



GHARIBWAL CEMENT LIMITED



QUARTERLY ACCOUNTS
for the Period Ended
March 31, 2008



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Company Information

BOARD OF DIRECTORS

Mr. Mohammad Tousif Peracha
Chairman & Chief Executive

Mr. A. Rafique Khan
Director

Mrs. Tabassum Tousif Peracha
Director

Mrs. Amna Khan
Director

Mr. Asif M. Ali
Director

Mr. M. Niaz Piracha
Director

Mr. Ali Rashid Khan
Director

BANKERS

ABN AMRO Bank (Pakistan) Limited
Saudi Pak Commercial Bank Limited

The Bank of Punjab

National Bank of Pakistan

United Bank Limited

MCB Bank Limited

Citibank N.A.

My Bank Limited (Bolan Bank Limited)

Habib Bank Limited

PICIC Commercial Bank Limited

The Bank of Khyber

KASB Bank Limited

Faysal Bank Limited

REGISTERED OFFICE

34 - Main Gulberg, P.O. Box 1285, Lahore.

Tel : 042 - 111-210-310

Fax : 042 - 5871059 & 39

E-mail: info@gharibwalcement.com

WORKS

Ismailwal, Distt. Chakwal

WEBSITE

www.gharibwalcement.com

AUDIT COMMITTEE

Mrs. Tabassum Tousif Peracha
Chairperson and Member

Mr. M. Niaz Piracha
Member

Mr. Asif M. Ali
Member

CHIEF FINANCIAL OFFICER

Mr. Waqar Naeem

COMPANY SECRETARY

Mr. Abbas Rashid Siddiqi

AUDITORS

M/s. Viqar A. Khan & CO.
Chartered Accountants

INTERNAL AUDITORS

M/s. Aftab Nabi & Co.
Chartered Accountants

LEGAL ADVISOR

M/s. Bandial & Associates, Lahore.

SHARES REGISTRAR

M/s. Corplink (Pvt.) Limited
Share Registrar, Wings Arcade,

1-K, Commercial,

Model Town, Lahore.

Tel: 042-5887262, 5839182

Fax: 042-5869037

Directors' Report to the Members

On behalf of the Board of Directors, I am pleased to present the financial results of Gharibwal Cement Limited for the 3rd Quarter ended on March 31, 2008.

Please note that due to closure of the wet process cement plant, there was nil production and despatches for the 3rd Quarter and Nine Months ended March 31, 2008. Resultantly, production capacity utilization (based on the wet process) remained nil during the period under review.

The Company has incurred Loss Before Tax of Rs. 49.522 million and Loss After Tax of Rs. 46.010 million for the 3rd Quarter ended March 31, 2008.

We would like to report that the installation and erection of all the segments and sections of the new modern dry process cement plant of 6,700 tons per day clinker capacity has been completed by the Company.

At presently, the new plant is in the final commissioning phase and various cold run tests of different segments of the project have already been carried out successfully to achieve the designed parameters under supervision of the experts of the plant supplier, M/s. TCDRI, China.

We had previously informed the members that due to past instability, some commissioning supervisors from our foreign suppliers could not reach our new plant on the scheduled time hence the capacity performance tests of the Raw Mill could not be carried out due to the enforcement of performance guarantees.



Since then, we are pleased to report that after the political and security situation becoming stabilized in the country, our foreign / European commissioning experts have already reached our new cement plant and we expect the completion of the remaining commissioning units of our New Project shortly.

We are hopeful that due to the above-noted progress made at our New Project, we should commence the Kiln Firing in the 3rd week of May 2008.

We are pleased to report that the new Power Plant extensions has been successfully commissioned by the plant supplier, M/s. Wartsila, and it is ready to go on stream as soon as the main cement plant is commissioned and begins operations.

The Board of Directors appreciate the continuous efforts made by our Project and Company personnel for the timely commissioning and start-up of the New Project. A mark of gratitude is noted for the financial institutions.

