

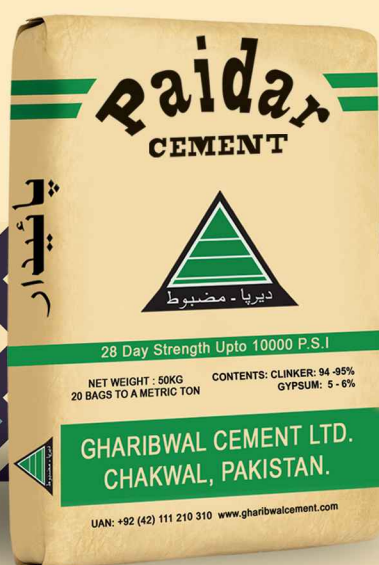
Growing  
Everyday

## Condensed Interim Financial Information

(Un-Audited)

for the nine months ended

**MARCH 31, 2017**



**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 ACA, CIA**  
Chief Internal Auditor

**Mr. Qaseem Nametullah Siddiqi**  
Executive Director Operation

**Mr. Iqbal Ahmed Rizvi FCA**  
General Manager Taxation

**Mr. Farukh Naveed ACA**  
Financial Controller

**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 nine months ended March 31, 2017.

Your Company's cement sales volume increased by ~7% YoY for the period under review and Company also sold clinker during the current period. Cumulative impact of cement and clinker sales volume resulted in an increase in net sales value by 12% YoY. Despite of increase in coal and fuel price and decrease in retention price of cement, Company posted growth of 5% in its gross profit. Company's operating EBITDA increased by 5% YoY in line with increase in gross profit.

Summary of the financial results is given below:

		Nine months ended 31 March			
		2017	2016	Increase	% Increase *
Cement Despatch	Ton	1,156,247	1,083,184	73,063	7%
Clinker Despatch	Ton	162,033	-	162,033	100%
Net sales	Million Rupees	8,370	7,460	910	12%
Gross profit	Million Rupees	2,886	2,747	139	5%
EBITDA	Million Rupees	2,994	2,847	147	5%
Profit before taxation	Million Rupees	2,326	2,210	116	5%
Profit after taxation	Million Rupees	1,701	1,584	117	7%
Earnings per share	Rupees	4.25	3.96	0.29	7%

\* rounded to integer.

Conveyor belt started its commercial production during February 2017; whereas Waste Heat Recovery also started its production on trial run. These two projects would reduce the cost of production the impact of which will appear in 4th quarter of this financial year.

Erection work of new 250TPH cement mill is under progress which is expected to come into operation by end of 3rd quarter of this calendar year, meanwhile Company has also started civil work of new clinker storage silo of 150,000 ton capacity.

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.

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 : April 25, 2017

## ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 31 مارچ 2017ء کے اختتام پر مالی سال کے پہلے نو مہینے کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات بخوشی پیش کرتے ہیں۔

زیر جائزہ مدت میں کمپنی کی سیمنٹ کی فروخت کے حجم میں قدرے 7 فیصد اضافہ ہوا اور کلنکر (clinker) بھی اس عرصے میں فروخت کیا ہے۔ اس سیمنٹ اور کلنکر کی فروخت کے حجم کے مجموعی اسر کی وجہ سے خالص فروخت کی رقم میں 12 فیصد اضافہ ہوا ہے۔ کولے اور اندھن کی قیمتوں میں اضافے اور فروخت کی خالص قیمت میں کمی کے باوجود کمپنی کے خالص منافع میں 5 فیصد اضافہ ہوا ہے۔ کمپنی کا آپریٹنگ منافع (EBITDA) میں بھی 5 فیصد اضافہ ہوا ہے۔

مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

فیصد اضافہ	اضافہ	نو مہینے مورخہ 31 مارچ		ٹن	
		2016	2017		
7%	73,063	1,083,184	1,156,247	ٹن	سیمنٹ ترسیل
100%	162,033	-	162,033	ٹن	کلنکر ترسیل
12%	910	7,460	8,370	رقم ملین روپوں میں	خالص فروخت
5%	139	2,747	2,886	رقم ملین روپوں میں	مجموعی منافع
5%	147	2,847	2,994	رقم ملین روپوں میں	ٹیکس انٹرسٹ اور فرسودگی سے قبل منافع
5%	116	2,210	2,326	رقم ملین روپوں میں	ٹیکس سے قبل منافع
7%	117	1,584	1,701	رقم ملین روپوں میں	ٹیکس کے بعد منافع
7%	0.29	3.96	4.25	روپوں میں	فی شیئر منافع

کنوئیر بیلت منصوبہ نے اپنی تجارتی پیداوار کا آغاز فروری 2017 سے کر دیا ہے جبکہ ویسٹ ہیٹ ریکوری منصوبے نے بھی آزمائشی پیداوار شروع کر دی ہے۔ دونوں منصوبوں کی شروعات کے بعد پیداواری لاگت میں کمی کی وجہ سے مجموعی منافع (مارجن) میں اضافہ ہوگا جو کہ اس مالی سال کی چوتھی سہ ماہی کے مالیاتی نتائج میں دیکھا جاسکے گا۔

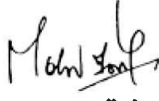
اس عرصے میں کمپنی نے 250 ٹن فی گھنٹہ کی پیداواری صلاحیت کی حامل سیمنٹ مل کی تنصیب کے کام کا آغاز کر دیا گیا ہے اور امید ہے کہ یہ اس سہ ماہی سال کی تیسری سہ ماہی کے آخر تک اپنی پیداوار کا آغاز کر دے گی۔ اس کے ساتھ ساتھ ڈیڑھ لاکھ ٹن کلنکر ذخیرہ کرنے والے گودام پر تعمیراتی کام کا آغاز بھی کیا گیا ہے۔

ہمیں امید ہے کہ CPEC سمیت بڑے منصوبوں پر سرکاری اخراجات کی وجہ سے مقامی مارکیٹ میں سیمنٹ کی مانگ میں اضافہ ہوگا۔ حالیہ مالی سال 2017ء میں کمپنی کی ترقی کو برقرار رکھنے میں مدد دے گا۔

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

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

منجانب بورڈ آف ڈائریکٹرز

  
محمد توفیق پراچہ  
چیف ایگزیکٹو آفیسر

لاہور

25 اپریل 2017

## CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

	Note	Un-Audited 31-03-2017 (Rupees in 000s)	Audited 30-06-2016
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	17,880,628	15,397,173
Intangible assets		3,364	3,551
Long term deposits		90,660	90,638
		<u>17,974,652</u>	<u>15,491,362</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		1,094,848	878,719
Stock in trade		339,267	290,099
Trade debts		424,083	360,210
Advances, deposits and prepayments		365,016	542,804
Short term investments		-	104,172
Cash and bank balances		246,295	384,924
		<u>2,469,509</u>	<u>2,560,928</u>
		<u>20,444,161</u>	<u>18,052,290</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Authorized capital		4,700,000	4,700,000
470 million ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital		4,002,739	4,002,739
Retained earnings		3,145,449	2,316,298
		<u>7,148,188</u>	<u>6,319,037</u>
Surplus on revaluation of property, plant and equipment		3,380,136	3,508,947
		<u>10,528,324</u>	<u>9,827,984</u>
<b>NON CURRENT LIABILITIES</b>			
Long term borrowings	6	2,584,139	2,721,685
Liability against asset subject to finance lease		1,943	2,433
Deferred taxation		2,025,995	1,474,257
Employees' retirement benefits		92,727	92,160
Deferred markup and profit		840,108	878,951
		<u>5,544,912</u>	<u>5,169,486</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,420,573	1,310,092
Markup and profit payable		172,557	151,460
Current portion of non current liabilities		652,434	426,264
Taxes and duties payable		1,125,361	1,167,004
		<u>4,370,925</u>	<u>3,054,820</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	<u>20,444,161</u>	<u>18,052,290</u>

The annexed notes form an integral part of this condensed interim financial information.

