

FIRST QUARTER REPORT
SEPTEMBER 2018



Clean - Green - Sustainable



Century Paper & Board Mills Limited



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Corporate Information

Board of Directors

Iqbal Ali Lakhani	- Chairman
Amin Mohammed Lakhani	
Anushka Zulfiqar Lakhani	
Tasleemuddin Ahmed Batlay	
Shahid Ahmed Khan	
Kemal Shoaib	
Engr. M. Abdul Jabbar	- Nominee Director (NIT)
Aftab Ahmad	- Chief Executive Officer

Advisor

Sultan Ali Lakhani

Audit Committee

Kemal Shoaib	- Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	

Human Resource & Remuneration Committee

Engr. M. Abdul Jabbar	- Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
Aftab Ahmad	- Chief Executive Officer

Chief Financial Officer

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

Company Secretary

Mansoor Ahmed
Email: mansoor-ahmed@centurypaper.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

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

Directors' Review

On behalf of the Board of Directors I am pleased to present the performance review of your Company together with the un-audited financial statements for the first quarter ended September 30, 2018.

Operations and Sales Review

The Company produced 53,940 metric tons during the quarter under review (July-September 2018) as compared to 49,992 metric tons of the corresponding quarter of the last year.

The Company sold 48,371 metric tons of its products for the quarter under review (July-September 2018) same as of the corresponding quarter.

In terms of value, the net sales of the Company for the quarter under review (July-September 2018) increased to Rs. 4,760 million as compared to Rs. 4,014 million of the corresponding quarter of last year showing an increase of 18%.

Financial Performance

For the quarter under review (July-September 2018), the Company posted gross profit of Rs. 566 million compared to Rs. 478 million of the corresponding quarter of last year registering an increase of 18%.

The net operating profit for the quarter under review (July-September 2018) is recorded at Rs. 411 million as compared to Rs. 337 million of the corresponding quarter of last year.

Finance cost for the quarter under review (July-September 2018) increased to Rs. 139 million as compared to Rs. 120 million of the corresponding quarter of last year on the backdrop of upward trajectory of interest rates and enhanced working capital requirements.

After taking into account the financial charges, the Company has posted a profit before tax of Rs. 272 million as compared to profit before tax of Rs. 217 million for the corresponding quarter of last year.

After accounting for tax, the Company has made a net profit of Rs. 204 million for the quarter under review as compared to a profit of Rs. 152 million for the corresponding quarter of the last year.



Directors' Review

Earnings per Share

The basic earnings per share is reported at Rs. 1.25 as compared to basic earnings per share of Rs. 0.92 of the comparable quarter of the last year. There is no dilution effect on the earnings per share for the quarter under review and corresponding quarter of the last year.

Redemption of Preference Shares

During the period, Board of Directors of the Company has approved redemption of outstanding preference share capital of Rs. 901.21 million along with proportionate dividend thereon upto the date of redemption as per terms, conditions, rights and privileges of preference shares. The terms, conditions, rights and privileges of preference shares were earlier approved by the SECP. The redemption process will be completed by the end of current month. Directors of your Company have taken this decision in the best interest of the Company as well as of its Ordinary shareholders.

Near Term Outlook

Stable market demand and upside movement in Cost & Freight (C&F) prices of imported products have shifted the market inclination toward indigenous products. We expect that sales volumes will be improved in second quarter as peak season of demand for paper & paperboard products has just started. Your Company closely monitors the market dynamics and always endeavors to attain volumetric growth with optimal product mix. Price adjustments are considered primarily to the extent necessary to recover the impact of escalations in key input costs.

Acknowledgments

Your Directors appreciate the continued support and commitment of all the stakeholders. They are especially thankful to the Banks and financial institutions. They also wish to acknowledge, hard and sincere work of the staff and employees of the Company.

On behalf of the Board of Directors


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director

Karachi: October 18, 2018

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2018ء کو ختم ہونے والے سہ ماہی کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

آپریشنز اور سیلز کا جائزہ

کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2018) کے دوران 53,940 میٹرک ٹن پیپر اور پیپر بورڈ کی پیداوار دی، جو کہ گزشتہ سال کی اسی مدت میں 49,992 میٹرک ٹن تھی۔ کمپنی نے حالیہ سہ ماہی میں 48,371 میٹرک ٹن پیپر اور بورڈ کی فروخت یقینی بنائی جو گزشتہ سال اسی مدت میں اتنی ہی تھی۔ قدر کے اعتبار سے زیر جائزہ مدت (جولائی تا ستمبر 2018) میں سیلز ویلیو 18% اضافے کے ساتھ 4,760 ملین روپے رہی جو گزشتہ سال اسی مدت میں 4,014 ملین روپے تھی۔

