



# GHARIBWAL CEMENT LIMITED

**Condensed Interim Financial Information** (Un-Audited)  
for the first quarter ended **September 30, 2015**

## COMPANY PROFILE

### Board of Directors

Mr. Muhammad Tousif Peracha  
Chief Executive Officer - Executive Director

Mr. Abdur Rafique Khan  
Chairman - Executive Director

Mrs. Tabassum Tousif Peracha  
Non-Executive Director

Mr. Ali Rashid Khan  
Non-Executive Director

Mr. Daniyal Jawaid Paracha  
Non-Executive Director

Ms. Amna Khan  
Non-Executive Director

Mr. Muhammad Niaz Paracha  
Non-Executive Director

Mr. Khalid Siddiq Tirmizey  
Independent Director

### Audit Committee

Mr. Daniyal Jawaid Paracha  
Chairman

Mrs. Tabassum Tousif Peracha  
Member

Mr. Muhammad Niaz Piracha  
Member

### HRR Committee

Mr. Daniyal Jawaid Paracha  
Chairman

Mr. Muhammad Tousif Peracha  
Member

Mr. Ali Rashid Khan  
Member

### CFO & Company Secretary

Mr. Muhammad Shamail Javed ACA

### Chief Accountant

Mr. Farukh Naveed

### Auditors and Legal Advisors

Kreston Hyder Bhimji & Co  
Chartered Accountants  
Statutory Auditors

Raja Muhammad Akram  
Legal Advisors

### Bankers

The Bank of Punjab  
National Bank of Pakistan  
NIB Bank Limited  
Bank Islami Pakistan Limited  
Saudi Pak Industrial & Agricultural Investment Company  
The Bank of Khyber  
Faisal Bank Limited  
Silk Bank Limited  
First Credit and Investment Bank

Askari Bank Limited  
Summit Bank Limited  
Meezan Bank Limited  
Allied Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
United Bank Limited  
Bank Alhabib Limited  
Standard Chartered Bank Limited

### Addresses

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Email: info@gharibwalcement.com  
Website: www.gharibwalcement.com

**Factory**  
Ismailwal, Tehsil Pind Dadan Khan,  
District Chakwal, Pakistan

## DIRECTORS' REPORT TO THE MEMBERS

The directors of your Company are pleased to present the un-audited condensed interim financial information for the 1st quarter ended September 30, 2015.

Pakistan cement industry posted 11 % growth in the domestic market for the 1st quarter ended September 30, 2015 compared with the same period of last financial year. Whereas export continued downward trajectory and posted a decline of 27% YoY. Overall growth of the industry remained 1% YoY.

Your company posted a growth of 9% in domestic market for the period under review whereas export declined by 63%. Overall growth of dispatch remained 2% YoY.

Summary of the financial performance of your Company is given below;

		1st Quarter ended September 30		
		2015	2014	% change
Net Sales	Rs. '000	<b>2,208,299</b>	2,097,624	5%
Gross Profit	Rs. '000	<b>817,812</b>	631,949	29%
EBITDA	Rs. '000	<b>884,271</b>	732,019	21%
Profit before Taxation	Rs. '000	<b>635,293</b>	418,594	52%
Profit after Taxation	Rs. '000	<b>407,271</b>	245,991	67%
Earnings per Share	Rs.	<b>1.02</b>	0.61	67%

Your Company earned gross profit of Rs. 818 million which is up by 29% over the comparative period. Finance cost decreased due to reduction in interest rate and repayment of principal debt, this increased the profit before taxation by 52% over the comparative period. At bottom end, your Company earned Rs. 1.02 EPS which is up by 67% over the comparative period.

Work on two mega BMR projects Down Hill Conveyer Belt and Waste Heat Recover has been started. Benefits from these two projects are expected to flow into the Company by first quarter and second quarter of next financial year respectively.

We express our gratitude for the continuous support and cooperation of our bankers and financial institutions, our dealers and customers, and other stakeholders having business relations with us. We also appreciate the loyalty, dedication and hard work of all our staff. At the end, we thank our shareholders for their confidence and faith that they have always reposed in us.

