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Company Information

BOARD OF DIRECTORS

Mr. Muhammad Tousif Peracha
Chairman & Chief Executive
Mr. Abdur Rafique Khan
Director
Mrs. Tabassum Tousif Peracha
Director
Mr. Ali Rashid Khan
Director
Mrs. Amna Khan
Director
Mr. Muhammad Niaz Paracha
Director
Mr. Jawaid Aziz Peracha
Director

BANKERS

Askari Bank Limited
Faysal Bank Limited
KASB Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Saudi Pak Commercial Bank Limited
The Bank of Khyber
The Bank of Punjab
The Royal Bank of Scotland (formerly ABN AMRO Bank (Pakistan) Limited)
United Bank Limited

REGISTERED OFFICE

34 - Main Gulberg, P.O. Box 1285, Lahore.
UAN : 042 - 111-210-310
Fax : 042 - 5871039 & 59
E-mail: info@gharibwalcement.com

WORKS (UNIT I & II)

Ismailwal, Distt. Chakwal

WEBSITE

www.gharibwalcement.com

AUDIT COMMITTEE

Mrs. Tabassum Tousif Peracha
Chairperson and Member
Mr. Muhammad Niaz Paracha
Member
Mr. Jawaid Aziz Peracha
Member

GROUP DIRECTOR FINANCE

Mr. Shafiq-ur-Rehman

COMPANY SECRETARY

Mr. Abbas Rashid Siddiqi

AUDITORS

M/s. Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. Aftab Nabi & Co.
Chartered Accountants

LEGAL ADVISORS

Mandiviwala & Zafar
Advocates

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 to the Members

On behalf of the Board of Directors, I present the un-audited financial statements of Gharibwal Cement Limited for the quarter ended on 31st March 2009.

Your Company's new 6,700 tons per day dry process plant has successfully undergone major trial/performance tests. But due to ongoing slow demand in local and international markets, capacity utilization has been very low. In addition, due to stiff competition and global economic melt time, export price of the cement has also drastically reduced.

Your company suffered operating loss of Rs.80.929 million during the quarter under review. Main reason include partial running of old plant due to slow market demand as cement production from new plant was fed in to the market. Other reasons of the loss include high financial cost. We have also provided full liability of Rs. 150 million of the Golden Hand Shake scheme. Due to this loss for the quarter has increased to Rs. 258.297 million.

Due to weak macro economic factor, term lenders/leasing companies have principally agreed to reschedule term liabilities of the company. However, due to lack of working capital finance facilities, our company's operating performance is adversely affected. Three term lenders have principally agreed to provide some working capital finance but it is in the pipelines for final approval.

During trial runs, sales from new plant were Rs.949.995 million in the third quarter. At full capacity utilization, sales volume and resulting profitability are very promising. Once economic indicators start getting better, cement sector will perform well in domestic and overseas market.

The Board of Directors appreciates the financial institutions for extending their valued co-operation to the Company. All head office and works employees are commended for their devotion and hard work.

For and on behalf of the Board of Directors



MUHAMMAD TOUSIF PERACHA
(Chairman & Chief Executive)

Lahore: April 07, 2009



Consolidated Interim Balance Sheet

As at 31 March, 2009 (Un-audited)

	Note	Un-audited 31 March 2009 (Rupees in thousand)	Audited 30 June 2008
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 250,000,000 (2008: 250,000,000) ordinary shares of Rs.10 each		2,500,000	2,500,000
Issued, subscribed & paid up share capital	5	2,318,764	2,318,764
General reserve		332,000	332,000
Accumulated loss		(800,993)	(654,985)
		1,849,771	1,995,779
SURPLUS ON REVALUATION OF FIXED ASSETS		1,018,730	1,041,449
NON CURRENT LIABILITIES			
Redeemable capital		399,760	399,840
Long term murabaha finance		76,429	107,041
Long term loans, finances and other payables	6	5,560,179	5,138,675
Liabilities against assets subject to finance lease		52,599	107,520
Long term deposits from customers		1,150	1,150
Deferred taxation		10,221	113,952
Deferred liabilities		4,285	5,370
		6,104,623	5,873,548
CURRENT LIABILITIES			
Trade and other payables		1,301,429	482,013
Accrued interest / mark-up		298,502	311,185
Short term loans and finances		384,373	192,537
Current portion of redeemable capital		160	160
Current portion of murabaha finance		53,476	59,467
Current portion of non-current liabilities		126,146	509,681
Taxes and duties		339,310	41,444
		2,503,396	1,596,487
CONTINGENCIES AND COMMITMENTS		-	-
		11,476,520	10,507,263



M. Tousif Peracha
Chief Executive

Consolidated Interim Balance Sheet

As at 31 March, 2009 (Un-audited)

