COVER SHEET

VITARICH CORPORATION
(Company's Full Name)

MacArthur Highway, Abangan Sur, Marilao, Bulacan
(Company's Address : No. Street City / Town / Province)

843-30-33 connecting all departments
(Company's Telephone Number)

December 31	**last Friday of June**
(Fiscal Year Ending) (Month & Day)	(Annual Meeting)

SEC FORM - 17 Q
(FORM TYPE)

(Amendment Designation if Applicable)

(Secondary License Type, if any)

	LCU
Cashier	DTU
Disclosure Security Code	21134 S.E.C Reg. No.
Central Receiving Unit	File Number
	Doument I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC Form 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER

1. For the quarterly period ended **March 31, 2009**

2. Commission Identification Number **21134**

3. BIR Tax Identification No. **- 000-234-398**

4. Exact name of registrant as specified in its charter **VITARICH CORPORATION**

5. **BULACAN**
   Province, Country or other jurisdiction of incorporation or organization

   (SEC Use Only)
6. Industry Classification Code

7. **MC ARTHUR HIGHWAY, ABANGAN SUR, , MARILAO, BULACAN 3019**
   Address of principal office Postal Code

8. **843-30-33; 843-02-37 to47 Connecting all departments**
   Registrant's telephone number, including area code

9. **N/A**
Former name, address and/or former fiscal year if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock - Shares outstanding	**409,969,764**

11. Are any or all the securities listed in the Philippine Stock Exchange?

Yes (**x**) No ( )

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [**x**] No [ ]

(b) has been subject to such filing requirements for the past 90 days.
Yes [ ] No [**x**]

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

VITARICH CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FIRST QUARTER ENDED MARCH 31, 2009 AND 2008
(IN THOUSANDS)

	2009 JAN - MARCH	2008 JAN - MARCH	AUDITED DEC 31, 2008
SALES OF GOODS	713,556	632,379	2,757,507
COSTS AND EXPENSES	660,508	564,152	2,635,729
GROSS PROFIT	53,048	68,227	121,778
OTHER OPERATING EXPENSES (INCOME)			
Operating Expenses	90,911	95,359	364,963
Other Operating Income	(18,811)	(19,965)	(167,573)
	72,100	75,394	197,389
OPERATING PROFIT (LOSS)	(19,052)	(7,167)	(75,611)
OTHER CHARGES (INCOME)			
Finance costs			211,466
Finance income			(3,901)
Losses (gains) on sale of investment property and property and equipment - net			(420)
	-	-	207,145
INCOME(LOSS) BEFORE TAX	(19,052)	(7,167)	(282,756)
TAX EXPENSE (INCOME)			(18,571)
NET INCOME (LOSS)	(19,052)	(7,167)	(264,184)

EARNING / (LOSS) PER SHARE WERE COMPUTED AS FOLLOWS:

	2009 JAN - MARCH	2008 JAN - MARCH	AUDITED DEC 31, 2008
Net Income (loss)	(19,052)	(7,167)	(264,184)
Divided by the weighted average number of outstanding shares	409,970	409,970	409,970
EARNING/ (LOSS) PER SHARE	(0.046)	(0.017)	(0.64)

VITARICH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
FOR THE FIRST QUARTER ENDED MARCH 31, 2009 AND THE YEAR ENDED DECEMBER 31, 2008
(IN THOUSANDS)

ASSETS

	MARCH 2009	(audited) DEC. 2008
CURRENT ASSETS		
Cash	49,476	75,602
Trade & other receivables-net	639,859	677,884
Inventories	539,307	527,250
Due from related parties - net	113,038	109,178
Other current assets	30,696	14,582
Total Current assets	1,372,376	1,404,496
NON-CURRENT ASSETS		
Trade & Other Receivables - net	181,989	173,005
Property, plant and equipment - net	1,721,188	1,743,777
Investment property	710307	710,307
Other Non-current Assets - net	49,148	40,765
Total Non - Current assets	2,662,632	2,667,856
TOTAL ASSETS	4,035,008	4,072,351

LIABILITIES AND STOCKHOLDERS' EQUITY

	MARCH 2009	(audited) DEC. 2008
CURRENT LIABILITIES		
Trade & other payables	861,486	882,575
Income Tax Payable	1,688	1,688
Total Current Liabilities	863,174	884,263
NON-CURRENT LIABILITIES		
Interest-bearing loans	1,854,233	1,854,233
Trade & other payables	228,080	228,080
Deferred tax liabilities - net	217,137	217,138
Retirement benefit obligation	98,875	97,120
Cash bond deposits	23,019	21,976
Total Non-Current Liabilities	2,421,344	2,418,547
Total Liabilities	3,284,518	3,302,810
EQUITY		
Capital stock	409,970	409,970
Additional Paid-in capital	913,740	913,740
Revaluation reserve on property	777,106	777,106
Retained earnings	(1,350,325)	(1,331,274)
Total Equity	750,490	769,542
TOTAL LIABILITIES & EQUITY	4,035,008	4,072,351

