



Century Paper & Board Mills Limited



empowering **WOMEN**
INSPIRING progress

ANNUAL REPORT 2023



empowering WOMEN INSPIRING progress

The women of our society are the foundation of our strength, the source of our resilience, and the catalysts of our progress. They have played a vital role in the social, economic, and cultural advancement of the nation. Be it leadership, entrepreneurship, social work, health, education, justice, fine arts or caregivers of a family, all areas have been uplifted by their contribution and informed by their unique perspectives. They have created a strong legacy of excellence and empowerment.

Women represent more than half of us, and they deserve equal opportunities for education, economic participation, and leadership. By advancing towards “National SDG 5: Achieve gender equality and empower all women and girls”, we can liberate the true potential of our female population, which will usher in a new era of innovation, diversity, and progress for our nation.

Century Paper is committed to promoting women’s empowerment through various initiatives. The company provides skill development programs and creates a culture of inclusion, enabling women to become self-sufficient and productive members of the workforce.

The theme of this year’s annual report is a celebration of our women, featuring a few eminent females of our society and women in the Company. Century Paper also reaffirms its pledge to accelerate its progress toward Gender Equality and Women Empowerment.

TABLE OF CONTENTS

OVERVIEW & STRATEGY

04 - 35

Core Values	04
Code Of Ethics	05
Company Profile	08
Milestones	14
Certifications & Awards	16
Organogram	21
Year At A Glance	26
Key Figures And Ratios	27
Dupont Analysis	28
Statement Of Value Added	29
Summarized Six Year Data	30
Financial Performance	32
Horizontal And Vertical Analysis	34

SUSTAINABILITY REPORT

38 - 41

GOVERNANCE & COMPLIANCE

42 - 103

159 - 162

Corporate Information	42
Shareholders' Information	44
Notice Of Annual General Meeting	46
Board Of Directors	53
Directors Profile	54
Review Report By The Chairman	57
Chairman's Message	64
Directors' Report	66
ڈائریکٹرز رپورٹ	99
Statement Of Compliance With The Code Of Corporate Governance	100
Auditor's Review Report On Statement Of Compliance	103
Pattern Of Shareholding	159
Form Of Proxy	

FINANCIAL STATEMENTS

104 - 158

VISION

To be the market leader and an enduring force in the paper, board and packaging industry, positively influencing and providing value to our stakeholders, society and our nation.



MISSION

To strive incessantly for excellence and sustain our position as a preferred supplier of quality paper, board and packaging material within a team environment and with a customer focussed strategy.

CORE VALUES



CODE OF ETHICS

Our core business is to manufacture paper, paperboard and packaging products to provide local businesses and individuals quality products of international standard. We are very strong believer of the fact that Ethics and Good Practices play a vital role in advancement and betterment of the Company. To support our belief, we endeavor our best to follow these ethical and good practices.

Corporate Governance

We as a responsible corporate citizen strongly adhere to Corporate Governance principles and comply with regulatory obligations enforced by regulatory agencies for improving corporate performance. We believe in uprightness of performance and expect it to be a fundamental responsibility of our employees to act in the Company's best interest while holding confidential information. We expect our employees to neither solicit internal information from others nor disclose Company's figures, data or any material information to any unauthorized persons/body.

Human Resource Development

We believe in individual respect and growth. Our employment and Human Resource policies develop individuals without race, religion, gender or any other discriminative factors. We provide equal opportunities with a team based management style employing incessant training and development programs for employees. These continuous improvement policies enhance efficiencies and knowledge and create a constructive and affirmative environment.

Transparent Financial Policies

We develop fair and transparent financial policies for conducting business. We ensure transparency and integrity and follow the principles of accounting and finance as approved by regulations and contemporary accounting codes. Any unsupportive or false entry, infringement of accounts for individual or company gain is strongly incoherent with our business codes and ethics.

Marketing and Industry Practices

We believe in free and fair business practices and open competitive markets. Developing any association within the segment, industry

or with competitors to distort the pricing and availability is contradictory to our business code of conduct. Any anti-trust activity such as price fixing, monopolization or forming cartel of suppliers is prohibited. Our marketing policies are customer focussed, placing high values in satisfying their requirements with emphasis on quality, service and product development. As a long term marketing strategy we vision to diversify and add value to our products while maintaining close liaisons with markets, customers and their needs.

Business Risk Management

Our risk management policies are geared to enhance shareholders worth, improve credit worthiness and minimize credit risk while diversifying income, supplier and customer bases and maintaining relationships with financial institutions.

Social and Community Commitments

We believe in community development without political affiliations with any persons or group of persons working for gains. We contribute our resources for better environment with an unprejudiced approach. Our Safety, Health and Environment (SHE) policies are geared towards unbiased employees' betterment. Our positive contribution towards Community Related Services especially in health and education adds to economic development.

Environmental Management System - EMS

We invest in environmental projects with environment friendly policies to improve Health and Safety standards of employees, communities and surroundings. Our EMS continuously improves in light of advancement in technology and new understandings in Safety, Health and Environmental science. We are driving towards zero waste generation at the source and materials will be reused and recycled to minimize the need for treatment or disposal and to conserve resources and environment. We are working for the conservation of natural resources, energy and biodiversity by continuously improving our processes, practices and products.

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LEADERSHIP

Fatima Jinnah, hailed as the “Mother of the Nation” in Pakistan, was a pioneering dental surgeon and a resolute champion of social welfare and women’s rights. She was the younger sister and the trusted confidante of Muhammad Ali Jinnah, the founder of Pakistan, and played a vital role in the Pakistan movement. She co-founded the Pakistan Women Association which played an integral role in the settlement of the women migrants in the newly formed country. She was a visionary leader who advocated for democracy, education, and peace. Her enduring dedication to freedom and equality continues to inspire and influence generations.





Rana Liaquat Ali Khan holds immense importance in Pakistan's history for her advocacy of women's rights, education, and social welfare. She co-founded APWA, propelling women's empowerment and projecting a positive international image. She established several institutions for women's education, health, and vocational training, such as the Lady Dufferin Hospital and the All Pakistan Women's Education Conference. She was awarded several honors, including the Nishan-e-Imtiaz and the United Nations Peace Prize. She also served as the first female Governor of the province of Sindh from 1973 to 1976. Her legacy remains an enduring source of inspiration for women and social activists in Pakistan.

Benazir Bhutto, a towering figure in Pakistan's political landscape, left an indelible mark as the country's first female Prime Minister. Known for her charismatic leadership, she played a pivotal role in shaping Pakistan's contemporary politics and global standing. Her enduring legacy continues to inspire discussions on women's empowerment, democracy, and international diplomacy. Despite facing formidable challenges, she remained steadfast in her vision of a progressive and peaceful Pakistan. She championed the causes of human rights, social justice, and economic development. She also forged strong alliances with other nations and advocated for regional stability. Her life and death exemplified courage, resilience and sacrifice.





COMPANY PROFILE

At Century Paper & Board Mills Limited, known as “Century Paper,” we proudly stand as one of Pakistan’s largest integrated pulp and paperboard units. As a valued member of the Lakson Group of Companies - a prominent conglomerate in our nation, our journey began in 1984. Since then, we have been dedicated to advancing the field of pulp and paper.

Legacy of Excellence

Century Paper was incorporated in 1984 as a publicly listed company, and its shares are actively traded on the Pakistan Stock Exchange Limited. Our core expertise lies in the manufacturing and marketing of paper, board, and related products.

Strategic Location

Our plant is positioned along the National Highway (N-2), just 62 kilometers from Lahore, a major industrial hub in Pakistan. Our vast 171-acre (64-hectare) facility proudly fronts the highway. The registered office of our company is situated at Lakson Square Building No.2, Sarwar Shaheed Road, where the headquarters of different Lakson Group companies convene. We also maintain a liaison office in Lahore to ensure we are closely connected to this vibrant city.



Journey of Evolution

Our journey commenced in 1990 with the launch of three paper machines (PMs), with indigenous straw pulp mill, featuring an initial capacity of 30,000 TPY. Over the years, we have expanded our capacities and diversified into manufacturing quality corrugated cartons in 2003. By 2006, our production capacity had surged to an impressive 110,000 metric tons, supported by six paper and paperboard machines, and a box-making capacity that continues to grow.

Remarkable Expansion

In 2006, Century Paper embarked on a mega-expansion project. We introduced a state-of-the-art board machine (PM-7) with an astounding capacity of 130,000 TPY. Simultaneously, we acquired a cutting-edge gas-fired cogeneration plant, infusing 18 MW of power into our operations. The project reached its zenith in 2008 when we proudly unveiled our expanded production capacity of 240,000 tons. The economies of scale and the superior quality of our packaging board enabled us not only to compete but also to replace imported products, preserving precious foreign exchange reserves.

Today, Century Paper boasts a production capacity of 265,000 TPY, and with recent BMR projects nearing completion, this capacity is poised to exceed 280,000 TPY. Our box-making capabilities have also been elevated to serve a dynamic market.



Powering Progress

Fueling our operations is a robust power generation infrastructure, featuring three cogeneration plants:

- A 9MW HFO-fired cogeneration plant
- An 18MW gas-fired cogeneration plant
- An 18MW coal-based cogeneration plant

In 2016, we acquired a coal-fired power plant to address acute gas outages that were adversely affecting our operations. This strategic move proved pivotal, establishing the coal-fired power plant as the most cost-effective energy source for our operations. Moreover, Company also have 3.7 MW Solar Panel capacity.

We also had a 132 KV grid station and in a bid to fortify our energy security, we recently upsized our grid from 5 MW to 16 MW, enhancing our energy mix amid the unpredictability of energy prices.

Reputation Built on Quality

Century Paper has long enjoyed a market leadership position in quality packaging boards and it maintains a strong presence in the paper and corrugated box segments. We successfully cater to the demands of quality-conscious indigenous consumers, with some of our products surpassing imported alternatives in certain variants. Our commitment to delivering quality products at competitive prices, maintaining close customer relationships, and responsive feedback handling has earned us exceptional rapport with leading MNCs, FMCGs, and printers/converters across the country.



Product Portfolio for Every Need

Our product range caters to a diverse customer base, including:

- **Multi-ply one-side clay-coated packaging boards** and uncoated boards, catering to the folding carton needs of various consumer and industrial products.
- **Machine-finished writing and printing papers**, serving publishing, exercise books, computer stationery, photocopying, inkjet/laser printing, and general printing market segments.
- **Machine-glazed papers** designed for foil/poly lamination and wrapping applications.
- **Corrugated boxes** for secondary packaging needs.

Empowering Through People

Our sponsor Director, Mr. Iqbal Ali Lakhani is Chairman of the Board of Directors and Mr. Aftab Ahmad is Chief Executive Officer of the Company. Our management team comprises seasoned professionals, each excelling in their respective fields. A clear and structured hierarchy is in place for delegating responsibilities across various functions within the distinct management levels. We prioritize fair compensation for our 1661 employees and provide continuous training opportunities to nurture their development.



Commitment to Excellence and Sustainability

Century Paper proudly holds an FSC certification and is certified for Integrated Management Systems (IMS), including ISO 9001:2015 QMS, ISO 14001:2015 EMS, ISO 45001:2018 OHSM and recently achieved Certification on Lab Quality. Additionally, we are actively pursuing certifications for IT and Cybersecurity (ISO 27000), and ESG. Our unwavering commitment to best practices and adherence to the Code of Corporate Governance remains the cornerstone of our operations. We are dedicated to advancing our journey towards SDG targets, with a special focus on those highlighted in our sustainability report. Our engagement with local communities includes charitable contributions and volunteer efforts, reflecting our belief that collaboration can create a positive impact on the world around us. The Company got recognition for its endeavors for SHQ and CSR by different forums.

Contribution to the Economy

Century Paper makes multifaceted contributions to the economy. During the Financial Year 2023, Century Paper made a notable contribution of Rs 9,500 million to the National Exchequer through Duties and Taxes. Additionally, Century Paper's utilization of agricultural residue (wheat straw/biomass) and recycled paper creates opportunities for individuals engaged in the supply chain of these materials to earn a decent livelihood. Furthermore, with its high-quality products and enhanced capabilities, Century Paper is increasing its contribution towards substituting imports and preserving the Country's precious foreign exchange reserves.



JOURNEY OF ASPIRATION

Century Paper remains steadfast in its vision:

“To be the market leader and an enduring force in the paper, board, and packaging industry”.

Century Paper is moving ahead by following its slogan of “Strive Together for Excellence” and its motto of “Clean, Green, Sustainable” to continuously offer its contribution towards a better and sustainable future for our stakeholders, society, and our nation.

MILESTONES

Production

1990

Commenced commercial production with three machines having capacity of 30,000 Metric Tons per annum.

1997

- Enhanced production capacity to 50,000 Metric Tons through addition of a three layers Board Machine (PM-4).
- Added an Offline Coating Machine (CM-2).

2003

- Enhanced production capacity to 80,000 Metric Tons per annum after installation of twin layer Board Machine (PM-5).
- Added a Corrugated Boxes Manufacturing Plant with capacity of 22,000 Metric Tons per annum.

2005

Enhanced un-bleached and bleached pulp capacities.

2006

- Enhanced production capacity to 110,000 Metric Tons per annum after installation of Paper Machine (PM-6).
- Added Online Coating facility to three layers Board Machine (PM-4).

2009

Enhanced production capacity to 240,000 Metric Tons per annum as Coated Board Duplex Plant (PM-7) started its commercial operations.

2010

Added a new Corrugator with capacity of 24,000 Metric Tons per annum.

2011

Enhanced Box Making capacity to 30,000 Metric Tons per annum after a New Box Machine is added with capacity of 8,000 Metric Tons per annum.

2021

Enhance production capacity from 240,000 to 265,000 Metric Tons per annum through BMR projects.

Power and Utilities

1996

Started 12.3 MW Captive Power Generation Plant as Century Power Generation Limited (a former subsidiary Company).

2002

Installed Dissolved Air Floatation Plant (DAF), the first of its kind in Pakistan for treatment of effluent in Paper and Board Sector.

2005

- Converted Power Generators to dual fired configuration i.e. oil and natural gas.
- Merged Century Power Generation Limited (a former subsidiary Company) with the Company.

2008

Enhanced Captive Power Generation capacity to 30 MW as new 18 MW Co-Generation Plant started commercial operations.

2012

Installed new Coal/Biomass Fired Boiler with capacity of 30 Ton per hour of steam.

2014

- Installed Solar Panel Capacity of 0.3 MW.
- Inked an agreement for installation of 18 MW Coal Based Co-Generation Power Plant.

2016

- Enhanced Captive Power Generation capacity to 48 MW as new 18 MW Coal Based Co-Generation Power Plant started commercial operations.
- Installed Secondary Waste Water Treatment Plant, the first of its kind in Pakistan for treatment of effluent, in line with compliance of National Environmental Standards (NEQ).

2019

Enhanced Solar panel capacity to 1.3 MW after installation of 1 MW solar panel completed during the year.

2020

- Enhanced Solar panel capacity to 3.7 MW after installation of 1.6 MW solar panel completed during the year.
- Installed new Coal Fired Boiler with capacity of 25 Ton per hour of steam.

CERTIFICATIONS & AWARDS

2023

Awarded 9th International Award on Environment, Health & Safety by The Professional Network.

Awarded "Environment Excellence Award 2023" by National Forum for Environment & Health (NFEH).

Awarded "Environmental Sustainability Initiative Award 2023" by National Forum for Environment & Health (NFEH).

Awarded "Fire Safety Award" by National Forum for Environment & Health.

2022

Awarded 10th position in Pakistan Stock Exchange (PSX) Award for Top Companies for the year 2020.

Awarded "Environment Excellence Award 2022" by National Forum for Environment & Health (NFEH).

Awarded "Energy Performance Award for Industry 2022" by United Nations Industrial Development Organization (UNIDO).

2021

Awarded "Sustainability Initiative Award 2021" by National Forum for Environment & Health (NFEH).

Awarded "Best Sustainable Packaging Award" by Future Forum.

Awarded "Fire Safety Award" by National Forum for Environment & Health.

2020

Awarded "Environment Excellence Award 2020" by National Forum for Environment & Health (NFEH).

2019

Awarded "Environment Excellence Award 2019" by National Forum for Environment & Health (NFEH).

2018

Awarded "Environment Excellence Award 2018" by National Forum for Environment & Health (NFEH).

2015

Awarded "Environment Excellence Award 2015" by National Forum for Environment & Health (NFEH).

2012

Awarded "Best Corporate Award" on Annual Report for the year 2010.

2011

Awarded the certification on "Integrated Management System (IMS)" which consists of:

- Quality Management System (QMS) ISO 9001:2015;
- Environmental Management System (EMS) ISO 14001:2015 and
- Occupational Health and Safety Assessment Series (OHSAS) 18001:2007.

2008

Awarded "Best Corporate Award" on Annual Report for the year 2007.

Awarded "Best Environmental Reporter" in ACCA-WWF Pakistan Environmental Reporting Awards 2007 in the Local Listed Company Category.

2007

Awarded "Best Corporate Award" on Annual Report for the year 2005.

2006

Recognized by Karachi Stock Exchange (KSE) as one of the Top 25 Companies for the year 2004.

2004

Recognized by Karachi Stock Exchange (KSE) as one of the Top 25 Companies for the years 2002 and 2003.

RECENT AWARDS

Corporate Social Responsibility



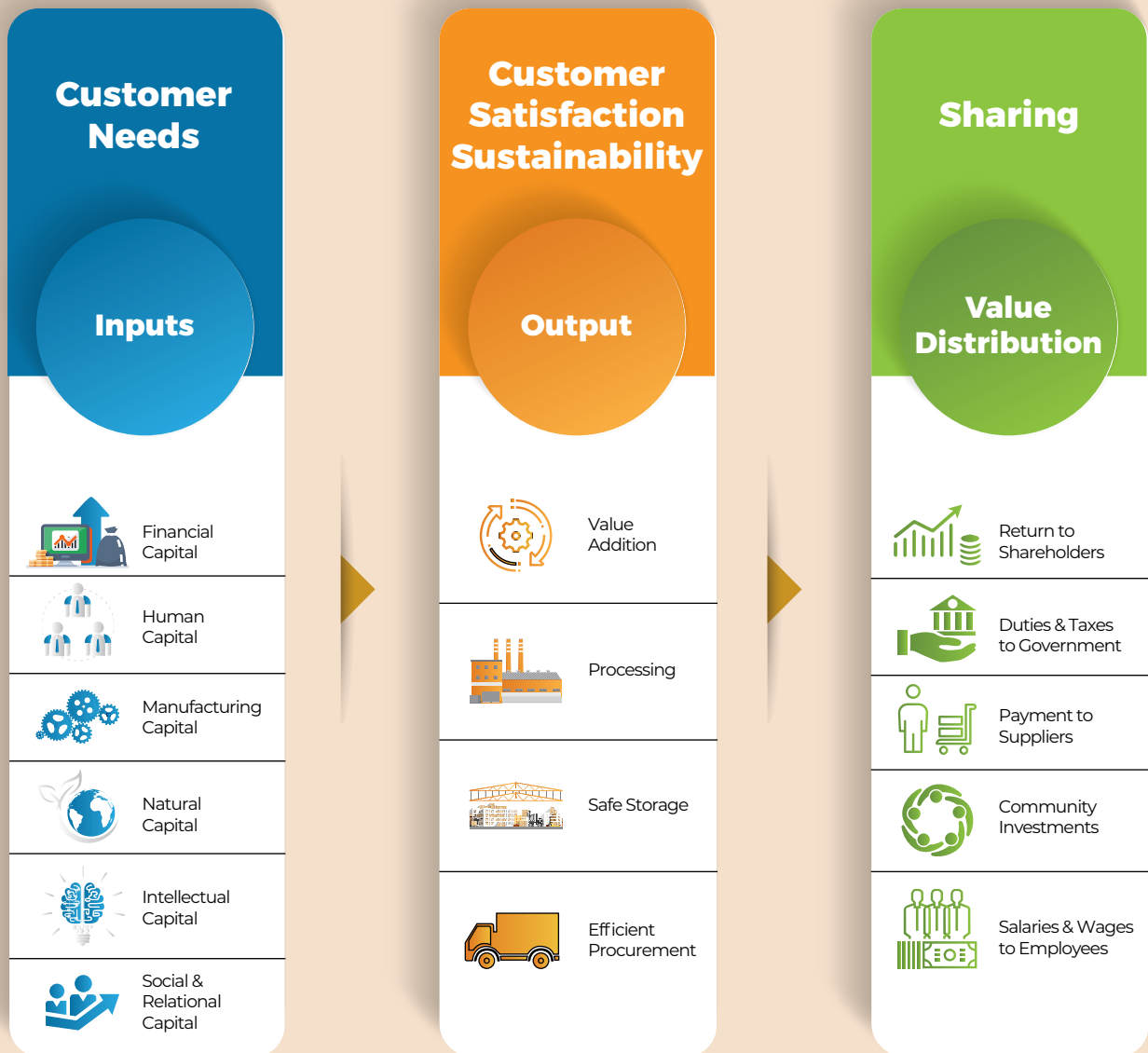
Environment Excellence



Fire Safety



BUSINESS MODEL



Key Processes

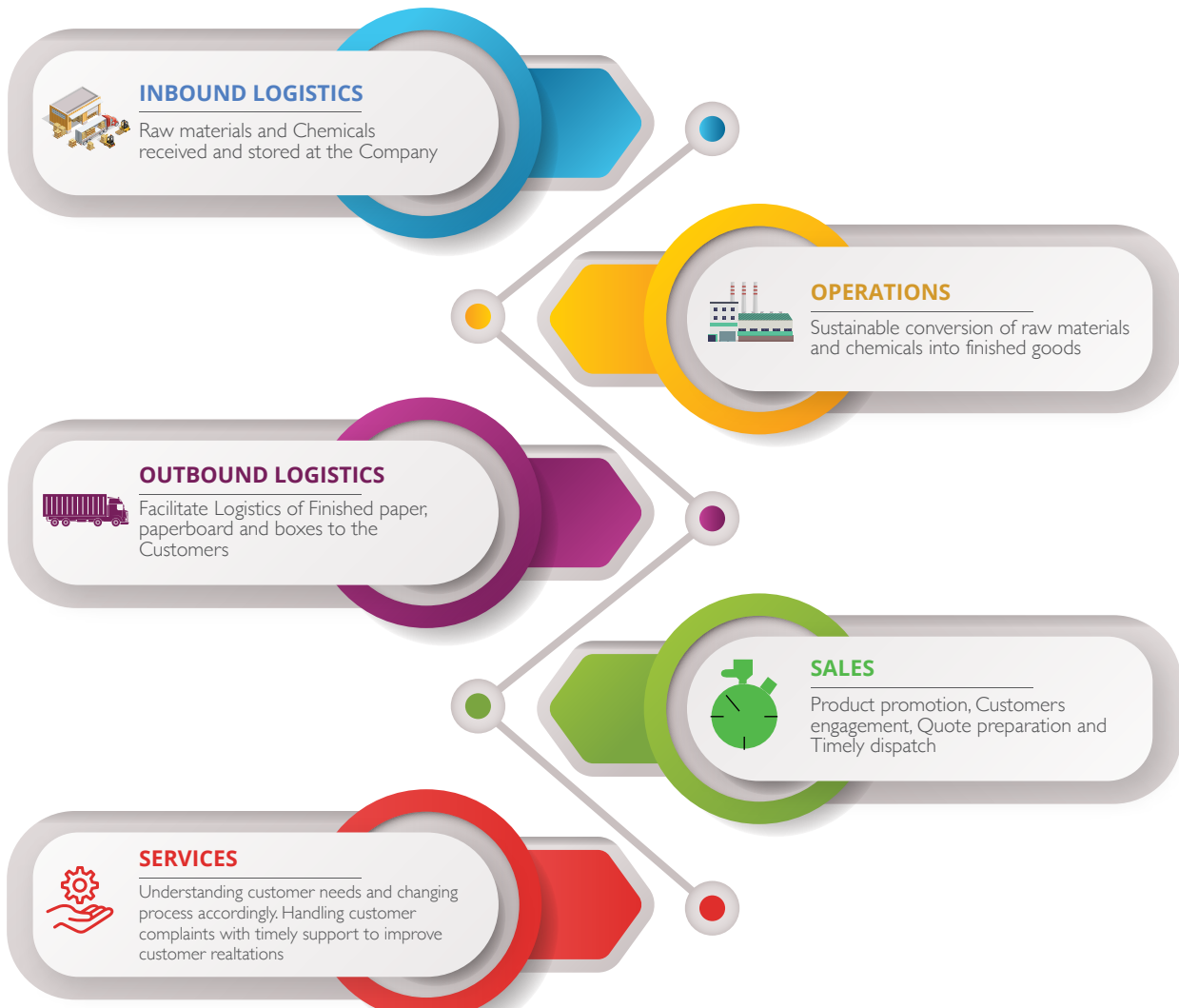
VALUE CHAIN ANALYSIS

Support Activities

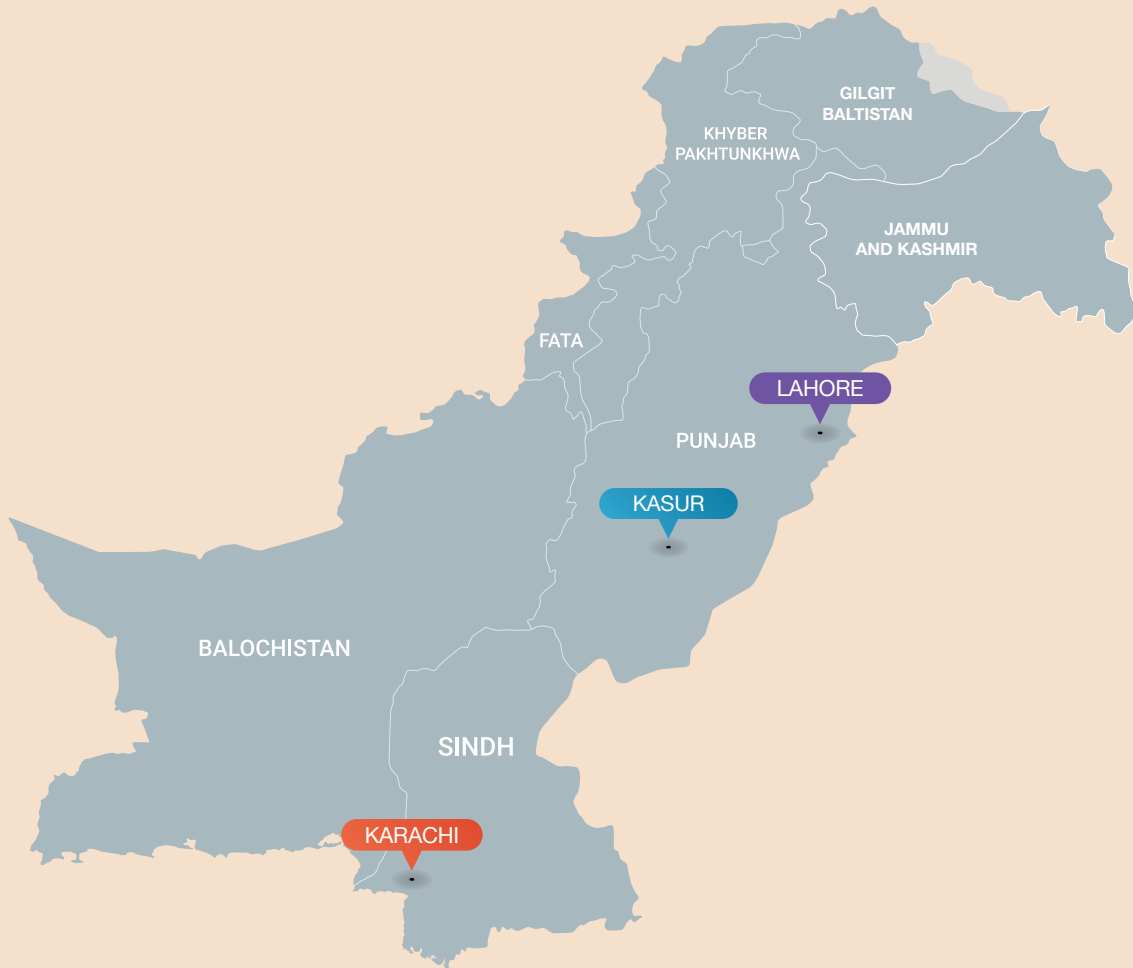
- **MARKETING**
- **SUPPLY CHAIN**
- **ENGINEERING**
- **POWER & UTILITY**
- **FINANCE**

- **ADMINISTRATION**
- **HUMAN RESOURCE**
- **CORPORATE EXCELLENCE**
- **QUALITY ASSURANCE**

Primary Activities



GEOGRAPHICAL PRESENCE



HEAD OFFICE

Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi.

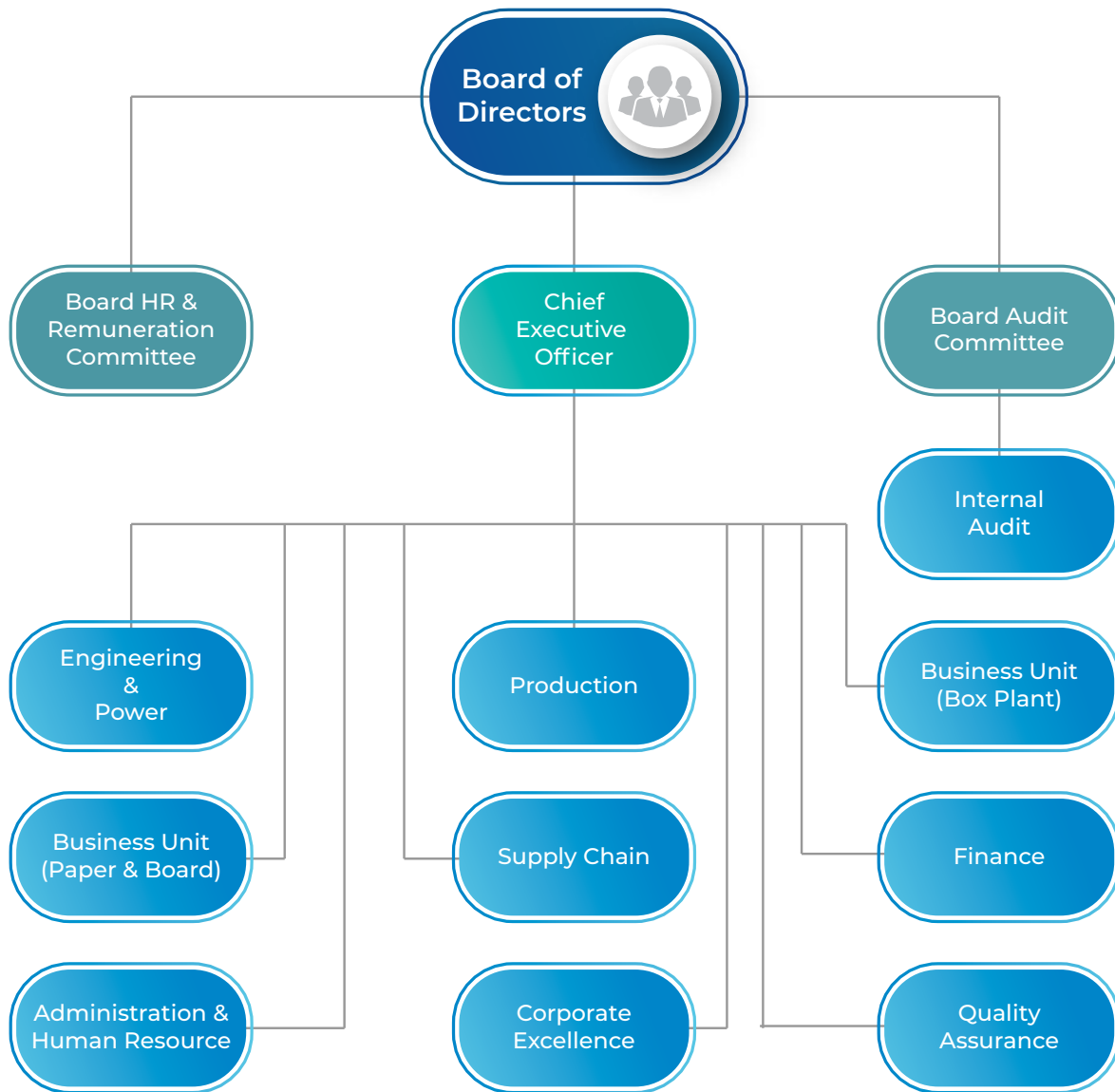
MILLS

62 KM, Lahore-Multan Highway, N-5, District Kasur.

LAHORE OFFICE

14-Ali Block, New Garden Town, Lahore.

ORGANOGRAM



INTEGRATED MANAGEMENT SYSTEM POLICY

CENTURY IS COMMITTED TO:

1. Continual customer satisfaction by providing quality Paper, Paperboard and Corrugated Boxes produced in environment-friendly, Healthy and Safe working conditions.
2. Maintain and update IMS for Quality, Environment and Safety by fulfilling the requirements of International Standards: (ISO 9001, ISO 14001, and OHSAS 18001).
3. Set the IMS objectives and targets for continuously improving the operational efficiencies, resources conservation and mitigation of risks.
4. Take lead in social role and responsibilities towards the surrounding community.
5. Follow and abide by all the applicable Laws and Legal requirements.
6. Implement Century Value System and to endeavour that its employees are the best citizens following ethical values and good practices in advancement and betterment of the Company and the Society.



ENVIRONMENT POLICY

- Ensure environment friendly operations, products and services.
- Mitigate environmental impacts through effective implementation of ISO 14001 in order to achieving conformance to applicable laws and regulations.
- Promote environmental awareness to all employees and the community.
- Establish objectives and targets for continual improvement in resource conservation by waste control and safe operating practices.



