



Century Paper & Board Mills Limited

Third Quarter Report March 2016



Clean Green Sustainable

Contents

	PAGE
Corporate Information	2
Directors' Review	3-4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10-19



Corporate Information

Board of Directors

Iqbal Ali Lakhani - Chairman
Zulfiqar Ali Lakhani
Amin Mohammed Lakhani
Tasleemuddin Ahmed Batlay
Kemal Shoaib
Muhammad Imran Rafiq - Nominee Director (NIT)
Shahid Ahmed Khan
Aftab Ahmad - Chief Executive Officer

Advisor

Sultan Ali Lakhani

Audit Committee

Kemal Shoaib - Chairman
Zulfiqar Ali Lakhani
Amin Mohammed Lakhani
Tasleemuddin Ahmed Batlay

Human Resource and Remuneration Committee

Zulfiqar Ali 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) 35698000
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, Next to 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 third quarter ended March 31, 2016 and nine months period (July 2015 to March 2016) ended on the same date.

Company's Operating Performance

The Company produced 139,403 metric tons during the period under review (July 2015 to March 2016) as compared to 120,243 metric tons of the comparable period of last year. The capacity utilization for the period under review stood at 77% as compared to 67% of the corresponding period of last year. The current quarter (January-March 2016) production was 44,244 metric tons compared to 41,665 metric tons of the corresponding quarter of the last year.

The higher production was achieved due to favorable energy outlook driven by substantial drop in prices of petroleum products making their use economical. Moreover, the Government of Pakistan has entered into a long term contract for import of Liquefied Natural Gas (LNG) during the current quarter. After import of LNG under that contract started during the period, it has been supplied to Industry in Punjab since 1st March 2016.

Sales Review

Your Company sold 133,458 metric tons of its products for the period under review (July 2015 to March 2016) as compared to 115,180 metric tons of the corresponding period of the last year. Increase in sales volumes is around 16% over the corresponding period of the last year.

Company sold 48,061 metric tons during the current quarter (January-March 2016) compared to 45,298 metric tons of previous quarter (October-December 2015) and 39,024 metric tons of corresponding quarter of the last year.

Increase in sales is attributed to smooth production and business strategy to increase volumes by recapturing the market share from increasing imports by adjusting the selling prices at the end of the last year.

In terms of value, the net sales of the Company for the period under review (July 2015 to March 2016) were Rs. 10.146 billion as compared to Rs. 9.871 billion of the corresponding period of the last year.

Financial Performance

Gross and net operating profit figures showed overall improvement from the corresponding period of the last year. The gross profit earned by your Company for the period under review (July 2015 to March 2016) stood at Rs. 900 million compared to Rs. 667 million of the corresponding period of the last year registering an increase of 35%.

The net operating profit for the period under review (July 2015 to March 2016) is recorded at Rs. 552 million as compared to Rs. 310 million of the corresponding period of the last year.

Directors' Review

Financial cost is recorded at Rs. 266 million for the period under review as compared to Rs. 486 million of the corresponding period of the last year showing a decrease of Rs. 220 million. The drop in KIBOR has mainly contributed to the decrease in financial cost.

The Company has posted a Profit before tax of Rs. 286 million as compared to a Loss before tax of Rs. 175 million posted for the corresponding period of the last year.

After accounting for the minimum turnover tax and deferred taxation the Company has made a Profit of Rs. 194 million for the period under review as compared to a Loss of Rs. 117 million for the corresponding period of the last year.

Earnings per Share

The basic earnings per share is reported at Rs. 0.98 as compared to basic loss per share of Rs. 1.21 of the corresponding period of the last year. There is no dilution effect on the earnings per share for the period under review and corresponding period of the last year.

Near Term Outlook

The mechanical commissioning of 18MW Cogeneration power plant has been completed and its trial runs are also started during the current month. It is expected that energy from the plant will be available in ensuing month.

Market demand of Company's products is expected to remain stable in next quarter. This will result in better plant operations supported by efficient energy mix from Coal Based Power Plant and continuous supply of LNG. Thus, your Company is expected to maintain the current trend in the ensuing quarter.

During the current quarter, Your Company has filed applications with the National Tariff Commission (NTC) for the imposition of anti-dumping duties on certain categories of paperboard as it feels that these products are being imported at dumped prices.

