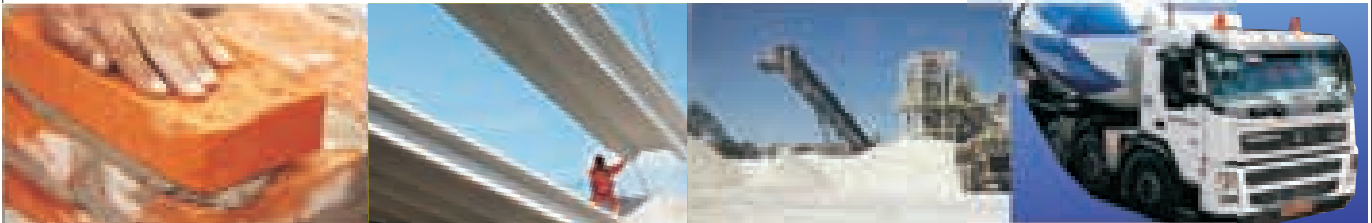
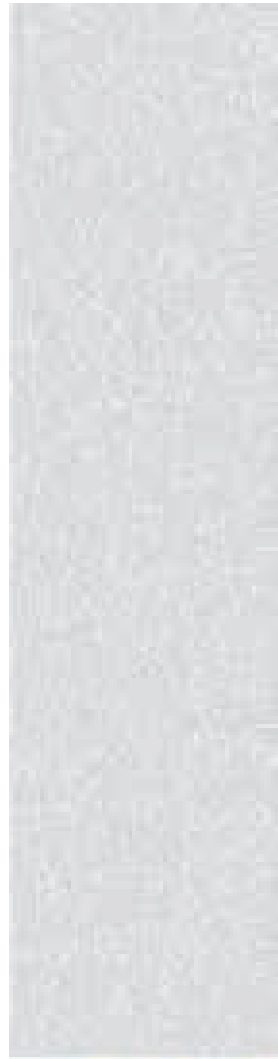


3rd QUARTER REPORT

(Un-Audited)
March 31, 2016



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. 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

Mr. Waqar Hasan, Advocate High Court

BANKERS

Askari Bank Limited
The Bank of Punjab
United Bank Limited.
Al Baraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Bank Al-Habib Limited
Bank Al Falah Limited
Habib Bank Limited
Allied Bank Limited
Summit Bank Limited

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

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info@flyingcement.com

Directors' Review

Your directors are pleased to present herewith their report along with un-audited financial accounts of the company for the 3rd Quarter ended 31st March, 2016.

Financial Performance

The comparative study of financial of the company for the period under review is summarized below.

	Amount in Rupees			
	For the nine month ended		For the quarter ended	
	Jul-Mar 2016	Jul-Mar 2015	Jan- Mar 2016	Jan-Mar 2015
Net Sales	1,818,501,183	1,573,004,112	595,684,946	554,619,563
Gross Profit	113,693,017	93,898,305	17,211,095	37,548,640
Net Profit after Tax	107,705,634	58,647,848	20,121,557	7,672,589
Earning Per Share	0.61	0.33	0.11	0.04

The Sales volumes of the Company as compared to corresponding period was increased from Rs. 1573 (M) to 1818 (M) and the net profit increased Rs 107.7(M) as compared to the profit of Rs. 58.6 (M) in the corresponding period last year. Earning per share for three quarters comes at Rs 0.61 as against Rs 0.33 per share in the last year.

From the above mentioned comparative statistics, it transpires that company had achieved better results in the consolidated three quarters ending which has been due to effective and prudent financial management by the company. In consonance with our development plan the company shall still achieve better results in future.

