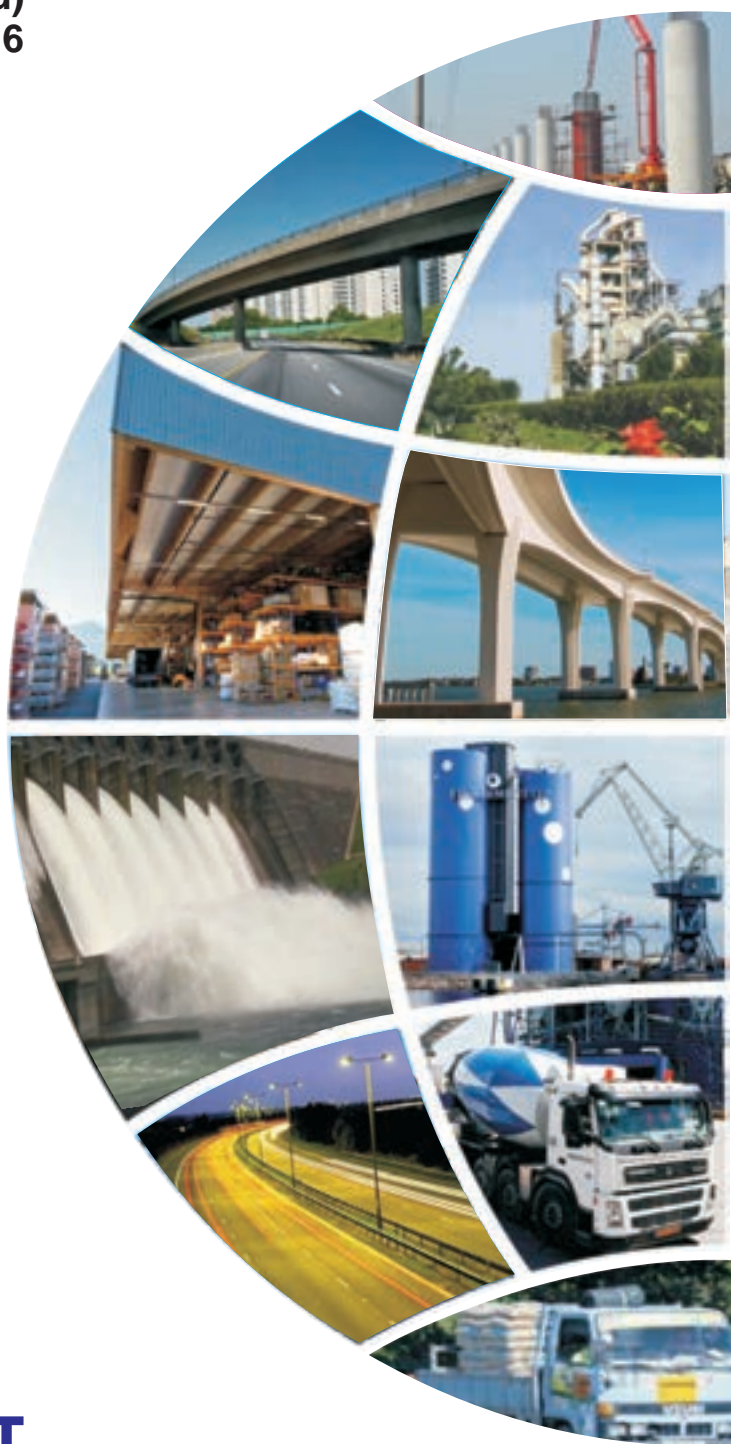


1st QUARTER REPORT

(Un-Audited)

September 30, 2016



**FLYING CEMENT
COMPANY LTD.**

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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. Junaidy Shoaib Asad
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

WEB SITE

www.flyingcement.com

E-MAIL

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

DIRECTORS REVIEW

The Directors are pleased to present the un-audited financial statements of the Company for the first Quarter ended September 30, 2016 in compliance with section 245 of the Companies Ordinance 1984.