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

Karachi: April 21, 2016



Condensed Interim Balance Sheet

as at March 31, 2016 (Un-audited)

		March 31, 2016	June 30, 2015 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	7,001,091	7,602,231
Capital work in progress	7	3,009,013	1,812,177
		10,010,104	9,414,408
Intangible assets		2,698	3,645
Long-term loans and advances		2,366	5,054
Long-term deposits		2,829	2,829
		10,017,997	9,425,936
CURRENT ASSETS			
Stores and spares	8	1,193,175	1,082,473
Stock-in-trade	9	1,693,929	1,982,334
Trade debts (unsecured - considered good)		1,426,218	1,173,624
Loans and advances (unsecured - considered good)		28,922	16,156
Trade deposits and short-term prepayments		34,326	3,679
Other receivables (unsecured - considered good)		887	2,815
Tax refunds due from Government		128,895	116,306
Taxation - net		93,771	183,318
Cash and bank balances		136,020	120,987
		4,736,143	4,681,692
TOTAL ASSETS		14,754,140	14,107,628
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
410,000,000 (June 30, 2015: 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, 2015: 147,018,345)			
ordinary shares of Rs. 10 each		1,470,184	1,470,184
90,121,351 (June 30, 2015: 90,121,351)			
preference shares of Rs. 10 each	10	901,214	901,214
Reserves		2,371,398	2,371,398
		3,341,683	3,147,348
		5,713,081	5,518,746
NON - CURRENT LIABILITIES			
Long-term financing	11	4,004,922	4,149,238
Deferred taxation		568,489	578,499
		4,573,411	4,727,737
CURRENT LIABILITIES			
Trade and other payables	12	1,756,899	1,245,364
Interest and mark-up accrued	13	61,217	42,399
Short-term borrowings	14	1,819,610	1,951,943
Current portion of long-term financing	11	829,922	621,439
		4,467,648	3,861,145
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		14,754,140	14,107,628

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director

Condensed Interim Profit and Loss Account

for the period ended March 31, 2016 (Un-audited)

	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Rupees in thousands)					
Sales - net	16	10,145,917	9,871,049	3,681,561	3,310,133
Cost of sales	17	(9,246,316)	(9,204,365)	(3,327,052)	(3,106,559)
Gross profit		899,601	666,684	354,509	203,574
General and administrative expenses		(279,687)	(262,102)	(90,437)	(88,107)
Selling expenses		(35,211)	(31,866)	(12,034)	(10,849)
Distribution expenses		(49,182)	(53,440)	(15,522)	(15,900)
Other operating charges					
Workers' Profit Participation Fund		(15,349)	-	(8,759)	-
Workers' Welfare Fund		(5,833)	-	(3,329)	-
Others		(12,145)	(62,248)	(5,599)	(24,029)
		(33,327)	(62,248)	(17,687)	(24,029)
Other income		50,036	53,369	18,642	15,706
Operating profit		552,230	310,397	237,471	80,395
Finance cost		(266,441)	(485,680)	(74,387)	(143,739)
Profit / (loss) before taxation		285,789	(175,283)	163,084	(63,344)
Taxation					
Current		(101,464)	(98,710)	(36,815)	(33,101)
Deferred		10,010	156,837	(15,374)	54,003
		(91,454)	58,127	(52,189)	20,902
Profit / (loss) for the period		194,335	(117,156)	110,895	(42,442)
Earnings / (loss) per share - basic and diluted (Rupees)	18	0.98	(1.21)	0.64	(0.42)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director



Condensed Interim Statement of Comprehensive Income

for the period ended March 31, 2016 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Profit / (loss) for the period	194,335	(117,156)	110,895	(42,442)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>194,335</u>	<u>(117,156)</u>	<u>110,895</u>	<u>(42,442)</u>

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director

Condensed Interim Statement of Cash Flows

for the period ended March 31, 2016 (Un-audited)

