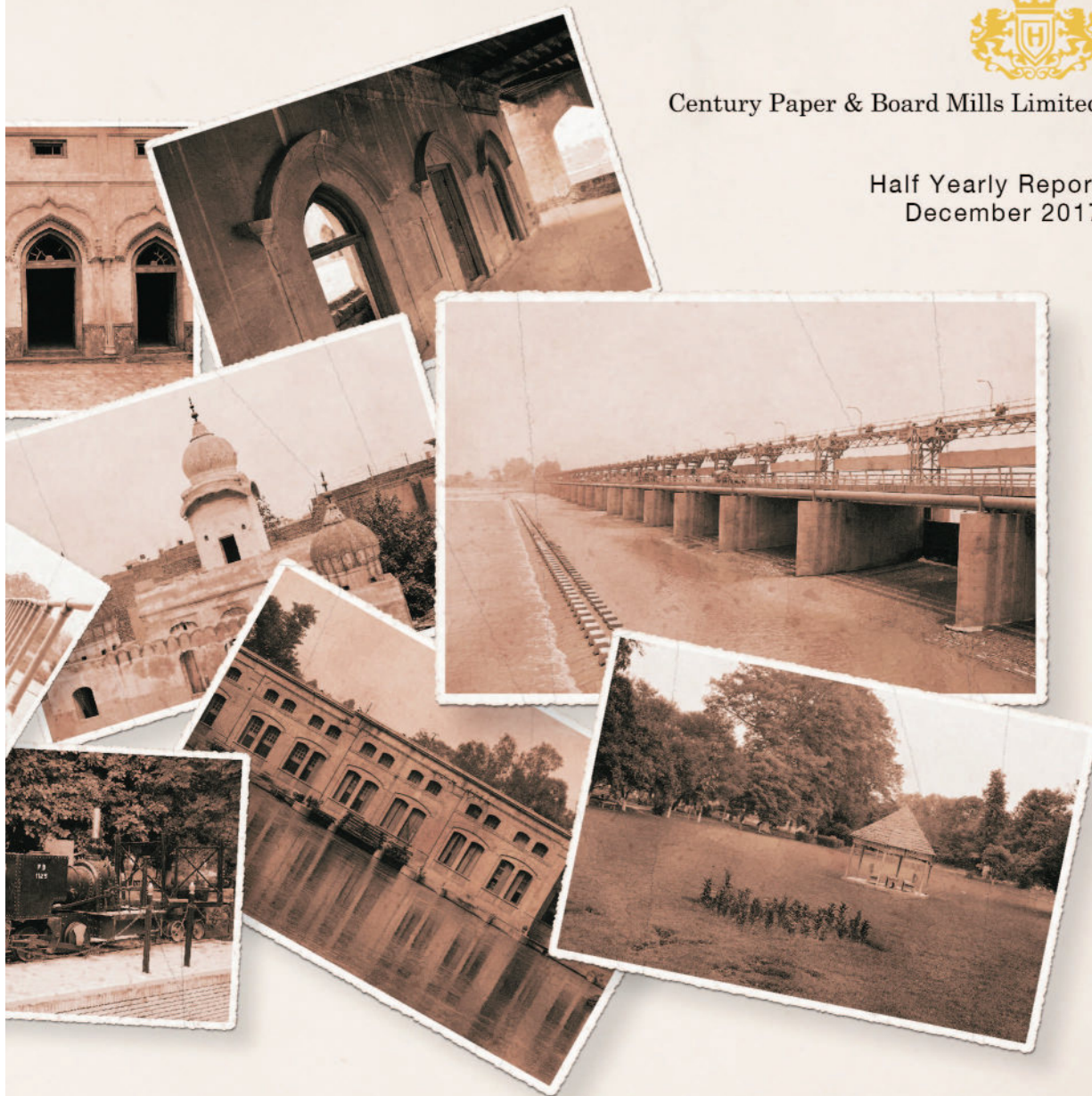




Century Paper & Board Mills Limited

Half Yearly Report
December 2017



Heritage around us

Clean - Green - Sustainable

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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	
Muhammad Imran Rafiq	- 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 and Remuneration Committee

Amin Mohammed Lakhani	- Chairman
Tasleemuddin Ahmed Batlay	
Aftab Ahmad	

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) 34380101-2 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 the Company together with the un-audited financial statements for the half year ended December 31, 2017.

Company's Operating Performance

The Company produced 109,071 metric tons of paper and paperboard for the period under review (July-December 2017) as compared to 104,473 metric tons of the corresponding period of last year. The current quarter (October-December 2017) production increased to 59,079 metric tons as compared to 58,604 metric tons for the corresponding quarter.

