GHARIBWAL CEMENT LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Nazir Ahmed Peracha
Independent Director - Chairman

Muhammad Tousif Peracha
Chief Executive Officer - Executive Director

Abdur Rafique Khan
Executive Director

Ali Rashid Khan
Non - Executive Director

Amna Khan
Non - Executive Director

Daniyal Jawaid Paracha
Independent Director

Muhammad Niaz Paracha
Non - Executive Director

KEY EXECUTIVE MANAGEMENT

Muhammad Shamail Javed FCA
Chief Financial Officer & Company Secretary

Farukh Naveed ACA
Financial Controller

AUDITORS & LEGAL ADVISORS

Kreston Hyder Bhimji & Co
Chartered Accountants
Statutory Auditors

Raja Muhammad Akram
Legal Advisors

BANKERS & FINANCIAL INSTITUTION

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 and 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 the nine nonths ended March 31, 2019.

Your Company's net sales revenue decreased by 3% mainly because of decline in cement sales volume by 17%. Prices of fuel, energy and other input are consistently increasing but still the Company earned gross profit that was lower by 7% from the comparative period.

Summary of the financial results is given below:

		Nine months ended March 31, 2019	2018	Decrease	% Change
Cement Dispatch	Ton	1,187,949	1,428,071	(240,122)	-17%
Net sales	Million Rupees	8,276	8,513	(237)	-3%
Gross profit	Million Rupees	1,921	2,061	(140)	-7%
EBITDA	Million Rupees	2,272	2,354	(82)	-3%
Profit before taxation	Million Rupees	1,200	1,387	(187)	-13%
Profit after taxation	Million Rupees	820	1,000	(180)	-18%
Earnings per share	Rupees	2.05	2.50	(0.45)	-18%

At bottom, the Company earned profit after tax amounting to Rs. 820 million with earnings per share reported at Rs. 2.05.

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 always reposed in us.

For and on behalf of Board of Directors

Chief Executive Officer

Director

Lahore : April 29, 2019

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2019

	Note	Un-Audited 31-03-19	Audited 30-06-18
		(Rupees in 000s)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,503,818	19,136,955
Intangible assets		3,908	4,185
Deposits		110,523	109,890
		18,618,249	19,251,030
CURRENT ASSETS			
Consumable stores and spares		1,448,495	1,570,322
Stock in trade		901,359	632,241
Trade and other receivables	6	603,687	557,366
Loan and advances	6	351,352	274,001
Deposits		25,838	46,010
Prepayments		195,526	95,365
Advance income tax -net		627,952	308,801
Cash and bank balances		95,139	107,869
		4,249,348	3,591,975
TOTAL ASSETS		22,867,597	22,843,005
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 470,000,000 ordinary shares of Rs. 10 each		4,700,000	4,700,000
Share capital		4,002,739	4,002,739
Revaluation surplus on property, plant and equipment		3,283,275	3,404,857
Retained earnings		5,423,934	5,082,961
		12,709,948	12,490,557
NON CURRENT LIABILITIES			
Long term borrowings		2,212,152	2,994,244
Liabilities against assets subject to finance lease		29	519
Deferred taxation		2,683,778	2,222,277
Employees' retirement benefits		86,880	90,840
		4,982,839	5,307,880
CURRENT LIABILITIES			
Trade and other payables		3,886,745	3,655,564
Unclaimed dividend		17,154	4,098
Markup and profit payable		92,276	41,282
Short term borrowings		-	300,000
Current portion of non-current liabilities		1,178,635	1,043,624
		5,174,810	5,044,568
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		22,867,597	22,843,005

The annexed notes form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Un-Audited Nine Months Ended		Un-Audited 3rd quarter ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	(Rupees in 000s)			
Net Sales	8,275,505	8,512,585	2,769,802	3,034,560
Cost of sales	(6,354,720)	(6,451,276)	(2,218,843)	(2,488,142)
Gross Profit	1,920,785	2,061,309	550,959	546,418
General and administrative expenses	(281,938)	(280,046)	(84,092)	(82,832)
Selling and distribution expenses	(23,452)	(14,020)	(6,921)	(6,801)
Other expenses	(86,336)	(101,733)	(23,844)	(18,322)
Profit from operations	1,529,059	1,665,510	436,102	438,463
Finance Income	26,856	19,889	11,435	6,531
Finance cost	(356,374)	(298,729)	(130,528)	(93,019)
Profit before taxation	1,199,541	1,386,670	317,009	351,975
Taxation	(379,739)	(386,433)	(90,267)	(104,353)
Profit after taxation	819,802	1,000,237	226,742	247,622
	Rupees		Rupees	
Earnings per share (basic & diluted)	2.05	2.50	0.57	0.62

