

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED**

**MARCH 31,
2021**

GHARIBWAL CEMENT LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Tousif Peracha (Chief Executive Officer)
Abdur Rafique Khan (Executive Director)
Khalid Siddiq Tirmizey (Independent Director)
Mustafa Tousif Ahmed Peracha (Executive Director)
Ali Rashid Khan (Non-Executive Director)
Amna Khan (Non-Executive Director)
Mian Nazir Ahmed Peracha (Non-Executive Director)
Faisal Aftab Ahmad (Independent Director)
Daniyal Jawaidd Peracha (Independent Director)

AUDIT COMMITTEE

Khalid Siddiq Tirmizey (Chairman - Independent Director)
Mian Nazir Ahmed Peracha (Non-Executive Director)
Faisal Aftab Ahmad (Independent Director)

HR & REMUNERATION COMMITTEE

Khalid Siddiq Tirmizey (Chairman - Independent Director)
Muhammad Tousif Peracha (Chief Executive Officer)
Ali Rashid Khan (Non-Executive Director)

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Muhammad Shamail Javed FCA

INTERNAL AUDITOR

Hassan Mehdi ACA CIA

EXTERNAL AUDITORS

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

LEGAL ADVISORS

Raja Muhammad Akram
Legal Advisors
Main Gulberg, Lahore

SHARE REGISTRAR

Corplink (Pvt) Limited,
Wings Arcade, 1-k,
Commercair, Model Town, Lahore

BANKERS

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 & Investment Bank
Meezan Bank Limited
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
United Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank

DIRECTORS' REPORT TO THE MEMBERS

The directors of your Company are pleased to present the un-audited condensed interim financial information for nine months ended March 31, 2021.

Your Company's net sales revenue increased by 28.5% as compared with the nine months of the last financial year mainly because of increase in average sales price. Cost of production for the current period increased due to devaluation of Pakistani Rupees, increase in fuel, energy and other input prices, however, the impact of cost increase is mitigated by tight production control and cost cutting measures taken by the managements. The Company earned gross profit of Rs. 2.382 billion for the current period.

Summary of the financial results is given below:

		Nine Months Ended	
		31-03-2021	31-03-2020
Sales volume	Tons	1,316,980	1,285,788
Net sales	Rs. '000	8,715,672	6,783,432
Gross profit	Rs. '000	2,382,536	(95,875)
EBITDA	Rs. '000	2,724,725	337,963
Net profit	Rs. '000	1,179,152	(540,163)
EPS	Rs.	2.95	(1.35)

Finance expenses decreased due to decrease in KIBOR rate. At bottom, the Company earned profit after tax amounting to Rs. 1.179 billion million with earnings per share reported at Rs. 2.95. The Board has approved an interim cash dividend of Re. 0.75 per share.

We foresee that there will be sufficient cement demand in the local market and the Company will be able to improve its financial results in future periods.

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



Chief Executive Officer



Director

Lahore : April 29, 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2021

		Un-Audited 31-03-2021	Audited 30-06-2020
	Note	(Rupees in 000s)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	19,537,496	20,303,484
Intangible asset		10,319	1,619
Deposits		47,253	47,253
		19,595,068	20,352,356
CURRENT ASSETS			
Inventories	6	2,695,451	2,267,543
Trade and other receivables	7	572,319	592,680
Loan and advances	8	608,725	558,078
Deposits		32,260	32,260
Prepayments		193,926	139,593
Advance income tax -net		1,222,128	1,136,172
Cash and bank balances		1,036,597	431,400
		6,361,406	5,157,726
TOTAL ASSETS		25,956,474	25,510,082
EQUITY AND LIABILITIES			
EQUITY			
Share capital		4,002,739	4,002,739
Revaluation surplus on property, plant and equipment		4,841,626	5,027,237
Retained earnings		6,840,901	5,476,138
		15,685,266	14,506,114
NON CURRENT LIABILITIES			
Borrowings	9	1,744,915	2,472,279
Lease liability		7,465	16,719
Deferred taxation		4,010,413	3,436,537
Accrued liabilities	10	109,647	314,543
Employees' benefits obligations		107,506	102,727
		5,979,946	6,342,805
CURRENT LIABILITIES			
Trade and other payables		2,825,792	3,596,641
Contract liabilities		9,584	9,062
Borrowings	11	1,122,086	794,814
Lease liability		13,190	10,579
Markup and profit payable		121,257	161,219
Employees' benefits obligations		185,541	74,772
Unclaimed dividend		13,812	14,076
		4,291,262	4,661,163
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		25,956,474	25,510,082

