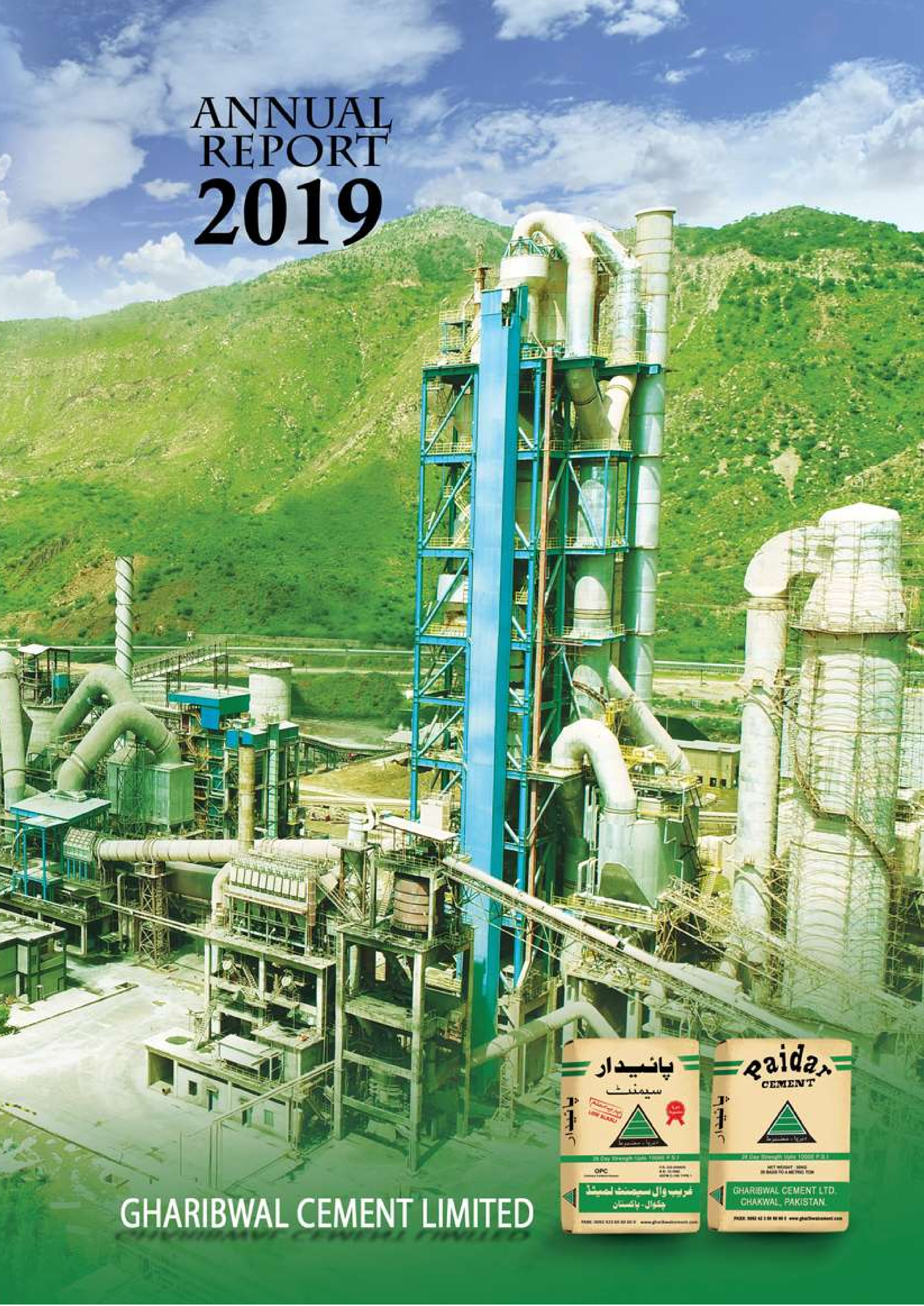
ANNUAL REPORT 2019



GHARIBWAL CEMENT LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 59th Annual General Meeting of Gharibwal Cement Limited will be held on Saturday, October 26, 2019 at 12:00 p.m at Registered Office of the company (First Floor, PACE Tower, 27-H, College Road, Gulberg-II, Lahore) to transact the following businesses:

Ordinary Business

1. To confirm minutes of last Annual General Meeting (AGM) held on October 27, 2018.

2. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2019 together with Auditor's and Director's report thereon.

3. To consider and approve the payment of final cash dividend @ 5% (Rs. 0.50 per share) for the financial year ended June 30, 2019 as recommended by the Board of Directors.
4. To appoint Auditors' of the Company for the year ending June 30, 2020 and to fix their remuneration. The present auditors "Kreston Hyder Bhimji & Co, Chartered Accountants", retire and being eligible, have offered themselves for reappointment.

Special Business

5. Investments in Associates U/S 199 of Companies Act, 2017

   To approve short term loan/advance up to Rs. 600 million to Balochistan Glass Limited (Associated Company) for a period of one year, by passing the following resolutions, either with or without modification, as required under section 199 of Companies Act, 2017:

   "Resolved that Consent and approval of members of the company be and is hereby accorded under section 199 of Companies Act, 2017 for short term loan/advance facility up to of Rs. 600 million for a period of one year from the date of passing of this resolution i.e. till October 26, 2020 at a markup rate of minimum 1% p.a. above the average borrowing rate of company. Company in last AGM had extend this facility up to Rs. 350 for a period of one year from its expiry i.e. till October 26, 2019 and now proposed to extend/renew this facility further for one year (i.e. till October 26, 2020) and to enhance its amount from Rs. 350 million to Rs. 600/- million."

   Further resolved that CEO and/or Company Secretary be and are hereby authorized, singly, to complete all financial, legal and corporate formalities in connection with the above resolution.

6. Transactions with related parties

   To consider and approve the transactions with related parties by passing the following special resolution:

   "Resolved that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in note 10.3, 16.3, 41 and elsewhere in the Financial Statements during the year ended June 30, 2019, be and are hereby ratified and approved. Furthermore, Board of Directors of the Company be and is hereby authorized to approve all transactions to be carried out in the normal course of business with related parties and associated companies during the year ending June 30, 2020."

Other Business

7. To transact any other business with the permission of chair.

By Order of the Board

Muhammad Shamail Javed
Company Secretary

Date: October 02, 2019
Place: Lahore

NOTES:

i. The share transfer books of the company will remain close from October 19 to October 26, 2019 both days inclusive. Transfer received by the Share Registrar of the Company, M/s Corplink (Private) Ltd, 1-K Commercial, Model Town Lahore up to October 18, 2019 will be considered in time for the purpose of attendance at AGM and dividend entitlement.

ii. A member who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and account /sub account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

iii. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/ her proxy to attend, speak and vote instead of him/her.

iv. Forms of proxy to be valid must be properly filled in/executed and received at the Company's head office situated at First Floor, PACE Tower, 27-H, College Road, Gulberg-II, Lahore not later than 48- hours before the time of meeting.

v. Members are requested to notify the Shares Registrar of the Company promptly of any change in their addresses and also provide Copy of their CNIC for updating record.

vi. Circulate Audited Financial Statements along with Notice of AGM through e-mail:
The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. However, if shareholder, in addition, request for hard copy of Audited Financial Statements the same shall be provided free of cost within seven (7) days of receipt of such request.

In order to avail this facility a Standard Request Form is available at the Company's website and in this annual report of 2019.

vii. Availability of audited financial statements on company's website:
The audited financial statements of the Company for the year ended June 30, 2019 have been made available on the Company's website www.gharibwalcement.com in addition to annual and quarterly financial statements for the prior years.

viii. Transmission of annual audited financial statements through CD/DVD:
The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request.

ix. CNIC of Members/Shareholders & Dividend Payment
Members are requested to provide their International Banking Account Number (IBAN) together with a copy of the Computerized National Identity Card (CNIC) to update their records. In case of non-submission, all future dividend payments will be withheld.

x. Declaration as per Zakat & Ushr Ordinance 1980
Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

xi. Information submission to share registrar or CDS participants
Shareholders are requested to notify/submit the following information & documents, in case of book entry securities in CDS, to their respective CDS participants and in case of physical shares to our Share Register, if not earlier provided/notified.

a). Change in their address.

b). Dividend mandate information i.e. Title of Bank Account, Bank Account No. , Bank's Name, Branch Address and Cell/ Landline No(s), of the Transferee(s) towards direct dispatch of cash dividend cheque(s) to their bankers;

c). Valid and legible copies of CNIC for printing of CNIC number(s) on their Dividend Warrant(s) as required vide SRO 831 (1)2012 date July 05, 2012. In case of non-submission of valid & legible copy of CNIC, the company will be constrained to withheld the dividend warrant(s);

d). Valid and legible copies of National Tax Number (NTN) or NTN Certificate(s) of corporate entities and must quote the company name and their respective folio numbers thereon while sending the copies;

e). Pursuant to requirement of the Finance Act, 2019 effective July 01, 2019 the "Filer" & "Non-Filer" shareholders will pay tax on dividend income @15% and 30% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers list (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before the payment date of final cash dividend, otherwise tax on cash dividend will be deducted @30% instead of 15%;

f). As per clarification of FBR, each joint holder is to be treated individually as either a "Filer" or "Non-Filer" and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholder(s) may notify in writing as under to our Share Registrar. If no notification is received then each joint holder will be assumed to have an equal number of shares.

Folio/CDC A/C. No.	Total Shares	Principal shareholder		Joint Shareholder		Signature(s)
		Name & CNIC No.	Shareholding proportion No. of Share	Name & CNIC No.	Shareholding proportion No. of Share	

g). Related reference from law or valid tax exemption certificate issued by the concerned Commissioner of Inland Revenue is to be furnished to the Company / Share Register in order to avail tax exemption otherwise tax will be deducted under the provision of laws.

h). For any query / information, the shareholders may contact with our share registrar M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore (Ph. No. 04235916719).

E-Dividend
As per Section 242 of the Companies Act, 2017, in case of a Public listed company, any dividend payable in cash shall only be paid through electronic mode

directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are requested to update their bank account details in the Central Depository System (CDS) through respective participants/stock brokers.

In case of physical shares, please provide bank account details (IBAN account no.) directly to our Share Registrar, M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore. E-Dividend mandate form is enclosed and available at our website as well.

UNCLAIMED DIVIDENDS & BONUS SHARES

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

VIDEO CONFERENCING

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members, holding in aggregate 10% or more shareholding residing in a geographical location different from the town where the registered office is situated, to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility subject to availability of such facility in that city.

To avail this facility please send a written request, which must include the below information, to the Company Secretary or the Share Registrar of the Company i.e. M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore not later than 7-days before the date of Annual General meeting.

Request to Avail Video Conferencing Facility:

1. Folio No. / CDC Investors A/c No./ Sub-A/c No.:
2. Name of Shareholder:
3. No. of Shares held at the 1st day of the Book Closure to establish the right to attend AGM:
4. Name of City where Video facility is required:

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Signature of the member (s)

The statement under sub section 3 of section 134 of the Companies Act, 2017, pertaining to the special business is annexed with this notice to the members

Investment in associate u/s 199 of the Companies Act, 2017

This statement sets out the material facts pertaining to special business proposed to be transacted under section 199 of Companies Act, 2017 at AGM.

Balochistan Glass Limited (BGL) was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Act, 2017). Its shares are listed on Pakistan Stock Exchange. The Company is engaged in manufacturing and sale of glass containers, Tableware glass products and plastic shells for beverage companies. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is situated at 12-KM, Kot Abdul Malik, Lahore. Balochistan Glass has three glass plants one is located in Hub-Balochistan whereas other two plants are located at Lahore Sheikhpura road. BGL is selling its tableware products under the brand name of "Marimax".

Board of Directors of GCL in their meeting held on October 02, 2019 has approved facility of Rs. 600 million as short term loan / advance for a period of one year i.e. October 26, 2020. Company in last AGM had extend this facility up to Rs. 350 for a period of one year from its expiry i.e. till October 26, 2019 and now proposed to extend/renew this facility further for one year (i.e. till October 26, 2020) and to enhance its amount from Rs. 350 million to Rs. 600 million. GCL shall extend/allow the facility of loan / advance from time to time for working capital requirements to BGL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 and as required under section 199 of Companies Act, 2017.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in BGL and it has been kept at Registered Office of the Company for inspection of the members along with audited/un-audited accounts of BGL as required under the Regulations.

Sr.#	Requirement	Information
1	Name of Company	Balochistan Glass Limited (BGL) - an Associated Company of GCL
2	Amount of loan/advance	Up to Rs. 600 million (Rupees six hundred million)

Sr.#	Requirement	Information
3	Purpose of loan/advance etc. & benefits	Purpose: To earn income on the loan/advance to be provided to BGL from time to time for working capital requirements of BGL. Benefits: The Company will receive mark up at the rate of one percent above of its average borrowing cost Period: For a period of one year i.e. till October 26, 2020
4	Outstanding Loan Amount as at June 30, 2019 In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 338.5 million approx. Company has already extended this facility up to Rs. 350 million to BGL by passing special resolution in last AGM for a period of one year
5	Rate of Markup & Average Borrowing cost of GCL	Mark up rate: Minimum 1% above the rate charged to GCL by banks & financial institutions. Mark up will be paid by BGL on quarterly Basis. Average borrowing rate of GCL is 3-Kibor + 2.5% approx.).
6	Financial Position of BGL	Based on the latest unaudited quarterly financial statements (Third Quarter FY 2019) for the period ended March 30, 2019, brief financial position of BGL is as under: Rs. Million (Approx.) Paid up Capital- Current 2,616 Accumulated Losses 5,282 Revaluation Surplus 633 Subordinated Loan 3,635 Loan from Directors etc. 274 Long term Loans from Banks 56 Deferred Liabilities 74 Short term borrowings 582 Current Liabilities 1,560 Current Assets 970 Current Ratio 0.62 Fixed Assets 1,957 Long term investment 126 Loss after tax (88) EPS - (Rs.) (0.34)
7	Sources of funds from where loans or advances will be given	- From internal cash availability of GCL (These are not from borrowed funds)
8	Personal Interest of Directors of GCL	Mr. Muhammad Tousif Paracha, Muhammad Niaz Peracha and Mian Nazir Ahmed Peracha are common Directors in both Companies. Shareholding of Common directors is as under: Name BGL GCL M Tousif Peracha 67.25% 56.3% Mian Nazir Peracha 0.00% 0.00% M Niaz Peracha 0.00% 0.00% Spouse of Mr. Muhammad Tousif Paracha: Tabassum Tousif Peracha 0.78% 0.05%
9	Repayment Schedule	Repayable within one year. However, company can call full or partial repayment of outstanding loan any time during the period of one year.

Sr.#	Requirement	Information
10	Salient features of agreements entered Or to be entered with BGL	Terms of agreement will be in accordance with the terms approved by members in AGM
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Personal guarantee of Muhammad Tousif Peracha, no other collateral is considered necessary.
12	Loan conversion option	No such option is extended to BGL
13	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Amount of Loan Up to Rs. 600 million- Short term Advance Nature: Short term loan for working capital offered to BGL for its use for operations Purpose: To earn income on the facilities to be provided to BGL from time to time for working capital requirements of BGL. Benefits: The Company will receive mark up at the rate of one percent above of its average borrowing cost, so, company will earn profit on surplus funds. Period: For a period of one year i.e. till October 26, 2020. Mark up rate: Min. 1% p.a. above average borrowing rate of GCL. (Rate will be 3-Kibor+3.5% p.a. approx.) Principal Repayment: Principal to repay on or before October 26, 2020 or within 30-days on demand by GCL Mark up repayment: Mark up to be paid on quarterly basis If markup is delayed by more than 60-days then delay payment charges @1% p.a. Will be charged over normal markup rate.

Transactions with related parties

During the year ended June 30, 2019, the Company had carried out transactions with its associated companies & related parties in accordance with its policies and applicable laws and regulations. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

It is proposed to ratify the transactions which have been disclosed in detail in Note no. 10.3, 16.3, 41 and elsewhere in the attached audited financial Statements of the company for the year ended June 30, 2019 and furthermore it is also proposed to authorize the Board of Directors (BOD) to conduct transactions with related parties or associated companies for the year ending June 30, 2020 as per normal business practices and in compliance with policies of company as well as that of applicable regulations.

اطلاع برائے سالانہ اجلاس عام

اس نوٹس کے ذریعے اطلاع دی جاتی ہے کہ غریب وال سیمنٹ لمیٹڈ کا 59ویں سالانہ اجلاس عام (AGM) ہفتہ 26 اکتوبر 2019 کو کمپنی کے رجسٹرڈ آفس واقع پہلی منزل پیس ٹاور، H-27، کالج روڈ، گلبرگ II، لاہور میں دن 12 بجے منعقد ہوگا۔ جس میں درج ذیل معاملات زیرِ بحث آئیں گے۔

عمومی امور

۱۔ پچھلی AGM (جو کہ 28 اکتوبر 2018 کو منعقد ہوئی تھی) کے طے شدہ امور کی تصدیق کرنا۔

۲۔ کمپنی کے ختم ہونے والے سال 30 جون 2019 سے متعلق آڈیٹرز کے آڈٹ شدہ اکاؤنٹس اور ڈائریکٹرز کی رپورٹ کو وصول کرنا اور اس پر غور کرنا۔

۳۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 30 جون 2019 کو ختم ہونے والے مالی سال کے لیے 5 فیصد (50 پیسے فی شیئر) کے حساب سے حتمی نقد منافع کی ادائیگی پر غور کرنا اور اس کو منظور کرنا۔

۴۔ کمپنی کے 30 جون 2020 کو ختم ہونے والے سال کے لیے آڈیٹر مقرر کرنا اور ان کے معاوضے کی منظوری دینا، کمپنی کی موجود آڈٹ فرم " کرسٹن حیدر بھیم جی اینڈ کو" نے (دوبارہ تقرری کی اہل ہونے کے ناطے) اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔

۵۔ خصوصی امور

کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ایسوسی ایٹڈ کمپنی "بلوچستان گلاس لمیٹڈ" کو ایک سال کے لیے 600 ملین روپے کے قرض کی منظوری کے لیے مندرج ذیل قرارداد کو اسی حالت میں یا تبدیلی کے ساتھ منظور کرنا۔

"کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت 600 ملین روپے قرض (ایک سال یعنی 26 اکتوبر 2020 تک کے لیے) کی منظوری دی جاتی ہے۔ اس قرض پر شرح سود کمپنی کی سالانہ اوسط شرح سود سے 1 فیصد زیادہ ہوگی۔ کمپنی نے اپنی پچھلی AGM میں یہ رقم 350 ملین روپے اور ادائیگی 26 اکتوبر 2019 تک بڑھادی تھی اور اب اس سہولت کو مزید ایک سال کے لیے (26 اکتوبر 2020 تک) بڑھانے اور رقم کو 350 ملین روپے سے 600 ملین روپے تک بڑھانے کی تجویز ہے۔"

مزید کمپنی کے CEO اور کمپنی سیکریٹری کو مجاز کیا جاتا ہے کہ ان میں سے کوئی بھی، اوپر دی گئی قرارداد سے متعلق قانونی معاملات کو طے کرسکتا ہے۔

۶۔ متعلقہ فریقین کے ساتھ لین دین۔

مندرجہ ذیل قرارداد پر بطور خصوصی قرارداد غور کرنا اور منظور کرنا۔

"منظور کیا جاتا ہے کہ متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی کے ساتھ کاروباری معاملات (جیسا کہ کمپنی کے 30 جون 2019 کو ختم ہونے والے مالی سال کے اکاؤنٹس کے نوٹ نمبر 10.3, 16.3 اور 41 میں درج کیا گیا) کی توثیق کی جاتی ہے اور بورڈ آف ڈائریکٹرز کو مجاز کیا جاتا ہے کہ متعلقہ فریقوں اور اسیوسی ایٹڈ کمپنی کے ساتھ (آئندہ ختم ہونے والے سال 30 جون 2020 تک) عمومی کاروباری معاملات کو طے کرسکتے ہیں۔"

۷۔ باقی امور

چیئرمین کی اجازت سے کسی اور معاملے پر بحث کرنا۔

بحکم بورڈ آف ڈائریکٹرز

محمد شائل جاوید
کمپنی سیکریٹری
02 اکتوبر 2019
لاہور

نوٹس:

i۔ کمپنی کی شیئرز کی منتقلی کی کتابیں 19 اکتوبر سے 26 اکتوبر 2019 (بشمول دونوں دن) تک بند رہیں گیں۔ شیئرز کی منتقلی کی درخواستیں جو کہ 18 اکتوبر 2019 تک کمپنی کے شیئر زرجسٹرار مسرز کارپلنک پرائیویٹ لمیٹڈ واقع k=1 کمرشل مارکیٹ ماڈل ٹاؤن لاہور کو موصول ہوں گی وہی AGM میں حاضری اور منافع کی ادائیگی کے لیے اہل ہوں گی

ii۔ تمام ممبرز جنہوں نے اپنے شیئرز سنٹرل ڈیپازٹری کمپنی (CDC) میں جمع کیے ہیں وہ میٹنگ میں شمولیت کے لیے اپنا شناختی کارڈ یا پاسپورٹ اور CDC میں اپنا شناختی نمبر اپنا اکاونٹ نمبر یا ذیلی اکاونٹ نمبر ساتھ لائیں۔

iii۔ کوئی بھی ممبر جو کہ میٹنگ میں شمولیت کا حقدار ہو وہ اپنی جگہ کسی دوسرے ممبر کو میٹنگ میں شامل ہونے اور ووٹ ڈالنے کے لیے نامزد کر سکتا ہے۔

iv۔ نامزدگی کی درخواستیں کمپنی کے ہیڈ آفس واقع پہلی منزل پیس ٹاور، H-27، کالج روڈ گلبرگ II لاہور میں میٹنگ شروع ہونے کے 48 گھنٹے پہلے تک موصول ہو جانی چاہیں

v۔ تمام ممبرز کو درخواست کی جاتی ہے کہ اپنے ایڈریس میں کسی بھی قسم کی تبدیلی (اگر ہو) کے لیے جلد از جلد کمپنی کے شیئر رجسٹرار کو ہمراہ شناختی کارڈ کاپی کے ریکارڈ کی درستی کے لیے اطلاع کریں۔

vi۔ آڈٹ شدہ اکاؤنٹس اور AGM کے نوٹس کی بذریعہ e-mail ترسیل۔

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے نوٹیفکیشن نمبر SRD. 787 (I)/2014 بتاریخ 8 ستمبر 2014 کے ذریعے کمپنی کو اپنے سالانہ اکاؤنٹس اور AGM کا نوٹس بذریعہ e-mail بھیجنے کی اجازت دی ہے۔ اسی بنا پر تمام رممبران سے درخواست ہے کہ وہ سالانہ اکاؤنٹس اور AGM کا نوٹس بذریعہ e-mail حاصل کرنے کے لیے اپنا e-mail ایڈریس بجھوائیں تاہم اگر کوئی ممبر کتابی شکل میں اکاؤنٹس کی درخواست کرے گا تو وہ اسکو درخواست کے سات یوم کے اندر مفت مہیا کر دی جائے گی۔ اس سہولت کو حاصل کرنے کے لیے کمپنی کی ویب سائیٹ پر درخواست فارم موجود ہے۔

vii۔ کمپنی کے آڈٹ شدہ سالانہ اکاؤنٹس کا کمپنی کی ویب سائیٹ پر مہیا کرنا۔

کمپنی کے آڈٹ شدہ سالانہ سالانہ اکاؤنٹس بشمول پچھلے سالوں کے سالانہ اور سہ ماہی اکاؤنٹس کمپنی کی ویب سائیٹ www.gharibwalcement.com پر مہیا کر دیے گئے ہیں۔

viii۔ CD/DVD کے ذریعے سالانہ اکاؤنٹس کی ترسیل۔

کمپنی نے اپنی سالانہ اکاؤنٹس CD کی شکل میں اپنے ممبران کے رجسٹرڈ ایڈریس پر بجھوا دیے ہیں تاہم اکاؤنٹس کتابی شکل میں ممبران کی درخواست پر مہیا کیئے جا سکتے ہیں۔

ix۔ ممبرز یا شیئر ہولڈرز کے CNIC اور ڈیویڈنڈ کی ادائیگی۔

ممبران سے درخواست کی جاتی ہے کہ وہ اپنے انٹرنیشنل بینک اکاونٹ نمبر (IBAN) اپنے قومی شناختی کارڈ (CNIC) کے ہمراہ مہیا کریں (اگر پہلے نہیں مہیا کیا گیا)۔ عدم فراہمی کی صورت میں ڈیویڈنڈ کی ادائیگی روک دی جائے گی۔

x۔ زکواۃ اور عشر آرڈینس کے تحت ڈیکلریشن۔

ممبران سے التماس ہے کہ وہ زکواۃ اور عشر آرڈینس 1980 کے تحت زکواۃ سے استثٰنی کی ڈیکلریشن جمع کروائیں اور اگر کوئی پتہ میں تبدیلی ہے تو مطلع کریں۔

xi۔ شیئر ہولڈرز سے التماس کی جاتی ہے کہ وہ مندرجہ ذیل دستاویزات، بک انٹری سیکیورٹیز کی صورت میں متعلقہ CSD شرکت داران کو اور مادی حصص کی صورت میں کمپنی کے شیئر رجسٹرار کو مہیا کر دیں اگر پہلے مہیا نہیں کیں۔

a۔ پتہ میں تبدیلی

b۔ ڈیویڈنڈ مینڈیٹ معلومات یعنی خریدار کا اکاؤنٹ ٹائٹل، بینک اکاؤنٹ نمبر، بینک کا نام، شاخ کا پتہ، موبائل/فون نمبر تا کہ منافع منقسمہ کا چیک براہ راست ان کے بینکرز کو جا سکے۔

c۔ SRO-831 (1)/2012 مورخہ 5 جولائی 2012 کے تحت ڈیویڈینڈ وارنٹس پر CNIC نمبر چھاپنے کیلئے کمپیوٹرائزڈ قومی شناختی کارڈ کی قابلِ قبول اور صاف فوٹو کاپی۔ کمپنی کو کاپی نہ ملنے کی صورت میں کمپنی کو مجبوراً ایسے ڈیویڈینڈ ورنٹس روکنا پڑیں گے۔

d۔ کارپوریٹ ممبر اپنے NTN سٹرفکیٹ کی قابلِ قبول اور صاف کاپی مہیا کریں اور بھیجتے وقت اس پر کمپنی کا نام فولیو نمبر ضرور لکھیں۔

e۔ فنانس ایکٹ 2019 جو کہ یکم جولائی 2019 سے نافذ العمل ہے جس کے تحت ڈیویڈینڈ کی ادائیگی سے انکم ٹیکس کی کٹوتی کی شرح انکم ٹیکس گوشوارہ داخل کروانے والوں کے لیے 15% اور گوشوارہ نہ

داخل نہ کروانے والوں کے لیے%30 ہوگی۔ برائے مہربانی آپ یہ یقین کرلیں کہ آپ کا نام، منافع کی ادائیگی کی تاریخ سے قبل FBR کی ویب سائیٹ www.fbr.gov.pk پر موجود Active Tax Payer List میں موجود ہے ورنہ باوجود اس کے کہ آپ گوشوارہ داخل کروانے والوں میں سے ہیں منافع کی رقم سے%15 کی بجائے%30 انکم ٹیکس کاٹ لیا جائیگا۔

f۔ FBR کی وضاحت کے مطابق ہر جوائنٹ اکاؤنٹ ہولڈر کو انفرادی طور پر "فائلر" یا "نان فائلر" تصور کیا جائے گا اور انکم ٹیکس ان کے مطلع کردہ حصص کی بنیاد پر کاٹا جائے گا۔ لہٰذا جوائنٹ اکاؤنٹ ہولڈرز استحاق کی تاریخ سے 10 دن کے اندر مندرجہ ذیل تفصیلات ہمارے شیئر رجسٹرار کو تحریری طور پر دے سکتے ہیں ورنہ ہر جوائنٹ اکائنٹ ہولڈر کے تناسب حصص کو مساوی تصور کیا جائے گا۔

فولیو/سی ڈی سی اکاؤنٹ نمبر	کل شیئرز	پرنسپل شیئر ہولڈر		جوائنٹ شیئر ہولڈرس		دستخط
	نام اور قومی شناختی کارڈ نمبر	شیئرز کا تناسب (شیئرز کی تعداد)	نام اور قومی شناختی (شیئرز کی تعداد)	شیئرز کا تناسب (شیئرز کی تعداد)	نام اور قومی شناختی (شیئرز کی تعداد)	

g۔ ٹیکس چھوٹ حاصل کرنے کے لیے متعلقہ کمیشنر آف ان لینڈ ریونیو سے ٹیکس کی چھوٹ کا سرٹیفکیٹ یا متعلقہ حوالہ جمع کروانا لازمی ہے۔ ورنہ ٹیکس کاٹ لیا جائیگا۔

h۔ کسی بھی قسم کی معلومات کے لیے حصہ داران ہمارے شیئر رجسٹرار میسرز کارپ لنک پرائیویٹ لمیٹڈ، K-1، کمرشل ماڈل ٹاؤن، لاہور سے فون نمبر 042-35916719 پر رابطہ کر سکتے ہیں۔

ای۔ ڈیویڈنڈ

کمپنیز ایکٹ 2017 کی دفعہ 242 کی رو سے پبلک لسٹڈ کمپنی نقد کی صورت میں ڈیویڈنڈ اہل شیئر ہولڈرز کو الیکٹرونک نظام کے ذریعہ ان کے متعلقہ بینک اکاؤنٹ میں بھیجنے کی پابند ہے۔ اس سلسلے میں شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے بینک اکاؤنٹ کی تفصیلات اپنے شرکاء کے ذریعے سنٹرل ڈپازٹری سسٹم میں اپ ڈیٹ کروا دیں۔ فزیکل شیئر ہونے کی صورت میں بینک کی تفصیلات ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ کو فراہم کردیں۔ ای ڈیویڈنڈ مینڈیٹ فارم کمپنی کی ویب سائٹ پر موجود ہے۔

غیر کلیم شدہ ڈیویڈنڈ اور بونس شیئرز

وہ شیئر ہولڈرز جو کسی نہ کسی وجہ سے اپنے ڈیویڈنڈ اور بونس شیئرز کا کلیم نہ کر سکے یا اپنے فزیکل شیئرز وصول نہ کر سکے، ان سے گذارش ہے کہ وہ غیر کلیم شدہ ڈیویڈنڈ یا التوا شدہ شیئرز، اگر کوئی ہیں، حاصل کرنے /ان کی معلومات کے لیے ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ سے رابطہ کریں۔

برائے مہربانی نوٹ فرمالیں کہ کمپنیز ایکٹ 2017 کی دفعہ 244 کے مطابق تمام کاروائیاں مکمل کرنے کے بعد تمام ڈیویڈنڈز جن کی ادائیگی کی تاریخ سے تین سال کی مدت تک کوئی کلیم نہ کیا گیا ہو، وفاقی حکومت کے کھاتے میں جمع کروا دیے جائیں گے اور شیئرز کی صورت میں سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کو پہنچا دیے جائیں گے۔