The annexed notes form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Un-Audited Nine Months Ended		Un-Audited 3rd quarter ended	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	(Rupees in 000s)			
Profit after taxation for the period	819,802	1,000,237	226,742	247,622
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	819,802	1,000,237	226,742	247,622

The annexed notes form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Share Capital	Revaluation Surplus on PPE	Retained Earnings	Total
	(Rupees in 000s)			
Balance as at June 30, 2017 (Audited)	4,002,739	3,373,909	4,004,398	11,381,046
Final cash dividend @ Rs. 1.5 per share for the year ended June 30, 2017	-	-	(600,411)	(600,411)
Total Comprehensive income for nine months ended March 31, 2018	-	-	1,000,237	1,000,237
Realization of revaluation surplus on PPE through depreciation	-	(128,801)	128,801	-
Balance as at March 31, 2018 (Un-Audited)	4,002,739	3,245,108	4,533,025	11,780,872
Total Comprehensive income for three months ended June 30, 2018	-	-	509,417	509,417
Realization of revaluation surplus on PPE through depreciation	-	(40,519)	40,519	-
Deferred tax impact due to change in tax rates	-	200,268	-	200,268
Balance as at June 30, 2018 (Audited)	4,002,739	3,404,857	5,082,961	12,490,557
Final cash dividend @ Rs. 1.5 per share for the year ended June 30, 2018	-	-	(600,411)	(600,411)
Total Comprehensive income for nine months ended March 31, 2019	-	-	819,802	819,802
Realization of revaluation surplus on PPE through depreciation	-	(121,582)	121,582	-
Balance as at March 31, 2019 (Un-Audited)	4,002,739	3,283,275	5,423,934	12,709,948

The annexed notes form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Un-Audited 9 Months ended 31-03-2019	Un-Audited 9 Months ended 31-03-2018
	(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,199,541	1,386,670
Adjustment for non-cash and other items:		
Depreciation and amortization	743,293	688,562
Finance cost	356,374	298,729
Finance income	(26,856)	(18,090)
	1,072,811	969,201
Operating profit before working capital changes	2,272,352	2,355,871
Impact of changes in working capital		
Consumable stores and spares	121,827	(374,421)
Stock in trade	(269,118)	480,458
Trade and other receivables	(40,825)	(5,085)
Loan and advances	1,896	6,480
Deposits	19,539	(156,961)
Prepayments	(102,848)	(101,849)
Trade and other payables	143,741	859,326
Net changes in working capital	(125,788)	707,948
Cash inflow from operation	2,146,564	3,063,819
Finance cost paid	(216,943)	(232,341)
Retirement benefits paid	(3,960)	-
Income tax paid	(237,387)	(578,138)
Net cash inflow from operating activities	1,688,272	2,253,340
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(109,879)	(1,037,743)
Advance to Balochistan Glass Limited	(79,247)	-
Markup received from Balochistan Glass Limited	20,227	6,074
Net cash outflow from investing activities	(168,899)	(1,031,669)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(644,036)	(443,546)
Proceeds of long term borrowings	-	119,499
Repayment of short term borrowings	(500,000)	-
Proceeds of short term borrowings	200,000	-
Repayment of finance lease	(712)	(860)
Dividend paid - directors	(540,836)	(589,889)
Dividend paid - others	(46,519)	(99,642)
Net cash outflow from financing activities	(1,532,103)	(1,014,438)
Net increase / (decrease) in cash and cash equivalents	(12,730)	207,233
Cash and cash equivalents at beginning of the period	107,869	123,632
Cash and cash equivalents at end of the period	95,139	330,865

The annexed notes form an integral part of these condensed interim financial statements (un-audited).

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

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 COMPLAINCE

These condensed interim financial statements 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 are unaudited and do not include all the information and disclosures required in the annual audited fnancial statements. Therefore, these should be read in conjunction with the Company's annual audited fnancial statements for the year ended June 30, 2018. 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 for the financial year 2018.

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, 2018.

There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on July 01, 2018. 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, 2018.

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, 2018.

