



Century Paper & Board Mills Limited



Sustainability for a better tomorrow



Third Quarter Report
March 2023

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Corporate Information

Board of Directors

Iqbal Ali Lakhani - Chairman
Amin Mohammed Lakhani
Babar Ali Lakhani
Anushka Lakhani
Asif Qadir
Ali Aamir
Aftab Ahmad - Chief Executive Officer

Advisor

Sultan Ali Lakhani

Audit Committee

Ali Aamir - Chairman
Amin Mohammed Lakhani
Babar Ali Lakhani

Human Resource & Remuneration Committee

Asif Qadir - Chairman
Amin Mohammed Lakhani
Anushka Lakhani
Aftab Ahmad

Chief Financial Officer

Muhammad Rashid Dastagir
Email: rashid-dastagir@centurypaper.com.pk

Company Secretary

Mansoor Ahmed
Email: mansoor-ahmed@centurypaper.com.pk

External Auditors

BDO Ebrahim & Co.
Chartered Accountants
Email: info@bdoebrahim.com.pk

Shares Registrar

FAMCO Associates (Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S. Shahra-e-Faisal, Karachi.
Phone: (021) 34380101-5 Fax: (021) 34380106
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

Head Office and Registered Office

Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan.
Phone: (021) 38400000
Fax: (021) 35681163, 35683410
Email: info@centurypaper.com.pk
Website: www.centurypaper.com.pk

Lahore Office

14-Ali Block, New Garden Town, Lahore-54600, Pakistan.
Phone: (042) 35886801-4 Fax: (042) 35830338

Mills

62 KM, Lahore-Multan Highway, N-5, District Kasur, Pakistan.
Phone: (049) 4511464-5, 4510061-2 Fax: (049) 4510063



Directors' Review

On behalf of the Board of Directors, we are pleased to present the performance review of your Company together with the unaudited financial statements for the period ended March 31, 2023.

Operations and Sales Review

The Company produced 162,499 metric tons during the period under review (July 2022-March 2023) as compared to 193,196 metric tons for the corresponding period of last year. In order to cope with the prevailing market conditions and supply-side constraints, the plant operations were rationalized to achieve a favorable sales mix to cater to the needs of its customers at competitive prices. Additionally, production volumes were reduced due to the outsourcing of some of the raw materials for corrugated boxes and a few shutdowns of machines to facilitate BMR Projects.

The Company sold 170,646 metric tons during the period under review (July 2022 - March 2023) as compared to 185,750 metric tons for the corresponding period of last year. Despite the reduction in sales volumes, the net sales value of the Company for the period under review (July 2022 - March 2023) increased to Rs. 38,264 million (L.Y. Rs. 28,478 million). The increase in the sales value was a result of regular reviews of the selling prices of the Company's products to recover the cost escalations caused by higher rates of raw materials and fuel, along with the rapid depreciation of PKR and high indigenous inflation.

Financial Performance

The Company posted a gross profit of Rs. 3,335 million for the period under review (July 2022 - March 2023) as compared to Rs. 3,759 million for the corresponding period of last year. The net operating profit for the period under review (July 2022 -March 2023) was recorded at Rs. 2,589 million as compared to Rs. 2,981 million for the corresponding period of last year.

Finance cost for the period under review (July 2022 - March 2023) stood at Rs. 1,487 million as compared to Rs. 438 million for the corresponding period of last year. The increase in finance cost was the combined impact of higher effective interest rates and working capital needs.

After taking into account financial charges, Profit before Tax for the period was Rs. 1,102 million as compared to Rs. 2,543 million in the corresponding period of last year. Accordingly, Net profit for the period under review was Rs. 738 million as compared to Rs. 1,795 million for the corresponding period of last year.

Earnings Per Share

The basic earnings per share is reported at Rs. 3.31 as compared to Rs. 8.04 for the corresponding period of last year.

During the period, shareholders approved the issuance of 20,288,532 bonus shares being the 10% bonus issue declared by the Board of Directors for the year ended June 30, 2022. Accordingly, the weighted average number of shares for the current and corresponding periods includes the impact of bonus shares for the calculation of EPS as per the requirement of International Financial Reporting Standards.

Directors' Review

There is no dilution effect on the earnings per share for the period under review and the corresponding period of last year.

Balancing, Modernization & Replacement (BMR), and Digitization

The work on BMR Projects for the up-gradation of Paper & Board Machines, Cogeneration Plants & Auxiliaries and the Upsizing of the Grid station for the extension of load from 5MW to 16MW is on track to achieve completion by the end of the current financial year.

Corporate Social Responsibility (CSR)

The Company's different CSR initiatives for the welfare of the surrounding communities continued during the period. The Company has collaborated with reputable NGOs to extend schooling facilities near the Mills and has adopted a school in the far-flung areas of Kashmir. Moreover, Company has also distributed food hampers in flood-affected areas in collaboration with the local administration.

Near Term Outlook

The demand for paper and paperboard products has declined due to a slowdown in consumer product demand caused by higher inflation, which is reducing the purchasing power of the masses. Additionally, the global recession is making imports more appealing to customers, which is putting pressure on the demand for the Company's products at current selling prices. Customers are also shifting to cheaper local substitutes, which is further exacerbating the situation.

Import restrictions and currency devaluation are also creating obstacles in the arrangement of imported raw materials, resulting in a rise in the landed cost of imported materials. Meanwhile, local raw material prices are increasing due to high inflation.

In response, the Company's management is employing a strategy of optimal inventory use to fulfill the priority needs of regular customers. This includes necessary selling price reviews to recover cost escalations and retain the customer base amidst challenging market conditions.