A۔ ویڈیو کانفرنسنگ

کمپنیز آرڈیننس 2017 کی دفعہ (2)132 کے مطابق اگر کمپنی کے ایسے ممبران جو کسی دوسرے شہر کے رہائشی ہوں جہاں کمپنی کا رجسٹرڈ آفس نہ ہو اور ان کی شیئر ہولڈنگ مجموعی شیئر ہولڈنگ کا%10 یا اس سے زیادہ ہو اور وہ AGM کی تاریخ کے سات روز پہلے ویڈیو کانفرنس کے ذریعے میٹنگ میں شامل ہونے کی درخواست دیں تو کمپنی، اگر اس شہر میں ویڈیو کانفرنس کی سہولت موجود ہو، ان کو مطلوبہ سہولت فراہم کرنے کی پابند ہے۔

اس سہولت کے حصول کے لیے درج ذیل معلومات کے ساتھ درخواست کمپنی سیکریٹری یا شیئر رجسٹرار مسرز کارپ لنک پرائیویٹ لمیٹڈ واقع K-1 کمرشل ایریا، ماڈل ٹاؤن، لاہور کو AGM سے سات روز پہلے موصول ہونی چاہیں۔

i)۔ فولیو نمبر/CDC انویسٹر اکاؤنٹ نمبر/ ضمنی اکاؤنٹ نمبر

ii)۔ شیئر ہولڈر کا نام

iii)۔ شیئرز کی تعداد (شیئرز کی کتابوں کے بند ہونے پر)

vi)۔ اس شہر کا نام جس کے لیے ویڈیو سہولت درکار ہے۔

B۔ ممبر کے دستخط

خصوصی معاملات سے متعلق کمپنیز ایکٹ 2017 کی شق 134 اور ذیلی شق (3) کے تحت بیان جو کہ ممبران کو اس نوٹس سے منسلک کیا گیا ہے۔

کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت خصوصی معاملات جو کہ AGM میں زیر بحث آتے ہیں کے متعلق تفصیلات مندرجہ ذیل ہیں۔

بلوچستان گلاس لمیٹڈ (BGL) کمپنیز ایکٹ 1913 (جو کہ اب کمپنیز ایکٹ 2017 ہے) کے تحت پاکستان میں بطور عوامی کمپنی رجسٹر ہوئی اسکے شیئرز پاکستان سٹاک ایکسچینج میں درج ہیں۔ یہ کمپنی شیشے کے برتن ،مشروبات کی کمپنیز کے لیے بوتلیں اور پلاسٹک کے ڈھکن بناتی ہے۔ BGL کا ہیڈ آفس 12-km کوٹ عبدالمالک، لاہور پر واقع ہے۔ BGL کے تین پلانٹ ہیں جن میں سے ایک حب بلوچستان اور باقی دو لاہور شیخوپورہ روڈ پر واقع ہیں۔ BGL اپنے برتن "Mari Max" کے نام سے بیچتی ہے۔

غریب وال سیمنٹ لمیٹڈ (GCL) کے بورڈ آف ڈائریکٹرز نے اپنی 02 اکتوبر 2019 کو ہونے والی میٹنگ میں ایک سال کے لیے 600 ملین روپے کے قرض کی منظوری دی ہے جو کہ 26 اکتوبر 2020 تک قابلِ واپسی ہوگا۔

GCL نے اپنی پچھلی سالانہ AGM میں قرض کی رقم کو 350 ملین روپے تک بڑھایا تھا اور اب یہ تجویز ہے کہ اُس قرض کی واپسی مزید ایک سال تک (26 اکتوبر 2020) موخر کر دی جائے اور قرض کی رقم 350 ملین روپے سے 600 ملین روپے تک بڑھا دی جائے۔ قرض کی یہ رقم وقتاً فوقتاً کام کرنے والے سرمائے کی ضرورت کو پورا کرنے کے لیے فراہم کی جائے گی جو کہ تحریری معاہدہ اور تمام متعلقہ شرائط و ضوابط، جو کہ کمپنیز (ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈرٹیکنگ) ریگولیشنز 2013 اور کمپنیز ایکٹ 2017 کی دفعہ 199، کے مطابق ہوگی۔

کمپنی کے ڈائریکٹرز نے واضع کیا ہے کہ انہوں نے BGL میں سرمایا کاری سے متعلق تمام امور پر رپورٹ تیار کی ہے جس پر ان کے دستخط موجود ہیں اور وہ ممبرز کی جانچ پڑتال کے لیے رجسٹرڈ آفس میں موجود ہے جس کے ساتھ BGL کے آڈٹ شدہ اور غیر آڈٹ شدہ اکاؤنٹس بھی موجود ہیں۔

اس رپورٹ کا متن مندرجہ ذیل ہے۔

سیریل نمبر	مطلوب	تفصیل
ا۔	کمپنی کا نام	بلوچستان گلاس لمیٹڈ۔ ایسوسی ایٹڈ کمپنی آف GCL
۲۔	قرض کی رقم	600 ملین روپے تک
۳۔	قرض کا مقصد اور فوائد	مقصد: BGL کو وقتاً فوقتاً اپنی ضروریات کو پورا کرنے کے لیے دی گئی رقم پر منافع کمانا فائدہ: GCL اپنے قرض کے مجموعی اوسط شرح سود سے 1% زیادہ منافع حاصل کرے گی۔ دورانیہ: اس قرض کی مدت ایک سال (26 اکتوبر 2020 تک) ہے۔
۴۔	30 جون 2019 تک واجب الادا قرض کی رقم اگر یہ قرض ممبران کی اجازت سے دیا گیا ہے تو اس کی تفصیل	350 ملین روپے کمپنی اپنی پچھلی AGM میں یہ سہولت ایک سال کی مدت کے لیے 350 ملین روپے تک بڑھا چکی ہے۔
۵۔	شرح سود اور GCL کی اوسط شرح سود	شرح سود GCL کی سالانہ اوسط شرح سود سے 1% زیادہ ہوگی BGL سود کی ادائیگی سہ ماہی اقساط میں کرے گی۔ GCL کی سالانہ اوسط شرح سود 3-KIBOR+2.5% ہے۔

سیریل نمبر	مطلوب	تفصیل
۶۔	BGL کی مالیاتی تفصیلات۔	ملین روپے اداشدہ سرمایہ 2,616 مجموعی خسارہ 5,282 ریویلوایشن سرپلس 633 سب آرڈی نیٹڈ لون 3.635 ڈائریکٹرز کی طرف سے لون 274 بینکوں کے طویل مدتی لون 56 ڈیفرڈ لائبیلٹیز 74 قلیل مدتی قرضے 582 کرنٹ لائبیلٹیز 1,560 کرنٹ ایسٹس 970 حالیہ تناسب 0.62 فکسڈ ایسٹس 1,957 طویل مدتی سرمایہ کاری 126 بعداز ٹیکس خسارہ (88) فی شیئر خسارہ (0.34) روپے
۷۔	وہ ذرائع جن سے قرض کی رقم فراہم کی جائے گی	GCL کے اپنے اندرونی ذرائع سے حاصل شدہ کیش میں سے
۸۔	ڈائریکٹرز کے ذاتی مفادات	محمد توصیف پراچہ، محمد نیاز پراچہ اور میاں نذیر احمد پراچہ دونوں کمپنیوں میں ڈائریکٹرز ہیں اور شیئرز کا تناسب یہ ہے۔ نام — شیئرز BGL — شیئرز GCL محمد توصیف پراچہ — 67.25% — 56.3% میاں نذیر احمد پراچہ — 0.0% — 0.0% محمد نیاز پراچہ — 0.0% — 0.0% محمد توصیف پراچہ کی شریک حیات: تبسم توصیف پراچہ — 0.78% — 0.05%
۹۔	قرض کی ادائیگی کا شیڈول	ایک سال کی مدت میں قابل واپسی تاہم ایک سال کے دوران کسی بھی کمپنی جزوی یا کلی طور پر رقم کی واپسی کا تقاضہ کرسکتی ہے۔
۱۰۔	معاہدہ (ہونے والا یا ہو چکا) کی نمایاں خصوصیات	معاہدے کی شرائطAGM میں ممبران کی طرف سے منظور شدہ شرائط کے مطابق ہوں گی۔
۱۱۔	قرض کی مد میں رکھی گئی سیکورٹی کی تفصیلات	محمد توصیف پراچہ کی ذاتی گارنٹی اور کوئی سیکورٹی نہیں رکھی گئی۔
۱۲۔	قرض کے تبادلے کا اختیار	ایسا کوئی اختیارBGL کو نہیں دیا گیا۔

سیریل نمبر	مطلوب	تفصیل	
۱۳۔	اس سرمایہ کاری سے متعلق کیئے گئے یا ہونے والے معاہدے کی نمایاں خصوصیات	قرض کی رقم	ملین روپے
		قرض کی قسم	روزمرّہ کے آپریشنز کی ضروریات پوری کرنے کے لیے
		قرض کا مقصد	قرض کی رقم پر منافع کا حصول
		فوائد	کمپنی اس قرض پر اضافی منافع حاصل کرے گی۔
		درانیہ	ایک سال 26 اکتوبر 2020 تک
		شرح سود	GCL کی سالانہ اوسط شرح سود سے 1% زیادہ
		اصل رقم کی واپسی۔	اصل رقم 26 اکتوبر 2020 تک یا اس سے پہلے GCL کے تقاضہ کے 30 دن کے اندر
		سود کی ادائیگی۔	سود کی ادائیگی سہ ماہی اقساط میں کی جائے گی اور اگر سود 60 دنوں میں ادا نہ کیا گیا تو اس پر اصل شرح سود سے 1% زیادہ منافع ادا کیا جائے گا

متعلقہ فریقین کے ساتھ لین دین۔

30 جون 2019 پر ختم ہونے والے مالی سال کے دوران کمپنی نے ایسوسی ایٹڈ کمپنی اور دوسرے متعلقہ فریقین کے ساتھ کاروباری لین دین کیا ہے جو کہ قانونی تقاضوں اور کمپنی کی اپنی پالیسیوں سے مطابقت رکھتا ہے۔ متعلقہ فریقین کے ساتھ ہونے والے لین دین کمپنیز ایکٹ 2017 کی دفعہ 207 اور 208 کی رو سے شیئر ہولڈرز سے منظوری کی ضرورت ہوتی ہے۔ اس قسم کے لین دین سے متعلق تفصیلات کی AGM کے دوران ممبران سے خصوصی قرارداد کی شکل میں منظوری حاصل کی جاتی ہے۔

متعلقہ فریقین سے ہونے والے لین دین کی توثیق کی تجویز ہے۔ جیسا کہ 30 جون 2019 کو ختم ہونے والے مالی سال کے اکاؤنٹس کے نوٹ نمبر 10.3, 16.3 اور 41 میں درج ہے اور اس کے علاوہ بورڈ آف ڈائریکٹرز کو اس بات کا اختیار دینے کی تجویز ہے کہ وہ متعلقہ فریقین کے ساتھ کاروباری لین دین سے متعلق کمپنی کی پالیسیوں اور قانون کے مطابق معاملات طے کریں۔

Governance

COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Nazir Ahmed Peracha
Independent Director - Chairman

Muhammad Tousif Peracha
Chief Executive Officer - Executive Director

Abdur Rafique Khan
Executive Director

Ali Rashid Khan
Non - Executive Director

Amna Khan
Non - Executive Director

Daniyal Jawaid Paracha
Independent Director

Muhammad Niaz Paracha
Non - Executive Director

KEY EXECUTIVE MANAGEMENT

Abdul Shoeb Piracha
Director Commercial

Qaseem Nametullah Siddiqi
Executive Director Operation

Syed Firasat Abbas
General Manager Plant

Muhammad Shamail Javed FCA
Chief Financial Officer & Company Secretary

Iqbal Ahmed Rizvi FCA
General Manager Taxation

Rana Muhammad Ijaz
General Manager Marketing

Farukh Naveed ACA
Financial Controller

Muhammad Tahir
Chief Coordnator Officer

AUDITORS & LEGAL ADVISORS

Kreston Hyder Bhimji & Co
Chartered Accountants
Statutory Auditors

Raja Muhammad Akram
Legal Advisors

BANKERS & FINANCIAL INSTITUTION

The Bank of Punjab
National Bank of Pakistan
Al Baraka Bank Limited
Summit Bank Limited
Pak China Investment Company
Bank Islami Pakistan Limited
The Bank of Khyber
Faysal Bank Limited
Saudi Pak Industrial & Agricultural Investment Company
Silk Bank Limited
First Credit and Investment Bank
Meezan Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank

COMPANY TIMELINE

1961
Incorporation of the Company

1965
Commercial production of the plant of 1200 tpd capacity

1969
Plant capacity enhancement to 1800 tpd

1972
Nationalization of plant

1993
De-nationalization of plant, control taken by the existing management / sponsoring directors

2009
Commerical production of the new plant of 6700 tpd capacity with 3 dual fuel power generator of 16 MW capacity

2013
Upgrade the electric grid station

2017
Commercial production of waste heat recovery plant of 20 MW and down hill conveyer belt.

2018
Commercial Production of new cement mill 250 tph.

1961 1965 1972 1993 1996 2009 2013 2018 2019

DIRECTORS' PROFILE

Muhammad Tousif Peracha

He is a seasoned industrialist. He has vast geographically spread business experience of more than 30 years in the field of international shipping, petroleum products, textile, real estate development, glass, cement, auto mobile manufacturing. He is also chief executive officer of Balochistan Glass Limited, and director of Pak Hy-Oils Limited and Orion Shipping (Pvt) Limited.

Abdur Rafique Khan

He holds degree of MBA from IBA Karachi. He started his career as banker in Citi Bank N.A. He has vast geographically spread business experience of more than 40 years in the field of international shipping, trading, hotel, and cement.

Mian Nazir Ahmed Peracha

He is a versatile, well known seasoned business man having geographically spread industry experience in cement, fertilizer, textile, jute, rice, shipping, sugar, and trading. He performed activities of Honorary Consul General of Tajikistan in Lahore. He also severed as director of the Bank of Punjab.

Muhammad Niaz Paracha

He holds degree of BE (Mechanical Engineering) from UET Karachi and MSc (Advance Manufacturing) from the University of Uxbridge, London UK. He has 22 years technical experience in the field of engineering and plant management. He is the technical advisor to CEO and the Board.

Daniyal Jawaid Paracha

He is an Associate member of Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Pakistan, Association of Chartered Certified Accountants (UK). He has hands on experience working with Price Water House Cooper for more than 3 years in the Audit and Business Assurance Services as well as Taxation and Legal Service department.

GOVERNANCE

THE BOARD IS THE DECISION MAKING BODY OF THE COMPANY. IT IS RESPONSIBLE FOR SETTING THE COMPANIES STRATEGIC DIRECTION AND FOR INSURING THAT THE COMPANY MANAGE RISK EFFECTIVELY.

The Board are accountable to shareholders for the Company's performance and governance. The Board has delegated to the CEO and, through the CEO to other senior executives, responsibility for the day-to-day management of the Company's affairs and implementation of the Company's strategy and policy initatives. All executives are to operate in accordance with Board apporved policies and delegated limits of authority.

The diagram below summaries GCL's governance framework and the functions reserved for the Board.

CHAIRMAN

The Chairman is responsible for leadership of the Board and ensure that the board plays an effective role in fulfilling its responsiblities.

Leadership

BOARD OF DIRECTORS

The Board's responsibilitie include:

- Oversight of the Company including its control and accountability systems;
- appointing, rewarding and determining the duration of the appointment of the CEO and ratifying the appointment of senior executives including the Chief Financial Officer and the Company Secretary;
- rewieving and approving overall financial goals for the Company;
- guiding the development of the Company's strategy and monitoring its implementation;
- monitoring business performance and ensuring that appropriate resources are available;
- approving the Company's financial statements and annual budget, and monitoring financial performance against the approved budget;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance (including in respect of matters of sustainability, safety, health and environment);
- considering and making decisions about key management recommendations (such as major capital expenditure, acquisitions divestments, restructuring and funding);
- determining dividend policy and the amount, nature and timing of dividends to be paid;
- monitoring Board composition, processes and performance; and
- monitoring the effectiveness of systems in place for keeping the market informed, including shareholder and community relations.

COMPANY SECRETARY

The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees

Delegation and oversight

Accountability and reporting

CEO

CEO has day to day responibility for running the Company's operations. He recommends to the board, implements Company strategy, applies Company policies, and promotes the company's culture and standards.

Delegation and oversight

Accountability and reporting

Delegation and Oversight

Accountability and reporting

BAORD COMMITTEES

Committees review matters on behalf of the Board and, as determined by the relevent Charter refer matters to the Board for decision, with a recom-mendation from the Committees.

Audit Committee

HR & Remuneration Committee

Delegation and oversight

Accountability and reporting

INTERNAL AUDIT FUNCTION

IAF plays an important role in supporting the effectiveness of the Audit Committee.

EXECUTIVE MANAGEMENT

Management Committees	Plant Head	Functional Heads
Review and refer the matters, as determined by their relevant charter, to CEO for decision with their recommendation.	Responsible for day to day opertion and afairs of the plant along with monitering and execution of BMR and expansion projects at plant	Responsible for day to day business and related functions with in their respective domain.

EXECUTIVE COMMITTEES

Membership
Chief Executive Officer, Director Commercial, Executive Director Operations, General Manager Plant, Chief Financial Officer, Financial Controller and Chief Coordination Officer..

Core Executive Committee
Responsible for smooth operations of the plant by setting and reviewing production and sales targets, and assisting in operational strategy development.

Risk Management Committee
Responsible for identifying and assessing risks and opportunities, and developing strategies in this regard.

Investor Relationship Committee
Responsible for the satisfactory redressal of investor's complaints and recomend measures for overall improvment in the quality of investor service .

Finance and Policy Committee
Responsibility for over viewing and setting the company finance function, selecting and implementing ERP solution, and setting a policy framework and SOPs.

Composition of the Board

The Company's Constitution provides that there shall be a minimum of seven directors and a maximum of ten directos on the Board. The composition of the Board shall be as follow as per corporate laws:

Independand Director	2 or 1/3 of total member whichever is higher
Executive Directors	1/3 of total members at maximum
Female Directors	At least one member

Current Composition

The Board of Directos compnises five non-executive directors (including the Chairman) and two executive directors including the CEO. The following Table illustrates the current composition of the Board.

Independand Director	Mian Nazir Ahmed Peracha
	Daniyal Jawaid Paracha
Non Executive Directors	Amna Khan
	Ali Rashid Khan
	Muhammad Niaz Paracha
Executive Directors	Muhammad Tousif Peracha
	Abdur Rafique Khan

The roles of the Chairman and the CEO are not exercised by the same individual.

Last election of directos were held during February 2018 and next election of directors shall be due during February 2021.

Meeting of Board

The Board meets at least once during a quarter. The chairman sets the agenda of the meeting of the board and ensures that reasonable time is available for discussion of the same. All written notices and relevant material, including the agenda, of meetings are circulated at least seven days prior to the meetings, except in the case of emergency meetings, where the notice period may be reduced or waived.

The chairman ensures that the minutes of meetings of the board of directors are kept in accordance with the requirements of Section 178 and 179 of the Act. The company secretary acts as secretary to the board.

The chief financial officer / company secretary and the financial controller of the Company attend all meetings of the board of directors.

During the year 2019, four board meetings were held. The attendance of the directors in these meeting is given below:

Muhammad Tousif Peracha	4/4
Abdur Rafique Khan	4/4
Amna Khan	3/4
Ali Rashid Khan	4/4
Muhammad Niaz Paracha	4/4
Daniyal Jawaid Peracha	4/4
Mian Nazir Ahmed Peracha	4/4

Issues to be placed for decision of Board of Directors

The chief executive officer of the Company places significant issues for the information, consideration and decision, as the case may be, of the board of directors or its committees that include but are not limited to the following:

- risk of default concerning obligations on any loans (including penalties and other dues to a creditor, bank or financial institution), or any other debt instrument;
- annual business plan, cash flow projections, forecasts and strategic plan;
- budgets including capital, manpower and overhead budgets, along with variance analysis; matters recommended and/or reported by the audit committee and other committees of the board;
- quarterly operating results of the company;
- internal audit reports, including cases of fraud, bribery, corruption, or irregularities of material nature;
- management letter issued by the external auditors;
- promulgation of or amendment to a law, rule or regulation, applicability of financial reporting standard and such other matters as may affect the company and the status of compliance therewith;
- status and implications of any law suit or proceedings (show cause notice, demand or prosecution notice) of material nature, filed by or against the company;

- failure to recover material amounts of loans, advances, and deposits made by the company, including trade debts and inter corporate finance;
- any significant accidents, fatalities, dangerous occurrences and instances of pollution and environmental problems involving the company;
- report on governance, risk management and compliance issues;
- disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the company;
- reports on /synopsis of issues and information pursued under the whistle blowing policy,
- implementation of environmental, social and governmental and health and safety business practices including report on corporate social responsibility activities; and
- quarterly details of foreign exchange exposures and the safeguards taken by management against adverse exchange rate movement, if material.

Directors' Training Program

The company makes appropriate arrangements inhouse to carry out orientation courses for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.

A newly appointed director on the board is acquire, unless exempted or already in possession of the required certification, the directors training program certification within a period of one year from the date of appointment as a director on the board.

Two directors of the Company have already possessed the directors training program certification. Three directors of the company qualify for the exemption from the directors training program based on their education and experience on the board of a listed company. The Company is in process of arranging of directors' training program in-house for all the directors from a recognized trainer, which is expected to be done during the year 2020.

Skills and Diversity of Board

The Board actively seeks to ensure that it has an appropriate mix of diversity (including gender diversity), silks, experience and expertise to enable it to discharge its responsibilities effectively and to be well equipped to assist our Company to navigate the range of opportunities and challenges we face.

To assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership, the Board utilizes a skills matrix which is reviewed by the Board on a regular basis. It is an important, but not the only, basis of criteria applying to Board appointments.

Board skills matrix - skills and experience across the Board as a whole support GCL's strategy to "Fix, Execute and Transform"

Element	Skills
Leadership	Executive Leadership
	Health, Safety & Environment
Portfolio	Strategy
	Financial Acumen
	Risk Management
	Global Experience
	Market and Customer Knowlege
	Innovation
	Change and Transition
	Information technology
People	Organisational Sustainability
	Remuneration and rewards
Governance	Governance and regulation
	Board Experience

Non-Executive Director

Five non-executive directors are required on the board of seven directors. The Board considers the extent of the involvement of the directors in managing the affairs of the company rather than their pecuniary interests as guiding factor in distinguishing between executive and non-executive directors of a company.

A non-executive director is considered to meet with the following criteria:

- He is not from among the executive management team and may or may not be independent;
- He is expected to lend an outside viewpoint to the board of a company;
- He does not undertake to devote his whole working time to the company and not involve in managing the affairs of the company;
- He is not a beneficial owner of the company or any of its associated companies or undertakings;
- He does not draw any remuneration from the company except the meeting fee.

Director Independence

Minimum two independent directors are the required on the board. The Board assesses the independence of the non-executive directors in light of their interests, positions, associations and relationships with the Company or its associated companies / undertakings; and his ability to reasonably exercise independent business judgement with being subservient to any form of conflict of interest.

The criteria considered in assessing the independence of non-executive directors include that:

- He has not been an employee of the company within the last three years;

- He has not been the chief executive officer of associated company/undertaking in the last three years;
- He has not, within the last three years, a material business relationship with the company either directly, or indirectly as a partner, major shareholder or director of a body that has such a relationship with the company.
- He is not a close relative of the company's promoters, directors or major shareholders:
- He does not hold cross-directorships or has significant links with other directors through involvement in other companies or bodies not being the associations licensed u/s 42;
- He has not served on the board for more than three consecutive terms from the date of his first appointment,
- He is not a nominated director:

Chairman's appointment and responsibilities

The Board selects the Chairman form the non-executive Directors. The Chairman leads the Board and is responsible for the efficient organisation and effective functioning of the Board. He ensures that Directors have the opportunity to contribute to Board deliberations. The Chairman regularty communicates with the CEO to review key issues and performance trends. He also represents the Company in the wider community.

Chief Executive Officer appointment

The Board appoints any person, including an elected director, to be the chief executive officer for the a term of three years within fourteen days from the date of Directors' elections. The terms and condition of appointment of the CEO is detrained by board of the Company.

Continuous Disclosure

The Company appreciates the importance of timely and adequate disclosure to the market. It is committed to making timely and balanced disclosure of all material matters, and maintaining effective communication with its shareholders and investors so as to give them ready access to balanced and understandable info-rmation.

The Company has in place mechanisms designed to ensure compliance with all relevant disclosure laws and PSX Rule requirements under the Continous Disclosure Policy adopted by the Board. These mechanisms also ensure accountability at a senior executive level for that compliance.

The CEO, the Chief Financial Officer / Company Secretary are responsible for determining whether or not information is required to be disclosed to the PSX. Announcements relating to significant matters, such as results or other corporate matters which involve signigicant financial or requtational risk, are referred to the Board for Approval. The Company Secretary will endevour to notify all other directors of the possible disclosure considerations and invite them to particiapate in any discussions and disclosure decisions where possible.

Materiality approach adopted by the Management

Information and events are considered to be material if, individually or in aggregate, they have significant impact on the Company's performance or profitability which in turn can influence the economic decisions of the Company's Stakeholders.

Assessment of materiality levels other than those provided under the regulations is matter of professional judgment and is organization specific. The management has defined procedures, assumptions and factual base for identifying and categorizing the materiality base in order to discharge its responsibility to identify, control and reduce business risks that may affect the entity's ability to achieve its objectives.

The specific materiality thresholds are defined and approved by the Board. As part of the Company's policy, the management discloses the transaction and events falling in this materiality threshold to the Board of Directors. In addition to it, the management is also responsible for apprising the board members with all unusual items or events.

As a rule of thumb, the Company uses the following matrix to determine the materiality level:

- 5% of profit before tax
- 1/2 % of total assets
- 1% of equity
- ½% of net sales
- Unusual Transaction exceeding Rs. 100,000/-

Communications with Shareholders

The Company's policy is to promote effective two-way communication with shareholders and other they undersdtand GCL's business, governance, financial performance and prospects, as well as how to access relevant information about GCL and its corporate activities.

▷ Annual Reporting

Shareholders may elect to receive annual reports electronically or to receive notifications via email when reports are available online. Hard copy annual reports are provided to those shareholders who elect to receive them. While companies are not required to send annual reports to shareholders other than those who have elected to receive then.

▷ Company announcements

All formal reporting and Company announcements made to the PSX are published on GCL's website after confirmation of lodgment has been received from the PSX. Furthermore, announcements are also sent to major newspaper for broader dissemination when required.

▷ General meetings

GCL encourages shareholders to attend and participate in all general meetings including annual general meetings. Shareholders are entitled to ask questins about the management of the Company and of the auditor as to its conduct of the audit and preparation of its reports.

Notices of Meeting are accoumpanied by explanatory notes to provide shareholders with information to enable them to decide where to attend and how to vote upon the business of the meeting. Full copies of Notices of meeting and explanatory notes are posted on GCL's website. If shareholders are unable to attend general meetings, they may vote by appointing a proxy using the form attached to the Notice of Meeting or an online facility.

At the Annual General Meeting, shareholders have a reasonable opportunity to ask the external auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statments of the Company, and the independence of the external auditor in relation to the conduct of the audit.

INVESTOR RELATIONSHIP COMMITTEE

The Board has constituted Investors' Relationship Committee. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

The Committee is headed by Mr. Muhammad Tousif Peracha (CEO). Mr. Muhammad Shamail Javed, Company Secretary, is designated as the "Compliance Officer" who oversees the satisfactory clearance of the investors' grievances.

The company has appointed Share Registrar for all Share related matters like transfer, transmission, Dividend, etc. Investors are requested to get in touch with the Share Registrar.

Corplink (Pvt) Limited,
Shares Registrar,
Wings Arcade, 1-K, Commercial, Model Town, Lahore.
Tel : (042) 35916714

For any unresolved matters or further queries / clarification, investors may contact the officials from the company.
Mr. Muhammad Shamail Javed
Company Secretary
Tel: (042) 36060600 Ext. 604
Email: shamail@gharibwalcement.com

CODE OF CONDUCT AND BUSINESS ETHICS

The Company's Code of Business Ethics and Code of Conduct is enforced at all levels fairly and without prejudice. This code is obligatory, both morally as well as legally and is equally applicable to all the directors and employees of the Company.

Policy Statement

- We act with integrity at all times; we are honest and trustworthy.
- We demonstrate respect for our fellow employees, customers and business partners; we listen and seek solutions.
- We are open-minded team players; we foster collaboration while maintaining individual accountability.
- We value new ideas that serve our customers, the business and communities.
- We are dedicated, committed and deliver on our promises.
- We obey the law and comply with this Code.

Code of Conduct

- We shall conduct our employment activities with the highest principles of honesty, integrity, truthfulness and honour.
- We shall not make, recommend, or cause to be taken any action, contract, agreement, investment, expenditure or transaction known or believed to be in violation of any law, regulation or corporate policy.
- We shall not use our respective positions in employment to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favor, gift or benefit, whether financial or otherwise, to ourselves or others.
- In business dealings with suppliers, contractors, consultants, customers and government entities, we shall not provide or offer to provide any gratuity, favour or other benefit and all such activities shall be conducted strictly on an arm's length business basis.
- While representing the Company in dealings with third parties we shall not allow ourselves to be placed in a position in which an actual or apparent conflict of interest exists. All such activities shall be conducted strictly on an arm's length business basis.
- All of us shall exercise great care in situations in which a personal relationship exists between an individual and any third party or Government employee or official of an agency with whom the Company has an existing or potential business relationship. Where there is any doubt as to the propriety of the relationship, the individual shall report the relationship to management so as to avoid even the appearance of impropriety.
- We shall not engage in outside business activities, either directly or indirectly, with a customer, vendor, supplier or agent of the Company, or engage in business activities which are inconsistent with, or contrary to, the business activities of the Company.
- We shall not use or disclose the Company's trade secret, proprietary or confidential information, or any other confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit.

THE WHISTLE BLOWER POLICY

The Audit Committee has laid down a Fraud Risk Management Policy (akin to the Whistle Blower Policy) providing a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud/misconduct.

Adequate safeguards have been provided in the FRM Policy to prevent victimization of anyone who is using this platform and direct access to the Chairman of the Audit Committee is also available in exceptional cases. Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality.