		Un-Audited 31-03-2019	Audited 30-06-2018
		(Rupees in 000s)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	17,836,462	18,481,048
Capital work in progress		667,356	655,907
		18,503,818	19,136,955
5.1 OPERATING FIXED ASSETS			
Book value - opening balance		18,481,048	16,978,605
Additions during the period/year		97,746	618,988
Transferred from capital work in progress		-	1,835,008
Deletion during the period/year		-	(682)
		18,578,793	19,431,919
Depreciation for the period/year		(742,331)	(950,871)
Book value - closing balance		17,836,462	18,481,048
Addition/Transfer to operating fixed assets:			
Building and foundations		1,991	137,663
Heavy earth moving machinery		39,568	129,092
Plant and machinery		7,964	2,077,246
Infrastructure		4,184	67,062
Tools and equipments		360	3,567
Furniture, fixture and office equipments		13,689	23,697
Transport assets		29,990	15,669
		97,746	2,453,996

6 The Company has approved renewal of short term advance to its associated company Balochistan Glass Limited for one year by enhancing the facility limit to Rs. 350 million from Rs. 250 million. The facility carries markup @ 3 months KIBOR + 3.5% p.a. The Company further approved utilization of non-funded letter of credit facility of the Company by Balochistan Glass Limited to the extent of Rs. 150 million. Approval and consent of memebers of the Company has been obtained as required by section 199 of the Companies Act, 2017 in Annual General Meeting held on October 27, 2018.

Loan and advances include short term advance of Rs. 329.233 million (30-06-2018: Rs. 249.986 million) given to Balochistan Glass Limited. Markup accrued on this advance during nine months of FY2019 amounted to Rs. 25.723 million with comparative to Rs. 18.090 million for the same period of FY2018; which is inlcuded in finance income. Trade and other receivables include markup receivable from Balochistan Glass Limited of Rs. 11.709 million (30-06-2018: Rs, 6.213 million) and rent receivable of Nil (30-06-2018: Rs. 1.192 million)

7 CONTIGENCIES 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, 2018 except the one reported below:

The Distric Council Jhelum has levied water conservancy charges amounting to Rs. 232.426 million on the order of the Supreme Court of Pakistan. The Company has filed an appeal before the Lahore High Court challenging therein the levy of water conservency charges. The appeal is pending for adjudication at terminal date. However, the legal counsel of the Company is confident of favourable decesion, therefore, no adjustment is made in these interim financial statements.

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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Un-Audited 31-03-2019	Audited 30-06-2018
	(Rupees in 000s)	
Commitments		
Against supply of plant and machinery	167,629	189,787
Against supply of consumable stores and spares under letters of credit	-	335,775
	167,629	525,562

8 There are no significant transactions with related parties during the period under review, except those disclosed in these condensed interim financial statements.

9 The condensed interim financial statements has been approved by the Board of Directos for issue on April 29, 2019.

10 Figures in these condensed interim financial statements are rounded off to the nearest thousand rupees.

11 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 2019ء کے اختتام پر نو مہینے کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات بخوشی پیش کرتے ہے۔

زیرِ جائزہ مدت میں کمپنی کی خالص فروخت میں 3 فیصد کمی ہوئی جسکی بنیادی وجہ سیمنٹ کی فروخت کے حجم میں 17 فیصد کمی ہے۔ ایندھن، انرجی اور دوسرے خرچوں میں مسلسل اضافہ ہو رہا ہے مگر پھر بھی کمپنی نے مجموعی منافع کمایا جو کہ پچھلے عرصہ سے 7 فیصد کم ہے۔

مالیاتی نتائج کا خلاصہ درج ذیل ہے۔

		نو مہینے مورخہ 31 مارچ			فیصد
		2019	2018	کمی	کمی
سیمنٹ ترسیل	ٹن	1,187,949	1,428,071	(240,122)	-17%
خالص فروخت	رقم ملین روپوں میں	8,276	8,513	(237)	-3%
مجموعی منافع	رقم ملین روپوں میں	1,921	2,061	(140)	-7%
ٹیکس انٹرسٹ اور فرسودگی سے قبل منافع	رقم ملین روپوں میں	2,272	2,354	(82)	-3%
ٹیکس سے قبل منافع	رقم ملین روپوں میں	1,200	1,387	(187)	-13%
ٹیکس کے بعد منافع	رقم ملین روپوں میں	820	1,000	(180)	-18%
فی شیئر منافع	روپوں میں	2.05	2.50	(0.45)	-18%

