

THIRD QUARTER REPORT
M A R C H 2 0 0 9



Century Paper & Board Mills Limited
Strive Together For Excellence

Corporate Information

BOARD OF DIRECTORS

Iqbal Ali Lakhani - Chairman
Aftab Ahmad - Chief Executive Officer
Zulfiqar Ali Lakhani
Amin Mohammed Lakhani
Tasleemuddin Ahmed Batlay
A. Aziz H. Ebrahim
Syed Shabahat Hussain - Nominee Director (NIT)

ADVISOR

Sultan Ali Lakhani

AUDIT COMMITTEE

Zulfiqar Ali Lakhani - Chairman
Amin Mohammed Lakhani
Tasleemuddin Ahmed Batlay

EXECUTIVE COMMITTEE

Iqbal Ali Lakhani - Chairman
Aftab Ahmad - Chief Executive Officer
Tanveer Ahmad Khalid - General Manager Marketing

COMPANY SECRETARY

Mansoor Ahmed

EXTERNAL AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

INTERNAL AUDITORS

M. Yousuf Adil Saleem & Co.
Chartered Accountants

SHARES REGISTRAR

FAMCO Associates (Private) Limited
State Life Building No. 2-A, 4th Floor,
I.I. Chundrigar Road, Karachi.

HEAD OFFICE & REGISTERED OFFICE

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LAHORE OFFICE

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MILLS

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Directors' Review

On behalf of the Board of Directors, we take pleasure in presenting the performance review together with the financial statements of the Company for the nine months ended March 31, 2009.

Company's Operating Performance

Gross sales figure for the nine months registered a 57% growth as compared to the same period last year: it stood at Rs. 5,818 million including Rs. 1,765 million recorded for the quarter under review. Sales volumes registered a growth of 35% on comparable basis it stood at 96,200 Metric Tons including 32,800 Metric Tons for the quarter under review. Corrugation business volume was recorded at 13,200 Metric Tons as compared to 12,250 Metric Tons for the same period last year depicting 8% growth. Company registered a gross loss of Rs. 106.22 million for the period including Rs 185.22 million for the quarter under review. Company's bottom line stood at net loss of Rs 904.88 million for the period which includes net loss of Rs 512.98 million for the quarter under review. Unutilized production capacities on account of gas outages, unfavorable price adjustments to compete with cheaper imports and exorbitant financing costs have resulted in net loss for the period.

Gas outages posed major challenge for the local paper and board industry during the second and third quarters of the year. Total 81 days production, including 34 days for the third quarter, was affected due to partial or no supply of gas during this period. Industry was forced to a recourse to expensive fuel or shut downs resulting in heavy losses specially to those industrial units which have carried out mega expansions in the recent past. Your Company was also hit hard by this phenomenon; especially, the new state-of-the-art machine capable of producing 130,000 Metric Tons per year of Packaging Board could not operate at optimum level.

Cheaper imports from regional countries at substantially low prices were another major challenge for local Paper & Paperboard Manufacturing Industry. The fiscal measures taken by the Government have yet to prove beneficial to the industry.

Certain concrete measures have to be taken by the Government to support the local industry by amicably addressing major irritants which have already caused material injury to the industry. Local Paper and Board Industry has carried out mega expansions in the recent past and is now fully equipped with latest state-of-the-art production facilities, Government supportive measures are needed to provide import substitution to save foreign currency and considerable contribution to Government revenues.

Near Term Outlook

We are hopeful that your Company would be able to demonstrate better results in the last quarter of the year due to maximum capacity utilization as normal supply of gas resumed from the month of March 2009, favorable price adjustments and expected decline in lending rates due to recent fiscal measures taken by the State Bank of Pakistan.

In line with financial restructuring plan of your company, to bring down its financing cost to sustainable levels, the Board of Directors approved an issue of preference shares of upto Rupees Three Billion and One Hundred Million by a rights share offering to the existing Ordinary Shareholders. An Extra ordinary general meeting has been scheduled on May 12, 2009 to seek approval of the shareholders for the above plan to enable the Company to proceed with regulatory requirements.

