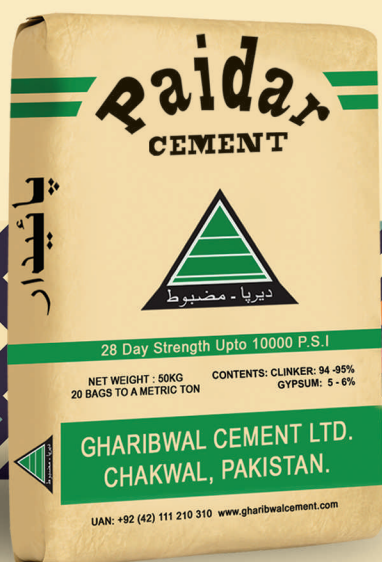


Growing
Everyday

Condensed Interim Financial Information
(Un-Audited)
for the first quarter ended
SEPTEMBER 30, 2016



GHARIBWAL CEMENT LIMITED

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COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Muhammad Tousif Peracha
Chief Executive Officer - Executive Director

Mrs. Tabassum Tousif Peracha
Non - Executive Director

Mr. Daniyal Jawaid Paracha
Independent Director

Mian Nazir Ahmed Peracha
Independent Director

Mr. Khalid Siddiq Tirmizey
Nominee Director

Mr. Abdur Rafique Khan
Executive Director

Mr. Ali Rashid Khan
Non - Executive Director

Ms. Amna Khan
Non - Executive Director

Mr. Muhammad Niaz Paracha
Non - Executive Director

AUDITORS AND LEGAL ADVISORS

Kreston Hyder Bhimji & Co
Chartered Accountants
Statutory Auditors

F.R.A.N.T.S.
Chartered Accountants
Cost Auditors

Raja Muhammad Akram
Legal Advisors

KEY EXECUTIVE MANAGEMENT

Mr. Abdul Shoeb Piracha
Director Commercial

Syed Firasat Abbas
General Manager Plant

Mr. Muhammad Shamail Javed ACA
Chief Financial Officer & Company Secretary

Lt. Col (R) Syed Iftikhar Ali
General Manager Administration

Mr. Muhammad Tahir
Costing, Budgeting and Planning

Mr. Hassan Mahdi CIA
Chief Internal Auditor

Mr. Qaseem Nametullah Siddiqi
Executive Director Operation

Mr. Iqbal Ahmed Rizvi FCA
General Manager Taxation

Mr. Farukh Naveed ACA
Chief Accountant

Rana Muhammad Ijaz
General Manager Marketing

Mr. Mohsin Baig
Manager Purchase

BANKERS

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

Askari Bank Limited
Summit Bank Limited
Pak China Investment Company
Meezan Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
Bank Al Habib Limited

DIRECTORS' REPORT TO THE MEMBERS

The directors of your Company are pleased to present the un-audited condensed interim financial information for the 1st quarter ended September 30, 2016.

Your Company's sales volume slightly reduced by ~3% YoY for the period under review, however this was mitigated by clinker sales which resulted in an increase in net sales value by 12% YoY. Increase in coal price and other fixed costs resulted in meager growth of 3% in gross profit. Company's operating EBITDA decreased by 2% YoY due to provision of Workers' Welfare Fund @ 2% resulting from full utilization of assessed tax losses during the last FY 2016.

Summary of the financial results is given below:

		1st Quarter ended September 30			
		2016	2015	Increase	% Increase
Cement Despatch	Ton	306,752	316,896	(10,144)	-3%
Clinker Despatch	Ton	94,237	-	94,237	100%
Net sales	Million Rupees	2,488	2,208	280	12%
Gross profit	Million Rupees	846	818	28	3%
EBITDA	Million Rupees	847	863	(16)	-2%
Profit before taxation	Million Rupees	629	635	(6)	-1%
Profit after taxation	Million Rupees	444	407	37	9%
Earnings per share	Rupees	1.11	1.02	0.09	9%

The Company earned profit before taxation of Rs. 629 million (2015: Rs. 635 million) and profit after taxation of Rs. 444 million (2015: Rs. 407 million) showing increase of 9% YoY. Company's earnings per share stood at Rs. 1.11 for the period.

