flyingcement.com

E-MAIL

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

DIRECTORS' REVIEW

The Directors are pleased to present un-audited financial statement of the Company for the first Quarter ended September 30, 2015 in compliance with section 245 of the Companies Ordinance 1984.

The Company recorded net sales of Rs 589.117(M) against Rs 497.262(M) in the corresponding period showing growth of 18.47% as compared to the previous period, due to improved quality vice versa demand in the cement market. Keeping in view the above facts the rise in net profit to Rs 37.442(M) in the current quarter as compared to Rs 32.698 (M) in the corresponding period.

Earning per share comes at Rs 0.21 as against Rs 0.19 per share in the same quarter last year.

Cost reduction efforts and optimized operations of the plant will improve the performance in coming periods.

The Directors take this opportunity to express its deep sense of gratitude and thanks to the shareholders, employees, customers for the confidence and faith they have always reposed in us.

For and on behalf of the Board



Agha Hamayun Khan
Chief Executive
Lahore; October 31, 2015

**Condensed Interim Balance Sheet (Un-Audited)
As at September 30, 2015**

	Note	Sep 30, 2015 Rupees	June 30, 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share 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)		27,350,801	(17,760,194)
Total Equity		1,914,329,795	1,869,218,800
Surplus on revaluation of fixed assets		1,553,204,493	1,560,873,493
NON-CURRENT LIABILITIES			
Long term finance	4	339,623,945	265,384,346
Long term deposits		13,005,340	13,005,340
Deferred liabilities		591,581,752	587,306,875
		944,211,037	865,696,561
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		2,022,008	18,522,008
Short term finance	5	19,535,876	77,746,825
Trade and other payables		1,581,682,290	1,576,765,243
Accrued interest / mark-up		85,360,258	100,687,376
Provision for taxation		8,544,420	32,023,798
		1,697,144,852	1,805,745,250
TOTAL LIABILITIES		2,641,355,889	2,671,441,811
Contingencies and commitments	6	-	-
TOTAL EQUITY AND LIABILITIES		6,108,890,177	6,101,534,104
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	7	4,602,476,533	4,625,006,232
Capital work in progress	8	560,516,767	538,974,406
		5,162,993,300	5,163,980,638
Long Term Security Deposits		41,793,160	41,793,160
CURRENT ASSETS			
Stores & spares & loose tools		217,777,122	180,080,442
Stock in trade		391,344,698	396,878,718
Trade debts		4,204,463	6,360,421
Advances, deposits, prepayments & other receivables		277,042,263	288,109,305
Cash and bank balances	9	13,735,171	24,331,420
		904,103,717	895,760,306
TOTAL ASSETS		6,108,890,177	6,101,534,104

The annexed notes 1 to 12 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

**Condensed Interim Profit and Loss Account (Un-Audited)
For the Quarter ended September 30, 2015**

	Sep 30, 2015 Rupees	Sep 30, 2014 Rupees
Sales	589,116,927	497,262,898
Cost of sales	<u>(552,692,611)</u>	<u>(467,908,833)</u>
Gross Profit	36,424,316	29,354,065
Distribution cost	(1,184,468)	(1,779,368)
Administrative expenses	(7,090,761)	(6,301,760)
	<u>(8,275,229)</u>	<u>(8,081,128)</u>
Operating Profit	28,149,087	21,272,937
Financial cost	(141,803)	(5,422,184)
Other Income	<u>22,254,008</u>	-
Profit Before Taxation	50,261,292	15,850,753
Taxation	(12,819,297)	16,847,449
Profit After Taxation	<u>37,441,995</u>	<u>32,698,202</u>
Profit Per Share- Basic	<u>0.21</u>	<u>0.19</u>

- The annexed notes 1 to 12 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive

**Condensed Interim Statement of Comprehensive Income
For the Quarter ended September 30, 2015**

	Sep-15 (Rupees)	Sep-14 (Rupees)
Profit for the period	37,441,995	32,698,202
Other Comprehensive income	-	-
Total Comprehensive income for the period	<u>37,441,995</u>	<u>32,698,202</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