Directors' Review

Acknowledgments

We take pleasure in thanking members of the management and staff for their continued commitments and endeavours for the success of the Company. We also value the support and cooperation of the customers, suppliers, bankers and all stakeholders and wish to record our deep gratitude for them.

On behalf of the Board of Directors



IQBAL ALI LAKHANI
Chairman

Karachi: April 27, 2009

Condensed Interim Balance Sheet

as at March 31, 2009 (Un-audited)

	Note	March 31, 2009	June 30, 2008
(Rupees in thousands)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	10,304,864	3,849,316
Capital work in progress	6	275,820	7,006,182
		10,580,684	10,855,498
Intangible assets		37,767	25,649
Long-term loans and advances		4,346	5,554
Long-term deposits		2,805	2,820
		10,625,602	10,889,521
CURRENT ASSETS			
Stores and spares	7	610,457	362,055
Stock-in-trade	8	1,372,688	1,496,478
Trade debts		618,115	413,171
Loans and advances		58,443	18,730
Trade deposits and short-term prepayments		20,802	19,335
Other receivables		6,296	33,755
Tax refunds due from Government		37,980	150,375
Taxation - net		60,529	2,643
Cash and bank balances		16,338	16,474
		2,801,648	2,513,016
TOTAL ASSETS		13,427,250	13,402,537
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (June 30, 2008: 100,000,000)			
Ordinary shares of Rs. 10/- each		1,000,000	1,000,000
Issued, subscribed and paid-up capital			
70,683,426 (June 30, 2008: 70,683,426)			
Ordinary shares of Rs. 10/- each		706,834	706,834
Reserves		1,320,907	2,225,788
		2,027,741	2,932,622
NON-CURRENT LIABILITIES			
Subordinated loan		1,650,000	1,650,000
Long-term financing	9	7,245,000	5,971,428
Deferred taxation		17,213	352,214
Retention money payable		-	18,913
		8,912,213	7,992,555
CURRENT LIABILITIES			
Trade and other payables	10	648,150	577,928
Financial charges payable	11	305,049	196,508
Short-term borrowings		1,028,968	1,434,021
Retention money payable		6,319	59,379
Current portion of long-term financing	9	498,810	209,524
		2,487,296	2,477,360
CONTINGENCIES AND COMMITMENTS			
	12		
TOTAL EQUITY AND LIABILITIES		13,427,250	13,402,537

The annexed notes from 1 to 20 form an integral part of these financial statements.


IQBAL ALI LAKHANI
 Chairman


AFTAB AHMAD
 Chief Executive Officer

Condensed Interim Profit and Loss Account

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

	Note	Nine months ended		Quarter ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
(Rupees in thousands)					
Gross sales		5,818,052	3,704,509	1,764,908	1,215,531
Sales tax		(771,069)	(466,589)	(234,722)	(150,776)
Special excise duty		(48,694)	(31,528)	(14,779)	(10,398)
		(819,763)	(498,117)	(249,501)	(161,174)
Net sales		4,998,289	3,206,392	1,515,407	1,054,357
Cost of sales	13	(5,104,508)	(2,994,225)	(1,700,624)	(1,054,303)
Gross (loss) / profit		(106,219)	212,167	(185,217)	54
General and administrative expenses		(113,042)	(83,841)	(36,507)	(29,614)
Selling expenses		(16,252)	(11,732)	(5,221)	(3,864)
Distribution expenses		(25,824)	(16,706)	(8,081)	(6,272)
Other operating charges	14	(68,617)	(24,771)	(2,435)	(14,921)
Other operating income		50,088	22,208	12,276	9,607
Operating (loss) / profit		(279,866)	97,325	(225,185)	(45,010)
Financial charges		(960,015)	(56,644)	(367,799)	(12,429)
(Loss) / profit before taxation		(1,239,881)	40,681	(592,984)	(57,439)
Taxation					
- Current		-	(16,032)	-	(5,272)
- Deferred		335,000	(11,000)	80,000	(3,000)
		335,000	(27,032)	80,000	(8,272)
(Loss) / profit after taxation		(904,881)	13,649	(512,984)	(65,711)
 (Loss) / earnings per share - basic and diluted (Rupees)	 15	 (12.80)	 0.19	 (7.26)	 (0.93)

The annexed notes from 1 to 20 form an integral part of these financial statements.