For and on behalf of Board of Directors




MUHAMMAD TOUSIF PERACHA  
Chief Executive Officer

Lahore : October 27, 2015

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2015

	Note	Un-Audited 30-09-15 (Rupees in 000s)	Audited 30-06-15
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipments	5	13,739,757	13,722,670
Intangible assets		4,513	4,834
Long term deposits		86,174	85,696
		<b>13,830,444</b>	13,813,200
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		819,008	812,526
Stock in trade		956,518	624,954
Trade debtors		227,326	240,255
Advances, deposits and prepayments		222,009	176,066
Cash and bank balances		74,663	178,699
		<b>2,299,524</b>	2,032,500
Non current assets held for sale		37,904	37,904
		<b>2,337,428</b>	2,070,404
		<b>16,167,872</b>	15,883,604
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 470 million ordinary shares of Rs. 10 each		4,700,000	4,700,000
Issued, subscribed and paid up capital		4,002,739	4,002,739
Retained earnings		493,157	43,127
		<b>4,495,896</b>	4,045,866
Surplus on revaluation of property, plant and equipments		3,393,106	3,435,857
<b>NON CURRENT LIABILITIES</b>			
Long term borrowings		1,882,012	1,486,323
Liabilities against assets subject to finance lease		3,127	3,297
Deferred taxation		1,531,817	1,409,499
Employees' retirement benefits		110,431	116,772
Deferred markup and profit		1,452,917	1,102,250
		<b>4,980,304</b>	4,118,141
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,301,351	1,466,913
Markup and profit payable		295,063	653,721
Short term borrowings		-	137,847
Current portion of non current liabilities		578,303	966,189
Taxes and duties payable		1,123,848	1,059,070
		<b>3,298,565</b>	4,283,740
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		<b>16,167,872</b>	15,883,604

  
Chief Executive Officer

  
Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Un-Audited JUL15-SEP15	Un-Audited JUL14-SEP14
	(Rupees in 000s)	
Net sales	2,208,299	2,097,624
Cost of sales	(1,390,487)	(1,465,675)
<b>Gross profit</b>	<b>817,812</b>	631,949
Administration and general expenses	(81,797)	(54,634)
Selling and distribution expenses	(4,426)	(4,101)
Other operating expenses	(33,436)	(22,047)
<b>Operating profit</b>	<b>698,153</b>	551,167
Finance income	21,942	523
Finance cost	(84,795)	(133,097)
<b>Profit before taxation</b>	<b>635,301</b>	418,594
Current taxation	(105,705)	(67,602)
Deferred taxation	(122,317)	(105,000)
<b>Profit after taxation</b>	<b>407,278</b>	245,991
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>407,278</b>	245,991

(Rupees)

Earnings per share (basic and diluted)	1.02	0.61
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Chief Executive Officer

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Un-Audited JUL15-SEP15	Un-Audited JUL14-SEP14
	(Rupees in 000s)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	635,301	418,594
Adjustment for non-cash and other transactions:		
Depreciation	164,868	180,635
Finance income	(20,244)	-
Finance cost	84,795	133,097
	<b>229,419</b>	<b>313,732</b>
Operating profit before working capital changes	<b>864,720</b>	<b>732,325</b>
Changes in working capital:		
Stores, spares and loose tools	(6,481)	(173,933)
Stock in trade	(331,564)	(99,373)
Trade debts	12,929	88,458
Advances, deposits and other receivables	(45,943)	(26,903)
Trade and other payables	(186,026)	(472,074)
Long term deposits	-	(1,001)
Taxes & Duties	(31,447)	(20,917)
	<b>(588,533)</b>	<b>(705,743)</b>
Cash inflow from operation	<b>276,187</b>	<b>26,582</b>
Finance cost paid	(50,829)	(69,484)
Income tax paid	(13,711)	(34,342)
Net Cash inflow/(outflow) from operating activities	<b>211,647</b>	<b>(77,244)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure incurred	<b>(181,632)</b>	<b>(28,241)</b>
Net cash outflow from investing activities	<b>(181,632)</b>	<b>(28,241)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of long term borrowings	(72,702)	(58,437)
Repayments of lease finances	(173)	-
Change in short term borrowings	-	199,988
Payment of directors' loan	(61,176)	-
Net cash (outflow)/inflow from financing activities	<b>(134,051)</b>	<b>141,551</b>
Net increase in cash and cash equivalents	<b>(104,036)</b>	<b>36,066</b>
Cash and cash equivalents at beginning of the period	<b>178,699</b>	<b>32,964</b>
Cash and cash equivalents at end of the period	<b>74,663</b>	<b>69,030</b>



