



GHARIBWAL CEMENT LIMITED

**Condensed Interim financial Statements (un-audited)
for the quarter ended
SEPTEMBER 30, 2010**



Company Profile

REGISTERED OFFICE

28-B/3, Gulberg, III P.O. Box 1285, Lahore.
UAN : 042 - 111-210-310
Fax : 042 - 35871039 & 59
E-mail: info@gharibwalcement.com

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

WORKS

Ismailwal, Distt. Chakwal

WEBSITE

www.gharibwalcement.com

AUDIT COMMITTEE

Mrs. Tabassum Tousif Peracha
Chairperson and Member

Mr. M. Niaz Piracha
Member

Mr. Jawaid Aziz Peracha
Member

CHIEF FINANCIAL OFFICER

Mr. Salman Ahmad ACA

COMPANY SECRETARY

Mr. Muhammad Shamail Javed ACA

AUDITORS

M/s. Hyder Bhimji & Co.
Chartered Accountants

INTERNAL AUDITORS

M/s. Aftab Nabi & Co.
Chartered Accountants

LEGAL ADVISOR

M/s. Mandviwala & 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

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 (Saudi Pak Commercial Bank Limited)
The Bank of khyber
The Bank of Punjab
United Bank Limited



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors are pleased to present the un-audited condensed interim financial statements of the Company for the 1st quarter ended September 30, 2010 in compliance with Section 245 of the Companies Ordinance, 1984.

FINANCIAL AND OPERATIONAL PERFORMANCE

The financial results for the period under review are as under:-

	Jul-Sep 2010	Jul-Sep 2009
	-----Rs. '000s-----	
Profit/(loss) before finance cost, depreciation and tax	(204,160)	(290,959)
Finance Cost	(170,905)	(263,459)
Depreciation	(53,476)	(23,922)
Net loss after tax	(257,636)	(314,881)
Loss per share (basic/diluted)	(1.11)	(1.36)

During the period under review, the cement demand in domestic market remained depressed and stagnant due to recent flood in the country. This resulted in lower production and dispatches which can be attributed to the decrease in the net sales by 63% as compared to the corresponding period in 2009.

FUTURE OUTLOOK

After flood epidemic, reconstruction activities in the country for infrastructure lead to some growth in demand of cement. Cement price has also shown improvement. These trends are expected to continue in medium to long term period. The management of the Company has also strived for cost cutting measures by using alternate fuels. New technical/production team has been hired giving them task to ensure the smooth and improved operation of the plant. Major repair of the plant has also been undertaken

Hence, the aforementioned anticipated increase in the sale price and demand along with the other measures, as stated above, will improve the profitability and liquidity position of the Company in the next three quarters of the current financial year 2010-2011.

ACKNOWLEDGEMENT

The management acknowledges on record the continuous support of its shareholders, members of staff, customers, suppliers, our bankers and government agencies.

For and on behalf of Board of Directors

Lahore
February 17, 2011


ABDUR RAFIQUE KHAN
Director



GHARIBWAL CEMENT LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2010

	NOTES	Un-Audited 30-09-2010	Audited 30-06-2010
(Rupees in 000s)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	11,999,569	12,044,869
Long term loans		1,214	1,270
Long term deposits		56,645	56,645
		<u>12,057,428</u>	<u>12,102,784</u>
CURRENT ASSETS			
Stores, spares and loose tools		430,093	351,604
Stock in trade		101,597	109,483
Trade debts		33,762	33,762
Advances, deposits and other receivables		249,264	227,219
Tax refunds due from the government		78,181	76,119
Cash and bank balances		19,555	21,140
		<u>912,452</u>	<u>819,327</u>
TOTAL ASSETS		<u>12,969,880</u>	<u>12,922,111</u>

The annexed notes form an integral part of these condensed interim un-audited financial statements.

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the company is presently out of the country, therefore, these financial statements have been signed by two Directors of the company duly authorized by the Board of Directors.

Director

Director



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2010

	Un-Audited 30-09-2010	Audited 30-06-2010
	(Rupees in 000s)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital	<u>2,500,000</u>	<u>2,500,000</u>
250,000,000 ordinary shares of Rs. 10 each		
Issued, subscribed and paid up capital	<u>2,318,764</u>	<u>2,318,764</u>
Revenue reserves		
General reserve	<u>332,000</u>	<u>332,000</u>
Accumulated loss	<u>(2,941,969)</u>	<u>(2,694,482)</u>
	<u>(2,609,969)</u>	<u>(2,362,482)</u>
	<u>(291,205)</u>	<u>(43,718)</u>
SHARE DEPOSIT MONEY	<u>1,683,975</u>	<u>1,683,975</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	<u>2,350,017</u>	<u>2,360,164</u>
NON CURRENT LIABILITIES		
Redeemable capital	<u>-</u>	<u>-</u>
Long term borrowings	<u>3,277,998</u>	<u>3,359,647</u>
Liabilities against assets subject to finance lease	<u>11,686</u>	<u>11,916</u>
Deferred liabilities	<u>796,063</u>	<u>714,867</u>
	<u>4,085,747</u>	<u>4,086,430</u>
CURRENT LIABILITIES		
Trade and other payables	<u>1,685,546</u>	<u>1,601,621</u>
Accrued interest / mark-up	<u>433,211</u>	<u>393,945</u>
Short term borrowings	<u>472,976</u>	<u>485,017</u>
Current portion of non-current liabilities	<u>1,416,843</u>	<u>1,319,599</u>
Taxes and duties payable	<u>1,132,770</u>	<u>1,035,078</u>
	<u>5,141,346</u>	<u>4,835,260</u>
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u><u>12,969,880</u></u>	<u><u>12,922,111</u></u>

