



**GHARIBWAL CEMENT LIMITED**



**Condensed Interim Financial Information  
for the quarter ended  
September 30, 2011**



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## Company Information

<b>Board of Directors:</b>	Mr. Muhammad Tousif Peracha Mr. Abdur Rafique Khan Mrs. Tabassum Tousif Peracha Mian Nazir Ahmed Peracha Mr. M. Ishaque Khokhar Mr. M. Niaz Piracha Mr. Jawaid Aziz Peracha	Chairman & Chief Executive Director Director Director Director Director
<b>Audit Committee:</b>	Mian Nazir Ahmed Peracha Mr. Muhammad Tousif Peracha Mr. M. Niaz Piracha	Chairperson Member Member
<b>Company Secretary:</b>	Mr. Muhammad Shamail Javed ACA	
<b>Chief Accountant:</b>	Mr. Farukh Naveed	
<b>External Auditors:</b>	Hyder Bhimji & Co. Chartered Accountants	
<b>Internal Auditors:</b>	Aftab Nabi & Co. Chartered Accountants	
<b>Legal Advisor:</b>	Raja Muhammad Akram	
<b>Bankers to the Company:</b>	Askari Bank Limited Faysal Bank Limited Habib Bank Limited KASB Bank Limited MCB Bank Limited My Bank Limited National Bank of Pakistan NIB Bank Limited Silk Bank Limited The Bank of Khyber The Bank of Punjab United Bank Limited	
<b>Registered &amp; Head Office:</b>	28-B/3, Gulberg III, P.O. Box 1285, Lahore. UAN : 042 - 111-210-310 Fax : 042 - 35871039 & 59 E-mail: info@gharibwalcement.com www.gharibwalcement.com	
<b>Works:</b>	Ismailwal, Distt. Chakwal	
<b>Shares Registrar:</b>	M/s. Corplink (Pvt.) Limited Shares Registrar, Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35887262, 35839182 Fax: 042-35869037	

## Directors' Report to the Members

Your directors are pleased to present the un-audited condensed interim financial information for the quarter ended September 30, 2011 in compliance with Section 245 of the Companies Ordinance, 1984.

During the quarter under report, the Company operated at 27% of the installed capacity as against 15% for the corresponding quarter of the last year. The Company could not achieve an optimum level of capacity utilization due to continuing energy crises in the country including sui gas load shedding, complete curtailment of gas supply, negate the principle of a level playing field.

The net sales increased by 164% as compared with the corresponding quarter of the last year. The Company earned operating profit of Rs. 36.230 million as against operating loss of Rs. 86.731 million for the corresponding quarter of the last year.

Reconstruction work in the flood affected arrears, improved allocation of funds for public service development programme, and upward trend in the retention prices of the cement in the domestic market, all of these factors are expected to contribute positively towards the financial results of the Company.

Various proposals for realignment of repayments of the debts are also under consideration by the banks and financial institutions which will be done in due course.

We are grateful to all the lenders for their support and cooperation with the Company. We also appreciate the cooperation of our suppliers, customers, employees, and other stakeholders.

For and on behalf of the Board of Directors



**MUHAMMAD TOUSIF PERACHA**  
(Chairman & Chief Executive)

Lahore: October 31, 2011

## Condensed Interim Balance Sheet (Un-Audited)

As at September 30, 2011

		Un-audited September 30 2011 (Rupees in thousand)	Audited June 30 2011
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	11,514,626	11,566,193
Long term loans		2,031	2,111
Long term deposits		14,921	13,844
<b>Total noncurrent assets</b>		<b>11,531,578</b>	<b>11,582,148</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		324,130	329,537
Stock in trade		58,873	115,180
Trade debts		54,387	61,964
Advances, deposits and other receivables		373,943	401,788
Tax refunds due from the government		66,270	87,889
Cash and bank balances		27,958	22,261
		<b>905,561</b>	<b>1,018,619</b>
<b>Non current assets held for sale</b>		<b>13,812</b>	<b>13,812</b>
<b>Total current assets</b>		<b>919,373</b>	<b>1,032,431</b>
<b>TOTAL ASSETS</b>		<b>12,450,951</b>	<b>12,614,579</b>