During the period under review, Company has been able to achieve optimal energy mix with maximum utilization of Coal being the cheapest fuel and alternate fuels were used only to meet balance requirement.

Sales Review

Shift from imports toward Company's products remained persistent during the period under review. Moreover, price revisions were made wherever necessary to recover the impact of rising material and fuel costs.

Resultantly, sales registered an increase of 6% in terms of volume and 24% in terms of value.

Company sold 104,872 metric tons during the period under review (July-December 2017) as compared to 99,044 metric tons of the corresponding period of last year registering an increase of 5,827 metric tons.

Sales volumes for the current quarter (October-December 2017) stood at 56,496 metric tons as compared to Sales volume of 54,159 metric tons of corresponding quarter (October-December 2016) of last year.

In terms of value, the net sales of the Company for the period under review (July-December 2017) were recorded at Rs. 8.89 billion as compared to Rs. 7.18 billion of the corresponding period of last year.

Financial Performance

Your Company earned gross profit of Rs. 1,165 million for the period under review (July-December 2017) as compared to Rs. 741 million of the corresponding period of last year registering an increase of 57%.

Similarly, the operating profit for the period under review (July-December 2017) is recorded at Rs. 860 million as compared to Rs. 549 million of the corresponding period of last year.



Directors' Review

After taking out financial charges of Rs. 237 million (L.Y. Rs. 209 million) for the period under review, the Company has posted a Profit before tax of Rs. 623 million as compared to a Profit before tax of Rs. 340 million posted for the corresponding period of last year.

After accounting for taxation, the Company has posted net Profit of Rs. 435 million for the period under review as compared to profit of Rs. 238 million for the corresponding period of last year.

Earnings per Share

The basic earnings per share (EPS) is reported at Rs. 2.73 as compared to EPS of Rs. 1.40 of the corresponding period of last year. There is no dilution effect on the earnings per share for the period under review and the corresponding period.

Future Outlook

Present market conditions for paper & board sector are expected to persist in ensuing quarter. Owing to continuous upsurge in C&F prices of imported products, there was a considerable reduction in import volumes of coated board products which bode well for the domestic industry generally and especially for your Company, being the largest producer of Coated Board. Management is optimistic that current profitability levels will be maintained in ensuing quarter.

Moreover, Management continuously deploys capacity enhancement and quality improvement initiatives aiming at volume maximization and cost minimization which will have positive bearing on top and bottom line of the Company.

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: February 08, 2018

ڈائریکٹرز کا تجزیہ

گزشتہ سال اسی مدت کے لیے بنیادی فی شیئر آمدنی 1.40 روپے کے مقابلے میں بنیادی فی شیئر آمدنی 2.73 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۔


مستقبل کا منظر نامہ


پیپر اور پیپر بورڈ کی مارکیٹ کی موجودہ صورتحال اگلی سہ ماہی میں بھی برقرار رہنے کا امکان ہے۔ بین الاقوامی مارکیٹ میں کوئڈ یورڈ کی قیمتوں میں اضافے کے رجحان کی وجہ سے اسکی درآمدات میں کمی آئی جو کہ ملکی صنعت اور آپکی کمپنی کے لئے سازگار ہے۔ مینجمنٹ پُر امید ہے کہ منافع کی موجودہ شرح آئندہ سہ ماہی میں برقرار رہ سکتی ہے۔ علاوہ آزیں، مینجمنٹ پیداواری گنجائش اور معیار کو بڑھانے کے لئے مسلسل مصروف عمل ہے جس سے حجم میں اضافہ اور لاگت میں کمی کی وجہ سے کمپنی کے مالیاتی نتائج پر مثبت اثرات مرتب ہوئے۔

اظہار تشکر

آپ کے ڈائریکٹرز مسلسل سرپرستی اور وائٹنگی 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: 08 فروری 2018

بورڈ آف ڈائریکٹرز کی طرف سے 31 دسمبر 2017ء کو ختم ہونے والی نصف سال کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

کمپنی کی کارکردگی کا جائزہ

کمپنی نے زیر جائزہ مدت (جولائی تا دسمبر 2017) کے دوران 109,071 میٹرک ٹن پتھر اور پیپر بورڈ کی پیداوار دی، جو کہ گذشتہ سال کی اسی مدت میں 104,473 میٹرک ٹن تھی۔ اسی طرح حالیہ سہ ماہی (اکتوبر تا دسمبر 2017) کی پیداوار 59,079 میٹرک ٹن رہی جو کہ گذشتہ سال کی اسی سہ ماہی (اکتوبر تا دسمبر 2016) میں 58,604 میٹرک ٹن تھی۔