Chief Executive Officer



Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Share Capital	General Reserves	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2014	4,002,739	332,000	(1,752,184)	2,582,555
Total Comprehensive income for the quarter ended September 30, 2014	-	-	245,991	245,991
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	-	47,672	47,672
Balance as at September 30, 2014	4,002,739	332,000	(1,458,521)	2,876,218
Total Comprehensive income for the three quarters ended June 30, 2015	-	-	1,036,453	1,036,453
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	-	133,195	133,195
General reserves transferred to retained earning	-	(332,000)	332,000	-
Balance as at June 30, 2015	4,002,739	-	43,127	4,045,866
Total Comprehensive income for the quarter ended September 30, 2015	-	-	407,278	407,278
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	-	42,751	42,751
<b>Balance as at September 30, 2015</b>	<b>4,002,739</b>	<b>-</b>	<b>493,157</b>	<b>4,495,896</b>



Chief Executive Officer



Director



## NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

### 1. LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan on December 29, 1960 as a Public Limited Company; its shares are quoted on Karachi and Lahore Stock Exchanges. It is principally engaged in production and sale of cement. The registered office of the Company is situated at 28-B/3, Gulberg III, Lahore.

### 2. STATEMENT OF COMPLAINE

These condensed interim financial statements are un-audited and have been prepared in accordance with International Financial Reporting standard 'IAS-34 - Interim Financial Reporting' and should be read in conjunction with the Annual Financial Report for the year ended June 30, 2015. These are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

### 3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements for the year ended June 30, 2015.

### 4. SIGNIFICANT ESTIMATES

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that effected the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses and related disclosures at the date of financial statements. Actual results may differ from those estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying accounting policies, key estimates and uncertainty includes:

- depreciation method, residual values and useful life of depreciable assets;
- taxation;
- staff retirement benefits;

	Note	Un-Audited 30-09-15 (Rupees in 000s)	Audited 30-06-15
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	12,412,836	12,558,974
Capital work in progress		1,326,921	1,163,696
		<b>13,739,757</b>	13,722,670
<b>5.1 Reconciliation of Operating Fixed Assets</b>			
Opening balance		12,558,974	13,007,938
Additions for the period/year		18,409	230,375
		<b>12,577,383</b>	13,238,313
Depreciation for the period/year		(164,547)	(679,339)
Closing balance		<b>12,412,836</b>	12,558,974

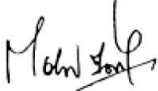
6. National Bank of Pakistan has issued offer letter rescheduled its debts and as per offer letter the principal amount will be repaid in 40 unequal quarterly installments where as markup accrued till 30-09 2015 will be paid in 40 unequal quarterly installments. Markup rate has been revised w.e.f. 01-10 2015 from 3 months KIBOR +0% p.a. to 3 months KIBOR +1% p.a. and current markup will be served on quarterly basis. Till December 2015, the company will have to pay Rs.447 million (principal plus markup) as per restructuring offer letter.



## NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

7. There is no material change in the contingent liabilities of the Company since the last annual balance sheet date.
8. There was no significant transaction with the related party.
9. The figures have been rounded off to the nearest of thousand rupees.
10. These un-audited condensed interim financial statements are authorized for issue by the Board of directors of the Company on October 27, 2015.



Chief Executive Officer



Director

Statement u/s 218 of the Companies Ordinance, 1984

The Board of Directors in its meeting has revised, w.e.f. July 01, 2015, the remuneration of the Chief Executive Officer of the company to Rs. 6 million per month and of the Chairman of the board to Rs. 3 million per month. Furthermore their remuneration shall be subject to such increments (not more than 25% p.a.), other allowances, benefits, bonus and perquisites as may be granted at any time and from time to time by BOD in accordance with the policies of the company. Directors interested in the business have not taken part in this decision.

[www.gharibwalcement.com](http://www.gharibwalcement.com)

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