مالیاتی کارکردگی

زیر جائزہ مدت (جولائی تا ستمبر 2018) میں کمپنی نے 566 ملین روپے مجموعی منافع کمایا جو گزشتہ سال 478 ملین روپے مجموعی منافع کے مقابلے میں 18% زیادہ رہا۔ زیر جائزہ مدت (جولائی تا ستمبر 2018) میں خالص آپریٹنگ منافع 411 ملین روپے ریکارڈ کیا گیا جو گزشتہ سال اسی مدت میں 337 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا ستمبر 2018) میں مالی لاگت 139 ملین روپے تک بڑھ گئی جو گزشتہ سال اسی مدت میں 120 ملین روپے تھی۔ بڑھتی ہوئی شرح سود اور اضافی مالیاتی ضروریات کی وجہ سے مالیاتی لاگت میں اضافہ ہوا۔

کمپنی نے گزشتہ سال اسی مدت میں 217 ملین روپے کے قبل از ٹیکس منافع کے مقابلے میں زیر جائزہ مدت کے لیے 272 ملین روپے قبل از ٹیکس منافع حاصل کیا۔

ٹیکس کو نکالنے کے بعد کمپنی نے زیر جائزہ مدت میں 204 ملین روپے کا خالص منافع کمایا جو گزشتہ سال اسی مدت میں 152 ملین روپے تھا۔

فی شیئر آمدنی

گزشتہ سال اسی مدت کے لیے بنیادی فی شیئر آمدنی 0.92 روپے کے مقابلے میں بنیادی فی شیئر آمدنی 1.25 روپے رپورٹ کی گئی ہے۔ زیر جائزہ مدت اور گزشتہ سال کی اسی مدت کے لیے فی شیئر آمدنی کے کمزور پڑنے کے کوئی آثار نہیں ہیں۔



ترجیحی (پریفرنس) شیئرز کی ریڈیمپشن

زیر جائزہ مدت میں، کمپنی کے بورڈ آف ڈائریکٹرز نے 901.21 ملین روپے مالیت کے بقایا پریفرنس شیئرز مع ڈیویڈنڈ کی ریڈیمپشن کی منظوری دی۔ پریفرنس شیئرز کی ریڈیمپشن ایس ای سی پی (SECP) سے منظور شدہ شرائط و ضوابط، حقوق اور استحقاق کے مطابق ہے۔ ریڈیمپشن کا عمل حالیہ ماہ کے اختتام تک مکمل کر لیا جائے گا۔ کمپنی کے ڈائریکٹرز نے یہ فیصلہ کمپنی اور کمپنی کے عمومی شیئر ہولڈرز کے وسیع تر مفاد میں لیا ہے۔


مستقبل کا منظر نامہ


مارکیٹ میں استحکام اور درآمد شدہ مصنوعات کی لاگت (C&F) میں اضافے کی وجہ سے مارکیٹ کارہجان مقامی مصنوعات کی طرف ہے۔ اگلی سہ ماہی میں پیپر اور بورڈ کی مصنوعات کی مانگ میں کمزوری کی وجہ سے ہم سبز کے حجم میں بہتری کی توقع رکھتے ہیں۔ آپ کی کمپنی مارکیٹ حرکات کا بغور جائزہ لیتی ہے اور سازگار پروڈکٹس سے حجم میں نمو کے لیے کوشاں رہتی ہے۔ پیداواری لاگت میں اضافہ کے اثرات کو کم کرنے کے لیے قیمتوں میں ایڈجسٹمنٹ پر غور کیا جاتا ہے۔

اظہار تشکر

آپ کے ڈائریکٹرز مسلسل سرپرستی اور وابستگی پر تمام اسٹیک ہولڈرز کو خراج تحسین پیش کرتے ہیں۔ وہ بینکوں اور مالیاتی اداروں کے خصوصی شکر گزار ہیں۔ وہ کمپنی کے عملے اور ملازمین کی محنت اور پُر خلوص کارکردگی کا بھی اعتراف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


تسلیم الدین احمد باٹلے
ڈائریکٹر


آفتاب احمد
چیف ایگزیکٹو آفیسر

کراچی: 18 اکتوبر 2018

Condensed Interim Statement of Financial Position

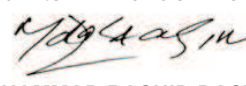
as at September 30, 2018 (Un-audited)