زیر جائزہ سہ ماہی میں، کمپنی نے کوئلہ کے استعمال سے زیادہ سے زیادہ توانائی حاصل کی جو کہ سب سے سستا ایندھن ہے اور بقیہ ضرورت متبادل ایندھن سے پوری کی گئی۔

سیلز کا جائزہ

زیر جائزہ مدت میں درآمدات سے کمپنی کی پروڈکٹس کی طرف منتقلی کا رجحان برقرار رہا۔ مزید برآں، خام مال اور ایندھن کی قیمتوں میں اضافے کی وجہ سے قیمت فروخت میں تبدیلیاں کی گئیں۔ نیٹ سیلز حجم میں 6% اور قدر میں 24% اضافہ ہوا۔

آپ کی کمپنی نے زیر جائزہ مدت (جولائی تا دسمبر 2017) کے دوران 5,827 میٹرک ٹن اضافے کے ساتھ 104,872 میٹرک ٹن کا سیلز حجم حاصل کیا جو کہ گذشتہ سال کی اسی مدت کے دوران 99,044 میٹرک ٹن تھا۔ اسی طرح حالیہ سہ ماہی (اکتوبر تا دسمبر 2017) کی سیلز کا حجم 56,496 میٹرک ٹن ہے جو کہ گذشتہ سال کی اسی سہ ماہی (اکتوبر تا دسمبر 2016) میں 54,159 میٹرک ٹن تھا۔ گذشتہ سال کی اسی مدت (جولائی تا دسمبر 2016) کی نیٹ سیلز 7.18 ملین روپے کے مقابلے میں زیر جائزہ مدت (جولائی تا دسمبر 2017) کے دوران نیٹ سیلز 8.89 ملین روپے رہی۔

مالیاتی کارکردگی

آپ کی کمپنی نے زیر جائزہ مدت (جولائی تا دسمبر 2017) کے دوران 1,165 ملین روپے کا مجموعی منافع حاصل کیا جو کہ گذشتہ سال کی اسی مدت کے دوران 741 ملین روپے تھا اور اس طرح 57% اضافہ رجسٹر ہوا۔

اسی طرح زیر جائزہ مدت (جولائی تا دسمبر 2017) کے دوران 860 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ گذشتہ سال کی اسی مدت کے دوران 549 ملین روپے تھا۔ 237 ملین روپے (گذشتہ سال کے 209 ملین روپے) کے مالیاتی چارجز کو نکالنے کے بعد کمپنی نے زیر جائزہ مدت میں 623 ملین روپے کا قبل از ٹیکس منافع کمایا جو کہ گذشتہ سال کی اسی مدت کے لیے 340 ملین روپے تھا۔ کمپنی نے زیر جائزہ مدت کے لیے 435 ملین روپے کا بعد از ٹیکس منافع کمایا جو کہ گذشتہ سال کی اسی مدت کے لیے 238 ملین روپے تھا۔

Independent Auditor's Report on Review of

Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of **CENTURY PAPER & BOARD MILLS LIMITED** ("the Company") as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended December 31, 2017 and December 31, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Karachi:

Dated : February 08, 2018



BDO EBRAHIM & CO.,

Chartered Accountants

Engagement Partner: Zulfikar Ali Causer



CENTURY PAPER & BOARD MILLS LIMITED

Condensed Interim Balance Sheet

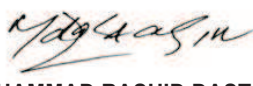
as at December 31, 2017 (Un-audited)