For the effective implementation of the policy, the Audit Committee has constituted a Fraud Risk Management Committee (FRMC) of very senior executives which is responsible for the following:

a. Implementation of the policy and spreading awareness amongst employees;
b. Review all reported cases of suspected fraud / misconduct
c. Order investigation of any case either through internal audit department or through external investigating agencies or experts;
d. Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems;
e. annual review of the policy

No whistle blowing incidence was highlighted and reported under the above said procedures during the year.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The committee comprises of two non-executive directors and the Chief Executive Officer. All the members attended the only meeting held during the year 2019. Composition along with attendance is given below:

Daniyal Jawaid Paracha	Independent	1/1
Ali Rashid Khan	Non-Executive	1/1
Muhammad Tousif Peracha	CEO	1/1

The chairman of the Committee is an independent director. The Committee meets at least once a year and may meet more often if requested by a member of the board, or committee itself or the Chief Executive Officer. The Company Secretary acts as the secretary of the Committee. Head of human resource or any other advisor or person may attend the meeting by invitation.

Role and responsibilities

- recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management).
- undertaking annually a formal process of evaluation of performance of the board as a whole and its committees;
- recommending human resource management policies to the board;
- recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

TRANSACTIONS WITH RELATED PARTIES POLICY

The Company has enforced a Policy for Related Party Transactions duly approved by its Board. As per this policy, transactions with related parties shall be carried out on an arm's length basis in the normal course of business, and the Board shall approve all related party transactions on the recommendation of Board Audit Committee.

The term 'arm's length' entails conducting business on the same terms and conditions as the business between two unrelated / unconcerned persons.

Transactions entered into with the related parties include, but are not limited to, sale of cement, dividends paid, loan received, investments made (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel. All related party transactions carried out during the year ended June 30, 2019 are disclosed in the audited financial statements.

The Company will place the related party transactions carried out during the year ended June 30, 2019 before the Annual General Meeting for obtaining shareholders' approval for the same. Moreover, the Company shall also obtained the approval of shareholders authorizing the Board of Directors to approve the transactions with related parties for the yea ending June 30, 2020; which will then be placed before the shareholders for their ratification/approval in next AGM.

PERFORMANCE EVALUATION PROCESS

The following table explains the Company's performance evaluation processes for the Board, Committees, individual Directors and senior exevutives.

Board, Committees & Directors	CEO	Senior Executive
The Board undertakes an evaluation of the performance of the Board, its Committees, individual Directors and the Chairman at least annually. The evaluation encompasses a review of the structure and operation of the Board, the skills and characteristics required by the Board to maximise its effectiveness and whether the blending of skills, experience and expertise and the Board's practices and procedures are appropriate for the present and future needs of the Company. Steps involved in the evaluation include the completion of a questionnaire by each Director, review of responses to the questionnaire at a Board Meeting, and a private discussion between the Chairman and each other Director.	On an annual basis, the Remuneration Committee and subsequently the Board formally review the performance of the CEO. The criteria assessed are both qualitative and quantitative, and include profit performance, other financial measures, safety performance and strategic actions.	The CEO annually reviews the performance of each of Company's senior executives, being members of the Executive Committee, using criteria consistent with those used for reviewing the CEO. The performance of senior executives is reviewed annually against appropriate measures as part of Company's performance management system, which is in place for all managers and staff. The system includes processes for the setting of objectives and the annual assessment of performance against objectives and workplace style and effectiveness. The CEO reports to the Board through the Remuneration Committee on the outcome of those reviews.
An evaluation of the performance of the Board, its Committees and individual Directors took place in FY2019 in accordance with the process described above.	An evaluation of the performance of the CEO took place in FY2019 in accordance with the process described above.	An evaluation of the performance of senior executives of GCL took place in FY2019 in accordance with the process described above.

Remuneration of independent

The independent Directors do not receive any remuneration or other performance related incentives, nor are there any schemes for retirement benefits for non-executive Directors.

The remuneration of an independent director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.

Remuneration of senior executives

GCL's remuneration policy and practices for senior executives are designed to attract, motivate and retain high quality people. The policy is built around principles that:

- executive rewards be competitive in the markets in which GCL operates;
- executive remuneration has an appropriate balance of fixed and at risk reward;
- remuneration be linked to GCL's performance and the creation of shareholder value;
- at risk remuneration for executives has both short and long-term components; and
- a significant proportion of executive reward be dependent upon performance assessed against key business measures.

These principles ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

AUDIT COMMITTEE

Role and Responsibilities

- determination of appropriate measures to safeguard the company's assets;
- review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
    - major judgmental areas;
    - significant adjustments resulting from the audit;
    - going concern assumption;
    - any changes in accounting policies and practices;
    - compliance with applicable accounting standards;
    - compliance with the regulations and other statutory and regulatoryrequirements; and
    - all related party transactions.
- review of preliminary announcements of results prior to external communication and publication;
- facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- review of management letter issued by external auditors and management's response thereto;
- ensuring coordination between the internal and external auditors of the company;
- review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- determination of compliance with relevant statutory requirements;
- monitoring compliance with the these regulations and identification of significant violations thereof;
- review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- consideration of any other issue or matter as may be assigned by the board of directors.

Composition

The Audit Committee comprises of three members from non-executive directors including at least one independent director.

The Chairman of the Committee is an independent director. At least one member of the Committee is to be financial literate. The Chief Internal Auditor acts as Committee Secretary.

	Attendance
Daniyal Jawaid Paracha	3/4
Muhammad Niaz Paracha	4/4
Mian Nazir Ahmed Peracha	4/4

Daniyal Jawaid Paracha has recent and relevant financial experience for the purposes of the Code, being a chartered accountant. The other Committee members have significant executive experience in the finance, internal control, management and manufacturing.

The range and depth of financial, commercial and technical experience in the Committee enable its members to deal effectively with the matters the Committee is required to address.

Meetings

The audit committee of a company meets at least once every quarter of the financial year. These meetings are held prior to the approval of interim results of the company by its Board and after completion of external audit. A meeting of the Committee is also to be held, if requested by the external auditors or the Chief internal Auditor.

The Chief Internal Auditor and external auditors attend meetings of the audit committee at which issues, if any, relating to accounts and audit are discussed.

The Chairman, the Chief Executive Officer, the Chief Financial Officer/ Company Secretary, the Chief Accounting Officer, and other directors are normally invited to attend Committee meetings.

The Committee meets, at least once a year and without management being present, separately with the external auditor and also separately with the Chief Internal Auditor and/or other members of the internal audit function, to discuss any matters relating to their remit and any matters arising from external and internal audits. These discussions help shape thought processes and decision making, and promote a more rounded view of the Company.

The secretary of audit committee circulates minutes of meetings of the audit committee to all members, directors, and where required to the Chief Financial Officer and the Chief Accounting Officer prior to the next meeting of the board.

AUDIT COMMITTEE REPORT

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2019.

Financial reporting

The Audit Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended for approval of the Board of Directors and report that:

- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- Accounting estimates are based on reasonable and prudent judgment.
- Applicable International Financial Reporting Standards were followed in the preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2019, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company for the year under review.
- Proper and adequate accounting records have been maintained by the Company in accordance with the applicable laws.
- These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Act. In case requirements differ, the provisions of or directives under the Act prevail.
- The CEO and the CFO have endorsed the financial statements of the Company and the Board of Directors Report. They acknowledge their responsibility for true and fair presentation of the Company's financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company.

Related party transactions

The Audit Committee has reviewed the related party transactions and recommended the same for approval of the Shareholders in the Annual General Meeting after ratification from the Board of Directors.

Internal Audit Function

The Audit Committee has reviewed all material internal audit findings and management's response, thereto, taking appropriate action or bringing the matters to the Board's attention where required.

The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee.

The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.

External Auditors

The external auditors of the Company, Kreston Hyder Bhimji & Co, Chartered Accountants, have completed their audit assignment of the financial statements and the "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017" of the Company for the year ended June 30, 2019 and shall retire on the conclusion of the 59th Annual General Meeting.

The Board Audit Committee has reviewed and discussed Key Audit Matters and observations with the external auditors. The final Management Letter including such audit observations is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements as required by the Code of Corporate Governance and shall therefore, accordingly be discussed in the next Board Audit Committee meeting.

Kreston Hyder Bhimji & Co., Chartered Accountants has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and they are registered with Audit Oversight Board of Pakistan. The frm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP and have indicated their willingness to continue as auditors for the year ending June 30, 2020.

Governance

The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017" which has also been reviewed and certified by the External Auditors of the Company.

The Company's Code of Conduct has been disseminated and placed on Company's website.

The statutory and regulatory obligations and requirements of best practices of governance have been met.

The Committee members carried out the Annual Evaluation of the Board Audit Committee in terms of board structure, Strategy, Decision Making, Internal Controls and Risk Management.

The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee and ensures that any allegations are scrutinized seriously.

Nazir Ahmed

MIAN NAZIR AHMED PERACHA

October 02, 2019

INTERNAL AUDIT FUNCTION

The Company has an independent and effective Internal Audit Function which assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the efficiency and effectiveness of the organization's risk management, control, and governance processes. All the Company's activities fall within the remit of the Internal Audit Function. This does not imply that all areas will be subject to review, but that all will be included in the audit risk assessment. The Internal Audit Function has right for full and unrestricted access to all the Company records, physical properties, and staff relevant to any area under review without disturbing the working environment of employees.

The Chief Internal Auditor of the Company is a qualified Chartered Accountant as well as a Certified Internal Auditor. The Chief Internal Auditor functionally reports to the Audit Committee and administratively reports to the Chief Executive Officer. His performance appraisal is done jointly by the Chairman of the Audit Committee and the Chief Executive Officer.

IAF's scope encompasses the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management process, system of internal control, and the quality of performance in carrying out assigned responsibilities to achieve the Company's stated goals and objectives. It includes:

1) Auditing internal control procedures and risk assessment procedures (i.e. SOPs) in order to obtain assurance that these procedures are appropriately designed and effectively implemented

   a) to deduct and prevent fraud or errors;
   b) to comply with policies, plans, laws, and regulations;
   c) to safeguard assets of the Company; or
   d) to promote the economic, efficient and effective use of resources

2) Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

3) Identifying the areas of risk where SOPs are not designed/ implemented; along with advising on objectives of these SOPs.

4) Conducting specific reviews or tasks requested by the Board, the Audit Committee or the CEO, provided such reviews and tasks do not compromise IAF's independence or objectivity.

Findings of the IAF are discussed and reviewed by Audit Committee along with the management response thereupon, the Audit committee then report the matters of significant importance to the Board. Final reports of the Internal Audit Function are also

EXTERNAL AUDITOR, THEIR INDEPENDENCE AND OBJECTIVITY

The independence of the external auditor is essential to the provision of an objective opinion on the true and fair view presented in the financial statements. The external auditors' independence and objectivity are safeguarded by a number of control measures:

- limiting the nature of non-audit services performed by the external auditor to ensure that the external auditors don't perform management functions or make management decisions.
- placing restrictions on the employment by the Company of certain employees of the external auditor.
- selecting the external auditors who is not a close relative (spouse, parents, dependents and non-dependent children) of the chief executive officer, the chief financial officer, the chief internal auditor, the company secretary or a director of the company
- monitoring the changes in legislation related to auditor objectivity and independence to help ensure the Companyremains compliant.
- providing a confidential helpline that employees can use to report any concerns, including those relating to the relationship between the company's employees and the external auditor.
- the rotation of the audit engagement partner after five years.
- independent reporting lines from the external auditor to the Committee and the opportunity to meet the Committee independently.
- an annual review by the Committee of the policy in place to ensure the objectivity and independence of the external auditor is maintained.
- Satisfactory rating of the external auditor under the quality control review programme of the Institute of the Chartered Accountants of Pakistan, and registration with Audit Oversight Board of Pakistan.

During FY2019, the effectiveness of the external audit process was reviewed by the Audit Committee. The Committee concluded that the external audit process was effective. Having reviewed the independence, objectivity and performance of the external auditor, the Audit Committee has recommended to the Board that Kreston Hyder Bhimji & Co. be reappointed as auditor and authorising the Directors to set their remuneration will be proposed at the 2020 AGM.

OUR VISION AND VALUE CREATION MODEL

WHY
our reason for being

VISION

become a leading partner in nation-building, and the most preferred cement brand.

MISSION

become a profitable company by providing high quality products and services to our customers through a competent, efficient and motivated team supported by the latest technology in an eco-friendly manner, thereby achieving the financial objectives of our shareholders, whilst adding value to community.

VALUES

- ▷ Ensure safety
- ▷ Focus on customers
- ▷ Maintain Quality
- ▷ Pursue excellence
- ▷ Act with integrity
- ▷ Value employees
- ▷ Preserve environment

+

WHERE
we play

STRATEGY

- N°1 PEOPLE AS N°1 ASSET
- CUSTOMER CENTRICITY
- PROFITABLE MARKETS
- SUSTAINABILITY

+

HOW
we succeed

OPERATING MODEL

- GCL NETWORKS
- SUPPORT FUNCTIONS
- TRANSACTIONAL FUNCTIONS

GOVERNANCE

- GOVERNANCE

=

WHO
benefits

STAKEHOLDERS

- EMPLOYEES
- CUSTOMERS
- SHAREHOLDERS
- COMMUNITY AND SUPPLIERS

VALUE
how we create value

STAKEHOLDERS

- Provide a great workplace that helps employees grow
- Build skills and expertise
- Enable a strong sense of purpose

- Tailor our offerings to solve our customers' construction needs
- Make it easy to work with us
- Provide enhanced performanceand reliability

- Grow revenue
- Reduce costs
- Optimize assets
- Keep a tight rein on risks

- Be a relevant engine of economic growth
- Build more capable, inclusive and resilient communities
- Reduce local air, water and waste impacts and conserve biodiversity

KEY INPUTS
> Mineral Reserves > Energy

PRODUCTS
> Cement

DISTRIBUTION CHANNELS

MARKETS
> Residential > Commercial / Industrial > Infrastructure > Roads

BUSINESS STRATEGY

At its core, our business strategy has four main elements:

OUR PEOPLE

Value our people as our main competitive advantage.

Our people are our competitive advantage and the reason for our success. That is why we hire the best and work hard to develop and support each and every one of them—so that we all grow successfully. Our approach to talent management is founded on three pillars:

EMPLOY THE RIGHT PEOPLE, IN THE RIGHT PLACE, AT THE RIGHT TIME to perform the right job to achieve our strategy

ENABLE A DIGITAL, HIGH-PERFORMING, AND REWARDING CULTURE to deliver sustainable business value in a safe, ethical workplace

BUILD, DEVELOP, AND ENABLE OUR WORKFORCE CAPABILITIES to confront challenes and pursue excellence.

PLACING HEALTH AND SAFETY FIRST

Health and safety is our top priority. To ensure we are meeting our goals, four core principles guide every decision we make and action we take:

- Ensure nothing comes before the health and safety of our people, contractors, and communities
- Make health and safety a personal responsibility by looking after ourselves and each other
- Strive to create a workplace with zero harm
- Maintain accountability for health and safety practices.

We are constantly working towards our ultimate targe of zero injuries — our Zero4Life commitment.

MARKETS WHERE WE OPERATE

Pursue markets that offer long-term profitability

Our geographically location provides us with the opportunity for significant value creation through profitable organic growth over the medium to long term. Consequently, we are selective and strategic about where we do business. We will not chase growth simply for the sake of growth. We also will continue to optimize so that we are in the businesses and markets where we can generate significant returns.

OUR CUSTOMERS

Help our customers succeed

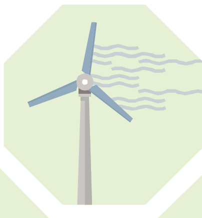
WE WANT OUR CUSTOMERS TO VIEW US AS RELIABLE, EASY TO WORK WITH, INNOVATIVE, EXPERT AND PROFESSIONAL; IN SHORT, AN EXCELLENT PARTNER THAT ENABLES OUR CUSTOMERS TO SUCCEED

DELIVERING A SUPERIOR CUSTOMER EXPERIENCE

Today, our operating environment and our customers' expectations are changing rapidly and dramatically. Consequently, we are embarking on a bold path of transformation to enable us to meet those expectations.

Fostering customer centricity. We are putting our customers at the center of every action we take and every decision we make. We have organized our company and redesigned our processes to ensure that we create the best possible experience for them.

Already, our customer centricity initiatives focused on pricing policies, sales management, customer segmentation, and the value proposition we offer to our customers, are integrated into our ongoing operations. While we still have work to do, we have made tremendous progress in these areas



FOCUS ON SUSTAINABILITY

Ensure sustainability is fully embedded in our business.

We focus our sustainability efforts on those areas which are deemed to be of greatest significance and value to the Company's continued growth, performance and success; have significant impacts on the economy, environment and society; and that are potentially of significant interest to the most vital stakeholder groups.

Material topics for sustainability performance are identified based on several factors, including alignment with the Company's strategy, objectives, vision, values and brand promise; the past practice of the Company; and internal analysis, debate and discussion on issues raised by our senior management.

Material topics are also chosen based on stakeholders' concerns and feedback, general relevance and likely impact in broader social, economic and environmental contexts, such as the markets in which we operate, energy availability, environmental issues and climate change.

INDIVIDUALLY, EACH ELEMENT ENGAGES AND IMPACTS OUR BUSINESS IN VERY DISTINCT WAYS. COLLECTIVELY, THEY HELP US ACHIEVE OUR MISSION OF BECOMING PROFITABLE COMPANY BY ACHIEVING THE FINANCIAL OBJECTIVES OF OUR SHAREHOLDERS WHILST ADDING VALUE TO COMMUNITY.

CORPORATE SOCIAL RESPONSIBILITY

We take our corporate responsibilities (CSR) seriously and are committed to advancing our policies and systems across the company to ensure we address and monitor all aspects of CSR that are relevant to our business. We expresses our desire to give back to our communities, embrace diversity, sustain the environment and practice sound ethics. We recognize the impacts our decisions have on our stakeholders and work with them to determine mutually beneficial. The Board takes ultimate responsibility for CSR and is committed to developing and implementing appropriate policies while ad ering to a fundamental commitment to create and sustain long term value for shareholders and all stakeholders.

ENVIRONMENT

GCL Operates with consideration for the environment at the core of its activities. It is committed to continual improvement and to creating as sustainable an organization as possible. We have identified our environmental impacts and have created solutions to reduce them.

- We raise awareness of energy consumption.
- We reduce energy use through behavioral change and using new efficient technologies.
- We installed waste heat recovery plant which absorbs the hot gasses of plant and generate electricity using these hot gasses.
- We provide various recycling bins in the office.
- We encourage staff to recycle as much as possible.

WORKPLACE

We recognize that our staff are our most valuable asset. These initiatives make it easier for you to manage your health and work life balance.

- The diversity of our employees is highly valued and we provide equal opportunities for all.
- We give opportunities for employees to raise their view and be engaged in issues that affect the company.
- We support staff with an extensive learning and development program.
- Individuals are recognized and rewarded on the basis of their own performance and that of GCL.
- We provide a safe and secure workplace.
- We recognize long service through long service award.

COMMUNITY

GCL facilitates co-operation between our business and a number of community organizations, helping to address business and community needs for mutual benefit.

- We create jobs and promote the economy of the region in which we operate.
- We support public development program undertaken in close proximity to our manufacturing site.
- We support schools and hospitals in surrounding of factory.
- We organize madni dastarkhan fo general public in the holly month of Ramazan.
- We obey laws and strive to act with integrity in all that we do.

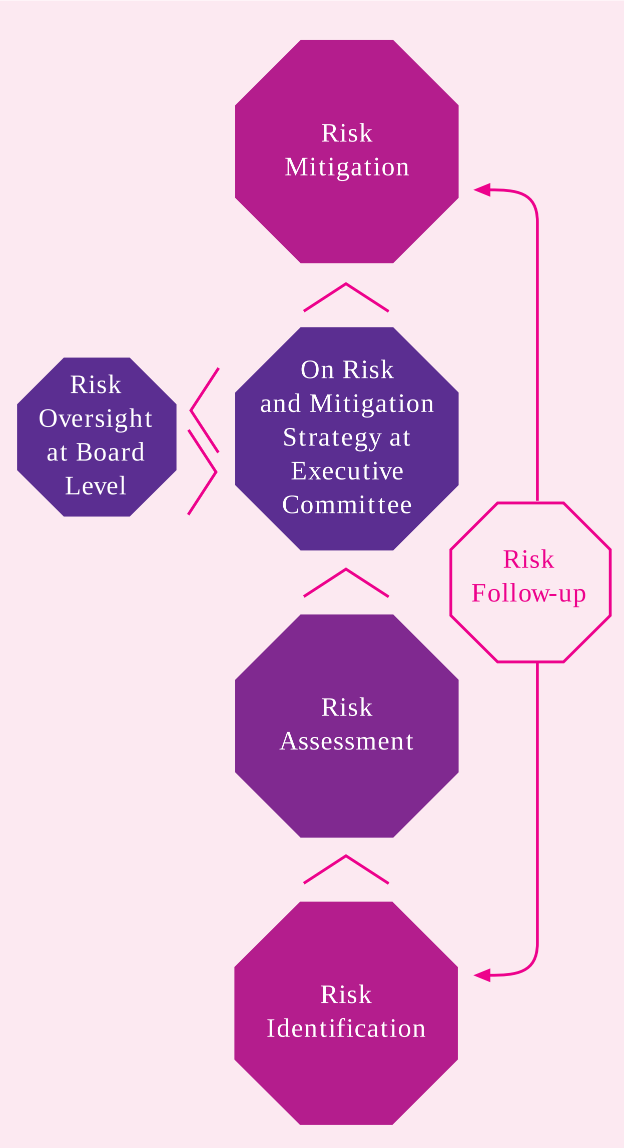
MARKETPLACE

This area involves our products, services and supply chain and the costs they impose on society and the environment.

- We conduct business ethically.
- We consider the environmental credentials and life-cycle of all products, services and suppliers.
- Our office supplies are environmentally friendly and sustainable.
- We source from local businesses wherever possible.
- We sell substantial part of our product in domestic market.
- Substantial part of the money we spent to procure material and services flows directly into the domestic economy.

RISK MANAGEMENT

GCL has an Enterprise Risk Management (ERM) function to manage all risks and opportunities that could impact the company's business and objectives. ERM has become fundamental to supporting top management in the decision-making process, reducing the impact of adverse events, and capitalizing on opportunities resulting from a more complex and uncertain environment.



Risk Management Follows A Process That Emphasizes Risk Discussion and Mitigation at Top Management and Risk Oversight at The Board Level.

Risk agendas are developed on a annual basis, considering all types of risks and emerging concerns that could impact the company in the short, medium, and long term.

Risks are identified considering a combination of a bottom-up and a top-down approach, which also considers identification of potential opportunities.

After the corresponding analysis and assessment, risks are prioritized by estimated impact and probability of materialization, and a mitigation strategy and monitoring plan are defined for their treatment and follow-up.

Other risk management processes within the company, such as internal audits, internal controls, compliance, and financial risk management, complement the ERM function.

1 ECONOMIC CONDITIONS

The economic conditions have an effect on our business, financial condition, results, and prospects.

The business cycle tends to heavily affect overall construction activity. Under economic expansion, construction activity rises sharply, but an economic downturn tends to bring a marked decrease in construction activity—thus affecting the demand for our products and financial results.

Mitigation Actions
We have implemented several initiatives intended to counter the challenging economic environment:

- VALUE-BEFORE-VOLUME STRATEGY: Our strategy focuses on value enhancement, optimizing gains in customer relationships, and generating sufficient returns that allow us to reinvest in our business.
- COST CONTAINMENT: Over the past years, we have identified and begun implementing cost-reduction initiatives intended to reduce our annual cost structure to a level con-sistent with our product demand, as well as our own companywide program to enhance competitiveness.
- ASSET OPTIMIZATION: We manage our asset base by divesting noncore assets and optimizing working capital.

2 POLITICAL UNCERTAINTY IN THE COUNTRIES IN WHICH WE OPERATE

Political uncertainty and its potential economic and social consequences could adversely impact our operations and profitability. Any political result that significantly affects a country's economic development or its business environment has the potential to impact our operations.

Mitigation Actions
We have implemented several initiatives intended to counter the effects of political risks:

- MONITORING AND SCENARIO PLANNING: We monitor important political develop-ments in the country to anticipate any event that could have an impact on our operations. This monitoring helps us to take proactive steps to identify alternative scenarios, assess risks and opportunities, and define preventive mitigation strategies and contingency plans to maintain a successful business operation in each particular scenario.
- BUSINESS CONTINUITY PLANS: We have business continuity plans to minimize business disruption in situations where the social or political environment in which we operate presents risks to the continuation of operations.

3 MORE COMPLEX COMPETITIVE DYNAMICS

The markets in which we operate are highly competitive and are served by numerous established companies with recognized brand names. These companies compete based on several factors, often employing aggressive commercial strategies to increase market share.

If we are not able to compete effectively, we may lose substantial market share, our net sales could decline or grow at a slower rate, and our business and operations' results would be affected.

Mitigation Actions
We expect to maintain and grow our market positions in cement by being one of the most customer-centric competitors in the construction materials industry. We also continue with our value-before- volume strategy to reflect the high value-creating capability of our products and services.

4 DEBT LEVEL AND FINANCIAL RESTRICTIONS

We have debt and other financial obligations maturing during the next years. Our ability to comply with our principal debt maturities depends on EBITDA generation, and other indicators that could be affected by external factors.

Additionally, we have credit and debt agreements that contain several restrictions and covenants. Our ability to comply may be affected by economic conditions and volatility in foreign exchange rates, as well as by overall conditions in the financial and capital markets and the construction sector.

Mitigation Actions

Our financial strategy is designed to reduce our debt level mainly through:

- DEBT PREPAYMENTS THROUGH FOCUS ON EBITDA GENERATION
- REDUCTION OF FINANCIAL COSTS
- ADEQUATE MANAGEMENT OF OUR DEBT PROFILE AND WORKING CAPITAL.

5 REGULATORY CHARGES AND INCREASED SCRUTINY

We are subjected to the laws and regulations of the country and any material changes in such laws and regulations and/or any delay in assessing the impact and/or adapting to such changes may have an adverse effect on our business.

These laws and regulations expose us to the risk of potential costs and liabilities, including fines and other sanctions, compensation payments to third parties, remediation costs, and reputational damage.

Mitigation Actions

We continuously work to comply with changes in laws and regulations. We devote significant time and resources to assess and, if required, adjust our operations to any such changes.

Our employees abide by our Code of Ethics and Business Conduct. The Code addresses anti-bribery, related- person transactions, health and safety, environmental responsibility, confidentiality, conflicts of interest, financial controls, and preservation of assets.

6 VOLATILITY IN ENERGY MARKETS

Our operations consume significant amounts of power and fuel. Power and fuel prices generally reflect certain volatility. Energy and fuel cost increases may have an adverse material effect on our business.

Mitigation Actions

We have developed processes that allow us to reduce heat consumption in our kiln, which also reduce energy costs.

Furthermore, we have installed a waste heat recovery plant that not only provide low-cost energy, but also provide certainty in future energy costs. The use of variable frequency drives and synchonisation of various power modes reduced the power consumsion.

7 PRICE VOLATILITY AND UNCERTAIN AVAILABILITY OF MATERIALS REQUIRED TO RUN OUR BUSINESS

Should existing suppliers cease operations, reduce or eliminate production of these materials, sourcing costs could increase significantly or require us to find alternatives, which could have a material adverse effect on our business. Additionally, scarcity of natural resources, such as water and raw material reserves could have a material adverse effect on our costs and results of operations.

Mitigation Actions

We are not dependent on our suppliers, and we aim to secure the supply of required materials through longterm renewable contracts and framework agreements, which we believe ensures better supply management.

8 CYBER AND INFORMATION SECURITY

We rely on several information technologies and automated operating systems to manage or support our finance operations and sales. To maintain business efficiencies, it is critical that these systems function properly. In addition, our systems may be vulnerable to damage, disruption or intrusion, caused by circumstances beyond our control, such as physical or electronic break-ins, catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, unauthorized access, and cyber-attacks.

In addition, our insurance coverage may not cover cyber security risks we may be exposed to.

Mitigation Actions

We take proactive measures to secure our IT systems and electronic information and have business continuity plans in place if any business disruption occurs.

9 ADVERSE WEATHER CONDITIONS

Construction activity, and thus demand for our products, decreases substantially during periods of cold weather, or when heavy or sustained rainfalls occur. Consequently, demand for our products is significantly lower during the winter and during the rainy season. Such adverse weather conditions can negatively affect our business results if they occur with unusual intensity or last longer than usual in our major markets, especially during peak construction periods.

Additionally, severe adverse weather conditions (e.g., floods, typhoons) have the potential to damage our assets and disrupt our operations.

Mitigation Actions

We have business continuity plans in place at our main operations designed to avoid major disruptions to our business. In addition, our main operations and assets are insured against such events. However, in most cases, the insurance policy does not cover the total impact that an adverse event could have, which limits its effect.

10 HEALTH AND SAFTY RELATED RISK

Activities in our business can be hazardous and can cause injury to people or damage to property in certain circumstances. Our production facilities require individuals to work with chemicals, equipment, and other materials that may potentially cause harm, injury or fatalities when used without due care. Accidents or injuries that occur at our facilities could result in disruptions to our business and may have legal, regulatory, economic, and reputational consequences.

Mitigation Actions

Health and safety (H&S) is our top priority. We strive to have zero incidents by improving how we reinforce safe behaviors with our employees and contractors, strengthening the accountability of management for ensuring safe behavior, implementing workplace improvements on a regular basis and promoting a safety culture in our every day activities.

CHAIRMAN'S REPORT

BY THE CHAIRMAN ON BOARD'S OVERALL PERFORMANCE U/S 192 OF THE COMPANIES ACT 2018

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Gharibwal Cement Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The board carried out its annual self-evaluation for the year ended 30, 2019. The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The Board also identified areas of improvement in line with the global best practices.

The Board received comprehensive agendas and supporting papers in a timely manner for its Board meetings.

The Board was fully involved the strategic planning process and in developing the vision for the Company.

All Directors, including Independent Directors, fully participated in and made contributions to the decision-making process of the Board.

The Board has in place comprehensive policies for all relevant areas of the Company's operations and these policies are reviewed and updated from time to time

The Audit Committee and Human Resources & Remuneration committee met regularly to strengthen the functions of the board.

The company has an independent Internal Audit department, which leads the Internal Audit function and follows a risk based Audit methodology. Audit reports are presented to the Board for review and actions where necessary.

Looking ahead, with improved regulatory climate the company will continue to strengthen its position in the market.

In the closing on behalf of the Board I wish to acknowledge the contribution of all our employees in the success of the Company. I wish to thank our shareholders, customers, suppliers, bankers and other business partners for their confidence and support.

MIAN NAZIR AHMED PERACHA
Chairman

October 02, 2019

DIRECTORS' REPORT TO THE MEMBERS

It is our pleasure to present annual report along with audited annual financial statements of Gharibwal Cement Limited (the company) for the year ended June 30, 2019 and auditors' report thereupon to our shareholders.