Two main projects of the Company i.e. Waste Heat Recovery and Conveyor Belt are substantially progressed and expected to complete by December 2016. After commissioning of these two projects, cost of production would be reduced leading to an increase in the gross margin. We foresee that there will be sufficient cement demand in the local market because of the government spending on mega projects including CPEC which will help the company to maintain its growth in the current FY 2017.

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



ABDUR RAFIQUE KHAN
Director

Lahore : October 25, 2016

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2016

	Note	Un-Audited 30-09-16 (Rupees in 000s)	Audited 30-06-16
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipments	5	15,893,510	15,397,173
Intangible assets		4,006	3,551
Long term loan and deposits		90,660	90,638
		<u>15,988,176</u>	<u>15,491,362</u>
CURRENT ASSETS			
Stores, spares and loose tools		960,813	878,719
Stock in trade		390,182	290,099
Trade debtors		476,209	360,210
Advances, deposits and prepayments		537,420	542,804
Short term investments		307,000	104,172
Cash and bank balances		235,428	384,924
		<u>2,907,052</u>	<u>2,560,928</u>
		<u>18,895,228</u>	<u>18,052,290</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
470 million ordinary shares of Rs. 10 each		<u>4,700,000</u>	<u>4,700,000</u>
Issued, subscribed and paid up capital		4,002,739	4,002,739
Retained earnings		<u>2,403,253</u>	<u>2,316,298</u>
		6,405,992	6,319,037
Surplus on revaluation of property, plant and equipments		3,466,010	3,508,947
NON CURRENT LIABILITIES			
Long term borrowings		2,541,634	2,721,685
Liabilities against assets subject to finance lease		2,231	2,433
Deferred taxation		1,554,040	1,474,257
Employees' retirement benefits		98,732	92,160
Deferred markup and profit		850,631	878,951
		<u>5,047,268</u>	<u>5,169,486</u>
CURRENT LIABILITIES			
Trade and other payables		1,797,176	1,310,092
Markup and profit payable		186,442	151,460
Current portion of non current liabilities		567,828	426,264
Taxes and duties payable		1,424,512	1,167,004
		<u>3,975,958</u>	<u>3,054,820</u>
CONTINGENCIES AND COMMITMENTS			
		<u>18,895,228</u>	<u>18,052,290</u>

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

m. m. Karacha
Director

Ashfaq Khan
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Un-Audited JUL16-SEP16	Un-Audited JUL15-SEP15
	(Rupees in 000s)	
Net sales	2,487,968	2,208,299
Cost of sales	(1,642,034)	(1,390,487)
Gross profit	845,934	817,812
Administration and general expenses	(109,095)	(81,797)
Selling and distribution expenses	(7,604)	(4,426)
Other operating expenses	(44,800)	(33,436)
Operating profit	684,436	698,153
Other incomes	5,189	21,942
Finance cost	(60,621)	(84,795)
Profit before taxation	629,003	635,300
Provision for taxation	(184,711)	(228,022)
Profit after Taxation	444,292	407,278
	(Rupees)	
Earnings per share (basic and diluted)	<u>1.11</u>	<u>1.02</u>

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

m. m. Karacha
Director

Ashfaq Khan
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Un-Audited JUL16-SEP16	Un-Audited JUL15-SEP15
	(Rupees in 000s)	
Profit after taxation for the period	444,292	407,278
Other Comprehensive Income		
Total comprehensive income for the period	444,292	407,278

Surplus arising on revaluation of property, plant and equipment is presented under a separate head below equity as 'Surplus on Revaluation of Property, Plant and Equipment' in accordance with the requirements specified by the section 235 of the Companies Ordinance, 1984 and the Securities and Exchange Commission of Pakistan (SECP) vide its SRO 45(I)/2003 dated January 13, 2003.