		December 31, 2017	June 30, 2017 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6	9,405,752	9,420,548
Operating fixed assets	7	204,396	302,278
Capital work in progress		9,610,148	9,722,826
Intangible assets		3,235	1,685
Long-term loans and advances	8	15,038	4,859
Long-term deposits		3,829	3,829
		9,632,250	9,733,199
CURRENT ASSETS			
Stores and spares	9	1,283,265	1,364,551
Stock-in-trade	10	2,240,721	1,963,091
Trade debts (unsecured - considered good)		2,027,353	1,585,378
Loans and advances	11	10,457	7,235
Trade deposits and short term prepayments	12	57,831	85,147
Other receivables		7,487	3,865
Tax refunds due from Government		221,251	227,169
Taxation - net		148,007	241,369
Cash and bank balances	13	313,572	226,476
		6,309,944	5,704,281
TOTAL ASSETS		15,942,194	15,437,480
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 410,000,000 (June 30, 2017: 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, 2017: 147,018,345) ordinary shares of Rs. 10 each		1,470,184	1,470,184
90,121,351 (June 30, 2017: 90,121,351) preference shares of Rs. 10 each	14	901,214	901,214
		2,371,398	2,371,398
Reserves		3,535,671	3,341,627
		5,907,069	5,713,025
NON - CURRENT LIABILITIES			
Long-term financing	15	3,232,500	2,987,500
Deferred taxation		1,010,179	934,494
		4,242,679	3,921,994
CURRENT LIABILITIES			
Trade and other payables	16	2,000,826	1,842,142
Short-term borrowings	17	2,623,956	2,840,150
Interest and mark-up accrued	18	77,059	38,353
Current portion of long-term financing	15	1,090,605	1,081,816
		5,792,446	5,802,461
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		15,942,194	15,437,480

The annexed notes from 1 to 31 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


HALF YEARLY REPORT DECEMBER 2017

Condensed Interim Profit and Loss Account


for the period ended December 31, 2017 (Un-audited)

		Half year ended		Quarter ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Note	(Rupees in thousands)			
Sales - net	20	8,890,593	7,177,533	4,876,835	3,963,659
Cost of sales	21	(7,725,151)	(6,436,873)	(4,189,306)	(3,483,589)
Gross profit		1,165,442	740,660	687,529	480,070
General and administrative expenses		(211,575)	(185,385)	(112,292)	(95,980)
Selling expenses		(27,681)	(24,395)	(13,846)	(12,866)
Distribution expenses		(31,717)	(26,835)	(15,438)	(13,881)
Other operating charges					
Workers' profit participation fund		(33,444)	(18,269)	(21,816)	(15,587)
Workers' welfare fund		(12,709)	(6,942)	(8,290)	(5,923)
Others		(19,918)	(12,610)	(10,836)	(5,207)
		(66,071)	(37,821)	(40,942)	(26,717)
Other income	22	31,147	82,851	17,572	64,738
Operating profit		859,545	549,075	522,583	395,364
Finance cost	23	(236,825)	(208,898)	(116,373)	(105,144)
Profit before taxation		622,720	340,177	406,210	290,220
Taxation					
Current		(111,132)	-	(60,960)	-
Prior		(1,421)	-	(1,421)	-
Deferred		(75,685)	(102,052)	(60,904)	(87,067)
		(188,238)	(102,052)	(123,285)	(87,067)
Profit for the period		434,482	238,125	282,925	203,153
Earnings per share					
- basic and diluted (Rupees)	24	2.73	1.40	1.81	1.27

The annexed notes from 1 to 31 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 period ended December 31, 2017 (Un-audited)

Note	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousands)			
Profit for the period	434,482	238,125	282,925	203,153
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>434,482</u>	<u>238,125</u>	<u>282,925</u>	<u>203,153</u>

The annexed notes from 1 to 31 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 Cash Flow


for the period ended December 31, 2017 (Un-audited)

	Note	December 31, 2017 (Rupees in thousands)	December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	25	934,942	779,599
Finance cost paid		(198,119)	(197,032)
Taxes paid		(49,753)	(101,608)
Taxes refunded		36,481	108,365
Gratuity paid		(20,201)	(18,782)
Workers' profit participation fund paid		(48,539)	(23,437)
Long-term loans and advances - net		(10,179)	(14,045)
Net cash generated from operating activities		644,633	533,060
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(366,907)	(342,510)
Proceeds from sale of property, plant and equipment		3,189	991
Net cash used in investing activities		(363,718)	(341,519)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing from Director		650,000	-
Proceeds from long-term financing from banking companies		150,000	225,000
Repayment of long-term financing from banking companies		(546,211)	(433,711)
Dividend paid on preference shares		(19,910)	-
Dividend paid on ordinary shares		(211,504)	-
Net cash generated from / (used in) financing activities		22,375	(208,711)
Net increase / (decrease) in cash and cash equivalents		303,290	(17,170)
Cash and cash equivalents at the beginning of the period		(2,613,674)	(1,770,949)
Exchange gain		-	961
Cash and cash equivalents at the end of the period		(2,310,384)	(1,787,158)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	313,572	425,855
Short-term borrowings	17	(2,623,956)	(2,213,013)
		(2,310,384)	(1,787,158)