SAFETY POLICY

- Improve Occupational Health and Safety (OHS) performance continuously in all areas of operations.
- Implement necessary controls and measures for mitigation of accidents and associated risk by setting objectives and following applicable legal and other requirements.
- Promote OHS practices through training of employees for healthy and safe work environment.
- Communicate Safety Policy to all stakeholders and review it periodically for ensuring adequacy and compliance with OHSAS 18001 standards.



QUALITY POLICY

- Century excels in manufacturing of quality Paper, Paperboard and Corrugated Boxes for packaging.
- Century, a customer focussed Company, is always ready to accept challenges for achieving its mission.
- Century's quality objectives are designed for enhancing customer satisfaction and operational efficiencies.
- Century is committed to building Safe, Healthy and Environment friendly atmosphere.
- Century, with its professional and dedicated team, ensures continual improvement in quality and productivity through effective implementation of Quality Management System.
- Century values the social and economic well being of its partners and strives for a harmonious environment conducive to team performance.

ENTITY RATING

by VIS Credit Rating Company Limited as on June 2023

Long-Term AA - (AA Minus)

- High credit quality.
- 'A' ratings denote expectations of modest credit risk.
- Protection factors are strong.
- Risk factors may vary slightly from time to time with possible changes in the economy.

Short-Term A-1 (A minus One)

- High certainty of timely payment.
- Liquidity factors are excellent and supported by good fundamental protection factors.
- Risk factors are minor.

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INSPIRATION

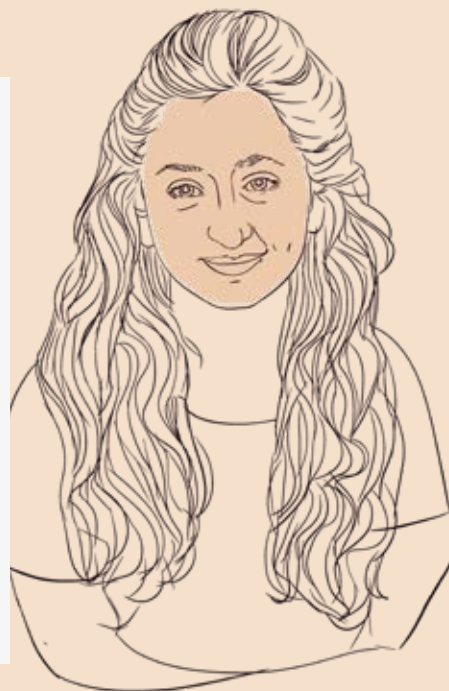
Arfa Kareem, a prodigious Pakistani computer prodigy, remains an icon of inspiration for her exceptional achievements at a young age. Recognized as the world's youngest Microsoft Certified Professional, her intellect and passion for technology showcased Pakistan's potential on the global stage. Arfa's legacy serves as a testament to the power of determination and innovation, inspiring generations to pursue excellence in the realm of technology and beyond. She was also a remarkable student, poet, and singer, who demonstrated a keen interest in various fields of knowledge and creativity. She was honored with several awards and accolades, including the Pride of Performance. Her life was cut short by a tragic illness, but her memory lives on in the hearts and minds of millions.





Sharmeen Obaid-Chinoy, a renowned Pakistani filmmaker and two-time Academy Award winner, stands as a beacon of impactful storytelling. With a distinctive cinematic voice, her documentaries shed light on pressing social issues, earning her international recognition. Sharmeen's dedication to raising awareness through film has made a lasting mark on Pakistan's cinematic landscape and global conversations. She has tackled very pertinent topics in her documentaries giving voice to the voiceless and challenging the status quo. She has also founded several initiatives to empower women and youth through media and education. She is a recipient of numerous honors and accolades, including the Hilal-e-Imtiaz and the Emmy Award.

Dr. Zubaida Sirang, an accomplished eye surgeon hailing from Pakistan's scenic Upper Chitral Valley, has achieved a remarkable milestone by becoming the nation's first doctor to attain recognition on the esteemed Book Authority list. Her book, a significant contribution to ophthalmology, has garnered distinction as one of the 'Best Ophthalmology Books of All Time' by the globally acclaimed Book Authority platform. Her book, titled 'Ophthalmic Clinical Examination', provides a comprehensive guide to the diagnosis and management of various eye diseases, with illustrations and case studies. It is a valuable resource for students, practitioners, and researchers in the field of ophthalmology. Dr. Sirang's book reflects her expertise, experience, and passion for eye care.



YEAR AT A GLANCE

207,413

Sales Volume
(M. Tons)

55,790

Gross Sales
(Rs. in million)

4,442

Gross Profit
(Rs. in million)

905

Profit after
Tax
(Rs. in million)

13,112

Equity
(Rs. in million)

28.24

Closing Share
Price
(Rs.)

11,344

Market
Capitalization
(Rs. in million)

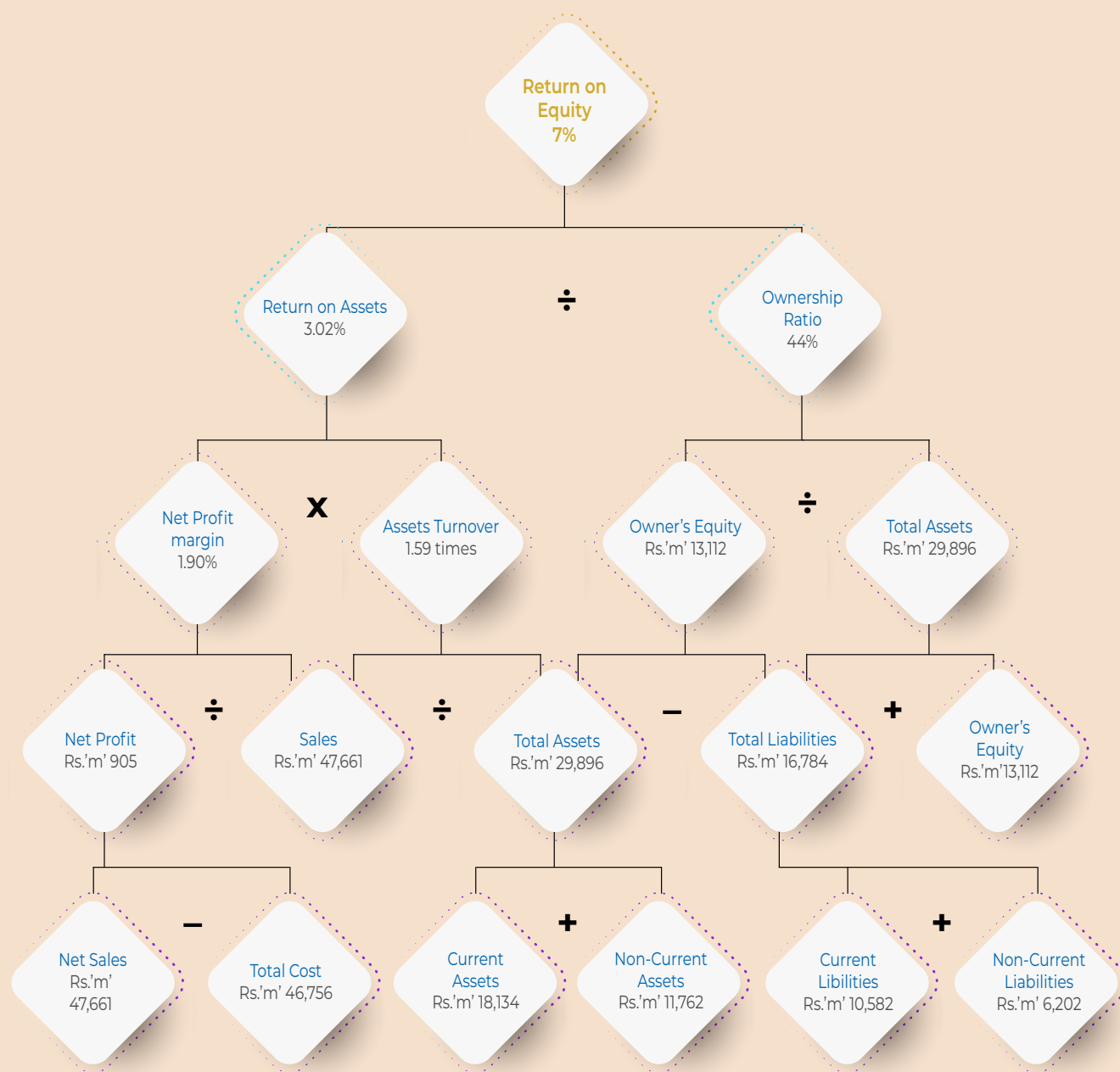
2.25

Earnings per
Share
(Rs.)

KEY FIGURES & RATIOS

Key Figures	Rupees in million	
	2023	2022
Gross sales	55,790	45,561
Net sales	47,661	39,000
EBITDA	4,550	5,008
Profit before tax	1,422	3,257
Profit after tax	905	2,212
Share capital	4,017	2,029
Shareholders' equity	13,112	12,226
Total assets	29,896	28,796
Capital expenditure	1,595	2,539
Capital employed	20,674	16,143
Long-term financing (including current portion)	6,733	2,892
Key Ratios		
	2023	2022
Earnings per share - Rupees	2.25	5.51
Breakup value per share - Rupees	32.64	60.26
Price earning ratio	12.55	11.22
Debt equity ratio (including current portion)	34 : 66	19 : 81
Leverage ratio	1.28 : 1	1.36 : 1
Current ratio	1.71 : 1	1.33 : 1
Quick ratio	0.57 : 1	0.40 : 1
Asset coverage ratio	1.75 : 1	1.59 : 1
Interest coverage ratio	1.71 : 1	5.82 : 1
Debt servicing coverage ratio	1.88 : 1	4.18 : 1
Debtors days	32	31
Inventory days	73	73
Operating Cycle	65	56

DUPONT ANALYSIS



STATEMENT OF VALUE ADDED

	2023	%age	2022	%age
----- Rupees in thousands -----				
<u>WEALTH GENERATED</u>				
Gross Turnover	55,790,392		45,560,986	
Purchased material and services	(47,709,768)		(37,485,913)	
Value Added	8,080,624		8,075,073	
Other Income	274,995		187,393	
TOTAL	8,355,619	100	8,262,466	100

WEALTH DISTRIBUTED

To Employees

Salaries, benefits and related costs	1,922,542	23	1,680,639	20
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To Government

Income Tax, Sales Tax, Import Duty and Workers' Welfare Fund (Note 1)	2,418,959	29	2,661,099	32
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To providers of Capital

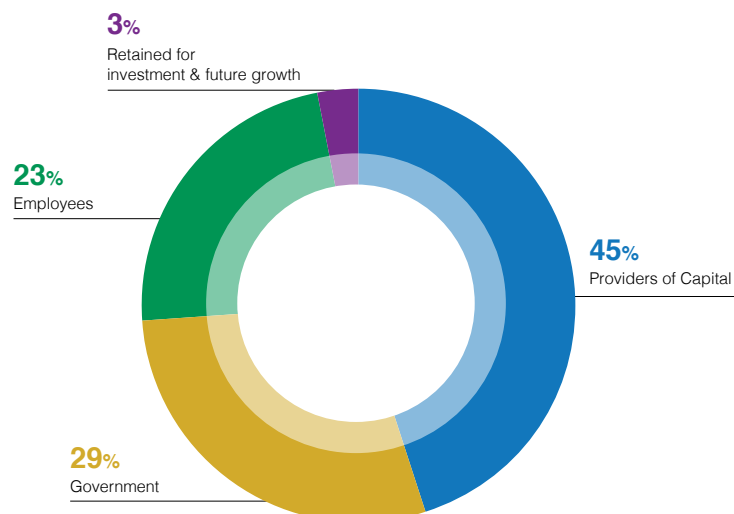
Stock dividend to Shareholders (Note 2)	1,785,390	21	-	-
Finance cost on borrowed funds	2,015,621	24	676,315	8

Retained in Business

Depreciation, amortization and retained profit	213,107	3	3,244,413	40
TOTAL	8,355,619	100	8,262,466	100

Note 1: Income tax includes current and deferred tax expense as per statement of profit or loss.

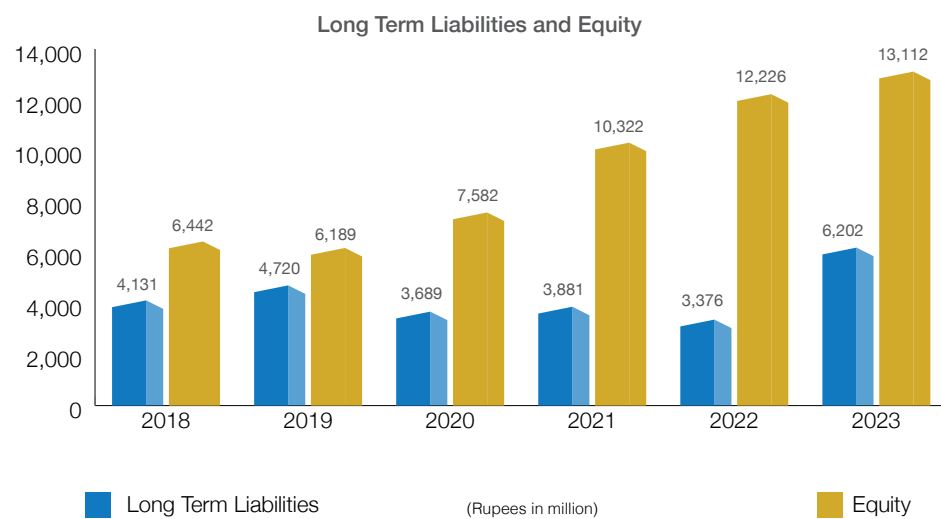
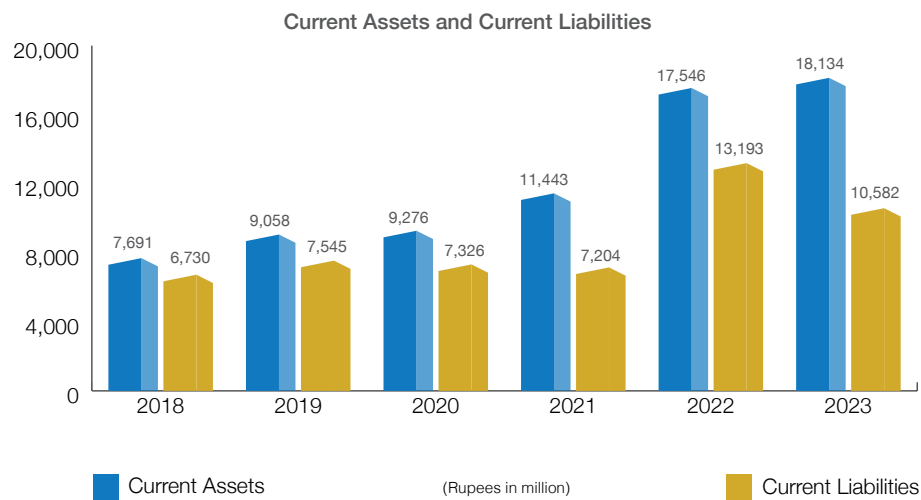
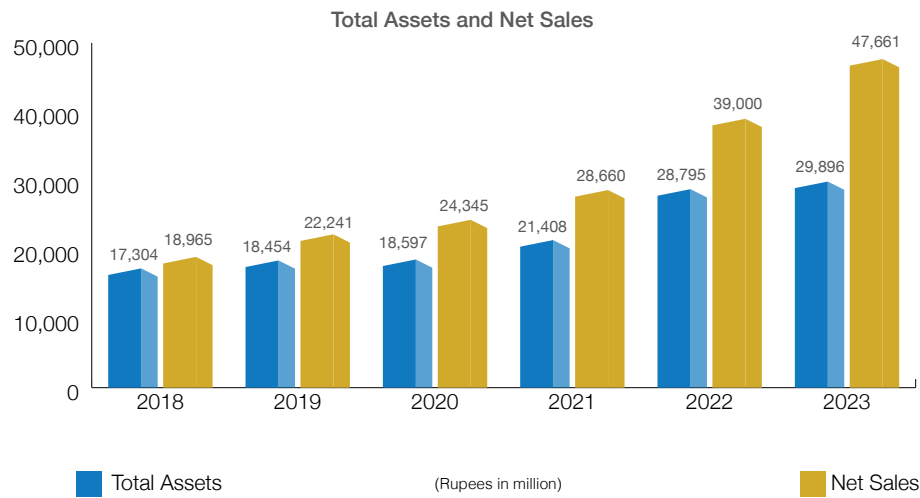
Note 2: Current year figures represents interim Bonus Shares declared and issued during the year by appropriating from distributable profits. The bonus shares of Rs. 202.885 million declared for the last year, were appropriated from the Capital Redemption Reserve Fund, hence, are not reflected in the above statement.



SUMMARIZED SIX YEAR DATA

Rupees in million

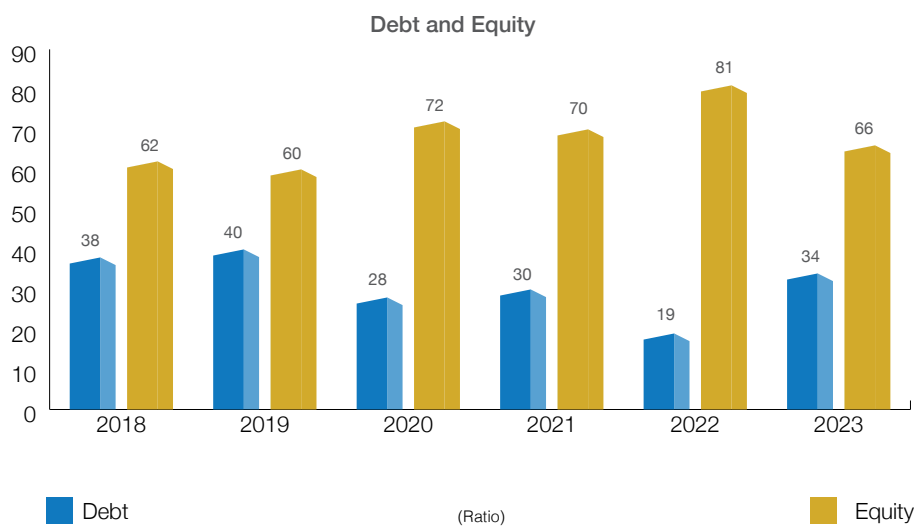
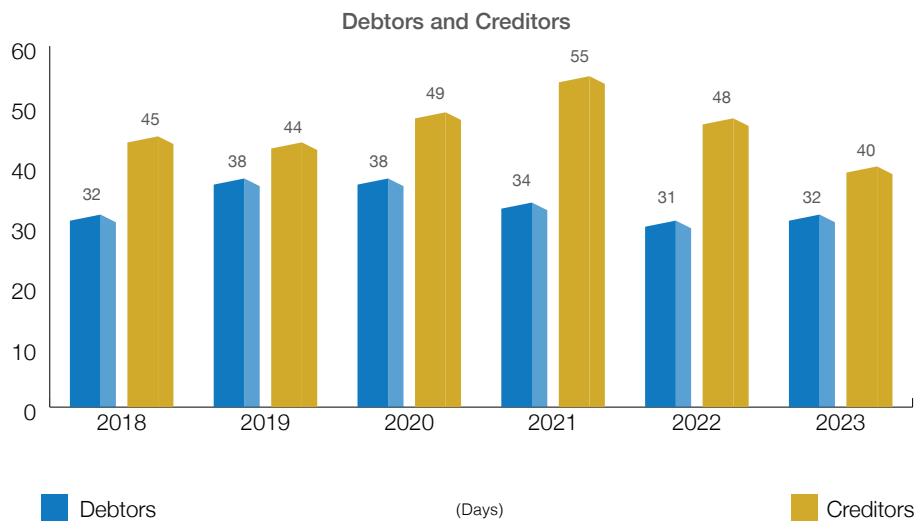
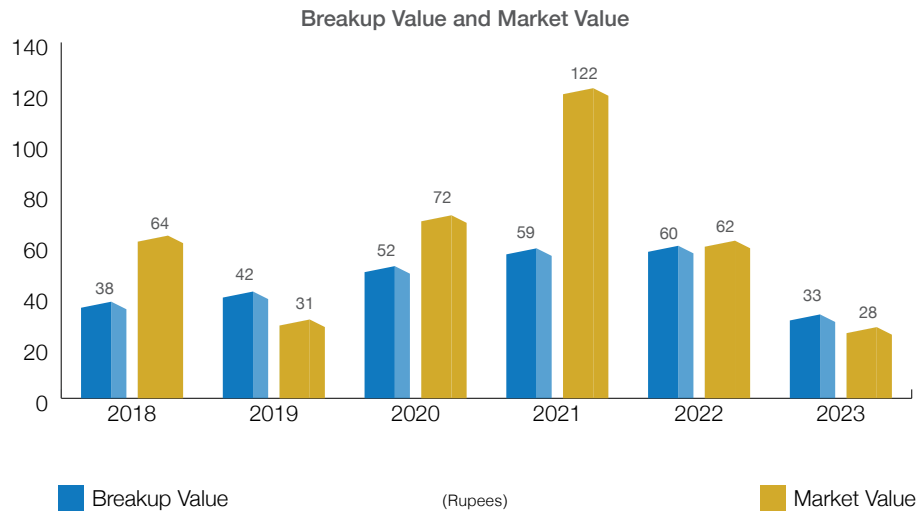
	2023	2022	2021	2020	2019	2018
Statement of Financial Position						
Share Capital						
Ordinary shares	4,017	2,028	1,764	1,470	1,470	1,470
Preference shares	-	-	-	-	-	901
Reserves	9,095	10,198	8,558	6,112	4,719	4,071
Shareholders' equity	13,112	12,226	10,322	7,582	6,189	6,442
Long-term financing (including current portion)	6,734	2,892	3,273	2,901	4,183	3,869
Deferred taxation – Liability	791	976	1,095	1,189	1,209	1,309
Capital employed	20,674	16,143	14,785	12,025	11,581	11,621
Property, plant and equipment	11,718	11,204	9,946	9,290	9,373	9,590
Other non-current assets	45	46	18	30	22	24
Net current assets / Working capital	7,551	4,353	4,291	1,950	1,514	961
Statement of Profit or Loss						
Sales – gross	55,790	45,561	33,481	28,440	25,993	22,191
Sales – net	47,661	39,000	28,660	24,345	22,241	18,965
Gross profit	4,442	4,973	5,695	3,936	2,662	2,506
Operating profit	3,437	3,933	4,652	3,143	2,001	1,892
Profit before tax	1,422	3,257	4,246	2,156	1,239	1,431
Profit after tax	905	2,212	2,960	1,522	884	992
EBITDA	4,550	5,008	5,765	4,231	2,985	2,880
Cash Flows						
Net cash flow from operating activities	1,226	(1,882)	3,060	2,895	862	727
Net cash flow from investing activities	(1,573)	(2,532)	(1,511)	(949)	(962)	(684)
Net cash flow from financing activities	3,830	(654)	145	(1,431)	(785)	(441)
Changes in cash and cash equivalents	3,483	(5,067)	1,694	516	(885)	(398)
Cash and cash equivalents – Year end	(3,270)	(6,753)	(1,686)	(3,380)	(3,896)	(3,011)
Others						
Number of Employees	1,661	1,666	1,646	1,640	1,652	1,646
Number of shares (million)						
Ordinary shares	402	203	176	147	147	147
Preference shares	-	-	-	-	-	90



FINANCIAL PERFORMANCE

		2023	2022	2021	2020	2019	2018
Profitability							
Gross profit margin	%	9	13	20	16	12	13
EBITDA margin to sales	%	10	13	20	17	13	15
Profit before tax margin	%	3	8	15	9	6	8
Net profit margin	%	2	6	10	6	4	5
Return on equity	%	7	18	29	20	14	15
Return on capital employed	%	10	21	30	22	14	15
Operating Performance / Liquidity							
Total assets turnover (excl. CWIP)		1.67 : 1	1.50 : 1	1.42 : 1	1.32 : 1	1.22 : 1	1.13 : 1
Fixed assets turnover		4.6 : 1	4.63 : 1	3.29 : 1	2.66 : 1	2.44 : 1	2.08 : 1
Debtors turnover		11.45 : 1	11.65 : 1	10.86 : 1	9.55 : 1	9.60 : 1	11.23 : 1
Debtors days		32	31	34	38	38	32
Inventory turnover		5.04 : 1	5.01 : 1	5.15 : 1	5.66 : 1	6.14 : 1	6.77 : 1
Inventory days		73	73	71	65	59	54
Creditors turnover		9.08 : 1	7.62 : 1	6.64 : 1	7.53 : 1	8.25 : 1	8.11 : 1
Creditors days		40	48	55	49	44	45
Operating cycle days		65	56	50	54	53	41
Return on assets (excl. CWIP)	%	3.17	8.50	14.68	8.24	4.85	5.89
Current ratio		1.71 : 1	1.33 : 1	1.60 : 1	1.27 : 1	1.20 : 1	1.14 : 1
Quick / Acid test ratio		0.57 : 1	0.40 : 1	0.52 : 1	0.43 : 1	0.45 : 1	0.41 : 1
Capital Market / Capital Structure Analysis							
Market value per share	Rs	28.24	61.80	122.07	71.57	31.15	63.50
Breakup value / (Net assets/shares)	Rs	32.64	60.26	58.51	51.57	42.10	37.69
Earnings per share (pre tax) (*)	Rs	3.54	8.11	10.57	5.37	3.08	3.56
Earnings per share (post tax) (*)	Rs	2.25	5.51	7.37	3.79	2.20	2.46
Price earning ratio (*)		12.55 : 1	11.22 : 1	16.56 : 1	18.88 : 1	14.16 : 1	25.81 : 1
Market price to breakup value		0.87 : 1	1.03 : 1	2.09 : 1	1.39 : 1	0.74 : 1	1.68 : 1
Debt equity ratio		34 : 66	19 : 81	24 : 76	28 : 72	40 : 60	38 : 62
Weighted average cost of debt	%	16.39	8.97	7.06	12.60	9.59	6.67
Interest coverage ratio		1.71 : 1	5.82 : 1	11.46 : 1	3.18 : 1	2.63 : 1	4.11 : 1

(*) Note: Figures have been restated based on bonus shares issued during the Year.



HORIZONTAL ANALYSIS

Rupees in million

STATEMENT OF FINANCIAL POSITION	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20
	Amount	%	Amount	%	Amount	%
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment						
Operating fixed assets	10,367	123	8,432	97	8,702	95
Capital work in progress	1,351	49	2,772	223	1,244	972
Intangible assets	14	80	17	189	9	75
Long-term loans and advances	12	57	21	1050	2	18
Long-term deposits	19	238	8	114	7	100
CURRENT ASSETS						
Stores and spares	2,758	80	3,467	157	2,209	125
Stock in trade	8,755	104	8,400	162	5,189	139
Trade debts	5,182	114	4,561	140	3,259	112
Loans and advances	222	92	240	135	178	175
Trade deposits and short-term prepayments	14	70	20	143	14	15
Other receivables	35	89	-	-	6	18
Tax refunds due from Government	205	209	98	101	97	36
Taxation-net	163	-	-	-	-	-
Cash and bank balances	801	106	759	154	493	208
TOTAL ASSETS	29,896		28,796		21,408	
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Issued, subscribed and paid-up capital						
Ordinary shares	4,017	198	2,029	115	1,764	120
Reserves	9,095	89	10,198	119	8,558	140
NON-CURRENT LIABILITIES						
Long-term financing	5,135	252	2,037	81	2,520	118
Lease liabilities	23	62	37	77	48	240
Deferred taxation	791	81	976	89	1,095	92
Deferred capital grant	252	77	326	182	179	2238
GIDC payable	-	-	-	-	38	12
CURRENT LIABILITIES						
Trade and other payables	4,609	94	4,913	122	4,023	139
Interest and mark-up accrued	541	292	185	561	33	55
Short-term borrowings	4,071	54	7,513	345	2,178	60
Taxation – net	-	-	40	10	387	-
Un-claimed dividend	2	100	2	100	2	200
Current portion of lease liabilities	14	125	11	123	9	291
Current portion of Government grant	110	96	115	166	69	627
Current portion of long-term financing	1,237	298	415	82	505	67
TOTAL EQUITY AND LIABILITIES	29,896		28,796		21,408	
STATEMENT OF PROFIT OR LOSS						
Sales – net	47,661	122	39,000	136	28,660	118
Cost of sales	(43,220)	127	(34,027)	148	(22,965)	113
Gross profit	4,442	89	4,973	87	5,695	145
General and administrative expenses	(863)	122	(707)	118	(597)	111
Selling and distribution expenses	(281)	117	(240)	114	(210)	123
Other operating income	275	147	187	103	182	177
Other operating expense	(136)	48	(281)	67	(418)	222
Operating profit	3,437	87	3,933	85	4,652	148
Finance cost	(2,016)	298	(676)	167	(406)	41
Net profit before taxation	1,422	44	3,257	77	4,246	197
Taxation	(517)	49	(1,045)	81	(1,287)	203
Net profit after taxation	905	41	2,212	75	2,960	194

VERTICAL ANALYSIS

Rupees in million

STATEMENT OF FINANCIAL POSITION

ASSETS

NON CURRENT ASSETS

	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Property, plant and equipment	10,367	35	8,432	29	8,702	40
Operating fixed assets	1,351	4	2,772	10	1,244	6
Capital work in progress	14	-	17	-	9	-
Intangible assets	12	-	21	-	2	-
Long-term loans and advances	19	-	8	-	7	-

CURRENT ASSETS

Stores and spares	2,758	9	3,467	12	2,209	11
Stock in trade	8,755	29	8,400	29	5,189	24
Trade debts	5,182	17	4,561	16	3,259	15
Loans and advances	222	1	240	1	178	1
Trade deposits and short-term prepayments	14	-	20	-	14	-
Other receivables	35	-	-	-	6	-
Tax refunds due from Government	205	1	98	-	97	1
Taxation-net	163	1	-	-	-	-
Cash and bank balances	801	3	760	3	493	2
TOTAL ASSETS	29,896	100	28,796	100	21,408	100

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Issued, subscribed and paid-up capital						
Ordinary shares	4,017	14	2,029	7	1,764	8
Reserves	9,095	30	10,198	36	8,558	40

NON CURRENT LIABILITIES

Long-term financing	5,135	17	2,037	7	2,520	12
Lease liabilities	23	-	37	-	48	-
Deferred taxation	791	3	976	4	1,095	5
Deferred capital grant	252	1	326	1	179	1
GIDC payable	-	-	-	-	38	-

CURRENT LIABILITIES

Trade and other payables	4,609	15	4,913	17	4,023	19
Interest and mark-up accrued	541	2	185	1	33	-
Short-term borrowings	4,071	14	7,513	26	2,178	10
Taxation – net	-	-	40	-	387	2
Un-claimed dividend	2	-	2	-	2	-
Current portion of lease liabilities	14	-	11	-	9	-
Current portion of Government grant	110	-	115	-	69	1
Current portion of long-term financing	1,237	4	415	1	505	2
TOTAL EQUITY AND LIABILITIES	29,896	100	28,796	100	21,408	100

STATEMENT OF PROFIT OR LOSS

Sales – net	47,661	100	39,000	100	28,660	100
Cost of sales	(43,220)	91	(34,027)	87	(22,965)	80
Gross profit	4,442	9	4,973	13	5,695	20
General and administrative expenses	(863)	2	(707)	2	(597)	2
Selling and distribution expenses	(281)	-	(240)	1	(210)	1
Other operating income	275	-	187	-	182	1
Other operating expense	(136)	-	(281)	-	(418)	1
Operating profit	3,437	7	3,933	10	4,652	15
Finance cost	(2,016)	4	(676)	2	(406)	1
Net profit before taxation	1,422	3	3,257	8	4,246	14
Taxation	(517)	1	(1,045)	3	(1,287)	4
Net profit after taxation	905	2	2,212	5	2,960	10

empowering **WOMEN**
INSPIRING progress



CARING

Bilqees Edhi, a humanitarian paragon, has dedicated her life to serving the marginalized and destitute in Pakistan. Through her selfless efforts with the Edhi Foundation, she has provided vital healthcare, shelter, and social support to countless individuals in need. Bilqees Edhi's unwavering compassion and tireless service have etched an enduring legacy of empathy and transformative impact on society. She is especially known for her work with orphans, women, and the elderly, running several homes and centers across the country. She has also been involved in disaster relief and rescue operations, both nationally and internationally. She is a recipient of the Nishan-e-Imtiaz and the Ramon Magsaysay Award.





Dr. Ruth Pfau, an exceptional humanitarian, devoted her life to eradicating leprosy in Pakistan. Her relentless efforts as a medical pioneer, founding the Marie Adelaide Leprosy Centre, have transformed countless lives. Dr. Pfau's enduring legacy stands as a testament to her dedication, to reshaping healthcare and inspiring generations with her compassion and service. She is also credited with establishing a network of 157 leprosy clinics across the country, providing treatment and rehabilitation to thousands of patients. She has also been involved in combating tuberculosis, blindness, and natural disasters. She is a recipient of the Nishan-e-Quaid-i-Azam, the Hilal-e-Imtiaz, and the Sitara-e-Quaid-i-Azam.

Ronak Lakhani, a leading advocate for inclusivity in Pakistan, has profoundly affected the rights of differently abled individuals. With over three decades-long commitment as founder of Special Olympics Pakistan (SOP), her leadership has propelled the organization globally. Her diverse roles, including Chairperson, General Secretary, and Head of Delegation, highlight her dedication to empowering athletes with intellectual disabilities. She is also a Board Member of the Special Olympics International and Voice Chairperson of NOWPDP (Network of Organizations Working for People with Disabilities - Pakistan). Lakhani's significant contributions earned her the Sitara-e-Imtiaz Award, a well-deserved recognition of her exceptional impact. She is an inspiration for many who aspire to create a more inclusive and compassionate society.