M. Tousif Peracha  
Chief Executive



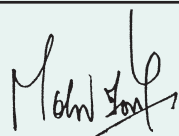
Abdur Rafique Khan  
Director



## Condensed Interim Balance Sheet (Un-Audited)

As at September 30, 2011

	Un-audited September 30 2011 (Rupees in thousand)	Audited June 30 2011
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 470,000,000 ordinary shares of Rs. 10 each	4,700,000	4,700,000
Issued, subscribed and paid up capital	4,002,739	4,002,739
General reserve	332,000	332,000
Accumulated loss	(3,724,265)	(3,576,437)
	610,474	758,302
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	2,255,955	2,270,668
<b>NON CURRENT LIABILITIES</b>		
Redeemable capital	-	-
Long term borrowings	3,344,623	3,389,554
Liabilities against assets subject to finance lease	114	2,345
Deferred income	11,846	16,156
Deferred liabilities	853,958	872,093
	4,210,541	4,280,148
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,177,064	1,285,836
Accrued interest / mark-up	634,414	493,915
Short term borrowings	780,075	787,368
Current portion of non-current liabilities	1,282,883	1,236,383
Taxes and duties payable	1,499,545	1,501,959
	5,373,981	5,305,461
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,450,951</b>	<b>12,614,579</b>



M. Tousif Peracha  
Chief Executive



Abdur Rafique Khan  
Director

## Condensed Interim Profit and Loss Account (Un-Audited)

For the quarter ended September 30, 2011

	July-Sep 2011 (Rupees in thousand)	July-Sep 2010
Sales - net	811,323	307,145
Cost of sales	(727,321)	(311,894)
<b>Gross profit / (loss)</b>	<b>84,002</b>	<b>(4,749)</b>
Selling and distribution expenses	(18,038)	(14,971)
General and administrative expenses	(32,376)	(71,999)
Other operating expenses	(4,844)	-
Other operating Income	7,624	4,988
	(47,634)	(81,982)
<b>Profit / (loss) from operations</b>	<b>36,368</b>	<b>(86,731)</b>
Finance cost	(190,796)	(170,905)
<b>Loss before taxation</b>	<b>(154,428)</b>	<b>(257,636)</b>
Taxation	(8,113)	-
<b>Loss after taxation</b>	<b>(162,541)</b>	<b>(257,636)</b>
Other comprehensive income for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(162,541)</b>	<b>(257,636)</b>
	<b>Rupees</b>	
<b>Loss per share (basic &amp; diluted)</b>	<b>(0.41)</b>	<b>(1.11)</b>



M. Tousif Peracha  
Chief Executive



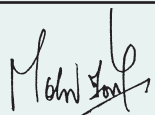
Abdur Rafique Khan  
Director



## Condensed Interim Cash Flow Statement (Un-Audited)

For the quarter ended September 30, 2011

	July- Sep 2011 (Rupees in thousand)	July-Sep 2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before taxation	(154,428)	(257,636)
Adjustment for non-cash and other transactions:		
Depreciation	66,812	53,476
Finance cost	190,796	170,309
Taxes and duties	3,742	3,309
Provision for slow moving stores items	4,844	-
Profit / interest income	(3,894)	(4,988)
	262,300	222,106
<b>Operating profit / (loss) before working capital changes</b>	107,872	(35,530)
Increase / (decrease) in working capital:		
Stores, spares and loose tools	563	(78,489)
Stock in trade	56,307	7,888
Trade debts	7,577	-
Advance, deposit and other receivable	31,739	(18,076)
Trade and other payables	(127,895)	82,639
	(31,709)	(6,038)
<b>Cash inflow / (outflow) from operation</b>	76,163	(41,568)
Finance cost paid	(14,081)	-
Retirement benefits paid	-	(932)
Net increase/(decrease) in long term advances & deposits	(996)	57
Net increase/(decrease) in taxes & deposits	(13,383)	63,560
<b>Net Cash inflow from operating activities</b>	47,702	21,117
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure incurred	(15,245)	(8,177)
Profit / interest received	-	1,019
<b>Net cash outflow from investing activities</b>	(15,245)	(7,158)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in long term borrowings	(17,236)	(2,572)
Change in redeemable capital	-	-
Change in short term borrowings	(7,293)	(12,041)
Change in directors' loan	-	(700)
Change in liabilities against assets subject to finance lease	(2,231)	(231)
<b>Net cash outflow from financing activities</b>	(26,760)	(15,544)
<b>Net increase / (decrease) in cash and cash equivalents</b>	5,697	(1,585)
<b>Cash and cash equivalents at beginning of the period</b>	22,261	21,140
<b>Cash and cash equivalents at end of the period</b>	27,958	19,555