The annexed notes from 1 to 31 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 period ended December 31, 2017 (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, 2016	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	404,641	717,867	3,479,168	5,850,566
Total comprehensive income for the period ended December 31, 2016											
Profit for the period	-	-	-	-	-	-	-	238,125	238,125	238,125	238,125
Balance as at December 31, 2016	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	642,766	955,992	3,717,293	6,088,691
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 December 31, 2017											
Profit for the period	-	-	-	-	-	-	-	434,482	434,482	434,482	434,482
Transaction with owners											
Interim dividend: Rs. 1.50 per share	-	-	-	-	-	-	-	(220,528)	(220,528)	(220,528)	(220,528)
Cumulative dividend paid on preference shares	-	-	-	-	-	-	-	(19,910)	(19,910)	(19,910)	(19,910)
Balance as at December 31, 2017	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	461,144	774,370	3,535,671	5,907,069

The annexed notes from 1 to 31 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

HALF YEARLY REPORT DECEMBER 2017

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (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 (now substituted by Companies Act, 2017) and its ordinary shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. The Company is engaged in manufacturing and marketing of paper, board and related products.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited but subject to the limited scope review by the auditors 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.

This condensed interim financial information of the Company for the half year ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the Company have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 as per the directive of Securities and Exchange Commission of Pakistan (SECP) issued vide Circular No. 23 dated October 04, 2017 and subsequently clarified by Institute of Chartered Accountants of Pakistan through their Circular No. 17 dated October 06, 2017.

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, 2017 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 balance sheet 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, 2017, 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 half year ended December 31, 2016.

2.2 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.

2.3 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.

3. 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, 2017.

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

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, 2017. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

4. 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, 2017.

5. TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2017, have been made using the estimated effective tax rate applicable to expected total annual earnings.

		December 31, 2017	June 30, 2017 (Audited)
	Note	(Rupees in thousands)	
6. OPERATING FIXED ASSETS			
Opening net book value (NBV)		9,420,548	10,037,714
Additions during the period / year at cost	6.1	461,302	298,208
		9,881,850	10,335,922
Disposals during the period / year at NBV	6.2	(2,352)	(3,841)
Depreciation charge for the period / year		(473,746)	(911,533)
		(476,098)	(915,374)
Closing net book value (NBV)		9,405,752	9,420,548

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

Buildings on freehold land	-	73,153
Plant and machinery	434,243	201,767
Furniture and fixtures	165	847
Vehicles	15,855	16,170
Electrical and other equipments	1,828	4,373
Computers	9,211	1,898
	461,302	298,208

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

Vehicles	2,352	3,828
Computers	-	13
	2,352	3,841

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

		December 31, 2017	June 30, 2017 (Audited)
		(Rupees in thousands)	
7. CAPITAL WORK IN PROGRESS	Note		
Civil works		34,461	2,705
Plant and machinery		153,201	297,798
Advances to suppliers		16,734	1,775
		<u>204,396</u>	<u>302,278</u>
7.1 Movement of carrying amount is as follows:			
Opening balance		302,280	49,036
Additions (at cost) during the period / year	7.1.1	327,238	502,944
		629,518	551,980
Transfer to operating fixed assets during the period / year		(425,122)	(249,702)
Closing balance		<u>204,396</u>	<u>302,278</u>
7.1.1 This includes borrowing costs capitalized amounting to Rs. 1.083 million (June 30, 2017: nil) at an average rate of 6.26% per annum (June 30, 2017: nil).			
8. LONG-TERM LOANS AND ADVANCES			
(Unsecured - considered good)			
Long-term loans		86	86
Long-term advance to supplier		14,952	4,773
	8.1	<u>15,038</u>	<u>4,859</u>
8.1 This represents loans and advances in the normal course of business which do not carry any interest / mark-up.			
9. STORES AND SPARES			
In hand			
Stores	9.1	824,508	729,605
Spares		366,035	413,612
		1,190,543	1,143,217
In transit	9.2	130,532	256,144
		1,321,075	1,399,361
Provision for slow moving stores and spares		(37,810)	(34,810)
		<u>1,283,265</u>	<u>1,364,551</u>
9.1 This includes fuel for power and steam generation amounting to Rs. 162.76 million (June 30, 2017: Rs. 131.19 million).			
9.2 This includes coal in transit amounting to Rs. 96.91 million (June 30, 2017: Rs. 218.31 million).			