  
 Chief Executive Officer

  
 Director



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

FOR THE NINE MONTHS ENDED MARCH 31, 2017

Note	Nine months ended March 31,		3rd Quarter ended March 31,	
	2017	2016	2017	2016
(Rupees in 000s)				
Net sales	8,370,193	7,460,127	2,841,074	2,553,875
Cost of sales	(5,484,280)	(4,712,971)	(1,899,539)	(1,532,456)
Gross profit	2,885,913	2,747,156	941,535	1,021,419
Administration and general expenses	(243,030)	(237,803)	(59,195)	(59,937)
Selling and distribution expenses	(20,517)	(14,613)	(7,077)	(6,181)
Other operating expenses	(124,294)	(143,505)	(41,982)	(72,838)
Operating profit	2,498,072	2,351,235	833,281	882,463
Other Income	29,725	105,283	8,912	7,103
Finance cost	(201,270)	(246,942)	(41,952)	(75,660)
Profit before taxation	2,326,527	2,209,576	800,241	813,906
Provision for taxation	(625,492)	(625,853)	(211,434)	(253,994)
Profit after taxation	1,701,035	1,583,723	588,807	559,912
(Rupees)				
Basic / Diluted Earnings per share (Rupee Per share)	4.25	3.96	1.47	1.40

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Note	Nine months ended March 31,		3rd Quarter ended March 31,	
		2017	2016	2017	2016
		(Rupees in 000s)			
Profit after taxation for the period		1,701,035	1,583,723	588,807	559,912
Other Comprehensive Income		-	-	-	-
Total comprehensive income		<u>1,701,035</u>	<u>1,583,723</u>	<u>588,807</u>	<u>559,912</u>

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

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

FOR THE NINE MONTHS ENDED MARCH 31, 2017

Nine months ended March 31,  
2017                      2016  
(Rupees in 000s)

### CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	2,326,527	2,209,576
Adjustment for non-cash and other items:		
Depreciation and amortization	496,363	330,440
Provision for balances doubtful of recovery	-	(2,729)
Profit on sale of fixed asset	-	(60)
Finance income	(29,725)	(98,180)
Finance cost	201,270	171,282
	667,908	400,753
 Operating profit before working capital changes	 2,994,435	 2,610,329
Changes in working capital:		
Stores, spares and loose tools	(216,129)	(167,188)
Stock in trade	(49,168)	204,283
Trade debts	(63,873)	(116,872)
Advance, deposit and other receivables	72,621	(79,064)
Long term loans and deposits - Net	(22)	-
Trade and other payables	683,215	(87,858)
Taxes and duties payable - Net	(15,453)	(47,728)
	411,191	(294,427)
	3,405,626	2,315,902
 Income tax paid	 (277,873)	 (41,323)
Finance cost paid	(233,923)	(271,922)
	2,893,830	2,002,657

### CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	(2,892,362)	(273,813)
Markup received from associated company	14,462	2,374
Advance repaid by associated company	105,545	2,453
	(2,772,355)	(268,986)

### CASH FLOW FROM FINANCING ACTIVITIES

Redemption of TFC	-	(54,869)
Repayment of long term borrowings	(257,460)	(311,362)
Proceeds of long term borrowing	346,148	-
Repayment of director's loan	-	(118,233)
Lease finances	(553)	(343)
Dividend paid	(452,410)	-
	(364,275)	(484,807)

NET CHANGE IN CASH AND CASH EQUIVALENTS	(242,800)	1,248,864
CASH AND CASH EQUIVALENTS AT START OF THE PERIOD	489,096	178,699
CASH AND CASH EQUIVALENTS AT CLOSE OF THE PERIOD	246,295	1,427,563