M. Tousif Peracha  
Chief Executive



Abdur Rafique Khan  
Director

## Condensed Interim Statement of Changes in Equity (Un-Audited)

For the quarter ended September 30, 2011

Particulars	Share Capital	General Reserve	Accumulated Loss	Total
(Rupees in thousand)				
<b>Balance as at June 30, 2010</b>	<b>2,318,764</b>	<b>332,000</b>	<b>(2,694,482)</b>	<b>(43,718)</b>
Total Comprehensive loss for the quarter ended September 30, 2010	-	-	(257,636)	(257,636)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation [net off deferred tax of Rs. 5.464 million]	-	-	10,147	10,147
<b>Balance as at September 30, 2010</b>	<b>2,318,764</b>	<b>332,000</b>	<b>(2,941,971)</b>	<b>(291,207)</b>
Shares issue other wise than right	1,683,975	-	-	1,683,975
Total Comprehensive loss for the three quarters ended June 30, 2011	-	-	(713,815)	(713,815)
Surplus on revaluation of fixed assets transferred: - On disposal of fixed assets	-	-	19,060	19,060
- Incremental depreciation [net off deferred tax of Rs. 32.315 million]	-	-	60,289	60,289
<b>Balance as at June 30, 2011</b>	<b>4,002,739</b>	<b>332,000</b>	<b>(3,576,437)</b>	<b>758,302</b>
Total Comprehensive loss for the quarter ended September 30, 2011	-	-	(162,541)	(162,679)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation [net off deferred tax of Rs. 7.973 million]	-	-	14,807	14,807
<b>Balance as at September 30, 2011</b>	<b>4,002,739</b>	<b>332,000</b>	<b>(3,724,265)</b>	<b>610,430</b>



M. Tousif Peracha  
Chief Executive



Abdur Rafique Khan  
Director

## Notes to the Interim Information (Un-Audited)

For the quarter ended September 30, 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 COMPLAINE**  
These condensed interim financial information are un-audited and have 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, 2011. These are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.
- 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 for the year ended June 30, 2011.
- 4 **SIGNIFICANT ESTIMATES**  
The preparation of these condensed interim financial statements requires management to make judgements, 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 statements. Actual results may differ from those estimates. In preparing these condensed interim financial statements, the significant judgements 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;

		Un-Audited September 30 2011	Audited June 30 2011
		Rupees in '000'	
5	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	5.1 11,393,599	11,459,998
	Capital work in progress	121,027	106,195
		<b>11,514,626</b>	<b>11,566,193</b>

## Notes ....

For the quarter ended September 30, 2011 (Un-audited)

	September 30 2011	June 30 2011
	Rupees in '000'	
5.1 OPERATING FIXED ASSETS		
Book value - opening	11,459,998	11,908,348
Additions	413	201,426
Deletions	-	(305,412)
Transferred	-	(19,730)
	11,460,411	11,784,632
Depreciation	(66,812)	(324,634)
Book value - closing balance	11,393,599	11,459,998

- 6 There is no material change in the contingent liabilities of the Company since the last annual balance sheet date.
- 7 There was no significant transaction with the related party.
- 8 The figures have been rounded off to the nearest of thousand rupees.
- 9 These un-audited condensed interim financial statements are authorized for issue by the Board of directors of the Company on October 31, 2011.



M. Tousif Peracha  
Chief Executive



Abdur Rafique Khan  
Director



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