VITARICH CORPORATION AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED MARCH 31, 2009 AND 2008

	MARCH 2009	MARCH 2008	AUDITED DEC 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	(19,052)	(7,167)	(282,756)
Adjustments to reconcile net income to net cash			
Interest expense			157,900
Depreciation & amortization	22,253	19,946	79,312
Interest income			(3,901)
Loss (gain) on sale of investment property and property and equipment - net			(420)
Sub-Total	3,201	12,779	(49,865)
Net Changes in Working Capital			
Decrease (increase) in:			
Trade & other receivables	29,042	17,294	(9,470)
Inventories	(12,056)	(36,338)	(47,922)
Other Current Assets	(16,114)	(14,105)	(9,913)
Net Due from related parties	(3,860)	(14,478)	(3,245)
Other non-current assets	(8,383)	783	(16,370)
Increase (decrease) in:			
Trade & other payables	(21,089)	11,893	168,499
Cash bond deposits & other liabilities	1,042	(13)	4,141
Retirement Benefit Obligation	1,755	1,231	17,801
Total Changes in Working Capital	(26,462)	(20,954)	53,655
Interest paid			
Interest received			3,901
Cash paid for income taxes			(200)
Net Cash Provided by Operating Activities	(26,462)	(20,954)	57,356
CASH FLOWS FROM INVESTING ACTIVITIES			
Net acquisitions of property and equipment	336	(9,058)	(44,706)
Proceeds from sale of property and equipment			420
Net cash Used in Investing Activities	336	(9,058)	(44,285)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of interest-bearing loans			
Net Cash Provided by (Used in) Financing Activities	-	-	-
NET INCREASE(DECREASE) IN CASH	(26,126)	(30,012)	13,070
CASH AT BEGINNING OF YEAR	75,602	62,531	62,531
CASH AT END OF PERIOD	49,476	32,519	75,602

VITARICH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 31, 2009 AND 2008

	MARCH 2009	MARCH 2008	AUDITED DEC 31, 2008
CAPITAL STOCK	409,970	409,970	409,970
ADDITIONAL PAID-IN CAPITAL	913,740	913,740	913,740
REVALUATION RESERVE ON PROPERTY			
Balance, beginning of year	777,106	953,728	953,727
Prior period adjustments	-	-	(172,777)
As restated			780,951
Investment property			
absorbed through depreciation			(3,845)
Deferred tax adjustments due to change in tax rate			-
Balance, end of quarter	777,106	953,728	777,106
RETAINED EARNINGS			
Balance, beginning of year (as previously reported)	(1,331,274)	(1,299,781)	(1,299,781)
Prior period adjustment			228,846
As restated	(1,331,274)	(1,299,781)	(1,070,934)
Transfer to deficit of revaluation reserve			
absorb through depreciation	-	-	3,845
Net income (loss)	(19,052)	(7,167)	(264,184)
Balance, end of quarter	(1,350,326)	(1,306,948)	(1,331,274)
TOTAL EQUITY	750,490	970,490	769,541

VITARICH CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2009
(in thousands)

The Company's operating businesses and those of its subsidiaries are organized and managed separately according to the nature of products and services provided , with each segment representing a strategic business unit that offers different products and serves different markets. The Foods segment is engaged in the growing, production and distribution of chicken broilers, either as live or dressed. Its products are distributed to wet markets and supermarkets. The Feeds segment caters to the feed requirements of the poultry growers industry. It is involved in the manufacture and distribution of animal and aqua feeds, animal health and nutritional products, and feed supplements. The Farms segment is involved in the production of day-old chicks and pullets. The Corporate and Others segment includes general and corporate income and expense items which are not specifically specifically identifiable to a particular segment.

The Group generally accounts for intersegment sales and transfers at cost.

The following table presents revenue and profit information regarding business segments for the first quarter ended March 31, 2009, and certain asset and liability information regarding business segments at March 31, 2009.
(in thousand pesos)

	Foods	Feeds	Farms	Corporate & Others	Eliminations	Consolidated
TOTAL REVENUES						
Net Sales						
External Sales	185,462	491,089	37,005			713,556
Inter-segment sales		7,674			(7,674)	-
	185,462	498,763	37,005	-	(7,674)	713,556
RESULTS						
Segment Results	(10,677)	9,004	5,730	(23,109)		(19,052)
Interest Expense						-
Minority Interest						
Income (Loss) before taxes						(19,052)
Income taxes						
Net Income (Loss)						(19,052)
OTHER INFORMATION						
Segment assets	1,240,139	2,100,842	564,098	226,673	(96,744)	4,035,008
Investment in and advances to subsidiaries and associates						-
Consolidated total assets	1,240,139	2,100,842	564,098	226,673		4,035,008
Segment liabilities	700,100	954,438	13,852	392,771	(630,876)	1,430,285
Long-term debt				1,854,233		1,854,233
Consolidated total liabilities	700,100	954,438	13,852	2,247,004		3,284,518
OTHER SEGMENT INFORMATION:						
Depreciation & amortization charged to operations	11	16,539	76	3,209		19,835