SUSTAINABILITY REPORT

Sustainability adaptation and its reporting is a tool for organizations to build trust with customers and all the stakeholders, which in turn indirectly impacts the bottom line. The Company is determined to expand its footprint in all three dimensions (Economy, Environment and Society) for the prosperity and well-being of surrounding communities and to provide the decent contribution towards the national targets of SDGs. The Company's contribution toward SDGs targets collectively in all three dimensions are as follows:-

Economy



Decent Work and Economic Growth

Century Paper aims to conduct business with integrity, openness, and respect for universal human rights and core labor principles throughout its operations. The Company aims to improve the lives of workers, their communities, and the environment.

It endorses the UN Guiding Principles on Business and Human Rights and embeds them throughout its operations.

The Fundamental Principles are:

- Business is conducted lawfully and with integrity
- Work is conducted on the basis of freely agreed and documented terms of employment
- All workers are treated equally and with respect and dignity
- Work is conducted on a voluntary basis
- All workers are of an appropriate age
- All workers are paid fair wages
- Working hours for all workers are reasonable
- All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively
- Workers' health and safety are protected at work
- Workers have access to fair procedures and remedies
- Land rights of communities, including indigenous peoples to be protected and promoted
- Business is conducted in a manner that embraces sustainability and reduces environmental impact

(SDG Target 8.3, 8.5, and 8.8)



Industry, Innovation and Infrastructure

Century Paper is committed to enhancing the efficiency of water and energy usage in the pulp and paper manufacturing process, which is known for its high consumption of these resources.

Water efficiency measures taken include:

- Improved water metering
- Filtration and recycling of wastewater
- Installation of water-efficient equipment
- Enhancing the quality and quantity of treated wastewater to make it available for enhanced recycling.

Energy efficiency measures include:

- Improved energy metering
- Installation of waste heat recovery systems
- Fixing of steams and compressed air leaks

(SDG Target 9.4)



Responsible Consumption and Production

Century Paper has adopted the modern concept of Industrial Ecology and Circular Economy where it ensures that its process waste is actually not a waste but it should act as a resource for some other process.

- Wheat Straw fines/Baggage Pith are supplied to others as a source of Clean Biofuel.
- Rejected fiber is utilized by neighboring Board Mills for use as raw material in the production of Sun-dry Paper and Boards.
- Coal Ash is supplied to a Cement Factory and some Brick Manufacturing Units for use as raw material.
- Organic-rich wastewater is being supplied to a Chemical Factory for the manufacture of organic fertilizer.

Century Paper operates the state-of-the-art Wastewater Treatment Plants (Comprising Dissolved Air Flotation and Biological Treatments) that not only help to prevent pollution load but treated water is also recycled back into the process to save an equivalent amount of freshwater. Century Paper is in the process of installing its third wastewater treatment plant with a capacity of 600 m³/hr. This treatment plant will further enhance the recycling of water to conserve the freshwater resource.

We also ensure that all the releases into the air are strictly compliant with National and International standards of Human Health and the Environment.

To encourage people to adopt sustainable practices and to integrate sustainability into their actions, Century celebrates World Sustainability Day and World Environment Day with the participation of Environmental Experts and young Environmental Students.

(SDG Target 12.4, 12.5 and 12.6)

SUSTAINABILITY REPORT

Environment



Clean Water and Sanitation

Century Paper understands that per-capita surface water availability for Pakistan has been declining over the years. Through working on water uses efficiency, Century Paper is ensuring the minimum use of freshwater to mitigate water scarcity in the country.

Century Paper ensures the provision of clean water for drinking and sanitation not only for its employees but also provides drinking water infrastructure to surrounding communities.

Century Paper has developed Injection Wells for underground water replenishment through rainwater in collaboration with the Pakistan Council of Research in Water Resources (PCRWR).

(SDG Target 6.4)



Affordable and Clean Energy

Climate change is the defining crisis of our time. No corner of the globe is immune from the devastating consequences of climate change. Calls to cut greenhouse gas emissions and limit the average global temperature rise to 1.5C are growing.

Energy from Fossil Fuels is the major source of Anthropogenic Greenhouse Gas Emissions. Without any exaggeration, the world has no other choice but to either pursue Renewable Energy use or cut the energy use from Fossil Fuels.

Century Paper is following the course both in the use of renewable energy and energy conservation. We are currently operating 3.7 MW Solar Power Plant to utilize Renewable Energy. The Company is also heavily exploring and investing in energy conservation opportunities. Some of the energy conservation measures undertaken are listed below;

- Installation of Waste Heat Recovery systems
- Fixing of Steams and Compressed Air Leaks
- Incorporation of Energy-efficient Equipment like modern, efficient Air compressors and installation of VFDs
- Installation of Biomass Boilers as a source of renewable energy

(SDG Target 7.2 and 7b)

Society



Quality Education

The Company has collaborated with local NGOs and established Smart Schools on the concept of one-room classrooms in very poor communities for non-school-going children who are involved in child labor by way of garbage collection etc.

These schools has enrolled 800 students, both Boys and Girls, as follows.

- Five (5) Schools enrolling 150 Students in Lahore in collaboration with the Institute of Rural Management
- Four (4) Schools enrolling 500 students in Jumber Khurd, Kasur in collaboration with Smile Foundation
- One (1) School enrolling 150 students with a Computer Lab at Katha Paran (Neelum Valley) in collaboration with Million Smiles Foundation.

(SDG Target 4.1)



Gender Equality

In line with our Chairman's vision of women's empowerment, Century Paper has established a Wastepaper Sorting Facility to engage poor women from the vicinity of Mills. The aim is to provide them with some reasonable source of income.

Century Paper has engaged 40 local women for this activity.

Necessary procedures are in place to ensure that all workers (males and females) are treated with respect and dignity. No worker is subjected to any form of harassment, abuse, or intimidation, be it physical, sexual, psychological, or verbal. Employment practices are free from discrimination, including but not limited to hiring, compensation, advancement, discipline, termination, and retirement. Furthermore, discrimination based on factors such as cast, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health status or pregnancy is strictly prohibited.

Century Paper provides Women with opportunities for leadership at all levels and in all functions like Production, Engineering, Management Systems, Supply Chain, etc.

Women also have representation on the Board of Directors.

(SDG Target 5.1, 5.2, and 5.5)

CORPORATE INFORMATION

Advisor

Sultan Ali Lakhani

Board's Committees

Audit Committee

Ali Aamir (Chairman)
Amin Mohammed Lakhani
Babar Ali Lakhani

Human Resource & Remuneration Committee

Asif Qadir (Chairman)
Amin Mohammed Lakhani
Anushka Lakhani
Aftab Ahmad

Officers

Chief Financial Officer

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

Company Secretary

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

External Auditors

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

Bankers

Conventional

Allied Bank Limited
 Bank Al-Falah Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 MCB Bank Limited
 National Bank of Pakistan
 Soneri Bank Limited
 Standard Chartered Bank (Pakistan) Limited
 The Bank of Punjab
 Industrial & Commercial Bank of China
 United Bank Limited

Islamic

Meezan Bank Limited
 Faysal Bank Limited
 Dubai Islamic Bank Limited
 MCB Islamic Bank Limited
 Bank Islami (Pakistan) Limited

Offices & Mills

Head Office and Registered Office

Lakson Square, Building No.2,
 Sarwar Shaheed Road,
 Karachi - 74200, Pakistan.
 Phone: (021) 38400000
 Fax: (021) 35684336, 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

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

SHAREHOLDERS' INFORMATION

The Company

The Century Paper & Board Mills Limited ("the Company") is listed on Pakistan Stock Exchange Limited (PSX) and the stock code for dealing in equity shares of the Company at PSX is CEPB. The Registered office of the Company is located at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. Phone: (021) 38400000 and Fax: (021) 35684336 and 35683410.

Ownership

On June 30, 2023 the Company has 3,537 shareholders.

Annual General Meeting

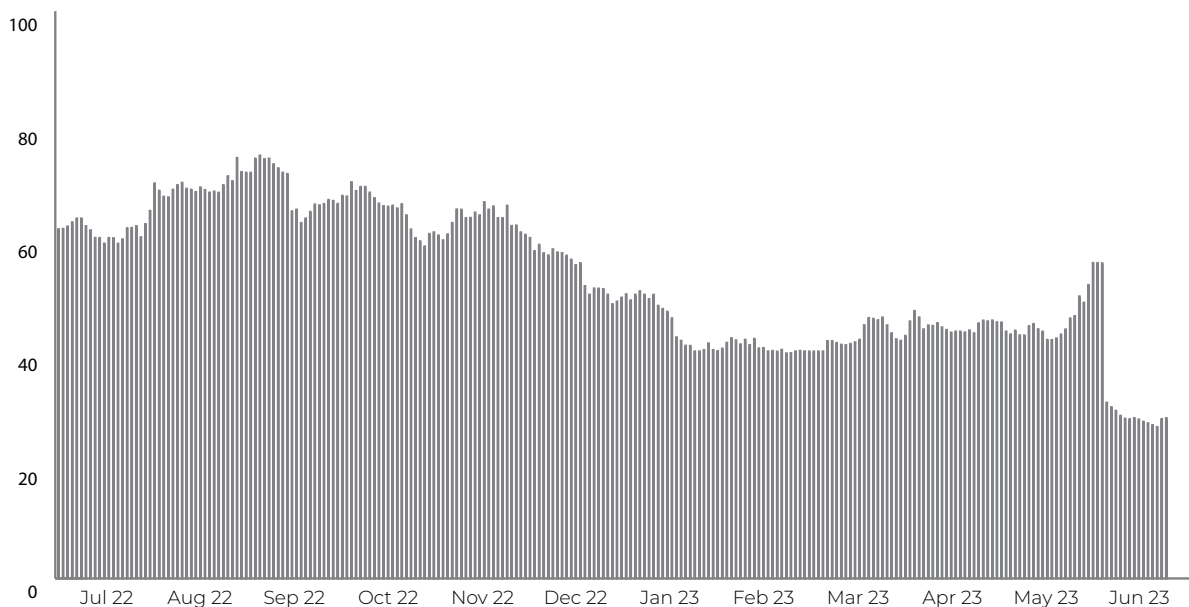
The annual shareholders meeting will be held on Tuesday, October 17, 2023 at 03:00 p.m. at ICAP Auditorium, Chartered Accountants Avenue, Clifton, Karachi as well as through electronic means / video link facility managed by the Company.

Date of Book Closer

The register of the members and shares transfer books of the Company will remain closed from October 10, 2023 to October 17, 2023 (both days inclusive).

Share Price Sensitivity Analysis

The overall stock market performance and Company's financial and operational performance impact the share price of the Company. The prevailing economic and political environment affects the Stock Market Performance. Major factors affecting Company performance are plant operations, costs of material and fuel items, and cost of capital etc. Uncertain economic conditions, global commodity super-cycle, high inflation, and expensive cost of borrowing affected both Stock Market Indices and the share price of the Company during the year ended June 30, 2023.



Share Price and Trading Volumes

Period	Share Price (Rupees)			Daily Average of Trading Volume
	High	Low	Closing	
First Quarter (Jul-Sep-22)	78.90	58.20	66.71	96,350
Second Quarter (Oct-Dec-22)	70.99	48.00	49.48	38,406
Third Quarter (Jan-Mar-23)	51.39	39.00	47.14	100,805
Fourth Quarter (Apr-Jun-23)	57.39	26.20	28.24	129,773
Full Year (Jul-22 to Jun-23)	78.90	26.20	28.24	89,827

Financial Results

The tentative timelines of the financial results for the year 2023-24 for approval in the Board of Directors meetings are as follows:

First Quarter ending on September 30, 2023	October 2023
Second Quarter ending on December 31, 2023	January 2024
Third Quarter ending on March 31, 2024	April 2024
For the year ending on June 30, 2024	August 2024

Web Presence

Annual / Quarterly reports are regularly placed at the Company's website, www.centurypaper.com.pk.

Change of Address

All registered shareholders should send information on changes of address to: FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting of CENTURY PAPER & BOARD MILLS LIMITED will be held on Tuesday, October 17, 2023 at 03:00 p.m. at ICAP Auditorium, Chartered Accountants Avenue, Clifton, Karachi, as well as through Electronic means/Video link facility to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.
2. To consider final approval of 80% Bonus shares (interim) declared by the Board of Directors in their meeting held on June 02, 2023 and issued to the shareholders on June 16, 2023.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To approve the circulation of Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report) to the Members of the Company through QR enabled code and weblink, in accordance with Section 223 of the Companies Act, 2017 read with S.R.O.389(I)/2023 dated March 21, 2023.

"RESOLVED THAT Century Paper & Board Mills Limited (the 'Company') be and is hereby authorized to circulate its Annual Report including Audited Financial Statements, Auditor's Report, Directors' Report, Chairman's Review Report and other reports contained therein to Members of the Company through QR enabled code and weblink."

5. To consider to pass the following resolutions as special resolution:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No. 45 of the Financial Statements for the year ended June 30, 2023 be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2024 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

By Order of the Board



(MANSOOR AHMED)

Company Secretary

Karachi: September 20, 2023

NOTES:

1 The share transfer books of the Company will remain closed from October 10, 2023 to October 17, 2023 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Associates (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi up to the close of business on October 09, 2023 will be treated in time for the purpose of attending the annual general meeting.

2. Participation in the AGM via physical presence or through video conferencing

a. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

b. Participation in the AGM proceedings via physical presence or through video link facility:

The arrangement for attending the AGM through electronic means will be as under:

a. To facilitate our members who want to attend AGM through Zoom application - a video link facility will be provided.

b. Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM (i.e., before 03:00 p.m. on October 13, 2023) through following means:

i) Mobile/WhatsApp: 0315 5008228

ii) E-mail: mansoor-ahmed@centurypaper.com.pk

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices.

In view of the above, the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

3. Requirements for appointing Proxies

a. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company.

b. Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting excluding holidays.

c. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

d. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.

e. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.

f. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

NOTICE OF ANNUAL GENERAL MEETING

4. Updation of shareholder addresses/other particulars:

Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all CDC and shareholders are requested to provide their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

5. Electronic Transmission of Annual Reports and Notices

Pursuant to Notification vide SRO.787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.centurypaper.com.pk. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Shares Registrar of any change in the registered e-mail address.

6. Conversion of Physical Shares into CDC Account

The Securities and Exchange Commission of Pakistan has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires all companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form, as soon as possible.

The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc.

7. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017

An updated list for unclaimed dividend/shares of the Company is available on the Company's website www.centurypaper.com.pk. These are unclaimed dividend/shares which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable. Claims can be lodged by shareholders on Claim Forms as are available on the Company's website. Claims Forms must be submitted to the Company's Shares Registrar for receipt of dividend/shares.

8. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

9. Form of Proxy is enclosed and is also available on Company's website: www.centurypaper.com.pk.

STATEMENT OF MATERIAL FACTS

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

The statement sets out the material facts concerning the Special Business given in agenda item Nos.4 and 5 of the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Agenda Item No. 4 Circulation of Annual Audited Financial Statements through QR enabled code and weblink.

The Securities and Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O.389(1)/2023 dated March 21, 2023 has allowed the companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Response (QR) enabled code and weblink. The notice of meeting shall be dispatched to Members as per requirements of the Companies Act, 2017 on their registered address, containing the QR code and the weblink address to view and download the Annual Audited Financial Statements together with the Reports and documents required to be annexed thereto under the Companies Act, 2017.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, Members approval is sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the Members of the Company through QR enabled code and weblink in accordance with S.R.O. 389(1)/2023 dated March 21, 2023.

Agenda Item No. 5(a) of the Notice – Transactions carried out with associated companies/related parties during the year ended June 30, 2023 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies/related parties were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as some of Company Directors were interested in these transactions, the quorum of directors seemingly could not be formed for approval some of these transactions which have to be approved by the shareholders in the general meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2023. with associated companies/related parties shown in Note No.45 of the financial statements for the year ended 30 June 2023 are being placed before the shareholders for their consideration and approval/ratification.

Agenda Item No. 5(b) of the Notice – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2024 to be passed as a Special Resolution.

The Company would be conducting transactions with associated companies/related parties in the normal course of business. The majority of Directors are interested in these transactions, therefore, such transactions with associated companies/related parties have to be approved by the shareholders.

In order to comply with the provisions of Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2024.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached thereto only.



empowering **WOMEN**
INSPIRING progress

VOICES AND VERSES

Bano Qudsia, a prominent Pakistani writer, dedicated her literary prowess to advancing women's empowerment. With a remarkable career spanning Urdu literature, she crafted narratives that highlighted the struggles and aspirations of women in society. Her works, deeply rooted in cultural intricacies, shed light on gender dynamics, breaking stereotypes and advocating for women's rights. Through her insightful storytelling, Bano Qudsia became an emblem of women's empowerment, igniting conversations that continue to inspire and challenge societal norms. She received numerous awards and honors, including the Sitara-e-Imtiaz and the Kamal-e-Fun Award, for her outstanding achievements.





Parveen Shakir, a distinguished Pakistani poet, educator, and civil servant, left an indelible mark on Urdu literature. Her poems not only introduced a distinct feminine voice but also explored profound themes, delving into the intricacies of womanhood and society. Her remarkable use of female pronouns in Urdu poetry shattered traditional norms, normalizing femininity and redefining the literary landscape. She also experimented with various poetic forms, such as ghazal, free verse, and quatrain, demonstrating her versatility and mastery of the language. Parveen Shakir's poetry resonated with millions of readers across generations and cultures, earning her numerous accolades and honors. She remains one of the most influential and celebrated poets in Urdu literature.

Madam Noor Jahan, also known as Malika-e-Tarannum (Queen of Melody), was a legendary Pakistani singer and actress who mesmerized the subcontinent with her voice and charisma. She rose to fame as a leading lady of the silver screen and a versatile vocalist who sang in various languages and genres. She was also a patriotic icon who inspired the nation with her ever-green national songs that resonated in the memory of every Pakistani. She received numerous awards and honors, including the Pride of Performance and the Voice of Century, for her remarkable contributions to the arts and culture.



CORPORATE CALENDAR

General Meetings

June 21, 2023

Extraordinary General Meeting to increase the Authorized Capital of the Company.

September 28, 2022

Annual General Meeting of Shareholders to consider annual accounts of the Company for the year ended June 30, 2022

Board of Directors Meetings

April 26, 2023

To consider interim accounts of the Company for the nine months ended March 31, 2023

January 31, 2023

To consider interim accounts of the Company for the half year ended December 31, 2022

October 25, 2022

To consider interim accounts of the Company for the first quarter ended September 30, 2022

August 04, 2022

To consider annual accounts of the Company for the year ended June 30, 2022

Audit Committee Meetings

April 18, 2023

To consider interim accounts of the Company for the nine months ended March 31, 2023

January 30, 2023

To consider interim accounts of the Company for the half year ended December 31, 2022

October 24, 2022

To consider interim accounts of the Company for the first quarter ended September 30, 2022

August 02, 2022

To consider annual accounts of the Company for the year ended June 30, 2022

BOARD OF DIRECTORS



Iqbal Ali Lakhani
(Chairman)



Babar Ali Lakhani



Amin Mohammed Lakhani



Anushka Lakhani



Asif Qadir



Ali Aamir



Aftab Ahmad
(Chief Executive Officer)

DIRECTORS' PROFILE

Iqbal Ali Lakhani (Chairman)

Mr. Iqbal Ali Lakhani is a humble, compassionate and philanthropist who has been at the helm of Lakson Group for around 45 years. He has a keen interest in marketing, finance, quality management and re-engineering. He oversees a diverse portfolio of businesses, ranging from Paper & Packaging, FMCG, Asset Management, and Insurance to IT and Aviation. He is a Trustee of the Hasanali & Gulbanoo Lakhani Foundation, A Lakson Group Welfare Trust, providing Educational and Medical facilities to the needy and deserving persons and helping in other social activities. He is also a Trustee of Lakson Medical Trust and R & I Trust. In 2019, he received the prestigious Sitara-e-Imtiaz Award from the Government of Pakistan for his humanitarian work.

Mr. Lakhani is a charter member of The Indus Entrepreneurs, a global network of entrepreneurs and professionals. He is also a member of the Layton Rahmatullah Benevolent Trust, a leading eye care organization in Pakistan. He has held prominent positions in various associations and councils, such as the Cigarette Manufacturers Association of Pakistan, the Aga Khan Economic Planning Board for Pakistan, the Pakistan Business Council and the American Business Council of Pakistan.

Mr. Lakhani is an alumnus of the University of California–Berkeley, where he graduated with the highest honors and received a departmental award for outstanding achievement. He was also a member of the PSI-National Accounting Fraternity and Phi Beta Kappa, the oldest academic honor society in the United States.

Amin Mohammed Lakhani (Director)

Mr. Amin Mohammed Lakhani is a generous philanthropist and a member of the Lakson Group Executive Team. He is the CEO of SIZA Foods, the franchise holder of McDonald's in Pakistan, which has grown to 81 restaurants across the country under his able leadership. He is the recipient of the prestigious Golden Arches Award from McDonald's Corporation in 2011 - the highest award an owner-operator can receive from McDonald's.

He is the Honorary Consul General of Singapore in Pakistan and has been awarded the Public Service Star by the Republic of Singapore for his services. He is a founder member of the Young Presidents' Organization in Pakistan and an active alumnus of Stanford University and The Wharton School of Business. He is passionate about sports and enjoys riding, polo, tennis and golf. He is well-traveled and interested in international affairs.

His rich experience in finance, marketing, management and production spanning over 36 years has enabled him to serve as CEO of 12 listed, unlisted public and private limited companies, Director on the Corporate Boards of 4 Lakson Group companies listed on Stock Exchange in Pakistan and Director in 15 other unlisted public and private limited companies of the Lakson Group.

He strongly believes in Lakson Group's philosophy of paying back to the society. He is a Trustee of Hasanali & Gulbanoo Lakhani Foundation, a Lakson Group welfare trust. The Foundation provides educational and medical facilities to deserving and needy persons and helps people in other areas and a Trustee of Amin, Saira and Anika Lakhani (ASAL) Foundation.

Babar Ali Lakhani

(Director)

Mr. Babar Lakhani is the CEO of Lakson Investments Limited. He has over 25 years of investment and portfolio management experience in Domestic and International Equity & Fixed-income Markets. Babar most recently served as the CIO of Century Insurance, a Public Limited company listed on the Karachi Stock Exchange of Pakistan. His prior experience includes working at a Hedge Fund and at Credit Suisse. He currently serves on the boards of Bagallery, Book.Me Knowledge Platform, Roomy, and OMI Hospital.

He is a member of the Young Presidents Organization Pakistan where he was a Chapter Chair from 2014-2015. He is a volunteer at Special Olympics Pakistan where he helped found an annual marathon in 2016 and a member of the Alumni Trustee Committee of Brandeis University from where he received his MBA. He completed his B.A. in Finance at Bentley College.

Babar likes to spend his free time with his wife and two sons in Karachi. His interests include distance running, technology, reading and film.

Anushka Lakhani

(Director)

Ms. Anushka Lakhani is a key member of the executive leadership team of Lakson Group of Companies, one of the largest and most diversified conglomerates in Pakistan. She serves as a Director on the Corporate Boards of three Listed Companies of the Group, namely Century Paper & Board Mills Limited, Merit Packaging Limited and Century Insurance Company Limited. She also serves as a Director in six Public Unlisted and Private Companies of the group.

She is a graduate of two of the most prestigious business schools in the world. She has a BSE from Wharton School of Business, University of Pennsylvania and an MBA from Harvard Business School.

Ali Aamir

(Director)

Mr. Ali Aamir is a senior Chartered Accountant with over 15 years of combined Board/ Company Secretarial experience with a specific focus on Corporate Governance matters and 40 years of diverse achievements in Public Accounting, Auditing, Banking, Treasury, Taxation, Corporate Governance and Information Technology, mostly with Multinational Financial Services and Manufacturing Industries in Pakistan.

DIRECTORS' PROFILE

Asif Qadir (Director)

Mr. Asif Qadir holds a degree in Chemical Engineering from Columbia University, New York. He joined Exxon Chemical Pakistan Ltd. in 1978 as a Process Engineer and held various assignments in the manufacturing and marketing of fertilizers.

He has served as Chairman of Inbox Business Technologies Ltd., President of the Management Association of Pakistan and Director & Senior Vice President at Engro Corp. Ltd., the Chairman and Chief Executive of Engro Polymer Trading (Private) Limited and Chief Executive Officer & Executive Director at Engro Polymer & Chemicals Limited (both are subsidiaries of Engro Corp. Limited).

He is currently serving as Director of Cheerat Cement Company Limited, Tripack Films Limited, Descon Oxychem, Unicol, and Liaquat National Hospital.

Aftab Ahmad (Director & Chief Executive Officer)

Mr. Aftab Ahmad is presently the Chief Executive Officer of Century Paper & Board Mills Limited and serving as a Director of Merit Packaging Limited and Century Insurance Company Limited. He joined Lakson Group of Companies in 1984 as Deputy General Manager (Technical) of Century Paper & Board Mills Limited. He has also served as the General Manager (Operations) and Director (Operations) of the Company.


Prior to joining Lakson Group, he worked at Packages Limited in Pakistan, Saigal Brothers and Azzawya Oil Refinery in Libya. Under his Dynamic Leadership, Century Paper & Board Mills Limited became a Market Leader in the field of Packaging. With his engineering background, he successfully implemented the mega project of Century Paper's new board machine PM-7, thereby building CPBM's brand image for quality and reliability in the market.

REVIEW REPORT BY THE CHAIRMAN

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 an annual evaluation of the Board of Directors of Century Paper & Board Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2023, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.



Iqbal Ali Lakhani
Chairman

Dated: August 10, 2023



empowering WOMEN INSPIRING progress

Century Paper has been making its contribution to different areas relating to the environment, society, and governance. The Company has made notable contributions toward energy & resource conservation and a clean environment. Recently, Century Paper has also decided to intensify its efforts on SDG 5: Gender Equality, which, we recognize is vital for a fair and sustainable world. We pledge to ensure that women have full and equal opportunities to participate in decision-making at all levels.

To fulfill its commitment towards women empowerment, Century Paper has ensured female representation on their Board of Directors. The Company is also making efforts to provide equal opportunities to women at all management levels. The number of women in its workforce is gradually increasing.

Seeing the potential in the local women, the company has launched a groundbreaking initiative. Instead of being mere employees, women from the villages adjacent to the Mills, have been provided the opportunity to become entrepreneurs by participating in raw material management activities.

Furthermore, Century Paper's dedication to providing education opportunities to females shines through its summer camps, where training sessions on Information Technology are arranged for the daughters of its workers. To ensure access, the Company goes the extra mile by providing a pick-and-drop facility, breaking down barriers to learning. Century Paper has also enrolled an equal number of girls in its Smart School Initiatives for Child Education.

These initiatives showcase Century Paper's unwavering commitment to female empowerment and Century will persist in enhancing its contribution to this noble cause.



OUR FEMALE EMPLOYEES



Christine Lobo

I am Christine Lobo, an experienced Executive Assistant (EA) with over 52 years of diverse administrative expertise. I hold a Bachelor's Degree from St. Patrick's College via the University of Karachi. My journey began in 1976 at the Lakson Tobacco Company Limited, and I currently serve as the EA to the Chairman of Century Paper & Board Mills Limited. My primary role is to ensure the Chairman remains organized, informed, and ready, all while upholding strict confidentiality.

Beyond my professional life, I am a dedicated family person with a loving spouse, four wonderful children, and six cherished grandchildren. In my spare time, I'm an active volunteer and a member of charitable and social groups. I find joy in reading spy thrillers, savoring music, and creating delicious dishes.



Mehnaz Nusrat

I am Mehnaz Nusrat, and I am a graduate of PECHS College in Karachi. After completing my Bachelor's degree, I joined Century Paper & Board Mills Limited as a "Telephone Operator" in Karachi. After few years, I was promoted to the position of "Front Desk Officer". Spanning over two decades, This role proved to be a turning point in my life, as it allowed me to interact with a diverse range of people on a daily basis, learning and gaining valuable insights from each of them.

Beyond work, I indulge in various interests. Celebrity interviews, talk shows, and podcasts keep me informed about current affairs. Home decoration is another passion, and my family holds a special place in my heart.



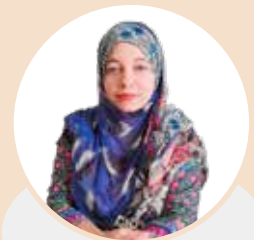
Wajiha Khan

I am Wajiha Khan, a dedicated HR professional with a Bachelor's and Master's degree in HR. My passion for HR ignited during university, and I've pursued a fulfilling career in this field. Currently, I serve as a Senior HR and Payroll Executive at Century Paper & Board Mills Limited, where I thrive in various HR activities like recruitment, benefits management, accounts and employee relations.

My family's strong work ethic inspires me; being the eldest, I aim to set a focused and determined example for my siblings, who are now pursuing their own paths to success. Beyond my career, I'm a fashion enthusiast with a small clothing venture. I adore exploring new fashion trends and designing clothes. Traveling and experiencing diverse cultures and cuisines also bring me immense joy.

I am Aqsa Saleem, and I am a Master's graduate in Chemistry from the University of Education in Lahore. I am working at Century Paper and Board Mills Limited as a Senior Chemist in the Raw Material Section of the Quality Assurance Department. I play a pivotal role in ensuring raw material quality for production. I'm known for my precision and keen attention to detail. Century Paper's harmonious work environment and commitment to work-life balance make it a great fit.

Beyond work, I cherish quality time with my family, enjoying indoor games, park visits, baking, and reading stories together. Balancing my career at Century Paper with a fulfilling personal life is something I'm grateful for.



Aqsa Saleem

I am Sabahat Tahir, and I am a Graduate in Chemical Engineering from the University of Punjab in Lahore. I am working as a Senior Process Engineer in the Quality Assurance Department at Century Paper and Board Mills Limited. In this role, I played a crucial part in obtaining ISO/IEC 17025 accreditation for the Company's Testing Laboratory leading to its enhanced reputation and reliability. I find my job highly satisfying as it allows me to broaden my perspective on problem-solving and collaborate effectively within a team to conduct root-cause analyses.

In my free time, I enjoy exploring new places in the city, including eateries and shopping centers, and spending time with my friends on weekends.



Sabahat Tahir

I am Nancy Gul, holding Bachelor's and Master's degrees in finance and accounting, with over a decade of experience across prestigious organizations. My journey began as a Call Center agent followed by an Account Executive role. Subsequently, I transitioned into a supply chain career, and today, I'm flourishing as a Senior Import Executive at Century Paper & Board Mills Limited, where I consistently embrace growth and learning opportunities.

I hail from a family that values hard work, dedication, unconditional love, loyalty, and strong bonds, which provide unwavering support in my life decisions. I am a determined, decisive, fun-loving, friendly, honest, and punctual individual. I excel both independently and within a team. Setting and achieving personal goals is my passion, and I possess excellent listening and communication abilities.



Nancy Gul

OUR FEMALE EMPLOYEES



Rahat Israr

I am Rahat Israr, and I hold a Master's degree in Business Administration (MBA) from Haily College of Banking and Finance. I am working at Century Paper as an IMS Officer in the Corporate Excellence Department. I relish the learning opportunities this organization offers and strive to enhance my confidence and make a meaningful contribution to its success.

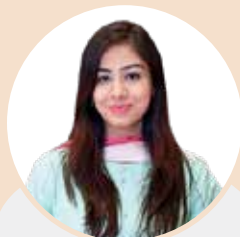
A woman from a town where working women are uncommon, I am determined to set an example for others to pursue their goals. I am also the President of the Century Paper Toastmasters Club and am passionate about personal development, both for myself and for those around me. Outside of work, I am an avid farmer and find joy in growing plants and vegetables.



Sadia Aslam

I am Sadia Aslam, and I hold an Associate Degree in Science from the University of Central Punjab. I am working at Century Paper as a Data Assistant in the Engineering Stores. I have gained a great deal of learning experience in the conducive environment of Century Paper and am enjoying involvement in the development and maintenance work of the production plants. My focus is on growing in my professional career through hard work and continued learning.

In my personal life, my brother and I are focused on supporting the education of our siblings after the passing of our father. I am also an avid reader and enjoy stitching and playing badminton.



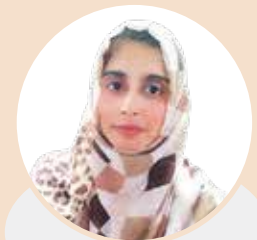
Iqra Arshad

I am Iqra Arshad, and I hold an M.Phil in Management Sciences from the University of Lahore, as well as a BS (Hons.) in Accounts & Finance. I am working at Century Paper as a Procurement Officer. I appreciate the supportive and cooperative working environment of the Company and have learned many things during my time here, including scheduling and purchasing raw materials.

In my free time, I enjoy reading novels and playing badminton. I am also keen on improving my communication skills and actively participate in the Toastmasters platform established within our organization. Some of my favorite authors include Paulo Coelho, Sidney Sheldon, and Elif Shafak.

I am Iffat Ramzan, and I hold an MPhil in Botany from the University of Okara. I am working at Century Paper in the Engineering Stores as an officer. This organization is a decent place for working women exhibiting equality, a positive work culture and it allows for maintaining a comfortable work-life balance. I am passionate about continuously improving my skills and contributing to the success of the organization.

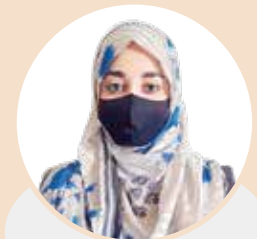
In my personal life, I love nurturing my son and aspire to raise him to be a positive contributor to society. Gardening is also a passion of mine, as I come from an area surrounded by gardens and crop cultivation.



Iffat Ramzan

I am Adnia Naeem, and I hold a Master's degree in Chemistry from Agriculture University in Faisalabad. I am working as a Development Chemist at Century Paper. In this role, I oversee product functional activities and operational development processes. I cherish my job as it provides me opportunity to broaden my problem-solving perspective and engage in effective teamwork.