Summary of financial performance

		FY 2019	FY 2018	Increase / (Decrease)	
				Value	%age
Cement dispatch	(Ton)	1,675,906	1,891,808	(215,901)	-11.4%
Net sales	(Rs. mn)	11,356	11,705	(349)	-3.0%
Gross profit	(Rs. mn)	2,640	2,933	(292)	-10.0%
EBITDA	(Rs. mn)	2,935	3,139	(204)	-6.5%
Profit before tax	(Rs. mn)	1,380	1,784	(404)	-22.6%
Profit after tax	(Rs. mn)	736	1,510	(773)	-51.2%
EPS	(Rs.)	1.84	3.77	(1.93)	-51.2%

FINANCIAL PERFORMANCE

The Company sold 1.668 million ton cement in domestic market during the year 2019 under review, which was 10.4% less than the domestic sales volume for the previous year 2018. The Company exported cement to India but due to the Pakistan-India boarder tension, export volume of the Company reduced substantially due to Pakistan-India boarder tension. Average selling price was improved in domestic market as compared with the previous financial year, which mitigated the impact of reduction in domestic sales volume, and the Company registered a meager reduction of 3.0% in its net sales revenue

On the cost front, the Company witnessed significant pressure over the course of the year due to increments in various input costs. These increments were caused largely due to external factors and even ended up affecting many other industries.

Prices of imported fuel, consumable parts and supplies further jumped up mainly due to devaluation of Pakistani Rupees by 35.27% YoY against US Doller. Prices of electricity, furnace oil, diesel and gas also increased further upward. These factors increased the cost of sales. However, the management of your Company continued its best effort to keep cost of sales within control by adopting cost-cutting measures and production efficiency checks.

Decrease in sales volume and increase in input costs as described above caused reduction in gross profit to Rs. 2.640 billion for the year 2019 registering a decrease of 10.0% YoY.

Increase in interest rate by the central bank made the finance cost of the borrowings more expensive. 3 months KIBOR rate effective for the Company increased by 400 base point during the year. New long term musharika facility of Rs. 375 million was also obtained during the year. Finance expense on borrowing obtained for new cement mill were capitalized as cost of that asset during the last year 2018, but after capitalization of cement mill during last quarter of the year 2018, these were changed to profit or loss. These factors increased the finance cost for the year 2019 by 41.5% YoY. The increased finance cost decreased the profit before taxation to Rs. 1.380 billion posting a decline of 22.6% YoY.

The Government, through the Finance Act 2019, fixed the corporate tax at 29% by reversed the reduction in corporate tax rate to 25% by the financial year 2023 as previously allowed through the Finance Act 2018. This geared up deferred tax expense by 2.6 times of last year expense.

The Company earned profit after tax of Rs. 736 million with earning per share of Rs. 1.84 for the year 2019 registering a decline of 51.2% YoY.

DIVIDEND

The Board of Directors has recommended final cash dividend of 5% (i.e. Re. 0.50 per share) for the year 2019.

BALANCING, MODRENIZATION, AND REHABILIATION (BMR)

It is your Company's policy to constantly invest and explore options for strategical expansion, technological advancement, and/or environment safety. Cutting edge technologies in key areas of cement plant to enhance overall efficiencies and reduction in overall cost of production are being adopted.

Work on new clinker storage silo of 150,000 ton capacity is also under progress which is expected to complete by end of FY2020. It will enhanced the clinker storage capacity and reduced the handling and transportation cost of clinker stock. The Company has also started construction of water reservoir to store the rain water for use in production process.

CAPITAL STRUCTURE

Net debt of the company decreased by 15.4% to Rs. 3.577 billion as reported in note 37.5. This dropped the gearing ratio from 25% to 22% year on year basis. The Company managed to pay the due installment of borrowings as per agreement at broader prospect. Current ratio of the Company improved to 1.10 from 0.71.

KEY PERFORMANCE INDICATORS

6 years summary, key performance indicators along with their graphical presentation, horizontal and vertical analysis of financial position and financial performance are presented in this annual report which will help you to assess the Company's performance.

FORWARD LOOKING STATEMENT

Devaluation of Pakistani Rupee, increase in interest rates by the Central Bank, inflation rate hike cause the economic meltdown in the country. Work on CPEC relating projects and other public spending projects is either suspended or gone slow. New expansions are coming online and all major cement manufacturers are striving to expand their market shares these further put pressure on sales prices in domestic market.

It is expected that the cement demand in domestic market will improved in future as the government will initiate million house project and restart work on CPEC project. We will try our level best to sustain our market share. We are also focusing on enhancing production efficiency and taking other cost-cutting steps.

COMPOSITION OF AUDIT COMMITTEE

The Board has constituted the Audit Committee comprising of three members who are non-executive directors and have diversified experience in the field of business, finance and process. Chairperson of the committee is an independent director. The Audit Committee meets at least four time during each financial year. Further detail is provided in this annual report.

INTERNAL CONTROL SYSTEM

A strong internal control culture is prevailing in the company. The company has documented a robust and comprehensive internal audit control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. The company also has well documented Standard Operating Procedures (SOPs) for various processes which is periodically reviewed for changes warranted due to business needs. The Internal Audit Function continuously monitors the efficacy of internal control and compliance with SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

The scope and authority of the Internal Audit Function are well defined in the Term of Reference approved by the Audit Committee. Chief Internal Auditor is a qualified Chartered Accountant with adequate auditing experience.

MANAGING THE RISK OF FRAUD, CORRUPTION ANS UNETHICAL BUSINESS PRACTICE

The Board has constituted a Risk Management Committee to oversee the risk management process in the company. The Company has framed a Risk Management Policy covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process, and report compliance and effectiveness of the policy and procedure, A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risks. The Borad periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

Code of Conduct

The company has laid down a robust Code of Business Conduct and Ethics, which is based on the principles of ethics, integrity and transparency. More details about the Code are given in this Report.

Whistle Blower Policy

Fraud-free and corruption-free culture has been core to the Company. In view of the potential risk of fraud, corruption and unethical behaviour that could adversely impact the company's business operation, performance and reputation, the Company has put an even greater emphasis to address these risks. To meet this objective, a comprehensive Fraud Risk Management (FRM) Policy akin to the whistle-blower policy has been laid down. More detail is provided in this annual report.

Anti-Bribery and Corruption Directive

As a company, we take a zero-tolerance approach to bribery and corruption and are committed to act professionally and fairly in all our business dealings. The Board has laid down Anti Bribery and Corruption Directives as a part of the company's Code of Business Conduct and Ethics.

The above policies and its implementation are closely monitored by the Audit Committee and periodically reviewed by the Board.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is a responsible corporate citizen and always strives to discharge its social responsibilities towards the society. The Company promotes and facilitates welfare of the local communities in the town where the Company operates. Statement on Corporate Social Responsibility is given separately in this report.

RELATED PARTIES TRANSACTIONS

All related parties transactions entered into are at arm's length basis and were reviewed and approved by the Board Audit Committee as well as the Board of Directors of the Company in compliance with the Code of Corporate Governance, 2017 and the Companies Act, 2017. The detail of transactions with the related parties are provided in the financial statements.

BOARD OF DIRECTOS

The board is comprised of seven members having diversified experience in the field of business, finance and operation. Chairperson of the board if an independent director. The Board meets at least four times in each financial year. Detail of composition of the Board, Board meetings, annual evaluation and orientation training program for directors is provided in this annual report.

DIRECTORS' RESPONSIBILITIES

The directors of your Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Companies Act, 2017. Your Company has taken all necessary steps to ensure good Corporate Governance and full compliance of the Code and the Act. The Directors confirm that:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment except for a change in accounting policy reported in note 4.9.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.

We have also included the following information in this annual report:

- Statement of pattern of shareholding.
- Statement of shares held by associated undertakings and related persons.
- Statement of the Board meetings held during the year and attendance by each director.

AUDITORS

Kreston Hyder Bhimji & Co., Chartered Accountants being the retiring auditors are eligible for reappointment and Board has also endorsed their re-appointment for another term as per recommendation of the Audit Committee.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep sense of gratitude to the banks especially the Bank of Punjab and the financial institutions for their continued guidance and support.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in every member of the Gharibwal Cement family. To them goes the credit for the company's achievements.

We are deeply grateful to you, our shareholders, for the confidence and faith that you have always reposed in us.

For and on behalf of Board of Directors

MUHAMMAD TOUSIF PERACHA
Chief Executive Officer

ABDUR RAFIQUE KHAN
Director

Dated: October 02, 2019
Place: Lahore

ڈائریکٹرز کی رپورٹ

محترم اراکین

ہم مالی سال2019ء کے اختتام پر کمپنی کی سالانہ کارکردگی کا جائزہ, آڈٹ شدہ مالی اکاؤنٹس اور اُن پر آڈیٹرز کی رپورٹ بخوشی پیش کرتے ہیں۔

		2019	2018	(کمی)	(کمی) فیصد میں
سیمنٹ کی ترسیل	ٹن	**1,675,906**	1,891,808	(215,901)	-11.4%
خالص فروخت	رقم ملین روپے میں	**11,356**	11,705	(349)	-3.0%
مجموعی منافع	رقم ملین روپے میں	**2,640**	2,933	(292)	-10.0%
ٹیکس اور انٹرسٹ سے قبل منافع	رقم ملین روپے میں	**2,935**	3,139	(204)	-6.5%
ٹیکس سے قبل منافع	رقم ملین روپے میں	**1,380**	1,784	(404)	-22.6%
ٹیکس کے بعد منافع	رقم ملین روپے میں	**736**	1,510	(773)	-51.2%
فی شیئر منافع	رقم روپے میں	**1.84**	3.77	(1.93)	-51.2%

کمپنی کی مالی کارکردگی

کمپنی نے مالی سال2019 میں1.668 ملین ٹن سیمنٹ مقامی منڈی میں بیچا جس میں پچھلے سال کی نسبت10.4% کی کمی ہوئی۔ کمپنی انڈیا کو سیمنٹ برآمد کرتی ہے جو کہ آج کل پاکستان اور انڈیا کے تعلقات کی خرابی کی وجہ سے بند ہے۔ لوکل سیلز کی قیمت میں اضافہ کی وجہ سے سیمنٹ کی مقدار میں کمی کا اثر زائل ہوا جس کی وجہ سے لوکل سیلز ریونیو میں صرف3.0% کی کمی ہوئی۔

پیداواری لاگت کے حساب سے کمپنی کو اس سال مشکلات کا سامنا رہا ہے۔ جس کی وجہ سے پیداواری لاگت میں اضافہ ہوا جو کہ زیادہ تر بیرونی عوامل کی وجہ سے ہے۔

درآمدی ایندھن، قابلِ استعمال پارٹس کی قیمتیں ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے بڑھ گئی ہے۔ جس کی وجہ سے پیداواری لاگت بڑھ گئی۔ تاہم کمپنی کی انتظامیہ نے کوشش کی کہ وہ لاگت میں کمی اور پیداوار میں اضافہ کی کوششوں سے مجموعی پیداواری لاگت کو کنٹرول میں رکھے۔

ان عوامل کی وجہ سے مجموعی منافع میں2.640 بلین روپے رہا جو کہ پچھلے سال کی نسبت10% کم ہے۔

شرح سود میں اضافہ کی وجہ سے کمپنی کی فنانس کاسٹ میں اضافہ ہوا ہے۔ مرکزی بینک کی طرف سے دورانِ سالKIBOR میں4.00% اضافہ ہوا اس سال کمپنی نے375 ملین روپے کا طویل مدتی قرضہ مشاریکا سہولت کے تحت لیا۔ سیمنٹ مل کی تعمیر کے لیے لیئے گئے قرض پر سود کو پچھلے سال2018 میں سیمنٹ مل کی تعمیراتی لاگت میں شامل کیا گیا مگر اس سال یہ رقم بھی پرافٹ اینڈ لاس اکاؤنٹ کا حصّہ ہے۔ ان عوامل کی وجہ سے کمپنی کی فنانس کاسٹ41.5% سے بڑھ گئی۔ فنانس کاسٹ میں اس اضافہ کی وجہ سے قبل از ٹیکس منافع 1.380 بلین روپے رہا جو کہ پچھلے سال سے22.6% کم ہے۔

حکومت نے فنانس ایکٹ2019 کے تحت کارپوریٹ ٹیکس ریٹ کو2023 تک25% تک کم کرنے کے فیصلے کو منسوخ کر کے شرح ٹیکس کو29% پر فیکس کر دیا جس کی وجہ سے ٹیکس کے اخراجات میں 2.6 گنا اضافہ ہو گیا۔ کمپنی نے736 ملین روپے کا بعد از ٹیکس منافع ور1.84 روپے فی شیئر منافع کمایا جو کہ پچھلے سال کی نسبت51.3% کم ہے۔

مقسوم/ڈیویڈنڈ/منافع منقسم:

بورڈ آف ڈائریکٹرز نے سال2019 کے لیے5 فیصد کے حتمی ڈیویڈنڈ (یعنی50 پیسے فی شیئر) کی شفارش کی ہے۔

توازن، جدت اور بحالی کا منصوبہ(BMR)

مسلسل سرمایہ کاری، سامری توسیع، تکنیکی ترقی اور ماحولیاتی حفاظت آپ کی کمپنی کا اصول ہے۔ مجموعی طور پر استدادکار کو بڑھانے اور مجموعی لاگت میں کمی کے لیے سیمنٹ پلانٹ کے مختلف حصول میں جدید اقدامات (ٹیکنالوجی) کو اپنایا جا رہا ہے سیمنٹ پلانٹ کے اہم حصوں میں مجموعی کارکردگی کو بڑھانے اور مجموعی لاگت کم کرنے کے لیے مختلف ٹیکنالوجیز کو اپنایا جا رہا ہے۔150,000 ٹن گنجائش والے نئے

کلنکر اسٹوریج سائلو پر کام ہو رہا ہے۔ جو اندازاً 2020 تک مکمل ہو جائے گا۔ اس کی وجہ سے کلنکر ذخیرہ کرنے کی صلاحیت میں اضافہ ہوگا۔ اور ٹرانسپورٹ اور لینڈنگ کے خرچے کم ہونگے۔

سرمایہ کی ساخت اور کلیدی کارکردگی کے عکس:

نیٹ قرضہ جات 3.577 بلین روپے پر کلوز ہوئے جو کہ پچھلے سال سے 15.4% کم ہوئے۔ جسکی وجہ سے گیئرنگ ریشو 25% سے 22% پر آ گئی۔ تمام قرضہ جات اپنے ادائیگی کے شیڈول کے مطابق ادا کیئے جا رہے ہیں۔ کرنٹ تناسب 0.71 سے بڑھ کر 1.10 ہو گیا ہے۔

کارکردگی کے اہم اشارے:

چھ سالہ سمری میں، کلیدی کارکردگی کے اشارے، مالی پوزیشن اور مالی کارکردگی کا افقی اور عمودی تجزیہ بھی پیش کیا گیا ہے۔ جو آپ کے لیے کمپنی کی کارکردگی کو جانچنے میں مدد دے گا۔

مستقبل کے اندازے اور نقطہ نظر:

روپے کی قدر میں کمی، مرکزی بینک کی طرف سے شرح سود میں اضافہ، مہنگائی میں اضافہ معاشی بدحالی کا سبب بنتا ہے۔ CEPC کے منصوبے اور عوامی اخراجات کے منصوبے یا تو معطل کر دیے گئے ہیں یا کام کی رفتار انتہائی سست ہے۔

تمام بڑے سیمنٹ ساز ادارے اپنے توسیع منصوبوں کی کھپت کے لیے مارکیٹ میں اپنا حصہ بڑھانے کی کوششوں میں مصروف ہے۔ ان سب عوامل کی وجہ سے اندرونِ ملک سیمنٹ کی قیمتوں میں کمی ہو رہی ہے۔

مستقبل قریب میں سیمنٹ کی قیمتوں میں اضافہ متوقع ہے۔ کیوں کہ گورنمنٹ ایک کروڑ گھروں کی تعمیر کا منصوبہ بنا رہی ہے اور اُمید ہے کہ CEPC منصوبوں پر بھی دوبارہ کام شروع ہو جائے گا۔ اس سب کے دوران ہم مارکیٹ میں اپنا موجودہ حصہ برقرار رکھنے کی پوری کوشش کریں گے۔ ہم اپنی پیداواری کارکردگی بڑھانے اور لاگت کو کم رکھنے کے اقدامات بھی کر رہے ہیں۔

آڈٹ کمیٹی کی تشکیل:

بورڈ نے ایک اہل آڈٹ کمیٹی تشکیل دی ہے جس کے ارکان کی دتعداد تین ہے جو کہ نان ایگزیکٹو ڈائریکٹر ہیں اور وہ کاروبار، فنانس اور کاروباری عمل کے میدان میں منفرد تجربہ رکھتے ہیں۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی ہر مالی سال میں کم از کم چار بار میٹنگ کرتی ہے۔ جس کی تفصیل سالانہ رپورٹ میں دی گئی ہے۔

اندرونی کنٹرول کا نظام:

ایک مضبوط اندرونی کنٹرول کا نظام کمپنی کی ثقافت کا حصہ ہے۔ تمام بڑے معاملات کے لیے ایک مضبوط اور جامع اندرونی آڈٹ کنٹرول سسٹم دستاویزی شکل میں موجود ہے تا کہ مالیاتی رپورٹنگ کو قابلِ اعتماد، آپریشنل اور سٹریٹجک مقاصد کے حصول پر بروقت رائے، پالیسیوں، طریقہ کار، قوانین اور قوائد وضوابط پر عمل، اثاثوں کی حفاظت اور وسائل کو بہتر اور موثر طریقے سے استعمال کو یقینی بنایا جا سکے۔ کمپنی نے مختلف کاموں کے لیے آپریٹنگ طریقہ کار کے معیار (SOPs) بھی دستاویز کیے ہیں۔ جن میں وقتاً فوقتاً کاروبار کی ضروریات کے پیشِ نظر لازمی تبدیلیوں کا جائزہ لیا جاتا ہے۔ اندرونی آڈٹ فنکشن اندرونی کنٹرول کی افادیت اور آپریٹنگ طریقہ کار کے معیاروں کی مقاصد کے ساتھ ہم آہنگی پر مسلسل نظر رکھے ہوئے ہے۔

مزید براں یہ آڈٹ کمیٹی اور بورڈ کو کمپنی کے رِسک مینجمنٹ (خطرات سے نپٹنے)، کنٹرول اور گورننس کے عمل پر ایک غیر جانبدار، با مقصد اور معقول یقین دہانی سے آگاہ کرتا ہے۔ اندرونی آڈٹ فنکشن کے دائرہ کار اور اختیارات کی اُس کی ٹرم آف ریفرنس میں اچھی طرح وضاحت کی گئی ہے۔ جو آڈٹ کمیٹی سے منظور شدہ ہیں۔ چیف انٹرنل آڈیٹر ایک سند یافتہ انٹرنل آڈیٹر ہے جس کے پاس آڈیٹنگ کا معقول تجربہ ہے۔

فراڈ، کرپشن (بدعنوانی) اور غیر اخلاقی کاروبار کے طریقوں کے خطروں کا انتظام:

بورڈ نے رِسک مینجمنٹ کے عمل کی نگرانی کے لیے ایک رِسک مینجمنٹ کمیٹی تشکیل دی ہے۔ کمپنی نے ایک رسک مینجمنٹ پالیسی مرتب کی ہے جس میں خطرے کی تعریف، رجحان کا تجزیہ، خطرہ کا منکشف ہونا، اس کے ممکنہ اثرات اور تخفیف کا عمل، پالیسی اور طریقہ کار کی تعمیل اور افادیت پر رپورٹ شامل ہیں۔ کاروباری اور غیر کاروباری خطرات کی شناخت، اندازے، انتظام اور نگرانی کے لیے ایک تفصیلی مشق کی جا رہی ہے۔ بورڈ گاہے بگاہے خطرات کا جائزہ لیتا رہتا ہے اور ان کے کنٹرول اور تخفیف کے لیے ایک مناسب فریم ورک کے ذریعے اقدامات بھی تجویز کرتا رہتا ہے۔

ضابطہ اخلاق:

کمپنی نے ایک مظبوط کاروباری اخلاقیات اور طرزِ عمل واضع کیا ہے جو کہ اخلاقیات اور شفافیت کے اصولوں پر مبنی ہے مزید تفصیل اس رپورٹ میں دی گئی ہے۔

غیر قانونی کاموں کی مخبری کا طریقہ کار:

دھوکہ دہی (فراڈ) اور بدعنوانی سے پاک کلچر کو کمپنی میں بنیادی حیثیت حاصل ہے۔ آپریشن کی تیز رفتار ترقی کی وجہ سے دھوکہ دہی اور بدعنوانی کے ممکنہ خطرے کے پیشِ نظر کمپنی اِن خطرات سے نمٹنے پر زیادہ زور دے رہی ہے۔ اس مقصد کے حصول کے لیے ایک جامع فراڈ رِسک مینجمنٹ (FRM) پالیسی جو Whistleblower Policy سے ماخوذ ہے، بنائی گئی ہے، مندرجہ ذیل تفصیل اس رپورٹ میں درج ہے۔

انسداد رشوت ستانی اور بدعنوانی کی ہدایات:

ایک کمپنی کی حیثیت سے رشوت ستانی اور بدعنوانی کے لیے ہمارا نقطہ نظر عدم برداشت ہے اور ہم تمام کاروباری لین دین میں پیشہ وارانہ اور منصفانہ کام کرنے کے پابند ہیں۔ کمپنی کے کاروبار کرنے کی اخلاقیات کے حصّے کے طور پر بورڈ نے عدم رشوت اور بدعنوانی کی ہدایات جاری کر رکھی ہیں

مندرجہ بالا پالیسیوں اور اُن کے نفاذ کو آڈٹ کمیٹی بڑی باریک بینی سے نگرانی کرتی ہے اور وقتاً فوقتاً بورڈ کی طرف سے اِس کا جائزہ لیا جاتا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR):

آپ کی کمپنی ایک ذمہ دار ادارہ ہے اور ہمیشہ معاشرے کی طرف اپنی سماجی ذمہ داریوں کو ادا کرنے کی کوشش کرتی ہے۔ کمپنی اپنے گردونواح میں مقامی آبادی کو بہبود کی سہولیات فراہم کرتی ہے اور اسے فروغ بھی دیتی ہے۔ کارپوریٹ سماجی ذمہ داری پر بیان اِس رپورٹ میں الگ سے دیا گیا ہے۔

متعلقہ پارٹیز کے ساتھ معاملات:

متعلقہ پارٹیوں کے ساتھ لین دین (برابری کی سطح پر) کیا جاتا ہے اور پاکستان سٹاک ایکسچینج کے قوائد وضوابط کی تعمیل کے لیے آڈٹ کمیٹی اور بورڈ اِس پر نظر ثانی کے بعد منظوری دیتے ہیں۔ متعلقہ فریقوں کے ساتھ معاملات کی تفصیل اکاؤنٹس میں فراہم کی گئی ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز جو کہ سات ممبران پر مشتمل ہے اور جو کاروبار، فنانس اور آپریشن کے شعبہ میں متوزع تجربہ رکھتے ہیں۔ چیئرمین ایک آزاد ڈائریکٹر ہیں۔ بورڈ کی میٹنگ سال میں کم از کم چار مرتبہ ہوتی ہے۔ بورڈ کی ساخت، بورڈ کی میٹنگز سالانہ تشخیص اور تربیت کے متعلق پروگرامز کی تفصیل رپورٹ کا حصہ ہے۔

ڈائرکٹرز کی ذمہ داریاں:

ڈائریکٹرز، کوڈ آف کارپوریٹ گورنس، ریگولیشنز 2017 اور کمپنیز ایکٹ 2017 میں تحریر کردہ ذمہ داریوں سے آگاہ ہیں اور آپکی کمپنی کوڈ آف کارپوریٹ گورنس کی مکمل تعمیل کو یقینی بناتی ہے اور ڈائریکٹرز تصدیق کرتے ہیں کہ

(ا) کمپنی کی انتظامیہ کے تیار کردہ اکاؤنٹس میں اس کے امور، عملدرآمد کے نتائج، نقدی بہاؤ اور ایکیوٹی میں تبدیلیاں واضح اور منصفانہ طور پر پیش کی گئی ہیں۔

(ب) کمپنی کے حساب کی کتابوں کو باقاعدگی سے تیار کیا گیا ہے۔

(پ) اکاؤنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ بروئے کار لائی گئی ہیں ماسوائے اُن تبدیلیوں کے جو مالی گوشواروں میں منکشف ہیں اور حساب کتاب کے اندازے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(ت) بین الاقوامی حساب کتاب کے معیارات (IFRS) جیسے پاکستان میں نافذ عمل ہیں کو ان اکاؤنٹس کی تیاری میں اپنایا گیا ہے اور کسی بھی انحراف کو باقاعدہ منکشف کیا گیا ہے۔

(ٹ) اندرونی کنٹرول کا نظام اپنی ساخت کے اعتبار سے مستحکم ہے اور نفع بخش کاروبار کا موثر انتظام ہے۔

(ث) کمپنی کے مستقبل میں کام کرنے کی صلاحیت پر کوئی قابلِ ذکر تشویش نہیں ہے اور اکاؤنٹس کو اِسی بنیاد پر تیار کیا گیا ہے۔

اس سالانہ رپورٹ میں درج ذیل معلومات بھی فراہم کی گئی ہیں۔

(ا) شیئر ہولڈنگ کا نمونہ

(ب) متعلقہ فریقین اور ایسوسی ایٹڈ کمپنی نے جو شیئرز رکھے ہیں ان کی تفصیل۔

(پ) بورڈ آف ڈائریکٹرز کی میٹنگ اور ان میں ہر ڈائریکٹر کی حاضری سے متعلق بیان اسی سال کے دوران

آڈیٹرز:

کریسٹن حیدر بھیم جی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس جو ریٹائرڈ ہو گئے ہیں دوبارہ تقرری کے اہل ہیں اور آڈٹ کمیٹی کی تجویز پر بورڈ نے ایک اور مدت کے لیے ان کی تقرری کی توثیق کی ہے۔

خدمات کا اعتراف/ تشکریہ:

ڈائریکٹرز اس موقع پر بینکوں خصوصاً بنک آف پنجاب اور دیگر مالیاتی اداروں کا دل کی گہرائیوں سے شکریہ ادا کرتے ہیں جنہوں نے ہماری مسلسل رہنمائی اور حمایت کی۔ ہم اس امر کو بھی دائرہ تحریر میں لانا پسند کرتے ہیں کہ غریب وال سیمنٹ خاندان کے ہر رکن کی وابستگی، لگن اور محنت دِلی تعریف کے لائق ہے۔ ہماری کامیابیوں کا ثمر انہی کی بدولت ہے۔

معزز اراکین ہم آپ کو اُس اعتماد اور یقین کے دِل کی گہرایوں سے ممنون ہیں جو آپ نے ہمیشہ سے ہم پر کیا۔

منجانب: بورڈ آف ڈائریکٹر

محمد توصیف پراچہ
چیف ایگزیکٹیو آفیسر

عبدالرفیق خان
ڈائریکٹر

02 اکتوبر 2019ء

لاہور

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

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E-mail: krestonhb@gmail.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Gharibwal Cement Limited

Review Report on the Statement of Compliance contained in
Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Gharibwal Cement Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Kreston Hyder Bhimji & Co.

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: October 02, 2019

STATEMENT ON COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

For the year ended June 30, 2019

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2017 (Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

   a. Male: Six (6)
   b. Female: One (1)

1. The composition of board is as follows:

Category	Names
Independent Directors	Mian Nazir Ahmed Peracha (Chairman)
	Daniyal Jawaid Paracha
Other Non-executive Director	Muhammad Niaz Peracha
	Ali Rashid Khan
	Amna Khan
Executive Directors	Muhammad Tousif Paracha (CEO)
	Abdur Rafique Khan

3. The directors have confirmed that none of them is serving as a director on more than five listed companies including Gharibwal Cement Limited.