We place on record our thanks to all the stakeholders, customers, suppliers and bankers and we look forward to their continued support in future and our appreciation of continued support and cooperation of our employees and patronage of our customers

For and on behalf of the board



Agha Hamayun Khan
Chief Executive
Lahore; April 30, 2016

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016 (un-audited)**

	Note	March 31, 2016 Rupees	June 30, 2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital 200,000,000 ordinary shares of Rs 10/- each.		<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid up capital 176,000,000, ordinary shares of Rs. 10/- each.		1,760,000,000	1,760,000,000
Capital Reserve		113,295,826	(17,760,194)
Un appropriated (loss)		2,000,274,820	1,869,218,800
Total Equity		1,537,523,107	1,560,873,493
Surplus on revaluation of fixed assets			
NON-CURRENT LIABILITIES			
Long term finance	4	429,961,959	265,384,346
Long term deposits		13,505,340	13,005,340
Deferred liabilities	5	600,860,693	587,306,875
		1,044,327,992	865,696,561
CURRENT LIABILITIES			
Trade and other payables		1,549,560,089	1,576,765,243
Accrued Interest / mark-up		41,779,458	100,687,376
Short term finance	6	167,103	77,746,825
Current portion of liabilities against assets subject to finance lease			18,522,008
Provision for taxation current year	4	24,836,273	32,023,798
		1,616,342,923	1,805,745,250
TOTAL LIABILITIES	7	<u>2,660,670,915</u>	<u>2,671,441,811</u>
Contingencies and commitments			
TOTAL EQUITY AND LIABILITIES		<u>6,198,468,842</u>	<u>6,101,534,104</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	8	4,556,618,915	4,625,006,232
Capital work in progress	9	687,365,021	538,974,406
		5,243,983,936	5,163,980,638
Long Term Security Deposits		18,593,160	41,793,160
CURRENT ASSETS			
Stores, spares & loose tools		271,698,037	180,080,442
Stock in trade		286,321,248	396,878,718
Trade debts		5,628,266	6,360,421
Advances, deposits, prepayments & other receivables		309,480,580	288,109,305
Cash and bank balances	10	62,763,615	24,331,420
		935,891,746	895,760,306
TOTAL ASSETS		<u>6,198,468,842</u>	<u>6,101,534,104</u>

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



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2016 (un-audited)**

	For the nine month ended		For the quarter ended	
	July - March 2016	July - March 2015	Jan - March 2016	Jan - March 2015
	(Rupees)			
Sales	1,818,501,183	1,573,004,112	595,684,946	554,619,563
Cost of sales	<u>(1,704,808,166)</u>	<u>(1,479,105,807)</u>	<u>(578,473,851)</u>	<u>(517,070,923)</u>
Gross Profit / (Loss)	113,693,017	93,898,305	17,211,095	37,548,640
Operating Expenses				
Distribution cost	<u>(4,354,830)</u>	<u>(3,814,051)</u>	<u>(998,250)</u>	<u>(993,257)</u>
Administrative expenses	<u>(32,104,909)</u>	<u>(17,983,233)</u>	<u>(18,468,568)</u>	<u>(8,871,187)</u>
	<u>(36,459,739)</u>	<u>(21,797,284)</u>	<u>(19,466,818)</u>	<u>(9,864,444)</u>
Operating Profit / (Loss)	77,233,278	72,101,021	(2,255,723)	27,684,196
Finance cost	<u>(1,050,682)</u>	<u>(15,293,806)</u>	<u>(444,728)</u>	<u>(4,865,286)</u>
Operating Profit / (Loss)	76,182,596	56,807,215	(2,700,451)	22,818,910
Other Income	<u>69,913,129</u>	<u>27,356,983</u>	<u>35,721,142</u>	
Profit Before taxation	146,095,725	84,164,198	33,020,691	22,818,910
Taxation	<u>(38,390,091)</u>	<u>(25,516,350)</u>	<u>(12,899,134)</u>	<u>(15,146,321)</u>
Profit After Taxation	<u>107,705,634</u>	<u>58,647,848</u>	<u>20,121,557</u>	<u>7,672,589</u>
Earning / (Loss) Per Share- Basic	0.61	0.33	0.11	0.04

