

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 58<sup>th</sup> Annual General Meeting of Gharibwal Cement Limited will be held on Saturday, October 27, 2018 at 12:00 p.m at Registered Office of the company (First Floor, PACE Tower, 27-H, College Road, Gulberg-II, Lahore) to transact the following businesses:

### Ordinary Business

1. To confirm minutes of last Extra Ordinary General Meeting (EOGM) held on February 28, 2018.
2. To receive, consider and adopt the Audited Financial Statements of the company for the year ended June 30, 2018 together with Auditor's and Director's report thereon.
3. To consider and approve the payment of final cash dividend @ 15% (Rs. 1.5 per share) for the financial year ended June 30, 2018 as recommended by the Board of Directors.
4. To appoint Auditors' of the Company for the year ending June 30, 2019 and to fix their remuneration. The present auditors Kreston Hyder Bhimji & Co, Chartered Accountants, retire and being eligible, have offered themselves for reappointment

### Special Business

#### Investments in Associates U/S 199 of Companies Act, 2017

5. To approve short term loan/advance up to Rs. 350 million and to use Letter of Credit facility up to of Rs. 150 million (Total Rs. 500 Million) to Balochistan Glass Limited (**Associated Company**) for a period of one year, by passing the following resolutions, either with or without modification, as required under section 199 of Companies Act, 2017:

**“Resolved that** Consent and approval of members of the company be and is hereby accorded under section 199 of Companies Act, 2017 for short term loan/advance facility up to of Rs. 350 million for a period of one year from the date of passing of this resolution i.e. Till October 26, 2019 at a markup rate of minimum 1% p.a. above the average borrowing rate of company. Company in last AGM had extend this facility up to Rs. 250 for a period of one year from its expiry i.e. till December 22, 2018 and now proposed to extend/renew this facility further for one year (i.e. till October 26, 2019) and to enhance its amount from Rs. 250 million to Rs. 350 million.”

**“Resolved that** Consent and approval of members of the company be and is hereby accorded under section 199 of Companies Act, 2017 to allow to avail un-utilized non-fund based Letter of Credit Facility (Sight/Usance up to 180-days) (Import/inland) of the company by Balochistan Glass Ltd (BGL) for procurement of raw material and stores and spares including moulds up to of Rs. 150 million for a period of one year from the date of passing of this resolution i.e. Till October 26, 2019 at a commission rate of minimum 0.1% p.q. above the average commission rates of Letter of Credit approved by banks in favour of Gharibwal Cement Ltd. All charges relating to Letter of Credits established by BGL will be paid by BGL along with due payment to respective banks on due dates. This facility is over and above of

above facility of Rs. 350 million. BGL can only utilize, un-utilized Letter of Credit (LC) facility (Non fund based facility) approved by banks to company.

**Further resolved** that CEO and/or 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: October 01, 2018

Place: Lahore

Muhammad Shamail Javed  
Company Secretary

## NOTES:

1. The share transfer books of the company will remain close from October 21 to October 27, 2018 both days inclusive. Transfer received by the Share Registrar of the Company, M/s Corplink (Private) Ltd, 1-K Commercial, Model Town Lahore up to October 20, 2018 will be considered in time for the purpose of attendance at AGM and dividend entitlement.
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 First Floor, PACE Tower, 27-H, College Road, Gulberg-II, 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.

### **Circulate Audited Financial Statements along with Notice of AGM through e-mail:**

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. However, if shareholder, in addition, request for hard copy of Audited Financial Statements the same shall be provided free of cost within seven (7) days of receipt of such request.  
In order to avail this facility a Standard Request Form is available at the Company's website and in annual report of 2018.

### **CNIC of Members/Shareholders & Dividend Payment**

**Head Office** : Pace Tower, 1st Floor, 27-H, College Road, Gulberg-II, Lahore, Pakistan.

**Factory** : Ismailwal, Tehsil Pind Dadan Khan, District Chakwal, Pakistan.

☎ : +92 42 36060600 📠 : +92 42 36060665-66 ✉ : info@gharibwalcement.com 🌐 : www.gharibwalcement.com

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. Members are requested to submit a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission of CNIC (copy), all future dividend warrants may be withheld.