	Note	September 30, 2018 (Rupees in thousands)	June 30, 2018 (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	8	9,168,022	9,122,170
Operating fixed assets	9	339,829	467,547
Capital work in progress		9,507,851	9,589,717
Intangible assets		2,244	2,575
Long-term advances	10	34,325	15,243
Long-term deposits		7,169	5,869
		9,551,589	9,613,404
CURRENT ASSETS			
Stores and spares	11	1,532,587	1,290,040
Stock-in-trade	12	4,250,746	2,897,285
Trade debts (unsecured - considered good)		2,506,299	2,366,324
Loans and advances	13	28,507	68,566
Trade deposits and short term prepayments	14	100,867	88,357
Other receivables		7,903	10,793
Tax refunds due from Government	15	238,054	262,245
Taxation - net		244,897	291,673
Cash and bank balances	16	194,074	415,508
		9,103,934	7,690,791
TOTAL ASSETS		18,655,523	17,304,195
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 410,000,000 (June 30, 2018: 410,000,000) shares of Rs. 10 each		4,100,000	4,100,000
Issued, subscribed and paid-up capital 147,018,345 (June 30, 2018: 147,018,345) ordinary shares of Rs. 10 each		1,470,184	1,470,184
90,121,351 (June 30, 2018: 90,121,351) preference shares of Rs. 10 each	17	901,214	901,214
		2,371,398	2,371,398
Reserves		4,108,905	4,071,475
		6,480,303	6,442,873
NON - CURRENT LIABILITIES			
Long-term financing	18	2,789,301	2,821,963
Deferred taxation		1,317,610	1,309,460
		4,106,911	4,131,423
CURRENT LIABILITIES			
Trade and other payables	19	2,371,616	2,215,766
Short-term borrowings	20	4,444,717	3,426,688
Interest and mark-up accrued	21	109,900	39,849
Unpaid dividend	22	166,344	-
Unclaimed dividend		969	1,019
Current portion of long-term financing	18	974,763	1,046,577
		8,068,309	6,729,899
CONTINGENCIES AND COMMITMENTS			
	23		
TOTAL EQUITY AND LIABILITIES		18,655,523	17,304,195

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

CENTURY PAPER & BOARD MILLS LIMITED

Condensed Interim Profit and Loss Account


for the quarter ended September 30, 2018 (Un-audited)

	Note	September 30, 2018 (Rupees in thousands)	September 30, 2017
Sales - net	24	4,760,583	4,013,758
Cost of sales	25	(4,194,885)	(3,535,845)
Gross profit		565,698	477,913
General and administrative expenses		(116,128)	(99,283)
Selling expenses		(14,541)	(13,835)
Distribution expenses		(21,699)	(16,279)
Other operating charges			
Workers' Profit Participation Fund		(14,591)	(11,628)
Workers' Welfare Fund		(5,545)	(4,419)
Others		(4,902)	(9,082)
		(25,038)	(25,129)
Other income	26	22,714	13,575
Operating profit		411,006	336,962
Finance cost	27	(139,309)	(120,452)
Profit before taxation		271,697	216,510
Taxation			
Current		(59,772)	(50,172)
Deferred		(8,151)	(14,781)
		(67,923)	(64,953)
Profit for the period		203,774	151,557
Earnings per share - basic and diluted (Rupees)	28	1.25	0.92

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

for the quarter ended September 30, 2018 (Un-audited)


	September 30, 2018	September 30, 2017
	(Rupees in thousands)	
Profit for the period	203,774	151,557
Other comprehensive income	-	-
Total comprehensive income for the period	203,774	151,557

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.




AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

CENTURY PAPER & BOARD MILLS LIMITED

Condensed Interim Statement of Cash Flow


for the quarter ended September 30, 2018 (Un-audited)

	Note	September 30, 2018 (Rupees in thousands)	September 30, 2017 (Rupees in thousands)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	(587,766)	(46,179)
Finance cost paid		(69,815)	(90,772)
Taxes paid		(12,997)	(4,781)
Taxes refunded		-	36,481
Gratuity paid		(10,998)	(9,933)
Workers' Profit Participation Fund paid		(76,301)	(48,539)
Long-term loans and advances - net		(19,082)	(6,776)
Long-term deposits		(1,300)	-
Net cash used in operating activities		(778,259)	(170,499)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(356,729)	(93,633)
Proceeds from sale of property, plant and equipment		-	1,326
Net cash used in investing activities		(356,729)	(92,307)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing from Director		-	550,000
Proceeds from long-term financing from banking companies		195,465	-
Repayment of long-term financing from banking companies		(299,940)	(273,106)
Net cash (used in) / generated from financing activities		(104,475)	276,894
Net (decrease) / increase in cash and cash equivalents		(1,239,463)	14,088
Cash and cash equivalents at the beginning of the period		(3,011,180)	(2,613,674)
Cash and cash equivalents at the end of the period		(4,250,643)	(2,599,586)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	16	194,074	208,456
Short-term borrowings	20	(4,444,717)	(2,808,042)
		(4,250,643)	(2,599,586)

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

for the quarter ended September 30, 2018 (Un-audited)

	Issued, subscribed and paid-up capital		Reserves								Total
			Capital				Revenue			Sub-total	
	Ordinary share capital	Preference share capital	Share premium	Merger reserve	Redemption reserve	Total	General reserve	Unappropriated profit	Total		
(Rupees in thousands)											
Balance as at July 1, 2017	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	267,100	580,326	3,341,627	5,713,025
Total comprehensive income for the period ended September 30, 2017											
Profit for the period	-	-	-	-	-	-	-	151,557	151,557	151,557	151,557
Balance as at September 30, 2017	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	418,657	731,883	3,493,184	5,864,582
Balance as at July 1, 2018	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	996,948	1,310,174	4,071,475	6,442,873
Total comprehensive income for the period ended September 30, 2018											
Profit for the period	-	-	-	-	-	-	-	203,774	203,774	203,774	203,774
Transaction with owners											
Final dividend on ordinary shares @ Rs 0.75 per share	-	-	-	-	-	-	-	(110,264)	(110,264)	(110,264)	(110,264)
Cumulative dividend paid on preference shares	-	-	-	-	-	-	-	(56,080)	(56,080)	(56,080)	(56,080)
Balance as at September 30, 2018	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	1,034,378	1,347,604	4,108,905	6,480,303

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.




AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

CENTURY PAPER & BOARD MILLS LIMITED

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Century Paper & Board Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on August 02, 1984 under the repealed Companies Ordinance, 1984 (as substituted by Companies Act, 2017) and its ordinary shares are quoted 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 mill (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

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These condensed interim financial information of the Company for the first quarter ended September 30, 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which Comprise of :

- International Accounting Standard (IAS) 34, Interim Financial Principal 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does 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, 2018 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 this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative condensed interim profit and loss accounts, 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 information for the first quarter ended September 30, 2017.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

3.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

During the period the Board of Directors of the Company in their meeting held on September 27, 2018 has approved to redeem outstanding preference shares in full amounting to Rs. 901.21 million along with proportionate cumulative dividend thereon up to the applicable date of the redemption notice.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2018.

This condensed interim financial information includes certain additional disclosures regarding shariah screening of listed companies for Islamic equity index. The Company has voluntarily disclosed information as per the requirements of the Circular No. 29 of 2016 dated September 05, 2016.

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2018. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

6. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information 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, 2018.

7. TAXATION

The provisions for taxation for the first quarter ended September 30, 2018, have been made using the estimated effective tax rate applicable to expected total annual earnings.

The applicable income tax rate was reduced from 30% to 29% for the tax year 2019 on account of the changes made to the Income Tax Ordinance, 2001 through Finance Act 2018.

		September 30, 2018	June 30, 2018 (Audited)
	Note	(Rupees in thousands)	
8. OPERATING FIXED ASSETS			
Opening net book value (NBV)		9,122,170	9,420,548
Additions during the period / year at cost	8.1	287,084	694,765
		9,409,254	10,115,313
Disposals during the period / year at NBV	8.2	-	(5,904)
Depreciation charge for the period / year		(241,232)	(987,239)
		(241,232)	(993,143)
Closing net book value (NBV)		9,168,022	9,122,170



Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

		September 30, 2018	June 30, 2018 (Audited)
	Note	(Rupees in thousands)	
8.1	Detail of additions (at cost) during the period / year are as follows:		
	Buildings on freehold land	517	66,180
	Leasehold Improvements	-	11,719
	Plant and machinery	269,527	564,718
	Furniture and fixtures	-	1,053
	Vehicles	8,080	34,272
	Electrical and other equipments	7,410	4,823
	Computers	1,551	12,000
		<u>287,084</u>	<u>694,765</u>
8.2	Detail of disposals (at NBV) during the period / year are as follows:		
	Vehicles	-	5,904
		<u>-</u>	<u>5,904</u>
8.3	The free hold land is located at Village Jumber Khurd, Tehsil Pattoki, District Kasur and area of land is 158.5 acres.		
9.	CAPITAL WORK IN PROGRESS		
	Civil works	5,719	5,418
	Plant and machinery	243,221	371,619
	Advances to suppliers	90,889	90,510
		<u>339,829</u>	<u>467,547</u>
9.1	Movement of carrying amount is as follows:		
	Opening balance	467,547	302,278
	Additions (at cost) during the period / year	9.1.1 144,208	794,932
		<u>611,755</u>	<u>1,097,210</u>
	Transfer to operating fixed assets during the period / year	<u>(271,926)</u>	<u>(629,663)</u>
	Closing balance	<u>339,829</u>	<u>467,547</u>
9.1.1	This includes borrowing costs capitalized amounting to Rs. 0.56 million (June 30, 2018: Rs. 1.23 million) at an average rate of 2.75% per annum (June 30, 2018: 5.85%).		
10.	LONG-TERM ADVANCES		
	(Unsecured - considered good)		
	Long-term advance to suppliers	10.1 34,325	15,243
10.1	This represents advances in the normal course of business which do not carry any interest / mark-up.		

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

		September 30, 2018	June 30, 2018 (Audited)
	Note	(Rupees in thousands)	
11. STORES AND SPARES			
In hand			
Stores	11.1	902,889	883,914
Spares		370,120	383,591
		1,273,009	1,267,505
In transit	11.2	301,888	63,345
		1,574,897	1,330,850
Provision for slow moving stores and spares		(42,310)	(40,810)
		1,532,587	1,290,040
11.1	This includes fuel for power and steam generation amounting to Rs. 232.69 million (June 30, 2018: Rs. 286.49 million).		
11.2	This includes coal in transit amounting to Rs. 175.70 million (June 30, 2018: Rs. 27.02 million).		
12. STOCK-IN-TRADE			
Raw materials			
in hand		2,280,357	1,281,499
in transit		853,891	808,715
		3,134,248	2,090,214
Work-in-process		98,853	58,857
Finished goods		1,017,645	748,214
		4,250,746	2,897,285
13. LOANS AND ADVANCES			
(Unsecured - considered good)			
Loans			
Current portion of long-term loans		3	6
Advances			
to employees		1,271	1,680
to suppliers		27,233	66,880
		28,504	68,560
	13.1	28,507	68,566
13.1	This represents loans and advances in the normal course of the business and do not carry any interest / mark-up.		
14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits	14.1	2,435	2,195
Prepayments	14.2	98,432	86,162
		100,867	88,357