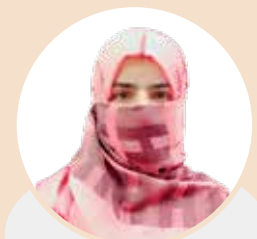
Outside of work, I have a range of hobbies, including reading books and blogs, listening to podcasts, gardening, and cooking for my family. I am also fond of reading books of Elif Shafak, S.K. Ali, Nemrah Ahmed, and Faiza Iftikhar. I'm passionate about learning relating to my job or understanding the people around me.



Adnia Naeem

I am Munazza Munawar, and I hold a degree in Law (LLB) as well as a Master's degree in English. I am working as an HR Officer in the Human Resources department at Century Paper. I appreciate the Company's vast diversity and its commitment to valuing the well-being of its employees. I enjoy working at Century Paper because it offers many opportunities for learning and development. In the coming years, I see myself becoming more confident in this field, with more knowledge and experience.

In my personal life, I am a bibliophile and love reading novels in my leisure time. I am also currently learning the Arabic language and am determined to become proficient in it soon.



Munazza Munawar

CHAIRMAN'S MESSAGE

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the Annual Report of your Company for the year ended June 30, 2023. As we reflect upon the past year's performance, I wish to convey our sincere gratitude for your unwavering support and trust in our company.

The national economy continued to grapple with the challenges of rising inflation, a widening current account deficit, and a depreciating currency. The situation was further aggravated by the catastrophic flood. These challenges prompted the Government to enact austerity measures to restore balance. However, these measures hindered economic expansion, causing a notable drop in growth to a mere 0.29% during the year compared to the 6.0% growth of the previous year. This economic turbulence had a detrimental impact on businesses, leading to diminished demand and elevated operational costs.

Despite confronting these formidable hurdles, your Company stood resolute. The visionary guidance of the Board of Directors ignited the ingenuity of our management, fostering the creation and successful execution of a flexible and efficient business strategy. This endeavor bore fruit, as your Company achieved an impressive 22% surge in gross sales, reaching an unprecedented milestone of Rs 55 billion during the review year (compared to Rs 45 billion in the prior year). Nevertheless, this growth in revenue did not translate equally to the bottom line due to surging production expenses and a substantial uptick in finance costs attributed to the stringent monetary policy enforced by the State Bank of Pakistan. Consequently, the net profit amounted to Rs 906 million (compared to Rs 2,212 million in the previous year), resulting in an Earnings per Share (EPS) of Rs 2.25 (compared to Rs 5.51 in the previous year), as calculated based on the increased share capital.

Within the review period, the Board of Directors introduced an interim 80% Bonus share (equivalent to 4 shares for every 5 shares) for the ordinary shareholders, sourced from distributable reserves. This initiative aimed to fortify the Company's paid capital base, achieving equilibrium between paid-up share capital and distributable reserves. Cash dividends were deferred due to immediate financial requirements. The Company encountered challenges leveraging its enhanced capacities and capabilities in the face of the challenging conditions. However, our optimism remains strong that these enhancements will yield more favorable outcomes in the future, ultimately benefiting all stakeholders.

Throughout this period, your Company remained steadfast in its commitment to Safety, Health, Environment, and Quality (SHEQ) principles, as well as Corporate Social Responsibility (CSR) endeavors. Ongoing initiatives centered on resource conservation, environmental preservation, and the forthcoming acquisition of an additional wastewater treatment plant. Additionally, your Company embarked on a journey towards Sustainable Development Goals, aspiring to achieve ESG compliance. This transformative endeavor includes engaging and training employees across all levels. Despite the adversities, our commitment to CSR initiatives, including education for children, empowerment of female workers, and community outreach, remained unwavering.

I am pleased to announce that this year's annual report spotlights the theme of women's empowerment. At Century, we firmly believe in the pivotal role of women in society. Their education, progress, and broad-ranging involvement across various domains are vital for our collective advancement. We deeply acknowledge the contributions of the women within our organization, who, despite their smaller representation, wield significant influence across roles, from receptionist to executive and manager. We are resolute in our mission to foster an equitable and inclusive workplace.

With the recent modernization of our facilities and alterations in our energy mix, coupled with improved management of working capital, we are optimistic about our resilience during challenging periods.

I extend my profound gratitude to our dedicated employees, esteemed customers, dependable vendors, trustworthy financial partners, valued shareholders, and local authorities for their invaluable contributions to the Company's success.



Iqbal Ali Lakhani

Chairman

Dated: August 10, 2023

DIRECTORS' REPORT

On behalf of the Board of Directors (BOD), we are pleased to present the Annual Report of Century Paper & Board Mills Limited (CPBM) for the year ended June 30th, 2023 along with the audited financial statements and Auditors' Report thereon.

BUSINESS PERFORMANCE REVIEW

Pakistan's economy faced severe challenges in FY 2023 and remained nearly stagnant, growing by only 0.29% compared to 6.0% in FY 2022. Among all sectors, the manufacturing sector was hit the hardest as it showed a contraction of 1.4% in FY 2023, compared to a growth of 8.7% in FY 2022. The contraction in Large-scale manufacturing (LSM) was even higher at 2.5% in FY 2023 as opposed to a growth of 10.4% in FY 2022 caused by spiraling inflation, massive devaluation of the Pakistan Rupee, higher energy prices, and lower domestic & external demand.

During the year, the paper & board industry faced both supply and demand side challenges that led to a drop in domestic consumption of paper & board products. The global supply situation and import controls implemented by the Central Bank caused the difficulties in procurement of imported raw materials. The demand for paper & paperboard products witnessed a slowdown in the later part of the year due to inflationary pressures that reduced the disposable income of the masses and the global recession that made imports cheaper than local substitutes.

To effectively navigate the current market conditions and address supply-side limitations, your Company strategically rationalized plant operations to achieve an optimal sales mix and turned to outsource

certain raw materials for corrugated boxes, enhancing its ability to meet customer demands with competitive pricing. Your Company took advantage of selective machine shutdown during the year and successfully commissioned a number of BMR Projects that bolstered production facilities' capacities and capabilities.

Your Company's production volumes contracted to 196,192 metric tons (L.Y: 255,103 metric tons). Notably, the Company attained 87% capacity utilization for its packaging board machines (L.Y. 100%). Despite this, the overall capacity utilization dropped to 74% (L.Y. 96%). Your Company achieved a sales volume of 207,413 metric tons (2022: 242,293 metric tons) during the year under review. In terms of value, net sales of your Company stood at Rs. 48.00 billion for the year (2022: Rs. 39.00 billion). The uptick in sales value is attributed to the consistent evaluation of the Company's product pricing, undertaken to offset the cost escalations brought on by elevated rates of raw materials and fuel, in conjunction with the swift depreciation of PKR and high indigenous inflation.

Throughout the year, the Company unwaveringly adhered to the principles and best practices of quality, health, safety, and environmental protection in all its operations. It undertook several initiatives to advance its journey toward becoming an ESG-compliant entity.

FINANCIAL PERFORMANCE ANALYSIS

Summarized financial performance is as follows:

	Rupees in Million		%
	2023	2022	Variance
Sales	47,661	39,000	22%
Cost of Sales	(43,220)	(34,027)	(27%)
Gross profit	4,442	4,973	(11%)
Admin, Selling and other Expenses	(1,279)	(1,227)	(4%)
Other Income	275	187	47%
Operating profit	3,437	3,933	(12%)
Financial Charges	(2,016)	(676)	(198%)
Net profit before tax	1,422	3,257	(56%)
Taxation	(517)	(1,045)	51%
Net profit after tax	905	2,212	(59%)
Earnings per share - Rupees	2.25	5.51	(59%)

The gross profit margin, calculated as a percentage of net sales, was recorded at 9.32% (compared to last year's 12.75%). Elevated material and fuel costs led to a 27% rise in the Cost of Sales compared to the previous year. Nevertheless, the Company managed to partially offset this effect by capitalizing on a 22% upsurge in Net Sales value. This achievement was realized through a blend of a favorable sales mix and the adjustment of selling prices in alignment with prevailing market conditions, even in the face of a reduction in sales volume compared to the preceding year.

Resultantly, the current year's Operating Profit (EBIT) stood at Rs. 3,437 million (7.21% of sales) while in 2022 it was Rs. 3,933 million (10.08% of sales). Higher interest rates and working capital needs made the finance cost surge from Rs. 676 million to Rs. 2,016 million in a year. Nevertheless, Your Company adeptly streamlined the working capital by effectively overseeing inventory levels and solicited customers' assistance to expedite payments for trade receivables.

The Directors report that your Company has managed to achieve profit before tax (PBT) for the year of Rs. 1,422 million (2022: Rs. 3,257 million) and profit after tax (PAT) of Rs. 905 million (2022: Rs. 2,212 million) for the year under review.

APPROPRIATION

The following is the summary of appropriations made during the year

	Rupees in Million
Profit for the year	904.99
Unappropriated Profit brought forward	2,148.24
Available for appropriation	3,053.23
Appropriation of Reserves	
Transfer to General Reserve	(2,000.00)
Transfer from General Reserve	1,000.00
Transactions with Owners	
178,539,078 interim bonus shares issued in the proportion of four (4) shares for every five (5) shares held	(1,785.39)
Total Appropriations	(2,785.39)
Balance carried forward	267.84

For the Financial Year 2022-2023, the Board of Directors declared an interim dividend by way of issuing bonus shares in the proportion of Four (4) shares for every Five(5) shares held (i.e. 80%) amounting to Rs. 1,785.39 million by appropriating from distributable reserves of the Company. The Bonus Shares were issued during the year under review, thereby, increasing the issued, subscribed and paid-up to 401,712,926 ordinary shares of Rs. 10 each. The Directors also approved a transfer of Rs. 1,000 million from General Reserves to Unappropriated Profits to facilitate issuing of bonus shares. Due to business plan forecasted and cash flow planning & budgeting, no cash dividend has been declared for the year.

Moreover, 20,288,532 bonus shares (Rs. 202.885 million) were also issued during the year under review by appropriating from Capital Redemption Reserve Fund as the Board of Directors and the Shareholders approved the issuance as the final dividend for the Financial year 2021-2022.

LIQUIDITY MANAGEMENT

Your Company's management consistently strives to achieve a balanced blend of long and short-term borrowing, aiming to effectively address its business's liquidity requirements. During the year, the Company considered it essential to arrange a long-term loan of Rs 4 billion that improved the cash flows and subsided pressure on short-term working limits as the closing balance of short-term borrowing stood reduced to Rs. 4,071 million (L.Y. Rs 7,513 million). The company used the lowest-cost mix of short-term working capital limits, such as money market loans, to keep its finance cost at 16.39% (L.Y. 9.00%), despite the huge increases in policy rates during the year.

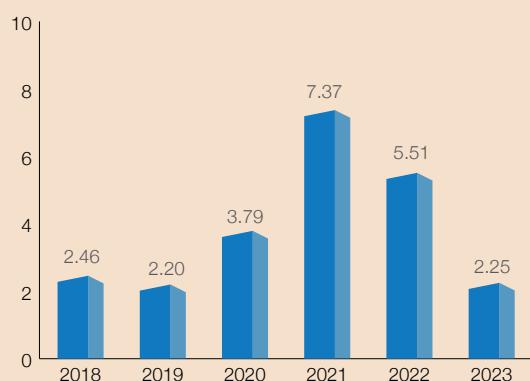
EARNINGS PER SHARE (EPS)

For the year under review, Your Company reports the basic EPS at Rs. 2.25 (2022: Rs. 5.51). There is no dilution effect on EPS for the period under review and the corresponding period of last year.

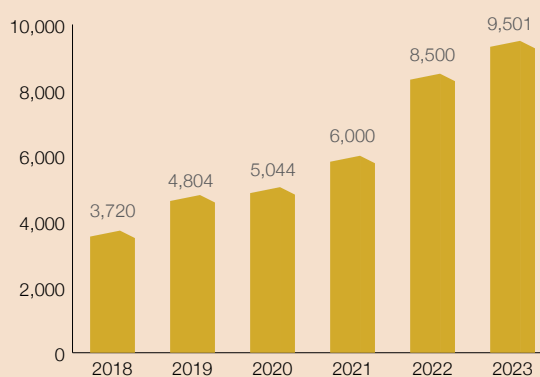
During the year, 198,827,610 bonus shares were issued in aggregate thus increasing the fully paid-up number of ordinary shares to 401,712,926. The weighted average number of shares for the current and corresponding year included the impact of bonus shares for the calculation of EPS as per the requirement of International Financial Reporting Standards.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Your Company's contribution to the National Exchequer for the year increased to Rs. 9,501 million as compared to Rs. 8,500 million for the last year.



■ Earnings per share (Rupees)



■ Contribution To National Exchequer (Rupees in million)

BALANCING, MODERNIZATION & REPLACEMENT (BMR) AND DIGITIZATION

During the year under review, The Company has incurred a capital expenditure of Rs 1,595 million (L.Y: Rs. 2,539 million) to complete BMR projects initiated in previous years and certain necessary upgrades/replacements.

The Company has completed the BMR projects to increase the Sheetting Capacity, upgrade the Distributed Control System (DCS) / Quality Control System (QCS) & Drives of Machines, improve the Steam Supply Systems, modify the Waste Paper Recycling Plants, add to the Box Making capacity, and increase the Steam Generation. The Company is also adding another Waste Water Treatment Plant to enhance its water recycling capacity and follow its policy of resource conservation and sustainability. The Company plans to finish this project in the upcoming year. The Company is also working on a project to modernize the Roll Grinding and Balancing System. The machinery arrived this year and its commissioning is underway with expected completion in the upcoming year. The total spending on above BMR projects so far is Rs 4,024 million against an estimated cost of Rs. 4,400 million.

Moreover, the Company finished the project of upgrading and revamping the Grid Station, with a new Transformer, Double Circuit (In - Out) Breakers and a Metering System. The Grid Station capacity increased from 5.5 MW to 16.0 MW. This will give the Company more flexibility in its energy mix planning.

Furthermore, the Company is modernizing its mechanical workshop and increasing its capacity to produce local alternatives of imported chemicals like Calcium Carbonate etc. The Company has also completed the digitization project for operation control automation of the PM-7 Machine with the help of a Foreign Consultant, which improved its operational stability and quality of the products manufactured on it.

**Grid Station
Upgrading and Revamping**



**Sheeting
Machines**



**Box Making
Machine**



**Bale Breaking
Machine**



MARKET CAPITALIZATION

The stock market in Pakistan showed a resilient performance in FY2023, coping with a mix of challenges and opportunities. Investor sentiment was sometimes affected by uncertainties, but overall, the market maintained a degree of stability. The benchmark KSE 100 Index reached its peak of 43,887 in August - 2022 and its lowest of 38,135 in Jan - 2023. The benchmark KSE 100 Index closed at 41,453 points as of June 30, 2023 (L.Y. 41,541 points), slightly lower than last year.

Your Company's share price reached a peak of Rs. 74.52 in September 2022 and a bottom of Rs. 26.67 in June 2023, reflecting the effect of the 80% bonus share issue. The share price closed at Rs. 28.24 as of 30 June 2023 (2022: Rs. 61.80). Although this showed a noticeable decline, the market capitalization remained stable at Rs. 11,344 million, slightly below the previous year's Rs. 12,538 million, indicating resilience and potential for future growth.

CAPITAL MANAGEMENT

Your Company's policy is to maintain a strong capital base and preserve maintain investors, creditors, and market confidence to safeguard its ability to continue as a going concern. Your Company manages its capital structure and makes appropriate adjustments to move with economic changes and the risks associated with safeguarding its asset base. Your Company's management believes in maintaining an appropriate debt-equity ratio and optimal mix of long and short-term debts.

PROVIDENT AND GRATUITY FUNDS

Your Company provides terminal benefits to its employees in the shape of a provident fund and a gratuity scheme. These funded benefits are maintained by two separate duly approved trusts. These trusts are managed by trustees who get the funds audited each year.

The trustees of the respective funds have informed the Company that the values of the investments of the two funds as of the year-end were as follows:

	Rupees in Million	
	2023	2022
Provident Fund	919.02	762.74
Gratuity Fund	866.77	750.10

AUDITORS

The present Auditors, BDO Ebrahim & Company, Chartered Accountants, are the retiring auditors of the Company and have offered their services for re-appointment. They confirmed that they have been given a satisfactory rating under the Quality Control Review Program of The Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by ICAP. On the recommendation of the Board's Audit Committee, the Board of Directors proposed their re-appointment by the shareholders at the forthcoming Annual General Meeting, as auditors of the Company for the year ending June 30, 2024, at a fee to be mutually agreed upon.

RISK MITIGATION

The Board of Directors, Board's Audit Committee, and the senior management team led by the Chief Executive Officer are responsible for oversight of your Company's operations and to evolve

proactive strategies to mitigate any potential adverse impact of major risks duly categorized into Strategic Risk, Operation Risks and Financial Risks. The information about these risks and their mitigants is provided below:

Risk factors	Mitigants
a) Strategic Risk	
<ul style="list-style-type: none"> Changes in global and local economic trends & competition threats. Technology and product innovations disrupting the acceptability of the Company's products. 	Your Company regularly keeps track of the changing market trends and seeks feedback from its regular and prospective customers. Your Company also ensures that its products are best suited for the customers' current and future needs at competitive prices with the finest quality as a measure to counter the competition and to retain and improve its market share.
b) Operational Risks	
<ul style="list-style-type: none"> Rising raw material / fuel and other operating costs. Supply chain disruptions lead to increase lead time. Scarcity of Materials / Fuels disrupting the production. Dearth of Skilled human resources. 	Your Company has a well-diversified supplier base for domestic and imported materials. Energy sufficiency is ensured by putting in place different power/steam generation facilities running on alternate fuels. Human resources are developed by providing appropriate in-house and external training opportunities.
c) Financial Risks	
<ul style="list-style-type: none"> Credit Risk Liquidity Risk Interest rates Risk Foreign Exchange Risk 	These risks are explained in note 47 of the financial statements.

CORPORATE INFORMATION**Board of Directors****Composition of the Board**

During the year, the Board consisted of seven (7) members. The composition of the Board during the year is given below:-

	During the year
Male	6
Female	1
Independent Directors	2
Non-Executive Directors	4
Executive Director	1

Mr. Iqbal Ali Lakhani held the position of Chairman of the Board and Mr. Aftab Ahmad is Chief Executive Officer of the Company.

Board Meetings

Five meetings of the Board of Directors were held during the year ended June 30, 2023. Attendance by each Director was as under:

Name of Directors	Meetings Attended
Non-Executive Directors	
Mr. Iqbal Ali Lakhani (Chairman)	5
Mr. Amin Mohammed Lakhani	5
Ms. Anushka Lakhani	2
Mr. Babar Ali Lakhani	5
Independent Directors	
Mr. Ali Aamir	4
Mr. Asif Qadir	4

Name of Directors**Meetings Attended****Executive Director**

Mr. Aftab Ahmad (CEO)	5
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Audit Committee

An Audit Committee was set up by the Board after the enforcement of the Code of Corporate Governance. An independent Director is its Chairman and two Non-Executives Directors are members. Four meetings of the Committee were held during the year ended June 30, 2023. Attendance of each Director is as under:

Name of Directors**Meetings Attended**

Mr. Ali Aamir (Chairman)	4
Mr. Amin Mohammed Lakhani	4
Mr. Babar Ali Lakhani	4

The terms of reference of the Audit Committee have been duly prescribed by the Board including those specified in the Code of Corporate Governance. In addition, the Audit Committee is free to ask for any information and explanation to satisfy itself regarding the financial statements and internal controls. The committee met at least once a quarter to review the financial statements and any major judgmental areas concerning the Company's business. The Audit Committee gives its recommendations to the Board for the approval of financial statements which are duly endorsed by the CEO and CFO.

Human Resource & Remuneration Committee

The Board, following the Code of Corporate Governance, has also constituted a Human Resource and Remuneration Committee. It comprises of the following members:

Mr. Asif Qadir	Chairman
Mr. Amin Mohammed Lakhani	Member
Ms. Anushka Lakhani	Member
Mr. Aftab Ahmad	Member

A meeting of the Committee was held during the year which was attended by all the members. The terms of reference of the Committee include but are not limited to those mentioned in the Code of Corporate Governance.

Directors' Remuneration

The remuneration of the Board members is approved by the Board. However, following the Code of Corporate Governance, it is ensured that no Director takes part in deciding his/her remuneration. Please refer to note 44 of the Financial Statements for information on the remuneration of the Chief Executive Officer and Directors for the year ended June 30, 2023.

Directors' Training Program

All the Directors on the Board are fully aware of their duties and responsibilities as Directors of your Company. The majority of the Directors of your Company have completed or are exempted from the requirement of the Directors' Training program.

Directors' Evaluation

The Board of Directors has put in place an effective mechanism to review its performance on a self-assessment basis. The Board duly provides valuable guidance and ensures effective corporate governance.

CORPORATE AND FINANCIAL REPORTING

Your Company is committed to good corporate governance. The Board acknowledges its responsibility in respect of the Corporate and Financial Reporting Framework. The Directors confirm that:

- The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations of the Pakistan Stock Exchange.
- The system of internal control is sound in design and has been effectively implemented and monitored.

- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in the preparation of the financial statements; and any departure thereof has been adequately disclosed and explained.
- Summary of key operational and financial data for the last six years is annexed to the annual report.
- Information about taxes and levies is given in the notes to, and forming part of, financial statements.

RELATED PARTY TRANSACTIONS

In accordance with the relevant regulations, your Company has devised a Related Party Transactions Policy approved by the Board of Directors which governs how arm's length and non-arm's length transactions are dealt with. All related party transactions carried out during the year are disclosed in note 45 of the Financial Statements.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Statement of Compliance with the Code of Corporate Governance is annexed to the report.

MATERIAL CHANGES

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year and the date of this report.

PATTERN OF SHAREHOLDING

The pattern of Shareholding of the Company as of June 30, 2023, along with the necessary information is annexed to this report. There were 3,537 shareholders on the record of the Company as of June 30, 2023. There was no purchase / sale of shares by Directors / Chief Executive Officer / Company Secretary / Chief Financial Officer / Executives and their minor children during the year.

The Board has determined a threshold in respect of trading of your Company's shares by executives and employees belonging to the manager and above categories irrespective of their salaries.

CUSTOMER FOCUS

At the heart of our business success lies an unwavering belief in the pivotal role our valued customers play. This enduring principle serves as the cornerstone of our Company's policies, placing customers squarely at the nexus of every strategic decision. Our commitment to customer-centricity is underscored by a meticulously crafted long-term strategy that engenders loyalty and fosters unwavering trust. By maintaining an open dialogue and forging robust connections with the market and our customers, we continually refine our ability to comprehend their unique needs. This intrinsic understanding empowers us to curate offerings that align seamlessly with their requirements, elevating us to the status of their preferred choice.

HUMAN RESOURCE

We are living in a time when a new economic paradigm – characterized by speed, innovation, short cycle time, quality and customer satisfaction highlight the importance of intangible assets such as knowledge, innovation and particularly human capital. This new paradigm has made human resources development as the center of gravity in an organization.

Effective execution of human resource practices has positive relationship with our Company's performance. Our human resources plays a central role in implementing the Company's strategy. With a properly developed strategic HR architecture, the Company can understand exactly how its people create value and how to measure the value-creation process.

The Company takes great pride in not only recognizing its people as its key assets, but also ensuring that this belief is translated into a working environment that provides growth opportunities, respect, empowerment and inspiration. As a Company that is geared towards helping people to create a better tomorrow, we ensure that our employees are not only committed to this vision with the utmost passion and sincerity but are also well-equipped to perform and deliver at their best potential.

In a time of economic crises throughout the world, the major challenge we are facing is to engage our human resources.

It has changed the experience of work for the vast majority of our employees and it geared us to adopt how to organize the work. The Company acknowledged its human resources in the crisis era and give them opportunities to enhance their skills through the implementation of an internal talent development system that helps the Company to provide leaders with the data needed for strategic alignment and decision-making. Appropriate career paths and recognition programs are in place for technical and management staff.

EMPLOYEE RELATIONS

The harmonious bond shared between our management and employees remains as steadfast as it has been for numerous years. This amicable rapport stands as a testament to our supportive work environment, reflected in our notably low employee turnover rate, which is remarkably competitive within our sector and extends across other industries. Our Company's commitment to nurturing a culture of mutual respect and collaboration underscores this achievement. This enduring camaraderie not only cultivates a sense of belonging but also serves as a catalyst for sustained employee engagement and enhanced performance.

SAFETY, HEALTH, ENVIRONMENT, AND QUALITY (SHEQ)

Excellence and continual improvement have always been the prime focus of your company. We aim to conduct business with integrity, openness, and respect for universal human rights and core labor principles throughout our operations. We endorse the UN Guiding Principles on Business and Human Rights and are embedding them throughout our operations. Compliance in all these areas is independently verified by various third-party audits against customer needs and international standards like SEDEX, ISO 9001:2015 QMS, ISO 14001:2015 EMS, and ISO 45001:2018 OHSM.

Sustainability has emerged as a significant central point within your organization. Climate change and environmental deterioration is a growing concern worldwide. Pakistan is one of the most vulnerable countries to the consequences of climatic change and awareness to the public on environmental issues is equally important in a country where literacy rate is low. Your Company promoted awareness through participation in various events like celebrating World Environment Day with the coordination of the Environment Protection Agency, Punjab and World Sustainability Day with the collaboration of the College of Earth and Environmental Sciences, University of the Punjab. Your organization regularly facilitates visits by educational institutes and students' internships.

Aligning with the United Nations' 17 Sustainable Development Goals (SDGs), as adopted by the Government of Pakistan, the Company actively works to improve health, education, and the environment. Resource conservation is



of significant concern to the Company. It prioritizes the Energy and Water efficiency. Through regular monitoring and best practices, we have been able to achieve overall improvements in the utilization of energy and water; leading to both sustainability and cleaner production practices. Efforts include reusing treated effluent water, partially replacing freshwater, and adopting renewable energy like solar energy and energy from agricultural waste.

Ensuring a safe workplace for employees is our foremost priority. Vigorous risk assessment and preventive measures are diligently pursued to achieve zero accidents and mitigate environmental impacts. All accidents or near misses are thoroughly investigated to address root causes and prevent recurrence.

We are constantly increasing our focus on fire safety. Many measures have been taken in this regard that include updated firefighting equipment, training, regular fire and evacuation drills to ensure emergency preparedness, formulation of a Fire Marshal team having members from all areas, and their training.

The Company's efforts have been recognized through various prestigious awards, including the Sustainability Initiative Award 2023, Annual Environment Excellence Award (AEEA) 2022 by the National Forum for Environment & Health (NFEH), Annual Fire Safety Award 2022 by the Fire Protection Association of Pakistan (FPAP) & NFEH and Energy Performance Award for Industries 2022 by United Nations Industrial Development Organization.

CHILD EDUCATION INITIATIVE

Child education holds paramount importance within your company's values, exemplifying our commitment to shaping a brighter future. Through various initiatives and collaborations, we strive to provide access to quality education for underprivileged children, fostering their growth and potential. Our efforts underscore the significance of nurturing young minds for a better society.

Your Company has initiated a significant Joint Venture (JV) with the Institute of Rural Management (IRM), focusing on implementing one-room classrooms in impoverished communities. This vital initiative targets non-school-going children, often engaged in child labor such as garbage collection. Through individual counseling, parents are informed about the importance of education, resulting in encouraging outcomes, with improved participation and attendance among these children. Additionally, health checkups have been conducted to ensure their well-being.

Similarly, a successful collaboration with the SMILE Foundation near our Mill has encouraged Out of School Children to enroll in schools, yielding remarkable results. This endeavor is being expanded to include more Out of School Children. In the Neelum Valley, Azad Jammu & Kashmir, Century Paper partnered with the Million Smile Foundation to adopt a high school, leading to a significant rise in the number of enrolled students, especially from underprivileged backgrounds.

Every summer, the Company organizes special Computer Training and English Language courses for employees' children, enhancing their skills. Completion Certificates are awarded by the Company as part of these enriching opportunities.



CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to the social and environmental cause of society and believes in building strong bonds with all segments of society. To cement these bonds, welfare activities are carried out to uplift the communities with special emphasis on child education and clean drinking water in the surrounding areas. The Company provides education aids to needy children with special emphasis on the education of Out of School Children. Moreover, Company has also distributed food hampers in flood-affected areas in collaboration with the local administration.

Your Company is a part of Lakson Group of Companies. The Company, from time to time, collaborates with the charitable arms of the group under the name of Hasanali & Gulbanoo Lakhani Foundation and Lakson Medical Trust for philanthropic activities. Moreover, festivities like employee's family fun fare, educational trips to historical places, summer camps for employee's children, and interdepartmental sports activities have become a regular feature of the Company.

Your Company was also awarded the Annual Corporate Social Responsibility Award 2020, in the appreciation of services and overall performance in "Community Affairs" in the 9th Int'l Annual CSR Summit by Professional Network and Ethical Business Update.

A well-defined value system is in place in your Company. It is designed to ensure and inculcate the spirit of ethical behavior, develop a commitment to excellence, and adopt a customer's focused and responsible sourcing approach. The Directors consider it as a long-term investment in the collective development of your Company's Human Resource in particular, and the society as a whole.



Information Technology Training



Century Paper Toastmaster Club

OUTLOOK FOR THE YEAR 2024

The government has set the target growth rate for Pakistan for FY 2023-24 at 3.5%, which seems ambitious compared to last year's 0.29%. High inflation and strict monetary policy are having an adverse effect on demand and Production costs. Moreover, the government has taken several steps to fix the structural problems of the notional economy under the IMF program, such as raising energy prices, taxes and policy rates. The IMF program helped to restore the foreign exchange reserves and reduce the default risk. However, inflation will make businesses more costly and reduce people's purchasing power. Moreover, the global demand slowdown may make the imports, cheaper and more competitive than the local industry.

Your Company has enhanced its ability and quality to cater to the needs of its valued customers. However, the current economic situation is preventing the Company from operating at its best. Your Company's management is closely monitoring the changing scenario and adapting its business strategy accordingly. The management's goal is to maintain a balanced and competitive sales mix of its products and to ensure reliable supplies to its loyal customers. The recent global decline in commodity prices has lowered the cost of some key imported materials (i.e. wood pulp) and fuels (i.e coal) for the Company. The Company has also successfully improved its energy mix by upgrading its grid station and also switching the partial load to a cheaper gas supplier. Furthermore, the management is striving to reduce the finance cost by managing the Inventory and trade receivable efficiently to offset the effect of high-interest rates. Therefore, the Management expects a better financial performance for the Company in the next year.

