



Century Paper & Board Mills Limited

Making a **Difference**



Half Yearly Report December 2024

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Corporate Information

Board of Directors

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

Advisor

Sultan Ali Lakhani

Audit Committee

Ali Aamir - Chairman
Amin Mohammed Lakhani
Babar Ali Lakhani

Human Resource & Remuneration Committee

Asif Qadir - Chairman
Amin Mohammed Lakhani
Anushka Lakhani
Aftab Ahmad

Chief Financial Officer

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

Company Secretary

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

External Auditors

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

Shares Registrar

FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S. Shahra-e-Faisal, Karachi.
Phone: (021) 34380101-5, 34384621-3
Email: info.shares@famcosrs.com
Website: www.famcosrs.com

Head Office and Registered Office

Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan.
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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) 4388161-5 Fax: (049) 4388160



Directors' Review

On behalf of the Board of Directors, we are pleased to present the performance review of your Company together with the unaudited financial statements for the period under review (July-December 2024) that ended on December 31, 2024.

OPERATIONS AND SALES REVIEW

During the period under review, the Company produced 85,593 metric tons (L.Y. 94,297 metric tons). The sales volumes for the period under review stood at 88,031 metric tons (L.Y. 94,384 metric tons). In terms of value, the net sales were recorded at Rs. 19,803 million (L.Y. Rs. 22,079 million).

The Company's sales volumes declined due to both reduced market demand and unfair competition from cheaper imports, particularly Coated Bleached Board (CBB). Although anti-dumping duties are in place, traders have circumvented these measures by misclassifying product descriptions. In response, the Company, along with the domestic industry, filed an application for anti-circumvention duty (ACD), the determination of which is delayed due to ongoing litigation. A 10% regulatory duty was imposed, effective July 1, 2024, as a swift measure to curb cheaper imports. However, it expired on December 31, 2024, and could not be extended despite the domestic industry's concerted efforts. Nevertheless, Your Company will continue to actively pursue the efforts ensuring that the local industry receives the protection and support it rightfully deserves in the face of ongoing challenges.

FINANCIAL PERFORMANCE

The Company posted a gross profit of Rs. 1,803 million (L.Y. Rs. 2,056 million) for the period under review. Reduced sales volumes and lower selling prices for the Company's products compared to the corresponding period impacted gross profit; however, decreased raw material and energy costs helped to partially offset this decline. The net operating profit for the period under review was recorded at Rs. 1,328 million (L.Y. Rs. 1,529 million).

The finance cost for the period under review stood at Rs. 955 million (L.Y. Rs. 948 million). Interest rates gradually declined during the period due to policy rate cuts; however, the benefit was offset by elevated working capital requirements.

The Company reported profit before and after tax for the period at Rs. 372 million (L.Y. 581 million) and Rs. 201 million (L.Y. Rs. 354 million) respectively.

EARNINGS PER SHARE

The basic earnings per share for the period under review is reported at Rs. 0.50 (L.Y. Rs. 0.88). There is no dilution effect on the earnings per share for the period under review.

Directors' Review

NEAR TERM OUTLOOK

While macroeconomic stabilization has boosted economic confidence, industrial demand remains sluggish, with large-scale manufacturing suffered further contraction of 1.25% during the period under review. This subdued performance continues to exert pressure on demand in the paper and board industry. Furthermore, the domestic paper and board industry faces significant headwinds from a surge in low-cost imports, eroding local manufacturers' market share. The industry has actively engaged with government authorities, advocating for a level playing field as explained in earlier para of this report. Fair competition is crucial for this capital-intensive industry, a significant contributor to national revenue and a source of livelihood for a large workforce, both directly and throughout its supply chain.

In the extremely challenging market dynamics, we expect cost pressures to ease, supported by operational efficiencies from recent plant upgrades, a favorable energy mix, moderating material and fuel prices, successive policy rate cuts, and declining inflation. These factors are likely to provide a cushion, enabling us to adjust our pricing strategies in response to market conditions and navigate the complexities of the current economic landscape.

