



GHARIBWAL CEMENT LIMITED

**Condensed Interim Un-Audited Financial Information
For the Nine Months and 3rd Quarter Ended
MARCH 31, 2011**



www.gharibwalcement.com

28-B/3, Gulberg, III P.O Box 1285, Lahore.
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Company Profile

BOARD OF DIRECTORS

Mr. Muhammad Tousif Peracha
Chairman & Chief Executive

Mr. Abdur Rafique Khan
Director

Mrs. Tabassum Tousif Peracha
Director

Mr. Nazir Ahmed Peracha
Director

Mr. M. Ishaque Khokhar
Director

Mr. M. Niaz Piracha
Director

Mr. Jawaid Aziz Peracha
Director

CHIEF FINANCIAL OFFICER

Mr. Ehsan R. Shaikh FCA

COMPANY SECRETARY

Mr. Muhammad Shamail Javed ACA

BANKERS

Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
My Bank Limited (Bolan Bank Limited)
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited (Saudi Pak Commercial Bank Limited)
The Bank of khyber
The Bank of Punjab
United Bank Limited

AUDIT COMMITTEE

Mr. Nazir Ahmed Peracha
Chairperson and Member

Mr. Muhammad Tousif Peracha
Member

Mr. M. Niaz Piracha
Member

AUDITORS

M/s. Hyder Bhimji & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. Aftab Nabi & Co.
Chartered Accountants

LEGAL ADVISOR

Bandial Law Associates

REGISTERED OFFICE

28-B/3, Gulberg, III P.O. Box 1285, Lahore.
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WORKS

Ismailwal, Distt. Chakwal

WEBSITE

www.gharibwalcement.com

SHARES REGISTRAR

M/s. Corplink (Pvt.) Limited
Shares Registrar, Wings Arcade,
1-K, Commercial,
Model Town, Lahore.
Tel: 042-5887262, 5839182
Fax: 042-5869037



DIRECTORS' REPORT

Dear members,

The un-audited condensed interim financial information of the Company for the third quarter ended 31 March 2011 is presented herewith as required by the Companies Ordinance, 1984 .

There has been no significant change in the facts reported by your Directors in their detailed review of the current year's performance of the Company in the half-yearly accounts.

Tight liquidity position did not allow your Company to enhance capacity utilisation from the preceding quarter's level. As a result, it could not take full advantage of improvement in the demand of cement at relatively better retention prices witnessed during the period under review.

The overall financial results for the period under review show marked improvement over last year's performance. Total revenue at Rs. 2,153 million exceeded corresponding period's revenue by Rs. 374 million or 21%, attributed mainly to increase in retention prices of cement in the domestic market. Increase in revenue had a corresponding effect on the profitability of the Company. Gross Profit for the period amounted to Rs. 56.844 million against a Gross Loss of Rs. 234.229 million suffered during the last year. Quarterly Operating Profit of Rs. 76.378 million reduced year-to-date loss from Rs. 170.346 million to Rs. 93.968 million. Loss per share dropped accordingly from Rs. 2.47 to Rs. 2.43.

As reported earlier, domestic demand of cement is expected to improve during the coming months with the commencement of rehabilitation and reconstruction work in the flood affected areas of the Country. Upward trend in the retention prices of cement is also foreseen in the remaining part of the fiscal year. The overall financial results of the Company are expected to further improve during the last quarter of the year and reduce operating loss in some measure.

The Board is grateful to its shareholders, bankers, distributors and business associates for their trust and continued support being extended to the Company for its smooth operation.