ACKNOWLEDGEMENT

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

On Behalf of the Board of Directors



Iqbal Ali Lakhani

Chairman

Karachi: August 10, 2023



Aftab Ahmad

Chief Executive Officer

مہنگا بنائے گا اور لوگوں کی قوت خرید کو کم کر سکتا ہے۔ مزید برآں، عالمی طلب میں کمی مقامی صنعت کے مقابلے درآمدات کو سستی اور زیادہ مسابقتی بنا سکتی ہے۔

آپ کی کمپنی نے اپنے قابل قدر صارفین کی ضروریات کو پورا کرنے کے لیے اپنی صلاحیت اور معیار کو بڑھایا ہے۔ تاہم، موجودہ معاشی صورتحال کمپنی کی بہترین پیداوار کے حصول میں رکاوٹ ہے۔ آپ کی کمپنی کی انتظامیہ بدلتے ہوئے منظر نامے پر گہری نظر رکھے ہوئے ہے اور اس کے مطابق اپنی کاروباری حکمت عملی کو اپنا رہی ہے۔ انتظامیہ کا مقصد اپنی مصنوعات کے متوازن اور مسابقتی سیلز مکس کو برقرار رکھنا اور اپنے صارفین کے اعتماد کو یقینی بنانا ہے۔ اجناس کی قیمتوں میں حالیہ عالمی کمی نے کمپنی کے لیے کچھ اہم درآمد شدہ خام مال (یعنی لکڑی کا برادہ) اور ایندھن (یعنی کونلہ) کی لاگت کو کم کر دیا ہے۔ کمپنی نے اپنے گرو اسٹیشن کو اپ گریڈ کر کے اور بجلی کے جزوی لوڈ کو سستی گیس کے معاہدے سے انرجی مکس میں موزوں تبدیلیاں کی ہیں۔ مزید برآں، انتظامیہ اعلیٰ شرح سود کے اثر کو کم کرنے کے لیے مال تجارت اور کاروباری وصولیوں کو انتظام و انصراف سے مالیاتی لاگت کو کم کرنے کی کوشش کر رہی ہے۔ لہذا انتظامیہ اگلے آنے والے سال میں بہتر مالی کارکردگی کے لیے پُر امید ہے۔

اعتراف

ڈائریکٹرز تمام شعبے کے ملازمین کی لگن کو سراہتے ہیں اور ان کی محنت اور عزم کی قدر کرتے ہیں۔ وہ کمپنی کے سپلائرز، صارفین، اور بینکرز کو ان کے مسلسل اعتماد اور تعاون کے لیے نہایت مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



آفتاب احمد

چیف ایگزیکٹو آفیسر



اقبال علی لاکھانی

چیئر مین

کراچی : 10 اگست 2023ء

ڈائریکٹرز رپورٹ

حالات نے ہمارے ملازمین کی اکثریت کے لیے ملازمتی منظر نامے کو تبدیل کر دیا اور جس کے باعث ہمیں کام کو منظم کرنے کے لیے آراستہ کیا۔ کمپنی نے ان حالات میں اپنی افرادی قوت کو سہارا دیا اور انہیں ایک انٹرئل ٹیلنٹ ڈویلپمنٹ سسٹم کے نفاذ کے ذریعے اپنی صلاحیتوں کو بڑھانے کے مواقع فراہم کیے جو کمپنی کے عہدیداروں کو حکمت عملی کے ساتھ صف بندی اور فیصلہ سازی کے لیے درکار معلومات فراہم کرنے میں مدد کرتا ہے جس میں تکنیکی اور انتظامی عملے کے لیے موزوں کیریئر اور شناختی پروگرام موجود ہیں۔

صارفین پر توجہ

ہماری کاروباری کامیابی کا سبب ہمارے قابل قدر صارفین اور ہم پر ان کا پختہ یقین ہے۔ یہ بنیادی اصول ہماری کمپنی کی پالیسیوں کے سنگ بنیاد ہیں، جو ہر کاروباری فیصلے سے صارفین کو مکمل طور پر آگاہ رکھتا ہے۔ صارف کی قدر میں اضافے کے لیے ان کے ساتھ ہماری وابستگی کو باریک بینی سے چانچا گیا اور طویل مدتی حکمت عملی کے ذریعے واضح کیا گیا ہے جو ان کے اعتماد کو فروغ دیتی ہے۔ بات چیت اور مشاورت سے مارکیٹ اور اپنے صارفین کے ساتھ مضبوط روابط قائم کر کے، ہم ان کی منفرد ضروریات کو سمجھنے کی اپنی صلاحیت کو مسلسل بہتر بناتے ہیں۔ یہ غور و فکر ہمیں ان پیشکشوں کو صارفین تک پہنچانے میں مدد دیتی ہے جو ان کی ضروریات کے ساتھ بنا کسی رکاوٹ کے ہم آہنگ ہیں اور ہمیں ان کے لیے ایک پسندیدہ انتخاب بناتی ہیں۔

ملازمین سے تعلقات

ہماری انتظامیہ اور ملازمین کے درمیان مشترکہ ہم آہنگی کا رشتہ کئی سالوں سے مضبوط ہے۔ یہ ہم آہنگی ہمارے موزوں کام کے ماحول کی آئینہ دار ہے، جس کی عکاسی خاص طور پر انتہائی کم تبدیلی ملازمت کی شرح سے ہوتی ہے، جو ہمارے شعبے کے اندر نمایاں طور پر مسابقتی ہے۔ باہمی احترام اور تعاون کے کلچر کو پروان چڑھانے کے لیے ہماری کمپنی کا عزم اس کامیابی کو اجاگر کرتا ہے۔ یہ پائیدار دوستی نہ صرف اپنے تعلق کے احساس کو پروان چڑھاتی ہے بلکہ ملازمین کی مستقل مصروفیت اور بہتر کارکردگی کے لیے عملی طور پر بھی کام کرتی ہے۔

سال 2024 کا منظر نامہ

حکومت نے مالی سال 2023-24 کے لیے ہدف کی شرح نمو 3.5 فیصد مقرر کی ہے، جو گزشتہ سال کی 0.29 فیصد شرح نمو کے مقابلے میں بہتر معلوم ہوتی ہے۔ بلند افراط زر اور سخت مالیاتی پالیسی طلب اور پیداواری لاگت پر منفی اثر ڈال رہی ہے۔ مزید یہ کہ حکومت نے آئی ایم ایف پروگرام کے تحت قومی معیشت کے ڈھانچہ جاتی مسائل کو حل کرنے کے لیے کئی اقدامات کیے ہیں، جس میں توانائی کی قیمتوں میں اضافہ، ٹیکس اور پالیسی ریٹ میں ردوبدل شامل ہیں۔ آئی ایم ایف پروگرام نے زرمبادلہ کے ذخائر کو بحال کرنے اور دیوالیہ ہونے کے خطرے کو کم کرنے میں مدد کی۔ تاہم، افراط زر کاروبار کو مزید

آپ کی کمپنی نے انسٹی ٹیوٹ آف رورل مینجمنٹ (IRM) کے ساتھ ایک اہم جوائنٹ وینچر (JV) شروع کیا ہے، جس میں پسماندہ طبقہ میں ایک کمرے کے کلاس رومز کو قائم کرنے پر توجہ مرکوز کی گئی ہے۔ یہ اہم اقدام اسکول نہ جانے والے اُن بچوں پر توجہ مرکوز رکھتا ہے، جو اکثر چائلڈ لیبر جیسے کوڑا اٹھانے کے کاموں میں مصروف رہتے ہیں۔ انفرادی مشاورت کے ذریعے، والدین کو تعلیم کی اہمیت سے آگاہ کیا جاتا ہے، جس کے نتیجے میں ان بچوں کی بہتر شرکت اور حاضری کے ساتھ حوصلہ افزا نتائج برآمد ہوئے ہیں۔ مزید برآں، ان کی تندرستی کو یقینی بنانے کے لیے صحت کا معائنہ بھی کیا جاتا ہے۔

ہماری مل کے قریب سائل فاؤنڈیشن کے ساتھ ایک کامیاب اشتراک سے اسکول سے باہر بچوں کو اسکولوں میں داخلہ لینے کی ترغیب دی ہے، جس سے شاندار نتائج برآمد ہوئے ہیں۔ اس کوشش کو بڑھایا جا رہا ہے تاکہ زیادہ سے زیادہ اسکول سے باہر بچوں کو شامل کیا جاسکے۔ وادی نیلم، آزاد جموں و کشمیر میں، سنجری پیپر نے ملین سائل فاؤنڈیشن کے ساتھ ایک ہائی اسکول کو تعمیر کرنے کے لیے شراکت داری کی، جس کے نتیجے میں، خاص طور پر پسماندہ طبقے سے تعلق رکھنے والے طلبہ کی تعداد میں نمایاں اضافہ ہوا۔

ہر سال موسم گرما میں، کمپنی ملازمین کے بچوں کے لیے کمپیوٹر کی تربیت اور انگریزی زبان کے خصوصی کورسز کا اہتمام کرتی ہے، جس سے وہ معاشرے میں قدم سے قدم ملا کر چل سکیں۔ کمپنی کی جانب سے کورس کی تکمیل کے سرٹیفیکیٹ بھی جاری کیے جاتے ہیں۔

افراد قوت

ہم ایک نئے معاشی طرز کا حصہ بننے جا رہے ہیں جس کی خاصیت رفتار، جدت، وقت کی کم لاگت، معیار، صارفین کا اعتماد اور بالخصوص انفرادی قوت کی اہمیت کو اجاگر کرنا ہے۔ اس نئے معاشی طرز نے انفرادی قوت کو بڑھانے اور ادارے کو ان کی ترقی کا مرکز بنا دیا ہے

انفرادی قوت کا موثر نفاذ ہماری کمپنی کی مثبت کارکردگی سے تعلق رکھتا ہے۔ ہماری انفرادی قوت صرف کمپنی کی حکمت عملیوں کو نافذ کرنے میں اہم کردار ادا کرتی ہے اور ایک مناسب طریقہ سے تیار کردہ ایچ آر کی حکمت عملی کو اپناتے ہوئے کمپنی بھی اس بات کا بخوبی اندازہ لگا سکتی ہے کہ اس کے ملازمین کی صلاحیتوں کا بہتر استعمال کر کے کمپنی کے معاملات کو بہتر کیا جائے۔

آپ کی کمپنی یقین رکھتی ہے کہ مسابقتی انسانی وسائل کا موثر استعمال ہمیشہ بدلتے ہوئے کاروباری ماحول میں زندہ رہنے اور پائیدار ترقی حاصل کرنے کے لیے سب سے اہم ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ اس کا ہر ملازم جو اس کا انتہائی اہم اثاثہ ہے، اپنی متعلقہ کاروباری اکائیوں کی کاروباری ضروریات کے مطابق اور کمپنی کی انتظامی حکمت عملی کی بنیاد پر اپنی پوری صلاحیت استعمال کرے گا۔

جہاں ساری دنیا معاشی بحرانوں کی زد میں ہے وہیں ہمیں بھی انفرادی قوت کو مصروف عمل رکھنا ایک چیلنج بن چکا ہے۔ ان

ڈائریکٹرز رپورٹ

کمپنی کی کاوشوں کو مختلف اور باوقار ایوارڈز کے ذریعے تسلیم کیا گیا ہے، بشمول (سٹین ایبلیٹی انیشیٹیو ایوارڈ 2023)، نیشنل فورم فار انوائرنمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے سالانہ انوائرنمنٹ ایکسیلنس ایوارڈ (AEEA 2022)، فار پروٹیکشن ایسوسی ایشن آف پاکستان (FPAP) اور NFEH کی جانب سے سالانہ فار سیفٹی ایوارڈ 2022 اور اقوام متحدہ کی صنعتی ترقی کی تنظیم کی جانب سے انرجی پرفارمنس ایوارڈ برائے صنعت سے نوازا گیا ہے۔

کاروباری سماجی ذمہ داری

آپ کی کمپنی معاشرے کے سماجی اور ماحولیاتی بہتری کے لیے پرعزم ہے اور معاشرے کے تمام طبقات کے ساتھ مضبوط تعلقات استوار کرنے میں یقین رکھتی ہے۔ ان تعلقات کو مضبوط بنانے کے لیے فلاحی سرگرمیاں چلائی جاتی ہیں تاکہ کمیونٹیز کی بہتری کے لیے بچوں کی تعلیم اور آس پاس کے علاقوں میں پینے کے صاف پانی پر خصوصی توجہ دی جائے۔ کمپنی اسکول سے باہر بچوں کی تعلیم پر خصوصی زور دیتے ہوئے ضرورت مند بچوں کو تعلیمی امداد فراہم کرتی ہے۔ مزید یہ کہ کمپنی نے مقامی انتظامیہ کے ساتھ مل کر سیلاب سے متاثرہ علاقوں میں غذائی اشیاء بھی تقسیم کی ہیں۔

آپ کی کمپنی لیسن گروپ آف کمپنیز کا حصہ ہے۔ کمپنی، وقتاً فوقتاً، فلاحی سرگرمیوں کے لیے حسن علی اینڈ گل بانو لاکھانی فاؤنڈیشن اور لیسن میڈیکل ٹرسٹ کے نام سے گروپ کے خیراتی اداروں کے ساتھ تعاون کرتی ہے۔ مزید برآں، ملازمین کے خاندانوں کے لیے تفریحی سفر، تاراجی مقامات کے تعلیمی دورے، ملازمین کے بچوں کے لیے سرکیمپس، اور انٹر ڈپارٹمنٹل کھیلوں کی سرگرمیاں کمپنی کی ایک باقاعدہ معمول بن گئی ہیں۔

آپ کی کمپنی کو پروفیشنل نیٹ ورک اور ایٹھیکل بزنس اپ ڈیٹ کی طرف سے 9 ویں بین الاقوامی سالانہ CSR سمٹ میں "کیونٹی افیئرز" میں خدمات اور مجموعی کارکردگی کی تعریف میں، سالانہ کارپوریٹ سوشل ریسپانسیبلیٹی ایوارڈ 2020 سے بھی نوازا گیا۔

کمپنی میں سماجی اور اچھے اخلاقی رویوں کے فروغ کے لیے اقدار کا واضح نظام نافذ کیا گیا ہے تاکہ بہتر اخلاقی برتاؤ کو یقینی بنانے اور اس کی ترغیب دینے، لگن کے لیے عزم پیدا کرنے، اور کسٹمر کی توجہ مرکوز کرنے اور ذمہ دارانہ سوسنگ کے طریقہ کار کو اپنانے کے لیے وضع کیا گیا ہے۔ ڈائریکٹرز اسے آپ کی کمپنی کے انسانی وسائل کی اجتماعی ترقی اور مجموعی طور پر معاشرے میں ایک طویل مدتی سرمایہ کاری کے طور پر سمجھتے ہیں۔

بچوں کی تعلیم سے متعلق اقدامات

آپ کی کمپنی کے اقدار میں بچوں کی تعلیم کو بنیادی اہمیت حاصل ہے، جو ایک روشن مستقبل کی جانب ہمارے عزم کی منہ بولتی دلیل ہے۔ مختلف اقدامات اور تعاون کے ذریعے، ہم پسماندہ بچوں کے لیے معیاری تعلیم تک رسائی فراہم کرنے کی کوشش کرتے ہیں، ان کی نشوونما اور صلاحیت کو فروغ دیتے ہیں۔ ہماری کوششیں ایک بہتر معاشرے کے لیے نوجوان ذہنوں کی پرورش کی اہمیت کو واضح کرتی ہیں۔

حفاظت، صحت، ماحولیات، اور معیار (SHEQ)

اعلیٰ سوچ اور مسلسل بہتری ہمیشہ سے آپ کی کمپنی کی اولین ترجیح رہی ہے۔ ہمارا مقصد اپنے تمام آپریشنز کے دوران دیانتداری، محنت، انسانی حقوق اور ملازمین کے بنیادی حقوق کے احترام کے ساتھ کاروبار کرنا ہے۔ ہم کاروبار اور انسانی حقوق سے متعلق اقوام متحدہ کے رہنما اصولوں کی توثیق کرتے ہیں اور انہیں اپنے تمام آپریشنز میں شامل کر رہے ہیں۔ ان تمام شعبوں میں تعمیل صارفین کی ضروریات اور بین الاقوامی معیارات جیسے

ISO 45001:2018 OHSM اور SEDEX, ISO 9001: 2015 QMS, ISO 14001:2015 EMS.

کے مطابق تیسرے فریق کے آڈٹ کے ذریعے آزادانہ طور پر تصدیق کی جاتی ہے۔

پائیداری (Sustainability) کو آپ کی کمپنی میں نہایت نمایاں حیثیت حاصل ہے۔ موسمیاتی تبدیلی اور ماحولیاتی بگاڑ دنیا بھر میں ایک بڑھتی ہوئی تشویش ہے۔ پاکستان موسمیاتی تبدیلیوں کے نتیجے میں سب سے زیادہ خطرے سے دوچار ممالک میں سے ایک ہے اور ایک ایسے ملک میں جہاں شرح خواندگی کم ہے وہاں ماحولیاتی مسائل پر عوام میں آگاہی بھی اتنی ہی ضروری ہے۔ آپ کی کمپنی نے مختلف تقریبات میں شرکت کے ذریعے اس آگاہی کو فروغ دیا جیسے ماحولیاتی تحفظ ایجنسی پنجاب کے تعاون سے عالمی یوم ماحولیات منانا اور کالج آف ارتھ اینڈ انوائرنمنٹل سائنسز، پنجاب یونیورسٹی کے اشتراک سے ورڈ سسٹم لیبلی ڈے منانا۔ آپ کی تنظیم باقاعدگی سے تعلیمی اداروں اور طلباء کی انٹرن شپ پروگرامز کی سہولت فراہم کرتی ہے۔

اقوام متحدہ کے 17 پائیدار ترقیاتی اہداف (SDGs) کے مطابق، جیسا کہ حکومت پاکستان نے تسلیم کیا ہے، کمپنی صحت، تعلیم اور ماحول کو بہتر بنانے کے لیے فعال طور پر کام کرتی ہے۔ وسائل کا تحفظ کاروباری شعبے کے لیے اولین ترجیح ہے اور اس کے لیے آپ کی کمپنی نے توانائی اور پانی کی کفایت کے طریقوں پر توجہ دی ہے۔ مستقل نگرانی اور بہترین طریقہ کار کے ذریعے، ہم توانائی اور پانی کے استعمال میں مجموعی طور پر بہتری لانے میں کامیاب رہے ہیں جو پائیداری اور زیادہ صاف ستھرے پیداواری طریقوں کا باعث بنا ہے۔ کمپنی نے جزوی طور پر تازہ پانی کی جگہ صاف شدہ پانی کا استعمال کرنا شروع کیا ہے۔ کمپنی نے قابل تجدید شمسی توانائی کا استعمال بھی شروع کر دیا ہے۔

ملازمین کے لیے کام کی جگہ پر تحفظ کو یقینی بنانا ہماری اولین ترجیح ہے۔ سفر کے حادثات سے تحفظ کے لیے اور ماحولیاتی اثرات کو کم کرنے کے لیے سخت خطرے کی تشخیص اور احتیاطی تدابیر کو مستعدی سے اپنایا جاتا ہے۔ تمام حادثات کی مکمل چھان بین کی جاتی ہے تاکہ اصل وجوہات کا تدارک کر کے دوبارہ ان حادثات سے محفوظ رہا جائے۔

ہم فائر سیفٹی پر اپنی توجہ مسلسل بڑھا رہے ہیں۔ اس سلسلے میں بہت سے اقدامات کیے گئے ہیں جن میں آگ بجھانے کے جدید آلات، اس سے بچاؤ کی تربیت اور دیگر ہنگامی تیاریوں کو یقینی بنانے کے لیے باقاعدہ آگ اور انخلاء کی مشقیں، فائر مارشل ٹیم کی تشکیل جس میں تمام شعبوں سے ممبران ہوں، اور ان کی تربیت شامل ہے۔

ڈائریکٹرز رپورٹ

• مالیاتی گوشواروں کی تیاری میں بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز جو پاکستان میں قابل اطلاق ہیں اور کمپنیز ایکٹ 2017 کے تقاضوں کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کی مناسب انداز میں وضاحت دی گئی ہے۔

- گزشتہ چھ سالوں کے اہم آپریشنل اور فنانشیل معلومات کا خلاصہ سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ٹیکسوں اور محصولات کے بارے میں معلومات مالیاتی گوشواروں کا حصہ ہیں۔

متعلقہ پارٹی سے لین دین

متعلقہ قواعد و ضوابط کے مطابق، آپ کی کمپنی کی متعلقہ پارٹی سے لین دین کی پالیسی ہے جو بورڈ آف ڈائریکٹرز کی جانب سے منظور کی گئی ہے جو کہ لین دین کے طریقہ کار کو کنٹرول کرتی ہے۔ سال کے دوران متعلقہ پارٹی سے کیے گئے تمام لین دین مالیاتی گوشواروں کے نوٹ 45 میں ظاہر کیے گئے ہیں۔

کاروباری نظم و ضبط کے ضابطے (Code of Corporate Governance) کی تعمیل

کاروباری نظم و ضبط کے ضابطے (Code of Corporate Governance) کی تعمیل کا گوشوارہ رپورٹ کے ساتھ منسلک ہے۔

نمایاں تبدیلیاں

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان ایسی کوئی نمایاں تبدیلیاں یا معاہدے نہیں ہوئے جو آپ کی کمپنی کی مالیاتی پوزیشن پر اثر انداز ہو سکیں۔

پیژن آف شیئر ہولڈنگ

30 جون 2023ء تک کمپنی کے شیئر ہولڈنگ کا پیژن، ضروری معلومات کے ہمراہ اس رپورٹ کے ساتھ منسلک ہے۔ 30 جون 2023ء تک کمپنی کے ریکارڈ پر 3,537 شیئر ہولڈرز تھے۔ سال کے دوران ڈائریکٹرز/ چیف ایگزیکٹو آفیسر/ کمپنی سیکرٹری/ چیف فنانشل آفیسر/ ایگزیکٹوز اور ان کے نابالغ بچوں کی طرف سے حصص کی کوئی خرید و فروخت نہیں ہوئی۔

بورڈ نے مینجر اور اس سے زائد کیٹیگریز سے تعلق رکھنے والے ملازمین کی طرف سے، ان کی تنخواہوں سے قطع نظر، آپ کی کمپنی کے شیئرز کی لین دین کے حوالے سے ایک حد طے رکھی ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ ممبران کے مشاہرے کی منظوری خود بورڈ کی جانب سے کی جاتی ہے۔ تاہم کاروباری نظم و ضبط کے ضابطے (Code of Corporate Governance) کے مطابق یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کا فیصلہ کرنے میں شریک نہ ہو۔ 30 جون 2023 کو ختم ہونے والے سال کے لیے چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کے مشاہرے کے بارے میں معلومات کے لیے براہ کرم مالیاتی گوشواروں کے نوٹ 44 ملاحظہ کریں۔

ڈائریکٹرز کا تربیتی پروگرام

بورڈ کے تمام ڈائریکٹرز آپ کی کمپنی کے ڈائریکٹر کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے پوری طرح آگاہ ہیں۔ آپ کی کمپنی کے زیادہ تر ڈائریکٹرز ٹریننگ مکمل کر چکے ہیں یا ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہیں۔

ڈائریکٹرز کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز نے سیلف اسسمنٹ (Self Assessment) کی بنیاد پر اپنی کارکردگی کا جائزہ لینے کے لیے ایک موثر طریقہ کار قائم کیا ہے۔ بورڈ مناسب طریقے سے قیمتی رہنمائی فراہم کرتا ہے اور کارپوریٹ گورننس کو یقینی بناتا ہے۔

کارپوریٹ اور فائنانشیل رپورٹنگ

آپ کی کمپنی کاروباری نظم و ضبط کے ضابطے کی تعمیل کے عہد پر کاربند ہے۔ بورڈ کارپوریٹ اور فائنانشیل رپورٹنگ فریم ورک کے حوالے سے اپنی ذمہ داری کا اقرار کرتا ہے ڈائریکٹرز تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی کیفیت بشمول اس کی کاروباری سرگرمیوں، کیش فلو (Cash Flows) اور لیکویٹی (Equity) میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے اپنے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- کمپنی کی کاروباری سرگرمیوں کو جاری رکھنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
- اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز میں تفصیلاً درج کاروباری نظم و ضبط کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- انٹرنل کنٹرول کا نظام مستحکم ہے اور اس کی موثر انداز میں نفاذ اور نگرانی کی جاتی ہے۔

ڈائریکٹرز رپورٹ

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کے نفاذ کے بعد بورڈ نے ایک آڈٹ کمیٹی قائم کی ہے۔ ایک خود مختار ڈائریکٹر اس کا چیئر مین تھا اور سال کے دوران دو نان ایگزیکٹو ڈائریکٹرز ممبر رہے۔ 30 جون 2023 کو ختم ہونے والے سال کے دوران کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

ڈائریکٹرز کے نام	اجلاس میں شرکت
جناب علی عامر (چیئر مین)	4
جناب امین محمد لاکھانی	4
جناب بابر علی لاکھانی	4

آڈٹ کمیٹی کے قواعد و ضوابط وہی ہیں جو کاروباری نظم و ضبط کے ضابطے (Code of Corporate Governance) میں طے کیے گئے ہیں۔ مزید برآں آڈٹ کمیٹی مالیاتی گوشواروں اور انٹرنل کنٹرولز کے حوالے سے مطمئن ہونے کے لیے کوئی بھی معلومات یا وضاحت طلب کرنے کے لیے آزاد ہے۔ کمیٹی مالیاتی گوشواروں اور کمیٹی کے کاروبار کے حوالے سے کوئی بڑا فیصلہ صادر کرنے کے لیے ہر سہ ماہی میں کم از کم ایک بار اجلاس منعقد کرتی ہے۔ آڈٹ کمیٹی سے منظور شدہ مالیاتی گوشواروں کی منظوری کے لیے بورڈ کو اپنی سفارشات پیش کرتی ہے جو کہ چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر سے توثیق شدہ ہوتے ہیں۔

افراد و وسائل و مشاہرہ کمیٹی

بورڈ نے ضابطہ کارپوریٹ گورننس کی پیروی کرتے ہوئے ایک افرادی وسائل اور معاوضہ کمیٹی بھی تشکیل دی ہے جو سال کے دوران درج ذیل اراکین پر مشتمل تھی:

جناب آصف قادر	چیئر مین
جناب امین محمد لاکھانی	ممبر
محترمہ انوشکا لاکھانی	ممبر
جناب آفتاب احمد	ممبر

سال کے دوران کمیٹی کا ایک اجلاس ہوا جس میں تمام ممبران نے شرکت کی۔ کمیٹی کے قواعد و ضوابط کمپنی کے کاروباری نظم و ضبط کے ضابطے (Code of Corporate Governance) کے مندرجات کے مطابق ہیں، تاہم صرف ان تک محدود نہیں ہیں۔

کارپوریٹ انفارمیشن

بورڈ آف ڈائریکٹرز

بورڈ کی تشکیل

سال کے دوران، بورڈ سات (7) ممبروں پر مشتمل تھا۔ سال کے دوران بورڈ کی تشکیل ذیل میں دی گئی ہے:

6 مرد

1 خاتون

2 خود مختار ڈائریکٹرز

4 نان ایگزیکٹو ڈائریکٹرز

1 ایگزیکٹو ڈائریکٹر

جناب اقبال علی لاکھانی بورڈ کے چیئرمین اور جناب آفتاب احمد کمپنی کے چیف ایگزیکٹو آفیسر کے عہدے پر فائز ہیں۔

بورڈ میٹنگز

30 جون 2023 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے جس میں ہر ڈائریکٹر کی حاضری حسب ذیل تھی:

ڈائریکٹرز کے نام	اجلاس میں شرکت
نان ایگزیکٹو ڈائریکٹرز	
جناب اقبال علی لاکھانی (چیئرمین)	5
جناب امین محمد لاکھانی	5
محترمہ انوشکا لاکھانی	2
جناب بابر علی لاکھانی	5
خود مختار ڈائریکٹرز	
جناب علی عامر	4
جناب آصف قادر	4
ایگزیکٹو ڈائریکٹر	
جناب آفتاب احمد (سی۔ ای۔ او)	5

ڈائریکٹرز رپورٹ

سرمائے کا انتظام و انصراف

آپ کی کمپنی کی پالیسی سرمایہ کاروں، قرض دہندگان، اور مارکیٹ کے اعتماد کو برقرار رکھنے کے لیے ایک مضبوط سرمایہ کی بنیاد کو برقرار رکھنا ہے۔ آپ کی کمپنی اپنے سرمائے کی ساخت کو بہتر بنانے کا اہتمام کرتی ہے اور معاشی تبدیلیوں کے ساتھ اپنے اثاثوں کی بنیادی حفاظت سے وابستہ خطرات کے سدباب کے لیے مناسب رد و بدل کرتی ہے۔ کمپنی قرضوں اور سرمائے کا موزوں تناسب برقرار رکھنے پر یقین رکھتی ہے۔

پروویڈنٹ فنڈ اور گریجویٹی فنڈز

آپ کی کمپنی اپنے ملازمین کو پروویڈنٹ فنڈ اور گریجویٹی فنڈ اسکیم کی صورت میں ٹرمینل فوائد فراہم کرتی ہے۔ ان فنڈز فوائد کو دو الگ الگ منظور شدہ ٹرسٹ کے ذریعہ برقرار رکھا جاتا ہے۔ ان ٹرسٹوں کا انتظام ٹرسٹیز کرتے ہیں جو ہر سال فنڈز کا آڈٹ کرواتے ہیں۔ متعلقہ فنڈز کے ٹرسٹیز نے کمپنی کو مطلع کیا ہے کہ سال کے آخر تک دونوں فنڈز کی سرمایہ کاری کی مالیت درج ذیل ہیں:

ملین روپے

2022	2023	
762.74	919.02	پروویڈنٹ فنڈ
750.10	866.77	گریجویٹی فنڈ

آڈیٹرز

موجودہ آڈیٹرز، BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کمپنی کے ریٹائر ہونے والے آڈیٹرز ہیں اور انہوں نے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ انہوں نے اس بات کی تصدیق کی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت ایک تسلی بخش درجہ بندی دی گئی ہے اور یہ ادارہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق سے متعلق رہنما اصولوں کی مکمل تعمیل کرتا ہے، جیسا کہ ICAP کی طرف سے اپنایا گیا ہے۔ بورڈ کی آڈٹ کمیٹی کی تجویز پر، بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر آئندہ سالانہ جزل مینٹنگ میں شیئر ہولڈرز کی جانب سے ان کی دوبارہ تقرری کی تجویز پیش کی ہے۔

خطرات کی تحقیق

بورڈ آف ڈائریکٹرز، بورڈ کی آڈٹ کمیٹی اور کمپنی کے چیف ایگزیکٹو آفیسر کی سربراہی میں سینئر مینجمنٹ ٹیم پر مشتمل اسٹیرنگ کمیٹی کمپنی کے کاروباری امور کی نگرانی اور متوقع خطرات کے کسی ممکنہ منفی اثر کو کم کرنے کے لیے فعال حکمت عملی واضح کرنے کی ذمہ دار ہے۔ ان بڑے خطرات اور انہیں کم کرنے کے اقدامات کے بارے میں معلومات ذیل میں پیش کی گئی ہے۔

سال کے دوران کی گئی تحقیقات کا خلاصہ درج ذیل ہے:

تحقیقات	خطرے کے عوامل
الف) اسٹریٹجک خطرات	
آپ کی کمپنی باقاعدگی سے مارکیٹ کے بدلتے ہوئے رجحانات پر نظر رکھتی ہے اور اپنے باقاعدہ اور متوقع صارفین سے رائے طلب کرتی ہے۔ آپ کی کمپنی اس بات کو بھی یقینی بناتی ہے کہ اس کی مصنوعات مسابقتی قیمتوں پر صارفین کی موجودہ اور مستقبل کی ضروریات کے لیے بہترین معیار کے ساتھ مسابقت کا مقابلہ کرنے اور اپنے مارکیٹ ٹینر کو برقرار رکھنے اور مستحکم بنانے کے لیے بہترین ہیں۔	<ul style="list-style-type: none"> عالمی اور مقامی اقتصادی رجحانات اور مسابقت کے خطرات میں تبدیلیاں۔ ٹیکنالوجی اور مصنوعات کی اختراعات کی وجہ سے کمپنی کی مصنوعات کی طلب میں خلل۔
ب) آپریشنل خطرات	
آپ کی کمپنی کے پاس اندرونی و بیرونی درآمد شدہ مال کے لئے متنوع سپلائی کی بنیاد موجود ہے۔ متبادل ایندھن پر چلنے والی اور منفرد پاور / بھاپ پیدا کرنے والی سہولیات کے موزوں امتزاج سے توانائی کی کفایت کو یقینی بنایا جاتا ہے۔ انسانی وسائل کو اندرونی و بیرونی تربیت کے مناسب مواقع فراہم کر کے تیار کیا جاتا ہے۔	<ul style="list-style-type: none"> خام مال / ایندھن اور دیگر کاروباری اخراجات میں اضافہ۔ سپلائی چین میں رکاوٹیں خام مال کی دستیابی میں تاخیر کا سبب بنتی ہیں۔ پیداوار کے لیے ضروری خام مال / ایندھن کی کمی۔ ہنرمند انسانی وسائل کی کمی۔
ج) مالیاتی خطرات	
ان خطرات کی وضاحت مالی گوشوارے کے نوٹ 47 میں کی گئی ہے	<ul style="list-style-type: none"> قرض کا خطرہ لیکویڈیٹی رسک شرح سود کا خطرہ غیر ملکی زرمبادلہ کا خطرہ

ڈائریکٹرز رپورٹ

کمپنی نے شیٹنگ کی صلاحیت کو بڑھانے، مشینوں کی QCS/DCS اور ڈرائیوز کو اپ گریڈ کرنے، سٹیم سپلائی سسٹم کو بہتر بنانے، ویسٹ پیپر ری سائیکلنگ پلانٹس میں ترمیم کرنے، باکس بنانے کی صلاحیت میں اضافہ کرنے، اور سٹیم جنریشن کو بڑھانے کے لیے بی ایم آر (BMR) منصوبوں کو مکمل کیا ہے۔ 500 ملین روپے کی لاگت سے ایک اور ویسٹ واٹر ٹریٹمنٹ پلانٹ کا منصوبہ زیر تکمیل ہے پانی کی ری سائیکلنگ کی صلاحیت کو بڑھایا جائے جو کہ کمپنی کو وسائل کے تحفظ اور پائیداری کی پالیسی پر گامزن رکھنے میں معاون ثابت ہوگا۔ کمپنی اس منصوبے کو آئندہ سال میں مکمل کرنے کا ارادہ رکھتی ہے۔ کمپنی 285 ملین روپے کی لاگت سے رول گرائنڈنگ اور بیلنسنگ سسٹم کو جدید بنانے کے منصوبے پر بھی کام کر رہی ہے۔ مشینری اس سال آچکی ہے اور آئندہ سال میں اس کی تکمیل متوقع ہے۔ مذکورہ بالا بی ایم آر (BMR) منصوبوں پر اب تک کل اخراجات 4,024 ملین خرچ کیے جا چکے ہیں جبکہ لاگت کا تخمینہ 4,400 ملین روپے ہے۔

مزید برآں، کمپنی نے ایک نئے ٹرانسفارمر، ڈبل سرکٹ (ان-آؤٹ) بریکرز اور ایک میٹرنگ سسٹم کے ساتھ گرڈ اسٹیشن کو اپ گریڈ کرنے کا منصوبہ مکمل کر لیا ہے۔ گرڈ اسٹیشن کی گنجائش 5.5 میگاواٹ سے بڑھ کر 16.0 میگاواٹ ہو گئی جس میں سرمایہ 310 ملین روپے لگا۔ اس سے کمپنی کو توانائی کے موزوں امتزاج حاصل کرنے میں مزید معاونت ملے گی۔

مزید برآں، کمپنی اپنی کیمینکل ورکشاپ کو جدید بنا رہی ہے اور درآمد شدہ کیمیکل جیسے کیشیم کاربونیٹ وغیرہ کے مقامی متبادل تیار کرنے کی اپنی صلاحیت کو بڑھا رہی ہے۔ کمپنی نے غیر ملکی کنسلٹنٹ کی مدد سے PM-7 کے آپریشن کنٹرول آٹومیشن کے لیے ڈیجیٹلائزیشن پراجیکٹ کو بھی مکمل کیا ہے جس سے معیار اور آپریشن کے استحکام میں بہتری آئی ہے۔

مجموعی بازاری مالیت (Market Capitalization)