Acknowledgments

The Directors wish to acknowledge the devotion of the employees of all cadres and are appreciative of their dedication and commitment. They also extend heartfelt appreciation to the Company's suppliers, customers and bankers for their continued confidence and support.

On behalf of the Board of Directors



IQBAL ALI LAKHANI
Chairman



AFTAB AHMAD
Chief Executive Officer

Karachi: April 26, 2023



ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2023ء کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

کاروباری کارکردگی اور سیلز کا جائزہ

کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2023) کے دوران 162,499 میٹرک ٹن کی پیداوار کی، جو کہ گزشتہ سال کی اسی مدت میں 193,196 میٹرک ٹن تھی۔ مارکیٹ کے موجودہ حالات اور خام مال کی سپلائی کی رکاوٹوں کو مد نظر رکھتے ہوئے پیداواری صلاحیت کے موزوں استعمال سے صارفین کو مصنوعات کی فراہمی مسابقتی قیمتوں پر ممکن بنائی گئی۔ مزید برآں کورگیٹڈ باکس (Corrugated Boxes) کے خام مال کی خریداری اور بی ایم آر (BMR) پروڈیکٹس کو فعال کرنے کے لئے مشینوں کی بندش کی وجہ سے پیداوار کا حجم کم ہوا۔

کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2023) میں 170,646 میٹرک ٹن کی فروخت کی، جو کہ گزشتہ سال کی اسی مدت میں 185,750 میٹرک ٹن تھی۔

سیلز حجم میں کمی کے باوجود زیر جائزہ مدت (جولائی تا مارچ 2023) میں سیلز ویلیو (Sales Value) 38,264 ملین روپے درج کی گئی، جو کہ گزشتہ سال اسی مدت میں 28,478 ملین روپے تھی۔ خام مال اور ایندھن کی بڑھتی ہوئی قیمتوں کے ساتھ ساتھ روپے کی تیزی سے گراوٹ اور مقامی افراط زر کی وجہ سے لاگت میں ہونے والے اضافہ کا ازالہ کرنے کے لئے کمپنی مصنوعات کی قیمتوں میں باقاعدگی سے ردوبدل کیا گیا جس سے سیلز ویلیو میں اضافہ دیکھنے میں آیا۔

مالیاتی کارکردگی

زیر جائزہ مدت (جولائی تا مارچ 2023) میں کمپنی نے 3,335 ملین روپے کا مجموعی منافع کمایا جو کہ گزشتہ سال اسی مدت میں 3,759 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا مارچ 2023) میں کمپنی نے خالص آپریٹنگ منافع 2,589 ملین روپے ریکارڈ کیا جو کہ گزشتہ سال کی اسی مدت میں 2,981 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا مارچ 2023) میں مالیاتی اخراجات 1,487 ملین روپے تک ہو گئے جو گزشتہ سال اسی مدت میں 438 ملین روپے تھے جس کی بنیادی وجہ شرح سود میں اضافہ اور بڑھتی ہوئی مالیاتی ضروریات رہیں۔

مالیاتی اخراجات متبہا کرنے کے بعد زیر جائزہ مدت (جولائی تا مارچ 2023) میں قبل از ٹیکس منافع 1,102 ملین روپے رہا جو گزشتہ سال اسی مدت میں 2,543 ملین روپے تھا۔

کمپنی نے زیر جائزہ مدت (جولائی تا مارچ 2023) میں 738 ملین روپے کا بعد از ٹیکس خالص منافع کمایا جو گزشتہ سال اسی مدت میں 1,795 ملین روپے تھا۔

ڈائریکٹر کا جائزہ

فی شیئر آمدنی

زیر جائزہ مدت میں فی شیئر آمدنی 3.31 روپے رپورٹ کی گئی جو کہ گذشتہ سال اسی مدت میں 8.04 روپے تھی۔
زیر جائزہ مدت کے دوران ہونے والے 10% پلس شیئرز (20,288,532) کے اجراء کو موجودہ اور گزشتہ اوسط شیئرز میں بین الاقوامی فنانشل رپورٹنگ اصولوں کے تحت شامل کیا گیا ہے۔
زیر جائزہ مدت اور گذشتہ سال اسی مدت کے لیے فی شیئر آمدنی کمزور پڑنے کے کوئی آثار نہیں ہیں۔

توازن / جدت / تبدیلی اور ڈیجیٹائزیشن

پیپر اور بورڈ مشینوں، کوجنیشن پلانٹس اور معاون مشینوں کی اپ گریڈیشن کے منصوبوں اور گرڈ (GRID) اسٹیشن کے لوڈ کو 5MW سے 16MW تک بڑھانے کے منصوبوں کو اس سال کے اختتام تک پایہ تکمیل تک پہنچانے کے عزم کے ساتھ کام جاری ہے۔

کاروباری سماجی ذمہ داری

اس مدت کے دوران کمپنی کے کاروباری سماجی ذمہ داری کی مد میں تعلیم، صحت، گرد و نواح کی فلاح و بہبود اور ذریعہ معاش کی فراہمی کے لئے مختلف اقدامات جاری رہے۔ کمپنی نے معروف این جی او (NGO) کے ساتھ مل کر آس پاس کے علاقوں میں تعلیمی سہولیات کو بڑھانے کے لئے تعاون کیا ہے اور کشمیر کے دور دراز علاقوں میں ایک اسکول کو بھی اپنے زیر انتظام لیا ہے۔ اس کے علاوہ مقامی انتظامیہ کے تعاون سے سیلاب سے متاثرہ علاقوں میں اشیاء خورد و نوش کی فراہمی بھی جاری ہے۔