For and on behalf of the Board

Muhammad Tousif Peracha
Chairman & Chief Executive

Lahore: April 30, 2011



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	Note	Un-Audited 31-03-2011 ----- (Rupees in 000s) -----	Audited 30-06-2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	11,800,896	12,044,869
Long term loans		2,162	1,270
Long term deposits		52,686	56,645
		<u>11,855,744</u>	<u>12,102,784</u>
CURRENT ASSETS			
Stores, spares and loose tools		323,241	351,604
Stock in trade		100,380	109,483
Trade debts		73,205	33,762
Advances, deposits and other receivables		340,222	227,219
Tax refunds due from the government		90,825	76,119
Cash and bank balances		42,725	21,140
		<u>970,598</u>	<u>819,327</u>
TOTAL ASSETS		<u>12,826,342</u>	<u>12,922,111</u>

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

Chief Executive

Director



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	Note	Un-Audited 31-03-2011 ----- (Rupees in 000s) -----	Audited 30-06-2010
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		4,700,000	2,500,000
470,000,000 (2010: 250,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital		4,002,739	2,318,764
General reserve		332,000	332,000
Accumulated loss		(3,330,522)	(2,694,482)
		<u>1,004,217</u>	<u>(43,718)</u>
SHARE DEPOSIT MONEY		-	1,683,975
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		<u>2,296,901</u>	<u>2,360,164</u>
NON CURRENT LIABILITIES			
Redeemable capital		358,650	-
Long term borrowings		3,471,399	3,359,647
Liabilities against assets subject to finance lease		18,534	11,916
Deferred Income		37,368	-
Deferred liabilities		1,018,493	714,867
		<u>4,904,444</u>	<u>4,086,430</u>
CURRENT LIABILITIES			
Trade and other payables		1,373,366	1,601,621
Accrued interest / mark-up		421,394	393,945
Short term borrowings		477,362	485,017
Current portion of non-current liabilities		718,300	1,319,599
Taxes and duties payable		1,630,358	1,035,078
		<u>4,620,780</u>	<u>4,835,260</u>
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		<u>12,826,342</u>	<u>12,922,111</u>

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

Chief Executive

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011

Note	9 months		3 months	
	Jul-Mar 2011	Restated Jul-Mar 2010	Jan-Mar 2011	Jan-Mar 2010
	----- (Rupees in 000s) -----			
Sales - net	2,152,896	1,779,342	973,509	334,787
Cost of sales	(2,096,052)	(2,013,571)	(865,265)	(521,251)
Gross Profit/(Loss)	56,844	(234,229)	108,244	(186,464)
Operating expenses				
Selling and distribution expenses	(13,793)	(196,494)	(5,602)	(66,922)
General and administrative expenses	(150,396)	(89,535)	(30,579)	(31,811)
Other operating Income	13,377	3,502	4,315	1,509
	(150,812)	(282,527)	(31,866)	(97,224)
Operating Profit/(Loss)	(93,968)	(516,756)	76,378	(283,688)
Finance cost	(584,174)	(818,566)	(192,639)	(239,385)
Loss before taxation	(678,142)	(1,335,322)	(116,261)	(523,073)
Taxation	(21,162)	126,107	(9,043)	136,319
Loss after taxation	(699,304)	(1,209,215)	(125,304)	(386,754)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	(699,304)	(1,209,215)	(125,304)	(386,754)
	Rupees			
Loss per share (basic & diluted)	(2.43)	(5.21)	(0.03)	(1.67)

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

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011

Note	Jul-Mar 2011	Restated Jul-Mar 2010
		----- (Rupees in 000s) -----
Cash (outflow) / inflow from operation	(197,925)	601,424
Finance cost paid	(118,245)	(396,934)
Net increase/(decrease) in long term advances & deposits	3,067	(10,404)
Net increase/(decrease) in taxes & duties	478,533	(220,772)
Net cash inflow from operating activities	165,430	(26,686)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sales of fixed assets	64,413	(171,100)
Fixed capital expenditure	(44,016)	-
Profit / interest received	1,842	3,502
Net cash inflow / (outflow) from investing activities	22,239	(167,598)
CASH FLOW FROM FINANCING ACTIVITIES		
Change in long term borrowings	(356,075)	204,285
Change in short term borrowings	(7,655)	5,317
Change in directors' loan	192,909	-
Change in lease finance liability	4,737	(40,438)
Net cash flow from financing activities	(166,084)	169,164
Net change in cash and cash equivalents	21,585	(25,120)
Cash and cash equivalents at beginning of the year	21,140	67,980
Cash and cash equivalents at end of the year	42,725	42,860