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Un-Audited Nine months ended		Un-Audited Three months ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
----- (Rupees in 000s) -----				
Revenue from contracts with customers	8,715,672	6,783,432	3,124,909	2,059,154
Cost of sales	(6,333,136)	(6,879,307)	(2,185,227)	(2,220,237)
Gross Profit	2,382,536	(95,875)	939,682	(161,083)
General and administrative expenses	(306,245)	(265,712)	(133,763)	(86,452)
Selling and distribution expenses	(19,604)	(16,762)	(6,984)	(6,088)
Other expenses	(132,721)	-	(60,680)	-
Other income	-	5,733	-	3,633
Profit / (loss) from operations	1,923,966	(372,616)	738,255	(249,990)
Finance income	90,797	61,690	16,738	21,939
Finance expenses	(261,735)	(554,067)	(79,546)	(172,995)
Profit / (loss) before taxation	1,753,028	(864,993)	675,447	(401,046)
Tax credit / (expenses)	(573,876)	324,830	(195,784)	106,012
Profit / (loss) after taxation	1,179,152	(540,163)	479,663	(295,034)
----- (Rupees) -----				
Earnings per share (basic & diluted)	2.95	(1.35)	1.20	(0.74)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Un-Audited Nine months ended		Un-Audited Three months ended	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
	----- (Rupees in 000s) -----			
Profit after taxation for the period	1,179,152	(540,163)	479,663	(295,034)
Other Comprehensive Income				
Total comprehensive income for the period	1,179,152	(540,163)	479,663	(295,034)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Share Capital	Revaluation Surplus on PPE	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2019 (Audited)	4,002,739	3,086,133	5,392,574	12,481,446
Total Comprehensive income for nine months ended 31-03-2020	-	-	(540,163)	(540,163)
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	-	(121,582)	121,582
Balance as at March 31, 2020	4,002,739	2,964,551	4,973,993	11,941,283
Final cash dividend @ Re. 0.50 per share for the year ended 30-06-2019	-	-	(200,137)	(200,137)
Total Comprehensive income for three months ended 30-06-2020	-	2,108,331	671,480	2,779,811
Deferred tax impact due to change in tax rate	-	(14,843)	-	(14,843)
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(30,802)	30,802	-
Balance as at June 30, 2020 (Audited)	4,002,739	5,027,237	5,476,138	14,506,114
Total Comprehensive income for nine months ended 31-03-2021	-	-	1,179,152	1,179,152
Realization of revaluation surplus on PPE through depreciation (net of tax)	-	(185,611)	185,611	-
Balance as at March 31, 2021	4,002,739	4,841,626	6,840,901	15,685,266

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

		Un-Audited Nine months ended	
		31-03-2021	31-03-2020
		(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit / (loss) before taxation		1,753,028	(864,993)
Adjustment for non-cash and other items:	13	1,103,653	1,197,222
Operating profit before working capital changes		2,856,681	332,229
Inflow from net changes in working capital	14	(1,459,438)	1,049,407
Cash inflow from operation		1,397,243	1,381,636
Finance cost paid		(237,221)	(375,552)
Markup received on bank deposits		20,249	8,188
Income tax paid		(85,956)	(220,785)
Net cash inflow from operating activities		1,094,315	793,487
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(32,388)	(107,223)
Proceeds from sales of property, plant and equipment		-	31,563
Payments for intangible assets		(11,091)	-
Advance to Balochistan Glass Limited (related party)		(49,322)	(202,355)
Markup received from Balochistan Glass Limited (related party)		48,976	62,533
Rent received from Balochistan Glass Limited (related party)		-	3,150
Net cash outflow from investing activities		(43,825)	(212,332)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of banks borrowings		(402,203)	(624,189)
Proceeds of banks borrowings		146,247	181,116
Repayment of short term borrowings		-	(788,669)
Proceeds of short term borrowings		-	788,669
Repayment of borrowings from related party		(182,428)	(191,340)
Repayment of lease liabilities		(6,643)	25,678
Repayment of dividend to directors		-	(148,777)
Repayment of dividend to others		(264)	(18,990)
Net cash outflow from financing activities		(445,292)	(776,502)
Net increase/(decrease) in cash and cash equivalents		605,198	(195,347)
Cash and cash equivalents at beginning of the period		431,400	431,760
Cash and cash equivalents at end of the period		1,036,597	236,413