قریب مدتی منظر نامہ

پیپر اور بورڈ مصنوعات کی مانگ میں کمی آئی ہے جس کی بنیادی وجہ افراط زر کی وجہ سے عوام کی قوت خرید میں ہونے والی کمی ہے۔ مزید برآں عالمی کساد بازاری درآمدی مصنوعات کو صارفین کے لئے مزید پرکشش بنا رہی ہے جو کہ کمپنی کی مصنوعات کی موجودہ قیمتوں پر رائج مانگ پر دباؤ ڈال رہی ہے۔ مزید یہ کہ سستی مقامی متبادل مصنوعات کی طرف منتقلی کا رجحان بھی نمایاں ہے۔ جس کی وجہ سے صورتحال مزید خراب ہو رہی ہے۔ درآمدی پابندیاں اور کرنسی کی قدر میں کمی بھی درآمدی خام مال کی دستیابی میں رکاوٹیں پیدا کر رہی ہے جس کے نتیجے میں درآمدی خام مال کی قیمتوں میں اضافہ ہو رہا ہے۔
دریں اثناء مقامی خام مال کی قیمتیں بلند افراط زر کی وجہ سے بڑھ رہی ہیں۔ لہذا کمپنی کی انتظامیہ صارفین کی ترجیحی ضروریات کو پورا کرنے کے لئے انوینٹری کے بہترین استعمال کی حکمت عملی پر عمل پیرا ہے۔ اس حکمت عملی میں بڑھتی ہوئی لاگت کے منفی اثرات کو کم کرنے اور مارکیٹ کے مشکل حالات کے درمیان رہتے ہوئے کسٹمرز کو برقرار رکھنے کے لئے مصنوعات کی قیمتوں کا جائزہ اور ان میں مناسب رد و بدل شامل ہے۔

اظہار تشکر

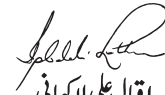
آپ کے ڈائریکٹرز کمپنی کے عملے اور ملازمین کی محنت اور پُر خلوص کارکردگی کا اعتراف کرتے ہیں۔ وہ مسلسل سرپرستی اور وابستگی پر اپنے سپلائرز، کسٹمرز اور بینکوں کو بھی خراج تحسین پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



آفتاب احمد

چیف ایگزیکٹو آفیسر



اقبال علی لاکھانی

چیئر مین

کراچی: اپریل 26، 2023



Condensed Interim Statement of Financial Position


as at March 31, 2023 (Un-audited)

		March 31, 2023	June 30, 2022 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	8,573,752	8,431,821
Operating fixed assets	8	3,128,131	2,772,027
Capital work in progress		11,701,883	11,203,848
Intangible assets		15,241	17,413
Long-term advances	9	1,004	20,879
Long-term deposits		7,881	7,881
		11,726,009	11,250,021
CURRENT ASSETS			
Stores and spares	10	3,218,349	3,428,694
Stock-in-trade	11	9,542,190	8,399,438
Trade debts		5,683,235	4,560,936
Advances	12	216,866	239,587
Trade deposits and short-term prepayments	13	44,664	20,412
Other receivables		23,940	39,548
Tax refunds due from Government	14	97,591	97,591
Taxation - net		391,885	-
Cash and bank balances	15	969,632	759,729
		20,188,352	17,545,935
TOTAL ASSETS		31,914,361	28,795,956
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 410,000,000 (June 30, 2022: 410,000,000) shares of Rs. 10 each		4,100,000	4,100,000
Issued, subscribed and paid-up capital 223,173,847 (June 30, 2022: 202,885,316) ordinary shares of Rs. 10 each		2,231,739	2,028,854
Reserves		10,732,791	10,197,608
		12,964,530	12,226,462
NON - CURRENT LIABILITIES			
Long-term financing	16	5,481,730	2,036,774
Lease liabilities	17	27,158	37,209
Deferred taxation		817,690	976,531
Deferred capital grant	18	278,486	325,905
		6,605,064	3,376,419
CURRENT LIABILITIES			
Trade and other payables	19	5,103,857	4,912,842
Short-term borrowings	20	5,887,272	7,512,902
Interest and mark-up accrued	21	258,430	185,207
Taxation - net		-	39,774
Unclaimed dividend		1,721	1,753
Current portion of long-term lease liabilities		13,042	11,042
Current portion of deferred capital grant	18	113,801	114,862
Current portion of long-term financing	16	966,644	414,693
		12,344,767	13,193,075
TOTAL EQUITY AND LIABILITIES		31,914,361	28,795,956
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

CENTURY PAPER & BOARD MILLS LIMITED



Condensed Interim Statement of Profit or Loss


for the period ended March 31, 2023 (Un-audited)