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

m. m. Karacha
Director

Ashfaq Khan
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Un-Audited JUL16-SEP16	Un-Audited JUL15-SEP15
	(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	629,003	635,300
Adjustment for non-cash and other transactions:		
Depreciation	162,287	164,868
Finance income	(5,189)	(20,244)
Finance cost	60,621	84,795
	217,719	229,419
Operating profit before working capital changes	846,722	864,719
Changes in working capital:		
Stores, spares and loose tools	(82,094)	(6,481)
Stock in trade	(100,082)	(331,564)
Trade debts	(115,999)	12,929
Advances, deposits and other receivables	7,305	(45,943)
Trade and other payables	93,379	(186,026)
Long term loans and deposits	(22)	-
Taxes and duties payable	189,115	(31,447)
	(8,398)	(588,532)
Cash inflow from operation	838,324	276,187
Finance cost paid	(50,691)	(50,829)
Income tax paid	(36,535)	(13,711)
Net Cash (outflow)/inflow from operating activities	751,098	211,647
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(659,078)	(181,632)
Net cash outflow from investing activities	(659,078)	(181,632)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of long term borrowings	(49,737)	(72,702)
Receipts from long term borrowings	11,250	-
Repayments of lease finances	(202)	(173)
Payment of directors' loan	-	(61,176)
Net cash inflow/(outflow) from financing activities	(38,689)	(134,051)
Net increase in cash and cash equivalents	53,331	(104,036)
Cash and cash equivalents at beginning of the period	489,096	178,699
Cash and cash equivalents at end of the period	542,427	74,663

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

m. m. Karacha
Director

Ashraf Khan
Director

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	Share Capital	Retained Earnings	Total
(Rupees in 000s)			
Balance as at June 30, 2015	4,002,739	43,127	4,045,866
Total Comprehensive income for the quarter ended September 30, 2015	-	407,278	407,278
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	42,751	42,751
Balance as at September 30, 2015	4,002,739	493,156	4,495,895
Total Comprehensive income for the three quarters ended June 30, 2016	-	2,287,406	2,287,406
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	136,147	136,147
Interim dividend @ 15% for the year ending June 30, 2016	-	(600,411)	(600,411)
Balance as at June 30, 2016	4,002,739	2,316,298	6,319,037
Total Comprehensive income for the quarter ended September 30, 2016	-	444,292	444,292
Incremental depreciation on surplus on property, plant and equipments (net off deferred tax)	-	42,937	42,937
Final dividend @ 10% for the year ended June 30, 2016	-	(400,274)	(400,274)
Balance as at September 30, 2016	4,002,739	2,403,253	6,405,992

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

m. m. Karacha
Director

Ashfaq Khan
Director

NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

1 LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan on December 29, 1960 as a Public Limited Company; its shares are quoted on Pakistan Stock Exchange. It is principally engaged in production and sale of cement. The registered office of the Company is situated at 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, 2016. 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, 2016.

4 SIGNIFICANT ESTIMATES

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

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

	Note	Un-Audited 30-09-16 (Rupees in 000s)	Audited 30-06-16
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	12,251,393	12,410,236
Capital work in progress		3,642,117	2,986,937
		<u>15,893,510</u>	<u>15,397,173</u>
5.1 Reconciliation of Operating Fixed Assets			
Opening balance		12,410,236	12,558,974
Additions during the the period/year		3,123	156,752
Deletions during the period/year		-	(2,393)
Transferred from capital work in progress		-	364,373
		<u>12,413,359</u>	<u>13,077,706</u>
Depreciation for the period/year		(161,966)	(667,470)
Closing balance		<u>12,251,393</u>	<u>12,410,236</u>

NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

- 7 There is no material change in the contingent liabilities of the Company since the last annual balance sheet date.
- 8 There was no significant transaction with the related parties during the period.
- 9 The figures have been rounded off to the nearest of thousand rupees.
- 10 These un-audited condensed interim financial statements are authorized for issue by the Board of directors of the Company on October 25, 2016.

