

GHARIBWAL CEMENT LIMITED



**CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2024**

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COMPANY INFORMATION

BOARD OF DIRECTORS

- Khalid Siddiq Tirmizey
Chairman - Independent Director
- Muhammad Tousif Peracha
Executive Director
- Abdur Rafique Khan
Executive Director
- Shafqaat Ahmed
Independent Director
- Mustafa Tousif Ahmed Paracha
Executive Director
- Amna Khan
Non-Executive Director
- Habiba Tousif Paracha
Non-Executive Director
- Faisal Aftab Ahmad
Independent Director
- Daniyal Jawaid Peracha
Independent Director

AUDIT COMMITTEE

- Shafqaat Ahmed
Chairman
- Khalid Siddiq Tirmizey
Member
- Faisal Aftab Ahmad
Member

HRR COMMITTEE

- Khalid Siddiq Tirmizey
Chairman
- Muhammad Tousif Peracha
Member
- Shafqaat Ahmed
Member

EXTERNAL AUDITORS

Kreston Hyder Bhimji & Co
Chartered Accountants
Amin Building, The Mall, Lahore

LEGAL ADVISORS

- Raja Muhammad Akram
Legal Advisors
Main Gulberg, Lahore.

KEY MANAGEMENT PERSONNEL

- Muhammad Tausif Peracha
Chief Executive Officer
- Muhammad Shamail Javed FCA
Chief Financial Officer
- Farukh Naveed ACA
Company Secretary & Deputy CFO
- Ali Rashid Khan
Director Operation
- Abdul Shoeb Piracha
Director Commercial
- Syed Firasat Abbas
General Manager Plant
- Rana Muhammad Ijaz
General Manager Sale
- Muhammad Tahir
Chief Coordination Officer
- Hassan Mehdi ACA CIA
Internal Auditor

SHARE REGISTRAR

Corplink (Private) Limited,
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.

BANKERS

- Al Baraka Bank Limited
- Allied Bank Limited
- Askari Bank Limited
- Bank Al Habib Limited
- Faysal Bank Limited
- First Habib Modaraba
- Habib Bank Limited
- Habib Metropolitan Bank
- MCB Bank Limited
- National Bank of Pakistan
- Pak China Investment Company
- Pair Investment Co Ltd
- Summit Bank Limited
- The Bank of Punjab
- United Bank Limited

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present the un-audited condensed interim financial information for the first quarter ended September 30, 2024.

For this quarter, the Company reported net sales revenue of Rs. 4,317 million, a slight decline of 0.9% quarter-on-quarter, despite a 13.3% decrease in dispatches to 257,464 tons. Our 12MW solar plant successfully generated electricity during this period, contributing to a reduction in power costs. The Government of Punjab has raised the royalty on raw materials by about 4 times from Rs. 250/ton. The Company achieved a gross profit of Rs. 1,173 million for the quarter, compared to Rs. 868 million in the same period last year. EBITDA reached Rs. 1,203 million, reflecting a robust growth of 24.1% QoQ. Net profit stood at Rs. 535 million, up by 31.1% QoQ, resulting in an Earnings Per Share (EPS) of Rs. 1.34. Our current ratio remains strong at 2.39, while the debt-equity ratio is stable at 5%.

Management is focused on installing an 8MW solar system, which is expected to begin commercial production by the end of March 2025. We have also started replacing our existing cooler, with completion anticipated by December 2024. Although the kiln is temporarily shut down for this retrofit, we have ensured that sufficient clinker stock is available to maintain uninterrupted cement dispatches. Upon completing the solar installation and cooler retrofit, we expect a reduction in production costs for Line I. Meanwhile, civil work on Line II is progressing steadily. While we anticipate stable demand for cement, rising cost of sales may affect future earnings.

We extend our sincere gratitude to our bankers, financial institutions, dealers, customers, and all stakeholders for their ongoing support and collaboration. We also commend the loyalty, dedication, and hard work of our staff. Lastly, we thank our shareholders for their unwavering confidence in us.