		Nine months ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Note	(Rupees in thousands)			
Turnover - net	23	38,264,406	28,477,845	13,339,327	10,562,543
Cost of sales	24	(34,929,336)	(24,718,595)	(11,727,842)	(9,100,391)
Gross profit		3,335,070	3,759,250	1,611,485	1,462,152
General and administrative expenses		(630,792)	(508,908)	(208,539)	(175,243)
Selling expenses		(68,492)	(59,172)	(24,043)	(21,329)
Distribution expenses		(134,994)	(106,188)	(45,005)	(34,472)
Other operating charges					
Workers' Profit Participation Fund		(59,162)	(136,590)	(44,730)	(54,315)
Workers' Welfare Fund		(22,482)	(51,904)	(16,998)	(20,639)
Others		(19,474)	(25,553)	(2,817)	(9,402)
		(101,118)	(214,047)	(64,545)	(84,356)
Other income	25	189,056	110,421	72,827	43,599
Operating profit		2,588,730	2,981,356	1,342,180	1,190,351
Finance cost	26	(1,487,134)	(438,049)	(509,301)	(178,994)
Profit before taxation		1,101,596	2,543,307	832,879	1,011,357
Taxation					
Current		(522,369)	(569,557)	(210,806)	(264,997)
Prior year		-	(10,969)	-	(6,428)
Deferred		158,841	(168,002)	(74,794)	(28,293)
		(363,528)	(748,528)	(285,600)	(299,718)
Profit for the period		738,068	1,794,779	547,279	711,639
Earnings per share			Restated		Restated
- basic and diluted (Rupees)	27	3.31	8.04	2.45	3.19

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
 Chairman / Director


AFTAB AHMAD
 Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
 Chief Financial Officer



Condensed Interim Statement of Comprehensive Income

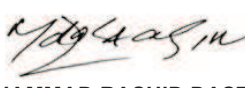
for the period ended March 31, 2023 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousands)			
Profit for the period	738,068	1,794,779	547,279	711,639
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>738,068</u>	<u>1,794,779</u>	<u>547,279</u>	<u>711,639</u>

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Cash Flows


for the period ended March 31, 2023 (Un-audited)

		Nine months ended	
		March 31, 2023	March 31, 2022
	Note	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	28	1,772,954	2,190,096
Finance cost paid		(1,413,911)	(336,970)
Taxes paid		(954,028)	(1,263,016)
Gratuity paid		(51,329)	(42,744)
Workers' Profit Participation Fund paid		(175,118)	(229,057)
Long-term advances		19,875	(19,701)
Long-term deposits		-	(1,000)
GIDC payable		-	(38,494)
Net cash (used in) / generated from operating activities		(801,557)	259,114
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,325,693)	(2,363,250)
Proceeds from sale of property, plant and equipment		9,693	2,250
Profit received on term deposit in bank		12,716	-
Net cash used in investing activities		(1,303,284)	(2,361,001)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing from associate companies		-	(1,325,000)
Proceeds from long-term financing from banking companies		4,241,906	1,465,499
Repayment of long-term financing from banking companies		(293,480)	(434,581)
Principle paid on lease Liability		(8,051)	(6,346)
Dividend paid on ordinary shares		-	(264,161)
Net cash generated from / (used in) financing activities		3,940,374	(564,588)
Net increase / (decrease) in cash and cash equivalents		1,835,533	(2,666,474)
Cash and cash equivalents at the beginning of the period		(6,753,173)	(1,685,741)
Cash and cash equivalents at the end of the period		(4,917,640)	(4,352,215)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	969,632	867,464
Short-term borrowings	20	(5,887,272)	(5,219,679)
		(4,917,640)	(4,352,215)

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



for the period ended March 31, 2023 (Un-audited)

The annexed notes from 1 to 35 form an integral part of these condensed interim financial statements.

MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

Century Paper & Board Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on August 2, 1984 under the repealed Companies Ordinance, 1984 (now Companies Act 2017) and its ordinary shares are listed on Pakistan Stock Exchange. The Company is engaged in manufacturing and marketing of paper, board and related products.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. The mills (plant) of the Company is located at 62 KM, Lahore - Multan Highway, N-5, District Kasur, Pakistan, and a regional office of the Company is located at 14-Ali Block, New Garden Town, Lahore, Pakistan.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements are unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the nine months ended March 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine months ended March 31, 2022.

3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis, except for the recognition of certain staff retirement benefits at present value. These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flows information.

3.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani rupees ('Rs.') which is the functional and presentation currency of the Company.

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

4. SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2022.

4.1 Initial application of standards, amendments or an interpretation to existing standard

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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, 2022.

6. TAXATION

The provisions for taxation for the nine months and quarter ended March 31, 2023, have been made using the best estimated effective tax rate applicable to expected total annual earnings. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

	Note	March 31, 2023	June 30, 2022 (Audited)
(Rupees in thousands)			
7. OPERATING FIXED ASSETS			
Fixed assets	7.1	8,542,981	8,392,608
Right-of-use assets	7.2	30,771	39,213
		8,573,752	8,431,821
7.1 Fixed Assets			
Opening net book value (NBV)		8,392,610	8,651,732
Additions during the period / year at cost	7.1.1	964,090	804,317
		9,356,700	9,456,049
Disposals during the period / year at NBV	7.1.4	(3,277)	(3,427)
Depreciation charge for the period / year		(810,442)	(1,060,014)
		(813,719)	(1,063,441)
Closing net book value (NBV)		8,542,981	8,392,608

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

**March 31,
2023** June 30,
2022
(Audited)

(Rupees in thousands)

7.1.1 Detail of additions (at cost) during the period / year are as follows:

Freehold land	-	165,351
Buildings on freehold land	70,657	29,824
Plant and machinery	805,245	513,922
Furniture and fixtures	283	1,236
Vehicles	56,702	48,121
Electrical and other equipment	18,111	15,157
Computers	13,091	30,707
	964,090	804,317

7.1.2 This includes transfers from capital work in progress amounting to Rs. 794.59 million (June 30, 2022: Rs. 508.14 million).