**Declaration as per Zakat & Ushr Ordinance 1980**

8. Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

**Information Submission to Share Registrar or CDS participants**

9. 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 Registrar, if not earlier provided/notified.
- Change in their address.
  - 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;
  - 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);
  - 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;
  - Pursuant to requirement of the Finance Act, 2018 effective July 01, 2018 the "Filer" & "Non-Filer" shareholders will pay tax on dividend income @15% and 20% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers list (ATL) provided on website [www.fbr.gov.pk](http://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 @20% instead of 15%;
  - 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 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/C DC A/C. No.	Total Shar es	Principal shareholder		Joint Shareholder		Signature (s)
		Na me & CNI C No.	Sharehold ing proportion No. of Share	Na me & CNI C No.	Sharehold ing 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).

## Transmitting Of Annual Audited Accounts on CD/DVD/USB instead Of Transmitting in Printed Copy

The Securities and Exchange Commission of Pakistan by their SRO No. 470(I)/2016 dated May 31, 2016 allowed to transmit annual audited financial statements, auditor's report and directors report etc. to the Company's shareholders/members at their registered addresses in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy, provided consent of shareholders has been obtained in a general meeting and an option of hard copy of the same information is offered to any interested shareholder.

To proceed towards paperless environment and to fulfill the responsibility towards environment, Company has already passed resolution with the consent of its shareholder in last Annual General Meeting held on September 28, 2016, therefore, accounts are circulated in soft copies instead of printed copy. If any shareholder wants to receive hard copy then he can fill the form which is available on our website and company will provide the same.

## E-DIVIDEND

As per Section 242 of the Companies Act, 2017, in case of a Public listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are requested to update their bank account details in the Central Depository System (CDS) through respective participants/stock brokers. In case of physical shares, please provide bank account details (IBAN account no.) directly to our Share Registrar, M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore. E-Dividend mandate form is enclosed and available at our website as well.



Please note that as informed already, now after October 31, 2017 all cash dividends, declared by the Company, will only be remitted to designated bank accounts and not otherwise, so please ensure an early update of your particulars to avoid any inconvenience in future.

## **UNCLAIMED DIVIDENDS & BONUS SHARES**

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/S Corplink (Private) Limited, 1-K Commercial, Model Town, Lahore to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

## **The statement Under Sub Section 3 of Section 134 of The Companies Act, 2017, 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 199 of Companies Act, 2017 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, Tableware glass products and plastic shells for beverage companies. The registered office of the Company is situated at Hub, Balochistan whereas head office of the Company is situated at 12-KM, Kot Abdul Malik, Lahore. Balochistan Glass has three glass plants one is located in Hub-Balochistan whereas other two plants are located at Lahore Sheikhpura road. BGL is selling its tableware products under the brand name of "Marimax".

Board of Directors of GCL in their meeting held on October 01, 2018 has approved total facilities of Rs. 500 million including Rs. 350 million as short term loan / advance for a period of one year i.e. October 26, 2019 and Letter of Credit Facility (Sight/Usance up to 180-days) of the GCL for procurement of raw material and stores and spares including moulds up to of Rs. 150 million for a period of one year i.e. Till October 26, 2019 (Total Rs. 500 million). Company in last AGM had extend this facility up to Rs. 250 for a period of one year from its expiry i.e. till December 22, 2018 and now proposed to extend/renew this facility further for one year (i.e. till October 26, 2018) and to enhance its amount from Rs. 250 million to Rs. 350 million along with permission to use LC facility of GCL up to Rs. 150 million. GCL shall extend/allow the facility of loan / advance & use of LC facility 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 and as required under section 199 of Companies Act, 2017.

Directors of the Company 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. 350 million (Rupees Two hundred and fifty million); & Allow to use unfunded and un-utilized LC facility Of the company up to of Rs. 150 million
3	Purpose of loan/advance etc. & benefits	<b>Purpose:</b> To earn income on the loan/advance to be provided to BGL from time to time for working capital requirements of BGL. <b>Benefits:</b> The Company will receive mark up at the rate of one percent above of its average borrowing cost and will also earn commission income, so, company will earn profit on surplus funds and will earn income on surplus LC facilities as well. <b>Period:</b> For a period of one year i.e. till October 26, 2019
4	Outstanding Loan Amount as at June 30, 2018  In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 250 million Company has already extended this facility up to Rs. 250 million to BGL by passing special resolution in last AGM for a period of one year i.e. till December 22, 2018
5	Rate of Markup & Average Borrowing cost of GCL	Mark up rate: Minimum 1% above the rate charged to GCL by banks & financial institutions. Mark up will be paid by BGL on quarterly Basis. Average borrowing rate of GCL is 3-Kibor + 2.5% approx.). For Use of LC facility: 0.1% p.q. above the commission rates of Letter of Credits for GCL
6	Financial Position of BGL	Based on the latest unaudited quarterly financial statements (Third Quarter FY2017) for the period ended March 30, 2018, brief financial position of BGL is as under: <b>Rs. Million (Approx.)</b>

