



GHARIBWAL CEMENT LIMITED

28 - B/3, Gulberg III, P.O.Box 1285, Lahore-54000, Pakistan. UAN: +92 42 111 210 310, Fax : +92 42 35871047, 35871059

Website: www.gharibwalcement.com E-mail: info@gharibwalcement.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 56th Annual General Meeting of Gharibwal Cement Limited will be held on Wednesday, September 28, 2016 at 12:00 p.m at Registered Office of the company (28-B/III, Gulberg-III, Lahore) to transact the following businesses:

Ordinary Business

1. To confirm minutes of last Extra Ordinary General Meeting (EOGM) held on December 23, 2015.
2. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2016 together with Auditor's and Director's report thereon.
3. To approve final cash dividend of Rs. 1 per share (@ 10%) for the year ended June 30, 2016, as recommended by Board of Directors. This is in addition to interim cash dividend already paid @ Rs. 1.5 per share i.e. 15%. This will make total cash dividend of Rs. 2.5 per share (@ 25%) during the year.
4. To appoint Auditors' of the Company for the year ending June 30, 2017 and to fix their remuneration.

Special Business

Investments in Associates U/S 208 of Companies Ordinance, 1984

5. To approve short term loan/advance facility up to Rs. 250 million to Balochistan Glass Limited (*Associated Company*) for a period of one year, by passing the following resolution, either with or without modification, as required under section 208 of Companies Ordinance, 1984:
"Resolved that Consent and approval of members of the company be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 for short term loan/advance facility up to of Rs. 250 million for a period of one year from December 23, 2016 to December 22, 2017 at a markup rate of minimum 1% p.a. above the average borrowing rate of company. Company in EOGM held on December 23, 2015 has extend this facility for one year i.e. till December 22, 2016 and now resolved to extend it further for a period of one year."

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

Other Business

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

By Order of the Board

Date: August 18, 2016

Place: Lahore


Muhammad Shamail Javed
Company Secretary

NOTES:

1. The share transfer books of the company will remain close from September 21 to September 28, 2016 both days inclusive. Transfer received by the Share Registrar of the Company, M/s Corplink (Private) Limited, 1-K Commercial, Model Town Lahore up to September 20, 2016 will be considered in time for the purpose of attendance at AGM.
2. 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.
3. 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.
4. Forms of proxy to be valid must be properly filled in/executed and received at the Company's head office situated at 28/B-III, Gulberg-III, Lahore not later than 48- hours before the time of meeting.
5. 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.
6. 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. In order to avail this facility a Standard Request Form is available at the Company's website.
7. It has already been notified that the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 275(I)/2016 dated 31st March 2016 read with Notification S.R.O. 19(I)/2014 dated 10th January 2014 and Notification S.R.O. 831(1)/2012 dated July 5, 2012 required that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s). Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders
8. 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.
 - i. Change in their address.
 - ii. 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;
 - iii. 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) under section 251(2) of the Companies Ordinance, 1984;



- iv. 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;
- v. Pursuant to requirement of the Finance Act, 2015 effective July 01, 2015 the "Filer" & "Non-Filer" shareholders will pay tax on dividend income @12.50% and 17.50% 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 @17.50% instead of 12.50%;
- vi. 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 within 10 days from entitlement date 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 | |
| | | | | | | |

- vii. 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.
- viii. 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).

The statement Under Section 160(1)(b) of The Companies Ordinance, 1984, pertaining to the special business is annexed with this notice to the Members

This statement sets out the material facts pertaining to special business proposed to be transacted under Section 208 of the Ordinance at AGM.

Balochistan Glass Limited (BGL) was incorporated in Pakistan as a public company in 1980 under the Companies Act, 1913 (now the Companies Ordinance, 1984). Its shares are listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in manufacturing and sale of glass containers,



other two plants are located at Lahore Sheikhpura road. BGL is selling its products under the brand name of "Marimax".

Board of Directors of GCL in their meeting held on August 18, 2016 has approved facility up to of Rs. 250 million as short term loan / advance for further period of one year i.e. from December 23, 2016 to December 22, 2017 subject to approval by members in AGM. GCL shall extend 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.