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

Chief Executive

Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Share Capital	General Reserves	Accumulated Loss	Total
	----- (Rupees in 000s) -----			
Balance as at June 30, 2009	2,318,764	332,000	(1,695,856)	954,908
Effect of correction of compensatory error			(29,468)	(29,468)
Total Comprehensive loss for the nine months ended 31-03-2010 - restated	-	-	(1,209,215)	(1,209,215)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the period	-	-	18,954	18,954
Balance as at March 31, 2010 - restated	2,318,764	332,000	(2,915,585)	(264,821)
Total Comprehensive income for the three months ended 30-06-2010 - restated	-	-	211,193	211,193
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the period	-	-	9,910	9,910
Balance as at June 30, 2010	2,318,764	332,000	(2,694,482)	(43,718)
Issuance of shares otherwise than right issue	1,683,975	-	-	1,683,975
Total Comprehensive loss for the nine months ended 31-03-2011	-	-	(699,304)	(699,304)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the period - on disposal of fixed assets	-	-	48,113 15,151	48,113 15,151
Balance as at March 31, 2011	4,002,739	332,000	(3,330,522)	1,004,217

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

Chief Executive

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

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 Karachi and Lahore Stock Exchanges. 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 COMPLAINT

This condensed interim financial information 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, 2010.

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 for the year ended June 30, 2010.

Material events occurred during the current period has already been disclosed in the condensed interim information for the half year ended December 31, 2010.

4 SIGNIFICANT ESTIMATES

The preparation of this condensed interim financial information requires management to make judgments, 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 financial information. Actual results may differ from those estimates. In preparing this condensed interim financial information, the significant judgments 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;
- provisions and contingencies;

NOTE	Un-Audited	Audited
	31-03-2011	30-06-2010
	----- (Rupees in 000s) -----	

5 PROPERTY, PLANT AND EQUIPMENTS

Operating fixed assets	5.1	11,635,741	11,908,347
Capital work in progress		165,154	136,522
		<u>11,800,896</u>	<u>12,044,869</u>

5.1 OPERATING FIXED ASSETS

Book value - opening balance	11,908,347	9,633,200
Additions	15,383	155,958
Deletions	(54,646)	(3,251)
Revaluation surplus	-	2,363,048
	<u>11,869,084</u>	<u>12,148,955</u>
Depreciation	233,343	240,608
Book value - closing balance	<u>11,635,741</u>	<u>11,908,347</u>



6 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingent liabilities of the Company since the last annual balance sheet date.

9 months		3 months	
Jul-Mar	Restated Jul-Mar	Jan-Mar	Jan-Mar
2011	2010	2011	2010
----- (Rupees in 000s) -----			

7 COST OF SALES

Raw and packing materials consumed	420,020	270,155	194,869	50,810
Stores and spares consumed	52,474	102,482	8,259	36,674
Salaries, wages and benefits	153,113	154,146	61,288	50,054
Fuel and power consumed	1,273,114	1,153,902	533,248	324,716
Production overheads	12,255	42,190	5,108	17,580
Depreciation	197,982	169,484	75,784	48,462
	2,108,958	1,892,359	878,556	528,296
Adjustment of work-in-process inventory				
Opening balance	29,546	260,683	2,458	169,447
Closing balance	(13,402)	(133,309)	(13,402)	(133,309)
	16,144	127,374	(10,944)	36,138
Cost of goods manufactured	2,125,102	2,019,733	867,612	564,434
Adjustment of finished goods inventory				
Opening balance	8,295	72,165	34,998	35,144
Closing balance	(37,345)	(78,327)	(37,345)	(78,327)
	(29,050)	(6,162)	(2,347)	(43,183)
Cost of sales	2,096,052	2,013,571	865,265	521,251

8 TRANSACTIONS WITH RELATED PARTIES

There is no further significant transactions made with the related parties during the quarter ended March 31, 2011.

9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on April 30, 2011.

10 GENERAL

10.1 Figures in this condensed interim financial information have been rounded off to the nearest thousand rupees.

10.2 Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison.

Chief Executive

Director