ACKNOWLEDGMENTS

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

On behalf of the Board of Directors



IQBAL ALI LAKHANI
Chairman



AFTAB AHMAD
Chief Executive Officer

Karachi: February 12, 2025



ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی طرف سے 31 دسمبر 2024ء کو ختم ہونے والی زیر جائزہ مدت (جولائی تا دسمبر 2024) کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

کاروباری کارکردگی اور سیلز کا جائزہ

کمپنی نے زیر جائزہ مدت کے دوران 85,593 میٹرک ٹن کی پیداوار کی، جو کہ گذشتہ سال کی اسی مدت میں 94,297 میٹرک ٹن تھی۔ کمپنی نے زیر جائزہ مدت کے دوران 88,031 میٹرک ٹن کی فروخت کی، جو کہ گذشتہ سال کی اسی مدت میں 94,384 میٹرک ٹن تھی۔ قدر کے اعتبار سے زیر جائزہ مدت میں سیلز ویلیو (Sales Value) 19,803 ملین روپے درج کی گئی، جو کہ گذشتہ سال اسی مدت میں 22,079 ملین روپے تھی۔

پیپر اور بورڈ کی مصنوعات کی طلب میں نمایاں کمی اور سستی در آمد بلخصوص کوئٹہ بلچر بورڈ کی وجہ سے پیدا ہونے والی غیر منصفانہ مسابقت نے کمپنی کے فروخت کے حجم کو متاثر کیا ہے۔ اگرچہ کوئٹہ بلچر بورڈ (CBB) پر اینٹی ڈمپنگ ڈیوٹیز نافذ ہے لیکن تاجروں کی طرف سے مصنوعات کی تفصیلات میں ردوبدل سے ان حفاظتی اقدامات کو غیر موثر کیا جا رہا ہے۔

اس سنگین صورت حال کے پیش نظر، کمپنی نے مقامی صنعت کے اشتراک سے اینٹی سرکوشن ڈیوٹی (ACD) کے نفاذ کے لیے باضابطہ درخواست دائر کی ہے۔ تاہم جاری قانونی کارروائی کی پیچیدگیوں کے سبب اس درخواست پر فیصلہ تا حال التواء کا شکار ہے۔

درآمد شدہ سستی مصنوعات کے بے ہنگم بہاؤ کو روکنے کے لئے یکم جولائی 2024ء سے 10 فیصد ریگولیٹری ڈیوٹی فوری طور پر نافذ کی گئی تھی، جو کہ ایک فوری اور ضروری اقدام تھا۔ لیکن یہ ڈیوٹی 31 دسمبر 2024ء کو اپنی معیاد پوری ہونے پر ختم ہو گئی اور مقامی صنعت کی بھرپور اور مسلسل کوششوں کے باوجود اس میں توسیع نہ ہو سکی۔

اس کے باوجود آپ کی کمپنی مقامی صنعت کو درکار تحفظ اور اپنے جائز حق کے حصول کے لئے اپنی کوششیں جاری رکھے گی۔

مالیاتی کارکردگی

زیر جائزہ مدت میں کمپنی نے 1,803 ملین روپے کا مجموعی منافع کمایا جو کہ گذشتہ سال اسی مدت میں 2,056 ملین روپے تھا۔ کمپنی کی مصنوعات کی فروخت اور قیمتوں میں کمی نے منافع پر منفی اثرات مرتب کیے۔ تاہم خام مال اور توانائی کی لاگت میں کمی نے ان منفی اثرات کو جزوی طور پر کم کرنے میں مدد کی۔

اسی طرح زیر جائزہ مدت میں خالص آپریٹنگ منافع 1,328 ملین روپے ریکارڈ کیا گیا جو کہ گذشتہ سال کی اسی مدت میں 1,529 ملین روپے تھا۔

زیر جائزہ مدت میں مالیاتی اخراجات 955 ملین روپے تک رہے جو گذشتہ سال اسی مدت میں 948 ملین روپے تھے۔ مالیاتی اخراجات منہا کرنے کے بعد زیر جائزہ مدت میں قبل از ٹیکس منافع 372 ملین روپے رہا جو گذشتہ سال اسی مدت میں 581 ملین روپے تھا۔

کمپنی نے زیر جائزہ مدت میں 201 ملین روپے کا بعد از ٹیکس خالص منافع کمایا جو گذشتہ سال اسی مدت میں 354 ملین روپے تھا۔