Directors of the Company, present in the meeting, 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. 250 million (Rupees Two hundred and fifty million) |
| 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, so, company will earn profit on surplus funds. Period: For a period of one year i.e. from December 23, 2016 to December 22, 2017. Company in EOGM has already extended this Loan till December 22, 2016 |
| 4 | Outstanding Loan Amount as at June 30, 2016 In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof. | Rs. 242 million Company has already extended similar facility to BGL by passing special resolution in EOGM held on December 23, 2015 for a period of one year i.e. till December 22, 2016 |
| 5 | Rate of Markup & Average Borrowing cost of GCL | Markup rate: Minimum 1% above the rate charged to GCL by banks & financial institutions. |



| | cost of GCL | <p>Minimum 1% above the rate charged to GCL by banks & financial institutions.</p> <p>Mark up will be paid by BGL on quarterly Basis. Average borrowing rate of GCL is 3-Kibor + 2.5% approx.)</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------|---|---|--|-----------------------|-----------------|-------|--------------------|-------|---------------------|-----|-------------------|-----|-----------------|-------|----------------------|-------|-----------------------|-----|---------------------|-------|----------------|-----|---------------|------|--------------|-------|----------------|-------|-------------|--------|
| 6 | Financial Position of BGL | <p>Based on the latest unaudited quarterly financial statements (Third Quarter FY2016) for the period ended March 30, 2016, brief financial position of BGL is as under:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Rs. Million (Approx.)</th> </tr> </thead> <tbody> <tr> <td>Paid up Capital</td> <td style="text-align: right;">1,716</td> </tr> <tr> <td>Accumulated Losses</td> <td style="text-align: right;">4,375</td> </tr> <tr> <td>Revaluation Surplus</td> <td style="text-align: right;">300</td> </tr> <tr> <td>Subordinated Loan</td> <td style="text-align: right;">482</td> </tr> <tr> <td>Long term Loans</td> <td style="text-align: right;">1,311</td> </tr> <tr> <td>Deferred Liabilities</td> <td style="text-align: right;">1,329</td> </tr> <tr> <td>Short term borrowings</td> <td style="text-align: right;">461</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">1,878</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">731</td> </tr> <tr> <td>Current Ratio</td> <td style="text-align: right;">0.39</td> </tr> <tr> <td>Fixed Assets</td> <td style="text-align: right;">1,397</td> </tr> <tr> <td>Loss after tax</td> <td style="text-align: right;">(456)</td> </tr> <tr> <td>EPS - (Rs.)</td> <td style="text-align: right;">(2.66)</td> </tr> </tbody> </table> | | Rs. Million (Approx.) | Paid up Capital | 1,716 | Accumulated Losses | 4,375 | Revaluation Surplus | 300 | Subordinated Loan | 482 | Long term Loans | 1,311 | Deferred Liabilities | 1,329 | Short term borrowings | 461 | Current Liabilities | 1,878 | Current Assets | 731 | Current Ratio | 0.39 | Fixed Assets | 1,397 | Loss after tax | (456) | EPS - (Rs.) | (2.66) |
| | Rs. Million (Approx.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up Capital | 1,716 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated Losses | 4,375 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revaluation Surplus | 300 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subordinated Loan | 482 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long term Loans | 1,311 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred Liabilities | 1,329 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Short term borrowings | 461 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Liabilities | 1,878 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Assets | 731 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Ratio | 0.39 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Assets | 1,397 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loss after tax | (456) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| EPS - (Rs.) | (2.66) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | <p>Mr. Muhammad Tousif Paracha and Mian Nazir Ahmed Peracha are common directors in both Companies.</p> <p>i) Shareholding of Mr. M. Tousif Peracha in GCL is 59.6% and that of Mian Nazir Peracha 0.001%.</p> <p>ii) Shareholding of Mr. M. Tousif Peracha in BGL is 50.66% of Mian Nazir Peracha is 0.001%.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Repayment Schedule | <p>Repayable within one year.</p> <p>However, company can call full or partial repayment of outstanding loan any time during the year.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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. | No collateral is considered. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



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| <p>or to be entered with its associated company or associated undertaking with regards to proposed investment</p> | <p>Up to Rs. 250 million</p> <p>Nature: Short term loan for working capital</p> <p>Purpose: To earn income on the loan/advance to be provided to BGL from time to time for working capital requirements of BGL.</p> <p>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.</p> <p>Period: For a period of one year i.e. from December 23, 2016 to December 22, 2016.</p> <p>Mark up rate: Min. 1% p.a. above average borrowing rate of GCL.</p> <p>Principal Repayment: Principal to repay on or before December 22, 2017 or within 30-days on demand by GCL</p> <p>Mark up repayment: Mark up to be paid on quarterly basis within 30-days of end of each quarter. If markup is delayed then extra markup @1% p.a. Will be charged over normal markup rate</p> |
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