7.1.3 The free hold land is located at Village Jumber Khurd, Tehsil Pattoki, District Kasur and area of land is 170.6 acres (June 30, 2022: 170.6 acres).

7.1.4 Detail of disposals (at NBV) during the period / year are as follows:

Vehicles	3,277	3,427
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7.2 Right-of-use assets

Opening net book value (NBV)	39,213	50,472
Depreciation charge for the period / year	(8,442)	(11,259)
	30,771	39,213

8. CAPITAL WORK IN PROGRESS

This comprises of:

Building	90,377	55,073
Plant and machinery	3,037,755	2,716,954
	3,128,131	2,772,027

8.1 Movement of carrying amount is as follows:

Opening balance	2,772,027	1,244,059
Additions (at cost) during the period / year	1,150,693	2,036,110
	3,922,720	3,280,169
Transfer to operating fixed assets during the period / year	(794,589)	(508,142)
Closing balance	3,128,131	2,772,027

8.1.1 This includes advances to suppliers amounting to Rs. 37.95 million (June 30, 2022: Rs. 50.20 million).

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

		March 31, 2023	June 30, 2022 (Audited)
	Note	(Rupees in thousands)	
9. LONG-TERM ADVANCES			
(Unsecured - considered good)			
Long-term advances to suppliers	9.1	<u>1,004</u>	<u>20,879</u>
9.1 This represents advances to suppliers against purchases of vehicles in the normal course of business which does not carry any interest / mark-up.			
10. STORES AND SPARES			
In hand			
Stores		1,376,503	1,122,051
Spares		863,964	666,602
Fuel		<u>962,290</u>	<u>1,466,750</u>
		<u>3,202,757</u>	<u>3,255,403</u>
In transit - Spares		<u>74,402</u>	<u>232,101</u>
		<u>3,277,159</u>	<u>3,487,504</u>
Provision for slow moving stores and spares		<u>(58,810)</u>	<u>(58,810)</u>
		<u>3,218,349</u>	<u>3,428,694</u>
11. STOCK-IN-TRADE			
Raw materials			
in hand		7,352,048	4,221,148
in transit		<u>1,148,032</u>	<u>2,639,125</u>
		<u>8,500,080</u>	<u>6,860,273</u>
Work-in-process		101,101	206,536
Finished goods		<u>941,009</u>	<u>1,332,629</u>
		<u>9,542,190</u>	<u>8,399,438</u>
12. ADVANCES			
Advances			
to employees		4,964	2,068
to suppliers		<u>211,902</u>	<u>237,519</u>
	12.1	<u>216,866</u>	<u>239,587</u>
12.1 This represents advances in the normal course of the business and do not carry any interest / mark-up.			
13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits	13.1	2,900	4,480
Prepayments		<u>41,764</u>	<u>15,932</u>
		<u>44,664</u>	<u>20,412</u>
13.1 This represents short term deposits in the normal course of the business and do not carry any interest / mark-up.			

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

		March 31, 2023	June 30, 2022 (Audited)
	Note	(Rupees in thousands)	
14. TAX REFUNDS DUE FROM GOVERNMENT			
Income tax	14.1	81,528	81,528
Sales tax	14.2	16,063	16,063
		<u>97,591</u>	<u>97,591</u>
14.1	There has been no significant change in the status as set out in note 16 to the annual financial statements of the Company for the year ended June 30, 2022.		
15. CASH AND BANK BALANCES			
Cash at bank in current account			
Conventional mode		286,538	329,768
Cash at bank - Term deposit	15.1	236,768	-
Cheques in hand		444,301	427,608
Cash in hand		2,025	2,353
		<u>969,632</u>	<u>759,729</u>
15.1	This represents term deposits under lien with bank as security for bank guaranties (Open Ended) as referred to in note 22.1(a) and carries profit at the rates 15.42% per annum.		
16. LONG TERM FINANCING			
From banking companies			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Faysal Bank Limited - Musharaka	16.1	434,805	392,566
Bank Islami Pakistan Limited	16.1	190,589	182,433
Meezan Bank Limited - Musharaka	16.2	4,000,000	-
		<u>4,625,394</u>	<u>574,999</u>
Conventional mode			
Syndicated - Consortium of Banks	16.3	1,250,478	1,274,118
Habib Metropolitan Bank Limited	16.3	128,768	124,286
JS Bank	16.3	322,839	153,095
Allied Bank Limited - Term Loan - 1	16.4	-	102,062
Allied Bank Limited - Term Loan - 2	16.5	120,895	152,557
Allied Bank Limited - Term Loan - 3	16.6	-	70,350
		<u>1,822,980</u>	<u>1,876,468</u>
		<u>6,448,374</u>	<u>2,451,467</u>
Current portion shown under current liabilities:			
Islamic mode		(609,720)	(50,000)
Conventional mode		(356,924)	(364,693)
		<u>(966,644)</u>	<u>(414,693)</u>
		<u>5,481,730</u>	<u>2,036,774</u>

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

Note	Borrowed Rs. in Million	Purpose	Rate of Mark-up	Tenor	Repayment Installments
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16.1 Islamic Temporary Economic Refinance Facility (ITERF) Schemes of the State Bank of Pakistan

500	Balancing, Modernization and	2.20%	7 Years	20 Quarterly
250	Replacement (BMR) of plant and machinery	3.05%	10 Years	32 Quarterly

The finance facility is secured by way of mortgage of immovable properties and/or First Pari Passu Hypothecation Charge over the fixed assets of the Company along with 25% Margin.