	Note	Un-audited 31 March 2009 (Rupees in thousand)	Audited 30 June 2008
PROPERTY PLANT & EQUIPMENT			
Operating fixed assets		2,249,591	2,316,429
Capital work in progress	8	7,834,170	6,928,369
Stores held for capital expenditure		76,427	74,888
		10,160,189	9,319,686
OTHER NON CURRENT ASSETS			
Long term investments		653	653
Long term loans & advances to staff		479	1,245
Long term deposits & prepayments		51,355	54,907
Deferred cost		3,548	14,192
		56,035	70,997
		10,216,224	9,390,683
CURRENT ASSETS			
Stores, spares and loose tools		512,550	262,388
Stock in trade		163,955	77,753
Loans and advances		395,969	507,432
Trade deposits and short term prepayments		26,141	26,956
Accrued interest		1,535	332
Other receivables		21,329	85,213
Cash and bank balances		138,817	156,506
		1,260,296	1,116,580
		11,476,520	10,507,263

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



Abdur Rafique Khan
Director

Consolidated Interim Profit and Loss Account

For the nine months ended March 31, 2009 (Un-audited)

	Quarter Ended Jan - Mar		Nine Months Ended Jul - Mar	
	2009 (Rupees in thousand)	2008 (Rupees in thousand)	2009 (Rupees in thousand)	2008 (Rupees in thousand)
Sales-net	11,895	-	207,560	-
Cost of sales	51,620	31,293	196,321	115,280
Gross profit/(loss)	(39,725)	(31,293)	11,239	(115,280)
General and administrative expenses	17,714	16,386	38,118	51,377
Selling and distribution expenses	106	710	1,155	1,606
Other operating expenses	-	-	103	10
	17,820	17,096	39,376	52,993
Other operating profit	(57,545)	(48,389)	(28,136)	(168,273)
Other Income	(1,264)	1,750	2,485	8,419
Finance cost	(58,809)	(46,639)	(25,651)	(159,854)
	22,119	2,883	44,944	26,603
Termination benefits	(80,928)	(49,522)	(70,595)	(186,457)
	177,369	-	201,864	-
Loss before taxation	(258,297)	(49,522)	(272,459)	(186,457)
Deferred taxation - income	-	(3,512)	(103,731)	(61,707)
Loss after taxation	(258,297)	(46,010)	(168,728)	(124,750)
Loss per share -basic and diluted (rupees)	(1.11)	(0.20)	(0.73)	(0.54)

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



M. Tousif Peracha
Chief Executive



Abdur Rafique Khan
Director

Consolidated Interim Cash Flow Statement

For the nine months ended March 31, 2009 (Un-audited)

	31 March 2009 (Rupees in thousand)	31 March 2008
CASH GENERATED FROM OPERATIONS		
Cash inflow/ (outflow) from operations	835,515	(513,869)
Financial charges paid	(89,236)	(23,520)
Taxes & duties paid	-	(6,635)
Compensated absences	-	108
Net decrease in long term loans to advances to staff	766	101
Net increase in long term term deposits and prepayments	3,552	(59)
Net cash inflow/(outflow) from operating activities	750,597	(543,874)
CASH USED IN INVESTING ACTIVITIES		
Fixed capital expenditure	(906,486)	(1,864,025)
Net cash outflow from investing activities	(906,486)	(1,864,025)
CASH GENERATED FROM FINANCING ACTIVITIES		
Proceeds from issue of right shares	-	600,000
Proceeds/payment of redeemable capital	(80)	160,000
Payment of murabaha finance	(36,603)	-
Receipts of long term loans & advances-net	37,968	1,057,554
Receipts of director's loan-net	-	225,012
Repayment of foreign currency loans	-	(188,097)
Repayment of lease finance liabilities-net	(54,921)	(39,995)
Short term finances	191,836	(339)
Net cash inflow from financing activities	138,200	1,814,135
Net decrease in cash & cash equivalents	(17,689)	(593,764)
Cash and cash equivalents at the beginning of the period	156,506	750,932
Cash and cash equivalents at the end of the nine months	138,817	157,168

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



M. Tousif Peracha
Chief Executive



Abdur Rafique Khan
Director

Consolidated Interim Statement of Changes in Equity

For the period ended March 31, 2009 (Un-audited)

Particulars	Share Capital	General Reserve	Accumulated Loss	Total
(Rupees in thousand)				
Balance as at June 30, 2007	1,718,764	332,000	(372,757)	1,678,007
Issuance of right shares	600,000	-	-	600,000
Loss for the period (July 01, 2007 to March 31, 2007)	-	-	(124,750)	(124,750)
Surplus on revaluation of fixed assets - transferred to equity	-	-	26,207	26,207
Balance as at March 31, 2008	2,318,764	332,000	(471,300)	2,179,464
Loss for the period -(April 01, 2008 to June 30, 2008)	-	-	(190,448)	(190,448)
Surplus on revaluation of fixed assets - transferred to equity	-	-	6,763	6,763
Balance as at June 30, 2008	2,318,764	332,000	(654,985)	1,995,779
Loss for the period -(July 01, 2008 to March 31, 2009)	-	-	(272,459)	(272,459)
Gain on reversal of Deferred Taxation - transferred to equity	-	-	103,731	103,731
Surplus on revaluation of fixed assets - transferred to equity	-	-	22,720	22,720
Balance as at March 31, 2009	2,318,764	332,000	(800,993)	1,849,771