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

		December 31, 2017	June 30, 2017 (Audited)
	Note	(Rupees in thousands)	
10. STOCK-IN-TRADE			
Raw materials			
in hand		1,232,066	1,110,602
in transit		568,269	419,043
		<u>1,800,335</u>	<u>1,529,645</u>
Work-in-process		94,338	96,961
Finished goods		346,048	336,485
		<u>2,240,721</u>	<u>1,963,091</u>
11. LOANS AND ADVANCES			
(Unsecured - considered good)			
Loans			
Current portion of long-term loans	11	11	116
Advances			
to employees		2,663	1,183
to suppliers		7,783	5,936
		<u>10,446</u>	<u>7,119</u>
	11.1	<u>10,457</u>	<u>7,235</u>
11.1	This represents loans and advances in the normal course of the business and do not carry any interest / mark-up.		
12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits	12.1	3,495	773
Prepayments		54,336	84,374
		<u>57,831</u>	<u>85,147</u>
12.1	This represents short term deposits in the normal course of the business and do not carry any interest / mark-up.		
13. CASH AND BANK BALANCES			
Cash at bank in current account			
Islamic mode		3	498
Conventional mode		102,160	89,740
		<u>102,163</u>	<u>90,238</u>
Cheques in hand		208,349	132,831
Cash in hand		3,060	3,407
		<u>313,572</u>	<u>226,476</u>

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

	Note	December 31, 2017	June 30, 2017 (Audited)
(Rupees in thousands)			
14. 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		901,214	901,214
14.1	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 the stock exchange in Pakistan.		
14.2	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.		
	During the period, the Company has paid cumulative preference dividend amounting to Rs. 19.91 million. The cumulative preference dividend as at the balance sheet date amounted to Rs. 16.48 million (June 30, 2017: Rs. 3.63 million).		
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.		
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.		
15. LONG-TERM FINANCING			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Meezan Bank Limited - Musharaka - 1	15.1	450,000	600,000
Meezan Bank Limited - Musharaka - 2	15.2	562,500	637,500
Faysal Bank Limited - Term Loan	15.3	10,605	31,816
		1,023,105	1,269,316
Conventional mode			
Syndicated - Consortium of Banks	15.4	1,125,000	1,275,000
Allied Bank Limited - Term Loan - 1	15.5	375,000	525,000
Allied Bank Limited - Term Loan - 2	15.6	150,000	-
		1,650,000	1,800,000
		2,673,105	3,069,316
From associated undertakings - unsecured	15.7	1,000,000	1,000,000
From Director - unsecured	15.8	650,000	-
		4,323,105	4,069,316
Current portion shown under current liabilities			
Islamic mode		(460,605)	(481,816)
Conventional mode		(630,000)	(600,000)
		(1,090,605)	(1,081,816)
		3,232,500	2,987,500

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

- 15.1 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, 2017: 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 6.64% (June 30, 2017: 6.64%) per annum.

- 15.2 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 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, 2017: 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 6.65% (June 30, 2017: 6.63%) per annum.

- 15.3 This term finance facility has been obtained from Faysal Bank Limited under Diminishing Musharaka Arrangement specifically for acquisition of Compact Sheeter. The tenor of the facility is three years including one year grace period. This finance facility is repayable in eight equal quarterly installments which commenced from May 2016.

This finance facility is secured by way of exclusive charge on Compact Sheeter with 25% margin.

The rate of mark up is equal to base rate plus 0.75% (June 30, 2017: 0.75%). 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 6.90% (June 30, 2017: 6.84%) per annum.

- 15.4 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, 2017: 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 6.65% (June 30, 2017: 6.63%) per annum.

- 15.5 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.

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

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, 2017: 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 6.65% (June 30, 2017: 6.57%) per annum.

- 15.6 The Company has entered into the term loan agreement with Allied Bank Limited amounting to Rs. 350 million specifically for Gas Turbine Generators out of which the Company has made drawdown of Rs. 150 million during the period. The tenor of the loan is three years inclusive 6 months grace period and are repayable in 10 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 equal to base rate plus 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 6.36% .

- 15.7 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 2019. The rate of mark up is 0.50% (June 30, 2017: 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 6.64% (June 30, 2017: 6.58%) per annum.

- 15.8 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% over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective mark up rate was 6.65%.

	December 31, 2017	June 30, 2017 (Audited)
Note	(Rupees in thousands)	
16. TRADE AND OTHER PAYABLES		
Creditors	583,641	523,739
Foreign bills payable	374,731	326,368
Accrued liabilities	645,579	626,617
Customers' balances	91,547	147,323
Gratuity payable	52,814	58,479
Workers' profit participation fund payable	33,444	48,539
Sales tax payable - net	95,956	24,138
Workers' welfare fund payable	31,154	18,445
Provident fund payable	7,060	6,505
Unclaimed dividend	724	724
Dividend payable	9,024	-
Other liabilities	75,152	61,265
	2,000,826	1,842,142

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

16.1 This includes an amount of Rs. 475.41 million (June 30, 2017: Rs. 410.97 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.