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	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 9 months ended March 31, 2016			
Profit after taxation	-	1,583,723	1,583,723
Other comprehensive income	-	-	-
	-	1,583,723	1,583,723
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	89,456	89,456
Balance as at March 31, 2016	4,002,739	1,716,306	5,719,045
Total comprehensive income for the quarter ended June 30, 2016			
Profit after taxation	-	1,110,181	1,110,181
Other comprehensive income	-	780	780
	-	1,110,961	1,110,961
Interim cash dividend @ Rs. 1.5 per share for the year ending June 30, 2016	-	(600,411)	(600,411)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	89,442	89,442
Balance as at June 30, 2016	4,002,739	2,316,298	6,319,037
Final cash dividend @ Re. 1.0 per share for the year ended June 30, 2016	-	(400,274)	(400,274)
Total comprehensive income for the 9 months ended March 31, 2017			
Profit after taxation	-	1,701,035	1,701,035
Other comprehensive income	-	-	-
	-	1,701,035	1,701,035
Interim cash dividend @ Rs. 1.5 per share for the year ending June 30, 2017	-	(600,411)	(600,411)
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	128,801	128,801
<b>Balance as at March 31, 2017</b>	<b>4,002,739</b>	<b>3,145,449</b>	<b>7,748,599</b>

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive Officer

  
Director

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

FOR THE NINE MONTHS ENDED MARCH 31, 2017

### 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 COMPLAINCE

This condensed interim financial information is un-audited and has 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. This information is 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 this condensed interim financial information are the same as those applied in preparation of financial statements of the company for the year ended June 30, 2016.

### 4 SIGNIFICANT ESTIMATES

The preparation of this condensed interim financial information 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 the financial information. Actual results may differ from those estimates. In preparing the condensed interim financial information, 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 31-03-2017 (Rupees in 000s)	Audited 30-06-2016
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	12,650,559	12,410,236
Capital work in progress		5,230,069	2,986,937
		<u>17,880,628</u>	<u>15,397,173</u>
<b>5.1 OPERATING FIXED ASSETS</b>			
Book value - opening balance		12,410,236	12,558,974
Additions during the period/year		432,667	156,752
Deletion during the period/year		-	(2,393)
Transferred from capital work in progress		303,058	364,373
		<u>13,145,960</u>	<u>13,077,706</u>
Depreciation for the period/year		<u>(495,401)</u>	<u>(667,470)</u>
Book value - closing balance		<u>12,650,559</u>	<u>12,410,236</u>

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

FOR THE NINE MONTHS ENDED MARCH 31, 2017

### 6 LONG TERM BORROWINGS

The Company has obtained Musharika Facility of Rs. 200 million from Al Baraka Bank (Pakistan) Limited under Islamic Mode to purchase head office land and building. This facility is repayable in 16 equal quarterly installments starting from June 2018. Musharika rent/profit will be paid on quarterly basis @ 3 months KIBOR plus 2% p.a. This facility is secured by first exclusive charge over head office land and building together with personal guarantees of sponsoring directors.

Al Baraka Bank (Pakistan) Limited has sanctioned another Musharika Facility upto Rs. 750 million under Islamic Mode to finance import value of new cement grinding mill and clinker storage silo. Rs. 120 million has been disbursed during the reporting period. This facility is repayable in 20 equal quarterly installments starting from June 2018. Musharika rent/profit will be paid on quarterly basis @ 3 months KIBOR plus 2% p.a. This facility is secured by first exclusive charge over the imported machineries upto Rs. 1 billion together with personal guarantees of sponsoring directors.

### 7 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as reported in the annual financial statements of the company for the year ended June 30, 2016 except for as given below:

	Un-Audited 31-03-2017	Audited 30-06-2016
	(Rupees in 000s)	
Commitments		
Against supply of plant and machinery	262,672	18,644
Against supply of stores, spares and loose tools under LC	-	359,431

### 8 Investment made, bank balances, finance obtained, and profit earned or accrued where Islamic mode or an arrangement permissible under Shariah is used is given below:

#### BALANCE SHEET

Cash and bank balances	13,422	17,717
Long term borrowings	338,529	54,975
Markup and profit payables	123,151	132,201