پاکستان کی اسٹاک مارکیٹ کو مالی سال 2023ء میں بدلتے ہوئے حالات کا سامنا رہا۔ سرمایہ کاروں کا اعتبار غیر یقینی صورتحال کا شکار رہا، لیکن مجموعی طور پر، مارکیٹ نے کچھ حد تک استحکام برقرار رکھا۔ بینچ مارک KSE 100 انڈیکس اگست 2022ء میں 43,887 کی بلند ترین سطح پر پہنچ گیا اور جنوری 2023 میں اس کی کم ترین سطح 38,135 تک گر گیا۔ بینچ مارک KSE 100 انڈیکس 30 جون 2023ء 41,453 پوائنٹس پر (گزشتہ سال 41,541 پوائنٹس) بند ہوا، جو گزشتہ سال کے مقابلے میں قدرے کم ہے۔

آپ کی کمپنی کے حصص کی قیمت ستمبر 2022 میں 74.52 روپے تک گئی اور جون 2023 میں 26.67 روپے کی سب سے نیچلی سطح تک آئی، جو کہ 80 فیصد بونس شیئر کے اجراء کے اثر کو ظاہر کرتی ہے۔ حصص کی قیمت 30 جون 2023 کو 28.24 روپے (2022: 61.80 روپے) پر بند ہوئی۔ حصص کی قیمت میں گزشتہ سال کے مقابلے میں نمایاں کمی ہوئی، لیکن مارکیٹ کیپیٹلائزیشن 11,344 ملین روپے پر مستحکم رہی، جو گزشتہ سال کے 12,538 ملین روپے سے تھوڑا کم ہے، جو مستقبل میں بہتری کے امکانات کی نشاندہی کرتی ہے

سہولت کے لیے عمومی ذخائر (General Reserve) سے غیر مختص شدہ منافع میں 1,000 ملین روپے کی منتقلی کی بھی منظوری دی ہے۔

مزید برآں، زیر جائزہ سال کے دوران 20,288,532 بونس شیئرز (202.885 ملین روپے) بھی بورڈ آف ڈائریکٹرز کی جانب سے کیپٹل ریڈمپشن ریزرو فنڈ سے مختص کرتے ہوئے جاری کیے گئے جنہیں شیئر ہولڈرز نے مالی سال 2021-22 کے لیے حتمی منافع کے طور پر جاری کرنے کی منظوری دی۔

سرمائے کا انتظام (Liquidity Management)

آپ کی کمپنی کی انتظامیہ مسلسل طویل اور قلیل مدتی قرضوں کے متوازن امتزاج کو حاصل کرنے کی کوشاں ہے، جس کا مقصد اپنے کاروبار کی لیکویڈیٹی کی ضروریات کو مؤثر طریقے سے پورا کرنا ہے۔ سال کے دوران، کمپنی نے 4 بلین روپے کے طویل مدتی قرضے کا بندوبست کرنا ضروری سمجھا جس سے نقد بہاؤ میں بہتری آئی اور قلیل مدتی قرضوں پر دباؤ کم ہوا جس سے قلیل مدتی قرضے کا بیلنس کم ہو کر 4,071 ملین روپے رہ گیا (گزشتہ سال 7,513 ملین روپے)۔ کمپنی نے سال کے دوران پالیسی کی شرحوں میں زبردست اضافے کے باوجود، اپنی مالیاتی لاگت کو 16.39 فیصد (گزشتہ سال 9.00 فیصد) پر رکھنے کے لیے، قلیل مدتی ورکنگ کیپیٹل جیسے کم لاگت والے قرضوں کا (Money Market) استعمال کیا۔

فی شیئر آمدنی (EPS)

زیر جائزہ سال کے لیے، آپ کی کمپنی کی بنیادی فی شیئر آمدنی 2.25 روپے (2022: 5.51 روپے) رہی۔ زیر جائزہ مدت اور گزشتہ سال کی اسی مدت کے لیے فی شیئر آمدنی کمزور پڑنے کے کوئی اثر نہیں ہیں۔

سال کے دوران مجموعی طور پر 198,827,610 بونس شیئرز جاری کیے گئے اس طرح عمومی حصص کی تعداد بڑھ کر 401,712,926 ہو گئی۔ موجودہ سال کے حصص کی اوسط تعداد کو بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق فی شیئر آمدنی کے تعین کے لیے شامل کیا گیا ہے۔

قومی خزانے میں حصہ

قومی خزانے میں آپ کی کمپنی کا حصہ گزشتہ سال کے 8,500 ملین روپے سے بڑھ کر اس سال 9,501 ملین روپے ہو گیا۔

توازن / جدت / تبدیلی (BMR Balancing, Modernization & Replacement) اور ڈیجیٹائزیشن

زیر جائزہ سال کے دوران، کمپنی نے پچھلے سالوں میں شروع کیے گئے بی ایم آر (BMR) منصوبوں اور ضروری اپگریڈیشن کو مکمل کرنے کے لیے 1,595 ملین روپے (گزشتہ سال 2,539 ملین روپے) کا سرمایہ خرچ کیا ہے۔

ڈائریکٹرز رپورٹ

میں مؤثر طریقے سے کمی کی اور تجارتی وصولیوں کو تیز کیا جو کہ کاروباری سرمائے میں مثبت تبدیلیوں کا باعث بنی۔ ڈائریکٹرز رپورٹ کرتے ہیں کہ زیر جائزہ سال کے دوران آپ کی کمپنی نے 1,422 ملین روپے (2022: 3,257 ملین روپے) کا قبل از ٹیکس منافع (PBT) اور 905 ملین روپے (2022: 2,212 ملین روپے) کا بعد از ٹیکس منافع (PAT) حاصل کرنے میں کامیابی حاصل کی ہے۔

تخصیص (Appropriation)

سال کے دوران کی گئی تخصیصات کا خلاصہ درج ذیل ہے:

ملین روپے

904.99

2,148.24

3,053.23

سال کے لیے مجموعی جامع آمدنی

گزشتہ غیر مختص شدہ منافع

تخصیص کے لیے دستیاب رقم

مجموعی ذخائر (Reserves) کے لیے تخصیص

(2,000.00)

1,000.00

عام ذخیرے کو منتقلی

عام ذخیرے سے منتقلی

مالکان کے ساتھ لین دین

(1,785.39)

178,539,078 عبوری بونس حصص ، ہر پانچ (5) حصص کے لئے چار (4)

حصص کے تناسب سے جاری کیے گئے

(2,785.39)

مجموعی تخصیصات

267.84

موجودہ بیلنس

مالی سال 2022-23 کے لیے، بورڈ آف ڈائریکٹرز نے ہر پانچ (5) حصص کے لیے چار (4) حصص کے تناسب سے (یعنی 80 فیصد) بونس حصص جاری کرتے ہوئے عبوری تقسیم کا اعلان کیا، جس کی رقم 1,785.39 ملین روپے بنی جو کہ کمپنی کے قابل تقسیم ذخائر سے مختص کی گئی۔ زیر جائزہ سال کے دوران اعلان کردہ بونس شیئرز جاری کرنے کے بعد 10 روپے فی حصص کے حساب سے کمپنی کے عمومی حصص 401,712,926 تک بڑھ گئے، ڈائریکٹرز نے بونس شیئرز کے اجراء میں

سال کے دوران، کمپنی نے اپنے تمام آپریشنز میں معیار، صحت، حفاظت اور ماحولیاتی تحفظ کے اصولوں پر سختی سے عمل کیا۔ کمپنی نے ESG کے مطابق ایک مضبوط ادارہ بننے کے لیے کئی بڑے اقدامات کیے ہیں۔ مزید برآں، مشکل حالات کے باوجود، کمپنی CSR کے اقدامات کے لیے اپنی وابستگی میں ثابت قدم رہی جو ملازمین کی فلاح و بہبود، مقامی آبادیوں کو بااختیار بنانے کے ساتھ بالخصوص خواتین اور تعلیم سے محروم بچوں کے لیے تعلیم کے مواقع فراہم کرتے ہیں۔

مالیاتی کارکردگی کا تجزیہ

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

فرق	2022	2023	ملین روپے	%
22	39,000	47,661	سیلز	
(27)	(34,027)	(43,220)	سیلز کی لاگت	
(11)	4,973	4,442	کل منافع	
(4)	(1,227)	(1,279)	انتظامی، فروخت اور دیگر مدوں میں اخراجات	
47	187	275	دیگر آمدن	
(12)	3,933	3,437	آپریٹنگ منافع	
(198)	(676)	(2,016)	مالیاتی اخراجات	
(56)	3,257	1,422	خالص قبل از ٹیکس منافع	
51	(1,045)	(517)	ٹیکس	
(59)	2,212	905	خالص بعد از ٹیکس منافع	
(59)	5.51	2.25	آمدنی فی شیئر - روپے	

فروخت کی شرح فیصد کے طور پر مجموعی منافع، 9.32 فیصد ریکارڈ کیا گیا (گزشتہ سال 12.75 فیصد)۔ خام مال اور ایندھن کی قیمتوں میں اضافے کی وجہ سے گزشتہ سال کے مقابلے فروخت کی لاگت میں 27 فیصد اضافہ ہوا۔ تاہم کمپنی نے خالص سیلز ویلیو میں 22 فیصد اضافہ کر کے اس کے منفی اثرات کو جزوی طور پر کم کرنے میں کامیاب رہی، یہاں تک کہ پچھلے سال کے مقابلے میں فروخت کے حجم میں کمی کے باوجود سیلز ویلیو میں اضافہ ایک سازگار سیلز مکس کے امتزاج اور مارکیٹ کے حالات کے مطابق فروخت کی قیمتوں میں رد و بدل کی وجہ سے حاصل ہوا۔

نتیجتاً، موجودہ سال کا آپریٹنگ منافع 3,437 (EBIT) ملین روپے (سیلز کا 7.21 فیصد) رہا جبکہ 2022 میں یہ 3,933 ملین روپے (سیلز کا 10.08 فیصد) تھا۔ زیادہ شرح سود اور ورکنگ کیپیٹل کی اضافی ضروریات کی وجہ سے ایک سال میں مالیاتی لاگت 676 ملین روپے سے بڑھ کر 2,016 ملین روپے تک پہنچ گئی۔ اس کے باوجود آپ کی کمپنی نے مال تجارت

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز (BOD) کی طرف سے 30 جون 2023 کو ختم ہونے والے سال کے لیے سینچری پیپر اینڈ بورڈ ملز لمیٹڈ (CPBM) کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرنا میرے لیے باعث مسرت ہے۔

کاروباری کارکردگی کا جائزہ

پاکستان کی معیشت کو مالی سال 2022-23 میں شدید مشکلات کا سامنا کرنا پڑا اور وہ تقریباً جمود کا شکار رہی، جس میں مالی سال 2021-22 کے 6.0 فیصد کے مقابلے میں صرف 0.29 فیصد اضافہ ہوا۔ تمام شعبوں کے مقابلے میں مینوفیکچرنگ شعبے کو سب سے زیادہ نقصان پہنچا جس کے باعث مالی سال 2022-23 میں اس شعبے نے 1.4 فیصد کی کمی کو ظاہر کیا جس کی شرح نمو مالی سال 2022 میں 8.7 فیصد تھی۔ بڑے پیمانے پر مینوفیکچرنگ (LSM) سیکٹر کی مالی شرح نمو سال 2021-22 کی 10.4 فیصد کے مقابلے میں سال 2022-23 میں 2.5 فیصد رہی جس کی بنیادی وجہ بڑھتا ہوا افراط زر، پاکستانی روپے کی قدر میں بڑے پیمانے پر کمی، توانائی کی بڑھتی ہوئی قیمتیں اور مقامی اور بیرونی مانگ میں کمی ہے۔

سال کے دوران، پیپر اور بورڈ کی صنعت کو طلب اور رسد دونوں طرف سے مسائل کا سامنا کرنا پڑا جس کی وجہ سے پیپر اور بورڈ کی مصنوعات کی مقامی کھپت میں کمی واقع ہوئی۔ عالمی سپلائی کی صورتحال اور اسٹیٹ بینک کی طرف سے نافذ کردہ درآمدی پابندیاں درآمدی خام مال کی خریداری میں مشکلات کا باعث بنی رہی اور مہنگائی کے دباؤ کی وجہ سے سال کے آخر میں پیپر اور پیپر بورڈ کی مصنوعات کی مانگ میں کمی نظر آئی جس نے عوام کی اضافی آمدنی پر منفی اثرات مرتب کیے اور عالمی کساد بازاری نے مقامی مصنوعات کے مقابلے میں درآمدات کو سستا کر دیا۔

مارکیٹ کے موجودہ حالات کا مؤثر انداز میں سامنا کرنے کے لئے اور خام مال کی دستیابی کی دشواریوں کو مد نظر رکھتے ہوئے، آپ کی کمپنی نے بہترین سہولت حاصل کرنے کی خاطر پلانٹ کے موزوں آپریشنز اور کوریڈر بکس کے لیے مخصوص خام مال کو آؤٹ سورس کرنے کی طرف رجوع کیا، جس سے مسابقتی قیمتوں کے ساتھ صارفین کی مانگ کو پورا کرنے کی صلاحیت میں اضافہ ہوا۔ آپ کی کمپنی نے سال کے دوران مشینوں کی بندش کے دوران کامیابی کے ساتھ متعدد بی ایم آر (BMR) پروجیکٹس مکمل کیے جن سے پیداواری صلاحیتوں کو تقویت ملی۔

آپ کی کمپنی کی پیداوار کا حجم 196,192 میٹرک ٹن (گزشتہ سال 255,103 میٹرک ٹن) تک رہا۔ بالخصوص، کمپنی نے اپنی پیکیجنگ بورڈ مشینوں کی 87 فیصد (100 فیصد L.Y.) صلاحیت کا استعمال کیا۔ جبکہ، مجموعی صلاحیت کا استعمال 74 فیصد (96 فیصد L.Y.) تک رہا۔ آپ کی کمپنی نے زیر جائزہ سال کے دوران 207,413 میٹرک ٹن (2022: 242,293 میٹرک ٹن) کی فروخت کا حجم حاصل کیا۔ جس کے اعتبار سے، آپ کی کمپنی کی نیٹ سیلز اس سال 48.00 بلین روپے رہی (2022: 39.00 بلین روپے)۔ سیلز ویلیو میں اضافے کی وجہ کمپنی کی مصنوعات کی قیمتوں کا مسلسل رد و بدل ہے جو کہ پاکستانی روپے کی قدر میں تیزی سے کمی اور مقامی افراط زر کے ساتھ ساتھ خام مال اور ایندھن کی بلند شرحوں کی وجہ سے جاری رہا۔

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. Total number of Directors is seven as per the following.

Male:	Six (6)
Female:	One (1)

2. The composition of the Board is as follows.

Independent Directors	Mr. Ali Aamir Mr. Asif Qadir
Other Non-Executive Directors	Mr. Iqbal Ali Lakhani – Chairman Mr. Amin Mohammed Lakhani Mr. Babar Ali Lakhani Ms. Anushka Lakhani
Executive Director	Mr. Aftab Ahmad
Female Director	Ms. Anushka Lakhani

Note: The Board of the Company comprises of seven elected Directors and one-third works out to be 2.33. The fractional requirement has not been rounded up, as two (2) Independent Directors elected by the shareholders in terms of Section 166 of the Companies Act, 2017 who have the requisite competencies, skills, knowledge, and experience are considered adequate to discharge and execute their duties competently as per laws and regulations.


3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. Out of seven Directors of the Company, three Directors have completed the Director's Certification from authorized institutions and three Directors have been exempted from the requirement of Regulation 19 of the CCG. The company will ensure compliance with Regulation 19 of the CCG during the ensuing year for the remaining Director.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Ali Aamir – Chairman Mr. Amin Mohammed Lakhani – Member Mr. Babar Ali Lakhani – Member
HR and Remuneration Committee	Mr. Asif Qadir – Chairman Mr. Amin Mohammad Lakhani – Member Ms. Anushka Lakhani - Member Mr. Aftab Ahmad – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
 - a. Audit Committee 4 quarterly meetings
 - b. HR and Remuneration Committee 1 Annual meeting
15. The board has set up an effective internal audit function comprising of the personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is as follows.

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	Currently, the board has not constituted a separate Nomination Committee and the function is being performed by the Board.
2.	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the board has not constituted a separate Risk Management Committee and the function is being performed by the Board.



Iqbal Ali Lakhani

Chairman



Aftab Ahmad

Chief Executive Officer

Karachi: August 10, 2023



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CENTURY PAPER & BOARD MILLS LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Century Paper & Board Mills Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention that causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

KARACHI
DATED: August 10, 2023
UDIN: CR202310166XHWGKkzDL

BDO Ebrahim & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan

FINANCIAL STATEMENTS

Independent Auditor's Report to the Members	105
Statement of Financial Position	110
Statement of Profit or Loss	111
Statement of Comprehensive Income	112
Statement of Cash Flows	113
Statement of Changes in Equity	114
Notes to the Financial Statements	115



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTURY PAPER & BOARD MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of CENTURY PAPER & BOARD MILLS LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023, statement of profit or loss, statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of cash flows, and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023, and of the profit and other comprehensive loss, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	Capital Expenditures	
	<p>As disclosed in notes 6 and 7 to the annexed financial statements, The Company has made a significant Capital expenditure in Capital projects on account of balancing, modernization, and replacement of Paper & machines, cogeneration plant, and related auxiliaries. The total additions made during the year in capital work in progress amounts to Rs. 1,431 million, whereas additions net of transfers from Capital work in Progress in operating fixed assets amounts to Rs.202 million.</p> <p>The capital expenditures made during the year constitute a substantial transaction that requires significant judgments related to the capitalization of eligible cost components, such as borrowing costs, in accordance with applicable accounting and reporting standards, underlying the Company's accounting policies. Additionally, determining the assets' availability for use and estimating their useful lives and residual value involve significant considerations.</p> <p>Accordingly, we have identified capital expenditure as a key audit matter.</p>	<p>Our audit work includes number of procedures, among others:</p> <ul style="list-style-type: none"> • We assessed and tested the design and operation of its key controls over capital expenditure, including testing of the amounts capitalized to supporting evidence, and evaluating whether assets capitalized including borrowing cost satisfied the required recognition criteria. • We also evaluated the useful economic lives assigned with reference to the Company's historical experience, including assessing the level of fully depreciated assets held by the Company. • We checked the timing of capitalization by examining, on a sample basis, the completion certificates from the Company's technical departments • We reviewed the minutes of the Company's Board of Directors and Board's Audit Committee to evaluate the completeness of management's consideration of any events that warranted changes to the useful economic lives. • We visited the sites where significant capital projects are ongoing to understand the nature of the projects. • We evaluated the adequacy of the disclosures presented in the financial statements regarding property, plant, and equipment in accordance with the applicable financial reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Existence and valuation of stock in trade and Stores and spares	
	<p>As at June 30, 2023, the Company held stock-in-trade amounting to Rs. 8,760 million and stores and spares amounting to Rs. 2,760 million, constituting 38% of the total assets, as disclosed in notes 10 & 11 to the financial statements.</p> <p>As described in notes 5.5 & 5.6 to the financial statements, stock-in-trade is measured at a lower of cost and net realizable value. The cost of work-in-process and finished goods is determined by an average manufacturing cost including a proportion of production overheads.</p> <p>Due to the significance of inventory balances and related estimations involved in valuing the inventory, we considered this as a key audit matter.</p>	<p>We obtained an understanding of the Company's processes in place for stock accounting. Our audit procedures to assess the existence and valuation of inventory included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's process with respect to the existence and valuation of stock-in-trade and tested controls relevant to such process; • We attended the physical count of stock in trade, stores, and spare parts to observe the management's process of measurement • We performed tests over the prices of raw materials and verified items in the product costing of work in progress. • We performed tests over the NRV calculations and the assumptions used. • Tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads and compared it with the prior period to assess reasonableness; • We evaluated the appropriateness of the basis for the identification of slow moving and obsolete stock, including the accuracy of the provision made there against as assessed by the management, on a test basis.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, Statement of profit or loss, statement of comprehensive income, the statement of cash flows, and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI
DATED: August 10, 2023
UDIN: AR202310166e2EVNwDxc



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan

STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	2023 (Rupees in thousands)	2022
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	10,367,165	8,431,821
Capital work in progress	7	1,350,556	2,772,027
		11,717,721	11,203,848
Intangible assets	8	13,663	17,413
Long-term advances	9	11,809	20,879
Long-term deposits		19,181	7,881
		11,762,374	11,250,021
CURRENT ASSETS			
Stores and spares	10	2,758,473	3,428,694
Stock-in-trade	11	8,755,430	8,399,438
Trade debts	12	5,181,962	4,560,936
Advances	13	221,728	239,587
Trade deposits and short term prepayments	14	13,530	20,412
Other receivables	15	34,601	39,548
Tax refunds due from Government	16	204,598	97,591
Taxation - net	17	162,516	-
Cash and bank balances	18	800,991	759,729
		18,133,829	17,545,935
TOTAL ASSETS		29,896,203	28,795,956
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1000,000,000 (2022: 410,000,000) ordinary shares of Rs. 10 each	19	10,000,000	4,100,000
Issued, subscribed and paid-up capital	20	4,017,129	2,028,854
Reserves	21	9,094,838	10,197,608
		13,111,967	12,226,462
NON-CURRENT LIABILITIES			
Long-term financing	22	5,134,796	2,036,774
Lease liabilities against right of use assets	23	23,445	37,209
Deferred taxation	24	791,725	976,531
Deferred capital grant	25	251,820	325,905
		6,201,786	3,376,419
CURRENT LIABILITIES			
Trade and other payables	26	4,608,574	4,912,842
Interest and mark-up accrued	27	540,685	185,207
Current portion of long-term financing	22	1,236,535	414,693
Current portion of lease liabilities against right of use assets	23	13,764	11,042
Current portion of deferred capital grant	25	110,053	114,862
Short-term borrowings	28	4,071,118	7,512,902
Taxation - net	17	-	39,774
Un-claimed dividend		1,721	1,753
		10,582,450	13,193,075
TOTAL EQUITY AND LIABILITIES		29,896,203	28,795,956

CONTINGENCIES AND COMMITMENTS

29

The annexed notes from 1 to 53 form an integral part of these financial statements.


Iqbal Ali Lakhani
Chairman / Director

Aftab Ahmad
Chief Executive Officer

Muhammad Rashid Dastagir
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
Turnover - net	30	47,661,248	39,000,247
Cost of sales	31	(43,219,678)	(34,027,277)
Gross profit		4,441,570	4,972,970
General and administrative expenses	32	(862,576)	(706,552)
Selling and distribution expenses	33	(280,648)	(240,254)
Other operating expenses	34	(136,137)	(280,502)
Other income	35	274,995	187,393
Operating profit		3,437,204	3,933,055
Finance cost	36	(2,015,621)	(676,315)
Profit before taxation		1,421,583	3,256,740
Taxation	37	(516,594)	(1,044,819)
Profit for the year		904,989	2,211,921
			Restated
Earnings per share - basic and diluted (Rupees)	38	2.25	5.51

The annexed notes from 1 to 53 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2023

	2023	2022
Note	(Rupees in thousands)	
Profit for the year	904,989	2,211,921
Other comprehensive loss		
Items that will not be reclassified to statement of profit or loss		
Loss on remeasurement of defined benefit liability	39.9 (27,443)	(60,198)
Tax impact on remeasurement of defined benefit liability	7,959	17,457
	(19,484)	(42,741)
Total comprehensive income for the year	885,505	2,169,180

The annexed notes from 1 to 53 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	4,067,510	443,563
Finance cost paid		(1,614,892)	(487,789)
Taxes paid		(1,002,738)	(1,493,353)
Gratuity paid		(69,230)	(57,087)
Workers' Profit Participation Fund paid		(175,118)	(229,057)
Gas Infrastructure Development Cess (GIDC) paid		-	(38,494)
Profit received on term deposit		22,961	-
Long term advances - net		9,070	(19,038)
Long term deposits - net		(11,300)	(590)
Net cash generated / (used in) from operating activities		1,226,263	(1,881,845)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant & equipment		(1,594,682)	(2,539,387)
Proceeds from disposal of operating fixed assets		21,540	7,452
Net cash used in investing activities		(1,573,142)	(2,531,935)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing from associated companies		-	(1,325,000)
Proceeds from long-term financing from banking companies		4,241,906	1,465,499
Repayment of long-term financing from banking companies		(400,939)	(520,941)
Lease rentals paid		(11,042)	(8,723)
Dividend paid on ordinary shares		-	(264,487)
Net cash generated / (used in) from financing activities		3,829,925	(653,652)
Net increase / (decrease) in cash and cash equivalents		3,483,046	(5,067,432)
Cash and cash equivalents at the beginning of the year		(6,753,173)	(1,685,741)
Cash and cash equivalents at the end of the year	43	(3,270,127)	(6,753,173)

The annexed notes from 1 to 53 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



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Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2023

	Issued, subscribed and paid-up capital	Reserves						Total	
		Capital reserves			Revenue reserves		Other Compo- nents of Equity		
		Share premium	Merger reserve	Redemption reserve	General reserve	Unappropriated profit			Actuarial gain / (loss) on defined benefit plan - net of deferred tax
(Rupees in thousands)									
Balance as at July 01, 2021	1,764,221	1,822,122	7,925	1,538,431	1,800,000	3,200,951	188,265	8,557,694	10,321,915
Appropriation of reserves									
Transfer to general reserve	-	-	-	-	3,000,000	(3,000,000)	-	-	-
Total comprehensive income for the year ended June 30, 2022									
Profit for the year	-	-	-	-	-	2,211,921	-	2,211,921	2,211,921
Loss on remeasurement of defined benefit liability - net of tax	-	-	-	-	-	-	(42,741)	(42,741)	(42,741)
Transaction with owners									
26,463,302 bonus shares issued in the proportion of three (3) shares for every twenty (20) shares held	264,633	-	-	(264,633)	-	-	-	(264,633)	(264,633)
Final cash dividend on ordinary shares @ Rs 1.50 per share	264,633	-	-	(264,633)	-	(264,633)	-	(529,266)	(264,633)
Balance as at June 30, 2022	2,028,854	1,822,122	7,925	1,273,798	4,800,000	2,148,239	145,524	10,197,608	12,226,462
Appropriation of reserves									
Transfer to general reserve	-	-	-	-	2,000,000	(2,000,000)	-	-	-
Total comprehensive income for the year ended June 30, 2023									
Profit for the year	-	-	-	-	-	904,989	-	904,989	904,989
Loss on remeasurement of defined benefit liability - net of tax	-	-	-	-	-	-	(19,484)	(19,484)	(19,484)
Transaction with owners									
20,288,532 bonus shares issued in the proportion of one (1) share for every ten (10) shares held	202,885	-	-	(202,885)	-	-	-	(202,885)	-
178,539,078 interim bonus shares issued in the proportion of four (4) shares for every five (5) shares held	1,785,390	-	-	-	-	(1,785,390)	-	(1,785,390)	-
Appropriation of reserves									
Transfer to un-appropriated profit	-	-	-	-	(1,000,000)	1,000,000	-	-	-
Balance as at June 30, 2023	4,017,129	1,822,122	7,925	1,070,913	5,800,000	267,838	126,040	9,094,838	13,111,967

The annexed notes from 1 to 53 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

1 STATUS AND NATURE OF BUSINESS

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical Location and addresses of the Company's business units / immovable assets are as under:

Business Unit	Address
- Registered office	Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan.
- Mills (Plant)	62 KM, Lahore-Multan Highway, N-5, District Kasur, Pakistan.
- Regional office	14-Ali Block, New Garden Town, Lahore, Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act, differ from the IFRS, the provisions of and directives issued under the Act, have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

3.3 Use of estimates and judgements:

The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in next financial year are discussed in note 5.29.

3.4 Functional and presentation currency

The financial statements are presented in Pakistani Rupees (the Rupees), which is the Company's functional and presentation currency.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

		Effective date (annual periods beginning on or after)
IFRS 3	Business Combinations - amendments updating a reference to the Conceptual Framework	January 01, 2022
IAS 16	Property, Plant and Equipment - amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - The amendments specify the costs should include the cost of fulfilling a contract when assessing whether a contract is onerous.	January 01, 2022

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

		Effective date (annual periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures - Amendments relating to Supplier finance arrangements	January 01, 2024
IFRS 16	Leases - amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements - Amendments to disclose material accounting policy information instead of its significant accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	January 01, 2023
IAS 1	Presentation of Financial Statements - Under the amendment, the classification of certain liabilities as current or non-current may change (e.g. convertible debt). In addition, companies may need to provide new disclosures for liabilities subject to covenants.	January 01, 2024
IAS 7	Statement of Cash flows - Amendments relating to supplier finance arrangements	January 01, 2024
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates, the standard defines the concept of a change in accounting estimates to help entities to distinguish between accounting policies and accounting estimates.	January 01, 2023
IAS 12	Income Taxes - Amendments relating to Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
IAS 12	Income Taxes - Amendments relating to Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

5 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

5.1 Property, plant and equipment

a) Operating fixed assets

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except for freehold land which is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the item including borrowing costs (refer note 5.12).

The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized, if any. The cost of the day to day servicing of property, plant and equipment are recognized in statement of profit or loss during the financial year in which they are incurred.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The spare parts, stand-by equipments and servicing equipments are capitalized as an asset when they meet the definition of property, plant and equipment.

Depreciation on operating fixed assets other than land is provided on a straight line basis and charged to profit or loss to write off the depreciable amount of each asset over its estimated useful life. Full month's depreciation is charged on addition, while no depreciation is charged in the month of disposal or deletion of assets. Rates of depreciation, which are disclosed in note 6, are determined to allocate the cost of an asset less estimated residual value, if not insignificant, over its useful life. No depreciation is charged if the asset's residual value exceeds its carrying amount.

The assets' residual values, depreciation method and useful lives of each part of property, plant and equipment are reviewed at each financial year end, and any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charges, if impact on depreciation is significant.

Disposal of assets is recognized when significant risks and rewards incidental to the ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the statement of profit or loss.

b) Capital work-in-progress

Capital work-in-progress and stores held for capital expenditures are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

5.2 Intangible assets

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the Company. Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset (i.e. computer softwares) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Expenditure which enhances the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Amortization is provided on a straight line basis at the rates disclosed in note 8 to the financial statements. Amortization on addition to intangible assets is charged from the month of addition while no amortization is charged for the month of disposal or deletion of assets. Costs associated with maintaining computer softwares are recognized as an expense as and when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

5.3 Impairment of non-financial assets

The carrying values of non-financial assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment and when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, assets or cash generating units (CGU) are tested for impairment.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the statement of profit or loss.

5.4 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. If the Company assesses contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date.

a) Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measure lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

b) Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted incremental borrowing rate.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in statement of profit or loss when incurred.

5.5 Stores and spares

Stores and spares are stated at cost less provision for slow moving and obsolete items. Cost is determined by using the moving average method. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

The Company reviews the carrying amount of stores and spares on a periodic basis and provision is made for slow moving and obsolescence periodically on the basis of ageing analysis prepared on an item-by-item basis.

5.6 Stock-in-trade

Stock-in-trade are valued at the lower of cost and net realizable value. Cost of raw material is determined by using the monthly weighted average method.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Stock-in-transit is valued at cost comprising invoice value plus other charges incurred thereon.

Work-in-process and finished goods consist of the direct materials costs, fuel and power cost and an appropriate proportion of manufacturing overheads including labour cost, depreciation and maintenance etc.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessary to be incurred in order to make the sale.

5.7 Trade debts

Trade debts are recognised initially at fair value and subsequently measured at amortised cost less loss allowance, if any. The Company measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL) that result from all possible default events over the expected life of trade debts. Trade debts are written-off when consider irrecoverable.

5.8 Trade deposits and other receivables

Trade deposits and other receivables are recognized at cost, which is the fair value of the consideration given. Based on historical experience and available securities, the Company assesses the expected credit loss associated with these financial assets and if it is significant, the Company applies the IFRS 9 to measure the expected credit loss.

5.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is also recognized in other comprehensive income or directly in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

a) Current

Current tax is the expected tax payable on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date after taking into account tax credits and tax rebates. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the Balance Sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in future years to utilize deductible temporary differences, unused tax losses and tax credits. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax is calculated based on tax rates that have been enacted or substantively enacted up to the statement of financial position date and are expected to apply to the periods when the differences reverse.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

c) The Company takes into account decisions taken by the taxation authorities. For instance where the Company's view differs from the income tax department at the assessment stage, the disputed amounts are shown as contingent liabilities.

d) Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

(i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

(ii) When receivables and payables include amount of sales tax, the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

5.10 Deferred Capital Grant

The Company recognises benefit of a government loan at a below-market rate of interest as a government grant provided there is a reasonable assurance that the grant will be received and Company will comply with all attached conditions.

The deferred capital grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. In subsequent periods, the loan amount would be accredited using the effective interest method.

When the grant relates to expense, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed-out. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

5.11 Borrowings

Borrowings are recognised initially at fair value net of transaction cost incurred. Borrowing cost are subsequently carried at amortised cost. Any difference between the proceeds received (net of transaction cost) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Finance cost are accounted for on accrual basis and are shown as interest and markup is accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for twelve months after the statement of financial position date.

5.12 Borrowings cost

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to statement of profit or loss in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 "Borrowing cost".

5.13 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost.

5.14 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of that obligation can be measured reliably. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

5.15 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability and where the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statement.

5.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.16.1 Financial assets

All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

5.16.2 Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs incurred and subsequently carried at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Company has as unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date.

5.16.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.16.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.17 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

5.18 Foreign currency translation

Transactions in foreign currencies are converted into functional currency (the Rupees) at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated into functional currency at the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and translation thereof at year-end exchange rate are recognized in the statement of profit or loss.

5.19 Employees benefits

The Company's employees benefits comprise of provident fund, gratuity scheme, compensated absences and medical benefits for eligible employees.

5.19.1 Staff retirement benefits

a) Defined benefit plan

The Company has a gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. The Gratuity Fund is maintained by a trust created and duly approved. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out at June 30, 2023 using the Projected Unit Credit Method (refer note 39).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The remeasurement gains/losses as per actuarial valuation at the reporting date, are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 “Employee Benefits” in the statement of profit or loss.