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

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 Pace Tower, 1st Floor, 27-H, College Road, Gulberg-II, Lahore.

2 STATEMENT OF COMPLAINE

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

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

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

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements of the company for the year ended June 30, 2020.

There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on July 01, 2020. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

During the preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty are the same as those that were applied to audited annual financial statements of the Company for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Note	Un-Audited 31-03-2021	Audited 30-06-2020
5 PROPERTY, PLANT AND EQUIPMENT			
		(Rupees in 000s)	
Operating fixed assets	5.1	19,447,886	20,222,654
Right of use assets		30,270	35,611
Capital work in progress		59,340	45,219
		19,537,496	20,303,484
		9 Months ended 31-03-2021	Year ended 30-06-2020
		(Rupees in 000s)	
5.1 OPERATING FIXED ASSETS			
Book value - opening balance		20,222,654	17,456,689
Additions during the period/year		23,609	29,380
Revaluation surplus for the period/year		-	2,911,781
Transferred from capital work in progress		-	792,808
Deletion during the period/year		-	(28,980)
		20,246,262	21,161,678
		(798,376)	(939,024)
Depreciation for the period/year			
Book value - closing balance		19,447,886	20,222,654
		Un-Audited 31-03-2021	Audited 30-06-2020
		(Rupees in 000s)	
6 INVENTORIES			
Fuel, parts and supplies		1,904,673	1,739,943
Stock in trade		790,778	527,600
		2,695,451	2,267,543
7 TRADE AND OTHER RECEIVABLES			
Trade receivables from contracts with customers		557,537	572,893
Markup receivable from Balochistan Glass Limited		14,782	19,787
		572,319	592,680
8 LOAN AND ADVANCES			
Employees		21,014	19,688
Balochistan Glass Limited	6.1	587,711	538,390
		608,725	558,078
6.1	The Company has approved renewal of short term advance to its associated company Balochistan Glass Limited for one year. This facility carries markup @ 3 months KIBOR + 3.5% p.a. Approval and consent of members of the Company has been obtained as required by section 199 of the Companies Act, 2017 in Annual General Meeting held on October 27, 2020.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	<u>Un-Audited</u> <u>31-03-2021</u>	<u>Audited</u> <u>30-06-2020</u>
	(Rupees in 000s)	
9 BORROWINGS		
Banks and financial institutions		
Interest bearing	1,518,810	2,228,471
Non-interest bearing	221,105	243,808
	1,744,915	2,472,279
10 ACCRUED LIABILITIES		
Gas Infrastructure Development Cess	513,655	539,216
Less: Winding-up of discount	(26,575)	-
Present value	487,080	539,216
Less: payable within 12 months grouped under trade and other payable	(377,433)	(224,673)
	109,647	314,543

This is repayable in 24 monthly instalments as per order of Supreme Court of Pakistan. Accordingly it is accounted for under IFRS-9 at amortised cost using interest rate of 9.76% p.a. The difference between the gross amount payable and discounted amount (i.e. Rs. 26.575 million) has been recognized as income under the head 'Finance Income' during the current period.

The Company has filed a writ petition before Sindh High Court and challenged the rate of GIDC to be applied to the Company which is pending for adjudication as at date of those interim financial statements. However, GIDC liability has already been fully provided in these financial statements.

