

**CONDENSED INTERIM FINANCIAL INFORMATION (Un-Audited)  
for the first quarter ended September 30, 2014**



**GHARIBWAL CEMENT LIMITED**

## COMPANY PROFILE

### Board of Directors

#### Chairman & CEO

Mr. Muhammad Tousif Peracha

#### Directors

Mr. Abdur Rafique Khan  
Mrs. Tabassum Tousif Peracha  
Mr. Mustafa Tousif Ahmed Paracha  
Mr. Ali Rashid Khan  
Mr. Muhammad Rahman  
Mr. Khalid Siddique Tirmzi

### Audit Committee

#### Chairman

Mrs. Tabassum Tousif Peracha

#### Member

Mr. Ali Rashid Khan  
Mr. Muhammad Rahman

### HRR Committee

#### Chairman

Mr. Mustafa Tousif Ahmed Paracha

#### Member

Mr. Ali Rashid Khan  
Mr. Muhammad Rahman

**CFO & Company Secretary** Mr. Muhammad Shamail Javed ACA

**Chief Accountant** Mr. Farukh Naveed

**Chief Internal Auditor** Mr. Iqbal Ahmed Rizvi FCA

**External Auditors** Kreston Hyder Bhimji & Co.  
Chartered Accountant

**Legal Advisor** Raja Muhammad Akram

**Banker to the Company** Allied Bank Limited  
Askari Bank Limited  
Faysal Bank Limited  
First Credit and Investment Bank  
Habib Bank Limited  
Kasb Bank Limited  
Mcb Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Saudi Pak Industrial & Agricultural Investment Company  
Silk Bank Limited  
The Bank of Khyber  
The Bank of Punjab  
United Bank Limited

**Registered & Head Office** 28-B/III, Gulberg III, P.O. Box 1285, Lahore.  
UAN : 042 - 111-210-310, Fax : 042 - 35871039 & 59  
E-mail: info@gharibwalcement.com  
www.gharibwalcement.com

**Works** Ismailwal, Distt. Chakwal

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

## DIRECTORS' REPORT TO THE MEMBERS

The Directors' of your Company are pleased to present the condensed interim financial information (un-audited) for the 1st quarter ended September 30, 2014.

Total cement dispatches of industry remained 8.163 million ton during the 1st quarter of FY2015 (1Q2015) as against 7.799 million ton during the 1st quarter of FY2014 (1Q2014) and posted a growth of 4.68%. Local sales volume increased by 9.85% whereas export decreased by 8.13% for the period under review.

Your Company produced 15% more clinker during 1Q2015 as compared with 1Q2014 and accordingly clinker capacity utilization remained 65%, furthermore, Cement sales volume also increased by 18% over the last period.

Summary of the financial performance is given below:

		1Q2015	1Q2014	Variance	% change
Net sales	Rs. '000	2,101,019	1,707,522	393,497	23%
Gross Profit	Rs. '000	635,344	511,372	123,972	24%
EBITDA	Rs. '000	731,801	547,137	184,664	34%
Profit before taxation	Rs. '000	418,593	291,716	126,877	44%
Profit after taxation	Rs. '000	245,991	274,497	(28,506)	-10%
EPS	Rs.	0.62	0.69	(0.07)	-10%

Your Company earned profit before taxation of Rs. 418.593 million which is 44% higher than 1Q2014. However, profit after taxation decreased to Rs. 245.991 million due to incorporation of Alternative Corporate Tax and provision for deferred tax.

Keeping in view ongoing mega projects announced by the government and rehabilitation of flood-affected infrastructure, we hope that company will maintain its growth in future as well. Furthermore, to mitigate the increase in cost of sales and severe shortage of power in the Country, management of your Company has finalized the conveyor belt project for transportation of raw material from quarry to the plant which will reduce the cost of raw material consumed in coming years. The management is also working on the waste heat recovery (WHR) project for production of electricity from the flue gases of kiln & captive power plant which will reduce the power cost of company.