Calculation of gratuity requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

b) Defined contribution plan

The Company contributes to an approved contributory provident fund scheme for all its permanent employees. Equal monthly contributions, both by the Company and the employees are made to the fund, at the rate of 10% of the basic salary plus cost of living allowance. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan by the Company is recognized as an expense in the statement of profit or loss. Prepaid contribution are recognized as an asset to the extent that cash refund or reduction in future payment is available.

5.19.2 Compensated absences

The Company accounts for compensated absences of its employees on the basis of unavailed earned leaves balance of each employee that accumulated up to three years at the statement of financial position date. The related expected cost thereof, are charged to statement of profit or loss.

5.19.3 Medical benefits

The Company maintains a health insurance policy for its entitled employees, their respective spouses and dependent children. The Company contributes premium to the policy annually. Such premium is recognized as an expense in the statement of profit or loss in the period to which it relates.

5.20 Revenue recognition

Revenue from sale of goods is recognised when or as control of goods have been transferred to a customer either over time or at a point in time, when the performance obligations are met. It is recorded at net of trade discounts and rebates. Revenue is measured at fair value of the consideration received or receivable.

Revenue from contracts with customers

Sale of goods

Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer’s acceptance of the products.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

Others

- Scrap sales are recognized on delivery to customers at realized amounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding using effective interest method.
- All other income is recognized on accrual basis.

5.21 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank deposit, cheques in hand and balances with banks. Short-term borrowing facilities which are payable on demand, are included as part of cash and cash equivalents for the purpose of statement of cash flows.

5.22 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs net of tax and directly attributable to the issue of new shares are shown as a deduction in equity.

5.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.24 Dividend and appropriation to reserves

Dividend is recognised as a liability in the period in which it is declared and approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.25 Related party transactions

Transactions with related parties are based on normal commercial rates at the same terms and conditions as applicable to third party transactions.

5.26 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting standards requires the management to:-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- exercise its judgment in process of applying the Company's accounting policies, and
- use of certain critical accounting estimates and assumptions concerning the future.

The management has exercised judgment in applying the Company's accounting policies for classification of Post Employment Benefits as Defined Benefits Plan and Defined Contribution Plan (refer note 5.21, note 39 and 40) that have the most significant effects on the amounts recognized in the financial statements.

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:-

a) **Income taxes**

The Company takes into account relevant provisions of the prevailing income tax laws while providing for current and deferred taxes as explained in note 5.9 of these financial statements.

b) **Defined benefits plan**

Certain actuarial assumptions have been adopted as disclosed in note 39 to these financial statements for valuation of present value of defined benefit obligation and fair value of plan assets. Any changes in these assumptions in future years might affect actuarial gains / losses recognized in those years with corresponding effect on carrying amount of defined benefit plan liability / asset.

c) **Property, plant and equipment**

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

d) **Stock in trade and Stores and spares**

The Company reviews the Net Realizable Value (NRV) of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

e) **Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Freehold land (note 6.1)	Buildings on freehold land	Leasehold improvements	Plant and machinery (note 6.2 & 6.3)	Furniture and fixtures	Vehicles	Electrical and other equipments	Computers	Right of use asset	Total
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(Rupees in thousands)

Year ended June 30, 2023

Net carrying value basis

Opening net book value (NBV)	447,920	1,619,348	2,149	6,067,870	6,557	185,286	31,452	32,029	39,213	8,431,823
Additions (at cost) (refer note 6.4)	-	155,418	-	2,784,884	283	63,484	25,289	24,417	-	3,053,775
Disposals (NBV)	-	-	-	-	-	(11,554)	-	-	-	(11,554)
Depreciation charge	-	(98,721)	(2,149)	(924,043)	(1,872)	(36,185)	(12,550)	(20,101)	(11,259)	(1,106,879)
Closing net book value (refer note 6.5)	447,920	1,676,045	-	7,928,711	4,968	201,031	44,191	36,344	27,954	10,367,165

Gross carrying value basis

Cost	447,920	2,750,751	18,714	21,055,131	29,950	324,908	116,205	189,263	65,246	24,998,088
Accumulated depreciation / impairment	-	(1,074,707)	(18,714)	(13,126,419)	(24,983)	(123,877)	(72,014)	(152,918)	(37,292)	(14,630,923)
Net book value	447,920	1,676,045	-	7,928,712	4,967	201,032	44,191	36,345	27,954	10,367,165

Year ended June 30, 2022

Net carrying value basis

Opening net book value (NBV)	282,570	1,685,823	4,492	6,454,769	7,226	172,766	25,383	18,703	50,472	8,702,204
Additions (at cost) (refer note 6.4)	165,351	29,824	-	513,922	1,236	48,121	15,157	30,707	-	804,317
Disposals (NBV)	-	-	-	-	-	(3,427)	-	-	-	(3,427)
Depreciation charge	-	(96,300)	(2,344)	(900,822)	(1,905)	(32,174)	(9,088)	(17,382)	(11,259)	(1,071,273)
Closing net book value (refer note 6.5)	447,921	1,619,347	2,148	6,067,869	6,557	185,286	31,452	32,028	39,213	8,431,821

Gross carrying value basis

Cost	447,921	2,595,332	18,714	18,271,288	29,667	292,804	90,916	164,846	65,246	21,976,734
Accumulated depreciation / impairment	-	(975,985)	(16,566)	(12,203,419)	(23,110)	(107,518)	(59,464)	(132,818)	(26,033)	(13,544,913)
Net book value	447,921	1,619,347	2,148	6,067,869	6,557	185,286	31,452	32,028	39,213	8,431,821

Depreciation rate % per annum

-	2.5 to 10	20	5 to 20	10 to 20	20	10 to 33	20 to 33	-	-
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- 6.1** This freehold land of 170.6 acre (2022: 170.6 acre) is located at Village Jumber Khurd, Tehsil Pattoki, District Kasur.
- 6.2** Plant and machinery includes gas pipeline installations with a cost of Rs. 16.87 million (written down value: Nil) [2022: Rs. 16.87 million (written down value: Nil)] that installed outside the premises of the factory but which are under the possession and control of the Sui Northern Gas Pipelines Limited. However, the economic benefits associated with these assets are flowing to the Company.
- 6.3** Plant and machinery includes capital spares amounting to Rs. 286.16 million (written down value Rs. 34.27 million) [2022: Rs. 286.16 million (written down value Rs. 50.15 million)].
- 6.4** This includes transfer from capital work-in-progress amounting to Rs. 2,852.16 million (2022: Rs. 508.14 million).
- 6.5** The cost of fully depreciated assets which are still in use as at June 30, 2023 is Rs. 7,089 million and written down value is Rs. 10.98 million (2022: Rs. 6,002 million and written down value is Rs. 9.99 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
6.6	The depreciation charge for the year has been allocated as follows:		
Cost of sales	31	1,030,769	1,009,515
General and administrative expenses	32	72,055	58,212
Selling and distribution expenses	33	4,055	3,546
		<u>1,106,879</u>	<u>1,071,273</u>

6.7 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Relationship with buyers	Particulars of buyers
(Rupees in thousands)								
Items having book value exceeding Rs. five hundred thousand								
Vehicles:								
Honda BnV (BG-6232)	2,343	1,570	773	1,335	562	As per Company policy (Note 6.71)	Employee	Mr. Gobind Ram
Honda Civic (LEE-17-307)	2,428	1,626	801	1,209	408	--do--	--do--	Mr. Iftikhar Elahi
Honda Civic (LEE-17-2819)	2,428	1,626	801	1,132	331	--do--	--do--	Mr. Abdul Ghaffar
Suzuki Alto Vxl (ACD-903)	1,633	383	1,250	1,677	427	Insurance Claim	Associated Company	M/S Century Insurance Company Limited
Suzuki Alto Vxr (LEA-19A-2566)	1,308	613	695	1,155	460	Negotiation	Outgoing Employee	Mr. Rana Abubakar
Toyota Corolla Altis (BLS-189)	2,154	1,443	711	842	131	As per Company policy (Note 6.71)	Employee	Mr. Jawad Adam
Toyota Corolla Gii (BHW-651)	1,789	1,199	590	574	(16)	--do--	--do--	Mr. Ahmed Mansoor
Toyota Corolla Gii (LE-18-2275)	1,969	1,319	650	1,032	382	--do--	--do--	Mr. Muhammad Ajmal
Toyota Corolla Gii (LE-18-1710)	1,969	1,319	650	739	89	--do--	--do--	Mr. Nadeem Ashraf
Toyota Corolla Grande (LEB-18-9649)	2,554	1,711	843	848	5	--do--	--do--	Mr. Jahanzeb Ali Akhtar
	<u>20,575</u>	<u>12,809</u>	<u>7,764</u>	<u>10,543</u>	<u>2,779</u>			
Items having book value upto Rs. five hundred thousand								
Plant and Machinery	1,042	1,042	-	3,200	3,200	Scrap sales	-	Various
Vehicles	10,806	7,016	3,790	7,797	4,007	As per Company policy (Note 6.71)	-	--do--
	<u>11,848</u>	<u>8,058</u>	<u>3,790</u>	<u>10,997</u>	<u>7,207</u>			
Total - 2023	<u>32,423</u>	<u>20,867</u>	<u>11,554</u>	<u>21,540</u>	<u>9,986</u>			
Total - 2022	<u>11,324</u>	<u>7,897</u>	<u>3,427</u>	<u>7,452</u>	<u>4,025</u>			

6.7.1 The vehicles were transferred to employees at maturity of the Company car scheme.

	Note	2023 (Rupees in thousands)	2022
7	CAPITAL WORK-IN-PROGRESS		
This comprises of:			
Building		17,163	55,073
Plant and machinery		1,311,870	2,666,746
Advances to suppliers		21,523	50,208
		<u>1,350,556</u>	<u>2,772,027</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

7.1 Movement of carrying amount

	Note	Building	Plant and machinery	Total
(Rupees in thousands)				
Year ended June 30, 2023				
Opening balance		55,073	2,716,954	2,772,027
Additions (at cost)	7.2	85,913	1,344,776	1,430,690
Transferred to operating fixed assets		(123,824)	(2,728,337)	(2,852,161)
Closing balance		17,163	1,333,393	1,350,555
Year ended June 30, 2022				
Opening balance		13,695	1,230,364	1,244,059
Additions (at cost)	7.2	52,352	1,983,758	2,036,110
Transferred to operating fixed assets		(10,974)	(497,168)	(508,142)
Closing balance		55,073	2,716,954	2,772,027

7.2 The total borrowing costs capitalized during the year amounting to Rs. 164.18 million (2022: Rs. 52.42 million). It includes Rs. 50.62 million (2022: Rs. 52.42 million) on account of the cost of specific borrowing at effective markup of 2.64% (2022: 2.64%) as reduced by the amortization of deferred grant and Rs. 113.56 million (2022: Nil) on account of the cost of general borrowing at an effective capitalization rate of 15.98% (2022: Nil).

	Note	2023 (Rupees in thousands)	2022
8 INTANGIBLE ASSETS			
Intangible assets	8.1	13,663	16,999
Software under development		-	414
		<u>13,663</u>	<u>17,413</u>
8.1 Net carrying value basis			
Opening net book value		16,999	9,046
Additions (at cost)		2,780	11,915
Amortization charge	32	(6,117)	(3,962)
Closing net book value		<u>13,663</u>	<u>16,999</u>
Gross carrying value basis			
Cost		93,476	90,696
Accumulated amortization		<u>(79,813)</u>	<u>(73,697)</u>
Net book value		<u>13,663</u>	<u>16,999</u>
Amortization rate % per annum		20 – 33.33	20 – 33.33

9 LONG-TERM ADVANCES

(Unsecured - considered good)
Long-term advance to supplier

9.1	<u>11,809</u>	<u>20,879</u>
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9.1 This represents advances to suppliers against purchase of vehicles in the normal course of business and does not carry any interest or mark-up. These advances are not carried at amortised cost as the impact of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
10 STORES AND SPARES			
In hand			
Stores		1,390,137	1,122,051
Spares		922,222	666,602
Fuel		446,652	1,466,750
		<u>2,759,011</u>	<u>3,255,403</u>
In transit - Spares		58,272	232,101
		<u>2,817,283</u>	<u>3,487,504</u>
Provision for slow moving stores and spares		(58,810)	(58,810)
	10.1	<u>2,758,473</u>	<u>3,428,694</u>

- 10.1** 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 consumption resulting in capital expenditure are capitalized in cost of respective assets.

	Note	2023 (Rupees in thousands)	2022
11 STOCK-IN-TRADE			
Raw materials			
in hand		6,985,888	4,221,148
in transit		582,077	2,639,125
		<u>7,567,965</u>	<u>6,860,273</u>
Work-in-process		130,390	206,536
Finished goods		1,057,075	1,332,629
		<u>8,755,430</u>	<u>8,399,438</u>

12 TRADE DEBTS

(Unsecured - considered good)			
Due from associated undertakings	12.1	1,025,829	800,554
Others		4,195,169	3,797,791
		<u>5,220,998</u>	<u>4,598,345</u>
Provision for expected credit losses	12.3	(39,036)	(37,409)
	12.4	<u>5,181,962</u>	<u>4,560,936</u>
12.1 This comprises of amounts receivable from:			
Merit Packaging Limited		973,026	757,760
Colgate-Palmolive (Pakistan) Limited		52,803	42,794
	12.1.1	<u>1,025,829</u>	<u>800,554</u>

- 12.1.1** The ageing of related party balances at the statement of financial position date is as follows:

Not past due	480,072	446,443
Past due 1-30 days	545,757	354,111
	<u>1,025,829</u>	<u>800,554</u>

- 12.2** The maximum amount due from related parties at the end of any month during the year was Rs. 1,337.54 million (2022: Rs. 847.93 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 12.3** This expected credit losses (ECL) have been provided in accordance with the ECL model under IFRS 9 and the Company considers that the allowance for expected credit loss is adequate to cover any default in recoverability of balances in future. The movement of provision for the year are as follows:

	Note	2023 (Rupees in thousands)	2022
Opening balance		37,409	35,099
Charge during the year	34	1,627	2,310
Closing balance		<u>39,036</u>	<u>37,409</u>

- 12.4** These are in the normal course of business and are interest free.

13 ADVANCES

Advances			
to employees	13.1	3,312	2,068
to suppliers	13.2	218,416	237,519
	13.3	<u>221,728</u>	<u>239,587</u>

- 13.1** This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

- 13.2** This represents advances paid to suppliers in the normal course of business against goods and services to be received in future and it does not carry any interest or mark-up.

- 13.3** Chief Executive Officer and Directors have not taken any loans and advances from the Company.

	Note	2023 (Rupees in thousands)	2022
14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits	14.1	3,480	4,480
Prepayments	14.2	10,050	15,932
		<u>13,530</u>	<u>20,412</u>

- 14.1** This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

- 14.2** This includes prepaid insurance premium of Rs. 10.05 million (2022: Rs. 15.02 million) to M/s Century Insurance Company limited, an associated undertaking.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

15	OTHER RECEIVABLES	Note	2023 (Rupees in thousands)	2022
	(Unsecured - considered good)			
	Due from associated undertakings	15.1 & 15.2	257	415
	Margin held against imports	15.3	29,723	39,133
	Others		4,621	-
		15.4	<u>34,601</u>	<u>39,548</u>

15.1 This comprises of amounts receivable from:

Century Insurance Company Limited	61	117
Cyber Internet Services (Private) Limited	196	298
	<u>257</u>	<u>415</u>

15.1.1 The aging of related party balances at the statement of financial position date is as follows:

Not past due	<u>257</u>	<u>415</u>
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15.2 The maximum amount due from related parties at the end of any month during the year was Rs. 1.69 million (2022: Rs. 7.64 million).

15.3 This represents margin held by bank for endorsement of shipping documents.

15.4 These are in the normal course of business and are interest free.

16	TAX REFUNDS DUE FROM GOVERNMENT	Note	2023 (Rupees in thousands)	2022
	Income tax	16.1 & 16.2	188,535	81,528
	Sales tax	16.3	16,063	16,063
			<u>204,598</u>	<u>97,591</u>

16.1 The above figure includes tax refund for tax years 2018, 2019 and 2022 of Rs. 215.40 million, Rs. 10.85 million and Rs. 96.48 million respectively and leftover refunds for the tax year 2009 to 2017 of Rs. 25.35 million, respectively. Moreover, tax payable for the tax year 2020 as per assessment orders aggregating to Rs. 159.55 million, respectively is netted off with above tax refund. Year wise status of assessment is as follows:-

a) For the tax year 2018, a refund of Rs. 215.40 million was claimed in the Income Tax return filed by the Company. In his order dated March 4, 2019 The Additional Commissioner of (Audit) Inland Revenue - LTU has determined the net tax payable of Rs. 67.74 million by disallowing the adjustment of minimum tax of Rs. 214.93 million for previous years and certain other expenses. The Company has paid the tax demand of Rs. 67.74 million. As a matter of prudence, Company accounted for prior year tax of Rs. 63.26 million in the financial statements.

The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) against the said order. The Company believes that the case will be decided in favor of the Company and the legal adviser of the Company has also concurred with the management view.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- b) For the tax year 2019, a refund of Rs. 364.92 million was claimed in the Income Tax return filed by the Company. In his order dated February 19, 2020, the Additional Commissioner of (Audit) Inland Revenue - LTU determined the net tax payable of Rs. 13.78 million by disallowing the adjustment of previous years' minimum tax of Rs. 293.11 million and added-back GIDC charges of prior years' amounting to Rs. 207 million and certain other expenses. The Company has paid the tax demand of Rs. 13.78 million.

The Company filed an appeal before the Commissioner Inland Revenue (Appeals) against the said order and the Commissioner Inland Revenue (Appeals) in his order upheld the disallowances of minimum tax and add back of GIDC charge and remanded back certain disallowances. The Company has filed an appeal before ATIR against the disallowances confirmed by the Commissioner Appeals.

During the year, Additional Commissioner issued Appeal Effect Order on disallowances remanded back by Commissioner (Appeal) and created the refund of Rs. 11.13 million. Resultantly, net tax refundable of Rs. 10.85 million is appearing as at balance sheet date in the financial statements.

The Company believes that the case will be decided in favor of the Company and the legal adviser of the Company has also concurred with the management view.

- c) For the tax year 2020, a refund of Rs. 16.31 million was claimed in the Income Tax return filed by the Company. In his order dated March 31, 2021, Additional Commissioner of (Audit) Inland Revenue - LTU determined the net tax payable of Rs. 233.96 million by disallowing the adjustment of previous years' minimum tax /Alternative Corporate Tax of Rs. 137.82 million and added-back GIDC charges of prior years' of Rs. 191 million along with certain other expenses.

The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) against the said order and has paid Rs. 23.40 million along with appeal as required under the law. The Commissioner Inland Revenue (Appeals), vide his order dated July 13, 2023, remanded back disallowance of tax credit under section 65B and upheld the disallowances of minimum tax / ACT and certain other disallowances. Company intends to file Appeal against above said order before Income Tax Appellate Tribunal. A net tax payable of Rs.159.56 million is appearing as at balance sheet date in the financial statements.

The Company believes that the case will be decided in favor of the Company and the legal adviser of the Company has also concurred with the management view.

- d) Moreover, Income tax authorities have made certain disallowances for expenses for tax years 2009, 2011 to 2017 which resulted in reduction of tax losses available to the Company for respective years.

For the Tax Year 2009, 2011, 2012 Appellate Tribunal Inland Revenue has passed the orders confirming partial disallowances and granting certain reliefs by remanding back the issue. For Tax Year 2012, the Company has filed a reference application before High Court of Sindh against the order of Appellate Tribunal Inland Revenue which is pending hearing.

For Tax Year 2015, the tax department's appeal is pending before Appellate Tribunal Inland Revenue in respect of issues decided in favor of the Company by Commissioner Inland Revenue (Appeals) and for Tax Year 2016, the Company's appeal is pending before Commissioner Inland Revenue (Appeals).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

16.2 Company has aggregate adjustable prior year turnover tax / ACT of Rs. 645.86 million for the years 2013 to 2017. Company has adjusted the prior year taxes in income tax returns of the Company for the year 2018, 2019 and 2020 amounting to Rs. 214.93 million, Rs. 293.11 million and Rs. 137.82 million respectively. However, as above mentioned, adjustment of these turnover taxes were disallowed by the tax department in the assessments made for respective year based on an anomaly in the tax laws; the matter was under litigation at Supreme Court. Vide Finance Act 2021, the anomaly was removed by inserting an explanation in Section 113. In view of the above, management of the Company is of strong view that adjustment for all prior year taxes earlier disallowed will be allowed to the Company in the tax assessment of respective tax years which will create refund for Tax Year 2018 and Tax year 2019 and will reduce the tax demand for tax year 2020.

16.3 This includes Rs. 10.02 million paid against demand raised by Assistant Commissioner - IR (Audit) in respect of sales tax input not allowed as result of audit of sales tax returns for tax year 2015. The Company has filed an appeal against this order before the Commissioner Inland Revenue (Appeals - I) under Section 45B of the Sales Tax Act, 1990.

For the period July 2018 to September 2018, the demand of Rs. 6.04 million was raised by Assistant Commissioner - IR (Audit) by disallowing certain sales tax inputs on certain items. The Company filed an appeal against the demand before the Commissioner Inland Revenue (Appeals - I) under Section 45B of the Sales Tax Act. The Commissioner Inland Revenue (Appeals - I) retained the decision of the Assistant Commissioner - IR (Audit). The Company filed an appeal before the Appellate Tribunal Inland Revenue against the order of Commissioner (Appeals) in respect of which decision is pending.

The Company believes that the above cases will be decided in favor of the Company and the legal adviser of the Company has also concurred with the management's view.

17 TAXATION - NET

17.1 The income tax assessments proceedings of the Company are in process for tax year 2011, 2012, 2015, 2016, 2018, 2019, 2020, 2021 and income tax return for tax year 2022 has been duly filed.

The Company has made adequate provisions in these financial statements for the year ended June 30, 2023 (Tax year 2023) (Note 37).

	Note	2023 (Rupees in thousands)	2022
18 CASH AND BANK BALANCES			
Cash at bank in current account			
Conventional mode		351,183	329,768
Cash at bank - Term deposit	18.1	236,768	-
Cheques in hand		209,720	427,608
Cash in hand		3,320	2,353
		<u>800,991</u>	<u>759,729</u>

18.1 This represents term deposits under lien with bank as security for bank Guarantees (Open Ended) as referred to in note 29.1(a) and carries profit at the rate of 19% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
19 AUTHORIZED SHARE CAPITAL	19.1	10,000,000	4,100,000
19.1	During the year, the Company has increased authorized share capital from 410,000,000 ordinary shares to 1,000,000,000 ordinary shares as approved in the Extraordinary General Meeting (EGM) held on June 21, 2023.		
20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
		2023	2022
		(Rupees in thousands)	
Number of ordinary shares of Rs. 10/- each			
77,678,857	77,678,857	Fully paid in cash	776,790 776,790
298,237,082	99,409,472	Issued as fully paid bonus shares	2,982,370 994,095
25,089,437	25,089,437	Issued due to conversion of preference shares	250,894 250,894
707,550	707,550	Issued under scheme of amalgamation	7,075 7,075
401,712,926	202,885,316		4,017,129 2,028,854
276,136,970	139,463,131	Shares held by associated companies and related parties	2,761,370 1,394,631
20.1	Percentage of shares held by Directors, Chief Executive Officer and their spouses as at June 30, 2023 is 0.08 (2022: 0.08).		
20.2	The Shareholders' rights and privileges are governed through Company's Memorandum and Articles of Association and there is no specific shareholder's agreement executed for voting rights, board selection, right of first refusal and block voting.		
		2023	2022
	Note	(Rupees in thousands)	
21 RESERVES			
Capital			
Share premium	21.1	1,822,122	1,822,122
Capital redemption reserve	21.2	1,070,913	1,273,798
Merger reserve	21.3	7,925	7,925
		2,900,960	3,103,845
Revenue			
General reserve		5,800,000	4,800,000
Actuarial gain / (loss) on defined benefit plan - net of deferred tax - Other Components of Equity		126,040	145,524
Un-appropriated profit		267,838	2,148,239
		6,193,878	7,093,763
		9,094,838	10,197,608
21.1	This reserve can be utilized by the Company only for the purposes specified in Section 81(3) of the Companies Act, 2017.		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

21.2 This represents reserve created for preference shares redeemed through cash to comply with Section 85(c) of the repealed Companies Ordinance, 1984.

21.3 This represents amount created under scheme of arrangement for amalgamation of former Century Power Generation Limited, a subsidiary, with the Company.

	Note	2023 (Rupees in thousands)	2022
22 LONG-TERM FINANCING			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Faysal Bank Limited - Musharaka	22.1	416,585	392,566
Bank Islami Pakistan Limited	22.2	193,290	182,433
Meezan Bank Limited - Musharaka	22.3	4,000,000	-
		<u>4,609,875</u>	<u>574,999</u>
Conventional mode			
Syndicated - Consortium of Banks	22.4	1,192,488	1,274,118
Allied Bank Limited - Term loan - 1	22.5	110,341	152,557
Allied Bank Limited - Term loan - 2	22.6	-	70,350
Allied Bank Limited - Term loan - 3	22.6	-	102,062
Habib Metropolitan Bank Limited	22.7	130,257	124,286
JS Bank Limited	22.8	328,370	153,095
		<u>1,761,456</u>	<u>1,876,468</u>
		<u>6,371,331</u>	<u>2,451,467</u>
Current portion shown under current liabilities			
Islamic mode		(868,484)	(50,000)
Conventional mode		(368,051)	(364,693)
		<u>(1,236,535)</u>	<u>(414,693)</u>
		<u>5,134,796</u>	<u>2,036,774</u>

22.1 This represents Diminishing Musharaka Arrangement of Rs. 500 million under the Islamic Temporary Economic Refinance (ITERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 465.05 million (2022: Rs.462.07 million).

The tenor of the facility is seven years including two years grace period. This finance facility is repayable in twenty equal quarterly installments commencing from January 2023.

The finance facility is secured by way of mortgage of immovable properties and first pari passu hypothecation charge over the fixed assets of the Company along with 25% margin. The rate of markup is fixed at 2.20% per annum.

22.2 This represents Syndicated Term Financing Arrangement amounting to Rs. 250 million under the Islamic Temporary Economic Refinance (ITERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 246.53 million (2022: Rs.246.53 million).

The tenor of the facility is ten years including two years grace period. This finance facility is repayable in thirty two equal quarterly installments commencing from July 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The finance facility is secured by first pari passu hypothecation charge over the fixed assets (excluding land and building) of the Company along with 25% margin. The rate of markup is fixed at 3.05% per annum.

- 22.3** This represents Diminishing Musharaka Financing amounting to Rs. 4,000 million with Meezan Bank Limited to rationalize use of short-term working capital limits. The tenor of the facility is five years with one year grace period. This finance facility is repayable in sixteen equal quarterly installments which commence from December 2023.

The finance facility is initially secured by way of ranking charge and will be upgraded to 1st Pari Passu Hypothecation Charge over all present and future movable fixed assets (including Plant & Machinery) of the Company with 25% margin.

The rate of markup is equal to base rate plus 0.15% . Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the year, the effective markup rate was 16.75 %.

- 22.4** This represents Syndicated Term Financing Arrangement amounting to Rs. 1,500 million under the Temporary Economic Refinance (TERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 1,351 million (2022: Rs.1,500 million).

The tenor of the facility is seven years including two years grace period. This finance facility is repayable in twenty equal quarterly installments commencing from January 2023.

The finance facility is secured by way of mortgage of immovable properties and first pari passu hypothecation charge over the fixed assets of the Company along with 25% margin. The rate of markup is fixed at 2.20% per annum.

- 22.5** The Company has term finance facility from Allied Bank Limited under Financing Scheme of the State Bank of Pakistan for Renewable Energy (Category II) amounting to Rs. 400 million specifically for Solar Grid Panels. The Company has utilized Rs. 267.9 million out of sanctioned limit of the facility.

The tenor of the loan is seven years and are repayable in 28 equal monthly installments commencing from September 2018.

This term loan is secured by way of first hypothecation charge over all assets belonging to the Company with 25% margin. The rate of markup is fixed ranges from 2.75% to 4.5% for different drawdowns.

- 22.6** This term finance facility has been fully repaid during the year at its maturity date.

- 22.7** This represents Syndicated Term Financing Arrangement amounting to Rs. 200 million under the Temporary Economic Refinance (TERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine. The principal outstanding is Rs.160.00 million (2022: Rs. 160.00 million).

The tenor of the facility is ten years including two years grace period. This finance facility is repayable in thirty two equal quarterly installments commencing from July 2023.

The finance facility is initially by way off secured first pari passu hypothecation charge over the fixed assets (excluding land and building) of the Company along with 25% margin. The rate of markup is fixed at 4.50% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 22.8** This represents Term Finance Arrangement with JS Bank Limited amounting to Rs. 400 million under the Temporary Economic Refinance (TERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machines, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 400 million (2022:196.02 million).

The tenor of the facility is ten years including two years grace period. This finance facility is repayable in thirty two equal quarterly installments commencing from July 2023.

The finance facility is secured by way of first pari passu hypothecation charge over the fixed assets of the Company along with 25% margin. The rate of markup is fixed at 5.00% per annum.

	Note	2023 (Rupees in thousands)	2022
23 LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS			
Lease liabilities		37,209	48,251
Current portion		(13,764)	(11,042)
		<u>23,445</u>	<u>37,209</u>

- 23.1** These lease liabilities were recognized against right to use assets (Note 6). The Company discounted lease payments using its incremental borrowing rate which is 14% and 9% (2022: 14% and 9%) per annum.

- 23.2** The Future minimum lease payments to which the Company is committed under the agreement will be due as follows:

Particulars	Upto one year	One to Five year	Total
	(Rupees in thousands)		
Minimum lease payments	16,967	25,681	42,648
Finance cost allocated to future periods	(3,203)	(2,236)	(5,439)
Present value of minimum lease payment	<u>13,764</u>	<u>23,445</u>	<u>37,209</u>

	Note	2023 (Rupees in thousands)	2022
24 DEFERRED TAXATION			
Deferred taxation	24.1	<u>791,725</u>	<u>976,531</u>

- 24.1** The net balance for deferred taxation in respect of following temporary differences:

Deferred tax liabilities

Accelerated tax depreciation allowance 1,297,613 1,202,122

Deferred tax assets

Turnover tax / Alternative Corporate tax	(406,911)	(134,671)
Provision for slow moving stores and spares	(17,054)	(17,054)
Provision for compensated absences	(31,514)	(28,690)
Others	(50,409)	(45,176)
	<u>(505,888)</u>	<u>(225,591)</u>
	<u>791,725</u>	<u>976,531</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
24.2	The gross movement in the deferred tax liability during the year is as follow:		
Balance as at July 1,		976,531	1,094,964
Charged to statement of profit or loss	37	(176,847)	(100,976)
Charge recognized in other comprehensive income	39.9	(7,959)	(17,457)
		<u>791,725</u>	<u>976,531</u>

25 DEFERRED CAPITAL GRANT

Capital grant	25.1	361,873	440,767
Current portion shown under current liability		(110,053)	(114,862)
		<u>251,820</u>	<u>325,905</u>

25.1 Following is the movement in government grant during the year:

Opening balance		440,767	247,584
Additions during the year		42,909	301,168
Amortized during the year	25.1.1	(121,803)	(107,985)
Closing balance	25.2	<u>361,873</u>	<u>440,767</u>

25.1.1 It includes amortization charged to capital work in progress of Rs. 76.56 million (2022 : Rs. 71.44 million)

25.2 This represents government grant recognized on long term financing facilities obtained under SBP Refinance Scheme from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration plants and Auxiliaries relating thereto as disclosed in notes 22.1, 22.2, 22.4, 22.8 and 22.9.

These deferred capital grants have been recorded in accordance with the IAS-20 Government Grants and are being amortized on a systematic basis over the term of loans.

	Note	2023 (Rupees in thousands)	2022
26	TRADE AND OTHER PAYABLES		
Creditors	26.1	1,292,966	1,156,076
Foreign bills payable		1,022,934	1,647,963
Accrued liabilities		936,106	1,076,717
Sales tax payable - net		233,033	29,085
Contract liabilities	26.2	486,143	242,619
Gratuity payable	39.4	134,786	118,363
Employee leave encashments		108,667	98,963
Workers' Profit Participation Fund	26.3	75,999	175,118
Workers' Welfare Fund		91,935	139,150
Provident fund payable		11,046	10,132
Other liabilities		214,959	218,656
		<u>4,608,574</u>	<u>4,912,842</u>

26.1 The aggregate amount of the outstanding balance due to associated undertakings as at June 30, 2023 is Rs. 1.43 million (2022: Rs. 3.94 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

- 26.2** This represents the amount of consideration received from customers before the related goods are transferred.

	Note	2023 (Rupees in thousands)	2022
26.3 Workers' Profit Participation Fund			
Balance at July 01		175,118	229,057
Interest on funds utilized in Company's business	36	6,767	616
Allocation for the year	34	75,999	175,118
		<u>257,884</u>	<u>404,791</u>
Amount paid during the year		(181,885)	(229,673)
Balance at June 30		<u>75,999</u>	<u>175,118</u>

27 INTEREST AND MARK-UP ACCRUED

Interest and mark-up accrued on:

Long-term financing from Banks

Islamic mode

Conventional mode

249,936	11,252
13,443	17,226
<u>263,379</u>	<u>28,478</u>

Short-term borrowings from Banks

Islamic mode

Conventional mode

105,803	37,841
171,503	118,888
<u>277,306</u>	<u>156,729</u>
<u>540,685</u>	<u>185,207</u>

28 SHORT TERM BORROWINGS

From banking companies - secured

Running finances

Islamic mode

Conventional mode

1,160,235	717,738
2,017,283	6,795,164
<u>3,177,518</u>	<u>7,512,902</u>
28.1	
893,600	-
<u>4,071,118</u>	<u>7,512,902</u>
28.2	

Short-term money market loans

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

- 28.2** Short-term money market loans have been arranged as a sub-limit of the running finance facility. The facilities are available for the maximum period of one year from the date of agreement with the latest facility expiring on June 30, 2024.