VITARICH CORPORATION
AGING OF RECEIVABLE
AS OF MARCH 2009

TRADE RECEIVABLES

	TOTAL	**CURRENT**	**1-30**	**31-60**	**61-90**	**91-120**	**OVER 120**
FEEDS	241,825	195,213	21,151	5,542	3,266	1,376	15,277
FARMS	20,902	7,157	1,156	17	-	-	12,573
FOODS	170,118	25,672	624	509	137	-	143,176
TOTAL	432,845	228,042	22,931	6,068	3,403	1,376	171,026
Less: Allowance for Bad Debts	171,026	-	-	-	-	-	171,026
NET TRADE RECEIVABLES	**261,819**	**228,042**	**22,931**	**6,068**	**3,403**	**1,376**	-
OTHER RECEIVABLES	447,090	377,128	-	-	-	-	69,962
Less: Allowance for Bad Debts	69,050	-	-	-	-	-	69,050
NET NON-TRADE RECEIVABLES	**378,040**	**377,128**	**-**	**-**	**-**	**-**	**912**
NET RECEIVABLES	**639,859**	**605,170**	**22,931**	**6,068**	**3,403**	**1,376**	**912**

VITARICH CORPORATION & SUBSIDIARIES
SELECTED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Vitarich Corporation (the Company or parent company) was incorporated and organized in the Philippines. The Company hold 100% interests in Gromax, Inc. (Gromax) and Philippines' Favorite Chicken, Inc. (PFCI), which are both domestic corporations. PFCI ceased commercial operations in 2005.

The Company is presently engaged in the manufacture and distribution of various poultry products such as live and dressed chicken, day-old chicks, animal and aqua feeds, while Gromax is engaged in the manufacture and distribution of animal health and nutritional products.

The consolidated financial statements comprise the accounts of Vitarich Corporation, the parent company, and its wholly owned subsidiaries, PFCI and Gromax, after the elimination of material intercompany transactions.

The financial statements have been prepared in accordance with generally accepted accounting principles in the Philippines.

The accounting policies and methods of computation have been consistently applied by the Company and its subsidiaries in the preparation of interim financial statement as compared with the most recent annual audited financial statements.

Trade and Other Receivables

Trade receivables are usually due within 30 to 90 days and do not bear any interest.

Advances to officers and employees are unsecured, noninterest-bearing and subject to liquidation for a specified period of time of about one year.

Other receivables comprised mainly of unsecured, noninterest-bearing advances to suppliers and other third parties, and outstanding receivables arising from incidental income of the Group such as tolling and rentals.

The non-current portion of Trade Receivables pertains to receivables that are long-outstanding and have already been referred to the Group's lawyers for collection. These accounts are the subject of the foreclosure proceedings on the land collaterals from the customers

The current and non-current portions of trade and other receivables are composed of the following:

	March, 2009	Audited 2008
Current:		
Trade receivables	P 596,346	P 610,724
Advances to officers and employees	8,867	7,565
Others	274,722	297,590
	879,935	915,879
Allowance for impairment	(240,076)	(237,995)
	P 639,859	P 677,884
Non-current		
Trade receivables	P 513,524	P 504,540
Allowance for impairment	(331,535)	(331,535)
	P 181,989	P 173,005

Inventories

At balance sheet date, inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location are accounted for as follows:

1.1.1 *Finished feeds, factory stocks and supplies and other livestock inventories* – first in, first out. Finished goods include the cost of raw materials, direct labor and a proportion of manufacturing overheads based on normal operating capacity.

1.1.2 *Raw materials, animal health products and feeds supplements* – weighted average. All costs directly attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities are included as part of costs of these inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion of production and the estimated costs necessary to make the sale. Net realizable value of raw materials is the current replacement cost.