For and on behalf of the Board of Directors



M. TOUSIF PERACHA
(Chairman & Chief Executive)

Lahore: April 29, 2008



Condensed Interim Balance Sheet

As at March 31, 2008 (Un-audited)

	Note	Un-audited March 31 2008 (Rupees in thousand)	Audited June 30 2007
SHARE CAPITAL AND RESERVES			
Authorized share capital		2,500,000	2,500,000
Issued, subscribed and paid up share capital	3	2,318,764	1,718,764
General reserve		332,000	332,000
Accumulated loss		(471,305)	(372,757)
		2,179,459	1,678,007
SURPLUS ON REVALUATION OF FIXED ASSETS		1,048,213	1,074,419
NON CURRENT LIABILITIES			
Redeemable capital	4	385,000	225,000
Long term loans, finances and other payables	5	4,877,472	3,594,943
Long term foreign currency loans	6	-	188,097
Liabilities against assets subject to finance lease		149,720	172,393
Deferred taxation		100,129	161,836
Deferred liabilities		5,613	5,721
Long term deposits from customers		1,150	1,225
		5,519,084	4,349,215
CURRENT LIABILITIES			
Trade and other payables		194,979	572,513
Accrued interest / mark-up		147,354	123,834
Short term loans and finances		298,201	298,540
Current portion of non-current liabilities		82,003	99,325
Taxes and duties		36,439	29,804
		758,976	1,124,016
CONTINGENCIES AND COMMITMENTS	7	-	-
		9,505,732	8,225,657



M. Tousif Peracha
Chief Executive

Condensed Interim Balance Sheet

As at March 31, 2008 (Un-audited)

	Note	Un-audited March 31 2008 (Rupees in thousand)	Audited June 30 2007
NON CURRENT ASSETS			
Operating fixed assets	8	2,334,047	2,416,455
Capital work in progress	9	6,298,137	4,439,639
Stores held for capital expenditures		74,888	74,888
		8,707,072	6,930,982
OTHER NON CURRENT ASSETS			
Long term investments		942	942
Long term loans and advances to staff		1,609	1,710
Long term deposits and prepayments		1,957	1,898
Deferred cost		19,192	34,192
		23,700	38,742
CURRENT ASSETS			
Stores, spares and loose tools		279,992	176,318
Stock in trade		78,329	77,753
Loans and advances		135,305	194,491
Trade deposits and short term prepayments		28,237	24,386
Accrued interest		2,998	599
Other receivables		92,931	31,454
Cash and bank balances		157,168	750,932
		774,960	1,255,933
		9,505,732	8,225,657

The annexed notes 1 to 11 form an integral part of these accounts



A. Rafique Khan
Director

Condensed Interim Profit and Loss Account

For the period ended March 31, 2008 (Un-audited)

	Quarter ended Jan-March 2008 (R u p e e s i n	Quarter ended Jan-March 2007 t h o u s a n d)	Nine months ended July-March 2008	Nine months ended July-March 2007
SALES-net	-	42,386	-	479,453
COST OF SALES	31,293	156,353	115,280	681,827
GROSS LOSS	(31,293)	(113,967)	(115,280)	(202,374)
General & administrative expenses	16,386	10,451	51,377	36,060
Selling & distribution expenses	710	872	1,606	2,008
Other charges	-	37	10	7,969
	17,096	11,360	52,993	46,037
	(48,389)	(125,327)	(168,273)	(248,411)
Other operating income	1,750	1,553	8,419	7,931
	1,750	1,553	8,419	7,931
	(46,639)	(123,774)	(159,854)	(240,480)
Finance cost	2,883	28,143	26,603	85,006
LOSS BEFORE TAXATION	(49,522)	(151,917)	(186,457)	(325,486)
TAXATION:				
- Current	-	(212)	-	2,397
- Deferred(Reversal)	3,512	-	61,707	-
	3,512	(212)	61,707	2,397
LOSS AFTER TAXATION	(46,010)	(152,130)	(124,750)	(323,089)
Loss per share (rupees)	(0.20)	(0.89)	(0.54)	(1.90)

The annexed notes form 1 to 11 form an integral part of these financial statements.