ڈائریکٹرز کا جائزہ

فی شیئر آمدنی

زیر جائزہ مدت میں فی شیئر آمدنی 0.50 روپے رپورٹ کی گئی جو کہ گذشتہ سال اسی مدت میں 0.88 روپے تھی۔

قریب مدتی منظر نامہ

اگرچہ معاشی اشاریوں میں استحکام سے معیشت کی بہتری کے آثار نمودار ہو رہے ہیں لیکن صنعتی پیداوار مسلسل دباؤ کا شکار ہے اور زیر جائزہ مدت میں بڑی صنعتوں کی پیداوار میں 1.25 فیصد کمی واقع ہوئی ہے۔ صنعتی پیداوار کی کسل مندی پیپر اور بورڈ کی مصنوعات کی طلب پر بھی منفی اثر ڈالے ہوئے ہے۔ مزید برآں پیپر اور بورڈ کی مقامی صنعت کی مصنوعات کی کھپت انتہائی سستی و آمدات کے بہاؤ سے بھی متاثر ہے۔ مقامی صنعت مساوی مواقع کے حصول کے لئے اپنی کوششیں جاری رکھے ہوئے ہیں جس کی تفصیل اس رپورٹ کے ابتدائی حصے میں درج کی گئی ہے۔

یہ صنعت جو بھاری سرمایہ اور مہارت کا تقاضا کرتی ہے، نہ صرف قومی معیشت کے لئے ایک اہم ستون ہے بلکہ براہ راست اور بالواسطہ طور پر ہزاروں افراد کے روزگار کا ذریعہ بھی ہے۔ اس لئے منصفانہ مسابقت کا فروغ ناگزیر ہے تاکہ یہ صنعت مستحکم رہے اور اپنی ترقی کا سفر جاری رکھ سکے۔

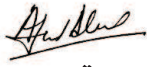
مشینوں کی حالیہ جدت طرازی سے حاصل شدہ بہتر استعداد کار، توانائی کے متبادل ذرائع کے موزوں استعمال، خام مال اور ایندھن کی قیمتوں میں استحکام، پالیسی ریٹس میں مسلسل کمی اور افراد زر کی گرتی ہوئی شرح سے لاگت کے دباؤ میں کمی واقع ہونے کا امکان ہے۔

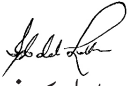
لاگت میں ممکنہ کمی آپ کی کمپنی کو اپنی مصنوعات کی قیمتوں کے رد و بدل کی مناسب حکمت عملی ترتیب دینے میں مددگار ثابت ہو سکتی ہے جو کہ موجودہ اقتصادی حالات کی پیچیدگیوں کے اثر کو کم کرنے میں معاون ثابت ہوگی۔

اظہار تشکر

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

بورڈ آف ڈائریکٹرز کی جانب سے


آفتاب احمد
چیف ایگزیکٹو آفیسر


اقبال علی لاکھانی
چیئر مین

کراچی: فروری 12، 2025

Independent Auditor's Report on Review of

Condensed Interim Financial Statements to the Members

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **CENTURY PAPER & BOARD MILLS LIMITED** ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year ended December 31, 2024 (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial statements. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

KARACHI

DATED: February 24, 2025
UDIN: RR202410166J8eLztMva



BDO EBRAHIM & CO.