کمپنی نے بعد از ٹیکس 280 ملین روپے کمایا ہے۔ فی شیئر آمدن اس مدت میں 2.05 روپیہ ہے۔

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

ہم مسلسل حمایت اور تعاون کے لیے ہمارے بنکوں 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 تمام عملے کی وابستگی، لگن اور محنت بھی دِلی 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۔

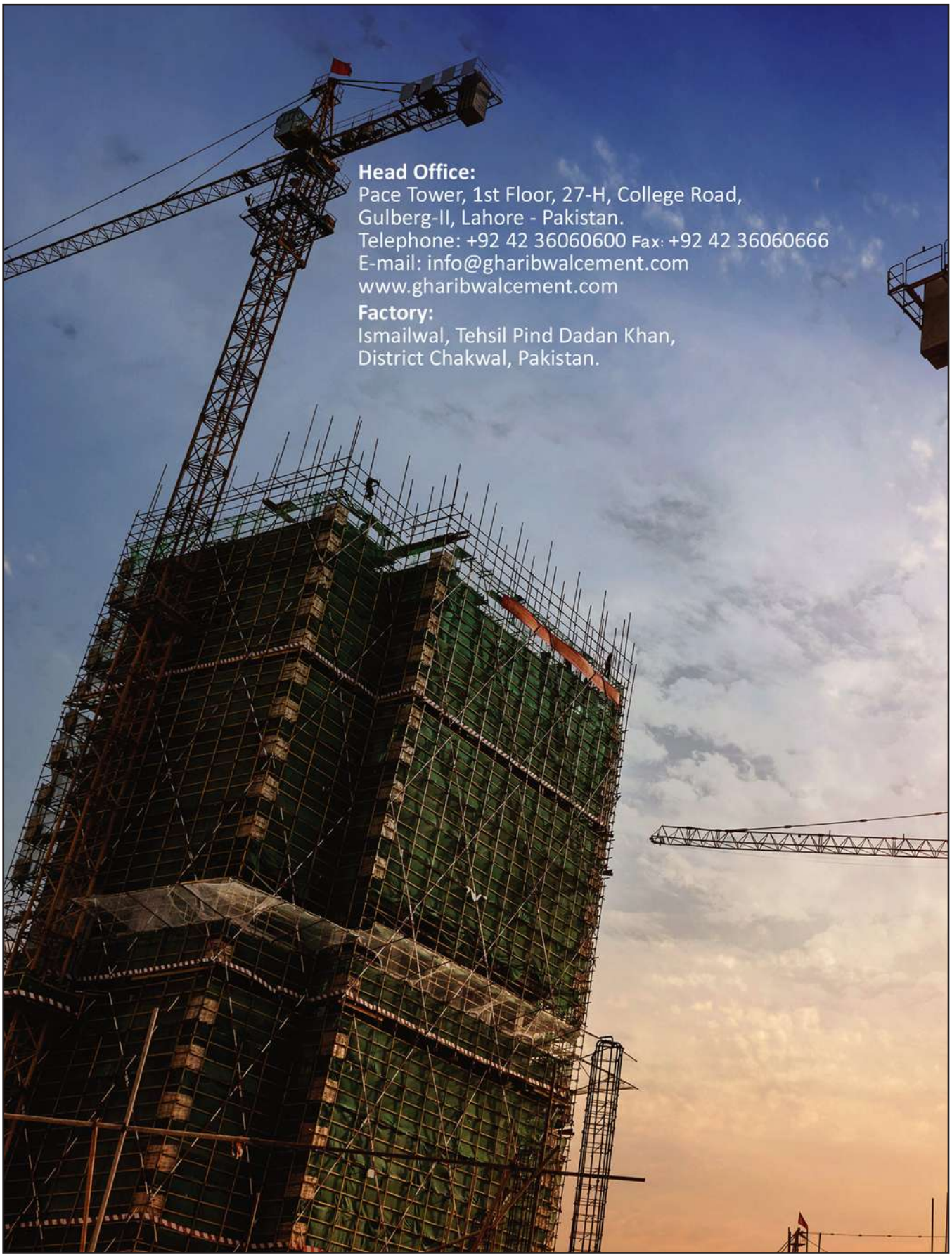
منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو آفیسر

لاہور

29 اپریل 2019ء



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