Financial Performance

The operating results of the company for the current quarter and that of the corresponding period last year are as under;

	Upto September 2016 Rupees	Upto September 2015 Rupees
Net Sales	486,001,968	589,116,927
Cost of goods sold	458,368,194	552,692,611
Net Profit	20,101,284	37,441,995

The Sales figures decreased as compared to the last year's quarter ended due to decrease in dispatches of cement on account of overhauling of Plant and Machinery, resulting net profit of Rs 20.1(M) as against the profit of Rs. 37.4(M) in the corresponding period last year. Earning per share comes at 0.11 as against 0.21 per share in the quarter last year.

Future Outlook

Measures taken by the management are being proved fruitful in improving the efficiency of plant and good operational results. The development programs announced by the present government will also be the key factor for enhancement in production figures. We expect company will perform better in coming periods.

We wish to record 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; October 31, 2016

**Condensed Interim Balance Sheet (Un-Audited)
As at September 30, 2016**

	Note	Sep 30,2016 Rupees	June 30,2016 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		126,978,994	126,978,994
Un appropriated Profit		188,001,215	160,047,791
Total Equity		<u>2,074,980,209</u>	<u>2,047,026,785</u>
Surplus on revaluation of fixed assets		1,520,971,803	1,528,823,943
NON-CURRENT LIABILITIES			
Long term finance	4	604,257,641	364,187,425
Long term deposits		13,505,340	13,505,340
Deferred liabilities		594,893,618	594,105,300
		<u>1,212,656,599</u>	<u>971,798,065</u>
CURRENT LIABILITIES			
Short term finance		158,891,606	110,353,089
Trade and other payables	5	1,534,387,928	1,601,324,909
Accrued interest / mark-up		27,039,458	27,039,458
Provision for taxation		4,860,020	33,206,934
		<u>1,725,179,012</u>	<u>1,771,924,390</u>
TOTAL LIABILITIES		<u>2,937,835,611</u>	<u>2,743,722,455</u>
Contingencies and commitments	6	-	-
TOTAL EQUITY AND LIABILITIES		<u>6,533,787,623</u>	<u>6,319,573,183</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment	7	4,721,781,189	4,743,400,789
Capital work in progress	8	538,974,409	538,974,409
		<u>5,260,755,598</u>	<u>5,282,375,198</u>
Long Term Security Deposits		18,593,160	18,593,160
CURRENT ASSETS			
Stores & spares & loose tools		410,062,102	273,383,958
Stock in trade		251,473,982	218,229,743
Trade debts		15,517,872	1,118,954
Advances, deposits, prepayments & other receivables		528,289,009	479,523,013
Cash and bank balances	9	49,095,900	46,349,157
		<u>1,254,438,865</u>	<u>1,018,604,825</u>
TOTAL ASSETS		<u>6,533,787,623</u>	<u>6,319,573,183</u>

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

**Condensed Interim Profit and Loss Account (Un-Audited)
For the Quarter ended September 30, 2016**

	Sep 30, 2016 Rupees	Sep 30, 2015 Rupees
Sales	486,001,968	589,116,927
Cost of sales	<u>(458,368,194)</u>	<u>(552,692,611)</u>
Gross Profit	27,633,774	36,424,316
Distribution cost	<u>(1,757,916)</u>	<u>(1,184,468)</u>
Administrative expenses	<u>(8,226,985)</u>	<u>(7,090,761)</u>
	<u>(9,984,901)</u>	<u>(8,275,229)</u>
Operating Profit	17,648,873	28,149,087
Financial cost	(130,482)	(141,803)
Others Income	<u>8,231,231</u>	<u>22,254,008</u>
Profit Before Taxation	25,749,622	50,261,292
Taxation	(5,648,338)	(12,819,297)
Profit After Taxation	<u>20,101,284</u>	<u>37,441,995</u>
Profit Per Share- Basic	<u>0.11</u>	<u>0.21</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, 2016**

	Sep-16 (Rupees)	Sep-15 (Rupees)
Profit for the period	20,101,284	37,441,995
Other Comprehensive income	-	-
Total Comprehensive income for the period	<u>20,101,284</u>	<u>37,441,995</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 30,2016**