For and on behalf of Board of Directors



Director

Lahore : October 24, 2024



Director

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2024ء کے اختتام پر پہلی سہ ماہی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات بخوشی پیش کرتے ہیں۔

زیر جائزہ مدت میں کمپنی کی خالص فروخت میں 4.317 ارب روپے رہی جو کہ پچھلے سال کی اس سہ ماہی کے مقابلے میں 0.9 فیصد کم ہے۔ اس مدت میں سیمنٹ کی فروخت 257,464 ٹن رہی۔ ہمارے 12MW پلانٹ نے بجلی کی پیداوار شروع کر دی ہے جس کی وجہ سے توانائی کی لاگت میں نمایاں کمی آئی ہے۔ پنجاب گورنمنٹ نے خام مال پر رائلٹی میں تقریباً 4 گنا اضافہ کر دیا ہے جو کہ پہلے صرف 250 روپے فی ٹن تھی۔ کمپنی نے اس مدت میں 1.173 ارب روپے کا مجموعی منافع کمایا ہے جو کہ پچھلے سال کی اس سہ ماہی کی نسبت 24.1 فیصد زیادہ ہے۔ خالص منافع 0.535 ارب روپے رہا ہے جبکہ فی شیئر منافع 1.34 روپے ہے۔ ہماری کرنٹ اوسط 2.39 رہی ہے جبکہ قرض اور ایکویٹی کا تناسب 5 فیصد ہے۔

کمپنی کی انتظامیہ 8MW کا نیا سولر پلانٹ لگانے جا رہی ہے جو کہ اندازاً مارچ 2025 تک پیداوار شروع کر دے گا۔ جبکہ کولر ریٹروفٹ پر بھی کام تیزی سے جاری ہے جو کہ دسمبر 2024 تک مکمل ہو جائے گا۔ اس وجہ سے پلانٹ بند ہے لیکن ہمارے پاس کلیننگ کا ضروری ذخیرہ موجود ہے جس کی وجہ سے سیمنٹ کی ترسیل متاثر نہیں ہو رہی ہے۔ سولر اور کولر ریٹروفٹ کی تکمیل سے پیداواری لاگت میں خاطر خواہ کمی متوقع ہے جبکہ دوسری پیداواری لائن پر بھی کام تیزی سے جاری ہے۔ امید ہے کہ آنے والی مدت میں سیمنٹ کی مانگ میں اضافہ ہوگا لیکن کونکر اور ایندھن کی قیمتوں میں اضافے کی وجہ سے کمپنی کا منافع کم ہو سکتا ہے۔

ہم مسلسل حمایت اور تعاون کے لیے ہمارے بینکوں اور دوسرے مالیاتی اداروں، ڈیلروں اور گاہکوں اور اسٹیک ہولڈرز جن کا ہمارے ساتھ کاروباری تعلق ہے دل کی گہرائیوں سے شکریہ ادا کرتے ہیں۔ ہمارے تمام عملے کی وابستگی، لگن اور محنت بھی دلی تعریف کے لائق ہے۔

آخر میں معزز اراکین ہم آپ کے اس اعتماد اور یقین کے دل کی گہرائیوں سے ممنون ہیں جو کہ آپ نے ہمیشہ سے ہم پر کیا۔

منجانب بورڈ آف ڈائریکٹرز



ڈائریکٹر

A. M. Khan

ڈائریکٹر

لاہور

24 اکتوبر 2024ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2024

		Un-Audited 30-09-2024	Audited 30-06-2024
	Note	(Rupees in 000s)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	28,446,545	28,548,270
Loan and advances	8	-	1,811
Deposits		73,441	73,441
		28,519,986	28,623,522
CURRENT ASSETS			
Inventories	6	6,492,078	5,592,128
Trade and other receivables	7	886,943	870,941
Loan and advances	8	602,211	594,263
Deposits		39,350	35,763
Prepayments		169,748	179,496
Advance income tax -net		248,676	425,338
Short term investments		532,719	412,820
Cash and bank balances		464,044	391,386
		9,435,769	8,502,135
TOTAL ASSETS		37,955,755	37,125,657
EQUITY AND LIABILITIES			
EQUITY			
Authorized share capital (Ordinary share of Rs. 10/each)		8,000,000	8,000,000
Issued, subscribed and paid up capital		4,002,739	4,002,739
Revaluation surplus on property, plant and equipment		8,173,120	8,277,159
Retained earnings		12,410,825	11,771,707
		24,586,684	24,051,605
NON CURRENT LIABILITIES			
Borrowings		889,944	959,907
Deferred taxation		8,366,255	8,376,806
		9,256,199	9,336,713
CURRENT LIABILITIES			
Trade and other payables		3,790,515	3,439,684
Borrowings		259,799	204,786
Markup and profit payable		686	2,785
Employees' benefits obligations		27,671	70,015
Contract liabilities		26,047	11,915
Dividend payable/unclaimed		8,154	8,154
		4,112,872	3,737,339
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		37,955,755	37,125,657