IQBAL ALI LAKHANI
Chairman


AFTAB AHMAD
Chief Executive Officer

Condensed Interim Cash Flow Statement

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

	Nine months ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,239,881)	40,681
Adjustment for non cash charges and other items :		
Depreciation	511,319	202,759
Amortization of intangible assets	174	-
Loss / (profit) on sale of operating fixed assets	446	(145)
Provision for gratuity	9,579	3,397
Provision for slow moving and obsolete stores and spares	3,600	2,750
Loss on remeasurement of fair value of interest rate swap	1,650	646
Financial charges	960,015	73,099
	1,486,783	282,506
(Increase)/decrease in current assets		
Stores and spares	(252,002)	(129,928)
Stock-in-trade	123,790	(862,829)
Trade debts	(204,944)	(74,979)
Loans and advances	(39,713)	(36,323)
Trade deposits and short-term prepayments	(1,467)	(20,958)
Other receivables	25,809	(128,759)
Tax refunds due from Government	112,395	-
	(236,132)	(1,253,776)
Increase in current liabilities		
Trade and other payables	70,247	81,475
Cash used in operations	81,017	(849,114)
Financial charges paid	(642,641)	(64,395)
Taxes paid	(57,886)	(21,103)
Gratuity paid	(9,604)	(3,251)
Long-term loans and advances - net	1,208	(5,192)
Long-term deposits and other receivables - net	15	149
	(627,891)	(942,906)
Net cash used in operating activities	(627,891)	(942,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(530,538)	(2,192,569)
Proceeds from sale of operating fixed assets	499	734
Net cash used in investing activities	(530,039)	(2,191,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term-financing from banking companies	-	5,500,000
Repayment of long term-financing from banking companies	(157,153)	(3,507,143)
Proceeds from Sponsors' long term loan	1,720,000	300,000
Proceeds from Sponsors' subordinated loan	-	75,000
Repayment of Director loan	-	(150,000)
Net cash generated from financing activities	1,562,847	2,217,857
Net increase / (decrease) in cash and cash equivalents	404,917	(916,884)
Cash and cash equivalents at the beginning of the period	(1,417,547)	(277,118)
Cash and cash equivalents at the end of the period	(1,012,630)	(1,194,002)
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	16,338	14,552
Short-term borrowings	(1,028,968)	(1,208,554)
	(1,012,630)	(1,194,002)

The annexed notes from 1 to 20 form an integral part of these financial statements.


IQBAL ALI LAKHANI
Chairman


AFIAZ AHMAD
Chief Executive Officer

Condensed Interim Statement of Changes in Equity

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

	Reserves									
	Issued, subscribed and paid-up capital	Capital				Revenue			Sub Total	Total
		Share Premium	Bonus Shares	Merger reserve	Total	General	Unappropriated profit	Total		
(Rupees in thousands)										
Balance as at July 1, 2007	642,576	1,048,910	-	7,925	1,056,835	1,120,750	84,310	1,205,060	2,261,895	2,904,471
Transfer to general reserve	-	-	-	-	-	84,000	(84,000)	-	-	-
Transfer to reserve for issuance of bonus shares	-	(64,258)	64,258	-	-	-	-	-	-	-
6,425,766 Ordinary Shares of Rs. 10/- each issued as fully paid bonus shares	64,258	-	(64,258)	-	(64,258)	-	-	-	(64,258)	-
Profit for the period ended March 31, 2008	-	-	-	-	-	-	13,649	13,649	13,649	13,649
Balance as at March 31, 2008	706,834	984,652	-	7,925	992,577	1,204,750	13,959	1,218,709	2,211,286	2,918,120
Balance as at July 1, 2008	706,834	984,652	-	7,925	992,577	1,204,750	28,461	1,233,211	2,225,788	2,932,622
Transfer to general reserve	-	-	-	-	-	28,000	(28,000)	-	-	-
Loss for the period ended March 31, 2009	-	-	-	-	-	-	(904,881)	(904,881)	(904,881)	(904,881)
Balance as at March 31, 2009	706,834	984,652	-	7,925	992,577	1,232,750	(904,420)	328,330	1,320,907	2,027,741

The annexed notes from 1 to 20 form an integral part of these financial statements.