The details of inventories at the end of the period of March 31, 2009 and the year-ended December 31, 2008 are shown below:

	March, 2009	Audited 2008
Feeds:		
Finished Goods	87,445	P 77,730
Raw materials and feeds supplements	149,758	174,417
Livestock	128,063	117,124
Factory stocks and supplies	183,216	180,055
Supplies & animal health products	37,818	29,617
Materials in transit	5,837	1,204
	592,137	580,148
Less: allowance for obsolescence & decline in value	(52,830)	(52,897)
	P 539,307	P 527,250

Property, Plant and Equipment

Property, plant and equipment (except for transportation equipment which are stated at cost less accumulated depreciation, amortization and any impairment in value) are stated at appraised values as determined by an independent firm of appraisers less accumulated depreciation and amortization, and any impairment losses.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for major additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation, amortization and any impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Subsequent to initial recognition at cost, property, plant and equipment (except for transportation equipment) are carried at revalued amounts, as determined by independent appraisers, less any subsequent accumulated depreciation, amortization and accumulated impairment losses. Fair market value is determined in appraisals external professional valuers by reference to market-based evidence. This is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation reserve is credited to Revaluation Reserve on Property account presented under the equity section of the consolidated balance sheet. Any decrease in value directly offsetting a previous appraisal increase in the same asset is directly offset against

Revaluation Reserve on Property account. Annually, an amount from the Revaluation Reserve on Property is transferred to Deficit for the depreciation relating to the revaluation reserve, net of related taxes. Upon disposal, any revaluation reserve relating to the particular asset sold is transferred to deficit. Revaluations are performed with sufficient regularity ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property, plant and equipment, based on the above policies, are as follows:

Buildings	20 years
Machinery and equipment	10 to 20 years
Office furniture, fixtures and equipment	3 to 10 years
Transportation equipment	4 to 5 years
Leasehold and land improvements	2 to 5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

The residual values and estimated useful lives of the property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year the asset is derecognized.

Trade & Other Payables

This account consists of:

	March 2009	Audited 2008
Trade & non-trade payables	P 820,050	P 805,092
Accrued interest	139,768	139,768
Accrued expenses	31,849	40,064
Provisions	25,813	25,813
Others	72,086	99,918
	P1,089,566	P1,110,655
Less non-current portion	228,080	228,080
Current portion	P 861,486	P 882,575

Non-trade payables primarily consist of liabilities arising from purchases of goods, other than raw materials, and various services giving rise to expenses such as trucking fees, utilities, security services and inspection fees, among others.

Provisions pertain to obligations incurred by PFCI on the closure of Texas Manok's chain of restaurants. It included the estimated liability amounting to P10.4 million relating to a legal case, where PFCI is a defendant, arising from non-payment of rentals in connection with the lease of a parcel of land from a third party during the period starting from February 2000 until the time it vacated the leased property. On May 17, 2004, a court rendered an unfavourable decision against PFCI and ordered the payment of the unpaid rentals including interest. PFCI

subsequently appealed the decision before the Court of Appeals and is waiting for the final decision on the case.

Other payables consist of short-term customer deposits, SSS, Pag-ibig and Philhealth premiums payable and withholding taxes payable, among others.

The items included in the non-current portion of Trade and Other Payables, which are outstanding as of the date of the Company's filing of petition for corporate rehabilitation, were held for payment following the Court-directed Stay Order .Following the approval of the Company's Rehabilitation Plan in 2007, these payables are to be held for payment in the same manner as the interest-bearing loans. However, the actual terms and conditions with regard to these liabilities are yet to be released by the Court. In the absence of clear payment terms and conditions, the Company recorded these financial liabilities at nominal values while presenting the same as non-current liabilities.

Revenue and Cost Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

1.1.3 *Sale of goods* – Revenue is recognized when the risk and rewards of ownership of the goods have passed to the buyer. This is generally when the customer has taken undisputed delivery of goods.

1.1.4 *Tolling* – Revenue is recognized when the performance of contractually agreed tasks have been substantially rendered.

1.1.5 *Rental* – Revenue from operating leases is recognized on a straight-line basis over the lease term.

1.1.6 *Interest* – Revenue is recognized as the interest accrues (taking into account the effective yield on the assets). When a receivable is discounted, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as finance income.

Revenue is recognized by reference to the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding value-added tax (VAT) and trade discounts.

Costs and expenses are recognized in the consolidated income statement upon consumption of goods, utilization of the services or at the date they are incurred. Finance costs are reported on an accrual basis and are recognized using the effective interest rate.

Issuances, repurchases, and repayments of debt & equity securites;

There were no issuances, repurchases, and repayments of debt and equity securities made for the third quarter of the year.

Dividends

In 1995, the Corporation declared cash dividend of P0.10/share. For 1996 up to first quarter of 2009, the Corporation did not declare any dividend because of the losses suffered by it.

Cash Bond Deposits

Cash bond deposits substantially consist of interest-bearing surety bond deposits obtained from contract growers, contract breeders, customers and salesmen.

The carrying amounts of the cash bond deposits are regarded as its amortized value since timing of the refund of the deposits could not be reasonably estimated.

Equity

Capital stock is determined using the nominal value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Revaluation reserve on property pertains to appreciation in value of assets due to the revaluation at appraised values of property, plant and equipment.

Deficit includes all current and prior period results as reported in the consolidated income statement.

The share capital of the Company consists only of common stock. All shares are equally eligible to receive dividends and repayment of capital and each share is entitled to one vote at the shareholders' meeting of the Company.