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

Momin Qamar

Momin Qamar
Director

Agha Hamayun Khan

Agha Hamayun Khan
Chief Executive

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2016 (un-audited)**

	For the nine months ended		For the quarter ended	
	Jul - March 2016	Jul - March 2015	Jan-March 2016	Jan-March 2015
	(Rupees)			
Profit for the period	107,705,634	58,647,848	20,121,557	7,672,589
Other Comprehensive income	-	-	-	-
Total Comprehensive income for the period	<u>107,705,634</u>	<u>58,647,848</u>	<u>20,121,557</u>	<u>7,672,589</u>

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



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2016 (un-audited)**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Cash Flows From Operating Activities		
Profit / (Loss) for the period - before taxation	146,095,725	84,164,198
Adjustment for:		
Depreciation	68,987,317	70,395,259
Finance cost	1,050,682	15,293,806
	70,037,999	85,689,065
	216,133,724	169,853,263
(Increase) / Decrease in Stores, spares & loose tools	(91,617,595)	(7,479,067)
(Increase) / Decrease in Stock-in-trade	110,557,470	(23,075,337)
(Increase) / Decrease in Trade debts	732,155	(2,475,356)
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	3,931,051	(12,219,403)
	23,603,081	(45,249,163)
Increase / (Decrease) in Trade and other Payables	(59,228,952)	157,875,025
Cash generated from operations	180,507,853	282,479,125
Taxes Paid	(25,302,326)	(21,345,936)
Net Cash from Operating Activities	155,205,527	261,133,189
Cash flows From Investing Activities		
Fixed Capital Expenditures	(148,990,615)	(25,719,375)
Long Term Security Deposit	23,200,000	-
Net Cash (used in) Investing Activities	(125,790,615)	(25,719,375)
Cash Flows From Financing Activities		
Finance cost paid	(59,958,600)	
Repayment of liabilities against assets subject to finance lease	(18,522,008)	(961,349)
Long Term Finance	164,577,613	-
Long term deposits	500,000	(199,258,395)
Net Cash (used in) Financing Activities	86,597,005	(200,219,744)
Net Increase in Cash and Cash Equivalents	116,011,917	35,194,070
Cash and Cash Equivalents - at the beginning of the period	(53,415,405)	(69,962,435)
Cash and Cash Equivalents - at the end of the period	62,596,512	(34,768,365)

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



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2016 (un-audited)**

	Issued, subscribed & paid up capital (Rs.)	Accumulated (Loss) (Rs.)	Capital Reserve (Rs.)	Total (Rs.)
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	<u>1,760,000,000</u>	<u>(17,760,194)</u>	<u>126,978,994</u>	<u>1,869,218,800</u>
Total comprehensive profit for the period ended March 31, 2016	-	107,705,634	-	107,705,634
Incremental depreciation	-	23,350,386	-	23,350,386
Balance as at March 31, 2016	<u><u>1,760,000,000</u></u>	<u><u>113,295,826</u></u>	<u><u>126,978,994</u></u>	<u><u>1,892,569,186</u></u>

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



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016 (un-audited)

1 Legal Status and 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 at 103 Fazil Road, Lahore Cantt and the factory in Khushab.

2 Basis of Preparation

This condensed interim financial information of the Company for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim financial information do not include the information reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 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.

The company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2015. The Adoption of these new and amended standard did not have any impact on the company.

Accounting Estimates and Judgments

The preparation of condensed interim financial information the significant 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 adoption of the above standards, amendments to approved accounting standards and interpretations did not have any material effect on the condensed interim financial statements of the company.