	Sep 30, 2016	Sep 30, 2015
	Rupees	Rupees
Cash Flow From Operating Activities		
Profit for the period - before taxation	25,749,622	50,261,292
Adjustment for non cash charges and other items		
Depreciation	23,543,600	23,029,699
Financial cost	130,482	141,803
	23,674,082	23,171,502
Cash Inflow from operating activities before working capital changes	49,423,704	73,432,794
Changes In Working Capital		
(Increase) in Stores, spares & loose tools	(136,678,144)	(37,696,680)
(Increase) / Decrease in Stock-in-trade	(33,244,239)	5,534,020
(Increase) / Decrease in Trade debts	(14,398,918)	2,155,958
(Increase) / Decrease in Advances, deposits, prepayments and other receivables	(39,523,055)	34,614,609
	(223,844,356)	4,607,907
Increase / (Decrease) in current liabilities		
Creditors and other payables	(100,143,912)	(27,106,751)
Cash Inflow/(Outflow) from Operating Activities-Before Taxation	(274,564,564)	50,933,950
Taxes Paid	(9,242,941)	(23,547,567)
Cash Inflow/(Outflow) From Operating Activities - After Taxation	(283,807,505)	27,386,383
Cash Inflow/(Outflow) From Investing Activities		
Fixed Capital Expenditures	(1,924,003)	(22,042,361)
Cash Flow From Financing Activities		
Financial charges paid	(130,482)	(15,468,921)
Liabilities against assets subject to finance lease	-	(16,500,000)
Long term finance	240,070,216	74,239,599
Net Cash Inflow/(Outflow) From Financing Activities	239,939,734	42,270,678
Net Increase / (decrease) in Cash and Cash Equivalents	(45,791,774)	47,614,700
Cash and Cash Equivalents - at the beginning of the year	(64,003,932)	(53,415,405)
Cash and Cash Equivalents - at the end of the quarter	(109,795,706)	(5,800,705)

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

**Statement of Changes in Equity (Un-Audited)
For the Quarter ended September 30,2016**

	Ordinary Share Capital	Accumulated Profit / (Loss)	Capital Reserve	Total
	Rupees	Rupees	Rupees	Rupees
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 year	-	145,758,435	-	145,758,435
Incremental depreciation	-	32,049,550	-	32,049,550
Balance as at June 30, 2016	1,760,000,000	160,047,791	126,978,994	2,047,026,785
Total Comprehensive Income for the period	-	20,101,284	-	20,101,284
Incremental depreciation	-	7,852,140	-	7,852,140
Balance as at September 30, 2016	1,760,000,000	188,001,215	126,978,994	2,074,980,209

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



Momin Qamar
Director



Agha Hamayun Khan
Chief Executive

Notes to the Condensed Interim Account (Un-Audited) For the Quarter ended September 30, 2016

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, 2016.

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, 2016.

		Sep 30,2016 Rupees	June 30,2016 Rupees
4 LONG TERM FINANCE			
Loans from banking companies	4.2	56,369,169	63,860,835
Loan from Directors & Shareholders		312,267,037	251,605,037
Long Term Creditors		235,621,435	48,721,553
		<u>604,257,641</u>	<u>364,187,425</u>
4.2 Loans from banking companies			
Askari Bank Ltd. - Term Finance I	4.1	-	-
National Bank of Pakistan	4.2	56,369,169	63,860,835
		<u>56,369,169</u>	<u>63,860,835</u>

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 2015: Rs.150million) 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.

The bank has rescheduled the facility on April 2016 by extending the repayment of principal amount upto 31st December 2018 in 36 monthly installments of Rs. 3.745 million. An upfront payment of Rs.15 million plus 67 million (condition of fresh issuance of L/C was made during the year). Markup is fixed at Rs. 41.779 million by the bank which shall be paid in 6 monthly installments of Rs. 6.963 million starting at tail end from 31st January 2019 to 30th June 2019.