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

- 14.1 This represents short term deposits in the normal course of the business and do not carry any interest / mark-up.
- 14.2 This includes prepaid insurance premium of Rs.73.98 million (June 30, 2018: Rs.79.93) to M/s Century Insurance Company Limited, an associated undertaking.
- 14.3 The maximum aggregate amount due from related parties at the end of any month during the period was Rs. 85.52 million (June 30, 2018: Rs. 79.93 million).

	September 30, 2018	June 30, 2018 (Audited)
	(Rupees in thousands)	
15. TAX REFUNDS DUE FROM GOVERNMENT		
Income tax	221,251	221,251
Sales tax	16,803	40,994
	<u>238,054</u>	<u>262,245</u>
16. CASH AND BANK BALANCES		
Cash at bank in current account - Conventional mode	31,604	223,072
Cheques in hand	160,969	188,734
Cash in hand	1,501	3,702
	<u>194,074</u>	<u>415,508</u>
17. PREFERENCE SHARES		
Original issue size (fully paid in cash)	3,004,046	3,004,046
Redeemed	(1,351,821)	(1,351,821)
Converted into ordinary shares	(751,011)	(751,011)
Balance outstanding	<u>901,214</u>	<u>901,214</u>

- 17.1 In November 2009, the Company has issued preference right shares of the face value of Rs. 10 each, in the proportion of 4.25 preference shares for every ordinary share held. These shares are not listed on any of the stock exchanges in Pakistan.

The outstanding preference shares amounting to Rs. 901.21 million will be redeemed subsequent to period end as more fully explained in note 4 of this interim financial information.

- 17.2 Following are the terms, conditions and rights and privileges of preference shares with amendments which became effective on July 1, 2013.

- a) Annual dividends will be payable when and if declared by the Company but shall be paid on cumulative basis prior to any dividend or other distribution payable to the ordinary shareholders. The dividend rate will be based on six months KIBOR plus spread of 1% per annum subject to cap of 13% per annum on the face value of the preference shares on cumulative basis.

The cumulative preference dividend as at the Statement of Financial Position date amounted to Rs. 76.66 million (June 30, 2018: Rs. 56.08 million) including Preference dividend of Rs. 56.08 million which has been declared during the period and classified under "Unpaid dividend" in this Condensed Interim Financial Information.

- b) The preference shareholders do not have any voting rights and are not entitled to receive any notice for meeting of shareholders and will not be entitled to any rights in respect of subscription of further issue of ordinary shares of the Company.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

- c) The Company shall have the option to redeem the preference shares in full or in any proportion by giving fourteen days notice. The redemption will be subject to the payment of cumulative unpaid dividend, if any, on the part being redeemed up to the applicable date of redemption notice. The redemption will be subject to compliance with the terms, conditions and rights and privileges of preference shares.

	Note	September 30, 2018	June 30, 2018 (Audited)
18. LONG TERM FINANCING			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Meezan Bank Limited - Musharaka - 1	18.1	225,000	300,000
Meezan Bank Limited - Musharaka - 2	18.2	450,000	487,500
		675,000	787,500
Conventional mode			
Syndicated - Consortium of Banks	18.3	900,000	975,000
Allied Bank Limited - Term Loan - 1	18.4	150,000	225,000
Allied Bank Limited - Term Loan - 2	18.5	310,918	150,000
Allied Bank Limited - Term Loan - 3	18.6	78,146	81,040
		1,439,064	1,431,040
		2,114,064	2,218,540
From associated undertakings - unsecured	18.7	1,000,000	1,000,000
From Director - unsecured	18.8	650,000	650,000
		3,764,064	3,868,540
Current portion:			
Islamic mode			
		(375,000)	(450,000)
Conventional mode			
		(599,763)	(596,577)
		(974,763)	(1,046,577)
		2,789,301	2,821,963

- 18.1 This represents Diminishing Musharaka Arrangement with Meezan Bank Limited amounting to Rs. 1,500 million. The tenor of the facility is six years including one year grace period. This finance facility is repayable in twenty equal quarterly installments which commenced from August 2014.

The finance facility is secured by way of mortgage of immovable properties of the Company and first pari passu hypothecation charge over the assets pertaining to Board Machine (PM-7) with 25% margin.

The rate of mark up is equal to base rate plus 0.50% (June 30, 2018: 0.50%). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 7.58% (June 30, 2018: 6.71%) per annum.

- 18.2 This represents Diminishing Musharaka Arrangement of Rs. 750 million with Meezan Bank Limited for financing expenditure incurred on 18 MW Coal Based Co-Generation Power Plant. The tenor of the facility is seven years with two years grace period. This finance facility is repayable in twenty equal quarterly installments which commenced from November 2016.