As of March 31, 2009 and December 2008, capital stock consists of:
(in thousands pesos)

	Shares	Amount
Authorized – 500 million shares, P 1 par value		
Issued and outstanding	409,969,764	P 409,970

Earnings(Loss) Per Share (EPS)

Earnings (loss) per share are determined by dividing net income (loss) by the weighted average number of shares subscribed and issued during the year after retroactive adjustment for any stock dividend, stock split or reverse stock split declared in the current year. Diluted EPS is not computed since the Company has no potentially dilutive shares.

INTEREST-BEARING LOANS

Omnibus Agreement

On July 1, 1998, the Company entered into an Omnibus Agreement with various local creditor banks where its existing debt amounting to P3.176 billion was restructured into a Revolving Credit Line in the amount of P503 million, a 7-year Term Loan amounting to P1.668 billion and 10-year Convertible Notes amounting to P1.005 billion.

First Amendment to Omnibus Agreement – 2001

On November 14, 2001, the Omnibus Agreement was amended (First Amendment) by restructuring the Convertible Notes amounting to P1.005 billion as follows:
(1) P500 million was made part of the existing Revolving Credit Line Facility in addition to the existing Revolving Credit Line facility, and (b) P505 million, together with the accrued interest of P150 million, was converted into a term loan (Term Loan 2) to mature on September 30, 2007.

The interest rates at the Omnibus Agreement and First Amendment were still at market rates as the loans bear the interest rates of the original loans prior to their restructuring.

Second Amendment to Omnibus Agreement – 2004

On March 19, 2004, the Omnibus Agreement was further amended (Second Amendment) where the existing debt was reclassified into Serviceable Debt and Non-Serviceable Debt. The Second Amendment took effect retroactively on January 2, 2003 upon fulfillment of all conditions precedent as stated in the agreement. Under this agreement, the Company's P3.198 billion loans were classified into two major components, as follows:

a. Serviceable Debt - P1.040 billion; and,
b. Non-serviceable Debt - P2.158 billion.

The Second Amendment provides for a re-examination of the terms and conditions of the Second Amendment six months before January 1, 2006, with the end in view of entering into another Amendment to the Omnibus Agreement which takes into account the prevailing financial condition of the Company and economic environment in the country.

Amendment to the Second Amendment Agreement – 2006

Based on the Company's assessment of its financial capability, as well as the prospects of the poultry and feed mills industry in the Philippines, the Company renegotiated for another amendment to the Second Amendment. The proposed amendment calls for a more permanent restructuring agreement and therefore the rescheduling of the repayment of the debt over a longer period subject to acceleration in case the Company's financial condition significantly improves.

While the renegotiations were going on for the amendment of the terms and conditions of the Second Amendment Agreement, several creditor banks transferred their respective rights, titles and interests over the loan obligations of the Company (amounting to P1.458 billion) to various asset management companies or Special Purpose Asset Vehicle (SPAV) companies (collectively referred to as assignees). While the Company and the SPAV were resolving some pending issues, on March 30, 2006, the Company and certain local creditor banks (holding loan balance of P1.810 billion) have agreed to enter into an Amendment to the Second Amendment Agreement.

Under this Amendment, the principal obligation to the local creditor banks is divided into three equal tranches as follows:

(a) Tranche 1 Debt – P603 million
(b) Tranche 2 Debt – P603 million
(c) Tranche 3 Debt – P603 million

The Amendment to the Second Amendment Agreement with the local creditor banks was not signed by all the local creditor banks. The creditor banks which did not sign were given the option to be a party to the said Agreement through an Accession Agreement where such creditor

banks are deemed, for all intent and purposes, to be original parties to the Amendment to the Second Amendment.

As mentioned in the earlier paragraphs of this Note, several creditor banks transferred their respective rights, titles and interests over the loan obligation of the Company (amounting to P1.458 billion) to various assignees. These assignees have not yet entered into any amendment agreement with the Company. However, the remaining local creditor banks stipulated in a Supplemental Agreement to the Amendment to the Second Amendment Agreement that the Company will not grant more favorable terms to the assignees of the other creditor banks without the written consent of the former. Improvements on the terms or conditions given to the assignees of the other creditors without such written consent will automatically be granted to the local creditor banks or will result in an event of default.

Excess of the Face Value over the Fair Value of Interest-bearing Loans

The Second Amendment and also the Amendment to the Second Amendment of the Omnibus Agreement include provisions under which portions of the interest-bearing loans are not subject to interest for a certain period of time. The remaining portion of the loans carries interest at 9.0%. The computation of the amortized cost of the loans based on the future cash flows commenced from the Second Amendment and concluded at the end of the repayment term of the Amendment to the Second Amendment Agreement. The absence of interest on portions of the loans for certain period of time brought the nominal interest rate to about 3.5% overall for the total restructured loans of P3.268 billion.