4. The company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations.

9. The Company is fully compliant with the requirement of directors' training under rule 20 of the Code of Corporate Governance, 2017. Two (2) directors are already certified under the Directors Training Program, and three (3) directors meet the criteria of exemption. None of the directors have attended any director's training program during the year.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee

i. Mian Nazir Ahmed Peracha (Chairman)
ii. Daniyal Jawaid Paracha (Member)
iii. Muhammad Niaz Peracha (Member)

b) HR and Remuneration Committee

i. Danyial Jawaid Peracha (Chairman)
ii. Muhammad Tousif Paracha (Member)
iii. Ali Rashid Khan (Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a) Audit Committee:	Quarterly
b) HR and Remuneration Committee:	Yearly

15. The board has set up an effective internal audit function, comprising of personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company. The internal audit function is involved in Internal Audit on full time basis relating to the business and other affairs of the Company

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, and these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Chief Executive Officer

Director

Dated: October 02, 2019
Place: Lahore

PATTERN OF SHAREHOLDINGS

Number of Shareholding	Shareholdings From	To	Total Share Held
933	1	100	32,990
739	101	500	259,634
603	501	1,000	535,064
1,044	1,001	5,000	2,899,633
306	5,001	10,000	2,426,142
102	10,001	15,000	1,306,913
66	15,001	20,000	1,196,337
34	20,001	25,000	790,653
24	25,001	30,000	689,249
23	30,001	35,000	762,709
11	35,001	40,000	415,890
12	40,001	45,000	506,889
21	45,001	50,000	1,016,983
7	50,001	55,000	373,000
6	55,001	60,000	358,000
4	60,001	65,000	254,500
5	65,001	70,000	343,200
4	70,001	75,000	294,500
2	75,001	80,000	155,000
3	80,001	85,000	249,705
2	85,001	90,000	179,500
2	90,001	95,000	184,000
15	95,001	100,000	1,493,500
2	100,001	105,000	209,000
1	105,001	110,000	106,500
1	110,001	115,000	115,000
3	115,001	120,000	351,443
2	120,001	125,000	247,000
1	125,001	130,000	127,000
1	140,001	145,000	145,000
3	145,001	150,000	450,000
1	150,001	155,000	153,747
1	155,001	160,000	159,500
2	160,001	165,000	327,000
1	165,001	170,000	170,000
2	170,001	175,000	350,000
1	175,001	180,000	177,500
2	190,001	195,000	388,525
2	195,001	200,000	400,000
1	210,001	215,000	213,500
1	215,001	220,000	219,000
1	245,001	250,000	250,000
1	250,001	255,000	251,500
2	265,001	270,000	536,000
1	285,001	290,000	287,500
1	295,001	300,000	300,000
1	355,001	360,000	357,500
1	370,001	375,000	375,000
1	420,001	425,000	423,000
1	445,001	450,000	450,000
1	470,001	475,000	470,500
1	490,001	495,000	494,000
1	495,001	500,000	500,000
1	510,001	515,000	515,000
2	520,001	525,000	1,043,074
1	595,001	600,000	596,765
1	745,001	750,000	750,000
1	2,620,001	2,625,000	2,625,000
1	2,710,001	2,715,000	2,714,000
1	2,935,001	2,940,000	2,938,584
1	2,995,001	3,000,000	3,000,000
1	4,080,001	4,085,000	4,082,112
1	4,280,001	4,285,000	4,282,112
1	5,245,001	5,250,000	5,250,000
1	5,945,001	5,950,000	5,950,000
1	16,060,001	16,065,000	16,062,541
1	22,725,001	22,730,000	22,728,035
1	90,175,001	90,180,000	90,179,285
1	211,825,001	211,830,000	211,828,746
4,026			400,273,960

PATTERN OF SHAREHOLDINGS

Categories of shareholders	Share Held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	354,580,654	88.58%
Associated Companies, undertakings and related parties. (Parent Company)	0	0.00%
NIT and ICP	630	0.00%
Banks, Development Financial Institutions, Non Banking Financial Institutions.	5,960,395	1.49%
Insurance Companies	418	0.00%
Modarabas and Mutual Funds	40,000	0.01%
General Public - Local	33,466,136	8.36%
General Public - Foreign	2,000	0.00%
Joint Stock Companies	1,617,280	0.40%
Foreign Companies	4,309,112	1.08%
Associations	43,637	0.01%
Others	253,698	0.06%
	400,273,960	100%

Share holders holding 10% or more	302,801,364	75.65%

NIT & ICP		
The Investment Corporation of Pakistan.	630	0.00%

Directors and their Spouse and Minor Chidren :			
1	Abdur Rafique Khan	90,929,285	22.72%
2	Muhammad Tousif Peracha	214,872,079	53.68%
3	Muhammad Niaz Peracha	2,330	0.00%
4	Ali Rashid Khan	20,344,653	5.08%
5	Tabassum Tousif Peracha W/O Muhammad Tousif Peracha	194,025	0.05%
6	Amna Khan	22,728,035	5.68%
7	Salma Khan W/O A. Rafique Khan	153,747	0.04%
8	Daniyal Jawaid Paracha	17,000	0.00%
9	Mian Nazir Ahmed Paracha	500	0.00%
10	Feriha Nazir Peracha W/O Mian Nazir Ahmed Paracha	2,714,000	0.68%
11	Qamar Nazir Peracha W/O Mian Nazir Ahmed Paracha	2,625,000	0.66%

Banks, Development Finance Institutions, Non Banking Finance		
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	6,000,813	1.50%

Shareholders holding five percent or more voting intrest in the listed company:			
1	Muhammad Tousif Peracha	214,872,079	53.68%
2	Abdur Rafique Khan	90,929,285	22.72%
3	Amna Khan	22,728,035	5.68%
4	Ali Rashid Khan	20,344,653	5.08%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

		SALE / TRANSFER	PURCHASE / TRANSFER
1	Muhammad Tousif Peracha (CDC)	10,500,000	
2	Feriha Nazir Peracha W/O Mian Nazir Ahmed Paracha		2,714,000
3	Qamar Nazir Peracha W/O Mian Nazir Ahmed Paracha		2,625,000
4	Ali Rashid Khan		4,282,112

Financial Highlights

SIX YEARS AT A GLANCE

	2019	2018	2017	2016	2015	2014
Summary of Balance Sheet (Rs. '000)						
Equity	12,481,446	12,490,557	11,381,045	10,071,067	7,737,654	6,634,784
Interest bearing long term debt	3,491,973	3,665,050	3,765,786	3,150,382	2,593,657	3,329,770
Non-interest bearing long term debt	517,160	673,337	740,422	742,082	1,080,120	990,612
Capital employeed	16,490,579	16,828,944	15,887,253	13,963,531	11,411,431	10,955,166
Net debt	3,577,373	4,230,518	4,382,637	3,403,368	3,495,078	4,287,418
Property, plant and equipment	18,315,268	19,251,030	18,677,798	15,397,173	13,722,670	13,102,850
Current assets	4,947,128	3,591,975	2,847,464	2,560,928	2,070,404	1,968,973
Current liabilities	4,501,227	5,044,568	4,282,706	3,050,080	4,708,994	3,958,333
Total assets	23,262,396	22,843,005	21,615,065	18,052,290	15,883,604	15,179,894
Summary of Profit and Loss Account (Rs. '000)						
Net sale	11,355,918	11,704,607	11,357,244	10,602,968	9,694,965	8,615,031
Gross profit	2,640,376	2,932,650	3,988,401	4,252,904	3,062,330	2,418,007
Operating profit	1,943,320	2,186,777	3,289,856	3,619,819	2,581,876	2,042,608
EBITDA	2,935,354	3,138,932	4,003,963	4,288,572	3,262,498	2,636,220
Profit before taxation	1,380,182	1,783,549	3,044,676	3,694,629	2,010,295	1,406,507
Profit after taxation	736,685	1,509,654	2,283,696	2,681,056	1,202,397	845,256
Summary of Cash Flow Statement (Rs. '000)						
Net cash flow from operating activities	1,327,101	2,490,330	3,491,105	2,900,809	2,237,310	1,827,204
Net cash flow from investing activities	(170,108)	(1,336,824)	(3,795,935)	(2,543,922)	(1,299,159)	(175,436)
Net cash flow from financing activities	(833,102)	(1,169,208)	(60,695)	(46,490)	(792,416)	(1,619,496)
Change in cash and cash equivalents	323,891	(15,702)	(365,525)	310,397	145,735	32,272
Cash and cash equivalent at year end	431,760	107,869	123,571	489,096	178,699	32,964
Profitability Ratios						
Gross Profit ratio	23.25%	25.06%	35.12%	40.11%	31.59%	28.07%
Net Profit to Sales Ratio	6.49%	12.90%	20.11%	25.29%	12.52%	9.89%
EBITDA Margin to Sales ratio	25.85%	26.82%	35.25%	40.45%	33.98%	30.84%
Return on Equity	5.90%	12.65%	21.29%	30.11%	16.73%	15.57%
Return on Capital Employeed	4.42%	9.23%	15.30%	21.13%	10.75%	8.05%
Return on total assets	3.20%	6.79%	11.51%	15.80%	7.74%	6.01%
Liquidity Ratios						
Current Ratio (times)	1.10	0.71	0.66	0.84	0.44	0.50
Quick Ratio (times)	0.56	0.28	0.25	0.46	0.13	0.12
Cash flow from operations to Sales (times)	0.12	0.21	0.31	0.28	0.23	0.21
Activity / Turnover Ratios						
Inventory turnover ratio	11.39	13.96	16.11	13.88	8.77	11.75
No. of days in inventory	32	26	23	26	42	31
Debtors turnover ratio	28.24	31.47	34.92	43.03	46.85	46.42
No. of days in receivables	13	12	10	8	8	8
Creditor turnover ratio	3.10	3.47	5.20	4.80	4.00	4.73
No. of days in payables	118	105	70	76	91	77
Total assets turnover ratio	0.49	0.51	0.53	0.59	0.61	0.57
Fixed assets turnover ratio	0.62	0.61	0.61	0.69	0.71	0.66
Operating cycl	(73)	(67)	(31)	(41)	(42)	(38)

SIX YEARS AT A GLANCE

	2019	2018	2017	2016	2015	2014
Investment / Market Ratios						
Earning per share (Rs.)	1.84	3.77	5.71	6.70	3.00	2.11
Price Earning ratio (Rs.)	5.63	5.55	7.98	7.09	8.99	8.35
Break-up Value of Share (Rs.)	31.18	31.21	28.43	25.16	19.33	16.58
Market Value of Share (Rs.)						
Year End	10.36	20.92	45.54	47.50	27.00	17.63
Highest	23.52	47.50	67.48	49.99	33.42	21.25
Lowest	9.01	19.79	45.54	25.65	15.60	9.35
Average	16.41	29.08	56.00	36.89	22.23	15.75
Market Capitalization (Rs. '000)	4,146,838	8,373,731	18,228,476	19,013,013	10,807,397	7,056,830
Capital Structure Ratio						
Financial leverage ratio	32%	35%	40%	39%	46%	65%
Weighted average cost of debt	10%	10%	8%	7%	15%	13%
Capitalization rate	18%	18%	13%	14%	11%	12%
Interest cover ratio (times)	3.20	5.09	10.68	12.99	4.50	3.20
Debt to equity ratio (times)	0.32	0.35	0.40	0.39	0.47	0.65
Leverage (times)	1.22	1.35	1.09	0.79	1.07	1.63

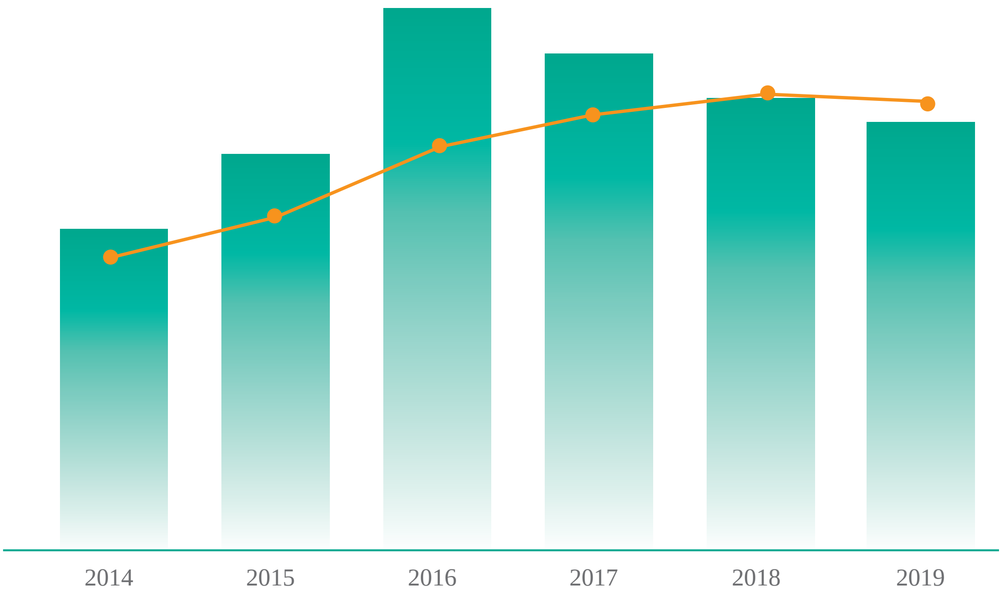
Non-interest bearing long term debt = Markup deferred banks as per rescheduling agreements
Capital employed = Equity with revaluation surplus + Interest bearing long term debt + Non-interest bearing long term debt
Net debt = Interest bearing long term debt + Non-interest bearing long term debt + Interest bearing short term debt - Cash and cash equivalent
Gross profit ratio = Gross profit / Net sale
Operating leverage ratio = % change in operating profit / % change in net sales
Return on equity = Profit after tax / Average equity with revaluation surplus
Return on capital employee = Profit after tax / Average capital employed
Return on total assets = Profit after tax / Average total assets
Current ratio = Current assets / Current liabilities
Quick ratio = (Currant assets - Stock-in-trade - Stores, spares & loose tools) / Current liabilities
Inventory turn over ratio = Cost of sales / Average stock-in-trade
Debtors turn over ratio = Local gross sales / Average trade debtors
Creditors turn over ratio = Purchases / Average trade creditors
Operating cycle = Inventory days + Debtors days - Creditors days
Market capitalization = No. of issued shares x share price at year end
Financial leverage ratio = (Interest bearing long term debt + Non-interest bearing long turn debt) / Equity with revolution surplus
Weighted cost of debt = Interest on long term debt / Interest bearing long term debt
Interest cover ratio = EBIT / Finance cost
Debt equity ratio = (Interest bearing long term debt + Non-interest bearing long term debt) / Equity with revolution surplus
Leverage = Net debt / EBITDA

PERFORMANCE SUMMARY

	2019	2018	Variance in %
Cement sales volume (MT)	1.676	1.892	-11%
Net sales (MRs.)	11,356	11,705	-3%
Gross Profit (MRs.)	2,640	2,933	-10%
as a % of net sales	23.25%	25.06%	
EBITDA (MRs.)	2,935	3,139	-6%
as a % of net sales	25.85%	26.82%	
EAT (MRs.)	737	1,510	-51%
as a % of net sales	6.49%	12.90%	
EPS (Rs.)	1.84	3.77	-51%
Market value (Rs.)	10.36	20.92	-50%
Equity (MRs.)	12,481	12,491	0%
Total debt (MRs.)	4,009	4,338	-8%
Net debt (MRs.)	3,577	4,231	-15%
Leverage	1.22	1.35	-10%

Total debt = Long-term interest bearing debt + Long-term non-interest bearing debt + Short-term interest bearing debt
Net debt = Total debt - cash and cash equivalent
Leverage = Net debt / EBITDA
Equity = Share capital + Retained earnings + Revaluation surplus on PPE

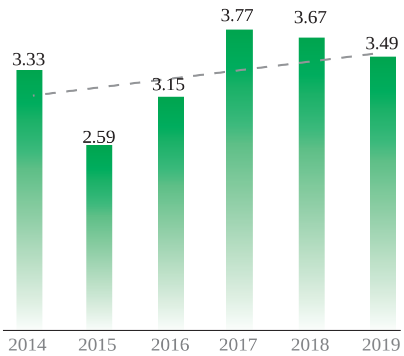
EBITDA VS BOOK VALUE PER SHARE



Continuous organic growth driven by operational performance leads to enhancement of waelth of the shareholders due to increase in breakup value per share and distribution of dividends.

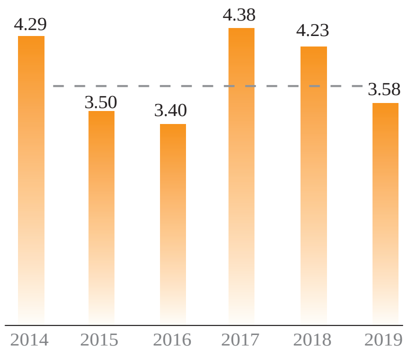
KPI GRAPHICAL PRESENTATION

Interest bearing debt (billion rupees)



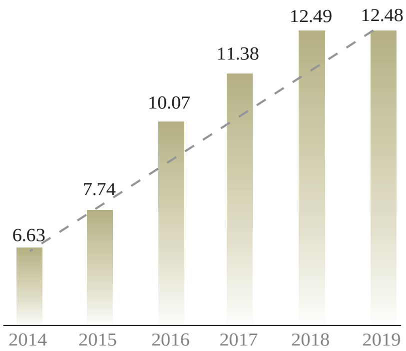
Interest bearing debts includes long term and short term borrowings carrying markup/profit. During the year 2019, new borrowings of Rs. 1.13 bn were obtained whereas debts of Rs. 1.46 bn were repaid. In next two years, the Company will repaid about Rs. 2.18 bn.

Net debt (billion rupees)



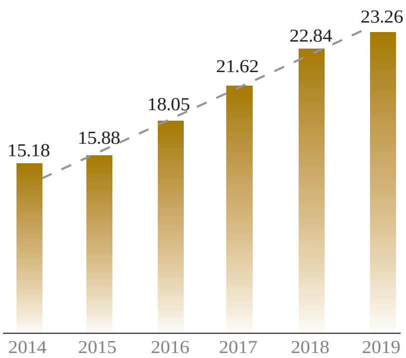
Net debt includes interest bearing long term and short term debts and non-interest bearing long term debts i.e. deferred markup/profits less cash and cash equivalent. Net debts are on downward trejectory and reduced to Rs. 3.58 billion in 2019 compared to Rs. 4.29 billion in 2014 despite of the fact that new debts of 1.13bn were obtained in the year 2019.

Shareholders Equity (billion rupees)



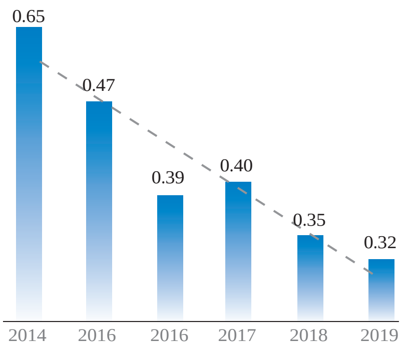
Ordinary shareholders equity includes paid capital, retained earning and surplus on revaluation of PPE. Equity is on upward trajectory due to retained earnings and increased to Rs. 12.48 bn in 2019 against Rs. 6.63 bn in 2014 posting a growth of ~4 times over the timeline.

Total Assets (billion rupees)



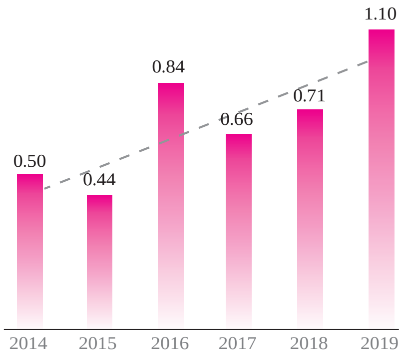
Total assets increased to Rs. 23.26 bn in 2019 against Rs. 15.18 bn in 2014 posting a growth of ~53% over the timeline.

Debt : Equity Ratio



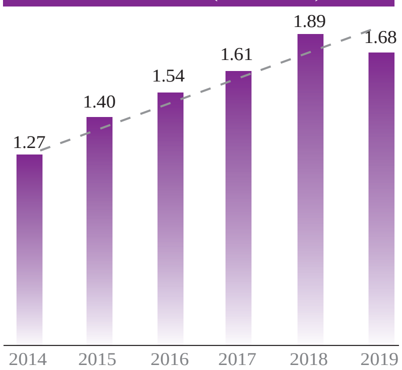
This represents debts against shareholders equity of Re 1. Debts include long term interest bearing and non-interest bearing debts and equity includes revaluation surplus. This ratio is on downword trajectory due to repayment of debts and retention of earnings within the Company. This ratio decreased to Re. 0.32 in 2019 compared to Rs. 0.65 in 2014 posting a reduction of ~51% over the timeline.

Current Ratio



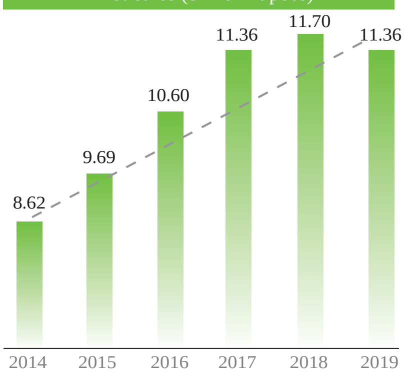
This represents current assets against current liability of Re 1. Current ratio improved to 1.10 in the year 2019 from 0.50 in the year 2014.

Sales Volume (million ton)



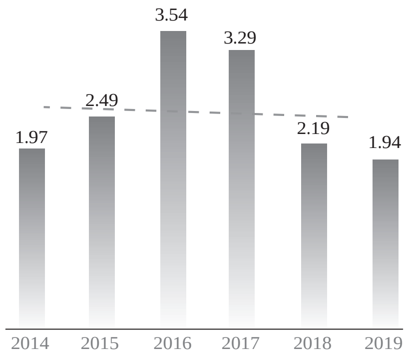
Sales volume is consistantly on upward trend and stood at 1.68 million ton cement dispatch in 2019 compared to 1.27 million tonnes in 2014 posting a growth of ~32% over timeline.

Net sales (billion rupees)



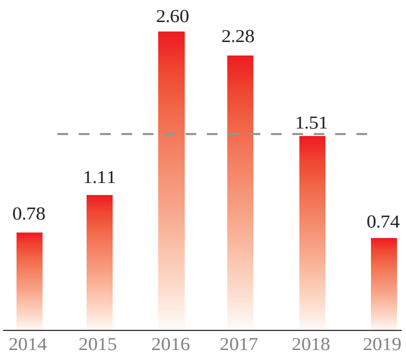
Net Sales continued its upward trajectory mainly due to sales volume growth and stood at 11.36bn in 2019 compared to Rs. 8.62 billion in 2014 posting a growth of ~32% over timeline.

EBITDA (billion rupees)



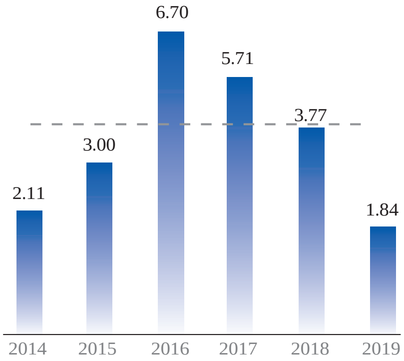
Earnings before interest, tax and depreciation is on its downward trajectory and stood at Rs. 1.94 bn in 2019.

Net profit (billion rupees)



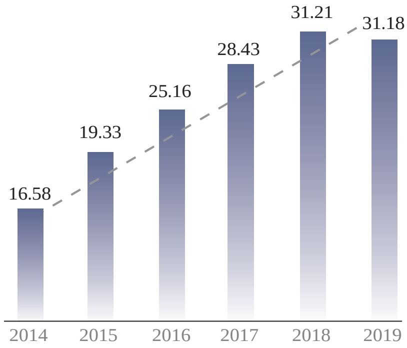
Profit after taxation stood at Rs. 0.74 bn in 2019 compared to Rs. 0.78 bn in 2014.

Earnings per share (rupees)



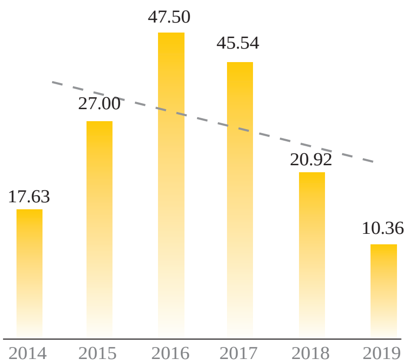
EPS stood at Rs. 1.84 in 2019 compared to Rs. 2.11 in 2014.

Book value per share (rupees)



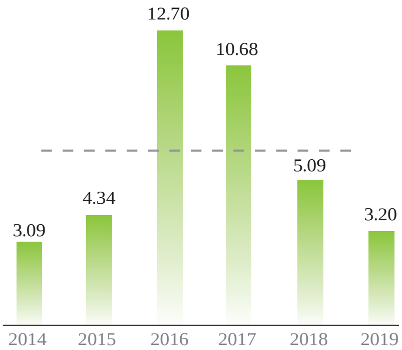
Book value per share displayed upward trajectory and stood at Rs. 31.18 in 2019 which has been increased by ~88% since 2014.

Market value per share (rupees)



Market value per share reduced to Rs. 10.36 at the close of 2019 due to ongoing overall downfall of equity market on the Pakistan Stock Exchange.

Interest Cover Ratio (rupees)

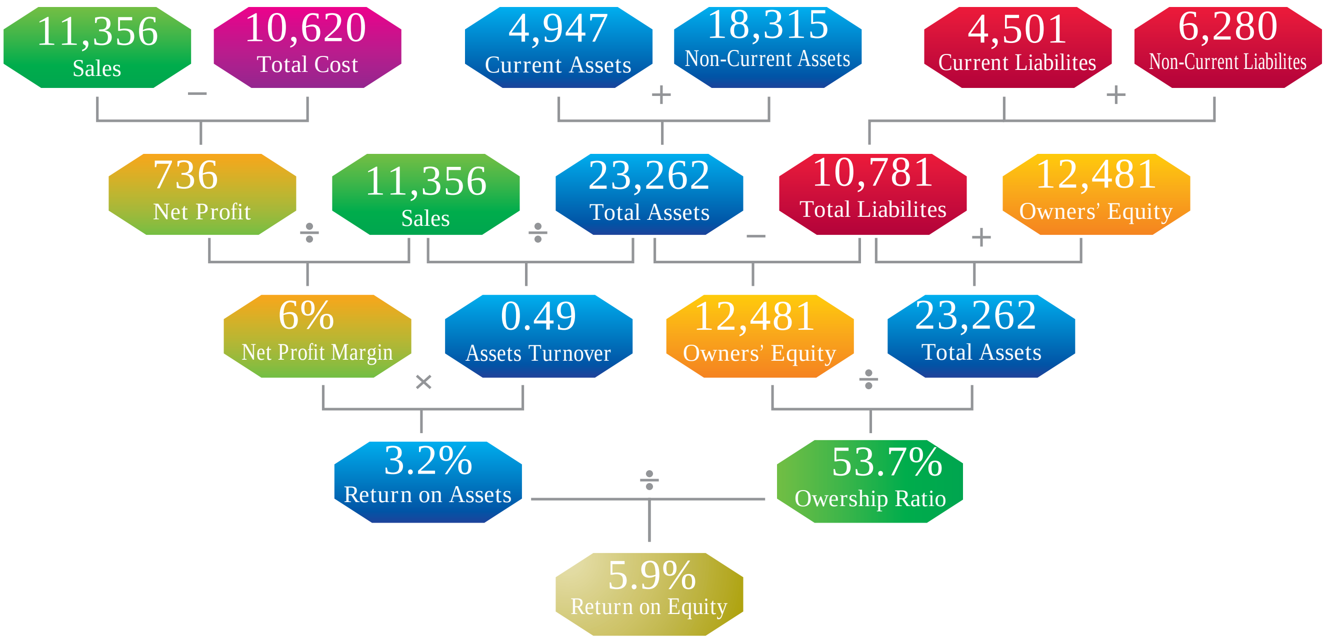


This represents EBIT against finance cost of Re 1. Interest cover ratio reduced to Rs 3.20 against Rs. 3.09 in 2014.

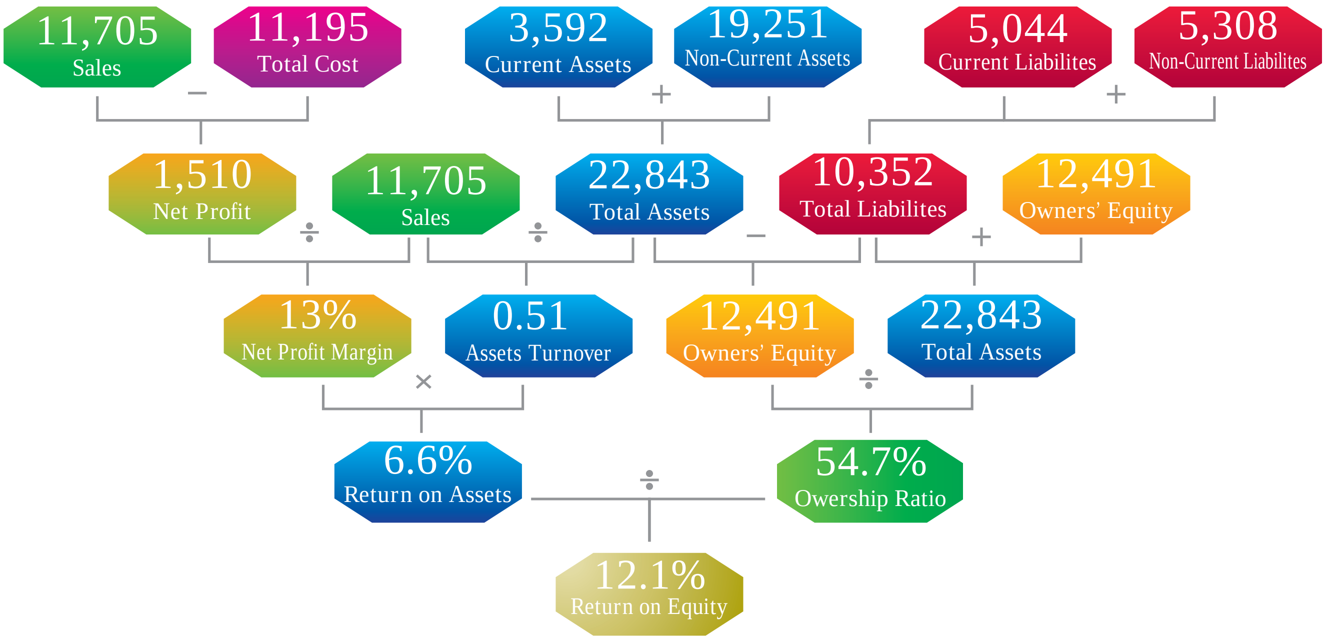
DuPONT ANALYSIS

	2019	2018
Tax burden	33.1%	12.5%
Interest burden	17.1%	18.4%
EBIT margin	0.49%	18.7%
Asset turnover	0.49	0.51
Leverage	46.3%	45.3%
Return on Equity	5.9%	12.01%

2019



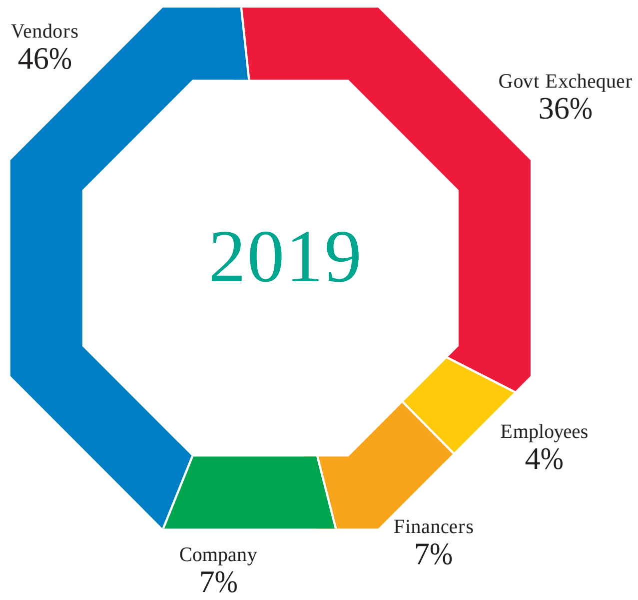
2018

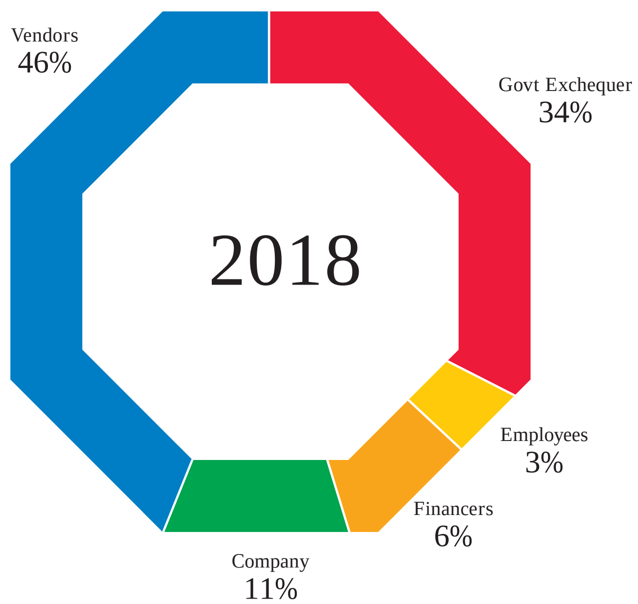


Leverage = (Non-current Liabilities + Current Liabilities) / Total Assets
Interest Burden = (Finance Cost - Other Income) / EBIT
Figures in million rupees.