	Note	March 31, 2016	March 31, 2015
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	1,615,901	1,427,393
Finance cost paid		(252,413)	(483,696)
Taxes paid		(118,112)	(184,252)
Taxes refunded		93,280	120,292
Gratuity paid		(28,409)	(24,368)
Workers' Profit Participation Fund paid		-	(49,087)
Long-term loans and advances - net		2,688	(6,382)
Net cash generated from operating activities		1,312,935	799,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,234,165)	(1,171,123)
Proceeds from sale of property, plant and equipment		3,775	5,104
Net cash used in investing activities		(1,230,390)	(1,166,019)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing from banking companies		525,000	777,517
Repayment of long-term financing from banking companies		(460,833)	(633,182)
Net cash generated from financing activities		64,167	144,335
Net increase / (decrease) in cash and cash equivalents		146,712	(221,784)
Cash and cash equivalents at the beginning of the period		(1,830,956)	(1,536,046)
Effect of exchange gain / (loss)		654	(44)
Cash and cash equivalents at the end of the period		(1,683,590)	(1,757,874)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		136,020	112,326
Short-term borrowings		(1,819,610)	(1,870,200)
		(1,683,590)	(1,757,874)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.



AFTAB AHMAD
Chief Executive Officer



TASLEEMUDDIN AHMED BATLAY
Director



Condensed Interim Statement of Changes in Equity

for the period ended March 31, 2016 (Un-audited)

	Issued, subscribed and paid-up capital		Capital				Reserves				Sub-total	Total	
			Ordinary share capital	Preference share capital	Share premium	Merger reserve	Redemption reserve	Total	Revenue				Total
									General reserve	Unappropriated profit			
Balance as at July 1, 2014	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	298,765	611,991	3,373,292	5,744,690		
Total comprehensive loss for the period ended March 31, 2015	-	-	-	-	-	-	-	(117,156)	(117,156)	(117,156)	(117,156)		
Loss for the period													
Balance as at March 31, 2015	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	181,609	494,835	3,256,136	5,627,534		
Balance as at July 1, 2015	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	72,821	386,047	3,147,348	5,518,746		
Total comprehensive income for the period ended March 31, 2016	-	-	-	-	-	-	-	194,335	194,335	194,335	194,335		
Profit for the period													
Balance as at March 31, 2016	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	267,156	580,382	3,341,683	5,713,081		

(Rupees in thousands)

The annexed notes from 1 to 24 form an integral part of this condensed interim financial information.


AFTAB AHMAD
 Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
 Director

CENTURY PAPER & BOARD MILLS LIMITED



Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (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 Companies Ordinance, 1984 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 and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information of the Company for the nine months ended March 31, 2016 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 Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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, 2015 which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

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, 2015, 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 nine months ended March 31, 2015.

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, 2015.

Amendments and interpretations to published accounting standards effective for the financial year ending June 30, 2016 are not expected to have material impact on the Company's condensed interim financial information.

4. TAXATION

The provisions for taxation for the nine months and quarter ended March 31, 2016, have been made using the estimated effective tax rate applicable to expected total annual earnings.

The applicable income tax rate for tax year 2016 is 32% as per Income Tax Ordinance, 2001.



Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

5. ESTIMATES

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, 2015.

	Note	March 31, 2016	June 30, 2015 (Audited)
		(Rupees in thousands)	
6. OPERATING FIXED ASSETS			
Opening net book value (NBV)		7,602,231	8,137,746
Additions (at cost) during the period / year	6.1	60,501	376,844
		7,662,732	8,514,590
Disposals (at NBV) during the period / year	6.2	(3,037)	(6,494)
Depreciation charge for the period / year		(658,604)	(905,865)
		(661,641)	(912,359)
Closing net book value (NBV)		7,001,091	7,602,231
6.1 Detail of additions (at cost) during the period / year are as follows:			
Freehold land		-	1,437
Buildings on freehold land		4,801	34,810
Plant and machinery		16,077	294,883
Furniture and fixtures		91	474
Vehicles		34,375	36,565
Electrical and other equipments		2,145	3,410
Computers		3,011	5,265
		60,501	376,844
6.2 Detail of disposals (at NBV) during the period / year are as follows:			
Plant and machinery		-	770
Vehicles		3,037	5,724
		3,037	6,494
7. CAPITAL WORK IN PROGRESS			
This comprises of:			
Project (Coal Based Co-Generation Power Plant)			
Civil works		492,659	206,681
Plant and machinery		2,020,100	1,231,138
Advances to suppliers		27,265	49,406
Finance cost		183,648	63,450
Other directly attributable cost		31,118	22,483
		2,754,791	1,573,158
Others			
Civil works		121,636	120,534
Plant and machinery		111,052	100,725
Finance cost		21,534	13,237
Advances to suppliers		-	4,523
		254,223	239,019
		3,009,013	1,812,177

Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

	March 31, 2016	June 30, 2015 (Audited)
Note	(Rupees in thousands)	
7.1 Movement of carrying amount is as follows:		
Opening balance	1,812,177	202,525
Additions (at cost) during the period / year	1,213,515	1,905,617
	3,025,692	2,108,142
Transfer to operating fixed assets during the period / year	(16,679)	(295,965)
Closing balance	3,009,013	1,812,177

8. STORES AND SPARES

Stores	8.1	734,956	667,393
Spares			
in hand		424,410	421,187
in transit	8.2	59,534	19,618
		483,944	440,805
		1,218,900	1,108,198
Provision for slow moving stores and spares		(25,725)	(25,725)
		1,193,175	1,082,473

8.1 This includes fuel for power and steam generation amounting to Rs. 71.40 million (June 30, 2015: Rs. 55.82 million).

8.2 This includes coal in transit amounting to Rs. 37.18 million.

8.3 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares resulting in capital expenditure are capitalized in cost of respective assets.

9. STOCK-IN-TRADE

Raw materials			
in hand		890,191	1,328,750
in transit		491,366	243,803
		1,381,557	1,572,553
Work-in-process	9.1	213,603	298,416
Finished goods		98,769	111,365
		1,693,929	1,982,334

9.1 This includes inventory costing Rs. 137.467 million (June 30, 2015: Rs. 229.014 million) for which manufacturing process is complete except for sheeting and packaging.

10. PREFERENCE SHARES

Original issue size (fully paid in cash)	3,004,046	3,004,046
Redeemed through cash / right shares	(1,351,821)	(1,351,821)
Converted into Ordinary Shares	(751,011)	(751,011)
Balance outstanding	901,214	901,214



Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

- 10.1 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.
- 10.2 The 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 dividend in arrear as at the balance sheet date amounted to Rs. 650.23 million (June 30, 2015: Rs. 600.26 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 provisions of Section 85 of the Companies Ordinance, 1984.

	Note	March 31, 2016	June 30, 2015 (Audited)
		(Rupees in thousands)	
11. LONG-TERM FINANCING			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Consortium of Banks			
Musharaka	11.1	975,000	1,200,000
Syndicated	11.2	1,250,000	898,000
		2,225,000	2,098,000
Term Loans			
Allied Bank Limited	11.3	900,000	1,125,000
Meezan Bank Limited - Musharaka	11.4	625,000	452,000
Faysal Bank Limited - 1	11.5	-	10,833
Faysal Bank Limited - 2	11.6	84,844	84,844
		1,609,844	1,672,677
		3,834,844	3,770,677
From associated undertakings - Unsecured	11.7	1,000,000	1,000,000
		4,834,844	4,770,677
Current portion shown under current liabilities		(829,922)	(621,439)
		4,004,922	4,149,238

- 11.1 This represents Diminishing Musharaka Arrangement with a Consortium of Meezan Bank Limited and Al Baraka Bank (Pakistan) Limited for 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.

Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

The finance facility is secured by way of mortgage of immovable properties of the Company and 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 0.9%. 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 7.62% (June 30, 2015: 10.24%) per annum.

- 11.2 This represents drawdowns of Rs. 1,250 million against Syndicated term financing agreement with Consortium of MCB Bank Limited and Allied Bank Limited amounting to Rs. 1,500 million for expenditure incurred on project in progress of 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 commencing from November 2016.

The finance facility is secured by way of mortgage of immovable properties of the Company 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 0.75%. 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 7.44% (June 30, 2015: 9.32%) per annum.

- 11.3 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 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 0.9%. 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 7.55% (June 30, 2015: 10.20%) per annum.

- 11.4 This represents drawdowns of Rs. 625 million against Diminishing Musharaka Arrangement of Rs. 750 million with Meezan Bank Limited for expenditure incurred on project in progress of 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 commencing from November 2016.

The finance facility is secured by way of mortgage of immovable properties of the Company 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 0.75%. 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 7.44% (June 30, 2015: 9.32%) per annum.

- 11.5 This term finance facility has been fully repaid during the period. The effective mark-up rate was 8.40% (June 30, 2015: 10.77%) per annum.

- 11.6 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 commencing 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%. 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 7.27% (June 30, 2015: 9.28%) per annum.



Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

11.7 This loan has been obtained from SIZA Commodities (Private) Limited, an associated company, amounting to Rs. 1,000 million. The loan is repayable after two years from the date of agreement i.e. July 2017.