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



DIRECTOR



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	Un-Audited 1st Qtr ended 30-09-2024	Un-Audited 1st Qtr ended 30-09-2023
	(Rupees in 000s)	
Net sales	4,317,394	4,357,689
Cost of sales	(3,144,560)	(3,489,594)
Gross Profit	1,172,834	868,095
General and administrative expenses	(218,064)	(163,305)
Selling and distribution expenses	(18,810)	(20,047)
Other expenses	(65,592)	(49,679)
Other income	6,333	-
Profit from operations	876,701	635,064
Finance income	75,145	69,807
Finance expenses	(74,666)	(44,861)
Profit before taxation	877,180	660,010
Tax expense	(342,101)	(251,788)
Profit after taxation	535,079	408,222
	Rupees	
Earnings per share (basic & diluted)	1.34	1.02

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


DIRECTOR


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	Un-Audited 1st Qtr ended 30-09-2024	Un-Audited 1st Qtr ended 30-09-2023
	(Rupees in 000s)	
Profit after taxation for the year	535,079	408,222
Other comprehensive income	-	-
Total comprehensive income for the year	535,079	408,222

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



DIRECTOR



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	Share Capital	Revaluation Surplus on PPE	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2023 (Audited)	4,002,739	8,717,759	9,588,377	22,308,875
Total Comprehensive income for three months ended September 30, 2023	-	-	408,222	408,222
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(110,150)	110,150	-
Balance as at September 30, 2023 (Un-audited)	4,002,739	8,607,609	10,106,749	22,717,097
Total Comprehensive income for nine months ended June 30, 2024	-	-	1,334,508	1,334,508
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(330,450)	330,450	-
Balance as at June 30, 2024 (Audited)	4,002,739	8,277,159	11,771,707	24,051,605
Total Comprehensive income for three months ended September 30, 2024	-	-	535,079	535,079
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(104,039)	104,039	-
Balance as at September 30, 2024 (Un-audited)	4,002,739	8,173,120	12,410,825	24,586,684

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


DIRECTOR


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	Note	Un-Audited 1st Qtr ended 30-09-2024	Un-Audited 1st Qtr ended 30-09-2023
(Rupees in 000s)			
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation		877,180	660,010
Adjustment for non-cash and other items:	10	384,873	358,602
Operating profit before working capital changes		1,262,053	1,018,612
Outflow from net changes in working capital	11	(602,890)	(361,432)
Cash inflow from operation		659,163	657,180
Finance cost paid		(71,411)	(67,596)
Markup received on bank deposits		8,639	30,706
WPPF and WWF		(58,495)	(137,516)
Income tax paid		(175,990)	(271,360)
Net cash inflow from operating activities		361,906	211,414
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(218,035)	(125,620)
Markup received from Balochistan Glass Limited (related party)		44,230	228,747
Short term investments - net		(97,551)	(190,030)
Net cash outflow from investing activities		(271,356)	(86,903)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of banks borrowings		(17,891)	(103,438)
Short term loan from GCL WPPF Trust (related party)		-	150,000
Repayment of Short term loan to GCL WPPF Trust (related party)		-	(23,000)
Net cash (outflow)/Inflow from financing activities		(17,891)	23,562
Net increase in cash and cash equivalents		72,659	148,073
Cash and cash equivalents at beginning of period		391,386	747,082
Cash and cash equivalents at end of period		464,045	895,155

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


DIRECTOR


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

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 Pakistan Stock Exchange. It is principally engaged in production and sale of cement. The registered office of the Company is situated at First Capital Tower, 1st Floor, 27-H, Gulberg-II, Lahore.