DISTRIBUTION OF WEALTH

The Company continues to play its role in economic development of the country and contributed 93% (FY2018: 89%) of the gross wealth generated during the year to various stackholers within the society. 46% (FY2018: 46%) of the Company's gross wealth was contributed to suppliers of fuel, energy, materials, servies etc.. 36% (FY2018: 34%) of the gross wealth was contributed to the government exchequer on account of income tax, sales tax, federal excise duty, royalty and excise duty on mineral, workers welfare fund and workers profit participation fund. 7% (FY2018: 6%) of the gross wealth went to the provider of finance in the shape of markup, profit and dividend. 4% (FY2018: 3%) of the gross wealth was went to employees. Whereas the Company retained 7% (FY2018: 11%) of the gross wealth in the form of depreciation, amortisation and retained earnings.





VERTICAL & HORIZONTAL ANALYSIS

	2019	2018	2017	2016	2015	2014
						Figures in Thousand Rupees
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Property, plant and equipment	18,241,973	19,136,955	18,677,798	15,397,173	13,722,670	13,102,850
% change from preceeding year	*-5%*	*2%*	*21%*	*12%*	*5%*	*14%*
% change from base year 2014	*139%*	*146%*	*143%*	*118%*	*105%*	*100%*
% of total assets	*78%*	*84%*	*86%*	*85%*	*86%*	*86%*
Non-current assets	18,315,268	19,251,030	18,767,601	15,491,362	13,813,200	13,210,921
% change from preceeding year	*-5%*	*3%*	*21%*	*12%*	*5%*	*13%*
% change from base year 2014	*139%*	*146%*	*142%*	*117%*	*105%*	*100%*
% of total assets	*79%*	*84%*	*87%*	*86%*	*87%*	*87%*
Current assets	4,947,128	3,591,975	2,847,464	2,560,928	2,070,404	1,968,973
% change from preceeding year	*38%*	*26%*	*11%*	*24%*	*5%*	*63%*
% change from base year 2014	*251%*	*182%*	*145%*	*130%*	*105%*	*100%*
% of total assets	*21%*	*16%*	*13%*	*14%*	*13%*	*13%*
Total assets	23,262,396	22,843,005	21,615,065	18,052,290	15,883,604	15,179,894
% change from preceeding year	*2%*	*6%*	*20%*	*14%*	*5%*	*17%*
% change from base year 2014	*153%*	*150%*	*142%*	*119%*	*105%*	*100%*
% of total assets	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
EQUITY AND LIABILITIES						
Equity	12,481,446	12,490,557	11,381,045	10,071,067	7,737,654	6,634,784
% change from preceeding year	*0%*	*10%*	*13%*	*30%*	*17%*	*57%*
% change from base year 2014	*188%*	*188%*	*172%*	*152%*	*117%*	*100%*
% of total assets	*54%*	*55%*	*53%*	*56%*	*49%*	*44%*
Interest bearing long term borrowings	3,491,973	3,365,050	3,765,786	3,150,382	2,455,810	3,162,753
% change from preceeding year	*-5%*	*-11%*	*20%*	*28%*	*-22%*	*-33%*
% change from base year 2014	*105%*	*110%*	*113%*	*95%*	*78%*	*100%*
% of total assets	*15%*	*18%*	*17%*	*17%*	*16%*	*22%*
Non-Interest bearing long term borrowings	517,160	673,337	740,422	742,082	1,080,120	990,612
% change from preceeding year	*-23%*	*-9%*	*0%*	*-31%*	*9%*	*10%*
% change from base year 2013	*52%*	*68%*	*75%*	*75%*	*109%*	*100%*
% of total assets	*2%*	*3%*	*3%*	*4%*	*7%*	*7%*
Capital employeed	16,490,579	16,528,944	15,887,253	13,963,531	11,273,584	10,788,149
% change from preceeding year	*-2%*	*4%*	*14%*	*24%*	*4%*	*9%*
% change from base year 2014	*151%*	*154%*	*145%*	*127%*	*104%*	*100%*
% of total assets	*71%*	*72%*	*74%*	*77%*	*72%*	*71%*
Non-current liabilities	6,279,723	5,307,880	5,951,314	4,931,143	3,436,956	4,586,777
% change from preceeding year	*18%*	*-11%*	*21%*	*43%*	*-25%*	*-18%*
% change from base year 2014	*137%*	*116%*	*130%*	*108%*	*75%*	*100%*
% of total assets	*27%*	*23%*	*28%*	*27%*	*22%*	*30%*
Current liabilities	4,501,227	5,044,568	4,282,706	3,050,080	4,708,994	3,958,333
% change from preceeding year	*-11%*	*18%*	*40%*	*-35%*	*19%*	*25%*
% change from base year 2014	*114%*	*127%*	*108%*	*77%*	*119%*	*100%*
% of total assets	*19%*	*22%*	*20%*	*17%*	*30%*	*26%*

STATEMENT OF FINANCIAL POSITION

	2019	2018	2017	2016	2015	2014
						Figures in Thousand Rupees
STATEMENT OF PROFIT OR LOSS						
Net sales	11,355,918	11,704,607	11,357,244	10,602,968	9,694,965	8,615,031
% change from preceeding year	*-3%*	*3%*	*7%*	*9%*	*13%*	*37%*
% change from base year 2014	*132%*	*136%*	*132%*	*123%*	*113%*	*100%*
% of net sales	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Gross profit	2,640,376	2,932,650	3,988,401	4,252,904	3,062,330	2,418,007
% change from preceeding year	*-10%*	*-26%*	*-6%*	*39%*	*27%*	*43%*
% change from base year 2014	*109%*	*121%*	*165%*	*176%*	*127%*	*100%*
% of net sales	*23%*	*25%*	*35%*	*40%*	*32%*	*28%*
EBITDA	2935354	3138932	4003962.7	4288572	3262498	2636220
% change from preceeding year	*-6%*	*-22%*	*-7%*	*31%*	*24%*	*47%*
% change from base year 2014	*111%*	*119%*	*152%*	*163%*	*124%*	*100%*
% of net sales	*26%*	*27%*	*35%*	*40%*	*34%*	*31%*
Profit before taxation	1,380,182	1,783,549	3,044,676	3,694,629	2,010,295	1,406,507
% change from preceeding year	*-23%*	*-41%*	*-18%*	*84%*	*43%*	*35%*
% change from base year 2014	*98%*	*127%*	*216%*	*263%*	*143%*	*100%*
% of net sales	*12%*	*15%*	*27%*	*35%*	*21%*	*16%*
Profit after taxation	736,685	1,509,654	2,283,696	2,681,056	1,202,397	845,256
% change from preceeding year	*-51%*	*-34%*	*-15%*	*123%*	*42%*	*-17%*
% change from base year 2014	*87%*	*179%*	*270%*	*317%*	*142%*	*100%*
% of net sales	*6%*	*13%*	*20%*	*25%*	*12%*	*10%*

Financial Statements

for the year ended June 30, 2019

KRESTON
HYDER BHIMJI & CO
CHARTERED ACCOUNTANTS

Amin Building,
65-The Mall, Lahore.
Phone: 042-37352661, 37321043
Fax: 042-37248113
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INDEPENDENT AUDITORS' REPORT

To the members of Gharibwal Cement Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ghraibwal Cement Limited ("the Company"), which comprises statement of financial position as at June 30, 2019, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting Standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2019 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter(s)	How the Matter was addressed in audit
1. Inventory: As at June 30, 2019 inventories, as disclosed in note - 8 to the annexed financial statements include coal and other consumable stores items. There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete. The Company's principal accounting policy on inventories and the critical accounting estimates and judgements are disclosed in note - 4.3 to the annexed financial statements. Further, stock in trade in financial statements as disclosed in note - 8 includes: • raw materials comprising limestone, clay, gypsum and laterite; • work-in-progress mainly comprising clinker; and • finished goods in the shape of cement. The above items are stored in purpose built sheds, stockpiles and silos. As the weighing of these inventories of stock in	Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by: • checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end with sample / verification test; • critically assessing the Company's provisioning policy, with specific consideration given to aged / slow- moving inventory; • re-computing provision recorded to verify that they are in line with Company's policy; • reviewing historical accuracy of fuels, parts and supplies provisioning with reference to inventory write-offs during the year in relation to stock loss or other inventory adjustments;

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Key Audit Matter(s)	How the Matter was addressed in audit
trade is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose and bulk density. Due to the significance of inventory balances of consumable stores and spares a stock in trade and related estimations involved, this is considered as a key audit matter.	• Attended physical inventory counts performed by the Company; • Assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes and density to total weight and the related yield; and • Obtained and reviewed the inventory count report of the management's internal surveyor and assessed its accuracy on a sample basis. We further tested the NRV of the inventories held by preforming a review of sales close to and subsequent to the year end.
2. Revenue recognition: As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period. These revenue may also be manipulated through the use of inappropriate rates for the overstatement / understatement of revenue to achieve desired financial results. In view of significant value of transactions and presumed risk of material misstatement involved, we have considered this as a key audit matter. The disclosures related to recognition of revenue by the company are provided in note 4.18 to the annexed financial statements.	In this regard, our audit procedures included: • Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the company. • Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related goods or services actually took place. • Analyzing other adjustments and credit notes issued after the reporting date. • Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out paying special attention to accounting entries recorded close to the yearend closing or subsequently, as well as those deemed unusual due, among other reasons, to their nature, amount, date of occurrence. • Reviewing disclosures included in the notes to the annexed financial statements.
3. Taxation: As described in Summary of Significant Accounting Policies in note - 4.14, significant judgment is required in determining the provision for income tax, both current and deferred, as well assessment of provision for uncertain tax positions including estimates of penalties / default surcharge, where appropriate. The effective tax rate of the company has increased from 15% in 2018 to 47% in 2019 due to change in tax rate. The statement of financial position includes advance income tax net of provision of Rs. 880.326 million together with net deferred tax liability of Rs. 3,271.186 million. The tax expense recognized in the statement of profit or loss of Rs. 643.497 million represents 47% of company's profit before taxes. Detail of deferred taxation and taxation expense is disclosed in note - 18 and 32 to the annexed financial statements respectively. Due to their significance to the financial statements as a whole, combine with the judgement and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition of deferred tax. We discussed with management the adequate implementation of company policies and controls regarding current and deferred tax as well as the reporting of uncertain tax positions. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the circumstances. Our work was conducted with our firm's tax department. We considered management assessment of the validity and adequacy of provision for uncertain tax provision, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities. In respect of deferred tax assets and liabilities, we assessed the appropriateness of management assumptions and estimates. We Reviewed disclosures included in the notes 18 and 32 to the annexed financial statements.

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Key Audit Matter(s)	How the Matter was addressed in audit
4. Contingencies: The Company is subject to a number of legal, regulatory, tax and competition matters, many of which are beyond its control. Consequently, the management make judgements about the incidence and quantum of such liabilities arising from litigation, tax and regulatory or competition claims which are subject to the future outcome of legal or regulatory processes. There are a number of legal and regulatory matters for which no provision has been established, as discussed in notes - 23 and 32.4 to the annexed financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.	We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax, regulatory and competition matters. We determined that we could rely on these controls for the purposes of our audit. In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases. Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.
5. Borrowings: The Company has significant amounts of borrowings from financial institutions and related party amounting to Rs. 4,008.546 million, being 37.18% of total liabilities, at the reporting date as disclosed in note 16 and 22. Given the significant level of borrowings, finance costs, gearing ratio and the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.	In response to this matter, our audit procedures included: • Review of loan agreements / offer letters to ascertain the terms and conditions of repayment and rates of markup used by management in computing finance cost and are correctly disclosed in the annexed financial statements. • Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. • Verification of disbursement of loans and its utilization on sample basis. • Assessing procedures designed by management to comply with the debt covenants. • Obtaining external confirmations from financial institutions of the Company and related party to confirm balances and terms and conditions stated in the loan agreements / offer letters and compliance thereof. • Ensuring that the outstanding liabilities and terms thereto have ben properly classified and adequately disclosed in the financial statements.
6. First time adoption of International Financial Reporting Standard (IFRS) 9 'Financial Instruments', International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers' and International Financial Reporting Standard (IFRS) 16 'Leases' During the year, the Company has first time adopted IFRS 9 (Financial Instruments), IFRS 15 (Revenue from Contracts with Customers) and IFRS 16 (Leases). As part of this first time adoption and transition to the requirements, the management performed an analysis to identify differences between the previous and the current applicable standards and as a result certain amendments relating to presentation and disclosures were made in the annexed financial statements as disclosed in note 3.2 (a), 4.4, 4.6, 4.10 and 4.18.	Our audit procedures include the following: Reviewed the management's process to identify the additional disclosure requirements and related revisions (if any) as a result of first time adoption of IFRS, IFRS 15 and IFRS 16; Obtained understanding of the recorded trade receivables by discussing with the management and making inquiries on the entire accounting process associated with the recording of trade and other receivables;

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Key Audit Matter(s)	How the Matter was addressed in audit
In view of the amendments and various new disclosures prepared and presented in the financial statements, we considered this as a key audit matter.	Obtained relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as introduced by IFRS 15; and Obtained relevant underlying supporting documentation on test basis for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of directors is responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Compnay's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable,related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company/branches as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVI11 of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Shabir Ahmad, FCA.

Kreston Hyder Bhimji & Co.

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: October 02, 2019

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	2019	2018
		(Rupees in 000s)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,241,973	19,136,955
Intangible asset	6	2,902	4,185
Deposits	7	70,393	109,890
		18,315,268	19,251,030
CURRENT ASSETS			
Inventories	8	2,429,536	2,202,563
Trade and other receivables	9	626,963	557,366
Loan and advances	10	363,870	274,001
Deposits	11	48,950	46,010
Prepayments	12	165,723	95,365
Tax refunds due from Government		880,326	308,801
Cash and bank balances	13	431,760	107,869
		4,947,128	3,591,975
TOTAL ASSETS		23,262,396	22,843,005
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	4,002,739	4,002,739
Revaluation surplus on property, plant and equipment	15	3,086,133	3,404,857
Retained earnings		5,392,574	5,082,961
		12,481,446	12,490,557
NON CURRENT LIABILITIES			
Borrowings	16	2,909,384	2,994,244
Lease liability	17	-	519
Deferred taxation	18	3,271,186	2,222,277
Employees' benefits obligations	19	99,153	90,840
		6,279,723	5,307,880
CURRENT LIABILITIES			
Trade and other payables	20	3,282,647	3,626,746
Contract liabilities		21,807	28,818
Unclaimed dividend		12,586	4,098
Markup and profit payable	21	84,438	41,282
Borrowings	22	1,099,162	1,342,594
Lease liability	17	587	1,030
		4,501,227	5,044,568
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		23,262,396	22,843,005

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		(Rupees in 000s)	
Revenue	24	11,355,918	11,704,607
Cost of sales	25	(8,715,542)	(8,771,957)
Gross Profit		2,640,376	2,932,650
General and administrative expenses	26	(376,969)	(383,201)
Selling and distribution expenses	27	(213,661)	(246,543)
Other expenses	28	(111,116)	(127,482)
Other Income	29	4,417	11,353
Profit from operations		1,943,047	2,186,777
Finance income	30	44,735	26,307
Finance expenses	31	(607,873)	(429,535)
Profit before taxation		1,379,909	1,783,549
Tax expenses	32	(643,497)	(273,895)
Profit after taxation		736,412	1,509,654
		Rupees	
Earnings per share (basic & diluted)	33	1.84	3.77

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		(Rupees in 000s)	
Profit after taxation for the year		736,412	1,509,654
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Actuarial loss on remeasurement of defined benefit plan		(6,936)	-
Deferred tax relating to actuarial loss		1,987	-
		(4,949)	-
Total comprehensive income for the year		731,463	1,509,654

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2019

	Share Capital	Revaluation Surplus on PPE	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2017	4,002,739	3,373,909	4,004,398	11,381,046
Final cash dividend @ Re. 1.5 per share for the year ended June 30, 2017	-	-	(600,411)	(600,411)
Total Comprehensive income for the year ended June 30, 2018	-	-	1,509,654	1,509,654
Deferred tax impact due to change in tax rate	-	200,268	-	200,268
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(169,320)	169,320	-
Balance as at June 30, 2018	4,002,739	3,404,857	5,082,961	12,490,557
Final cash dividend @ Re. 1.5 per share for the year ended June 30, 2018	-	-	(600,411)	(600,411)
Total Comprehensive income for the year ended June 30, 2019	-	-	731,463	731,463
Deferred tax impact due to change in tax rate	-	(140,163)	-	(140,163)
Revaluation surplus on deletion of PPE (net of tax)	-	(16,466)	16,466	-
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(162,095)	162,095	-
Balance as at June 30, 2019	4,002,739	3,086,133	5,392,574	12,481,446

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation		1,379,909	1,783,549
Adjustment for non-cash and other items	34	1,584,457	1,350,974
Operating profit before working capital changes		2,964,366	3,134,523
(Outflow) / inflow from net changes in working capital	35	(867,872)	576,929
Cash inflow from operation		2,096,494	3,711,452
Finance cost paid		(466,105)	(371,662)
Markup received on bank deposits		7,001	1,972
Retirement benefits paid		(6,000)	(12,947)
Income tax paid		(304,289)	(838,484)
Net cash inflow from operating activities		1,327,101	2,490,331
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(222,094)	(1,351,746)
Payment for Intangible asset		-	(3,200)
Insurance claim received		100,000	-
Rental income from Balochistan Glass limited (related party)		5,609	-
Advance to Balochistan Glass Limited (related party) - net		(88,539)	-
Markup received from Balochistan Glass Limited (related party)		34,916	18,122
Net cash outflow from investing activities		(170,108)	(1,336,824)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds obanks borrowings		575,000	434,344
Proceeds of borrowings from related party		555,000	-
Repayment of banks borrowings		(1,459,452)	(663,597)
Repayment of lease liability		(962)	(1,032)
Dividend paid to directors		(458,655)	(883,406)
Dividend paid to other shareholders		(44,032)	(55,518)
Net cash outflow from financing activities		(833,102)	(1,169,209)
Net increase / (decrease) in cash and cash equivalents		323,891	(15,702)
Cash and cash equivalents at beginning of the year		107,869	123,571
Cash and cash equivalents at end of the year	36	431,760	107,869

The annexed notes 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

1 LEGAL STATUS AND OPERATIONS

Gharibwal Cement Limited is a public limited company based in Pakistan. The Company is registered with the Securities and Exchange Commission of Pakistan w.e.f. December 1960. Shares of the Company are quoted on Pakistan Stock Exchange with symbol of "GWLC".

The head office and registered office of the Company is situated at 1st Floor, Pace Tower, 27-H, College Road, Gulberg-II, Lahore, Pakistan. Factory of the Company is situated at Ismailwal, Tehsil Pind Dadan Khan, District Chakwal.

The Company is principally engaged in production and sale of cement.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

a The exchange rate of USD to PKR increased to Rs. 164.50 (up by 35% YoY) at the date of statement of financial position.
b Tax rate changed for the future periods affecting the deferred tax expense (see Note 32.3).
c Application of new standards (Note 3.2(a))

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

a International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
b Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Application of new accounting standards and other changes

a New and amended standards adopted by the Company

There were certain new standards and amendments to the approved accounting standards which became effective during the year ended June 30, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except certain amendments relating to presentation and disclosures and are, therefore, not detailed in these financial statements. However, few accounting policies are revised in line with these new standards and amendments (Note 4.4, Note 4.6, Note 4.10, Note 4.18).

b New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for reporting period ending on June 30, 2019 and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions and, therefore, have not been detailed in these financial statements.

3.3 Basis of measurement

These financial statements have been prepared on accrual basis and under the historical cost convention except for the followings:

- Certain property, plant and equipment at fair value.
- Certain inventories at lower of cost and net realizable value.
- Certain financial instrument at amortised cost.
- Defined benefit plan at present value.

3.4 Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. Figures in these financial statements have been rounded off to the nearest thousands Rupees, unless otherwise stated.

3.5 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

i) Estimated useful life of property, plant and equipment and intangible assets (notes 4.1 and 4.2)
ii) Estimation of fair value of property, plant and equipment (note 4.1 & note 5.1.1)
iii) Estimation of net realizable value and provision for slow moving inventories (note 4.3)
iv) Estimate of liability and cost in respect of staff gratuity scheme (note 4.11)
v) Estimation of current and deferred tax (note 4.14)
vi) Assessment of contingencies (note 4.20)
vii) Assessment of present value of defined benefit plan (note 4.11)
viii) Impairment of trade and other recievables (note 4.4)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant & equipment

Owned Assets

Operating fixed assets are accounted for according to revaluation model of IAS-16 (Property, Plant and Equipment) under which the asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, if any. Exception to this is infrastructure, tools and equipment, furniture, fixture and office equipment, and vehicles which are stated at cost less accumulated depreciation and impairment in value, if any.

Revalued amounts are fair values based on appraisals prepared by external professional valuers once every five years or more frequently if market factors indicate a material change in fair value. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values as described in Note 5.1.1. Any increase or decrease in revaluation surplus is treated as per policy described in Note 4.8.

Capital work-in-progress is stated at cost accumulated up to the reporting date less accumulated impairment loss, if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Costs include expenditures that are directly attributable to the acquisition of the asset, including any borrowing cost (note 4.9), and are only included in the asset's carrying amount when it is probable that economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. The cost of a self constructed asset includes cost of materials, labour and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located.

Repair and maintenance costs are charged to the statement of profit and loss during the period in which these are incurred. Capitalisation takes place if the measures lead to an extension or significant improvement of the asset.

Depreciation is charged to the statement of profit or loss using reducing balance method at the rates stated in note 5.1. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Depreciation is charged to profit and loss account from the month when an asset becomes available for its indented use, whereas no depreciation is charged in the month of disposal.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed at each reporting date and altered if circumstances or expectations have changed significantly. In making these estimates, the Company uses the technical resources available with the Company. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised in the Statement of Profit or Loss within other income or other expenses.

Leased Assets

Leased assets are accounted for as per policy described in Note 4.10.

4.2 Intangible assets

Intangible assets are accounted for according to IAS 38 (Intangible Assets) at cost less accumulated amortization and impairment loss, if any. Costs of purchase of computer software ERP is capitalized as intangible assets.

Intangible assets are amortized using straight-line method over a period of five years. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal up to the month of disposal. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

4.3 Inventories

Inventories are measured in accordance with IAS 2 (Inventories) at the lower of cost or net realisable value using the periodic weighted average cost method. Spare parts for plant and equipment, consumable stores and fuel are reported under inventories. If spare parts were acquired in connection with the acquisition of the plant and equipment, or in a separate acquisition meet the definition of an asset, then they are reported under fixed assets.

Cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale necessarily to be incurred in order to make a sale.

The company reviews the carrying amount of the inventory on each reporting date or as appropriate, inventory is written down to its net realisable value or provision is made in the financial statements for slow moving and obsolete inventory if there is any change in usage pattern and physical form of related inventory, and is recognized in the statement of profit or loss.

4.4 Trade and other receivables

Trade and other receivables are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for receivables considered to be doubtful. Trade receivables are accounted for as per accounting policy as described in Note 4.18.

Trade and other receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 1,095 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of the receivables.

Impairment of trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 48 months at each reporting date as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding.

4.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, cash at banks, and demand deposits, together with other short-term, highly liquid investments maturing within 30 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

4.6 Financial instruments

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments include non-derivative and derivative financial instruments. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification of financial assets

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets, other than those designated and effective as hedging instruments, are classified into the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss (FVTPL)
- those to be measured subsequently at fair value through other comprehensive income (FVTOCI)

In the periods presented the Company does not have any financial assets categorised as FVTOCI.

All income and expenses relating to financial assets that are recognised in profit or loss (FVTPL) are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest

Subsequent measurement of financial assets

Financial assets at amortised cost- Financial assets held for the collection of contractual cash flows that are solely payments of principal and interest are measured at amortised cost, provided that they are not allocated to a hedge. Interest income from these financial assets is recognised in the financial result using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. All gains or losses resulting from derecognition, impairment losses or currency translation are recognised directly in profit or loss. Impairment losses represent probability-weighted estimates of credit losses. They are calculated on the basis of the best available information and the time value of money. Reversals are carried out if the reasons for the impairment losses no longer apply. Financial assets measured at amortised cost include cash and cash equivalent, loan and advances, deposits, trade receivables, and other current operating receivables. In principle, the amortised cost in the case of current receivables corresponds to the nominal value or the redemption amount.

Financial assets at fair value through profit or loss (FVTPL)- Financial assets not meeting the criteria for the categories at amortised cost or fair value through other comprehensive income (FVTOCI) are measured at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains an equity investment.

The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in equity instruments and listed equity securities at fair value through other comprehensive income (FVTOCI). The fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss in the period in which they are incurred. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. The Company assesses on a forward-looking basis the expected credit losses associated with its loan and other debt-type instruments carried at amortised cost and FVTOCI as per IFRS-9 impairment requirements. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Accounting policy for impairment of trade and other receivables is described in Note 4.4.

In applying this forward-looking approach, a distinction is made between:

Stage 1: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk;
Stage 2: financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low;
Stage 3: financial assets that have objective evidence of impairment at the reporting date;

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Accounting policy for borrowings is described in Note 4.9.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). In principle, the amortised cost in the case of current financial liabilities corresponds to the nominal value or the redemption amount.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

4.7 Equity, reserves and dividend payments

Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits, if any.

Other component of equity includes the 'Revaluation Surplus on Property, Plant and Equipment' comprising gains and losses from the revaluation of items of property, plant and equipment (see Note 4.8).

Retained earnings include all current and prior period retained profits/(loss).

Dividends declared for the reporting period subsequent to the reporting date are considered as non-adjusting events. Dividend distributions payable to equity shareholders are recognized in the financial statements for the period in which such dividend has become payable after it has been approval by the Board or approved in a general meeting.

4.8 Revaluation surplus on property, plant and equipment

Revaluation on property, plant equipment is accounted for according to IAS-16 (Property, Plant and Equipment).

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading 'Revaluation Surplus on Property, Plant and Equipment'. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Decreases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in profit or loss. However revaluation decreases that reverse previous increases of the same asset is first recognised in other comprehensive income to the extent of the remaining surplus attributable to that asset; all other decreases are charged to profit or loss. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading 'Revaluation Surplus on Property, Plant and Equipment'.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the 'Revaluation Surplus on Property, Plant and Equipment' account to retained earnings through the Statement of Changes in Equity.

Any revaluation surplus remaining in 'Revaluation Surplus on Property, Plant and Equipment' account on disposal of the asset is transferred to retained earnings through the Statement of Changes in Equity

All transfers to / from the account of 'surplus on revaluation of property, plant and equipment' are net of applicable deferred income tax. Revaluation surplus on property, plant and equipment reported under equity is not available for distribution of dividend.

4.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Non-interest bearing borrowings are recognised at fair value using amortised cost method. Fair value of these borrowings is determined by discounting the contractual payments in term of the loan agreement using the market related interest rate. The difference between the proceeds of the non-interest bearing loan and the present value of the contractual payments in terms of the loan agreement, discounted using the market related rate of interest, is recognised as winding-up of discount and charged to profit and loss. Changes occurred in fair value of these borrowings due to repayment and/or change in market interest rate is charged to profit and loss account.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

4.10 Leases

IFRS 16 'Leases' replaces IAS-17 'Leases' along with three Interpretations (IFRIC-4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The new standard was applicable for accounting period starting on or after January 01, 2019. The management has decided early adoption of IFRS 16.

The new Standard has been applied earlier using the modified retrospective approach. For contract in place at the date of initial application, the Company has elected as practical expedient not to reassess whether a contract is or contains, a lease under IFRS 16 at the date of initial application and instead apply IFRS-16 to contracts that was previously identified as leases under IAS-17 and IFRIC-4 determining whether an arrangement contains a lease.

On transition, the lease previously classified as finance lease, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS-17 immediately before the date of initial application. Therefore, no impact was accounted for in these financial statements.

For any new contracts entered into on or after January 01, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases (less than 12 months) and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been presented on the face of statement of financial position.

4.11 Employees benefits

Defined benefit plan

The Company operates approved funded gratuity scheme for all its permanent employees of worker cadre who have completed the minimum qualifying period of service as defined under the respective scheme. The amount of gratuity benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market yields on government bonds as at the valuation date, that have terms approximating to the terms of the related obligation. The obligations are presented as non-current liabilities in the Statement of Financial Position as the Company has an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Management estimates the DBO annually with the assistance of independent actuaries using the projected unit credit method. Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Statement of Financial Position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plans

The Company operates funded contributory provident fund schemes for its permanent employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period in which the employees' services are received.

Short-term obligations

Liabilities for salaries, including non-monetary benefits, and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

4.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.13 Provisions

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of past events; and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. . The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each statement of financial position and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

4.14 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity

Current Tax

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

The Company takes into account, in making the estimates for income taxes, the current income tax law and decisions taken by appellate authorities on certain issues in the past . Instances where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law, the amounts are shown as contingent liabilities.

Deferred Tax

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the date of statement of financial position. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change. Further, deferred tax calculation is based on estimate of future ratio of export and local sales based on last three years average.

4.15 Foreign currency translation

Foreign currency translation is made according to IAS-21 (The Effect of Changes in Foreign Exchange Rates). Foreign currency transactions are translated into the functional currency of the Company i.e. Rs., using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.16 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.17 Related party transactions

All transactions with related parties are executed at arm’s length prices, determined in accordance with the pricing method as approved by the Board of Directors.

4.18 Revenue recognition

Revenue arises mainly from the sale of cement through intermediaries, and is measured according to IFRS-15 (Revenue from Contracts with Customers) at the fair value of the consideration received or receivable as defined in sales contract, including variable consideration; sales tax and other duties collected on behalf of third parties are not taken into account. However, variable consideration is only included if it is highly probable that a significant reversal of revenue will not occur once the uncertainty related to the variable consideration is resolved.

Revenue is recognised when control of a promised goods passes to a customer at a specific point in time. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery from the manufacturing unit of the Company.

Contract liabilities, which is the Company's obligation to transfer goods to a customer for which the entity has already received consideration, relate mainly to advance payments from customers. A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Scrap sales are stated net of sales tax and are recognised in the year in which scrap sales are made.

Interest is recognized on a time proportion basis that reflects the effective yield on the asset.

4.19 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

4.20 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events not wholly within the control of the Company.

The Company has disclosed significant contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the date of statement of financial position. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognise any liability at the date of statement of financial position.