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

For and on behalf of Board of Directors



MUHAMMAD TOUSIF PERACHA  
Chief Executive Officer

Lahore : October 31, 2014

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**

AS AT SEPTEMBER 30, 2014

	Note	Un-Audited 30-09-14 (Rupees in 000s)	Audited 30-06-14
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipments	5	13,007,053	13,159,141
Intangible assets		5,811	6,117
Long term deposits		85,955	84,954
		<b>13,098,819</b>	13,250,212
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		754,596	580,663
Stock in trade		987,055	887,682
Trade debtors		163,555	252,013
Advances, deposits and prepayments		165,358	138,456
Cash and bank balances		69,030	32,964
		<b>2,139,594</b>	1,891,778
Non current assets held for sale		37,904	37,904
		<b>2,177,498</b>	1,929,682
		<b>15,276,317</b>	15,179,894
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 470 million ordinary shares of Rs. 10 each		4,700,000	4,700,000
Issued, subscribed and paid up capital		4,002,739	4,002,739
General Reserve		332,000	332,000
Accumulated losses		(1,458,521)	(1,752,184)
		<b>2,876,218</b>	2,582,555
Surplus on revaluation of property, plant and equipments		3,679,893	3,727,563
<b>NON CURRENT LIABILITIES</b>			
Long term borrowings	6	1,935,287	2,323,642
Deferred liabilities		2,774,045	2,668,987
		<b>4,709,332</b>	4,992,629
<b>CURRENT LIABILITIES</b>			
Trade and other payable		1,147,555	1,618,068
Markup and profit payable		650,946	608,867
Short term borrowings	7	367,005	167,017
Current portion of non current liabilities		1,173,877	839,111
Taxes and duties payable		671,491	644,084
		<b>4,010,874</b>	3,877,147
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
		<b>15,276,317</b>	15,179,894



Chief Executive Officer



Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Un-Audited 1Q2015	Un-Audited 1Q2014
	(Rupees in 000s)	
Net sales	<b>2,101,019</b>	1,707,522
Cost of sales	<b>(1,465,675)</b>	(1,196,150)
<b>Gross profit</b>	<b>635,344</b>	511,372
Administration and general expenses	<b>(54,634)</b>	(37,426)
Selling and distribution expenses	<b>(7,496)</b>	(5,493)
Other expenses	<b>(22,047)</b>	(15,353)
<b>Operating profit</b>	<b>551,168</b>	453,100
Finance income	<b>523</b>	463
Finance cost	<b>(133,097)</b>	(161,847)
<b>Profit before taxation</b>	<b>418,593</b>	291,716
Current Taxation	<b>(67,602)</b>	(17,219)
Deferred Taxation	<b>(105,000)</b>	-
<b>Profit after taxation</b>	<b>245,991</b>	274,497
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>245,991</b>	274,497

	(Rupees)	
Earnings per share (basic and diluted)	0.62	0.69



Chief Executive Officer



Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Un-Audited 1Q2015	Un-Audited 1Q2014
	(Rupees in 000s)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	<b>418,593</b>	291,716
Adjustment for non-cash and other transactions:		
Depreciation	<b>180,635</b>	94,038
Finance cost	<b>133,097</b>	161,847
	<b>313,732</b>	255,885
Operating profit before working capital changes	<b>732,325</b>	547,601
Changes in working capital:		
Stores, spares and loose tools	<b>(173,933)</b>	125,853
Stock in trade	<b>(99,373)</b>	(124,476)
Trade debts	<b>88,458</b>	22,589
Advance, deposit and other receivable	<b>(26,903)</b>	(21,885)
Trade and other payables	<b>(472,074)</b>	15,716
Long term deposits	<b>(1,001)</b>	-
Taxes & Duties	<b>(20,917)</b>	13,707
	<b>(705,743)</b>	31,504
Cash inflow from operation	<b>26,582</b>	579,105
Finance cost paid	<b>(69,484)</b>	(73,024)
Income tax paid	<b>(34,342)</b>	(31,213)
Net Cash (outflow) / inflow from operating activities	<b>(77,244)</b>	474,868
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure incurred	<b>(28,241)</b>	(60,387)
<b>Net cash outflow from investing activities</b>	<b>(28,241)</b>	(60,387)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of long term borrowings	<b>(58,437)</b>	(143,837)
Change in short term borrowings	<b>199,988</b>	59,049
Payment of directors' loan	<b>-</b>	(276,185)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>141,551</b>	(360,973)
<b>Net increase in cash and cash equivalents</b>	<b>36,066</b>	53,508
<b>Cash and cash equivalents at beginning of the period</b>	<b>32,964</b>	692
<b>Cash and cash equivalents at end of the period</b>	<b>69,030</b>	54,200