16.2 Diminishing Musharakah Financing

4000	To rationalize use of short term working capital limits	3 months KIBOR + 0.15%	5 Years	16 Quarterly
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The finance facility is initially secured by way of ranking charge and will be upgraded to 1st Pari Passu Hypothecation Charge over all present and future movable fixed assets (including Plant & Machinery) of the Company with 25% margin.

16.3 Temporary Economic Refinance Facility (TERF) Schemes of the State Bank of Pakistan

1500	Balancing, Modernization and	2.20%	7 Years	20 Quarterly
200	Replacement (BMR) of plant and	4.50%	10 Years	32 Quarterly
400	machinery	5%	10 Years	32 Quarterly

The finance facility is secured by way of mortgage of immovable properties and/or First Pari Passu Hypothecation Charge over the fixed assets of the Company along with 25% Margin.

16.4 Under Refinance Scheme of the State Bank of Pakistan for payment of salaries and wages

The finance facility has been fully repaid during the period at its maturity date.

16.5 Renewable Energy Finance Facility Scheme of the State Bank of Pakistan

400	Solar Grid Panels	2.75% to 4.50%	7 Years	28 Quarterly
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This term loan are secured by way of First Hypothecation Charge over all assets belonging to the Company with 25% margin.

16.6 Term Loan

This financing facility has been fully repaid during the period at its maturity date.

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

		March 31, 2023	June 30, 2022 (Audited)
	Note	(Rupees in thousands)	
17. LEASE LIABILITIES			
Lease liabilities	17.1	40,200	48,251
Current portion		(13,042)	(11,042)
	17.2	27,158	37,209
17.1 Maturity analysis of contractual cashflow:			
Less than one year		13,042	11,042
One to five year		27,158	37,209
Net present value		40,200	48,251
17.2	These lease liabilities were recognized against right to use assets (Refer note no.7.2). The rate of return used as the discounting factor at the time of recognition is 14% and 9% (June 30, 2022: 14% and 9%) per annum.		
18. DEFERRED CAPITAL GRANT			
Capital grant	18.1	392,287	440,767
Current portion shown under current liability		(113,801)	(114,862)
		278,486	325,905
18.1	Following is the movement in government grant during the period / year:		
Opening balance		440,767	247,584
Addition during the period / year		42,909	301,168
Amortized during the period / year		(91,389)	(107,985)
Closing balance		392,287	440,767
This represents government grant recognized on term finance facilities:			
- The term finance facilities obtained under SBP Refinance Scheme from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" for Balancing, Modernization and Replacement (BMR) of Paper & Board Machines, Co-generation Plants and Auxiliaries relating thereto.			
These deferred capital grants have been recorded in accordance with the IAS-20 Government Grants and are being amortized on a systematic basis over the respective tenor of loans.			
19. TRADE AND OTHER PAYABLES			
Creditors	19.1	2,623,324	1,156,076
Foreign bills payable		360,825	1,647,963
Accrued liabilities		1,178,160	1,175,680
Sales tax payable - net		267,921	29,085
Contract liabilities	19.2	96,573	242,619
Gratuity payable		111,412	118,363
Workers' Profit Participation Fund		59,162	175,118
Workers' Welfare Fund		92,027	139,150
Provident fund payable		11,063	10,132
Other liabilities		303,390	218,656
		5,103,857	4,912,842

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

19.1 The aggregate amount of the outstanding balance due of associated undertakings is Rs. 94.47 million (June 30, 2022: Rs. 3.94 million).

19.2 This represents the amount of consideration received from customers before the related goods are transferred.

	March 31, 2023	June 30, 2022 (Audited)
Note	(Rupees in thousands)	

20. SHORT TERM BORROWINGS

From banking companies - secured

Running finances

Islamic mode

Conventional mode

	1,120,529	717,738
	4,766,743	6,795,164
20.1	5,887,272	7,512,902

20.1 The Company has available aggregate short term running finance facilities amounting to Rs. 15,700 million (June 30, 2022: Rs. 12,800 million). Markup rates are linked with KIBOR from one to three months plus spread ranging from 0.05% to 1.50% (June 30, 2022: from 0.05% to 1.50%) per annum.

20.2 The Company has available aggregate sub-limits for FE loans under facilities for running finance and letters of credit amounting to Rs. 10,230 million (June 30, 2022: Rs. 8,930 million).

21. INTEREST AND MARK-UP ACCRUED

Interest and mark-up accrued on:

Long-term financing from Banks

Islamic mode

Conventional mode

	27,243	11,252
	13,873	17,226
	41,116	28,478

Short-term borrowings from Banks

Islamic mode

Conventional mode

	71,473	37,841
	145,841	118,888
	217,314	156,729
	258,430	185,207

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 1,237.19 million (June 30, 2022: Rs. 941 million) including guarantee relating to Sindh Infrastructure Cess amounting to Rs. 500 million (June 30, 2022: Rs. 400 million) furnished to Excise and Taxation Department.

During the period, new guarantees of Rs.236.77 million have been furnished including Rs.136.77 million in favor of the "NAZIR HIGH COURT OF SINDH KARACHI" in accordance with the order of the Honorable High Court of Sindh on the matter of super tax and additional guarantee of Rs.100.00 million in favor of "EXCISE & TAXATION DEPARTMENT" (Refer note no.15.1).

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

b) Sales tax

- 1) An appeal was filed by the Company before the Appellate Tribunal, Punjab Revenue Authority against Order No. PRA 328/2018 dated November 06, 2019 passed by Commissioner (Appeal) determining the liability of Rs. 30 million.