4.21 Earning per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

	Note	2019	2018
		(Rupees in 000s)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	17,458,527	18,481,048
Capital work in progress	5.2	783,446	655,907
		18,241,973	19,136,955

5.1 OPERATING FIXED ASSETS

Details of the Company's operating fixed assets and their carrying amounts are as follows:

	Land	Building	Building on leased out land	Heavy earth moving machinery	Plant and machinery	Infrastructure	Tools and equipments	Furniture and fixture	Vehicles	Total
	Revalued Model					Cost Model				
	(Rupees in 000s)									
Gross carrying amount										
Balance as at July 01, 2018	169,782	2,954,478	22,811	190,188	15,722,357	359,674	28,624	77,928	142,089	19,667,931
Additions	-	1,991	-	39,568	6,501	-	7,572	8,931	29,991	94,554
Deletion	-	-	-	-	(158,575)	-	-	-	-	(158,575)
Balance as at June 30, 2019	169,782	2,956,469	22,811	229,756	15,570,283	359,674	36,196	86,859	172,080	19,603,910
Depreciation and impairment										
Balance as at July 01, 2018	-	144,095	2,281	25,173	718,172	156,151	7,572	49,361	84,078	1,186,883
Depreciation	-	140,587	2,053	35,641	744,128	40,706	4,900	6,939	15,797	990,751
Deletion	-	-	-	-	(32,251)	-	-	-	-	(32,251)
Balance as at June 30, 2019	-	284,682	4,334	60,814	1,430,049	196,857	12,472	56,300	99,875	2,145,383
Depreciation rate	-	5%	10%	20%	5%	20%	20%	20%	20%	
Gross carrying amount										
Balance as at July 01, 2017	169,782	2,816,815	22,811	61,096	13,645,111	292,612	6,453	74,988	126,420	17,216,088
Additions	-	17,759	-	129,092	363,792	65,412	3,567	23,697	15,669	618,988
Transferred from capital work in process	-	119,904	-	-	1,713,454	1,650	-	-	-	1,835,008
Deletion	-	-	-	-	-	-	-	(2,153)	-	(2,153)
Balance as at June 30, 2018	169,782	2,954,478	22,811	190,188	15,722,357	359,674	10,020	96,532	142,089	19,667,931
Depreciation and impairment										
Balance as at July 01, 2017	-	-	-	-	-	115,684	2,226	47,700	71,873	237,483
Depreciation	-	144,095	2,281	25,173	718,172	40,467	685	7,793	12,205	950,871
Deletion	-	-	-	-	-	-	-	(1,471)	-	(1,471)
Balance as at June 30, 2018	-	144,095	2,281	25,173	718,172	156,151	2,911	54,022	84,078	1,186,883
Depreciation rate	-	5%	10%	20%	5%	20%	10%-20%	20%	20%	
Carrying value as per books										
As at June 30, 2019	169,782	2,671,787	18,477	168,942	14,140,234	162,817	23,724	30,559	72,205	17,458,527
As at June 30, 2018	169,782	2,810,383	20,530	165,015	15,004,185	203,523	7,109	42,510	58,011	18,481,048
Carrying value if cost model had been used										
As at June 30, 2019	71,547	1,596,699	56	140,048	11,075,226					
As at June 30, 2018	71,547	1,678,325	62	128,898	11,754,787					

a). Vehicles included right-of-use vehicle having carrying value Rs. 1.838 million (FY2018: 2.297 million).

b). Operating fixed assets have been pledged as security for the Company's bank borrowings (see Note 16 , Note 20.1).

c). Office and IT equiments having book value of Rs. 13.943 million had been regrouped during the current reporting period under tools and equipment from furniture, fixture and equipments.

d). Depreciation rate for some of the tools and equipment has been changed from 10% to 20% during the current reporting period resulting in additional depreciation of Rs. 0.711 million for the reporting year.

5.1.1 Freehold land, building and foundation, building on leasehold land, heavy earth moving machinery, plant and machinery have been carried at revalued amounts determined by professional valuers (level 2 measurement under IFRS-13 'Fair Value Measurements'). The valuations are conducted by an independent valuer Indus Surveyor (Pvt) Limited who are approved by Pakistan Banks' Association (PBA) in any amount category. Whereas a piece of land and 1st floor in Pace Tower situated in Lahore were revalued by another independent valuers Al Wazzan Associates (Pvt) Limited. Fresh valuation exercises were carried out on June 30, 2017 (Previous was done on April 30, 2014). The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The basis used for revaluation were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all relevant factors as well.

Building and foundation

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery and Heavy earth moving machinery

Current replacement cost was determined by collecting information regarding current prices of comparable cement plant from suppliers and different cement plant consultants in Pakistan and abroad. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

Assessed value and forced sales value of these fixed assets as at the date of revaluation i.e. June 30, 2017 was as under.

	Assessed Value	Forced Sales Value
	(Rupees in 000s)	
Freehold land	169,782	144,314
Building and foundation	2,810,383	2,418,726
Building and foundation on leasehold land	20,530	17,451
Heavy earth moving machinery	165,015	140,263
Plant and machinery	15,004,185	12,753,557
	18,169,895	15,474,310

	Note	2019	2018
		(Rupees in 000s)	
5.1.2 Allocation of depreciation expense			
Cost of sales	25	960,922	923,547
General and administrative expenses	26	28,542	26,353
Selling and distribution expenses	27	1,287	971
		990,751	950,871
5.1.3 Temporarily idle property, plant and equipment			
Building and foundations (included in note 5.1)		95,205	100,215

5.1.4 Heavy earth moving machinery includes used dumpers having book value of Rs. 11.520 million (FY2018: Rs. 14.400 million) which had been purchased with the funds of the Company. These are in the possession of the Company and are being used for transportation of raw material within the factory premise, but these are not yet registered in the name of the Company.

5.1.5 Parts of one generator engine having book value of Rs. 126.325 million had been damaged due to fire and accordingly these parts were derecognised from the books during the financial year.

5.1.6 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage	Area
Rakh Makhiala Tehsil Choa Saiden Shah	Manufacturing facility	2,378 Kanals & 5 Marla
Rakh Makhiala Tehsil Choa Saiden Shah (see Note 23.2)	Manufacturing facility	400 Kanals
Jutana, Tehsil Pind Dadan Khan	Infrastructure	127 Kanal & 14 Marla
Hadbast 97, Moza Burj Ahmad Khan, Tehsil PD Khan	Pumping station	45 Kanal & 8 Marla
1st Floor, Pace Tower, 27-H, College Road, Gulberg-II, Lahore	Head office	18,000 square feet
Plot # 388, Block A-I, Gurumangat Road, Gulberg-III, Lahore	Plot for warehouse	1 Kanals, 5 Marla & 85 Sq feet

5.2 CAPITAL WORK-IN-PROGRESS

	Opening Balance	Additions / Adjustments	Transfer to operating fixed assets	Closing Balance
	(Rupees in 000s)			
Civil work and buildings	621,286	122,272	-	743,558
Plant and machinery	16,670	3,219	-	19,889
Advances for capital expenditure				
- plant and machinery	17,951	2,049	-	20,000
	655,907	127,540	-	783,447

Borrowing cost amounting to Nil (FY2018: Rs. 58.966 million) has been capitalized during the year as a part of cost of plant and machinery.

	Note	2019	2018
		(Rupees in 000s)	
6 INTANGIBLE ASSETS			
Cost			
Balance at the beginning of the year		9,614	6,414
ERP purchased during the year	6.1	-	3,200
		9,614	9,614
Amortization			
Opening balance		(5,429)	(4,146)
Amortized during the year @ 20%	26	(1,283)	(1,283)
		(6,712)	(5,429)
		2,902	4,185

6.1 New ERP is being implemented in the Company which will be available for intended use during next financial year 2020; therefore no amortization has been charged on this for the year.

	Note	2019	2018
		(Rupees in 000s)	
7 DEPOSITS			
Utilities and supplies		47,253	86,750
Margin against letters of guarantee from bank		23,140	23,140
		70,393	109,890
8 INVENTORIES			
Stock in trade	8.1	898,581	632,241
Fuel, parts and supplies	8.2	1,530,955	1,570,322
		2,429,536	2,202,563

		Note	2019	2018
			(Rupees in 000s)	
8.1	STOCK IN TRADE			
	Raw material		119,366	56,287
	Work in process		673,348	506,902
	Finished goods		90,046	50,131
	Packing material		15,821	18,921
			898,581	632,241
8.2	FUEL, PARTS AND SUPPLIES			
	Fuel and supplies		1,015,924	996,289
	Spares parts		249,180	225,398
	Loose tools		5,751	9,083
	Inventories in transit		294,735	374,187
			1,565,590	1,604,957
	Less: Provision for slow moving and obsolete items		(34,635)	(34,635)
			1,530,955	1,570,322
9	TRADE AND OTHER RECEIVABLES			
	Trade receivable from contracts with customers	9.1	617,932	549,899
	Markup receivable from Balochistan Glass Limited (related party)		9,031	6,213
	Rent receivable from Balochistan Glass Limited (related party)		-	1,192
	Other receivables		-	62
			626,963	557,366

9.1 These include Nil (FY2018: Rs. 2.763 million) receivable from Balochistan Glass Limited (associated company) on account of supply of cement.

		Note	2019	2018
			(Rupees in 000s)	
10	LOAN AND ADVANCES			
	Considered good			
	Secured			
	Loans to employees	10.1	1,486	1,442
	Advances to employees against salaries		2,600	3,184
	Advances to employees for expenses		6,671	5,006
			10,757	9,632
	Unsecured			
	Loans to employees	10.2	14,588	14,383
	Balochistan Glass Limited - associated company	10.3	338,525	249,986
			353,113	264,369
			363,870	274,001

10.1 These are interest free loans given to employees for house building, house repairing, marriage or emergency and recoverable in monthly instalments from salaries. These are secured against the retirement benefits.

10.2 These are interest free loans given to following employees for house building and repayable within 12 months:

	2019	2018
	(Rupees in 000s)	
Numan Basharat	10,400	10,045
Abdul Aziz	4,188	4,338
	14,588	14,383

10.3 The Company has approved a short term advance facility up to Rs. 350 million (FY2018: Rs. 250 million) to its associated company Balochistan Glass Limited (Mr. Muhammad Tousif Peracha is the CEO of the both companies and he also holds more than 50% shares of the both companies) under the authority of a special resolution u/s 199 of the Companies Act, 2017. This facility carries markup @ 3 months KIBOR + 3.5% p.a. Maximum balance at any month-end during the year was Rs. 341.959 million (FY2018: Rs. 249.986 million). This balance also included settlement of receivable amount of Rs. 77.441 million (FY2018: NIL) inclusive of sales tax on account of sales of stores and spares to BGL during the year.

		Note	2019	2018
			(Rupees in 000s)	
11	**DEPOSITS**			
	Considered good but unsecured			
	Utilities companies		40,130	-
	Margin against letters of guarantee from banks		8,820	8,820
	Margin against letters of credit from banks		-	37,190
			48,950	46,010
12	**PREPAYMENTS**			
	Considered good but unsecured			
	Advances to suppliers		161,186	88,945
	Prepaid expenses		4,537	6,420
			165,723	95,365
13	**CASH AND BANK BALANCES**			
	Cash in hand	13.1	286	1,167
	Cash at banks in local currency			
	Current accounts		184,790	65,514
	PLS accounts	13.2	4,463	26,108
	Term deposit	13.3	225,000	-
	Dividend account		2,582	2,035
			416,835	93,657
	Cash at banks in foreign currency			
	USD account		14,639	13,045
			431,760	107,869

13.1 This included Rs. 0.117 million (FY2018: NIL) in foreign currency.
13.2 These accounts bear profit ranging from 3% to 5% p.a. (FY2018: 3% to 5% p.a.).
13.3 This deposit was placed with a scheduled bank for one month with profit @ 10% p.a. and encashed subsequent to reporting date.

		2019	2018	2019	2018
		(Numbers)		(Rupees in 000s)	
14	**SHARE CAPITAL**				
	Authorized share capital				
	Ordinary shares of Rs. 10 each	470,000,000	470,000,000	4,700,000	4,700,000
	Issued, subscribed and paid up capital				
	Ordinary shares of Rs. 10 each:				
	fully paid in cash	386,842,543	386,842,543	3,868,425	3,868,425
	fully paid as bonus shares	13,431,417	13,431,417	134,314	134,314
		400,273,960	400,273,960	4,002,739	4,002,739

	Note	2019	2018
		(Rupees in 000s)	
15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Gross Surplus			
Opening balance		4,535,882	4,777,768
Deletion of asset		(23,076)	-
Incremental depreciation for the year		(227,169)	(241,886)
		4,285,637	4,535,882
Deferred Tax attributed to Surplus			
Opening balance		(1,131,025)	(1,403,859)
Deletion of asset		6,610	-
Incremental depreciation for the year		65,074	72,566
Impact of tax rate change	18	(140,163)	200,268
		(1,199,504)	(1,131,025)
		3,086,133	3,404,857
16 BORROWINGS			
Banks and financial institutions - Secured			
Interest bearing borrowings	16.1	2,101,083	2,543,000
Non-Interest bearing borrowings	16.2	253,301	451,244
		2,354,384	2,994,244
Related party - Un-secured	16.3	555,000	-
		2,909,384	2,994,244
16.1 Interest bearing borrowings			
Finance under conventional mode			
Bank of Punjab	16.1.1	597,816	723,816
Bank of Punjab	16.1.2	335,156	475,156
National Bank of Pakistan	16.1.3	354,967	415,115
MCB Bank Limited (Formally: NIB Bank Limited)	16.1.4	87,081	137,081
Pak China Investment Company Limited	16.1.5	-	108,843
Saudi Pak Industrial & Agricultural Investment Co. Ltd	16.1.6	47,119	64,134
Bank of Khyber	16.1.7	7,124	24,937
Faysal Bank Limited	16.1.8	-	21,345
Silk Bank Limited	16.1.9	-	3,542
First Credit Investment Corporation	16.1.10	12,160	16,720
		1,441,423	1,990,689
Finance under islamic mode			
Al Baraka Bank Limited	16.1.11	760,000	950,000
Summit Bank Limited	16.1.12	300,230	343,120
Faysal Bank Limited	16.1.13	375,000	-
First Punjab Modaraba	16.1.14	6,432	9,244
First Habib Modaraba	16.1.15	53,301	70,448
		1,494,963	1,372,812
		2,936,386	3,363,501
Current and overdue portion shown under current liabilities	22	(835,303)	(820,501)
		2,101,083	2,543,000

16.1.1 The term finance facility is to be repaid in 115 unequal monthly instalments starting from January 2013 to July 2022. Markup is charged @ 3 months KIBOR plus 1.4% p.a. with floor of the bank's cost of fund payable quarterly in arrear.

16.1.2 This demand finance facility is to be repaid in 10 bi-annual equal instalments starting from March 2017 to September 2021. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first specific joint pari passu charge over waste heat recovery plant to the extent of Rs. 700.000 million which is in addition to securities as mentions in note 16.1.15.

16.1.3 The demand finance is to be repaid in 40 unequal quarterly instalments from October 2015 to June 2025. This facility carries markup @ 3 months KIBOR + 1% p.a. w.e.f. October 01, 2015 which is to be paid quarterly.

16.1.4 The term finance facility is to be repaid in 35 unequal quarterly instalments starting from March 2012 to December 2020. Markup is charged @ 3 months KIBOR plus 0% p.a. and is to be paid in instalments as mentioned in Note 16.2.2.

16.1.5 This term finance facility is to be repaid in 8 equal quarterly instalments starting from May 2017 to February 2019. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first pari passu hypothecation charge / equitable mortgage over all present and future fixed assets of the Company with 25% margin, pledge of clinker stock with 25% margin, mortgage over personal properties of sponsoring directors, and personal guarantees of sponsoring directors.

16.1.6 This term finance facility is to be repaid in 96 equal monthly instalments starting from July 2014 to June 2022. Markup is charged @ 3 months KIBOR plus 2.5% p.a. payable quarterly in arrear.

16.1.7 The term finance facility is to be repaid in 84 unequal monthly instalments starting from January 2013 to December 2019. Markup is charged @ 3 month KIBOR plus 0% p.a. and is to be paid in instalments as mentioned in Note 16.2.4.

16.1.8 This term finance facility is to be repaid in 14 unequal semi annual instalments starting from June 2013 to December 2019. Markup is charged @ 6 month KIBOR plus 0% p.a. and is to be paid in instalments as mentioned in Note 16.2.5.

16.1.9 The term finance facility is to be repaid in 24 equal quarterly instalments starting from December 2012 to September 2018. Markup is charged @ 3 month KIBOR plus 0% p.a. and is to be paid in instalments as mentioned in Note 16.2.6.

16.1.10 This term finance facility is to be repaid in 108 equal monthly instalments starting from March 2013 to February 2022. Markup is charged @ 3 month KIBOR plus 0% p.a. and is to be paid in instalments as mentioned in Note 16.2.7.

16.1.11 This facility was obtained under Musharika arrangement to finance the import value of new cement mill which is repayable in 20 equal quarterly instalments from September 2018 to June 2023, this facility is secured against exclusive charge on this cement mill up to Rs. 1 billion. Profit is to be paid on this facility @ 3 month KIBOR plus 2% p.a. on quarterly basis in arrear. This facility is also secured by way of personal guarantees of the sponsoring directors.

16.1.12 The Company has obtained a term finance facility to finance the import value of plant and machinery for waste heat recovery project. Principal amount is to be repaid in 16 equal quarterly instalments starting from November 2018 to August 2022. This facility carries markup @ 3 months KIBOR + 2.5% p.a. which is to be paid quarterly. This facility is secured by way of first specific joint pari passu charge over waste heat recovery plant to the extent of Rs. 350.000 million along with 25% margin to be covered through first pari passu charge over all present and future fixed assets of the Company and personal guarantees of sponsoring directors.

16.1.13 This facility of Rs. 375 million was obtained under Musharika arrangement to finance expansion project phase-I, and is repayable in 20 equal quarterly instalments till March 2024. Profit is to be paid @ 3months KIBOR + 2.25% p.a. on quarterly basis. This facility is secured by way of first pari passu hypothecation charge / equitable mortgage over all present and future fixed assets of the Company upto Rs. 500 million with 25% margin, mortgage over personal properties of sponsoring directors, and personal guarantees of sponsoring directors.

16.1.14 This facility of Rs. 30 million was obtained under Musharika arrangement to purchase vehicles and is repayable in 60 unequal monthly instalments. Profit is to be paid @ KIBOR + 3% p.a. with defined floor rate.

Vehicles purchased under this facility are registered in the name of financial institution as security which shall be transferred in the name of the Company on repayment of whole amount. Further post-dated cheques has also been issued for the instalments.

16.1.15 This facility was obtained under Musharika arrangement to purchase vehicles and heavy earth moving machinery. It is repayable in 24 to 60 monthly instalments. Profit is to be paid @ 6 months KIBOR + 2.75% with floor rate of 8.75% p.a to 9.00% p.a. Vehicles purchased under this facility are registered in the name of financial institution as security which shall be transferred in the name of the Company on repayment of whole amount.

16.1.16 The Company has entered into a First Joint Pari Passu Hypothecation Agreement with the banks and financial institutions mentioned in note 16.1.1 to 16.1.10 and note 16.2 excluding loans mentioned in Note 16.1.2 and 16.1.5. As a result of this agreement, the long term borrowings along with deferred markup/profit obtained from these banks or financial institutions are secured by way of first pari passu charge over the fixed assets of the Company to the extent of Rs. 10,019.157 million (FY2018: Rs. 10,019.157 million). In addition to this, Bank of Punjab has exclusive charge to the extent of Rs. 600.000 million (FY2018: Rs. 600 million) on three dual fuel Wartsila Generators. Sponsoring directors also give personal guarantees along with mortgage of their personal assets to secure these borrowings.

This agreement also includes first pari passu charge over the fixed assets of the Company amounting to Rs. 770.908 million to the Trustee of Term finance Certificates which is being vacated as the whole TFCs had been fully redeemed and Trustee has issued NOC in this regard.

		Note	2019	2018
			(Rupees in 000s)	
16.2	**Non-interest bearing borrowings**			
	Finance under conventional mode			
	National Bank of Pakistan	16.2.1	216,897	251,601
	MCB Bank Limited (Formally: NIB Bank Limited)	16.2.2	120,381	146,709
	Saudi Pak Industrial & Agricultural Investment Co. Ltd	16.2.3	116,568	116,568
	Bank of Khyber	16.2.4	97,641	108,506
	Faysal Bank Limited	16.2.5	60,152	76,523
	Silk Bank Limited	16.2.6	25,537	41,366
	First Credit Investment Corporation	16.2.7	32,016	36,048
			669,192	777,321
	Finance under islamic mode			
	Bank Islami Pakistan Limited	16.2.8	-	40,463
	Gross value of non-interest bearing borrowings		669,192	817,784
	Less: Winding up of discount			
	Opening balance		(144,447)	(184,344)
	Unwinding up of discount and catch up adjustments	31	(7,585)	39,897
			(152,032)	(144,447)
	Present value of non-interest bearing borrowings		517,160	673,337
	Current and overdue portion shown under current liabilities	22	(263,859)	(222,093)
			253,301	451,244

16.2.1 Markup accrued on term finance facility mentioned in Note 16.1.3 till September 30, 2015 has been converted into demand finance facility which is to be paid in unequal quarterly instalment till June 2025 as per restructuring arrangement.

16.2.2 Markup accrued on term finance facility mentioned in Note 16.1.4 is being treated as non interest bearing demand finance as per term of restructuring agreement and is payable in unequal quarterly instalments starting from March 2016 to December 2021.

16.2.3 Markup accrued on term finance facility mentioned in Note 16.1.6 till November 30, 2013 has been converted into demand finance facility which is payable as a bullet payment on June 30, 2022.

16.2.4 Markup accrued till December 31, 2012 amounting to Rs. 95.243 million has been treated as demand finance which is payable during calendar year 2019, whereas markup accrued from January 01, 2013 onward on term finance facility mentioned in note 16.1.7 is treated as another demand finance facility which is payable in unequal monthly instalments starting from January 2015 to December 2019.

16.2.5 Markup accrued on term finance facility mentioned in Note 16.1.8 is being treated as demand finance facility and is payable in unequal quarterly instalments starting from March 2019 to December 2020.

16.2.6 Markup accrued till September 30, 2011 amounting to Rs. 4.092 million has been converted into demand finance facility which is being paid in equal quarterly instalments ended by September 2018, whereas markup accrued from October 01, 2011 onward on finance facility mentioned in Note 16.1.9 is treated as another demand finance facility which will be payable in equal quarterly instalments starting from December 2018 to September 2020.

16.2.7 Markup accrued on term finance facility mentioned in Note 16.1.10 till February 28, 2013 amounting to Rs. 30.736 million has been converted into demand finance which is payable in unequal monthly instalments starting from March 2017 to February 2023; whereas markup accrued from March 01, 2013 onward on the said term finance facility is also treated as another demand finance facility which is to be paid in equal monthly instalments starting from March 2015 to February 2022.

16.2.8 Profit accrued on term finance facility has been converted into demand finance facility which is payable in equal monthly instalments starting from April 2017 to March 2019.

16.3 This loan has been obtained from the GCL WPPF Trust, it carries markup @ 3 months KIBOR + 2.5% and is repayable after twelve months from the date of statement of financial position.

17 LEASE LIABILITY

	2019	2018
	(Rupees in 000s)	
Non-current lease liability	-	519
Current lease liability	587	1,030
	587	1,549

The Company has obtained one vehicle under a lease arrangement with remaining lease term of less than 12 months. This lease facility carries markup at the rate 6 month KIBOR + 2% p.a. The Company intends to exercise its option to purchase the above assets upon completion of the lease period.

Facility is secured through exclusive ownership of asset-in-use in the name of the Bank. Taxes, repair and insurance costs are borne by the Company. Future minimum lease payments as at June 30, 2019 was as follows:

	Minimum lease payments dues	
	2019	2018
	(Rupees in 000s)	
Within 1 year	1,087	1,126
1-2 years	-	1,011
Lease payments	1,087	2,137
Less: finance cost allocated to future periods	(22)	(110)
Less: security deposits adjustable on expiry of lease term	(478)	(478)
Net present value	587	1,549

	Note	2019	2018
		(Rupees in 000s)	
18 DEFERRED TAXATION			
Deferred tax liability			
accelerated depreciation rate for tax purpose		3,436,994	3,009,851
Deferred tax assets			
provisions allowed on payment basis in tax computation		(59,348)	(215,794)
Tax credits		(106,460)	(571,780)
Net deferred tax liability		3,271,186	2,222,277
Reconciliation of deferred tax liability			
Opening balance		2,222,277	2,190,311
Impact of tax rate change on opening balance		453,689	(524,280)
Provision for the year		595,220	556,246
		3,271,186	2,222,277
Deferred tax expense for the year			
Provision for the year		595,220	556,246
Impact of tax rate change on opening balance	32.3	453,689	(524,280)
Attributed to other comprehensive income		1,987	-
Impact of tax rate change on revaluation surplus	15	(140,163)	200,268
Tax credits materialized during the year		(293,217)	-
Deferred tax expense charged to profit or loss		617,516	232,234
19 EMPLOYEES BENEFIT OBLIGATIONS			
Frozen Employees Benefit Obligations	19.1	33,142	35,553
Defined benefit plan	19.2	66,011	55,287
		99,153	90,840
19.1 Frozen Employees Benefit Obligations			
Opening Balance		35,553	55,036
Expense for the year	19.1.1	-	464
Payments for the year		(2,411)	(14,379)
		33,142	41,121
Less: Payable within 12 months shown as current employees benefit obligations		-	(5,568)
		33,142	35,553

These are the left over amounts of discontinued post-employment benefits under gratuity scheme and accumulated compensatory absences scheme for the permanent employees of management cadre. These will be paid to employees when they retire or leave the Company.

	2019	2018
	(Rupees in 000s)	
19.1.1 Allocation of expense to head 'Salaries and benefits':		
Cost of sales	-	464
19.2 Defined benefit plan		
Present value of defined benefit obligations	68,511	57,787
Less: Unrecoverable loans against gratuity	(2,500)	(2,500)
	66,011	55,287

	Note	2019	2018
		(Rupees in 000s)	
Present value of Defined Benefit Obligations			
Balance as at June 30, 2018		57,787	55,656
Benefits paid during the year		(3,589)	(3,667)
Amount chargeable to other Comprehensive Income			
Actuarial losses due to experience adjustments		6,936	-
Amount chargeable to profit or Loss			
Service Cost (current service cost + past service cost + gains/losses on settlements)		3,038	1,627
Interest on Defined Benefit Obligation		4,339	4,171
		7,377	5,798
Balance as at June 30, 2019		68,511	57,787
Allocation of expense to head 'Salaries and benefits':			
Cost of sales		7,377	5,798

Expense of about Rs. 10.973 million would be charged to profit or loss for next financial year.

	2019	2018
Assumption used in Actuarial Valuation		
Average Expected Remaining Working Lifetime	10 years	10 years
Duration of Liability	8 years	9 years
Discount rate	13.25%	7.75%
Expected rate of salary increase in future years	13.25%	7.75%
Impact on Present Value of Defined Benefit Obligations due to:		
Discount rate +1%	62,581	52,785
Discount rate -1%	75,350	63,554
Salary increase +1%	75,285	63,500
Salary increase -1%	62,532	52,743

20 TRADE AND OTHER PAYABLES

	Note	2019	2018
Trade creditors	20.1	1,455,758	1,959,937
Accrued liabilities		803,312	593,252
Sales Tax		234,755	-
Federal Excise Duty		219,577	43,222
Royalty and excise duty		70,720	91,239
Withholding tax		374,496	195,919
Workers' Profit Participation Fund (related party)	20.2	51,235	627,870
Workers' Welfare Fund		21,569	23,551
Employee benefits obligations		48,380	89,344
Provident Fund Trusts (related parties)		2,845	2,412
		3,282,647	3,626,746

20.1 These include balances payable to foreign creditors under letters of credit arrangement for purchase of coal, consumables and heavy earth moving machinery. Total letters of credit facilities aggregated to Rs. 2,339.000 million (FY2018: Rs. 939.000 million) were available from commercial banks at Statement of Financial Position date out of which Rs. 1,372.206 million (FY2018: Rs. 758.972 million) were remained unutilized at Statement of Financial Position date. These letters of credit are due in 0-120 days and are secured against lien on import/local L/C documents, accepted draft/bill of exchange, 1st pari passu charge over all present and future fixed assets, to some extent, and personal guarantees of the sponsoring directors.

	2019	2018
	(Rupees in 000s)	
20.2 Due to workers' profit participation fund (WPPF)		
Opening balance	627,870	540,125
Allocation for the year	73,235	95,492
	701,105	635,617
Payment made during the year	(649,870)	(7,747)
Closing balance	51,235	627,870

	Note	2019	2018
		(Rupees in 000s)	
21 MARKUP AND PROFIT PAYABLE			
Banks and Financial Institutions			
Under markup/interest basis		42,733	35,403
Under islamic mode		30,329	5,879
Related party	16.3	11,376	-
		84,438	41,282
22 BORROWINGS			
Interest bearing borrowings	16.1	835,303	820,501
Non-interest bearing borrowings	16.2	263,859	222,093
Short term cash finance from a bank		-	300,000
		1,099,162	1,342,594

23 CONTINGENCIES AND COMMITMENTS

23.1 The Competition Commission of Pakistan (the CCP) took suo moto action and issued Show Cause Notice on October 28, 2008 under section 30 of the Competition Ordinance, 2007 to almost all cement companies (including this Company) for alleged increase in the prices of cement across the country. The CCP passed a single one order on August 27, 2009 against all the cement companies and imposed a penalty amounting to Rs. 39.126 million on the Company. The cement manufacturers (including the Company) have challenged the CCP order in the Lahore High Court and seeks the declaration of the Competition Ordinance 2007 and Regulation 22 of the Competition (General Enforcement) Regulations 2007 to be ultra-vires the Constitution, and, further, that the show cause notice dated October 28, 2008 and order dated August 27, 2009 be declared illegal

"Appeals against the CCP's orders were also led as an abundant precaution in the Honourable Supreme Court of Pakistan under Section 42 of the Competition Ordinance, 2007 as at the time of filing it was unclear where appeal against the CCP order lay. However, after the enactment of the Competition Act, 2010 in which the Competition Appellate Tribunal (CAT) had been constituted, the Honourable Supreme Court of Pakistan vide its Order dated June 01, 2017 sent the above appeals to CAT to decide the same in accordance with law. Accordingly, the appeal is pending before CAT in which a next date of hearing has not been fixed as yet. The cement manufacturers (including the Company) has also fled petition in the Sindh High Court (SHC) in relation to the constitution mechanism of the tribunal, wherein the Sindh High Court granted stay against the notice. The SHC has ordered CAT not to pass a final order, till the case is decided.

The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success to avoid the penalty, Hence, no provision for the above has been made in these financial statements.

23.2 The Company has filed a writ petition before the Lahore High Court challenging the legality and validity of all the proceedings taken pursuant to the show cause notice no 408-SC-2010/1579/CS.III dated July 01, 2010 culminating in order dated July 23, 2010 passed by the Member (Colonies), Board of Revenue, Government of Punjab whereby sales of state land measuring 400 kanals in favour of the Company was cancelled being violation of policy, law and Article 173 of the Constitution of the Islamic Republic of Pakistan, 1973. Adjudication in this appeal is pending. Based on the legal opinion, the management is confident that the Company has good case and there are reasonable chances of success in the Petition pending before the Lahore High Court.