The finance facility is secured by way of mortgage of immovable properties of the Company and first pari passu hypothecation charge over all assets belonging to the Company with 25% margin.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

The rate of mark up is equal to base rate plus 0.50% (June 30, 2018: 0.50%). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 7.69% (June 30, 2018: 6.73%) per annum.

- 18.3 This represents Syndicated Term Financing Arrangement with Consortium of MCB Bank Limited and Allied Bank Limited amounting to Rs. 1,500 million for financing expenditure incurred on 18 MW Coal Based Co-Generation Power Plant. The tenor of the facility is seven years with two years grace period. This finance facility is repayable in twenty equal quarterly installments which commenced from November 2016.

The finance facility is secured by way of mortgage of immovable properties of the Company and first pari passu hypothecation charge over all assets belonging to the Company with 25% margin.

The rate of mark up is equal to base rate plus 0.50% (June 30, 2018: 0.50%). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 7.69% (June 30, 2018: 6.73%) per annum.

- 18.4 This term finance facility has been obtained from Allied Bank Limited amounting to Rs. 1,500 million. The tenor of the facility is six years including one year grace period. This finance facility is repayable in twenty equal quarterly installments which commenced from June 2014.

The finance facility is secured by way of mortgage of immovable properties of the Company and first pari passu hypothecation charge over the assets pertaining to Board Machine (PM-7) with 25% margin.

The rate of mark up is equal to base rate plus 0.50% (June 30, 2018: 0.50%). Base rate is equal to average of three months KIBOR of the last six business days prior to the beginning of each installment period. During the period, the effective mark up rate was 7.45% (June 30, 2018: 6.71%) per annum.

- 18.5 This term finance facility has been obtained from Allied Bank Limited amounting to Rs. 350 million specifically for Gas Turbine Generators. The tenor of the loan is three years inclusive 6 months grace period and are repayable in 10 equal quarterly installments commencing from September 2018.

This term loan is secured by way of mortgage of all present and future plant and machinery and ranking hypothecation charge over all assets belonging to the Company with 25% margin.

The rate of mark up is equal to base rate plus 0.20% (June 30, 2018: 0.20 %). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 7.17% (June 30, 2018: 6.52%) per annum.

- 18.6 The Company has approved term finance facility from Allied Bank Limited under Financing Scheme of the State Bank of Pakistan for Renewal Energy (Category II) amounting to Rs. 200 million specifically for Solar Grid Panels. The Company has made drawdown of Rs. 81.04 million till period end. The tenor of the loan is seven years and are repayable in 28 equal installments commencing from September 2018.

This term loan is secured by way of mortgage of all present and future plant and machinery and ranking hypothecation charge over all assets belonging to the Company with 25% margin. The rate of mark up is fixed at 2.75%.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

18.7 This loan has been obtained from SIZA Commodities (Private) Limited, an associated company, amounting to Rs. 1,000 million. The loan is repayable in July 2021. The rate of mark up is 0.50% (June 30, 2018: 0.50%) over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective mark up rate was 7.42% (June 30, 2018: 6.74%) per annum.

18.8 The loan has been obtained from Sponsor Director of the Company, Mr. Iqbal Ali Lakhani, amounting to Rs. 650 million. The loan is unsecured and the tenor of the loan is two years. The rate of mark up is 0.50% (June 30, 2018: 0.50%) over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective mark up rate was 7.42% (June 30, 2018: 6.77%) per annum.

		September 30, 2018	June 30, 2018 (Audited)
	Note	(Rupees in thousands)	
19. TRADE AND OTHER PAYABLES			
Creditors		684,602	634,381
Foreign bills payable		597,987	468,687
Accrued liabilities	19.1	804,389	735,927
Customers' balances		61,841	101,332
Gratuity payable		75,065	77,494
Workers' Profit Participation Fund payable		14,591	76,301
Workers' Welfare Fund payable		42,502	36,956
Provident fund payable		7,607	6,771
Other liabilities		83,032	77,917
		2,371,616	2,215,766

19.1 This includes an amount of Rs. 554.36 million (June 30, 2018: Rs. 518.93 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. On appeal filed by the Company, the Sindh High Court declared the GIDC Act 2015 as null and void through its judgement dated October 26, 2016. Subsequently, based on appeal filed by the Government, the Sindh High Court suspended the aforesaid judgement till the disposal of appeal. The matter is pending for hearing of appeal.

20. SHORT TERM BORROWINGS

From banking companies - secured

Running finances

Islamic mode

Conventional mode

Short term loan - Conventional mode

		64,514	226,378
		3,570,863	2,390,970
18.1		3,635,377	2,617,348
18.3		809,340	809,340
		4,444,717	3,426,688

20.1 The Company has available aggregate short term running finance facilities amounting to Rs. 6,575 million (June 30, 2018: Rs. 4,485 million). Mark up rates are linked with KIBOR from one to three months plus spread ranging from 0.30% to 1.00% per annum (June 30, 2018: from 0.30% to 1.25% 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. 3,230 million (June 30, 2018: Rs. 3,130 million).



Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

20.3 This loan has been obtained from Standard Chartered Bank, UK - Dubai International Finance Center branch through Standard Chartered Bank (Pakistan) Limited amounting to USD 7.00 million equivalent to fixed amount of Rs. 809.34 million for meeting working capital requirements. The tenor of the loan is six months i.e. from May 14, 2018 to November 14, 2018. The price of loan is six months KIBOR minus 0.25%. As per the terms of agreement, Standard Chartered Bank (Pakistan) Limited has obtained forward cover on behalf of the Company to hedge foreign currency risk.

September 30,
2018

June 30,
2018
(Audited)

(Rupees in thousands)

21. INTEREST AND MARK-UP ACCRUED

Mark-up accrued on:

Long-term financing

From banks - Islamic mode

From banks - Conventional mode

From associated undertakings / Director -
Conventional mode

Short-term borrowings

Islamic mode

Conventional mode

7,535	7,192
11,066	9,419
18,601	16,611
30,863	-
49,464	16,611
2,646	3,128
57,790	20,110
60,436	23,238
109,900	39,849

22. UNPAID DIVIDEND

This includes dividend on ordinary shares of Rs. 110.26 million and dividend on preference shares of Rs. 56.08 million.

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 621 million (June 30, 2018: Rs. 591 million).

b) Sales tax

Five cases of inadmissible input sales 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 compliance of the Company with the relevant provision of the Sales Tax Act, 1990. No provision has been made in the condensed interim financial information 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.

c) Gas Infrastructure Development Cess - GIDC

Sui Northern Gas Pipeline Limited has charged an amount of Rs. 274.71 million (June 30, 2018: Rs. 254.29 million) on account of late payment surcharge on GIDC of Rs. 554.36 million

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

(Note 19.1) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. On the appeal filed by the Company, the Honorable Sindh High Court by their judgement, suspended the levy and declared the GIDC Act 2015 as null and void. Subsequent to the judgment, based on appeal filed by the Government, the Sindh High Court suspended the aforesaid judgment till the disposal of appeal. The matter is still pending in Honorable Sindh High Court.

No provision has been made in this condensed interim financial information for late payment surcharge as the management is of the opinion, based on advice of legal advisor that the Company is not liable to pay late payment surcharges and expects that the decision is likely to be in the favor of the Company.

23.2 Commitments

The Company's commitments as at Statement of Financial Position date are as follows:

- Letters of credit other than for capital expenditure amounted to Rs. 657.03 million (June 30, 2018: Rs. 1,629.57 million).
- Capital expenditure including letters of credit amounted to Rs. 41.68 million (June 30, 2018: Rs. 105.76 million).

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rupees in thousands)	
24. SALES		
Gross sales	5,565,273	4,696,709
Sales tax	(804,690)	(682,951)
	<u>4,760,583</u>	<u>4,013,758</u>
25. COST OF SALES		
Materials consumed	2,905,627	2,300,536
Fuel and power	801,764	560,511
Depreciation on property, plant and equipment	232,110	219,453
Salaries, wages and other benefits	215,996	189,811
Repairs, maintenance and stores consumption	210,283	154,789
Packing expenses	113,964	88,298
Insurance	19,291	19,167
Provision for slow moving stores and spares	1,500	1,500
Rent, rates and taxes	3,777	1,867
Manufacturing cost	<u>4,504,312</u>	<u>3,535,932</u>
Work-in-process		
Opening stock	58,857	96,961
Closing stock	(98,853)	(77,867)
	<u>(39,996)</u>	<u>19,094</u>
Cost of goods manufactured	<u>4,464,316</u>	<u>3,555,026</u>
Finished goods		
Opening stock	748,214	336,485
Closing stock	(1,017,645)	(355,666)
	<u>(269,431)</u>	<u>(19,181)</u>
	<u>4,194,885</u>	<u>3,535,845</u>



Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rupees in thousands)	
26. OTHER INCOME		
Sale of scrap	13,106	9,274
Insurance agency commission from associated company	3,000	3,000
Net exchange gain - conventional mode	986	467
Gain on sale of fixed assets – net	-	712
Provision and unclaimed liabilities written back	5,120	-
Others	502	122
	<u>22,714</u>	<u>13,575</u>
27. FINANCE COST		
Long-term financing		
From banks - Islamic mode	14,058	20,169
From banks - Conventional mode	27,867	29,416
	41,925	49,585
From associated undertakings / Director	30,859	16,936
	<u>72,784</u>	<u>66,521</u>
Short term borrowings		
Islamic mode	2,646	3,543
Conventional mode	61,823	43,735
	64,469	47,278
Workers' Profit Participation Fund	899	987
Net exchange loss on import credit finances		
Conventional mode	-	5,121
Bank charges and commission	1,157	545
	<u>139,309</u>	<u>120,452</u>
28. 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	203,774	151,557
Dividend attributable to cumulative preference shares	(20,580)	(16,287)
Profit attributable to ordinary shareholders	<u>183,194</u>	<u>135,270</u>
Weighted average number of ordinary shares (in thousands)	<u>147,018</u>	<u>147,018</u>
Basic earnings per share (Rupees)	<u>1.25</u>	<u>0.92</u>