The use of 3.5% effective interest rate indicates that the fair value of the Company's interest-bearing loans is below the amount that would have been contractually payable by the Company. To compute for the fair value of the interest-bearing loan, the Company used 9.0% discount rate determined by reference to the renegotiated interest rate of the financial instrument as indicated in the Second Amendment and the Amendment to the Second Amendment Agreement (the loan agreements existing as of the transition date to PFRS). The difference between the amount of interest-bearing loans and its fair value at the date of Amendment to the Second Amendment amounted to P1.2 billion, recognized as excess of face value over the fair value of interest-bearing loans at Company's transition to PFRS. Subsequently, these loans are remeasured at fair value at amortized cost using effective interest method. This amount, net of impairment losses and valuation allowances, recognized as a result of the change in the Company's credit risk was accounted for as an adjustment to the beginning deficit as of January 1, 2005 reducing the deficit balance by P777.5 million as of that date.

The excess of the face value over the fair value of the interest-bearing loans at the initial date of recognition is being amortized over the terms of the loans. Such amortizations which increased the amortized value of interest-bearing loans by P137.1 million, P107.1 million and P128.3 million as of December 31, 2007, 2006 and 2005, respectively, were recognized as part of Finance Costs for the years then ended

Corporate Rehabilitation – 2006

On September 15, 2006, the Company filed a petition for corporate rehabilitation before the Court and proposed several strategies in order to effect a viable rehabilitation such that within the proposed period, the Company will not only be able to pay-off its liabilities to creditors but at the termination of the rehabilitation will have an ample supply of cash to support its operations.

On September 19, 2006, the Court has issued a Stay Order pending the approval of the petition for corporate rehabilitation.

Based on such Court-directed Stay Order, the Company suspended payments of its interest-bearing loans and trade payables and stopped accruing interest on such loans or recognizing the

interest following the effective interest method starting on the month-end immediately preceding the date of issuance of the stay order. The Company's management believed that the Court's order to stay the enforcement of claims includes the non-recognition of interest expense from the date of the issuance of the stay order, including the amortization of the excess of the face value over the fair value of the interest-bearing loans. The Company's position is based on the opinion of its legal counsel that the stay order also covers the non-accrual of interest. The accrued interest as well as amortization of excess of face value over the fair value of the interest-bearing loans not recognized amounted to P72.6 million in 2006.

On February 14, 2007, the Court gave due course to the petition for corporate rehabilitation where it referred the petition to a rehabilitation receiver for evaluation.

On April 27, 2007, the Court-appointed rehabilitation receiver submitted its recommendation with regard to the Company's proposed rehabilitation plans and in its order dated May 7, 2007, the Court gave the Company, its creditors and other interested parties 15 days from the publication of the said order, to comment on the Receiver's Report. The Court received no comment on the Receiver's Report.

Court Approval of the Rehabilitation Plan

On May 31, 2007, the Court acted favorably on the petition of the Company and issued its decision for the approval of the rehabilitation plan (approved rehabilitation plan) of the Company as submitted by the Court-appointed receiver. The approved rehabilitation plan of the Company provides, among others, the following salient points:

- A modified debt restructuring scheme for a period not exceeding 15 years (which the Company's management believes should take effect immediately on the date of Court's approval of the rehabilitation plan);

- Payment of interest to all the Company's creditors on the following basis:

  (i) Years 1 to 3 – at 1% per annum to be accrued on Year 4,
  (ii) Years 4 to 6 – at 2% per annum,
  (iii) Years 7 to 9 – at 3% per annum,
  (iv) Year 10 to 15 – at 4% per annum; and,

- Implementation of certain programs as indicated in the Receiver's Report, particularly the change in the feeds distribution system by adopting the Farmers Enterprise System.

The approved rehabilitation plan covers the liabilities under the SPAV companies wherein such loans are to be treated in the same manner as the original creditors and repayment of the obligation assigned to them are to be in accordance with the repayment scheme under the approved rehabilitation plan.

New Amortized Cost of Interest-bearing Loan

The approved rehabilitation plan has effectively resulted in the restructuring of the terms of the loans under the Amendment to the Second Amendment as the approved rehabilitation plan includes extension of payment terms to 15 years and the reduction in interest rates. Consequently, the interest-bearing loans were remeasured at fair value (subsequently at amortized cost) using as a basis the terms of the approved rehabilitation plan effective immediately on the date of Court's approval of the rehabilitation plan which is on May 31, 2007. The new amortized cost of the loan amounted to P1.61 billion as of the date of approval of the rehabilitation plan.