Chief Executive Officer



Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Share Capital	General Reserves	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2013	4,002,739	332,000	(2,725,238)	1,609,501
Total Comprehensive income for the quarter ended September 30, 2013	-	-	274,497	274,497
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	-	19,241	19,241
Balance as at September 30, 2013	4,002,739	332,000	(2,431,500)	1,903,239
Total Comprehensive income for the three quarters ended June 30, 2014	-	-	574,341	574,341
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	-	104,975	104,975
Balance as at June 30, 2014	4,002,739	332,000	(1,752,184)	2,582,555
Total Comprehensive income for the quarter ended September 30, 2014	-	-	<b>245,991</b>	<b>245,991</b>
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	-	<b>47,672</b>	<b>47,672</b>
<b>Balance as at September 30, 2014</b>	<b>4,002,739</b>	<b>332,000</b>	<b>(1,458,521)</b>	<b>2,876,218</b>



Chief Executive Officer



Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

### 1. LEGAL STATUS AND OPERATIONS

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

### 2. STATEMENT OF COMPLAINEE

These condensed interim financial statements are un-audited and have been prepared in accordance with International Financial Reporting standard 'IAS-34-Interim Financial Reporting' and should be read in conjunction with the Annual Financial Report for the year ended June 30, 2014. These are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

### 3. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements for the year ended June 30, 2014.

### 4. SIGNIFICANT ESTIMATES

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

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

	Note	Un-Audited 30-09-14 (Rupees in 000s)	Audited 30-06-14
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>12,831,428</b>	13,007,938
Capital work in progress		<b>175,625</b>	151,203
		<b>13,007,053</b>	13,159,141
<b>5.1 Reconciliation of Operating Fixed Assets</b>			
Opening balance as at 01-07-2014		<b>13,007,938</b>	
Additions		<b>3,819</b>	
Deletions		-	
		<b>13,011,757</b>	
Depreciation		<b>(180,329)</b>	
Closing balance as at 30-09-2014		<b>12,831,428</b>	
<b>6 LONG TERM BORROWINGS</b>			
Redeemable Capital		<b>96,316</b>	104,916
Banks and financial institutions		<b>1,784,635</b>	1,890,900
Related parties	6.1	<b>54,336</b>	327,826
		<b>1,935,287</b>	2,323,642



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


FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	Un-Audited 30-09-14 (Rupees in 000s)	Audited 30-06-14
<b>6.1 Related parties</b>			
Mr. Muhammad Tousif Peracha	6.1.1	<b>125,000</b>	125,000
Mr. Abdur Rafique Khan	6.1.1	<b>125,000</b>	125,000
Mr. Danyal Jawaid Peracha		<b>65,626</b>	65,099
Employees' Gratuity Fund Trust	6.1.2	<b>3,710</b>	12,727
		<b>319,336</b>	327,826
Less: Current maturity shown under current liabilities		<b>(265,000)</b>	-
		<b>54,336</b>	327,826

**6.1.1** The nature of these balances was explained in the annual accounts for the year ended 30-06-2014. Markup will be charged @ 3 months KIBOR plus 2% p.a. on these balances. These balances will be paid by 30-06-2015.

**6.1.2** This borrowing will be repaid during the financial year ended 30-06-2015.

- 7.** This includes a cash finance facility of Rs.200 million obtained from the Bank of Punjab during the period. This will be repaid by 31-03-2015 and carries markup @ 3 months KIBOR plus 1.75% p.a.
- 8.** There is no material change in the contingent liabilities of the Company since the last annual balance sheet date.
- 9.** There was no significant transaction with the related party.
- 10.** The figures have been rounded off to the nearest of thousand rupees.
- 11.** These un-audited condensed interim financial statements are authorized for issue by the Board of directors of the Company on October 31, 2014.



Chief Executive Officer



Director

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

28-B/III, Gulberg III, P.O. Box: 1285, Lahore.  
UAN: 042-111-210-310 Fax: 042-35871039 & 59  
E-mail: [info@gharibwalcement.com](mailto:info@gharibwalcement.com)