		Paid up Capital- Current 2,616 Accumulated Losses 5,164 Revaluation Surplus 283 Subordinated Loan 482 Sponsors Loan 3,550 Long term Loans 155 Deferred Liabilities 241 Short term borrowings 516 Current Liabilities 1,615 Current Assets 688 Current Ratio 0.41 Fixed Assets 1,567 Long term investment 126 Loss after tax (241) EPS - (Rs.) (1.41)															
7	Sources of funds from where loans or advances will be given	- From internal cash availability of GCL (These are not from borrowed funds) - Allow to use excess un-utilized LC facility of Company by BGL for its operations															
8	Personal Interest of Directors of GCL	Mr. Muhammad Tousif Paracha, Muhammad Niaz Peracha and Mian Nazir Ahmed Peracha are common Directors in both Companies. Shareholding of Common directors is as under: <table> <thead> <tr> <th>Name</th><th>BGL</th><th>GCL</th></tr> </thead> <tbody> <tr> <td>M Tousif Peracha</td><td>67.25%</td><td>56.3%</td></tr> <tr> <td>Mian Nazir Peracha</td><td>0.00%</td><td>0.00%</td></tr> <tr> <td>M Niaz Peracha</td><td>0.00%</td><td>0.00%</td></tr> </tbody> </table> <p><b>Spouse of Mr. Muhammad Tousif Paracha:</b></p> <table> <tbody> <tr> <td>Tabassum Tousif Peracha</td> <td>0.78%</td> <td>0.05%</td> </tr> </tbody> </table>	Name	BGL	GCL	M Tousif Peracha	67.25%	56.3%	Mian Nazir Peracha	0.00%	0.00%	M Niaz Peracha	0.00%	0.00%	Tabassum Tousif Peracha	0.78%	0.05%
Name	BGL	GCL															
M Tousif Peracha	67.25%	56.3%															
Mian Nazir Peracha	0.00%	0.00%															
M Niaz Peracha	0.00%	0.00%															
Tabassum Tousif Peracha	0.78%	0.05%															
9	Repayment Schedule	Repayable within one year. However, company can call full or partial repayment of outstanding loan any time during the period of one year.															
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, if any	No collateral is considered.															
12	Loan conversion option	No such option is extended to BGL															
13	Salient features of agreements entered or to be entered with its associated company or	<b>Amount of Loan</b> Up to Rs. 350 million- Short term Advance Up to Rs. 150 Million- LC facility															

<p>associated undertaking with regards to proposed investment</p>	<p><b>Nature:</b> Short term loan for working capital; &amp; Excess Un-utilized Facility of Company to be offered to BGL for its use for operations</p> <p><b>Purpose:</b> To earn income on the facilities to be provided to BGL from time to time for working capital requirements of BGL.</p> <p><b>Benefits:</b> 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. For Use of LC facility: 0.1% p.q. above the commission rates of Letter of Credit for company</p> <p><b>Period:</b> For a period of one year i.e. Till October 26, 2018.</p> <p><b>Mark up rate:</b> Min. 1% p.a. above average borrowing rate of GCL. (Rate will be 3-Kibor+3.5% p.a. approx.) For Use of LC facility: 0.1% p.q. above the commission rates of Letter of Credit for company</p> <p><b>Principal Repayment:</b> Principal to repay on or before October 26, 2018 or within 30-days on demand by GCL</p> <p><b>Mark up repayment:</b> Mark up to be paid on quarterly basis If markup is delayed by more than 45-days then delay payment charges @1% p.a. Will be charged over normal markup rate. For Use of LC facility: Charges to paid by BGL On LC maturity or as claimed by bank</p> <p><b>Other special Condition:</b> BGL may undertake to any of its financial institution that company will not withdraw this facility till July 30, 2019 to ensure it's working capital management and continuity of the BGL</p>
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