M. Tousif Peracha
Chief Executive



A. Rafique Khan
Director

Condensed Interim Cash Flow Statement

For the period ended March 31, 2008 (Un-audited)

	Nine months ended	
	July-March 2008	July-March 2007
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash inflow/ (outflow) from operations	(513,869)	339,337
Financial charges paid	(23,520)	830
Gratuity payments	-	(1,058)
Taxed & Duties paid	(6,635)	(121,753)
Compensated absences	108	(35)
Prior year bonus	-	(11,252)
Net decrease in long term loans to advances to staff	101	492
Net increase in long term term deposits and prepayments	(59)	(2,022)
Net cash inflow/(outflow) from operating activities	(543,874)	204,539
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,864,025)	(1,914,297)
Interest received	-	6,231
Net cash outflow from investing activities	(1,864,025)	(1,908,066)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of right shares	600,000	-
Proceeds from redeemable capital	160,000	225,000
Receipts of long term loans & advances-net	1,057,554	1,456,695
Receipts of director's loan-net	225,012	-
Repayment of foreign currency loans	(188,097)	-
Repayment of lease finance liabilities-net	(39,995)	(18,077)
Dividend paid	-	(10,000)
Short term finances	(339)	8,672
Net cash inflow from financing activities	1,814,135	1,662,290
NET DECREASE IN CASH & CASH EQUIVALENTS	(593,764)	(41,237)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE HALF YEAR	750,932	156,961
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	157,168	115,724

The annexed notes form 1 to 11 form an integral part of these financial statements.



M. Tousif Peracha
Chief Executive



A. Rafique Khan
Director

Condensed Interim Statement of Changes in Equity

For the period ended March 31, 2008 (Un-audited)

Particulars	Share Capital	Share Subscription Money	General Reserve	Accumulated Loss	Total
(Rupees in thousand)					
Balance as at June 30,2006	1,718,764	-	332,000	13,878	(183,962) 1,880,680
Cash dividend out of profit for the period ended June 30, 2006	-	-	-	(13,878)	- (13,878)
Loss for the period (July 01, 2006 to March 31, 2007)	-	-	-	-	(327,891) (327,891)
Surplus on revaluation of fixed assets - transferred to equity	-	-	-	-	16,969 16,969
Balance as at March 31,2007	1,718,764	-	332,000	-	(494,884) 1,555,880
Profit for the period	-	-	-	-	104,970 104,970
Surplus on revaluation of fixed assets - transferred to equity	-	-	-	-	17,152 17,152
Balance as at June 30, 2007	1,718,764	-	332,000	-	(372,762) 1,678,002
Issuance of right shares	600,000	-	-	-	- 600,000
Profit for the period (July 01, 2007 to March 31, 2008)	-	-	-	-	(186,457) (186,457)
Gain on reversal of Deferred Taxation - Transferred to equity	-	-	-	-	61,707 61,707
Surplus on revaluation of fixed assets - transferred to equity	-	-	-	-	26,207 26,207
Balance as at March 31, 2008	2,318,764	-	332,000	-	(471,305) 2,179,459



M. Tousif Peracha
Chief Executive



A. Rafique Khan
Director

Notes to the Accounts

For the period ended March 31, 2008 (Un-audited)

1. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparation of these interim financial statements are the same as those followed in the preparations of annual financial statements for the preceding financial year ended June 30, 2007.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the requirements of the International Accounting Standard "IAS-34, Interim Financial Reporting" and are un-audited.

The company has incurred a loss after tax of Rs 124.750 million for the period ended March 31, 2008, the accumulated loss as at that date was Rs 471.305 million. The production capacity utilization remained nil due to higher production cost of the Wet Cement Plant.

2.1 Progress of the ongoing projects

The New project (Modern Dry Process Cement Plant of 6,700 tpd) was stretched from the time frame due to late arrival of commissioning engineers especially from Germany. Now by the Grace of ALLAH, Commissioning engineers from all major suppliers are present at our new manufacturing facilities & working hard alongwith our staff to get the task achieved.