23.3 The District Council Jhelum has levied water conservancy charges amounting to Rs. 312.836 million (FY2018: Nil) for the period from May 2018 to June 2019 on the order of the Supreme Court of Pakistan. The Company has filed an appeal before the Lahore High Court challenging therein the levy of water conservancy charges, jurisdiction of the District Council Jhelum over levying such charges, and rate of such charges. The appeal is pending for adjudication at terminal date. However, the legal counsel of the Company is confident of favourable decision, therefore, no adjustment is made in these financial statements

23.4 The interest amounting to Rs. 241.071 million (FY2018: Rs. 190.513 million) for the period that it remained unpaid to the Workers' Profit Participation Fund (WPPF), being leftover amount, has not been accounted for in these financial statements as the management and the legal counsel of the Company believes that the interest on the leftover amount is not payable to the Authority, not so for established by the Government of Punjab.

			2019	2018
			(Rupees in 000s)	
23.4	Bank guarantees			
	Sui Northern Gas Pipeline Limited		185,000	185,000
	Islamabad Electricity Supply Corporation		92,560	92,560
			277,560	277,560

Commercial banks have issued bank guarantees on behalf of the Company favoring utility companies detail as above. In addition to above bank guarantees, a commercial bank has issued performance guarantee against export sales on behalf of the Company amounting to USD 10,000 (FY2018: USD 10,000).

		Note	2019	2018
			(Rupees in 000s)	
23.5	Commitments			
	Against supply of plant and machinery		35,383	189,787
	Against supply of inventories under letters of credit		436,832	335,775
			472,215	525,562
24	REVENUE			
	Local sales		16,490,400	16,660,151
	Export sales		40,239	142,557
			16,530,639	16,802,708
	Less:			
	Sales Tax		(2,672,644)	(2,725,168)
	Federal Excise Duty		(2,502,077)	(2,372,933)
			(5,174,721)	(5,098,101)
			11,355,918	11,704,607
25	COST OF SALES			
	Raw materials		578,421	761,674
	Packing materials		972,467	801,881
	Consumable stores and spares		563,171	679,106
	Salaries and benefits		282,623	270,922
	Fuel and power		5,285,390	4,967,836
	Rent, rates and taxes		56,791	91,473
	Repair and maintenance		169,022	200,384
	Insurance		20,243	15,631
	Vehicle running and travelling		6,850	6,113
	Other expenses		26,003	49,406
	Depreciation	5.1.2	960,922	923,547
			8,921,903	8,767,973
	Adjustment of work-in-process inventory			
	Opening balance		506,902	463,734
	Closing balance		(673,348)	(506,902)
			(166,446)	(43,168)
	Cost of goods manufactured		8,755,457	8,724,805
	Adjustment of finished goods inventory			
	Opening balance		50,131	97,283
	Closing balance		(90,046)	(50,131)
			(39,915)	47,152
			8,715,542	8,771,957

		Note	2019	2018
			(Rupees in 000s)	
26	GENERAL AND ADMINISTRATION EXPENSES			
	Salaries and benefits		254,502	247,643
	Vehicle running and travelling		30,389	36,753
	Legal and professional charges		14,793	23,444
	Auditors' remuneration	26.1	1,751	1,675
	Communication expenses		13,477	8,899
	Rent, rates and taxes		535	3,253
	Fee and subscription		3,694	3,859
	Utilities		5,961	3,820
	Miscellaneous		22,042	26,219
	Amortization	6	1,283	1,283
	Depreciation	5.1.2	28,542	26,353
			376,969	383,201
26.1	Auditors' remuneration			
	Kreston Hyder Bhimji & Co.			
	Audit fee		1,000	1,000
	Half year review fee		500	500
	Certification fee		26	100
	Out-of-pocket expenses		225	75
			1,751	1,675
27	SELLING AND DISTRIBUTION EXPENSES			
	Salaries and benefits		24,154	16,607
	Distribution charges		116,535	147,946
	Commission/discount on sales		65,056	72,269
	Vehicle running and travelling		1,385	1,350
	Sales promotion		903	4,569
	Others		4,341	2,831
	Depreciation	5.1.2	1,287	971
			213,661	246,543
28	OTHER EXPENSES			
	Workers' Profit Participation Fund	20.2	73,235	95,492
	Workers' Welfare Fund		11,556	30,807
	Loss on deletion/disposal of fixed assets	28.1	26,325	683
	Zakat		-	500
			111,116	127,482
28.1	Loss on deletion of fixed assets			
	Book value of machinery deleted	5.1.5	126,325	683
	Insurance claim received		(100,000)	-
			26,325	683
29	OTHER INCOME			
	Provision for doubtful debts		-	6,432
	Provision for slow moving stores items		-	3,729
	Rental income from Balochistan Glass Limited (related party)		4,417	1,192
			4,417	11,353
30	FINANCE INCOME			
	Income from financial assets under interest/markup basis			
	Profit on bank deposits		7,001	1,972
	Markup on advance to Balochistan Glass Limited (related party)		37,734	24,335
			44,735	26,307

	Note	2019	2018
		(Rupees in 000s)	
31 FINANCE COST			
Banks and financial institutions			
under markup/interest basis			
Borrowings		136,592	185,395
Un-winding up of discount and catch up adjustments	16.2	(7,585)	39,897
Lease finance charges		114	29
		129,121	225,321
under islamic mode			
Borrowings		206,402	60,385
others			
Letters of credit financing cost		37,030	31,103
Bank guarantees commission		4,704	4,946
Bank charges		6,807	9,947
		48,541	45,996
Related party		11,376	-
Provision for default surcharge		10,766	2,468
Late payment surcharge on utilities bills		97,452	74,143
Foreign currency exchange loss		104,215	21,222
		607,873	429,535
32 TAXATION			
Current tax			
Current period	32.1	21,684	35,043
Prior period		4,297	6,617
		25,981	41,660
Deferred taxation		617,516	232,235
		643,497	273,895

32.1 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Provision for current tax is made @ 29% (FY2018: 30%) of the taxable income and 1% of export sales, net off tax credit u/s 65B and 113C as per provision of the Income tax Ordinance 2001. Provision for super tax @ 2% (FY2018: 3%) is also made in these accounts.

32.2 Comparison of tax provision with tax assessed is given below:

Tax Year	Reported	Assessed	Remarks
	(Rupees in 000s)		
2016	697,161	591,182	ACT of Rs. 104.557 million not taken in assessment based on stay order by LHC.
2017	51,008	119,844	Tax credit of ACT not taken in tax record (see Note 32.4.2)
2018	35,043	171,312	Tax credit of ACT not taken in tax record (see Note 32.4.2)

	2019	2018
	(Rupees in 000s)	

32.3 Numerical reconciliation between average effective tax rate and the applicable tax rate

	2019	2018
Accounting profit before taxation	1,379,909	1,783,549
Tax at applicable rate of 29% (FY2018: 30%)	400,174	535,065
Effect of:		
Depreciation due to accelerated depreciation rates in tax	(25,698)	(64,464)
Provisions to be claimed on actual/payment basis	25,817	482
Permanent taxable differences	28,023	11,969
Income attributed to final tax regime	14,336	6,715
Tax under final tax regime	421	1,462
Prior years adjustment	4,297	6,617
Super tax @ 2% (FY2018: 3%) of taxable income	21,683	35,043
Tax credits	(141,069)	65,018
Tax rate change	313,526	(324,012)
Items that will not be reclassified to profit or loss in OCI	1,987	-
Tax charge for the year	643,497	273,895
Effective tax rate	47%	15%

Tax rate has been increased to 29% for financial year 2019 and onward through the Finance Act 2019. Previously it had to be reduced by 1% every tax year till it reaches 25% for the tax year 2023 and onward as per Finance Act 2018. This change in tax rate increased the deferred tax liability and accordingly effective tax rate also increased by 23% of the profit before tax for the year.

32.4 Current income tax appeals pending for adjudication:

Tax Year	Order in origional	Appeal Order	Appeal pending before	Appealant	Note	Taxable income subject of appeal	Tax amount subject of appeal
2009	u/s 122 06-09-11	u/s 129 dt 09-07-14	ATIR	GCL and Deptt.	32.4.1	651,990	
2010	u/s 122(5A) 23-06-16	u/s 129 dt 12-04-17	ATIR	GCL	32.4.1	191,555	
2011	u/s 122(5A) 29-06-17	u/s 129 dt 10-10-18	ATIR	Deptt.	32.4.1	578,085	
2012	u/s 122(5A) 30-06-18	u/s 129 dt 07-11-18	ATIR	GCL and Deptt.	32.4.1	96,320	
2013	u/s 122(5A) 25-10-18	u/s 129 dt 17-05-19	ATIR	Deptt.	32.4.1	547,587	
2014			LHC	GCL	32.4.2		145,767
2015			LHC	GCL	32.4.2		248,893
2015			LHC	GCL	32.4.3		76,017
2016			LHC	GCL	32.4.2		104,557
2016	u/s 122(5A) 30-01-18	u/s 130 dt 01-10-18	LHC	Deptt.	32.4.4		293,217

32.4.1 Expenses added back under certain heads of accounts in Order-in-Original. Partial reliefs were allowed at first appellate forum to the Company. However, the department filed appeal at second appellate forum against these interim relief, whereas, the Company filed appeals for not allowing the entire reliefs. Impact of these partial reliefs at first appellate forum were provided in the financial statements. The management is confident that the appeals will be decided in favour of the Company and these additions will be deleted at higher appellate forum. However on prudence basis, impact of reliefs not allowed at first appellate forum are not provided in these financial statements.

32.4.2 The Company has challenged before the Lahore high Court, the levy of ACT @ 17% in the presence of depreciation losses which are admissible allowances. LHC has allowed interim relief in the form of stay order for not paying ACT and accordingly income tax assessment for these tax years were made without ACT. Management as well as legal council is confident that these appeals will be decided in favour of the company. However, provision for ACT were accrued in these financial statements in the respective years on prudence basis which is being reversed as tax credit u/s 113C against normal corporate tax from tax year 2017 and onward in these accounts.

32.4.3 The Company has challenged before the Lahore high Court, the levy of Super Tax @ 3% in the presence of depreciation losses which were admissible allowances for the subject tax year. Management as well as legal council is confident that the appeal will be decided in favour of the company. However, provision for Super Tax was accrued in these financial statements in the respective year on prudence that will be reversed once final decision is made.

32.4.4 The Inland Revenue Appellate Tribunal (IRAT) allowed tax credit u/s 113(2)(c) to the Company, however the department challenged this before the Lahore High Court. Management as well as legal council is confident that this appeal will be decided in favour of the company as LHC has already decided this matter in favour of other taxpayer on the same ground as sought by the Company. Therefore, impact of the subject tax credit allowed by IRAT was provided in the financial statements.

33 EARNINGS PER SHARE - Basic and diluted

	2019	2018
Earnings per share - after tax (Rupees)	1.84	3.77
Profit after tax (Rupees in thousands)	736,412	1,509,654
Weighted average number of ordinary shares	400,273,960	400,273,960

There is no dilutive effect on the basic earnings per share of the company as the Company has no such commitments at the date of statement of financial position.

	2019	2018
	(Rupees in 000s)	
34 ADJUSTMENT FOR NON-CASH AND OTHER ITEMS		
Depreciation	990,751	950,871
Amortization	1,283	1,283
Finance expenses	607,873	429,535
Provision for retirement benefits	7,377	6,262
Provision for doubtful debts	-	(6,432)
Provision for slow moving stores items	-	(3,729)
Rental income from Balochistan Glass Limited (related party)	(4,417)	(1,192)
Loss on deletion/disposal of fixed assets	26,325	683
Profit on bank deposits	(7,001)	(1,972)
Markup on advance to Balochistan Glass Limited (related party)	(37,734)	(24,335)
	1,584,457	1,350,974
35 INFLOW/OUTFLOW FROM NET CHANGES IN WORKING CAPITAL		
Inventories	(226,973)	(440,706)
Trade and other receivables	(67,971)	(34,461)
Loan and advances	(1,330)	4,286
Deposits	(2,940)	(644)
Prepayments	(70,358)	14,075
Long term deposits	39,497	1,250
Trade and other payables	(530,786)	1,046,838
Contract liabilities	(7,011)	(13,709)
	(867,872)	576,929
36 CASH AND CASH EQUIVALENT		
Cash and bank balance	431,760	107,869

37 FINANCIAL INSTRUMENTS

Categories of financial assets and financial liabilities

Note 4.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Note	2019	2018
		(Rupees in 000s)	
Financial assets at amortised cost			
Trade and other receivables	9	626,963	557,366
Loan and advances	10	354,599	265,811
Non current deposits	7	70,393	109,890
Current deposits	11	48,950	46,010
Cash and bank balances	13	431,760	107,869
		1,532,665	1,086,946

Advances to employees against salary or for expenses are excluded from 'Loan and advances' as these will not be settled through cash.

	Note	2019	2018
		(Rupees in 000s)	
Financial liabilities at amortised cost			
Non current borrowings	16	2,909,384	2,994,244
Current borrowings	22	1,099,162	1,342,594
Markup and profit payables	21	84,438	41,282
Trade and other payables (excluding payable to government)	20	2,361,530	3,272,815
		6,454,514	7,650,935

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its head office, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

37.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, and interest rate risk which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Company's transactions are carried out in Pakistani Rupees (Rs.). Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD and CNY. Payables exposed to foreign currency are not covered through any forward foreign exchange contracts or through hedging.

	2019	2018	2019	2018
	(FC in '000s)		(Rupees in 000s)	
Trade and other payables - Trade creditors				
USD	4,453	9,264	732,519	1,126,462
EUR	-	168	-	23,784
CNY	7,263	7,263	175,693	136,255
			908,212	1,286,501

Sensitivity analysis:	2019	2018
Increase in foreign currency exchange rate by 1%	9,082	12,865
Decrease in foreign currency exchange rate by 1%	(9,082)	(12,865)

Interest rate sensitivity

The Company is exposed to changes in market interest rates through borrowings at variable interest rates that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR"). The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2019	2018
	(Rupees in 000s)	
Fixed interest rate financial assets		
Bank balances at PLS accounts	4,463	26,108
Variable interest rate financial liabilities/(assets)		
Borrowings	4,008,546	4,336,838
Advance to associated company	(338,525)	(249,986)
	3,670,021	4,086,852

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit by amounts shown below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for the year 2018.

	Markup / Profit 2019	2018
	(Rupees in 000s)	
Variable interest rate financial liabilities		
Increase of 100 basis points	36,700	40,869
Decrease of 100 basis points	(36,700)	(40,869)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and the outstanding liabilities of the Company at the year end.

37.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables. The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2019	2018
	(Rupees in 000s)	
Banks and financial institutions	440,580	153,879
Customers	617,932	549,899
Utility companies	70,393	109,890
Employees	16,074	15,825
Associated company	347,556	257,391
Others	40,130	62
	1,532,665	1,086,946

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

	2019	2018
	(Rupees in 000s)	
A1+	425,915	101,596
A1	2,158	1,139
A-2	76	202
A-3	3,325	3,733
A+	-	32
	431,474	106,702

The Company continuously monitors the credit quality of customers based on internal evaluation assessment and/or reports on customers from the market. The Company’s policy is to deal only with credit worthy counterparties. New customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The credit terms range between 7 and 30 days. The credit terms for customers as negotiated with customers are subject to an internal approval process. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	Note	2019	2018
		(Rupees in 000s)	
Trade receivable past due			
1 - 30 days		586,086	546,778
31 - 90 days		27,875	339
91 - 180 days		673	64
More than 180 days		3,298	2,718
	9	617,932	549,899

Management believes that the amounts that are past due more than 30 days are still collectable in full based on historical payment behaviour and extensive analysis of customer credit risk. Therefore no provision is made in these financial statements.

Security

The Company does not hold any security on the trade receivables balance, In addition, the Company does not hold collateral relating to other financial assets (e.g. derivative assets, cash and cash equivalents held with banks).

37.3 Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting period.

The Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Overdue	Within 6 months	More than 6 months and up to 12 months	More than 1 year and up to 5 years	More than 5 years and up to 10 years	Total
			(Rupees in 000s)			
As at June 30, 2019						
Borrowings	117,033	505,757	476,372	2,818,231	91,153	4,008,546
Trade and other payables	870,767	290,256	1,200,507	-	-	2,361,530
Markup and profits payable	84,438	-	-	-	-	84,438
	1,072,238	796,013	1,676,879	2,818,231	91,153	6,454,514
As at June 30, 2018						
Borrowings	68,255	762,572	511,768	2,805,886	188,357	4,336,838
Trade and other payables	1,189,313	396,438	1,687,064	-	-	3,272,815
Markup and profits payable	41,282	-	-	-	-	41,282
	1,298,850	1,159,010	2,198,832	2,805,886	188,357	7,650,935

37.4 Fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

I Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

ii Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

iii "Inputs for the asset or liability that are not based on observable market date (unobservable inputs) (level 3)."

The Company has not disclosed the fair values of the current financial assets and current financial liabilities disclosed in Note 37 as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

37.5 Capital risk Management:

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings less cash and cash equivalents.

	Note	2019	2018
		(Rupees in 000s)	
The gearing ratio as at June 30, 2019 is as follows:			
Non current borrowings	16	2,909,384	2,994,244
Lease liability	17	587	1,549
Current borrowings	22	1,099,162	1,342,594
Total debts		4,009,133	4,338,387
Cash and bank balances	13	(431,760)	(107,869)
Net Debts		3,577,373	4,230,518
Issued, subscribed and paid up capital	14	4,002,739	4,002,739
Revaluation surplus of PPE	15	3,086,133	3,404,857
Retained earnings		5,392,574	5,082,961
Total Equity		12,481,446	12,490,557
Capital employed		16,058,819	16,721,075
Gearing Ratio		22%	25%
Net debt against total equity of Re. 1		0.29	0.34

Gearing ratio showed that 22% (FY2018: 25%) of the capital employed is financed through borrowings; whereas gearing ratio reduced due to repayment of debts and retention of earnings within the company.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements except those related to maintenance of debt covenants including restriction on dividend declaration without obtaining NOC commonly imposed by the providers of debt finance with which the Company has complied. The Company has obtained NOC from the banks and financial institution for payment of dividend.

38 PROVIDENT FUND DISCLOSURE AND COMPLIANCE

GCL Officers' Provident Fund

Key figures of the Fund as per unaudited accounts for the year ended June 30, 2019 is given below:

	2019	2018
	(Rupees in 000s)	
Fund Size - Total assets	103,203	83,383
Investments	97,144	80,321
Percentage of investment at cost	94%	96%

	2019		2018	
	Rs. '000	%age	Rs. '000	%age
Breakup of fair value of investments:				
Mutual funds	14,391	15%	18,568	23%
Term deposit receipts	77,000	79%	50,000	62%
Bank balances	5,753	6%	11,753	15%
	97,144	100%	80,321	100%

The investments out of Provident Fund Trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and Rules formulated for this purpose. The investment shall be brought in conformity with the provisions of the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 within three year as allowed under Rule 1(5) of these new rules.

GCL Workers' Provident Fund

This fund is wholly managed by CBA. As per latest available unaudited accounts for the year ended June 30, 2014, the total size of the of the Employees' Provident Fund Trust was Rs. 70.336 million out of which Rs. 42.585 million (60.55%) was invested. Cost and fair value of investments was Rs. 20.000 million (28.43%) invested as term deposit in a bank, Rs. 14.263 million (20.28%) invested in another fund, and Rs. 8.322 million (11.83%) kept in bank accounts. The Trust is in process of completing its accounts and audit to comply with the provisions of section 218 of the Companies Act, 2017.

		2019	2018
		(Number)	
39	NUMBER OF EMPLOYEES		
	Number of employees at year end		
	Factory	379	371
	Head Office	48	49
	Average number of employees during the year		
	Factory	373	373
	Head Office	48	51

40 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS & EXECUTIVES

The aggregated amounts charged in the financial statements as regard to the above stated remunerations:

	Chief Executive		Executive Directors		Executives	
	2019	2018	2019	2018	2019	2018
Managerial Remuneration	64,800	64,800	32,400	32,400	42,682	21,857
Allowances	7,200	7,200	3,600	3,600	52,166	26,715
Bonus and other benefits	13,463	38,159	9,432	17,532	6,993	7,356
Contribution to:						
Post employment benefit	-	-	-	-	4,268	2,390
	85,463	110,159	45,432	53,532	106,109	58,318
No. of employees	1	1	1	1	15	1 3

Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year. The Company also provides the chief executive, a director and some of the executives with Company maintained cars and travelling for business purpose.

41 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the associated company, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted during the year) along with relationship and transactions with related parties has been disclosed under relevant notes in these financial statements.

Following related parties hold share of the Company as at June 30, 2019:

		2019	2018
		(Numbers of Shares)	
Directors and their spouse			
Mr. Muhammad Tousif Peracha	CEO	214,872,079	225,372,079
Mr. Tabbasum Tousif Peracha	Spouse of director	194,025	194,025
Mr. Abdur Rafique Khan	Director	90,929,285	90,929,285
Mr. Ali Rashid Khan	Director	20,344,653	16,062,541
Ms. Amna Khan	Director	22,728,035	22,728,035
Mian Nazir Ahmed Peracha	Director	500	500
Mrs. Feriha Nazir Peracha	Spouse of director	2,714,000	-
Mrs. Qamar Nazir Peracha	Spouse of director	2,625,000	-
Mrs. Salma Khan	Spouse of director	153,747	153,747
Mr. Daniyal Jawaid Peracha	Director	17,000	17,000
Mr. Muhammad Niaz Piracha	Director	2,330	2,330

Key Management Personnel

Key management personnel are those who have influence in decision making process of the Company and includes Mr. Abdul Shoeb Piracha, Mr. Muhammad Shamail Javed, Syed Firasat Abbas, Mr. Farukh Naveed and Mr. Muhammad Tahir for the year. Corresponding figures rearranged accordingly.

	2019	2018
	(Rupees in 000s)	
Salary and benefit	57,787	16,785
Consultancy fee	-	12,525
Post employment benefit	2,429	2,085
Provident Fund Trusts		
Contribution by Company	15,460	14,355

	2019	2018
	(Tons)	
42 CAPACITY AND PRODUCTION - CLINKER		
Listed capacity	2,010,000	2,010,000
Production	1,540,456	1,656,004

Lower capacity utilization of cement plant is due to gap between demand and supply of cement in local market. The capacity figure of the plant is based on 300 days.

43 CORRESPONDING FIGURES

Correspondence figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison as per below detail:

Current Presentation	Previously presented under:	2018	2017
		(Rupees in 000s)	
Contract liabilities (separate line item)	Trade and other payable	28,818	42,527
Frozen employee benefit obligation (Note 19)	Frozen encashable leaves	14,597	33,103
Frozen employee benefit obligation (Note 19)	Frozen gratuity fund (for management cadre)	20,956	21,930
Defined benefit plan (Note 19)	Frozen gratuity fund (for worker cadre)	55,287	48,059
Employee benefit obligation (Note 20)	Accrued liabilities	89,344	80,563
Inventories (Note 8)	Stock in trade	632,241	624,850
Inventories (Note 8)	Consumable stores and spares	1,570,322	1,133,278
Distribution expenses (Note 27)	Distribution expenses (under net sales)	147,946	70,099
Discount/commission on sales (Note 27)	Discount on sales (under net sales)	72,269	64,356

44 NON ADJUSTING EVENTS AFTER THE DATE OF FINANCIAL POSITION

The Board of Directors of the Company in its meeting held on October 02, 2019 has proposed a final cash dividend of Rs. 0.50 per share for the year ended June 30, 2019, for approval of the members in the Annual General Meeting. The financial statements for the year ended June 30, 2019 do not include the effect of the proposed appropriation, which will be accounted for in the financial statements for year ending June 30, 2020.

45 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on October 02, 2019.

CHIEF EXECUTIVE OFFICER　　CHIEF FINANCIAL OFFICER　　DIRECTOR

FORM OF PROXY

The Secretary
Gharibwal Cement Limited
Pace Tower, 1st Floor, 27-H,
College Road, Gulberg II, Lahore.
LAHORE

I/We .... of .... being a membe of

Gharibwal Cement Limited, and holder of .... Ordinary Shares as per Shares Register

Folio No. .... hereby appoint Mr./Mrs./Ms. ....

of ....

Folio No. .... who is also a member of Gharibwal Cement Limited as my/our proxy to

attend
and vote for and on my / our behalf at the 59th Annual General Meeting of the Company to be held on Saturday, October 26, 2019 at 12:00 noon at the registered office of the Company (Gharibwal Cement Pace Tower, 1st Floor, 27-H, College Road, Gulberg II, Lahore.) and at any adjournment thereof.

As witnessed given under my / our hand (s) .... day of .... , 2019.

Signature

On Five Rupees Revenue Stamp

Witness:

Signature ....

Name ....

Address ....

Note:

1. The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

2. No person shall act as proxy unless he is a member of the Company.

3. Signature should agree with the specimen signature registered with the Company.

Standard Request Form Circulation of Annual Audited Accounts

The Share Registrar,
Corplink (Pvt) Limited,
Wings Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 0423 591 6714; Email: corplink786@gmail.com

Subject: Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Electronic Media

The Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated 08-09-2014 and SRO 470(1)/2016 dated 31-05-2016, allowed the companies to circulate their annual audited accounts (i.e. Annual Statement of Financial Position, Statement of Profit or Loss, Statements of Comprehensive Income, Statement of Cash Flows, Notes to the Financial Statements, Auditor's and Director's Report) along with notice of general meeting to its members in the form of soft copy through email/DVD/CD/USB.

Gharibwal Cement Limited has already passed resolution with the consent of its shareholders in Annual General Meeting held on September 28, 2016 to circulate its Annual Reports and notice of AGM through CD/DVD.

Shareholders who wish to receive the softcopy through email OR hardcopy of Annual Report shall have to fill the below form and send us to Company's address.

I/We wish and hereby consent to receive Annual Report along with notice of AGM as per below selected option instead of delivery these to me through CD/DVD:

Option 1: via email at email address ______________________________;

OR

Option 2: hard copy at mailing address ______________________________

____

____

I/We hereby confirm that the information provided in this form is correct and in case of any change therein, I/we will immediately intimate to the Company's Shares Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2018.

____
Shareholder's signature

Name of the Members/ Shareholders : ______________________________

CNIC /SNIC # : ______________________________

Folio / CDC Account Number : ______________________________

E-DIVIDEND MANDATE LETTER

Mandatory Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/We/Messrs.,____, being a/the shareholder(s) of Gharibwal Cement Limited (the "Company"), hereby, authorize the Company, to directly credit cash dividends declared by it, in my bank account as detailed below:

Shareholder's Details	
Name of the Shareholder(s)	
Folio No. CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy) - Mandatory	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
Zakat Status (Payable or not payable) (submit declaration as per Zakat & Ushr Ordinance 1980, if zakat not payable)	

Shareholder's Bank Account Details	
Title of Bank Account	
IBAN **	
Bank's Name	
Branch Name	
Branch Code No	
Branch Address	

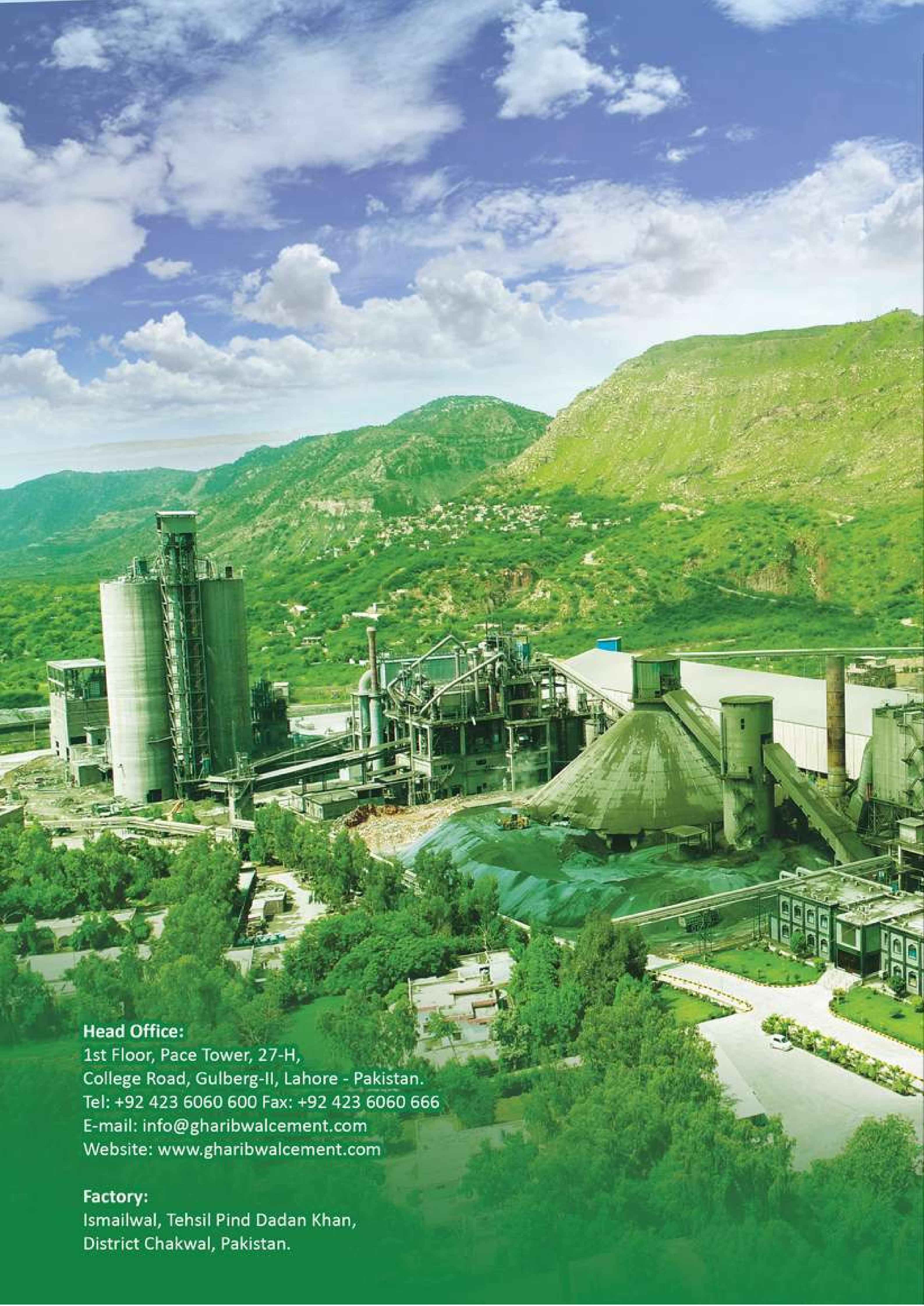
** Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours truly,

____
Signature of Shareholder (Please affix company stamp in case of corporate entity)

Note:
This letter must be sent by shareholders to his Stock broker or to CDC in case of Investor Account with CDC which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.
In case of physical shares, please send directly to our share registrar (M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore).



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E-mail: info@gharibwalcement.com
Website: www.gharibwalcement.com

Factory:
Ismailwal, Tehsil Pind Dadan Khan,
District Chakwal, Pakistan.