IQBAL ALI LAKHANI
Chairman


AFTAB AHMAD
Chief Executive Officer

Notes to the Condensed Interim Financial Statements

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

1. THE COMPANY AND ITS OPERATIONS

1.1 Century Paper & Board Mills Limited (" the Company ") was incorporated in Pakistan as a public limited company on August 02, 1984 under the Companies Ordinance, 1984 and its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Lakson Square Building No.2, Sarwar Shaheed Road Karachi, Pakistan. The principal activity of the Company is the manufacture, sale and marketing of paper, board and related products.

1.2 The commercial operations on new coated board machine (here-in-after-referred to as "Expansion Project") commenced on August 01, 2008 . This resulted in the intended capacity increase of 130,000 metric tons per annum bringing total capacity to 240,000 metric tons per annum.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited in accordance with the requirements of the International Financial Reporting Standards (IFRS) IAS - 34, Interim Financial Reporting. They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2008.

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2008.

4. ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2008.

Notes to the Condensed Interim Financial Statements

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

	Note	March 31, 2009	June 30, 2008
(Rupees in thousands)			
5. OPERATING FIXED ASSETS			
Opening net book value (NBV)		3,849,316	2,293,373
Additions (at cost) during the period / year	5.1	6,971,526	1,846,561
		<u>10,820,842</u>	<u>4,139,934</u>
Disposals and retirements (NBV) during the period / year		989	954
Depreciation / Impairment charge during the period / year		511,319	278,700
Depreciation capitalized during the period / year		3,670	10,964
		<u>(515,978)</u>	<u>(290,618)</u>
		<u>10,304,864</u>	<u>3,849,316</u>
5.1 Detail of additions (at cost) during the period / year are as follows:			
Buildings on freehold land		1,039,453	88,714
Plant and machinery		5,904,999	1,718,217
Furniture and fixtures and other equipments		15,626	4,202
Vehicles		2,460	15,441
Computers		8,988	19,987
		<u>6,971,526</u>	<u>1,846,561</u>
6. CAPITAL WORK IN PROGRESS			
		<u>275,820</u>	<u>7,006,182</u>
6.1 An amount of Rs. 6,891.86 million (June 30, 2008 Rs. 1,791.00 million) has been transferred to operating fixed assets during the period. It includes an amount of Rs. 1,035.27 million and Rs. 5,833.69 million respectively for civil works and plant and machinery for the expansion project.			
7. STORES AND SPARES			
Stores		222,294	52,013
Spares			
in hand		365,049	306,592
in transit		48,214	24,950
		<u>413,263</u>	<u>331,542</u>
		635,557	383,555
Provision for slow moving and obsolete items		(25,100)	(21,500)
		<u>610,457</u>	<u>362,055</u>
7.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase.			
8. STOCK-IN-TRADE			
Raw materials			
in hand		1,089,293	1,086,806
in transit		153,310	154,517
		<u>1,242,603</u>	<u>1,241,323</u>
Work-in-process		99,152	140,476
Finished goods		30,933	114,679
		<u>1,372,688</u>	<u>1,496,478</u>

Notes to the Condensed Interim Financial Statements

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

	Note	March 31, 2009	June 30, 2008
(Rupees in thousands)			
9. LONG TERM FINANCING			
From banking companies and other financial institutions - secured			
Islamic Sukuk Certificates	9.1	3,500,000	3,500,000
Consortium of Banks (Syndicated)	9.2	2,000,000	2,000,000
United Bank Limited - 1		41,667	166,665
United Bank Limited - 2		32,143	64,287
		<u>5,573,810</u>	<u>5,730,952</u>
Current portion shown under current liabilities		(498,810)	(209,524)
		<u>5,075,000</u>	<u>5,521,428</u>
Sponsors' Loan - unsecured	9.3	2,170,000	450,000
		<u>7,245,000</u>	<u>5,971,428</u>

9.1 This represents Sukuk Certificates privately placed with banks and other institutional investors under diminishing musharaka arrangement specifically for expansion project for a period of seven years. The certificates are redeemable in ten equal semi annual installments commencing from March 2010.