INSHA ALLAH, Kiln will be fired & clinker production shall commence in the Month of May 2008 and the cement despatches will commence in next to no more.

Soon after commercial production of cement, the Company is determined to get ISO certification, a step towards achieving quality standardization of all the procedures, & will attain export orders.

3. ISSUED SUBSCRIBED & PAID UP SHARE CAPITAL

Ordinary shares of Rs 10 each fully paid.

March 31 2008 Nos.	June 30 2007 Nos.		Un-audited March 31 2008 (Rupees in thousand)	Audited June 30 2007
158,445,000	158,445,000	In cash	1,584,450	1,584,450
13,431,417	13,431,417	As bonus shares	134,314	134,314
60,000,000	-	Right shares	600,000	-
<u>231,876,417</u>	<u>171,876,417</u>		<u>2,318,764</u>	<u>1,718,764</u>

4. REDEEMABLE CAPITAL

This represents privately placed Term Finance Certificates issued to various financial institutions, having face value of Rs 5,000 each.

	Note	Un-audited March 31 2008 (Rupees in thousand)	Audited June 30 2007
5. LONG TERM LOANS AND ADVANCES			
Saudi Pak Commercial Bank Ltd.		29,250	32,500
Saudi Pak Industrial and Agricultural Investment Co.		13,125	16,875
Orix Investment Bank Pakistan Ltd.		19,791	20,526
First Credit and Discount Corporation Ltd.		5,044	5,790
Faysal Bank Ltd.		166,508	-
Syndicate Term Finance		1,545,258	1,538,966
Directors' loan - unsecured		1,992,504	1,767,490
Payable to Dandot Cement Co. Ltd.		250,000	250,000
Letter of Credit - Power Generators		543,258	-
BOP Demand Finance		350,000	-
		<u>4,914,738</u>	<u>3,632,147</u>
Current maturity		(37,266)	(37,204)
		<u>4,877,472</u>	<u>3,594,943</u>
6. LONG TERM FOREIGN CURRENCY LOANS			
Long Term foreign currency loans were paid during the period.			
7. CONTINGENCIES & COMMITMENTS			
7.1 Contingencies remained same as mentioned in the last published annual financial statements for the year ended June 30, 2007.			
7.2 Commitments in respect of capital expenditure are outstanding on account of:			
a) Suppliers for New dry process cement project		449,887	1,302,950
b) Dual fuel electric power generators		-	479,159
		<u>449,887</u>	<u>1,782,109</u>
8. FIXED ASSETS			
Additions during the period are as follows:			
Land-Freehold Land		-	9,720
Office Equipment-Head Office		430	3,013
Transport Assets		5,097	1,058
		<u>5,527</u>	<u>13,791</u>

Un-audited
March 31
2008
(Rupees in thousand)

Audited
June 30
2007

9. CAPITAL WORK-IN-PROGRESS

Civil Works & Buildings	1,663	1,663
Dry Cement Plant		
Civil works	1,080,550	1,035,859
Plant & machinery	3,822,665	2,842,970
Borrowing Costs	499,291	219,349
Advance to Suppliers	-	104,008
Other expansion costs	198,856	120,625
	5,601,362	4,322,811
Dual fuel electric power generation plant		
Civil works	5,100	4,070
Plant & machinery	627,781	5,172
Borrowing Costs	59,080	51,988
Advance to Suppliers	-	51,937
Other expansion costs	3,150	1,998
	695,111	115,165
	6,298,136	4,439,639

10. CAPACITY & PRODUCTION-TONES

CLINKER		CEMENT	
July - March 2008	July - March 2007	July - March 2008	July - March 2007

Plant capacity	405,000	405,000	426,315	426,315
Actual production	-	312,595	-	331,820

11. GENERAL

11.1 These financial statements are authorized for issue by the Board of Directors of the Company in their meeting held on April 29, 2008.

11.2 The figures have been rounded off to the nearest thousand Rupees.



M. Tousif Peracha
Chief Executive



A. Rafique Khan
Director