**Condensed Interim Cash Flow Statement (Un-Audited)
For the Quarter Ended September 30, 2015**

	Sep 30, 2015 Rupees	Sep 30, 2014 Rupees
Cash Flow From Operating Activities		
Profit for the period - before taxation	50,261,292	15,850,753
Adjustment for non cash charges and other items		
Depreciation	23,029,699	23,447,211
Financial cost	141,803	5,422,184
	23,171,502	28,869,395
Cash Inflow from operating activities before working capital changes	73,432,794	44,720,148
Changes In Working Capital		
(Increase) in Stores, spares & loose tools	(37,696,680)	(49,924,255)
(Increase) / Decrease in Stock-in-trade	5,534,020	(22,197,779)
(Increase) / Decrease in Trade debts	2,155,958	(490,732)
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	34,614,609	(2,278,703)
	4,607,907	(74,891,469)
Increase / (Decrease) in current liabilities		
Creditors and other payables	(27,106,751)	149,863,747
Cash Inflow/(Outflow) from Operating Activities-Before Taxation	50,933,950	119,692,426
Taxes Paid	(23,547,567)	2,473,553
Cash Inflow/(Outflow) From Operating Activities - After Taxation	27,386,383	122,165,979
Cash Inflow/(Outflow) From Investing Activities		
Fixed Capital Expenditures	(22,042,361)	(36,123,445)
Cash Flow From Financing Activities		
Financial charges paid	(15,468,921)	(269,309)
Liabilities against assets subject to finance lease	(16,500,000)	-
Long term finance	74,239,599	(77,904,197)
Net Cash Inflow/(Outflow) From Financing Activities	42,270,678	(78,173,506)
Net Increase / (decrease) in Cash and Cash Equivalents	47,614,700	7,869,028
Cash and Cash Equivalents - at the beginning of the year	(53,415,405)	(69,962,435)
Cash and Cash Equivalents - at the end of the quarter	(5,800,705)	(62,093,407)

The annexed notes 1 to 12 form an integral part of these financial statements.


Momin Qamar
Director


Agha Hamayun Khan
Chief Executive

Statement of Changes in Equity (Un-Audited)
For the Quarter ended September 30, 2015

	Ordinary Share Capital	Accumulated Profit / (Loss)	Capital Reserve	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2014	1,760,000,000	(166,154,716)	126,978,994	1,720,824,278
Total Comprehensive Income for the year	-	117,092,484	-	117,092,484
Incremental depreciation	-	31,302,038	-	31,302,038
Balance as at June 30, 2015	1,760,000,000	(17,760,194)	126,978,994	1,869,218,800
Total Comprehensive Income for the period	-	37,441,995	-	37,441,995
Incremental depreciation	-	7,669,000	-	7,669,000
Balance as at September 30, 2015	1,760,000,000	27,350,801	126,978,994	1,914,329,795

- The annexed notes 1 to 12 form an integral part of these financial statements.

Momin Qamar

Momin Qamar
Director

Agha Hamayun Khan

Agha Hamayun Khan
Chief Executive

Notes to the Condensed Interim Account (Un-Audited) For the Quarter ended September 30, 2015

1 LEGAL STATUS & OPERATIONS

The Company was incorporated as Public Limited Company on December 24, 1992 under the Companies Ordinance, 1984. The company is listed on Karachi, Lahore and Islamabad Stock Exchanges in Pakistan. The main objective of the company is to manufacture and sale the cement. The registered office of the company is situated in Lahore and the factory in Khushab.

2 BASIS OF PREPARATION

These financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard (IAS-34) "Interim Financial Reporting". These financial statements are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

The Interim condensed financial statements do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2015.

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, 2015.