Adjustment of Existing Amortized Cost

On the other hand, the amortized cost of interest-bearing loans under the Amendment to the Second Amendment was adjusted to recognize the amortization of the excess of face value over the fair value of the interest-bearing loans not recorded in 2006 and the amortization of the excess of face value over the fair value of the interest-bearing loans from January 1, 2007 up until the effective date of the approved rehabilitation plan under the other (income) charges caption in the 2007 income statement. The Company retrospectively adjusted its 2006 consolidated financial statements for those previously unrecorded amounts (see Note 21

Finance Costs On Loans
(in thousand pesos)

The Company's finance costs represent interest computed on its interest-bearing loans only. Total finance cost shown in the consolidated statements of income as of the first quarter ended March 31, 2009 are broken down as follows:

	2009	2008
Amortization of excess of face value over the fair value of the interest-bearing loans	P -	P 157,900
Nominal interest payable to creditor banks	-	
	P -	P157,900

Other Matters

- There were no contingent asset or liability since the last annual balance sheet date.
- There were no material commitments for capital expenditures.
- There were no material off-balance sheet transactions, arrangements, obligations

(including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

Under the Second Amendment dated March 19, 2003, entered into by the Corporation with the creditor banks, if the Corporation defaults in its obligation under it, it shall be considered as an event of default under the Omnibus Agreement, and will result to an adverse financial liability of the Corporation.

However, with the approval of the Rehabilitation Plan, all the terms of the Second Amendment shall be subject to the decision of the Rehabilitation Court.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Vitarich Corporation and its subsidiaries' consolidated sales revenue for the first quarter amounted to P713.5 million, 13% higher as compared to same period last year. Amidst intense competitive pressure and a generally weak environment, the company managed to post a revenue growth through sustained marketing activities, new product introductions and improved distribution network. The company continued with its aggressive marketing campaigns in order to obtain the strategic goals. Revenue growth is likewise attributed to modest increase in sales volumes and improved selling prices. Feeds contributed 67% of the total sales while poultry contributed 33%. Feed sales volume continued its growth as the company re-focused its resources to this business.

Cost of good sold on consolidated basis correspondingly increased by almost 17% as against same quarter last year with the growth in revenue and continued rise in the cost of major raw materials. This however, adversely affected the business performance. As a result, the company incurred a net loss of P19.1million for the current quarter as compared to last year's loss of P7.2million.

On the other hand, operating expenses declined by almost 5% brought about by the continued cost reduction measures implemented by the company.

As previously cited, the Company filed the petition for corporate rehabilitation last September 15, 2006 and the Court issued a Stay Order on September 19, 2006 and gave due course to the petition by appointing a rehabilitation receiver on February 14, 2007. On May 31, 2007, the Regional Trial Court (the Court) of Malolos, Bulacan acted favorably on the petition of the Company and issued its decision for the approval of the modified rehabilitation plan of the Company as submitted by the Court-appointed rehabilitation receiver last April 27, 2007.

The Court-approved rehabilitation plan provides, among others, the following:

(a) A modified debt restructuring scheme for a period not exceeding 15 years (which the Company's management implemented immediately on the date of the Court's approval of the rehabilitation plan);

(b) Payment of interest to all the Company's creditors on the following basis:
    (i) Years 1 to 3 – at 1% per annum to be accrued on Year 4,
    (ii) Years 4 to 6 – at 2% per annum,
    (iii) Years 7 to 9 – at 3% per annum,
    (iv) Years 10 to 15 – at 4% per annum; and,

(c) Implementation of certain programs as indicated in the Receiver's Report, particularly the change in the feeds distribution system by adopting the Farmers Enterprise System.

With the approval of the Rehabilitation plan, the management is continuously instituting certain measures to address these conditions such as the following:

- adopting a program for corporate branding and image rebuilding;
- launching of new products in the market;
- expanding the Company's sales and distribution networks by conducting series of seminars in various areas related to new product lines, providing ample advertisements relative to existing product lines and implementing various programs;
- strengthening business ties with trading partners, local and abroad; and,

- continuously improving product quality including rehabilitation and standardization of certain plants to qualify for international standardization and accreditations.

As the Company is under corporate rehabilitation, it will continue to focus on its core business and strive to improve operations. The company's second quarter is expected to end better than the first quarter.

Philippines' Favorite Chicken, Inc. (PFCI) was a subsidiary of the Company and exclusive distributor of Texas Chicken Restaurant in the Philippines.

On 2001, PFCI together with Texas Manok Atbp., and Popeye's Manok Atbp., Inc, filed a case against AFC Enterprises, Inc. and certain other persons named therein.

On March 04, 2005, the Regional Trial Court of Pasig City, Branch 152 had approved the Joint Motion to Dismiss filed by the parties based on the Compromise Agreement entered into by them thus putting an end to the case.

Pursuant to the Compromise Agreement, PFCI including Texas Manok Atbp., and Popeye's Manok Atbp. are to stop operating as such starting May 05, 2005 in view of the revocation of the franchise agreement with AFC Enterprise.