The rate of mark-up is 0.9% over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective mark-up rate was 7.60% (June 30, 2015: 10.39%) per annum.

		March 31, 2016	June 30, 2015 (Audited)
	Note	(Rupees in thousands)	
12. TRADE AND OTHER PAYABLES			
Creditors		436,293	302,422
Foreign bills payable		274,368	196,302
Accrued liabilities	12.1	554,317	403,220
Sales tax payable - net		91,505	37,947
Customers' balances		61,273	60,898
Provident fund payable		6,188	5,490
Gratuity payable		66,794	74,690
Workers' Profit Participation Fund		15,349	-
Workers' Welfare Fund		5,833	-
Unclaimed dividend		724	724
Retention money payable		200,135	126,605
Other liabilities		44,120	37,066
		<u>1,756,899</u>	<u>1,245,364</u>

12.1 This includes Rs. 399.20 million (2015: Rs. 207.67 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. The Sindh High Court granted stay order against collecting GIDC under the aforesaid Act, pending the final decision on the writ petition filed by the Company. However, the Company has recorded a provision against GIDC as liability for the period from August 2014 to March 2016 in the condensed interim financial information.

13. INTEREST AND MARK-UP ACCRUED

Mark-up accrued on:			
Long-term financing		46,566	28,769
Short-term borrowings		14,651	13,630
		<u>61,217</u>	<u>42,399</u>

14. SHORT-TERM BORROWINGS

From banking companies - secured			
Running finances		1,058,459	1,390,563
Import credit finances		761,151	561,380
	14.1	<u>1,819,610</u>	<u>1,951,943</u>

14.1 During the period, the effective mark-up rates for running finances and import credit finances are 6.99% (June 30, 2015: 9.86%) per annum and 2.80% (June 30, 2015: 3.16%) per annum respectively.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 367 million (June 30, 2015: Rs. 367 million).

Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

b) Sales tax

Three cases of inadmissible input sales tax amounting to Rs. 82.27 million have been adjudicated against the Company by Deputy Commissioner Inland Revenue. The appeals were filed by the Company against these orders at respective forum. These cases have been remanded back to the adjudicating authorities by the Appellate Authorities with the direction to verify compliance 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.

15.2 Commitments

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

- Letters of credit other than for capital expenditure amounted to Rs. 586.97 million (June 30, 2015: Rs. 559.39 million).
- Capital expenditure including letters of credit amounted to Rs.157.07 million (June 30, 2015: Rs. 562.69 million).

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in thousands)			
16. SALES				
Gross sales	11,825,525	11,519,847	4,289,142	3,861,207
Sales tax	(1,679,608)	(1,648,798)	(607,581)	(551,074)
	<u>10,145,917</u>	<u>9,871,049</u>	<u>3,681,561</u>	<u>3,310,133</u>
17. COST OF SALES				
Materials consumed	5,850,855	5,579,503	1,858,067	1,961,587
Fuel and power	1,440,896	1,798,827	435,149	599,863
Depreciation on property, plant and equipment	632,779	654,103	204,035	219,283
Salaries, wages and other benefits	467,242	427,902	155,571	143,302
Repairs, maintenance and stores consumption	479,455	427,111	160,919	142,504
Packing expenses	224,312	205,839	74,688	72,637
Insurance	49,105	49,699	16,754	17,280
Provision for slow moving stores and spares	-	4,300	-	1,500
Rent, rates and taxes	4,263	4,004	1,435	1,567
Manufacturing cost	<u>9,148,907</u>	<u>9,151,288</u>	<u>2,906,618</u>	<u>3,159,523</u>
Work-in-process				
Opening stock	298,416	439,789	591,264	359,350
Closing stock	(213,603)	(405,824)	(213,603)	(405,824)
	<u>84,813</u>	<u>33,965</u>	<u>377,661</u>	<u>(46,474)</u>
Cost of goods manufactured	<u>9,233,720</u>	<u>9,185,253</u>	<u>3,284,279</u>	<u>3,113,049</u>
Finished goods				
Opening stock	111,365	130,876	141,542	105,274
Closing stock	(98,769)	(111,764)	(98,769)	(111,764)
	<u>12,596</u>	<u>19,112</u>	<u>42,773</u>	<u>(6,490)</u>
	<u>9,246,316</u>	<u>9,204,365</u>	<u>3,327,052</u>	<u>3,106,559</u>

Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

18. EARNINGS PER SHARE - BASIC AND DILUTED

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

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015 (Rupees in thousands)	March 31, 2016	March 31, 2015
Profit / (loss) for the period	194,335	(117,156)	110,895	(42,442)
Dividend attributable to cumulative preference shares	(49,974)	(60,617)	(15,810)	(19,910)
Profit / (loss) attributable to ordinary shareholders	<u>144,361</u>	<u>(177,773)</u>	<u>95,085</u>	<u>(62,352)</u>
Weighted average number of ordinary shares (in thousands)	<u>147,018</u>	<u>147,018</u>	<u>147,018</u>	<u>147,018</u>
Basic earnings / (loss) per share attributable to ordinary shareholders (Rupees)	<u>0.98</u>	<u>(1.21)</u>	<u>0.64</u>	<u>(0.42)</u>

There were no dilutive potential ordinary shares outstanding as at March 31, 2016 and 2015.

	Note	March 31, 2016 (Rupees in thousands)	March 31, 2015 (Rupees in thousands)
19. CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		285,789	(175,283)
Adjustment for non cash charges and other items:			
Depreciation		658,604	677,518
Amortization of intangible assets		947	1,268
Gain on sale of property, plant and equipment		(738)	(1,215)
Provision for gratuity		20,513	19,108
Provision for slow moving stores and spares		-	4,300
Workers' Profit Participation Fund		15,349	-
Finance cost		266,441	485,680
Exchange (gain)/ loss - net		(654)	44
Working capital changes	19.1	369,650	415,973
		<u>1,330,112</u>	<u>1,602,676</u>
		<u>1,615,901</u>	<u>1,427,393</u>
19.1 Changes in working capital			
(Increase) / decrease in current assets:			
Stores and spares		(110,702)	(145,352)
Stock-in-trade		288,405	589,907
Trade debts		(252,594)	(179,424)
Loans and advances		(12,766)	(7,191)
Trade deposits and short-term prepayments		(30,647)	(26,308)
Other receivables		1,928	(4,337)
Tax refunds due from Government		-	18,653
		<u>(116,376)</u>	<u>245,948</u>
Increase in current liabilities:			
Trade and other payables		486,026	170,025
		<u>369,650</u>	<u>415,973</u>

Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

20.1 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	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015 (Rupees in thousands)	March 31, 2016	March 31, 2015
Associated companies / undertakings	Sales of goods and services	1,140,306	1,162,072	403,202	389,071
	Purchase of goods and services	148,465	157,731	21,687	29,918
	Rent and other allied charges	7,005	5,258	3,304	1,405
	Insurance agency commission	8,245	10,716	3,985	1,716
	Mark-up accrued	57,266	81,794	18,424	25,964
Retirement benefit plans	Contribution to staff retirement benefit plans	54,079	42,650	18,472	14,208
Key management personnel	Remuneration and other benefits (Note 20.3)	196,120	167,161	61,149	51,505
				March 31, 2016	June 30, 2015 (Audited)
		Note		(Rupees in thousands)	

20.2 Period / year end balances

Receivable from associated companies / undertakings	110,068	69,094
Payable to related parties		
Associated undertakings	12	1,633
Retirement funds	12	80,180
Long-term financing from associated undertaking	1,000,000	1,000,000
Mark-up on long term financing from associated undertaking	18,424	-

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

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

21. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2015.

The Company considers that the carrying amount of the all the financial assets and financial liabilities are a reasonable approximation of their fair values.



Notes to the Condensed Interim Financial Information

for the period ended March 31, 2016 (Un-audited)

22. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 21, 2016 by the Board of Directors of the Company.

23. 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.

24. GENERAL

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



AFTAB AHMAD
Chief Executive Officer



TASLEEMUDDIN AHMED BATLAY
Director








www.jamapunji.pk








 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk


Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



**CENTURY PAPER &
BOARD MILLS LIMITED**

**Head Office, Registered Office,
Corporate/Shares Office & Regional Sales Office (South)**
Lakson Square, Building No.2, Sarwar Shaheed Road,
Karachi - 74200, Pakistan.
Phone: (021) 35698000 Fax: (021) 35681163, 35683410

Regional Sales Office (North)
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

Email: info@centurypaper.com.pk
Website: www.centurypaper.com.pk