		December 31, 2017	June 30, 2017 (Audited)
	Note	(Rupees in thousands)	
17. SHORT-TERM BORROWINGS			
From banking companies - secured			
Running finances			
Islamic mode		223,068	71,408
Conventional mode		2,400,888	1,355,634
	17.1	2,623,956	1,427,042
Import credit finances - Conventional mode	17.2	-	574,308
Short term loan - Conventional mode	17.3	-	838,800
		2,623,956	2,840,150

17.1 The Company has available aggregate short term running finance facilities amounting to Rs. 4,335 million (June 30, 2017: Rs. 3,060 million). Mark up rates are linked with KIBOR from one to three months plus spread ranging from 0.30% to 1.25% per annum (June 30, 2017: from 0.30% to 1.25% per annum).

17.2 The Company has available aggregate sub-limits for FE loans under facilities for running finance and letters of credit amounting to Rs. 3,130 million (June 30, 2017: Rs. 3,030 million).

17.3 This loan has been repaid at maturity on December 12, 2017. This loan was obtained from Standard Chartered Bank, UK - Dubai International Finance Center branch through Standard Chartered Bank (Pakistan) Limited amounting to USD 8.00 million equivalent to fixed amount of Rs. 838.80 million.

18. INTEREST AND MARK-UP ACCRUED

Mark-up accrued on:

Long-term financing

From banks

- Islamic mode

- Conventional mode

From associated undertakings / Director - Conventional mode

Short-term borrowings

Islamic mode

Conventional mode

9,003	11,173
10,437	11,652
19,440	22,825
43,650	-
63,090	22,825
1,438	3,105
12,531	12,423
13,969	15,528
77,059	38,353

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 541 million (June 30, 2017: Rs. 521 million).

b) Sales tax

Four cases of inadmissible input sales tax amounting to Rs. 87.31 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. 197.62 million (June 30, 2017: Rs. 152.72 million) on account of late payment surcharge on GIDC of Rs. 475.41 million (Note 16.1) 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.

19.2 Commitments

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

- Letters of credit other than for capital expenditure amounted to Rs. 1,065.41 million (June 30, 2017: Rs. 1,101.44 million).
- Capital expenditure including letters of credit amounted to Rs. 70.69 million (June 30, 2017: Rs. 10.93 million).

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousands)			
20. SALES				
Gross sales	10,403,968	8,398,566	5,707,259	4,638,052
Sales tax	(1,513,375)	(1,221,033)	(830,424)	(674,393)
	<u>8,890,593</u>	<u>7,177,533</u>	<u>4,876,835</u>	<u>3,963,659</u>



Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

Note	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
(Rupees in thousands)				
21. COST OF SALES				
Materials consumed	5,050,567	4,062,358	2,750,031	2,313,303
Fuel and power	1,261,086	1,098,423	700,575	602,910
Depreciation on property, plant and equipment	456,318	441,555	236,865	215,588
Salaries, wages and other benefits	378,681	347,078	188,870	180,180
Repairs, maintenance and stores consumption	347,192	306,385	192,403	145,901
Packing expenses	192,316	167,906	104,018	90,460
Insurance	38,979	36,330	19,812	18,466
Provision for slow moving stores and spares	3,000	3,000	1,500	1,500
Rent, rates and taxes	3,952	2,969	2,085	1,509
Manufacturing cost	7,732,091	6,466,004	4,196,159	3,569,817
Work-in-process				
Opening stock	96,961	50,053	77,867	77,051
Closing stock	(94,338)	(80,704)	(94,338)	(80,704)
	2,623	(30,651)	(16,471)	(3,653)
Cost of goods manufactured	7,734,714	6,435,353	4,179,688	3,566,164
Finished goods				
Opening stock	336,485	379,353	355,666	295,258
Closing stock	(346,048)	(377,833)	(346,048)	(377,833)
	(9,563)	1,520	9,618	(82,575)
	7,725,151	6,436,873	4,189,306	3,483,589

22. OTHER INCOME

Liabilities settled					
against claims	22.1	-	47,488	-	47,488
Sale of scrap		24,179	26,783	14,905	12,403
Insurance agency commission					
from associated company		6,000	6,344	3,000	3,644
Net exchange gain -					
conventional mode		-	1,448	(467)	1,033
Gain on sale of fixed assets – net		836	307	124	307
Others		132	481	10	(137)
		<u>31,147</u>	<u>82,851</u>	<u>17,572</u>	<u>64,738</u>

22.1 Corresponding figures represents the net amount in favor of the Company pursuant to settlement agreement for 18 MW Coal Based Co-Generation Power Plant entered into between the Company and Runh Power Corporation Limited, China (the vendor) dated November 18, 2016. This amount was settled against retention money payable to vendor.