#### PROFIT AND LOSS ACCOUNT

Finance cost	1,661	5,673
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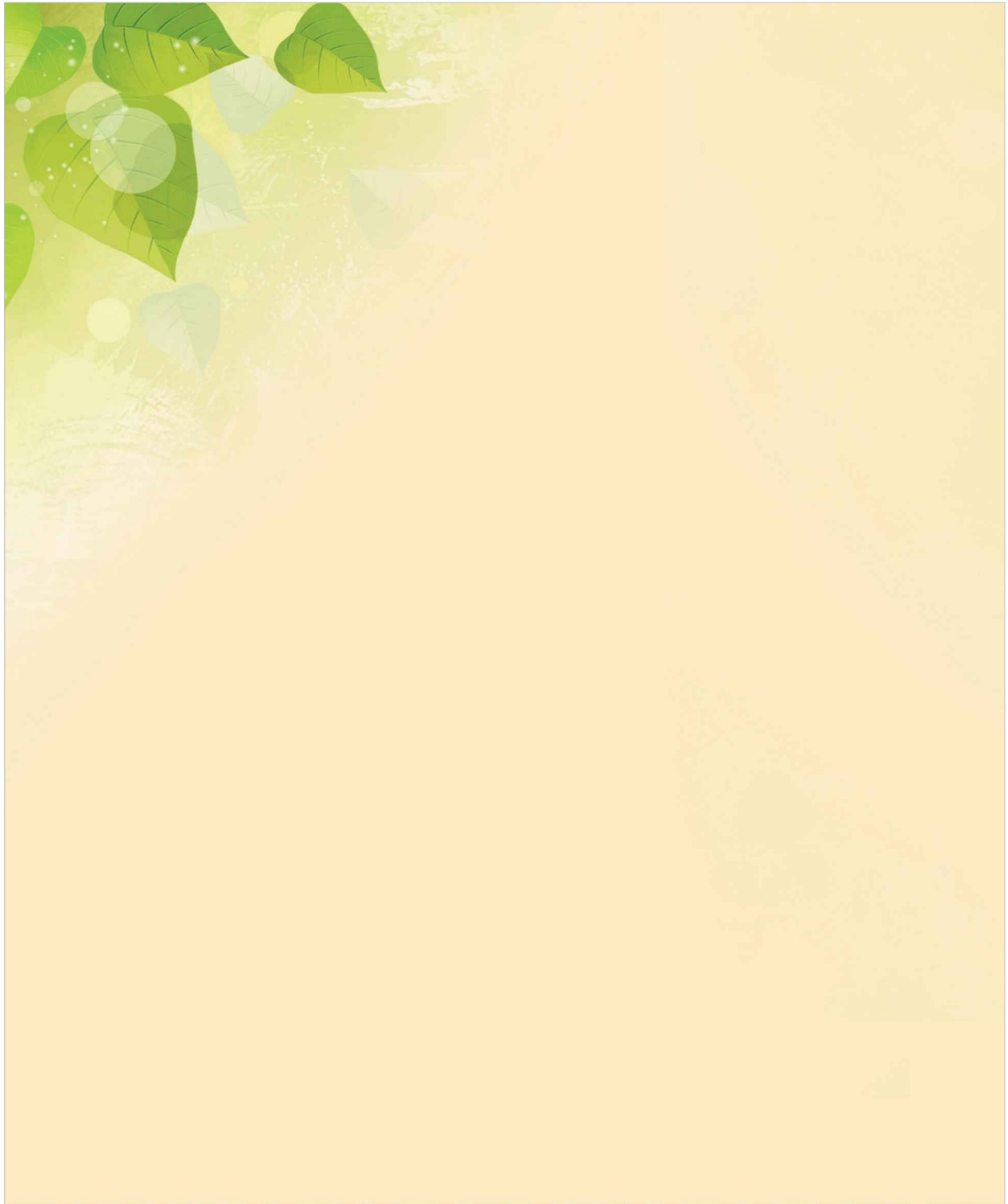
### 9 There are no significant transactions with related parties during the period under review, except those disclosed in this condensed interim financial information.

### 10 The condensed interim financial information has been approved by the Board of Directors for issue on April 25, 2017.

### 11 Figures in this information are rounded off to the nearest thousand rupees.

  
Chief Executive Officer

  
Director



**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](mailto:info@gharibwalcement.com)  
[www.gharibwalcement.com](http://www.gharibwalcement.com)

**Factory:**

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