Chartered Accountants

Engagement Partner: Tariq Feroz Khan

Condensed Interim Statement of Financial Position

as at December 31, 2024

	Note	December 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2024 (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	10,168,976	10,648,823
Capital work in progress	8	812,402	856,358
		<u>10,981,378</u>	<u>11,505,181</u>
Intangible assets		19,585	14,692
Long-term advances		19,237	8,599
Long-term deposits		9,831	9,831
		<u>11,030,031</u>	<u>11,538,303</u>
CURRENT ASSETS			
Stores and spares	9	3,834,937	4,060,143
Stock-in-trade	10	8,612,457	6,857,445
Trade debts		5,473,634	5,086,269
Advances		109,876	133,793
Trade deposits and short term prepayments	11	377,664	407,107
Other receivables		45,195	14,045
Tax refunds due from Government	12	996,656	651,333
Taxation - net		151,326	-
Short-term investment	13	303,411	-
Cash and bank balances	14	779,418	788,493
		<u>20,684,574</u>	<u>17,998,628</u>
TOTAL ASSETS		<u>31,714,605</u>	<u>29,536,931</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,000,000,000 (June 30, 2024: 1,000,000,000)			
ordinary shares of Rs. 10 each		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid-up capital			
401,712,926 (June 30, 2024: 401,712,926)			
ordinary shares of Rs. 10 each		<u>4,017,129</u>	<u>4,017,129</u>
Reserves		<u>9,865,314</u>	<u>9,664,757</u>
		<u>13,882,443</u>	<u>13,681,886</u>
NON - CURRENT LIABILITIES			
Long-term financing	15	3,015,500	3,741,044
Lease liabilities against right of use assets		6,652	11,276
Deferred taxation		666,891	818,660
Deferred capital grant	16	120,509	158,609
		<u>3,809,552</u>	<u>4,729,589</u>
CURRENT LIABILITIES			
Trade and other payables	17	4,729,973	4,950,854
Short-term borrowings	18	7,468,132	4,304,161
Interest and mark-up accrued	19	204,294	227,900
Taxation - net		-	6,160
Unclaimed dividend		1,639	1,643
Current portion of :			
Long-term lease liabilities against right of use assets		8,827	12,170
Deferred capital grant	16	81,473	93,211
Long-term financing	15	1,528,272	1,529,357
		<u>14,022,610</u>	<u>11,125,456</u>
TOTAL EQUITY AND LIABILITIES		<u>31,714,605</u>	<u>29,536,931</u>
CONTINGENCIES AND COMMITMENTS			
	20		

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer




Condensed Interim Statement of Profit or Loss

for the period ended December 31, 2024 (Un-audited)

	Note	Half year ended		Quarter ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees in thousands)					
		Restated		Restated	
Turnover - net	21	19,803,166	22,078,648	9,670,930	10,681,074
Cost of sales	22	(18,000,566)	(20,022,627)	(8,899,291)	(9,893,953)
Gross profit		1,802,600	2,056,021	771,639	787,121
General and administrative expenses		(517,424)	(482,525)	(245,167)	(238,249)
Selling expenses		(55,413)	(50,120)	(28,217)	(25,866)
Distribution expenses		(98,087)	(91,528)	(50,470)	(44,352)
Other operating charges					
Workers' Profit Participation Fund		(20,002)	(31,187)	(6,736)	(4,818)
Workers' Welfare Fund		(7,601)	(11,851)	(2,560)	(1,831)
Others		(20,748)	(20,283)	(12,167)	(6,230)
		(48,351)	(63,321)	(21,463)	(12,879)
Other income		244,313	160,093	144,113	95,259
Operating profit		1,327,638	1,528,620	570,435	561,034
Finance cost	23	(955,392)	(947,920)	(445,204)	(471,339)
Profit before income tax and levy		372,246	580,700	125,231	89,695
Levy-Minimum tax differential	25	(110,390)	(80,287)	(110,390)	(64,963)
Profit before income tax		261,856	500,413	14,841	24,732
Taxation					
Current		(205,168)	(253,766)	(148,354)	(77,600)
Prior		(7,900)	-	(7,900)	-
Deferred		151,769	107,581	194,701	107,581
		(61,299)	(146,185)	38,447	29,981
Profit for the period		200,557	354,228	53,288	54,713
Earnings per share - basic					
and diluted (Rupee)	24	0.50	0.88	0.13	0.14

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



IQBAL ALI LAKHANI
Chairman / Director



AFTAB AHMAD
Chief Executive Officer



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

for the period ended December 31, 2024 (Un-audited)

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Profit for the period	200,557	354,228	53,288	54,713
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	200,557	354,228	53,288	54,713

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



IQBAL ALI LAKHANI
Chairman / Director



AFTAB AHMAD
Chief Executive Officer



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



Condensed Interim Statement of Cash Flows

for the period ended December 31, 2024 (Un-audited)