		March 31, 2016 Rupees	June 30, 2015 Rupees
4 LONG TERM FINANCE			
National Bank of Pakistan - secured	4.1	127,358,334	149,850,000
Loans from related Parties - unsecured	4.2	163,965,529	51,823,479
Long Term Creditors		<u>138,638,096</u>	<u>63,710,867</u>
		<u>429,961,959</u>	<u>265,384,346</u>

4.1 Loans from banking companies - secured

National Bank of Pakistan	4.1.1	127,358,334	149,850,000
		<u>127,358,334</u>	<u>149,850,000</u>

4.1.1 Demand Finance of Rs.127.358 million (June 30, 2015: Rs. 150 million) was availed from National Bank of Pakistan payable in quarterly installments. The finance is secured against 1st joint pari passu 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.

4.2 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.

		March 31, 2016 Rupees	June 30, 2015 Rupees
5 DEFERRED LIABILITIES			
Deferred Taxation		600,187,214	586,633,396
Gratuity		673,479	673,479
		<u>600,860,693</u>	<u>587,306,875</u>

Deferred Taxation - Net

Taxable temporary differences - effect thereof			
Excess of accounting book value of fixed assets over their tax base		1,204,074,243	1,256,685,549
Deductible temporary differences - effect thereof			
Gratuity		(215,513)	(222,248)
Excess Tax / Minimum Tax		(24,836,273)	(32,023,798)
Other provisions			(5,685,783)
Unused tax losses		(578,835,243)	(632,120,324)
		<u>600,187,214</u>	<u>586,633,396</u>

6 SHORT TERM FINANCE**Loan from Banking Companies-Secured**

Askari Bank Limited	6.1	-	-
Albaraka Islamic Bank	6.2	167,103	22,189,935
The Bank of Punjab			
Demand Finance I	6.2.1		47,102,600
Demand Finance II	6.2.2		8,454,290
		<u>167,103</u>	<u>77,746,825</u>

- 6.1 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.
- 6.2 A letter of credit facility usance / acceptance 180 days of Rs. 22.50 million (June 30, 2015: Rs. 22.50 million) is obtained from Albaraka Islamic Bank with a sub limit of letter of guarantee of Rs. 0.20 million (June 30, 2015: 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.

7 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES:

- 7.1 The Albaraka Islamic Bank has issued letter of guarantees on behalf of company for the following:
- Excise Collection Office, Sindh Development & Maintenance amounting to Rs.0.20 million
- 7.2 The Competition Commission of Pakistan (CCP) has issued a show cause notice to the company for an increase in prices of cement across the country. As a result of it an amount of Rs. 12 Million was imposed as a penalty. The case is currently before the the Honorable High Court. The Court granted the stay order restricting the CCP to pass any adverse order(s) against the show cause notices issued to the cement manufacturers.

8 PROPERTY, PLANT & EQUIPMENT

	March 31, 2016 Rupees	June 30, 2015 Rupees
Opening book value	4,625,006,232	4,714,339,710
Add: Additions during the period	<u>600,000</u>	<u>4,506,257</u>
	4,625,606,232	4,718,845,967
Less Deletion during the year - net off depreciation	<u>-</u>	<u>-</u>
	4,625,606,232	4,718,845,967
Less: Depreciation charged during the period	<u>(68,987,317)</u>	<u>(93,839,735)</u>
Closing book value	<u>4,556,618,915</u>	<u>4,625,006,232</u>
Additions during the period		
Plant & machinery	600,000	4,506,257
	<u>600,000</u>	<u>4,506,257</u>

9 CAPITAL WORK IN PROGRESS

Building	104,609,086	104,609,086
Plant & machinery	<u>582,755,935</u>	<u>434,365,320</u>
	<u>687,365,021</u>	<u>538,974,406</u>

10 CASH AND BANK BALANCES	March 31, 2016	June 30, 2015
	Rupees	Rupees
In hand	512,733	5,666,921
At Banks- current accounts	62,250,882	18,664,499
	<u>62,763,615</u>	<u>24,331,420</u>

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	-	-
Purchases from Associated Companies	132,884,971	172,864,737

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 30, 2016 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



Agha Hamayun Khan
Chief Executive



FLYING CEMENT COMPANY LIMITED



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