5 SHORT TERM FINANCE		Sep 30,2016	June 30,2016
		Rupees	Rupees
Askari Bank Ltd.	5.1	-	-
Albaraka Islamic Bank	5.2	17,728,279	13,193,537
National Bank of Pakistan	5.3	141,163,327	97,159,552
		<u>158,891,606</u>	<u>110,353,089</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 2015: Rs. 22.50 million) is obtained from Albaraka Islamic Bank with a sub limit of letter of guarantee of Rs. 0.20 million (Sep 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.

5.3 A letter of credit facility usance 180 days of Rs. 300 million is obtained from National Bank of Pakistan to meet the import requirements of the company of coal & machinery parts. The finance is secured against 1st charge of Rs. 400 million over all present and future fixed assets of the company, personal guarantee of all directors and accepted bills of exchange and trust receipt. Markup is charged as per bank's schedule of charge.

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 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.

7 Property, Plant & Equipment	Sep 30,2016	June 30,2016
	Rupees	Rupees
Opening book value	4,743,400,789	4,625,006,232
Add: Additions during the period	1,924,000	210,283,097
	<u>4,745,324,789</u>	<u>4,835,289,329</u>
	4,745,324,789	4,835,289,329
Less: Depreciation charged during the period	23,543,600	91,888,540
Closing book value	<u>4,721,781,189</u>	<u>4,743,400,789</u>
Additions during the period		
Plant & machinery	1,924,000	210,283,097
	<u>1,924,000</u>	<u>210,283,097</u>

	Sep 30, 2016 Rupees	June 30, 2016 Rupees
8 CAPITAL WORK IN PROGRESS		
Building	113,132,700	113,132,700
Plant & machinery	425,841,709	425,841,709
	538,974,409	538,974,409
 9 CASH AND BANK BALANCES		
In hand	2,114,619	3,247,178
At Banks- current accounts	46,981,281	43,101,979
	49,095,900	46,349,157

10 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	97,372,918	132,884,971

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

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on October 31, 2016 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

Momin Qamar
Director

Agha Hamayun Khan

Agha Hamayun Khan
Chief Executive

ڈائریکٹرز رپورٹ

ڈائریکٹرز کمپنیز آرڈینینس 1984 کی دفعہ 245 کے تحت 30 ستمبر 2016 کی پہلی سہ ماہی کی غیر تنقیح شدہ مالی حسابات کی رپورٹ پیش کی جا رہی ہے۔

مالی کارکردگی

کمپنی کی سہ ماہی نتائج کا تقابلی جائزہ درج ذیل ہے:-

ستمبر 2016	ستمبر 2015	
روپے	روپے	
486,001,968	589,116,927	فروخت کا حجم خالص
458,368,194	552,692,611	پیداواری لاگت
20,101,284	37,441,995	خالص منافع

فروخت میں کمی پچھلے سال کی پہلی سہ ماہی کے اختتام کی نسبت کم سیمنٹ فروخت ہونے کی وجہ سیمنٹ پلانٹ اور مشینری کی مرمت ہے۔ جسکے نتیجے میں خالص منافع جو کہ پچھلی سہ ماہی 2015 میں 37.4 ملین روپے تھا جو کہ اب 2016 میں 20.1 ملین روپے ہے۔

پچھلی سہ ماہی 2015 میں کمپنی کی آمدن فی حصص 0.21 پیسہ تھی۔ جو کہ پہلی سہ ماہی 2016 میں کم ہو کر 0.11 پیسہ فی حصص ہو گئی ہے۔

مستقبل کا نقطہ نظر

کمپنی کی انتظامیہ نے پلانٹ کی کارکردگی بہتر بنانے کیلئے اور اچھے نتائج کیلئے بہتر اقدامات کئے ہیں۔ موجودہ گورنمنٹ کے ترقیاتی پروگرام کے اعلانات سے زیادہ پیداوار کے امکانات بھی بڑھ گئے ہیں۔ ہم اپنے ملازمین کی کام میں لگن سخت محنت جو وہ کر رہے ہیں اور اپنے حصص داران کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

آغا ہمایوں خان

چیف ایگزیکٹو آفیسر

لاہور 31 اکتوبر 2016



FLYING CEMENT COMPANY LIMITED



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