	Note	Half year ended	
		December 31, 2024 (Rupees in thousands)	December 31, 2023 Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	(327,289)	3,532,539
Finance cost paid		(929,159)	(1,251,633)
Taxes paid		(675,542)	(559,359)
Gratuity paid		(38,991)	(40,508)
Workers' Profit Participation Fund paid		(62,774)	(75,999)
Long-term advances		(10,638)	(35)
Long-term deposits		-	(173,010)
Net cash (used in) / generated from operating activities		(2,044,393)	1,431,995
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(67,659)	(326,721)
Proceeds from sale of property, plant and equipment		26,851	8,161
Net cash (used in) investing activities		(40,808)	(318,560)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing from banking companies		(776,467)	(466,558)
Principle paid on lease liability		(7,966)	(6,445)
Net cash (used in) financing activities		(784,433)	(473,003)
Net (decrease) / increase in cash and cash equivalents		(2,869,635)	640,432
Cash and cash equivalents at the beginning of the period		(3,515,668)	(3,270,127)
Cash and cash equivalents at the end of the period		(6,385,303)	(2,629,695)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	779,418	1,002,005
Short term highly liquid investment	13	303,411	-
Short-term borrowings	18	(7,468,132)	(3,631,700)
		(6,385,303)	(2,629,695)

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.



IQBAL ALI LAKHANI
Chairman / Director



AFTAB AHMAD
Chief Executive Officer



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

for the period ended December 31, 2024 (Un-audited)

	Reserves										Total
	Issued, subscribed and paid-up capital	Capital			Revenue		Other Components of Equity	Total		Sub - total	
		Share premium	Merger reserve	Redemption reserve	Total	General reserve	Unappro- priated profit	Actuarial gain/ (loss) on defined benefit plan - net of deferred tax	Total		
Balance as at July 1, 2023 (Audited)	4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	267,838	126,040	6,193,878	9,094,838	13,111,967
Total comprehensive income for the period ended December 31, 2023											
Profit for the period	-	-	-	-	-	-	354,228	-	354,228	354,228	354,228
Balance as at December 31, 2023 (Un-audited)	4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	622,066	126,040	6,548,106	9,449,066	13,466,195
Balance as at July 1, 2024 (Audited)	4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	791,731	172,066	6,763,797	9,664,757	13,681,886
Total comprehensive income for the period ended December 31, 2024											
Profit for the period	-	-	-	-	-	-	200,557	-	200,557	200,557	200,557
Balance as at December 31, 2024 (Un-audited)	4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	992,288	172,066	6,964,354	9,865,314	13,882,443

(Rupees in thousands)

The annexed notes from 1 to 33 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

Century Paper & Board Mills Limited (“the Company”) was incorporated in Pakistan as a public limited company on August 2, 1984 under the repealed Companies Ordinance, 1984 (now Companies Act 2017) and its ordinary shares are listed on Pakistan Stock Exchange (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 condensed interim financial statements are unaudited but subject to the limited scope review by auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the half year ended December 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required for the complete set of annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2024 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative of statement of financial position presented in these condensed interim financial statements, together with the notes thereto have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2024, whereas the comparative of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes thereto are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2023.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2024 and December 31, 2023.

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024 (Un-audited)

3.2 Basis of measurement

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

3.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees (PKR), which is the functional and presentation currency of the Company.

4. MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2024.

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

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or did not have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2024.

6. TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2024, have been made using the best estimated effective tax rate applicable to expected total annual earnings. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Any tax charged under Income Tax Ordinance, 2001 which is not based on taxable income is classified as levy in the condensed interim statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

In the prior year, the Institute of Chartered Accountants of Pakistan (ICAP) has issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has recognized minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognized as 'Income tax', accordingly the comparative condensed interim statement of profit or loss has been restated and an amount of Rs. 80.287 million has been reclassified from Taxation to levy.