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Ashfaq Khan

Director

Muhammad

Director



GHARIBWAL CEMENT LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Jul-Sep 2010	Jul-Sep 2009
	(Rupees in 000s)	
Sales - net	295,961	793,159
Cost of sales	<u>311,894</u>	<u>792,582</u>
Gross (loss) / profit	(15,933)	577
Operating expenses		
Selling and distribution expenses	<u>3,787</u>	<u>13,147</u>
General and administrative expenses	<u>71,999</u>	<u>39,108</u>
	<u>(75,786)</u>	<u>(52,255)</u>
	(91,719)	(51,678)
Other operating Income	<u>4,988</u>	<u>256</u>
Loss from operations	(86,731)	(51,422)
Finance cost	<u>(170,905)</u>	<u>(263,459)</u>
Loss before taxation	(257,636)	(314,881)
Taxation	<u>-</u>	<u>-</u>
Loss after taxation	(257,636)	(314,881)
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total comprehensive loss for the period	<u>(257,636)</u>	<u>(314,881)</u>
	Rupees	
Loss per share (basic & diluted)	<u>(1.11)</u>	<u>(1.36)</u>

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**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	Jul-Sep 2010	Jul-Sep 2009
	(Rupees in 000s)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before taxation	(257,636)	(314,881)
Adjustment for non-cash and other transactions:		
Depreciation	53,476	23,922
Finance cost	170,309	263,459
Taxes and duties	3,309	5,963
Profit / interest income for the period	(4,988)	-
	222,106	293,344
	(35,530)	(21,537)
Increase / (decrease) in working capital:		
Stores, spares and loose tools	(78,489)	(3,086)
Stock in trade	7,888	88,395
Trade debts	-	23,725
Loans and advances	(18,675)	(197,536)
Deposits, prepayments and other receivable	599	-
Trade and other payables	82,639	71,317
	(6,038)	(17,185)
Cash outflow from operation	(41,568)	(38,722)
Finance cost paid	-	(81,097)
Retirement benefits paid	(932)	-
Net increase/(decrease) in long term advances & deposits	57	9,069
Net increase/(decrease) in taxes & deposits	63,560	206,295
Net Cash (outflow) / inflow from operating activities	21,117	95,545
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(8,177)	(47,470)
Profit / interest received	1,019	-
Net cash outflow from investing activities	(7,158)	(47,470)
Net cash inflow - carried forward	13,959	48,075



GHARIBWAL CEMENT LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Jul-Sep 2010	Jul-Sep 2009
	(Rupees in 000s)	
Net cash inflow/(outflow) - brought forward	13,959	48,075
CASH FLOW FROM FINANCING ACTIVITIES		
Change in long term borrowings	(2,572)	(27,346)
Change in short term borrowings	(12,041)	(24,554)
Change in directors' loan	(700)	-
Payment of lease finance liability	(231)	(15,655)
Net cash inflow from financing activities	(15,544)	(67,555)
Net decrease in cash and cash equivalents	(1,585)	(19,480)
Cash and cash equivalents at beginning of the year	21,140	67,981
Cash and cash equivalents at end of the year	19,555	48,501

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Statement under section 241(2) of the Companies Ordinance, 1984

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Director

Director



GHARIBWAL CEMENT LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Share Capital	General Reserves	Accumulated Loss	Total
	(Rupees in 000s)			
Balance as at June 30, 2008	2,318,764	332,000	(1,195,555)	1,455,209
Total Comprehensive loss for the quarter ended September 30, 2009	-	-	(314,881)	(314,881)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the period [net off deferred tax of Rs. 3.805 million]	-	-	7,066	7,066
Balance as at September 30, 2009	<u>2,318,764</u>	<u>332,000</u>	<u>(1,503,370)</u>	<u>1,147,394</u>
Balance as at June 30, 2010	2,318,764	332,000	(2,694,480)	(43,716)
Total Comprehensive loss for the period ended September 30, 2010	-	-	(257,636)	(257,636)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the period [net off deferred tax of Rs. 5.464 million]	-	-	10,147	10,147
Balance as at September 30, 2010	<u>2,318,764</u>	<u>332,000</u>	<u>(2,941,969)</u>	<u>(291,205)</u>

The annexed notes form an integral part of these condensed interim un-audited financial statements.

Statement under section 241(2) of the Companies Ordinance, 1984

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Director

Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

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 statements 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, 2010. 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, 2010.

4 SIGNIFICANT ESTIMATES

The preparation of these condensed interim financial statements requires the management 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;



**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	NOTES	Un-Audited 30-09-2010	Audited 30-06-2010
		(Rupees in 000s)	
5	Property, plant & equipments	11,849,311	11,908,347
	Capital work in progress	<u>150,257</u>	<u>136,521</u>
		<u>11,999,569</u>	<u>12,044,869</u>
5.1 PROPERTY, PLANT & EQUIPMENTS			
	Book value - opening	11,908,347	9,633,200
	Additions	115	155,958
	Deletions	-	(3,251)
	Revaluation surplus	-	2,363,048
		<u>11,908,462</u>	<u>12,148,955</u>
	Depreciation	<u>59,151</u>	<u>240,608</u>
	Book value - closing balance	<u>11,849,311</u>	<u>11,908,347</u>

- 6 There was no significant transaction with the related party.
- 7 The figures have been rounded off to the nearest of thousand rupees.
- 8 These un-audited condensed interim financial statements are authorized for issue by the Board of directors of the Company on February 17, 2011.

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Director

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