There is no dilutive effect on the basic earnings per shares of the Company.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

		Quarter ended	
		September 30, 2018	September 30, 2017
		(Rupees in thousands)	
29. CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		271,697	216,510
Adjustment for non cash charges and other items:			
Depreciation		241,231	228,125
Amortization of intangible assets		330	164
Gain on sale of property, plant and equipment		-	(712)
Provision for gratuity		8,569	7,268
Provision for slow moving stores and spares		1,500	1,500
Workers' Profit Participation Fund		14,591	11,628
Finance cost		139,309	120,452
Working capital changes	29.1	(1,264,993)	(631,114)
		(859,463)	(262,689)
		(587,766)	(46,179)
29.1 Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(244,047)	(966)
Stock-in-trade		(1,353,461)	(436,220)
Trade debts		(139,975)	(246,154)
Loans and advances		40,059	(44,792)
Trade deposits and short-term prepayments		(12,510)	(7,939)
Other receivables		2,890	(2,763)
Tax refunds due for Government		24,192	-
		(1,682,852)	(738,834)
Increase in current liabilities			
Trade and other payables		417,859	107,720
		(1,264,993)	(631,114)

30. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

30.1 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	Quarter ended	
			September 30, 2018	September 30, 2017
			(Rupees in thousands)	
Sale of goods, Services and Reimbursement of expenses				
Merit Packaging Limited	Associated	Common Director	371,253	328,558
Colgate Palmolive (Pakistan) Limited	Associated	Common Director	136,468	137,195
Century Insurance Company Limited	Associated	Common Director		
		and 0.43% shares held	159	60
Cyber Internet Services (Private) Limited	Associated	Common Director	273	70
			508,153	465,882



Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

Nature of transaction	Nature of Relation	Basis of Relation	Note	Quarter ended	
				September 30, 2018	September 30, 2017
				(Rupees in thousands)	
Purchase of goods, Services and Reimbursement of expenses					
Century Insurance Company Limited	Associated	Common Director and 0.43% shares held		29,106	20,811
Merit Packaging Limited	Associated	Common Director		6,587	5,315
Lakson Business Solutions Limited	Associated	Common Director		1,157	883
Hassanali and Gulbanoo Lakhani Foundation	Associated	Trustee		899	568
Princeton Travels (Private) Limited	Associated	Common Director		3,277	3,398
SIZA Services (Private) Limited	Associated	Common Director and 22.81% shares held		892	-
Cyber Internet Services (Private) Limited	Associated	Common Director		1,336	408
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held		432	45
Colgate Palmolive (Pakistan) Limited	Associated	Common Director		65	35
Express Publications (Private) Limited	Associated	Common Management		289	-
SIZA Foods (Private) Limited	Associated	Common Director		118	43
				44,157	31,505
Rent and other allied charges					
Hassanali and Gulbanoo Lakhani Foundation	Associated	Trustee		1,555	1,392
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held		926	662
SIZA Services (Private) Limited	Associated	Common Director and 22.81% shares held		153	148
SIZA Commodities (Private) Limited	Associated	Common Director and 8.50% shares held		38	-
				2,671	2,201
Insurance Agency Commission					
Century Insurance Company Limited	Associated	Common Director and 0.43% shares held		3,000	3,000
Mark-up Accrued					
SIZA Commodities (Private) Limited	Associated	Common Director and 8.50% shares held		18,702	16,735
Mr. Iqbal Ali Lakhani	Director	Directorship		12,157	200
				30,859	16,936
Others					
Contribution to Staff Retirement Benefit Plans		Employees Fund		21,029	19,804
Remuneration and other benefits		Key Management Personnel	30.3	55,207	50,332
30.2 Year end balances					
Receivable from related parties				360,925	204,311
Payable to related parties				75,748	63,485
Payable to retirement benefit plan				82,672	62,850
Long-term financing from associated undertaking / Director				1,650,000	1,550,000
Mark-up accrued on long term financing from associated undertaking / Director				30,859	16,937

30.3 The current and corresponding period figures includes remunerations of Company's Executives whose basic salary exceeds twelve hundred thousand rupees in a financial year as stipulated in Companies Act, 2017.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2018 (Un-audited)

31. 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, 2018.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information 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 that is, derived from prices.

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

Transfers during the period

During period ended September 30, 2018, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

33. NUMBER OF EMPLOYEES

- a) The number of employees as at first quarter ended September 30, 2018 was 1,643 (2018: 1,646) and average number of employees during the period was 1,646 (2018: 1,589).
- b) The number of factory employees as at first quarter ended September 30, 2018 was 1,375 (2018: 1,307) and average number of factory employees during the period was 1,378 (2018: 1,268).

34. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 18, 2018 by the Board of Directors of the Company.

35. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

36. GENERAL

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



AFTAB AHMAD
Chief Executive Officer



TASLEEMUDDIN AHMED BATLAY
Director



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



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