	<u>Un-Audited</u> <u>31-03-2021</u>	<u>Audited</u> <u>30-06-2020</u>
	(Rupees in 000s)	
11 BORROWINGS		
Current maturity		
Banks and financial institutions		
Interest bearing	1,032,786	402,043
Non-interest bearing	89,300	210,343
	1,122,086	612,386
Related party	-	182,428
	1,122,086	794,814
12 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, 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	9 Months ended 31-03-2021	Year ended 30-06-2020
	(Rupees in 000s)	
13 ADJUSTMENT FOR NON-CASH AND OTHER ITEMS		
Depreciation	798,376	709,616
Amortisation	2,391	962
Finance expenses	261,735	554,067
Finance income	(90,797)	(61,690)
Other income	-	(5,733)
WPPF & WWF	131,948	-
	<u>1,103,653</u>	<u>1,197,222</u>
14 CASH FLOW FROM CHANGES IN WORKING CAPITAL - NET		
Inventories	(427,908)	11,245
Trade and other receivables	15,357	10,419
Loan and advances	(1,325)	2,457
Prepayments	(59,739)	(2,946)
Trade and other payables	(986,345)	1,038,997
Contract liabilities	522	(10,765)
	<u>(1,459,438)</u>	<u>1,049,407</u>
15	There are no significant transactions with related parties during the period under review, except those disclosed in these condensed interim financial statements.	
16	The condensed interim financial statements has been approved by the Board of Directors for issue on April 29, 2021.	
17	The Board of Directors in its meeting held on 29-04-2021, has approved an interim cash dividend of Re. 0.75 per share for the financial year ending June 30, 2021.	
18	Figures in these condensed interim financial statements are rounded off to the nearest thousand rupees.	
19	In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of preceding financial year, whereas the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.	


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 31 مارچ 2021ء کے اختتام پر پہلے نو مہینے کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات بخوشی پیش کرتے ہیں۔

زیر جائزہ مدت میں کمپنی کی خالص فروخت میں 28 فیصد اضافہ ہوا جس کی بنیادی وجہ فروخت کے حجم اور فروخت کے ریٹ میں اضافہ ہوتا ہے۔ پیداوری لاگت میں اضافہ کو کمپنی کی انتظامیہ نے بہتر پلاننگ سے کنٹرول کیا ہے جسکی وجہ سے کمپنی نے 1.1 ارب روپے کا خالص منافع کمایا ہے۔

مالیاتی نتائج درج ذیل ہے۔

پہلے نو مہینے مورخہ 31 مارچ

2020	2021		
1,285,788	1,316,980	ٹن	فروخت کا حجم
6,783,432	8,715,672	رقم ہزاروں میں	خالص فروخت
(95,875)	2,382,536	رقم ہزاروں میں	مجموعی منافع
337,963	2,724,725	رقم ہزاروں میں	ٹیکس انٹرسٹ اور فرسودگی سے قبل منافع
(540,163)	1,179,152	رقم ہزاروں میں	خالص نفع
(1.35)	2.95	رقم روپوں میں	فی شیئر منافع

امید ہے کہ آنے والی مدت میں سینٹ کی مانگ میں اضافہ ہوگا اور کمپنی کے مالی نتائج میں بہتری آئے گی۔

ہم مسلسل حمایت اور تعاون کے لیے ہمارے بھائیوں اور دوسرے مالیاتی اداروں، ڈیلروں اور گاہکوں اور اسٹیک ہولڈرز جن کا ہمارے ساتھ کاروباری تعلق ہے دل کی گہرائیوں سے شکریہ ادا کرتے ہیں۔ ہمارے عمل کی وابستگی بگن 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۔

مخائب بورڈ آف ڈائریکٹرز

A. M. Khan

ڈائریکٹر

Chaudhary

چیف ایگزیکٹو آفیسر

لاہور

29 اپریل 2021ء

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- 📖 Knowledge center
- 👤 Risk profiler*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 🎮 Online Quizzes



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