Statement under section 241(2) of the Companies Ordinance, 1984:

At the time of the meeting of Board of Directors, the Chief Executive was not in Pakistan, as such this condensed interim financial information as approved by the Board of Directors have been signed by two Directors.

m. m. Karacha
Director

Ahmed Khan
Director

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2016ء پر اختتام پزیر پہلی سہ ماہی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات بخوشی پیش کرتے ہیں۔

زیر جائزہ مدت میں کمپنی کی فروخت کے حجم میں قدرے 3 فیصد (سالانہ) کمی واقع ہوئی ہے تاہم کلنکر (clinker) کی فروخت نے اس اثر کو ذائل کیا ہے۔ نتیجتاً خالص فروخت میں 12 فیصد (سالانہ) اضافہ ہوا ہے۔ کولے کی قیمت اور دیگر مقررہ اخراجات میں اضافے کی وجہ سے مجموعی منافع میں 3 فیصد کمی ہوئی ہے۔ مالی سال 2016ء کے دوران جانچے ہوئے ٹیکس کے نقصانات کے مکمل استعمال کے نتیجے میں 2 فیصد کے حساب سے ورکرز ویلفیئر فنڈ کی فراہمی کی وجہ سے آپریٹنگ منافع (EBITDA) میں 2 فیصد کمی وقوع پزیر ہوئی ہے۔

مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

		پہلی سہ ماہی مورخہ 30 ستمبر			
		2015	2016		
فیصد	اضافہ / (کمی)	اضافہ / (کمی)	اضافہ / (کمی)		
-3%	(10,144)	316,896	306,752	ٹن	سیمنٹ ترسیل
100%	94,237	-	94,237	ٹن	کلنکر ترسیل
12%	280	2,208	2,488	رقم ملین روپوں میں	خالص فروخت
3%	28	818	846	رقم ملین روپوں میں	مجموعی منافع
-2%	(16)	863	847	رقم ملین روپوں میں	ٹیکس انٹرسٹ اور فرسودگی سے قبل منافع
-1%	(6)	635	629	رقم ملین روپوں میں	ٹیکس سے قبل منافع
9%	37	407	444	رقم ملین روپوں میں	ٹیکس کے بعد منافع
9%	0.09	1.02	1.11	روپوں میں	فی شیئر منافع

کمپنی نے 629 ملین روپے (2015 : 635 ملین روپے) کا قبل از ٹیکس منافع اور سالانہ 9 فیصد کے اضافے سے بعد از ٹیکس 444 ملین روپے (2015 : 407 ملین روپے) کمایا ہے۔ فی شیئر آمدن اس مدت میں 1.11 روپے ہے۔

کمپنی کے دو اہم منصوبوں ویسٹ ہیٹ ریکوری اور کٹو بیٹل میں کافی حد تک پیش رفت ہوئی ہے اور توقع ہے کہ یہ دسمبر 2016ء تک اختتام پزیر ہو جائیں گے۔ ان دونوں منصوبوں کی شروعات کے بعد پیداواری لاگت میں کمی کی وجہ سے مجموعی منافع (مارجن) میں اضافہ ہوگا۔ ہمیں امید ہے کہ CPEC سمیت بڑے منصوبوں پر سرکاری اخراجات کی وجہ سے مقامی مارکیٹ میں سیمنٹ کی مانگ میں اضافہ ہوگا جو حالیہ مالی سال 2017ء میں کمپنی کی ترقی کو برقرار رکھنے میں مدد دے گا۔