In 2005, the Company discontinued operations of its Texas Manok's Restaurants. Accordingly, it terminated all its employees and provided full valuation allowances on all its remaining assets.

In light of these circumstances, the ability of PFCI to continue as a going concern, the recoverability of its assets and its ability to pay its debts as they mature are dependent to a large extent on its ability to secure and establish another profitable business operation.

PFCI has since then been evaluating its operational activities in light of the closure of its Texas Manok restaurants and in 2006 determined that its operations is expected to remain dormant in the foreseeable future.

Although the Board of Directors (BOD) and stockholders have not yet totally adopted a plan to liquidate the Company, the financial statements are presented under the liquidation basis of accounting to appropriately reflect the significant changes in the status of operations.

Gromax, Inc., a subsidiary of the Company, is engaged in the manufacture of animal health and nutritional products for commercial sales as well as for contract breeding and contract growing operations of its parent company.

The Company is a wholly owned subsidiary of Vitarich Corporation (the parent company), a company incorporated and domiciled in the Philippines .

The registered office of Gromax is located at the Vitarich compound, Abangan Sur, Marilao, Bulacan. The registered office of its parent company is also the same with the registered office of the company.

For the first quarter, Gromax registered a net income of ₱1.3 million, almost the same as compared to last year level.

Financial Condition
Unaudited Balance Sheet March 31, 2009 vs. Audited December 31, 2008

The Company's consolidated total assets as at current-quarter end stood at ₱4.0 billion slightly lower as against December 2008 level. Total current assets decreased by almost 2% primarily

due to the decreased of trade and other receivables by 6%, basically due to improved collection efficiency. However, inventories and due from related parties increased by 2% and 4% respectively.

First quarter ending cash balance declined to ₱49.5 million from ₱75.6 million as of end 2008.The reduction in cash was also attributed to net cash outflows used in operating activities particularly for working capital requirements.

Trade and other payables account decreased by 2% due to payment made to its suppliers and reduction in purchases.

Stockholders' equity as of March, 2009 was posted at P750.5 million, lower than P769.5 million of 2008, basically due to the net effect of losses as of the first quarter.

The Company's top five (5) key performance indicators are described as follows:

1) Sales Volume, Price and Revenue Growth

Actual sales volume for feeds business as of the first quarter decreased by almost 10% from last year's level.. However, average selling price improved as compared to last year. Food sales volume increased by 34% as against same quarter last year.

2) Cost Contribution

This measures the cost efficiency of the products, trend of raw materials prices, particularly importations, wherein there are foreign exchange exposures. Costs are analyzed on a regular basis for management's better strategic decisions in cost reduction and efficiency measures.

3) Gross Profit Rate

The review is done on a regular basis to check if the targets are being met based on the forecasted gross profit rate. This is being done on a regular basis for proper and immediate action.

4) Operating Margin

Operating margin is the result after operating expenses are deducted. Review of operating expenses is performed on a regular basis. These are being analyzed and compared against budget, last month and from previous years, to ensure that cost reduction measures are being met and implemented.

5) Plant Capacity Utilization

This determines total usage of the plant capacity. The higher the plant utilization, the better the productivity, which translates to better margin.

Sales Revenue	**March 2009**			**March 2008**		
	Volume	Price	Revenue (000) omitted	Volume	Price	Revenue (000) omitted
Feeds						
Animal	310	1,045.99	324.5	322	908.40	292.1
Aqua	11	1,124.51	131.2	153	962.53	147.2
Poultry						
DOC	1,340	20.59	28.8	671	21.72	14.6
Hogs	0.2	3,027.97	0.6	1	4,558.50	2.4
Foods	2,228	83.24	185.5	1,668	81.98	136.8

Cost Contribution	March 2009	March 2008
Feeds	**(000 omitted in peso)**	**(000 omitted in peso)**
Animal	291.9	256.6
Aqua	117.4	133.6
Poultry		
DOC	24.1	11.6
Hogs	0.6	2.3
Foods	191.4	129.6

Gross Profit Rate	March 2009	March 2008
Feeds		
Animal	10%	12%
Aqua	11%	19%
Poultry		
DOC	16%	21%
Hogs	0%	4%
Foods	-3%	5%

Operating Margin	March 2009	March 2008
Feeds	**(000 omitted in peso)**	**(000 omitted in peso)**
Animal	12.4	8.8
Aqua	(4.6)	(1.5)
Poultry		
DOC	5.7	5.6
Hogs	0.0	0.1
Foods	(10.7)	4.4

OTHER INFORMATION :
There was no other list of disclosure not made under SEC Form 17- C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant - **VITARICH CORPORATION**

By:

ATTY. PEDRO T. DABU
Alternate Corporate Secretary
Compliance Officer / Corporate Information Officer

JULIETA M. HERRERA
Controller

May 15 2009

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