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



M. Tousif Peracha
Chief Executive



Abdur Rafique Khan
Director

Notes to the Condensed Interim Financial Information

For the period ended March 31, 2009 (Un-audited)

1 COMPANY AND ITS OPERATION

The company was incorporated in Pakistan on 29 December 1960 as a public limited company; its shares are quoted on Karachi and Lahore Stock Exchanges. Register office of the company is situated at 34-Main Gulberg, Lahore. It is principally engaged in production and sale of cement. The Company's manufacturing facilities are located at Ismailwal, Dist. Chakwal.

The Company owns two cement plants, having combined manufacturing facility of 8,500/- tpd of clinker. One plant is based on wet process technology with capacity of 1,800 tpd of clinker, whereas second plant is based on latest technology with capacity of 6,700/- tpd. The plants are ideally located in the area of vast quantity & excellent quality of raw material quarries.

The Company by the grace of Allah started its commercial production on April 01, 2009.

2 STATEMENT OF COMPLIANCE

This interim financial information has been prepared in accordance with the requirements of IAS - 34 "Interim Financial Reporting", as applicable in Pakistan in all material respects.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and applied by the Company for the preparation of this interim financial information is the same as was adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2008.

4 TAXATION

Provisions in respect of Taxation are estimated and this is subject to final adjustments in the annual audited financial statements.

5 ISSUED SUBSCRIBED & PAID UP SHARE CAPITAL

Ordinary shares of Rs 10 each fully paid.

March 31 2009 Nos.	June 30 2008 Nos.		Un-audited March 31 2009 (Rupees in thousand)	Audited June 30 2008
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	60,000,000	Right shares	600,000	600,000
<u>231,876,417</u>	<u>231,876,417</u>		<u>2,318,764</u>	<u>2,318,764</u>

Notes...

For the period ended March 31, 2009 (Un-audited)

		Un-audited 31 March 2009 (Rupees in thousand)	Audited 30 June 2008
6	LONG TERM LOANS AND ADVANCES		
	Long term loans	5,614,984	5,552,882
	Less: Current Maturity	(54,805)	(414,207)
		5,610,179	5,138,675
7	CONTINGENCIES & COMMITMENTS		
	There is no significant change in the contingent liabilities and capital commitments of the company since the last annual balance sheet date except for the following:		
	- During the period company has paid Rs. 51.84 million on account of Golden Hand Shake Scheme. The remaining liability on account of Golden Hand Shake Scheme is Rs. 150.024 million is recognized as expense.		
	- Commitments in respect of capital expenditure were outstanding on account of the following expansion projects:		
	a) Wet process cement plant	25,000	25,000
	b) New dry process cement project	154,895	147,600
		179,895	172,600
8	CAPITAL WORK IN PROCESS		
	Civil Works & Buildings	-	1,663
	Dry Cement Plant		
	Civil works	1,396,335	1,343,477
	Plant & machinery	4,130,865	3,485,232
	Borrowing costs	1,369,039	790,897
	Advance to suppliers	-	61,001
	Other expansion costs	120,791	422,510
		7,017,031	6,103,117
	Dual fuel electric power generation plant		
	Civil works	26,740	4,597
	Plant & machinery	804,940	752,044
	Borrowing costs	109,907	58,104
	Advance to suppliers	-	-
	Other expansion costs	30,700	7,304
		972,287	822,049
	L/c in progress - packing plant - wet process	-	1,540
	Trial run operations 8.1	(155,148)	-
		7,834,170	6,928,369

Notes....

For the period ended March 31, 2009 (Un-audited)

	Un-audited 31 March 2009 (Rupees in thousand)
8.1 Trial run operations	
Sales-net	1,878,077
Cost of sales	1,604,223
Gross profit/(loss)	
General and administrative expenses	45,008
Selling and distribution & other expenses	42,089
Other operating expenses	-
	87,097
Other operating profit	186,757
Finance cost	31,609
	155,148

9 CAPACITY AND PRODUCTION - TONES WET PLANT

	Clinker		Cement	
	Jul - Mar 2009 Tons	Jul - Mar 2008 Tons	Jul - Mar 2009 Tons	Jul - Mar 2008 Tons
Plant capacity	405,000	405,000	426,315	426,315
Actual production	42,333	-	44,450	-

10 GENERAL

10.1 These financial statements were authorized for issue by the Board of Directors on April 07, 2009.

10.2 The figures have been rounded off to the nearest thousand of rupees.



M. Tousif Peracha
Chief Executive



Abdur Rafique Khan
Director