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

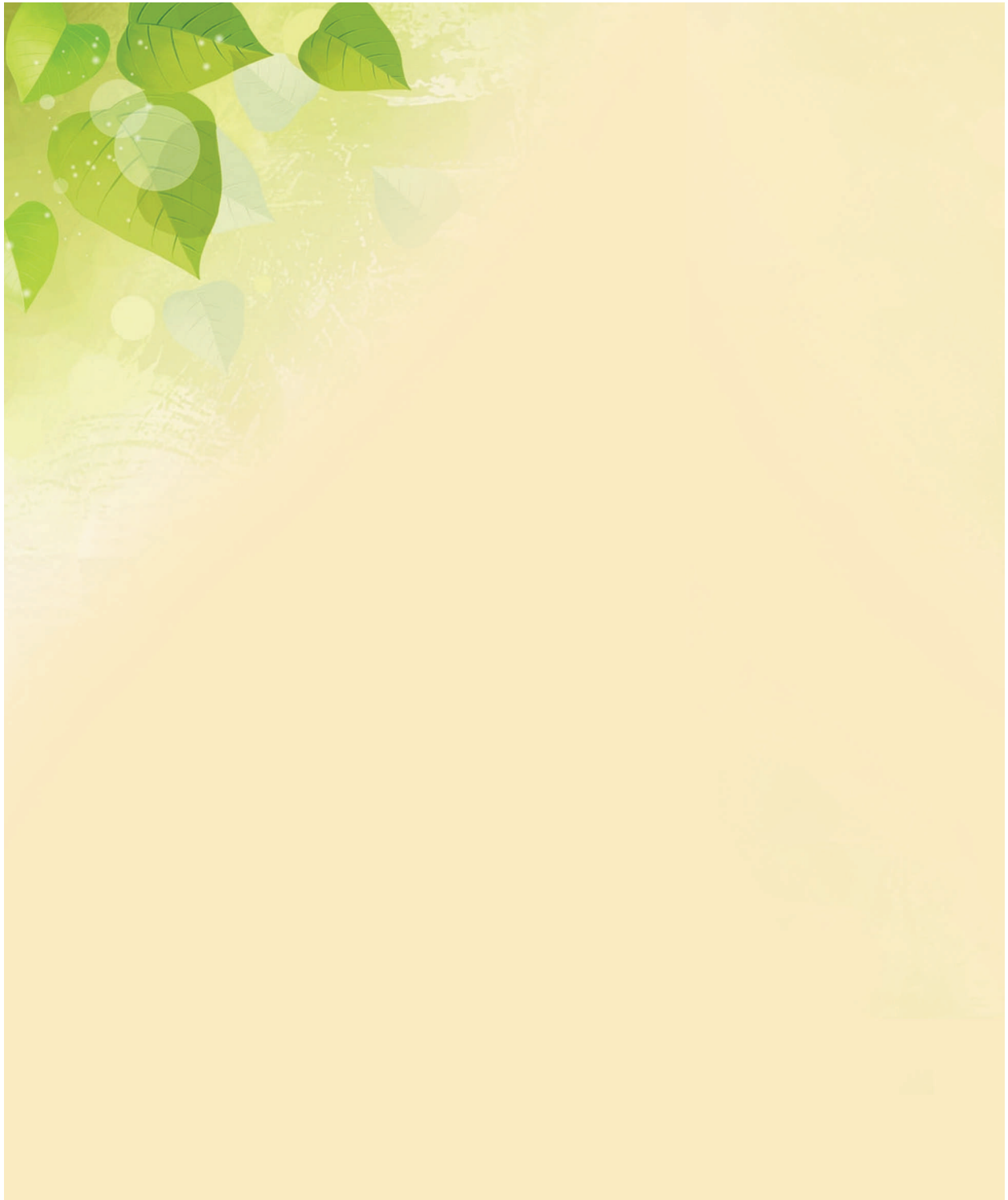
آخر میں معزز اراکین ہم آپ کے اس اعتماد اور یقین کے دل کی گہرائیوں سے ممنون ہیں جو آپ نے ہمیشہ سے ہم پر کیا۔

منجانب یورڈ آف ڈائریکٹرز

Abdul Rauf
عبدالرفیق خان
ڈائریکٹر

لاہور

25 اکتوبر 2016ء



Head Office:

28-B/III, Gulberg III, P.O. Box: 1285, Lahore.
UAN: 042-111-210-310 | Fax: 042-35871059
E-mail: info@gharibwalcement.com
www.gharibwalcement.com

Factory:

Ismailwal, Tehsil Pind Dadan Khan,
District Chakwal, Pakistan.