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousands)			
23. FINANCE COST				
Long-term financing				
From banks				
- Islamic mode	38,400	53,486	18,231	25,579
- Conventional mode	56,351	72,316	26,935	35,547
	94,751	125,802	45,166	61,126
From associated undertakings				
/ Director	43,646	32,994	26,710	16,145
Short term borrowings				
Islamic mode	4,982	7,571	1,439	3,443
Conventional mode	84,848	39,753	41,113	21,339
	89,830	47,324	42,552	24,782
Workers' profit participation fund	987	461	-	-
Net exchange loss on import				
credit finances - Conventional mode	5,121	-	-	1,124
Bank charges and commission	2,490	2,317	1,945	1,967
	236,825	208,898	116,373	105,144

24. 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	434,482	238,125	282,925	203,153
Dividend attributable to cumulative preference shares	(32,756)	(32,483)	(16,469)	(16,446)
Profit attributable to ordinary shareholders	401,726	205,642	266,456	186,707
Weighted average number of ordinary shares (in thousands)	147,018	147,018	147,018	147,018
Basic earnings per share (Rupees)	2.73	1.40	1.81	1.27

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

		December 31, 2017	June 30, 2017 (Audited)
		(Rupees in thousands)	
25. CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		622,720	340,177
Adjustment for non cash charges and other items:			
Depreciation		473,746	458,909
Amortization of intangible assets		439	376
Gain on sale of property, plant and equipment		(836)	(307)
Provision for gratuity		14,536	13,003
Provision for slow moving stores and spares		3,000	3,000
Workers' profit participation fund		33,444	18,269
Finance cost		236,825	208,898
Exchange gain		-	(961)
Working capital changes	25.1	(448,932)	(261,765)
		312,222	439,422
		934,942	779,599

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

December 31, 2017 June 30, 2017
(Audited)

(Rupees in thousands)

25.1 Changes in working capital

(Increase) / decrease in current assets:

Stores and spares	78,286	(137,969)
Stock-in-trade	(277,630)	(4,263)
Trade debts	(441,975)	(317,440)
Loans and advances	(3,222)	(3,537)
Trade deposits and short-term prepayments	27,316	28,028
Other receivables	(3,622)	(1,779)
	(620,847)	(436,960)

Increase in current liabilities:

Trade and other payables	171,915	175,195
	(448,932)	(261,765)

26. 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, 2017.

27 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

27.1 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:

Relation with the Company	Nature of transaction	Half year ended		Quarter ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
(Rupees in thousands)					
Associated Companies / Undertakings / Director	Sales of goods and services	1,003,803	765,658	537,921	359,871
	Purchase of goods and services	72,544	50,512	41,041	24,863
	Rent and other allied charges	4,596	4,588	2,396	2,295
	Insurance agency commission	6,000	6,345	3,000	3,456
	Mark-up charged	43,646	32,994	26,709	16,145
	Dividend paid on preference shares	19,910	-	19,910	-
	Interim dividend paid on ordinary shares	146,484	-	146,484	-
	Loan obtained	650,000	-	100,000	-
Retirement benefit plans	Contribution to staff retirement benefit plans	40,083	37,030	20,279	19,354
Key management personnel	Remuneration and other benefits (Note 27.3)	159,786	138,535	73,563	71,079

Notes to the Condensed Interim Financial Information

for the period ended December 31, 2017 (Un-audited)

December 31,
2017
June 30,
2017
(Audited)
(Rupees in thousands)

27.2 Period / year end balances

Receivable from associated companies / undertakings	301,402	133,056
Payable to related parties	39,848	92,942
Payable to retirement benefit plan	59,874	64,984
Long term financing from associated undertaking / Director	1,650,000	1,000,000
Mark up accrued on long term financing from associated undertaking / Director	43,646	-

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

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

28. 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 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 six month period ended December 31, 2017, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 08, 2018 by the Board of Directors of the Company.

30. 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.

31. 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
 CENTURY PAPER & BOARD MILLS LIMITED		

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