		Sep 30, 2015 Rupees	June 30, 2015 Rupees
4 LONG TERM FINANCE			
Loans from banking companies	4.2	149,850,000	149,850,000
Loan from Directors & Shareholders		132,083,479	51,823,479
Long Term Creditors		57,690,466	63,710,867
		339,623,945	265,384,346
4.2 Loans from banking companies			
Askari Bank Ltd. - Term Finance I	4.1	-	-
National Bank of Pakistan	4.2	149,850,000	149,850,000
		149,850,000	149,850,000

4.1 Term Finance facility of Rs. 50 million was availed from Askari Bank Limited that was secured against 1st charge on present and future assets of the company, personal guarantees of directors and additional collaterals along with group inter corporate guarantees. The loan has been paid in year 2012 and release of charge is under arrangements.

4.2 Demand Finance of Rs.150 million (Sep 2014: Rs. 150 million) was availed from National Bank of Pakistan payable in quarterly installments. The finance is secured against 1st joint pari pasu charge on entire present and future fixed assets of the sister concern Flying Board & Paper Products Limited company with 40% of margin, personal guarantees of sponsoring directors of the company and pledge of directors' shares of the company. Cross corporate guarantee of Flying Board Paper Products Limited.

		Sep 30, 2015	June 30, 2015
5 SHORT TERM FINANCE			
Askari Bank Ltd.	5.1	-	-
Albaraka Islamic	5.2	19,535,876	22,189,935
Bank of Punjab		-	55,556,890
		<u>19,535,876</u>	<u>77,746,825</u>

5.1 A letter of credit (S/U 180 days) of Rs. 60 million was obtained from Askari Bank Limited that was secured against 1st charge on current assets of the company and 5th charge on all present and future assets of the company. During the year 2012, the company has paid all its liabilities regarding above said borrowing and release of charge is under arrangements.

5.2 A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (Sep 2014: Rs. 22.50 million) is obtained from Albaraka Islamic Bank with a sub limit of letter of guarantee of Rs. 0.20 million (Sep 2014: Rs. 0.20 million) to meet the contractual and import requirements of the company. The finance is secured against 2nd ranking charge over current assets of the company valuing Rs. 75 million, 4th ranking charge over current assets of the company for Rs.69 million, lien over import documents valuing Rs. 22.5 million and personal guarantee of all Directors of the company. Mark-up is charged as per bank's Schedule of charges.

6 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 Company has issued guarantees on behalf of their associated undertaking to various banks.

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. The case is currently before 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 during the year 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.

The company is in litigation with the National Bank of Pakistan on Markup of Demand Finance Facility of Rs. 150M (2014: Rs.150M) charged by the bank. Management ceased to account for markup. Legal advisor is confident that the case will be decided in favour of the company.

	Sep 30, 2015 Rupees	June 30, 2015 Rupees
7 Property, Plant & Equipment		
Opening book value	4,625,006,232	4,714,339,710
Add: Additions during the period	<u>500,000</u>	<u>4,506,257</u>
	4,625,506,232	4,718,845,967
	<u>4,625,506,232</u>	<u>4,718,845,967</u>
Less: Depreciation charged during the period	23,029,699	93,839,735
Closing book value	<u>4,602,476,533</u>	<u>4,625,006,232</u>
Additions during the period		
Plant & machinery	500,000	4,506,257
	<u>500,000</u>	<u>4,506,257</u>

	Sep 30, 2015 Rupees	June 30, 2015 Rupees
8 CAPITAL WORK IN PROGRESS		
Building	104,609,086	104,609,086
Plant & machinery	455,907,681	434,365,320
	<u>560,516,767</u>	<u>538,974,406</u>
9 CASH AND BANK BALANCES		
In hand	9,453,035	5,666,921
At Banks- current accounts	4,282,136	18,664,499
	<u>13,735,171</u>	<u>24,331,420</u>
10 RELATED PARTIES TRANSACTIONS		
<p>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:</p>		
Sales to Associated Companies	<u>-</u>	<u>-</u>
Purchases from Associated Companies	<u>27,732,137</u>	<u>172,864,737</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on October 31, 2015 by the board of directors of the company.

12 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



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