The agreement gives an exclusive use of the Musharaka assets to the Company (Issuer) only against the rental payments.

Rental payments are calculated to provide return to Certificate Holders equal to base rate plus margin plus Service Agency Expenses incurred by the Trustee during the previous semi annual period. Base rate is equal to average of six months KIBOR of last five business days prior to beginning of each semi annual rental payment period. The margin is equal to 1.35% per annum.

These are secured by way of mortgage of immovable properties of the Company and ranking hypothecation charge over the assets of respective expansion project to the extent of beneficial right of the Certificate Holders with 25% margin.

9.2 This syndicated term finance facility has been obtained from a Consortium of Banks under joint facility arrangement with Sukuk Financing amounting to Rs 2,000 million specifically for expansion project. The tenor of the facility is nine years with twenty four months grace period. This finance facility is repayable in fourteen stepped up semi annual installments commencing from March 2010.

The finance facility is secured by way of mortgage of immovable properties of the Company and ranking hypothecation charge over the assets of respective expansion project with 25% margin.

The rate of mark up is 1.50% per annum over average of six months KIBOR of the last five business days prior to the beginning of each installment period.

9.3 This represents loan obtained from the sponsors to finance capital expenditure and working capital requirements of the Company. The loan carries mark-up at the rate of 12% per annum (June 30, 2008: average of last three days of three month KIBOR of preceding quarter to be set at beginning of each quarter).

This finance facility is repayable after June 2010.

10. TRADE AND OTHER PAYABLES

Creditors	10.1	405,906	458,768
Accrued liabilities		101,129	68,286
Customers' balances		73,390	22,967
Gratuity payable		5,055	5,080
Sales tax payable		36,037	-
Workers' profit participation fund		-	2,222
Workers' welfare fund		3,056	3,056
Unclaimed dividend		736	736
Security deposits		10,538	3,850
Other liabilities		12,303	12,963
		<u>648,150</u>	<u>577,928</u>

Notes to the Condensed Interim Financial Statements

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

10.1 This includes amount of Rs. 122.29 million (June 30, 2008: Rs. 164.09 million) of foreign bills payable.

	March 31, 2009	June 30, 2008
	(Rupees in thousands)	
11. FINANCIAL CHARGES PAYABLE		
Financial charges payable on:		
Long term financing	262,508	172,881
Short term borrowings	42,541	23,627
	<u>305,049</u>	<u>196,508</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 274.58 million (June 30, 2008: Rs. 291.55 million).

12.2 Commitments

The Company's commitments as at balance sheet date are as follows:

- Letters of credit other than for capital expenditure amounting to Rs. 156.72 million (June 30, 2008: Rs. 139.77 million).
- Capital expenditure including letters of credit amounting to Rs. 10.47 million (June 30, 2008: Rs. 194.76 million).
- Licensing and implementation cost of ERP software amounting to Rs. 11.85 million (June 30, 2008: Rs. 19.16 million).