- 28.3** The Company has available aggregate sub-limits for FE loans under facilities for running finance and letters of credit amounting to Rs. 8,930 million (2022: Rs. 8,930 million). No utilization of FE loan has been made during the year.

- 28.4** These arrangements are secured by way of pari passu hypothecation charge created on stock-in-trade, stores and spares and trade debts of the Company.

- 28.5** Aggregate facilities for opening of letters of credit and guarantees amounting to Rs. 12,200 million (2022: Rs. 11,306 million) are available to the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

a) Guarantees

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

The new guarantees of Rs. 236.77 million have been furnished during the year comprising of Rs.136.77 million in favor of the "Nazir High Court of Sindh Karachi" in accordance with the order of the Honorable High Court of Sindh on the matter of super tax (Refer note no.18.1) and additional guarantee of Rs.100.00 million in favor of "Excise & Taxation Department".

b) Sales tax

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

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

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

29.2 Commitments

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

- a) Letters of credit other than for capital expenditure at the end of the year amounted to Rs. 2,304.45 million (2022: Rs. 7,038.07 million).
- b) Capital expenditure including letters of credit amounting to Rs. 60.39 million (2022: Rs. 354.78 million).

30	TURNOVER - NET	Note	2023	2022
			(Rupees in thousands)	
	Gross turnover			
	Local turnover		55,559,920	45,519,884
	Export turnover	30.1	230,472	41,102
			<u>55,790,392</u>	<u>45,560,986</u>
	Sales tax		(8,129,144)	(6,560,739)
			<u>47,661,248</u>	<u>39,000,247</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
30.1 Information by geographical area			
Afghanistan		<u>230,472</u>	<u>41,102</u>
31 COST OF SALES			
Materials consumed		28,304,021	22,475,035
Fuel and power		9,927,588	7,649,346
Depreciation on property, plant and equipment	6.6	1,030,769	1,009,515
Salaries, wages and other benefits	31.1	1,352,077	1,174,629
Stores and spares consumption		973,261	1,061,650
Repairs and maintenance		214,951	188,854
Packing expenses		937,339	853,057
Insurance		122,500	98,918
Rent, rates and taxes		5,472	4,417
Manufacturing cost		<u>42,867,978</u>	<u>34,515,421</u>
Work-in-process			
Opening stock		206,536	127,238
Closing stock		(130,390)	(206,536)
		<u>76,146</u>	<u>(79,298)</u>
Cost of goods manufactured		<u>42,944,124</u>	<u>34,436,123</u>
Finished goods			
Opening stock		1,332,629	923,783
Closing stock		(1,057,075)	(1,332,629)
		<u>275,554</u>	<u>(408,846)</u>
		<u>43,219,678</u>	<u>34,027,277</u>
31.1	Salaries, wages and other benefits include Rs. 88.31 million (2022: Rs. 74.52 million) in respect of staff retirement benefits.		
32 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits	32.1	520,835	428,329
Depreciation on property, plant and equipment	6.6	72,055	58,212
Information technology charges		63,040	49,582
Rent, rates and taxes		14,631	17,190
Amortization on intangible assets	8.1	6,115	3,962
Security service charges		80,021	64,985
Repairs and maintenance		19,532	15,512
Travelling and conveyance		10,838	10,704
Electricity		23,280	17,326
Printing, stationery and periodicals		15,108	14,580
Business promotion expenses		7,388	3,667
Fees and subscriptions		17,002	11,705
Telephone and postage		4,152	3,996
Insurance		8,064	5,636
Advertisement		515	1,166
		<u>862,576</u>	<u>706,552</u>
32.1	Salaries and other benefits include Rs. 28.36 million (2022: Rs. 23.57 million) in respect of staff retirement benefits.		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
33 SELLING AND DISTRIBUTION EXPENSES			
Selling expenses			
Salaries and other benefits	33.1	85,351	71,348
Insurance		1,619	1,239
Electricity		777	220
Depreciation on property, plant and equipment	6.6	4,055	3,546
Export related expenses		506	1,183
Travelling and conveyance		511	918
Rent, rate and taxes		2,235	2,120
Telephone and postage		140	139
		<u>95,194</u>	<u>80,713</u>
Distribution expenses			
Outward freight		185,454	159,541
		<u>280,648</u>	<u>240,254</u>

33.1 Salaries and other benefits include Rs. 6.24 million (2022: Rs 5.28 million) in respect of staff retirement benefits.

34 OTHER OPERATING EXPENSES

Legal and professional charges		12,896	13,710
Auditor's remuneration			
Statutory audit		1,650	1,650
Half yearly review		225	225
Fee for other certification		385	165
Reimbursement of expenses		237	170
		<u>2,497</u>	<u>2,210</u>
Workers' profit participation fund	26.3	75,999	175,118
Workers' welfare fund - current year		22,565	69,780
Workers' welfare fund - prior year		(174)	719
Net exchange loss		7,450	3,112
Donation	34.1	7,438	8,222
Provision for expected credit losses (ECL)	12.3	1,627	2,310
Others		5,839	5,321
		<u>136,137</u>	<u>280,502</u>

34.1 The Company has paid donations to donees as mentioned below:

Name of Donee

Million Smile Foundation	1,718	1,650
District Public School Kasur	-	3,500
Smile Foundation	2,110	959
Institute Of Rural Management	1,229	1,693
District Assistant Commissioner - Pattoki	1,517	-
Government Girl High School - Kasur	430	-
Others	434	420
	<u>7,438</u>	<u>8,222</u>

34.1.1 None of the directors or their spouses had any interest in any of the donee during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
35 OTHER INCOME			
Income from non-financial assets			
Profit on bank deposits - Conventional		26,415	-
Sale of scrap		193,052	146,713
Gain on sale of operating fixed assets - net		9,987	4,025
Amortization of deferred income - Government grants		45,251	36,540
Others		290	115
		274,995	187,393
36 FINANCE COST			
Long term financing from banks			
Islamic mode		566,286	3,340
Conventional mode		70,290	61,682
		636,576	65,022
Long term loan from associated undertakings		-	46,526
Short term borrowings			
Islamic mode		335,829	93,687
Conventional mode		1,018,368	441,105
		1,354,197	534,792
Workers' Profit Participation Fund	26.3	6,767	616
		1,997,540	646,956
Bank charges and commission		12,807	10,569
Finance cost on leases		4,924	6,033
Finance cost on GIDC		350	12,757
		2,015,621	676,315
37 TAXATION			
For the year			
Current	37.1	703,452	1,128,342
Prior		(10,011)	17,453
Deferred		(176,847)	(100,976)
		516,594	1,044,819
37.1	The provision of current tax charge for the year contains minimum tax at 1.25% of the turnover for the year and final tax regime at 1% of export proceeds. It also includes super tax provided at 10% under Section 4(c) of Income Tax Ordinance, 2001 in accordance with the new slab rates for super tax as introduced through Finance Act 2023.		
37.2	Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:		
		2023 %age	2022 %age
Applicable tax rate		29.00	29.00
Effect of prior year tax		(0.70)	0.53
Super tax		7.78	4.20
Others		0.26	(1.66)
		7.34	3.07
Average effective tax rate		36.34	32.07

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

38 EARNINGS PER SHARE - BASIC AND DILUTED

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

	2023 (Rupees in thousands)	2022 (Rupees in thousands)
Profit for the year	<u>904,989</u>	<u>2,211,921</u>
Weighted average number of ordinary shares (in thousands)	<u>401,713</u>	Restated <u>401,713</u>
Earnings per share attributable to ordinary shareholders (Rupees)	<u>2.25</u>	<u>5.51</u>

There is no dilutive effect on the basic earnings per share of the Company. The corresponding period figures have been restated retrospectively to include the impact of the bonus shares issued during the year as requirements by International Accounting Standard.

39 DEFINED BENEFIT PLAN

39.1 General description

The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2023 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution are on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Asset volatility - Most assets are invested in risk free investments i.e. Government Bonds / Treasury Bills. However, investments in equity instruments are subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the Actuary.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

39.2 Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

	2023 %age	2022 %age
Discount rate	16.25	13.25
Expected rate of return on plan assets	13.25	10.00
Expected rate of increase in salary	16.25	13.25

39.3 Reconciliation of balance due to defined benefit plan Note

2023
(Rupees in thousands) 2022

Present value of defined benefit obligation	1,001,556	868,466
Fair value of plan assets	(866,770)	(750,103)
Closing net liability	134,786	118,363

39.4 Movement of the liability recognized in the statement of financial position

Opening net liability		118,363	70,676
Charge for the year	39.8	58,210	44,575
Remeasurement chargeable to other Comprehensive income	39.9	27,443	60,198
Contribution made during the year		(69,230)	(57,086)
Closing net liability	26	134,786	118,363

39.5 Fair value of plan assets at year end

Government securities	146,098	26,639
Term Deposit Receipt (TDR)	103,550	372,890
Term Finance Certificates / Certificates of Investment	89,670	31,762
Mutual funds / Shares	514,325	322,097
Cash at banks	13,593	5,196
Others	(467)	(8,481)
	866,769	750,103

39.6 Movement in present value of defined benefit obligations

Opening present value of defined benefit obligations	868,466	755,244
Current service cost for the year	47,144	40,707
Interest cost for the year	113,148	74,093
Benefits due but not paid during the year	(466)	(6,911)
Benefits paid during the year	(28,571)	(21,722)
Remeasurement loss on obligation	1,834	27,055
Closing present value of defined benefit obligations	1,001,556	868,466

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
39.7 Movement in fair value of plan assets			
Opening fair value of plan assets		750,103	684,568
Remeasurement loss on plan assets		(25,609)	(33,143)
Contributions during the year		69,230	57,086
Benefits paid during the year		(28,571)	(21,723)
Benefits due but not paid during the year		(466)	(6,910)
Expected return on plan assets		102,082	70,225
Closing fair value of plan assets		<u>866,769</u>	<u>750,103</u>
39.8 Charge for the year			
Current service cost		47,144	40,707
Interest cost		113,148	74,093
Expected return on plan assets		(102,082)	(70,225)
Charge for the year		<u>58,210</u>	<u>44,575</u>
39.9 Remeasurement chargeable to other comprehensive income			
Remeasurement loss on defined benefit obligation		1,834	27,055
Remeasurement loss on plan assets		<u>25,609</u>	<u>33,143</u>
		27,443	60,198
Tax impact on remeasurement of defined benefit liability		<u>(7,959)</u>	<u>(17,457)</u>
		<u>19,484</u>	<u>42,741</u>
39.10 Sensitivity analysis			
The impact of 1% change in following variables on defined benefit obligation is as follows:			
		Increase in assumption	Decrease in assumption
Discount rate		(49,530)	55,788
Salary increase		56,329	(50,888)
39.11 Maturity Profile		2023	2022
		(Rupees in thousands)	
Time in year			
1		272,904	229,904
2		69,152	58,468
3		117,612	63,479
4		124,013	107,504
5-10		1,043,295	816,540
Weighted average duration		5 years	6 years
39.12	The charge in respect of defined benefit plan for the year ending June 30, 2024 is estimated to be Rs. 70.986 million.		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

40 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of "Century Paper & Board Mills Limited - Employees Contributory Provident Fund".

The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

40.1 The Trustees have intimated that the size of the Fund at year end was Rs. 926.34 million (2022: Rs. 821.08 million).

40.2 As intimated by the Trustees, the cost of the investments made at year end was Rs. 901.02 million (2022: Rs. 757.44 million) which is equal to 97.26% of the total fund size. The fair value of the investments was Rs. 919.02 million (2022: Rs. 762.75 million) at that date. The category wise break up of investment as per Section 218 of the Companies Act, 2017 is given below:

	2023		2022	
	Rupees in thousand	%	Rupees in thousand	%
Government securities	438,370	48	288,250	38
Listed Securities (Mutual funds)	418,670	45	463,784	61
Bank Term Deposit	61,980	7	10,714	1
	919,020	100	762,748	100

40.3 According to the Trustees, investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules made there under.

41 CASH GENERATED FROM OPERATIONS

	Note	2023 (Rupees in thousands)	2022
Profit before taxation		1,421,583	3,256,740
Adjustment for non-cash charges and other items:			
Depreciation on property, plant and equipment		1,106,879	1,071,273
Amortization of intangible assets		6,115	3,962
Gain on sale of operating fixed assets		(9,987)	(4,025)
Provision for gratuity		58,210	44,576
Provision for credit losses - ECL		1,627	2,310
Workers' Profit Participation Fund		75,999	175,118
Finance cost	36	2,015,621	676,315
Profit on term deposit		(26,415)	-
Amortization of deferred income - Government grants		(45,251)	(36,540)
Working capital changes	41.1	(536,871)	(4,746,166)
		4,067,510	443,563

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

	Note	2023 (Rupees in thousands)	2022
41.1 Changes in working capital			
(Increase) / decrease in current assets:			
Stores and spares		670,221	(1,258,460)
Stock-in-trade		(355,992)	(3,211,663)
Trade debts		(622,653)	(1,304,225)
Loans and advances		17,859	(61,945)
Trade deposits and short term prepayments		6,882	(6,262)
Other receivables		8,401	5,249
		<u>(275,282)</u>	<u>(5,837,306)</u>
Increase in current liabilities:			
Trade and other payables		(261,589)	1,091,140
		<u>(536,871)</u>	<u>(4,746,166)</u>

42 RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Long term Financing	Government Grant	Lease Liabilities	Equity reserves	Total
(Rupees in thousands)					
Balance as at July 1, 2022	2,451,467	440,767	48,251	10,197,608	13,138,093
Borrowings from Banking Companies	4,198,998	-	-	-	4,198,998
Repayment to Banking Companies	(279,135)	-	-	-	(279,135)
Deferred capital grant received	-	42,909	-	-	42,909
Amortized deferred capital grant	-	(121,803)	-	-	(121,803)
Repayment of lease	-	-	(11,042)	-	(11,042)
Bonus shares issued	-	-	-	(1,988,275)	(1,988,275)
Total comprehensive income for the year	-	-	-	904,989	904,989
Balance as at June 30, 2023	6,371,331	361,873	37,209	9,114,322	15,884,735

	Note	2023 (Rupees in thousands)	2022
43 CASH AND CASH EQUIVALENTS			
Cash and bank balances	18	800,991	759,729
Short-term borrowings	28	(4,071,118)	(7,512,902)
		<u>(3,270,127)</u>	<u>(6,753,173)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

- a) The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	2023				2022			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
(Rupees in thousands)								
Managerial remuneration	16,277	28,965	169,408	214,650	14,341	20,930	141,618	176,889
House rent	7,324	10,138	69,468	86,930	6,453	8,177	57,888	72,518
Fixed bonuses	4,243	-	39,505	43,748	5,982	-	52,286	58,268
Staff retirement benefits	4,703	-	33,338	38,041	3,811	-	25,972	29,783
Medical	1,628	2,897	16,940	21,465	1,434	2,093	14,162	17,689
Utilities	-	8,551	-	8,551	-	5,790	-	5,790
Others	8	-	4,804	4,812	8	-	6,320	6,328
Total	34,183	50,551	333,463	418,197	32,029	36,990	298,246	367,265
Number of persons	1	1	69	71	1	1	61	63

- b) Aggregate amount charged in these financial statements in respect of Directors' fee for attending Board, Audit Committee and HR & Remuneration Committee meetings amounted to Rs. 320,000 (2022: Rs. 320,000) and Rs. 320,000 (2022: Rs. 320,000) and Rs. 60,000 (2022: Rs. 120,000) respectively. The Directors fee for attending Board, HR & Remuneration Committee and Audit Committee meetings were paid as prescribed in Articles of Association.
- c) The Chief Executive (CEO) and certain executives are provided with cars for business and personal use in accordance with the Company car scheme.
- d) Remuneration to Non-Executive Director relates to amount paid for part time involvement in the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

45 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties and associated undertakings comprise group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than those as disclosed elsewhere in these financial statements, are as under:

Nature of transaction	Nature of Relation	Basis of Relation / Shareholding in the Company	2023 (Rupees in thousands)	2022
Sale of goods, services and reimbursement of expenses				
Merit Packaging Limited	Associated company	Common Director	3,156,493	2,502,087
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	928,719	1,071,769
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	1,825	8,457
Cyber Internet Services (Private) Limited	Associated company	Common Director	3,333	2,444
Sybird (Private) Limited	Associated company	Common Director	241	-
Purchase of goods, services and reimbursement of expenses				
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	223,702	210,964
Merit Packaging Limited	Associated company	Common Director	162,434	128,661
Lakson Business Solutions Limited	Associated company	Common Director	14,321	7,623
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	4,835	4,015
Princeton Travels (Private) Limited	Associated company	Common Director	4,105	6,908
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	3,795	3,502
Cyber Internet Services (Private) Limited	Associated company	Common Director	21,593	13,269
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	355	308
SIZA Foods (Private) Limited	Associated company	Common Director	-	44
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	101	109
Express Publications (Private) Limited	Associated company	Common Management	1,599	1,613
Sybird (Private) Limited	Associated company	Common Director	7,915	17,074
Pakistan Special Olympics	Related Party	Relative of Director Trustee	-	124
Rent and other allied charges				
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	8,578	8,148
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	4,039	3,771
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	873	816
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held	200	189
Mark-up paid				
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held	-	24,851
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	16,196
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	-	6,371
Long term loan paid				
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held	-	650,000
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	425,000
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	-	250,000
Cash dividend				
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	72,271
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	-	58,707
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held	-	22,499
Premier Fashions (Private) Limited	Associated company	Common Director and 8.97% shares held	-	23,740
Accuray Surgicals Limited	Associated company	Common Director	-	3,336
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	-	1,133
Directors , CEO & their Spouses			-	223

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

Nature of transaction	Nature of Relation	Basis of Relation / Shareholding in the Company	Note	2023 (Rupees in thousands)	2022
Stock dividend					
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held		542,995	72,271
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held		441,085	58,707
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held		169,045	22,499
Premier Fashions (Private) Limited	Associated company	Common Director and 8.97% shares held		178,363	23,740
Accuray Surgicals Limited	Associated company	Common Director		25,065	3,336
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held		8,513	1,133
Directors , CEO & their Spouses				1,672	223
Others					
Contribution to Staff Retirement Benefit Plans	Employees Fund			133,013	114,901
Remuneration and other benefits	Key Management Personnel		45.2	418,196	367,265

45.1 Year end balances

Receivable from related parties	12.1 & 15.1	1,026,086	800,969
Payable to related parties	26.1	1,430	3,938
Prepayment to related parties		10,050	15,018
Payable to Retirement Benefit Plan		145,832	128,495

45.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 44)". There are no transactions with key management personnel other than under their terms of employment.

45.3 All transactions with related parties have been carried out on commercial terms and conditions as approved by the Board of Directors.

46 CAPACITY AND PRODUCTION - TONNES

	2023		2022	
	Annual capacity on three shifts	Actual production	Annual capacity on three shifts	Actual production
Paper and paper board produced	265,000	195,454	265,000	255,102
Paper and paper board conversion	35,000	23,998	35,000	32,800

46.1 The Capacity and production represent the output of the paper & paper board machines. The Company could not achieve installed capacity due to market conditions.

47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

47.1 Risk management policies

The Company's objective in managing risks is the creation and protection of shareholders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The Board of Directors / Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

47.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures. Out of total financial assets of Rs. 6,079.25 million (2022: Rs. 5,409.98 million), the financial assets which are subject to credit risk amounted to Rs. 6,075.93 million (2022: Rs. 5,407.63 million). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2023	2022
	(Rupees in thousands)	
Loans and deposits	22,661	12,361
Trade debts	5,220,998	4,598,345
Other receivables	34,601	39,548
Bank balances	797,671	757,376
	<u>6,075,931</u>	<u>5,407,630</u>
The aging of trade receivable at the reporting date is:		
Not past due	3,642,140	3,407,386
Past due 1-30 days	1,270,237	778,069
Past due 30-90 days	272,932	346,720
Past due 90 days	35,689	66,170
	<u>5,220,998</u>	<u>4,598,345</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

47.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments, if any:

Carrying amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years	Over five years
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(Rupees in thousands)

2023

Long-term financing	6,371,331	9,065,664	959,273	952,480	2,233,032	2,302,482	2,618,397
Lease liabilities	37,209	42,649	8,243	8,725	13,756	11,925	-
Trade and other payables	2,724,924	2,724,924	2,724,924	-	-	-	-
Interest and mark-up accrued	540,685	540,685	540,685	-	-	-	-
Short-term borrowings	4,071,118	4,071,118	4,071,118	-	-	-	-
	13,745,267	16,445,040	8,304,243	961,205	2,246,788	2,314,407	2,618,397

2022

Long-term financing	2,451,467	3,145,185	210,338	275,221	568,563	1,069,922	1,021,141
Lease liabilities	48,251	55,305	10,689	11,314	17,839	15,464	-
Trade and other payables	3,484,847	3,484,847	3,484,847	-	-	-	-
Interest and mark-up accrued	185,207	185,207	185,207	-	-	-	-
Short-term borrowings	7,512,902	7,512,902	7,512,902	-	-	-	-
	13,682,674	14,383,446	11,403,983	286,535	586,402	1,085,386	1,021,141

47.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to price risk.

a) Currency risk

Foreign currency risk is the risk that the future cash flow of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	2023	2022
	(Rupees in thousands)	
Foreign bills payable	1,022,934	1,647,963
Outstanding letter of credits	2,364,840	7,392,854
Net exposure	3,387,774	9,040,817

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The following significant exchange rates have been applied.

	Average rate		Reporting date rate	
	2023	2022	2023	2022
	Rupees			
USD to PKR	249.49	178.03	286.50	204.70

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on net foreign currency exposure at reporting date.

(Rupees in thousands)

Effect on profit	208,281	555,914	239,174	639,193
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The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post-tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. At the Statement of Financial Position date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

2023	2022
Carrying amount	
(Rupees in thousands)	

Financial liabilities

Variable rate instruments

Long term loans

Short term borrowings

6,371,331	2,451,467
4,071,118	7,512,902

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increase / (decrease) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the prior year.

Profit or loss (post tax)	
100 bps increase	100 bps decrease
(Rupees in thousands)	

As at June 30, 2023

Cash flow sensitivity - Variable rate financial liabilities

(74,141)	74,141
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As at June 30, 2022

Cash flow sensitivity - Variable rate financial liabilities

(70,747)	70,747
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The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

2023
(Rupees in thousands)

2022

47.5 Financial instruments by category

Financial assets at amortized cost

Loans and deposits	22,661	12,361
Trade debts	5,220,998	4,598,345
Other receivables	34,601	39,548
Cash and bank balances	800,991	759,729
	<u>6,079,251</u>	<u>5,409,983</u>

Financial liabilities at amortized cost

Long term financing	6,371,331	2,451,467
Lease liabilities	37,209	48,251
Trade and other payables	2,724,924	3,484,847
Interest and mark-up accrued	540,685	185,207
Short-term borrowings	4,071,118	7,512,902
	<u>13,745,267</u>	<u>13,682,674</u>

48 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- 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.

Transfer between levels of the fair value hierarchy is recognised at the end of the reporting period during which the changes have occurred.

As of the reporting date, none of the financial instruments of the Company are carried at fair value.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

49 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2023

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

The proportion of debt to equity at the year end was:

	2023	2022
	(Rupees in thousands)	
Total borrowings (notes 22 & 28)	10,442,449	9,964,369
Balances with banks (note 18)	(351,183)	(329,768)
Net debt	10,091,266	9,634,601
Total equity	13,111,967	12,226,462
Total capital	23,203,233	21,861,063
Gearing ratio	0.43	0.44

50 OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 30 to the financial statements.

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 10, 2023 by the Board of Directors of the Company.

52 NUMBER OF EMPLOYEES

The number of employees as at year end was 1,661 (2022: 1,666) and average number of employees during the year was 1,662 (2022: 1,657).

53 GENERAL

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

53.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. Following reclassification has been made during the year:

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



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

PATTERN OF SHAREHOLDING

As at June 30, 2023

Incorporation Number K-54/8182 of 1984

CUIN Registration No. 0012021

NO. OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
527	1	100	12,086
515	101	500	154,064
401	501	1,000	335,791
1,167	1,001	5,000	2,896,409
329	5,001	10,000	2,406,629
152	10,001	15,000	1,874,474
71	15,001	20,000	1,227,684
67	20,001	25,000	1,495,706
36	25,001	30,000	992,525
28	30,001	35,000	917,361
18	35,001	40,000	664,750
11	40,001	45,000	467,626
18	45,001	50,000	847,179
15	50,001	55,000	776,540
9	55,001	60,000	515,235
6	60,001	65,000	369,753
15	65,001	70,000	1,015,976
8	70,001	75,000	577,453
9	75,001	80,000	701,555
6	80,001	85,000	493,084
5	85,001	90,000	447,073
3	90,001	95,000	279,207
8	95,001	100,000	787,084
2	100,001	105,000	204,267
8	105,001	110,000	865,815
5	110,001	115,000	562,413
3	115,001	120,000	351,945
1	120,001	125,000	121,165
5	125,001	130,000	637,522
2	135,001	140,000	273,220
2	145,001	150,000	294,138
1	150,001	155,000	150,282
1	155,001	160,000	158,400
2	160,001	165,000	324,577
1	165,001	170,000	166,500
1	170,001	175,000	174,873
3	175,001	180,000	537,150
2	195,001	200,000	393,500
3	200,001	205,000	612,619
2	210,001	215,000	425,389
1	215,001	220,000	215,478
3	225,001	230,000	683,100
1	240,001	245,000	244,886
4	250,001	255,000	1,009,703
2	260,001	265,000	526,270
1	275,001	280,000	275,972
1	280,001	285,000	284,625
1	305,001	310,000	309,886
1	335,001	340,000	337,986

PATTERN OF SHAREHOLDING

As at June 30, 2023

NO. OF SHAREHOLDERS	SHARES HOLDING		TOTAL SHARES HELD
	FROM	TO	
1	340,001	345,000	341,550
1	345,001	350,000	348,660
1	350,001	355,000	350,415
1	385,001	390,000	388,083
1	405,001	410,000	409,860
1	410,001	415,000	414,800
1	430,001	435,000	432,630
1	440,001	445,000	444,746
2	445,001	450,000	900,000
1	470,001	475,000	472,705
2	535,001	540,000	1,075,814
1	560,001	565,000	563,101
1	570,001	575,000	574,921
1	585,001	590,000	589,140
1	590,001	595,000	594,000
1	610,001	615,000	612,876
1	625,001	630,000	627,300
1	635,001	640,000	638,242
2	680,001	685,000	1,366,200
1	715,001	720,000	720,000
1	795,001	800,000	797,860
1	830,001	835,000	830,806
1	895,001	900,000	900,000
1	905,001	910,000	909,889
1	940,001	945,000	942,678
1	950,001	955,000	950,400
1	1,055,001	1,060,000	1,056,780
1	1,090,001	1,095,000	1,090,170
1	1,385,001	1,390,000	1,387,683
1	1,390,001	1,395,000	1,394,742
1	1,435,001	1,440,000	1,438,488
1	1,720,001	1,725,000	1,720,031
2	1,910,001	1,915,000	3,824,515
1	1,920,001	1,925,000	1,920,056
1	2,360,001	2,365,000	2,361,807
1	2,525,001	2,530,000	2,528,677
1	2,745,001	2,750,000	2,748,794
1	2,930,001	2,935,000	2,932,880
1	4,435,001	4,440,000	4,439,390
1	4,455,001	4,460,000	4,456,407
1	4,500,001	4,505,000	4,501,053
1	5,935,001	5,940,000	5,940,000
1	7,655,001	7,660,000	7,655,376
1	8,885,001	8,890,000	8,889,962
1	9,025,001	9,030,000	9,029,383
1	10,720,001	10,725,000	10,724,023
1	36,035,001	36,040,000	36,036,658
1	39,215,001	39,220,000	39,218,187
1	89,115,001	89,120,000	89,117,116
1	109,705,001	109,710,000	109,707,147

3,537

401,712,926

CATEGORIES OF SHAREHOLDING

As at June 30, 2023

SHAREHOLDERS' CATEGORY	Shares Held	Percentage
Directors, CEO, and their spouse and minor children	317,041	0.08
Associated Companies, undertakings and related parties	275,819,929	68.66
NIT and ICP	10,724,842	2.67
Banks, Development Financial Institutions, Non Banking Financial Institutions	14,898,080	3.71
Modarabas and Mutual Funds	21,702,497	5.40
Insurance Companies	9,829,544	2.45
Shareholders holding 10% or more	198,824,263	49.49
General Public	49,672,304	12.37
Others	18,748,689	4.67

Note: Some of the Shareholders are reflected in more than one category.

INFORMATION AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

As at June 30, 2023

SHAREHOLDERS' CATEGORY	SHARES HELD
ASSOCIATED COMPANIES/UNDERTAKINGS AND RELATED PARTIES	
SIZA Services (Private) Limited	89,117,116
SIZA (Private) Limited	109,707,147
Premier Fashions (Private) Limited	36,036,658
SIZA Commodities (Private) Limited	39,218,187
Century Insurance Company Limited	1,720,031
Sultan Ali Lakhani	4,825
Shaista Sultan Ali Lakhani	824
Fatima Lakhani	511
Bilal Ali Lakhani	410
Danish Ali Lakhani	7,786
Natasha Lakhani	3,043
Anika Amin Lakhani	3,391
MUTUAL FUNDS	
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	10,840
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	17,780
CDC - TRUSTEE ABL STOCK FUND	589,140
CDC - TRUSTEE AKD INDEX TRACKER FUND	36,214
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	23,544
CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	50,886
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	2,528,677
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	145,566
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1,910,374
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	450,000
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	22,500
CDC - TRUSTEE AWT STOCK FUND	22,500
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	126,000
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	204,590
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	215,478
CDC - TRUSTEE MEEZAN BALANCED FUND	538,022
CDC - TRUSTEE MEEZAN ISLAMIC FUND	9,029,383
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	2,361,807
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	10,724,023
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	69,372
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	83,250
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	444,746
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1,438,488
CDC - TRUSTEE - MEEZAN DEDICATED EQUITY FUND	250,470
CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	537,792
CDC - TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	198,000
M/S. FIRST CAPITAL MUTUAL FUND LIMITED	1,240
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	348,660
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	21,438
DIRECTORS,CEO,THEIR SPOUSES AND MINOR CHILDREN	
Iqbal Ali Lakhani	Chairman 5,914
Amin Mohammed Lakhani	Director 4,386
Babar Ali Lakhani	Director 51,643
Anushka Lakhani	Director 6,395
Aftab Ahmad	Director & CEO 116,721
Ali Aamir	Director 1,137
Asif Qadir	Director 2,277
Ronak Iqbal Lakhani W/o Iqbal Ali Lakhani	511
Saira Amin Lakhani W/o Amin Mohammed Lakhani	511
Roohi Aftab W/o Aftab Ahmad	127,546
EXECUTIVE	52
PUBLIC SECTOR COMPANIES AND CORPORATIONS	8,889,962
BANKS,DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABA AND PENSION FUNDS	18,591,143
SHAREHOLDERS HOLDING 5% OR MORE VOTING RIGHTS	
SIZA Services (Private) Limited	89,117,116
SIZA (Private) Limited	109,707,147
Premier Fashions (Private) Limited	36,036,658
SIZA Commodities (Private) Limited	39,218,187

FORM OF PROXY

I/We _____
of _____
a member of **CENTURY PAPER & BOARD MILLS LIMITED**
hereby appoint _____
of _____
or failing him/her _____
of _____

to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders of the Company to be held on October 17, 2023 and at any adjournment thereof.

Signed this _____ day of _____ 2023.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of shares held	Signature

Witness 1

Signature _____
Name _____
CNIC No. _____
Address _____

Witness 2

Signature _____
Name _____
CNIC No. _____
Address _____

- Notes:
1. The Proxy must be a member of the Company.
 2. The signature must tally with the specimen signature/s registered with the Company.
 3. If a proxy is granted by a member who has deposited his/her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
 4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company situated at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi not less than 48 hours before the time of the meeting excluding holidays.

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AFFIX
CORRECT
POSTAGE

TO,
THE COMPANY SECRETARY
CENTURY PAPER & BOARD MILLS LIMITED
LAKSON SQUARE, BUILDING NO. 2,
SARWAR SHAHEED ROAD,
KARACHI-74200.

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مختارنامہ (پراکسی فارم)

میں/ہم _____
 ساکن _____
 بحیثیت رکن (ممبر) سینجری پیپرائنڈ بورڈ ملز لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسلمی / مسماة _____
 ساکن _____
 کو یا ان کی غیر حاضری میں مسلمی / مسماة _____
 ساکن _____

کو جو خود بھی سینجری پیپرائنڈ بورڈ ملز لمیٹڈ کا رکن ہے کہ وہ بطور میرا / ہمارا مختارنامہ (پراکسی) سینجری پیپرائنڈ بورڈ ملز لمیٹڈ کے سالانہ اجلاس عام جو ۱۷ اکتوبر ۲۰۲۳ کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ ۲۰۲۳ کو میرے / ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر ۱	گواہ نمبر ۲
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
پتہ _____	پتہ _____

ہدایات:

- ۱۔ مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔
- ۲۔ ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- ۳۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختارنامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- ۴۔ مختارنامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل علاوہ چھٹی کے دنوں کے جمع کرانا ضروری ہے۔

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CORRECT
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TO,
THE COMPANY SECRETARY
CENTURY PAPER & BOARD MILLS LIMITED
LAKSON SQUARE, BUILDING NO. 2,
SARWAR SHAHEED ROAD,
KARACHI-74200.

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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) 38400000 Fax: (021) 35684336, 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