During the period the Appellate Tribunal, Punjab Revenue Authority has issued an Order No. PRA 10/2023 dated February 14, 2023 upholding the demand of Rs. 30 million. However, the Company has filed a reference application before Honorable Lahore High Court against the decision with the plea that order by the Appellate Tribunal was passed without comprehensive concluding the evidence and explanation provided by the Company. The management is of the opinion, based on the advice of legal adviser that the decision is likely to be in the favor of the Company.

- 2) Five cases of inadmissible input sale tax amounting to Rs. 94.45 million were adjudicated against the Company by Deputy Commissioner Inland Revenue. The appeals were filed by the Company against these orders at respective forum. These cases were remanded back to the adjudicating authorities by the Appellate Authorities with the direction to verify the compliance of the Company with the relevant provisions of the Sales Tax Act, 1990. No provision has been made in these financial statements as the management is of the opinion, based on advice of tax advisor, that the decision is likely to be in the favor of the Company.

22.2 Commitments

The Company's commitments as at statement of financial position date are as follows:

- Letters of credit other than for capital expenditure at the end of the period amounted to Rs. 1,182.05 million (June 30, 2022: Rs. 7,038.07 million).
- Capital expenditure including letters of credit amounted to Rs. 39.39 million (June 30, 2022: Rs. 354.78 million).

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2023
	(Rupees in thousands)			
23. TURNOVER				
Local turnover	44,499,285	33,270,135	15,652,647	12,329,062
Export turnover	230,472	6,324	-	6,324
	44,729,757	33,276,459	15,652,647	12,335,386
Sales tax	(6,465,351)	(4,798,614)	(2,313,320)	(1,772,843)
Net turnover	38,264,406	28,477,845	13,339,327	10,562,543

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousands)			
24. COST OF SALES				
Materials consumed	22,922,330	16,199,557	7,247,118	5,929,176
Fuel and power	7,990,912	5,177,257	2,385,710	1,936,824
Depreciation on property, plant and equipment	764,311	755,542	259,521	250,382
Salaries, wages and other benefits	1,004,535	870,526	341,287	303,996
Stores and spare consumption	738,606	676,269	274,487	255,436
Repairs and maintenance	167,967	136,654	54,487	48,250
Packing expenses	750,570	632,384	235,762	204,597
Insurance	88,817	71,924	31,516	25,661
Provision for slow moving stores and spares	-	4,500	-	1,500
Rent rates and taxes	4,233	3,143	1,429	1,066
Manufacturing cost	34,432,281	24,527,756	10,831,317	8,956,888
Work-in-process				
Opening stock	206,536	127,238	191,181	165,214
Closing stock	(101,101)	(178,888)	(101,101)	(178,888)
	105,435	(51,650)	90,080	(13,674)
Cost of goods manufactured	34,537,716	24,476,106	10,921,397	8,943,214
Finished goods				
Opening stock	1,332,629	923,783	1,747,454	838,471
Closing stock	(941,009)	(681,294)	(941,009)	(681,294)
	391,620	242,489	806,445	157,177
	34,929,336	24,718,595	11,727,842	9,100,391
25. OTHER INCOME				
Sale of scrap	141,798	91,113	53,655	39,648
Gain on sale of operating fixed assets – net	6,415	1,519	-	-
Government grants	26,965	13,446	10,729	3,598
Profit on term deposit at bank	13,385	-	7,955	-
Others	493	4,343	488	353
	189,056	110,421	72,827	43,599

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

Note	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousands)			
26. FINANCE COST				
Long-term financing - banks				
Islamic mode	353,231	-	183,300	(1,534)
Conventional mode	32,990	35,931	12,520	11,557
	386,221	35,931	195,820	10,023
Long term loan from associated undertakings	-	47,417	-	13,671
	386,221	83,348	195,820	23,694
Short term borrowings				
Islamic mode	216,754	22,045	64,629	9,870
Conventional mode	863,401	308,510	245,648	138,773
	1,080,155	330,555	310,277	148,643
Workers' profit participation fund	6,767	616	-	-
Bank charges and commission	9,827	7,693	2,008	2,552
Finance cost on Leases	3,814	4,620	1,196	1,481
Finance cost on GIDC	350	11,217	-	2,624
	1,487,134	438,049	509,301	178,994

27. EARNINGS PER SHARE - BASIC AND DILUTED

The basic earnings per share as required under "IAS 33 Earnings per share" is given below:-

Profit for the period	738,068	1,794,779	547,279	711,639
		Restated		Restated
Weighted average number of ordinary shares (in thousands)	223,174	223,174	223,174	223,174
Basic earnings per share (Rupees)	27.1 3.31	8.04	2.45	3.19

27.1 There is no dilutive effect on the basic earnings per shares of the Company. The Corresponding figures have been restated retrospectively to include the impact of 20,288,531 bonus shares issued during the reporting period as required by IFRS.