13. COST OF SALES

Note	Nine months ended		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in thousands)			
Material consumed	3,105,741	1,889,549	799,821	601,537
Fuel and power	674,718	504,090	233,202	191,090
Depreciation	495,543	193,077	194,268	65,647
Salaries, wages and other benefits	240,990	164,014	76,438	59,674
Repair and maintenance	283,500	190,785	95,232	73,788
Packing expenses	107,348	57,809	39,442	17,599
Insurance	36,943	13,734	14,222	5,195
Security services charges	6,111	3,258	2,118	1,241
Provision for slow moving and obsolete stores and spares	3,600	2,750	1,200	750
Printing, stationery and periodicals	2,949	1,863	767	742
Travelling and conveyance	3,035	1,699	685	840
Amortization of intangible assets	58		58	
Others	508	485	109	119
	<u>4,961,044</u>	<u>3,023,113</u>	<u>1,457,562</u>	<u>1,018,222</u>
Work-in-process				
Opening stock	48,306	48,383	228,503	99,364
Transfer of stock on commencement of commercial operations of expansion project	89,066 (99,152)	- (71,999)	- (99,152)	- (71,999)
Closing stock	38,220	(23,616)	129,351	27,365
Cost of goods manufactured	4,999,264	2,999,497	1,586,913	1,045,587
Finished goods				
Opening stock	23,257	12,880	144,644	26,868
Transfer of stock on commencement of commercial operations of expansion project	112,920 (30,933)	- (18,152)	- (30,933)	- (18,152)
Closing stock	105,244	(5,272)	113,711	8,716
	<u>5,104,508</u>	<u>2,994,225</u>	<u>1,700,624</u>	<u>1,054,303</u>

Notes to the Condensed Interim Financial Statements

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

13.1 This includes Rs. 225.55 million (March 31, 2008: Rs. 157.32 million) in respect of stores and spares consumed.

Note	Nine months ended		Quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in thousands)			
14. OTHER OPERATING CHARGES	68,617	24,771	2,435	14,921

14.1 This includes exchange loss amounting to Rs. 63.59 million (March 31, 2008: Rs. 18.08 million).

15. EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

(Loss) / profit after taxation	(904,881)	13,649	(512,984)	(65,711)
Weighted average number of ordinary shares (in thousands)	70,684	70,684	70,684	70,684
(Loss) / earnings per share (Rupees)	(12.80)	0.19	(7.26)	(0.93)

16. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the Company	Nature of transaction				
Associated companies	Sales of goods and services	537,005	372,409	87,360	125,461
	Purchase of goods and services	73,023	53,266	17,706	11,272
	Rent and other allied charges	2,900	1,605	725	-
	Insurance agency commission	5,670	3,692	1,890	2,229
	Issue of bonus shares	-	35,619	-	-
	Insurance claims received	36,224	-	-	-
Other related parties	Purchase of goods and services	5,972	8,112	2,972	3,421
Sponsors and Directors	Long-term financing obtained from sponsors	1,720,000	375,000	820,000	300,000
	Mark up accrued/paid on sponsors' loan	249,665	124,121	101,918	41,133
Retirement benefit plans	Contribution to staff retirement benefit plans	19,065	9,858	387	3,017
Key Management Personnel	Remuneration and other benefits	16.1 51,061	36,924	14,881	14,943

16.1 There are no transactions with key management personnel other than under their terms of employment.

16.2 The above transactions with related parties are based at arm's length at normal commercial rates.

Notes to the Condensed Interim Financial Statements

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

17. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 27, 2009 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified as follows:

Exchange loss on foreign currency import credit finance amounting to Rs. 16.45 million previously included in "Financial charges" has now been shown under "Other charges" for better presentation.

19. SUBSEQUENT EVENTS

The Board of Directors in their meeting held on April 3, 2009 have recommended an increase in the paid up share capital of the Company by way of issuance of Preference Shares through rights offering, subject to appropriate approvals of the Shareholders and the Securities & Exchange Commission of Pakistan, and upon the terms and conditions of Preference Shares as stipulated in the Preference Shares Term Sheet subject to such modifications to the terms as may be recommended by the Shareholders and/or Securities & Exchange Commission of Pakistan. An extraordinary general meeting has been scheduled for May 12, 2009 to approve the above transaction to enable the Company to proceed with the regulatory requirements.

The purpose of the increase of paid up capital would be to support the Company's operation including conversion of its debts into equity by repaying some of the loans and reducing short term working capital lines of the Company. These actions will improve the financial ratios and facilitate compliance of the obligations with the lenders of the Company.

20. GENERAL

Amounts have been rounded off to the nearest thousands of rupees.


IQBAL ALI LAKHANI
Chairman


AFTAB AHMAD
Chief Executive Officer