2 STATEMENT OF COMPLAINT

These condensed interim financial statements (un-audited) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

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 of the company for the year ended June 30, 2024.

There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on July 01, 2024. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

	Note	Un-Audited 30-09-2024	Audited 30-06-2024
(Rupees in 000s)			
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	24,948,124	25,254,814
Capital work in progress		3,498,421	3,293,456
		<u>28,446,545</u>	<u>28,548,270</u>
5.1	OPERATING FIXED ASSETS		
Book value - opening balance		25,254,814	25,620,650
Additions during the period/year		21,819	49,766
Transferred from capital work in progress		-	926,096
Fixed assets disposed off		(2,416)	(1,331)
		<u>25,274,217</u>	<u>26,595,181</u>
Depreciation for the period/year		(326,093)	(1,340,367)
Book value - closing balance		<u>24,948,124</u>	<u>25,254,814</u>
6	INVENTORIES		
Fuel, parts and supplies		2,435,070	2,772,336
Stock in trade		4,057,008	2,819,792
		<u>6,492,078</u>	<u>5,592,128</u>
7	TRADE AND OTHER RECEIVABLES		
Trade receivables from contracts with customers		834,323	818,249
Markup receivable from Balochistan Glass Limited (related party)		35,410	44,830
Commission receivable from Balochistan Glass Limited (related party)		16,750	7,402
Other receivables		460	460
		<u>886,943</u>	<u>870,941</u>
8	LOAN AND ADVANCES		
Employees		18,878	12,741
Balochistan Glass Limited	8.1	583,333	583,333
		<u>602,211</u>	<u>596,074</u>
Less: Loan to employees classified as non current assets		-	(1,811)
		<u>602,211</u>	<u>594,263</u>

8.1 The Company has approved a short term loan facility to its associated company in last annual general meeting held on October 26, 2023. Subsequent to the terminal date, the members of the Company at annual general meeting held on October 24, 2024, has approved in term of section 199 of the Companies Act 2017, conversion of outstanding balance of short term loan facility into a long term loan to be repaid in 10 equal quarterly instalments ending on June 30, 2027. This facility will carry markup @ KIBOR plus 3.5% p.a. This facility is secured by personal guarantee of a common sponsoring director.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2024

9 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as reported in the annual financial statements of the company for the year ended June 30, 2024.

	Un-audited 3 months ended 30-09-2024	Un-audited 3 months ended 30-09-2023
(Rupees in 000s)		
10 ADJUSTMENT FOR NON-CASH AND OTHER ITEMS		
Depreciation	326,093	333,499
Amortisation	-	370
Finance expenses	74,666	44,861
Finance income	(75,145)	(69,807)
Other income	(6,333)	-
WPPF and WWF	65,592	49,679
	<u>384,873</u>	<u>358,602</u>
11 CASH FLOW FROM CHANGES IN WORKING CAPITAL - NET		
Inventories	(899,950)	680,758
Trade and other receivables	(16,074)	(237,794)
Loan and advances	(6,137)	644
Deposits	(3,587)	(26,000)
Prepayments	7,335	(114,239)
Trade and other payables	343,735	(712,638)
Contract liabilities	14,132	32,506
Employees' benefits obligations	(42,344)	15,331
	<u>(602,890)</u>	<u>(361,432)</u>

12 There are no significant transactions with related parties during the period under review, except those disclosed in these condensed interim financial statements. Remuneration to CEO, executive directors and other executives were paid as per term of employment.

13 The condensed interim financial statements has been approved by the Board of Directors for issue on October 24, 2024.

14 Figures in these condensed interim financial statements are rounded off to the nearest thousand rupees.

15 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of preceding financial year, whereas the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.


DIRECTOR


CHIEF FINANCIAL OFFICER


DIRECTOR

GHARIBWAL CEMENT LIMITED

📍 HEAD OFFICE:

First Capital Tower, 1st Floor, 27-H,
Gulberg-II, Lahore, Pakistan.
PABX: +92 42 3 60 60 0
E-mail: info@gharibwalcement.com

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Ismailwal, Tehsil Choa Saidan Shah,
District Chakwal, Lahore.

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