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

for the period ended March 31, 2023 (Gf added)

		Nine months ended	
		March 31, 2023	March 31, 2022
		(Rupees in thousands)	
	Note		
28. CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,101,596	2,543,307
Adjustment for non cash charges and other items:			
Depreciation on property, plant and equipment		818,886	800,787
Amortization of intangible assets		4,538	2,762
Gain on disposal of operating fixed assets		(6,415)	(1,519)
Provision for gratuity		44,378	34,024
Provision for slow moving stores and spares		-	4,500
Workers' Profit Participation Fund		59,162	136,590
Finance cost		1,487,134	438,049
Profit on term deposit		(13,385)	-
Changes in current assets / current liabilities	28.1	(1,722,940)	(1,768,404)
		671,358	(353,211)
		1,772,954	2,190,096
28.1 Changes in current assets / current liabilities			
(Increase) / decrease in current assets			
Stores and spares		210,345	(601,288)
Stock-in-trade		(1,142,752)	(893,002)
Trade debts		(1,122,299)	(870,226)
Advances		22,721	45,033
Trade deposits and short-term prepayments		(24,252)	(27,564)
Other receivables		16,277	(1,741)
		(2,039,960)	(2,348,788)
Increase / (decrease) in current liabilities			
Trade and other payables		317,020	580,384
		(1,722,940)	(1,768,404)

29. TRANSACTIONS AND BALANCES 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:

Nature of transaction	Nature of Relation	Basis of Relation	Nine months ended		Quarter ended	
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees in thousands)						
Sale of goods, Services and Reimbursement of expenses						
Merit Packaging Limited	Associated company	Common Director	2,719,155	1,756,175	916,076	690,548
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	679,634	840,695	250,466	309,810
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	1,404	595	630	91
Cyber Internet Services (Private) Limited	Associated company	Common Director	2,882	1,479	729	310
Sybrid (Private) Limited	Associated company	Common Director	241	-	-	-

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

Nature of transaction	Nature of Relation	Basis of Relation	Nine months ended		Quarter ended	
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees in thousands)						
Purchase of goods, Services and Reimbursement of expenses						
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	217,502	180,170	12,194	19,334
Merit Packaging Limited Lakson Business Solutions Limited	Associated company	Common Director	141,198	95,520	47,201	24,387
Hassanali and Gulbanoo Lakhani Foundation	Associated company	Common Director	10,600	5,156	3,617	2,258
Princeton Travels (Private) Limited	Associated undertaking	Trustee	3,448	2,719	925	509
SIZA Services (Private) Limited	Associated company	Common Director	3,539	2,835	1,072	1,040
Cyber Internet Services (Private) Limited	Associated company	Common Director and 22.81% shares held	2,846	2,627	949	876
SIZA (Private) Limited	Associated company	Common Director	15,543	9,650	5,228	3,356
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director and 27.31% shares held	253	228	163	146
Express Publications (Private) Limited	Associated company	Common Director	80	91	25	9
Sybrid (Private) Limited	Associated company	Common Management	1,324	1,613	664	497
SIZA Foods (Private) Limited	Associated company	Common Director	7,644	17,074	2,256	3,322
Pakistan Special Olympic	Associated company	Common Director	-	44	-	20
	Related Party	-	-	124	-	124
Rent and other allied charges						
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	6,415	6,088	2,172	2,057
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	3,154	2,903	1,053	986
SIZA Services (Private) Limited	Associated company	Common Director and 22.81% shares held	650	604	223	215
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	149	141	50	48
Mark-up accrued						
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	-	24,851	-	5,202
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	16,196	-	8,469
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	-	6,371	-	-

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

Nature of transaction	Nature of Relation	Basis of Relation	Nine months ended		Quarter ended	
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees in thousands)						
Long term loan Paid						
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	-	425,000	-	-
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	650,000	-	200,000
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	-	250,000	-	-
Cash dividend						
Premier Fashions (Private) Ltd	Associated company	Common Director and 8.97% shares held	-	23,740	-	-
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	72,271	-	-
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	-	22,499	-	-
SIZA Services (Private) Limited	Associated company	Common Director and 22.81% shares held	-	58,707	-	-
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	-	1,133	-	-
Accuray Surgicals Limited	Associated company	Common Director and 1.26% shares held	-	3,336	-	-
Directors, CEO & their Spouses	Related Parties	-	-	223	-	-
Stock dividend						
Premier Fashions (Private) Ltd	Associated company	Common Director and 8.97% shares held	18,200	23,740	-	-
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	55,408	72,271	-	-
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	17,249	22,499	-	-
SIZA Services (Private) Limited	Associated company	Common Director and 22.81% shares held	45,009	58,707	-	-
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	869	1,133	-	-
Accuray Surgicals Limited	Associated company	Common Director and 1.26% shares held	2,558	3,336	-	-
Directors, CEO & their Spouses	Related Parties	-	171	223	-	-
Others						
Contribution to Staff Retirement Benefit Plans	Employees Fund	-	99,049	85,820	34,043	29,259
Remuneration and other benefits	Key Management Personnel	-	285,021	267,257	91,962	86,366

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)

	March 31, 2023	June 30, 2022 (Audited)
	(Rupees in thousands)	
29.1 Period / year end balances		
Receivable from related parties	1,338,608	800,969
Payable to related parties	94,467	3,938
Payable to retirement benefit plan	122,475	128,495

30. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values. Fair value is the amount for which asset could be exchanged or liability settled between knowledgeable, willing parties in an arm length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

Transfers during the period

During the period ended March 31, 2023, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

32. NUMBER OF EMPLOYEES

The number of employees as at period ended March 31, 2023 was 1,665 (June 30, 2022: 1,666) and average number of employees during the period was 1,662 (June 30, 2022: 1,657).

33. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 26, 2023 by the Board of Directors of the Company.

34. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

Notes to the Condensed Interim Financial Statements

for the period ended March 31, 2023 (Un-audited)


Margins held by bank against import amounting to Rs. 39.13 million previously included in "Goods in transit (GIT) under the head of "Stocks in trade" and "Stores and spares" have now been separately disclosed under the head of "Other receivables".

35. GENERAL

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


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



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Regional Sales Office (North)

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