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

	Note	December 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2024 (Audited)
7. OPERATING FIXED ASSETS			
Fixed assets	7.1	10,157,910	10,632,126
Right-of-use assets	7.2	11,066	16,696
		10,168,976	10,648,822
7.1 Fixed assets			
Opening net book value (NBV)		10,632,126	10,339,212
Additions during the period / year at cost	7.1.1	101,600	1,404,768
		10,733,726	11,743,980
Disposals during the period / year at NBV	7.1.2	(7,123)	(12,482)
Depreciation charge for the period / year		(568,693)	(1,099,372)
		(575,816)	(1,111,854)
Closing net book value (NBV)		10,157,910	10,632,126
7.1.1 Detail of additions (at cost) during the period / year are as follows:			
Buildings on freehold land		-	151,616
Plant and machinery		79,102	1,089,636
Furniture and fixtures		-	2,110
Vehicles		16,998	95,268
IT equipments		4,941	62,920
Electrical and other equipments		559	3,218
		101,600	1,404,768
7.1.2 Detail of disposals (at NBV) during the period / year are as follows:			
Plant and machinery		4,036	-
Vehicles		3,073	11,281
IT equipments		-	731
Electrical and other equipments		15	470
		7,124	12,482
7.2 Right-of-use assets			
Opening net book value (NBV)		16,696	27,954
Depreciation charge for the period / year		(5,630)	(11,258)
		11,066	16,696
8. CAPITAL WORK IN PROGRESS			
This comprises of:			
Building		14,542	14,542
Plant and machinery		797,671	841,627
Advances to suppliers		189	189
	8.1	812,402	856,358

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

	Note	December 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2024 (Audited)
8.1 Movement of carrying amount is as follows:			
Opening balance		856,358	1,350,556
Additions (at cost) during the period / year		35,146	727,686
		<u>891,504</u>	<u>2,078,242</u>
Transfer to operating fixed assets during the period / year		(79,102)	(1,221,884)
Closing balance		<u>812,402</u>	<u>856,358</u>
9. STORES AND SPARES			
In hand			
Stores		1,592,575	1,623,592
Spares		1,036,431	1,051,397
Fuel		809,023	1,168,310
		<u>3,438,029</u>	<u>3,843,299</u>
In transit		455,718	275,654
		<u>3,893,747</u>	<u>4,118,953</u>
Provision for slow moving stores and spares		(58,810)	(58,810)
		<u>3,834,937</u>	<u>4,060,143</u>
10. STOCK-IN-TRADE			
Raw materials			
in hand		4,580,171	3,614,432
in transit		2,361,996	1,814,422
		<u>6,942,167</u>	<u>5,428,854</u>
Work-in-process		138,828	139,428
Finished goods		1,531,462	1,289,163
		<u>8,612,457</u>	<u>6,857,445</u>
11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits	11.1	184,520	186,605
Prepayments		82,754	10,050
Minimum tax - levy		110,390	210,452
		<u>377,664</u>	<u>407,107</u>
11.1		This includes an amount of Rs. 182.36 million (June 30, 2024: Rs 182.36 million) to Universal Gas Distribution Company (Private) Limited (UGDCL) as security deposit against contract for supply of gas at concessional rate. This represents short term deposits in the normal course of business and does not carry any interest or mark-up.	
12. TAX REFUNDS DUE FROM GOVERNMENT			
Income tax	12.1	749,868	555,270
Sales tax	12.2	246,788	96,063
		<u>996,656</u>	<u>651,333</u>



Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

12.1 There has been no significant change in the status as set out in note 17 to the annual financial statements of the Company for the year ended June 30, 2024.

12.2 This includes net claimable sales tax input amounting to Rs. 150.73 million.

	Note	December 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2024 (Audited)
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13. SHORT-TERM INVESTMENT

Treasury bills - at fair value through profit or loss	13.1	<u>303,411</u>	<u>-</u>
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13.1 This represents a three-months Treasury Bill investment made during the period, carrying a profit at the rate of 11.5% per annum. It is held as security for open-ended bank guarantee.

14. CASH AND BANK BALANCES

Cash at bank - conventional mode			
Current account		217,533	151,914
Term deposits	14.1	<u>340,000</u>	<u>386,768</u>
		557,533	538,682
Cheques in hand		219,646	245,653
Cash in hand		<u>2,239</u>	<u>4,158</u>
		<u>779,418</u>	<u>788,493</u>

14.1 This represents term deposit carries profit at the rate of 9.00% to 13.25% (June 30, 2024 18.00% to 18.40%) per annum held under lien with the bank as security for bank guarantee (open-ended) as referred in note 20.1.1.

15. LONG TERM FINANCING

From banking companies - secured

Utilized under mark-up arrangements financed by:

Islamic mode

Faysal Bank Limited - Musharaka	15.1	298,953	359,274
Bank Islami Pakistan Limited	15.1	182,875	189,207
Meezan Bank Limited - Musharaka	15.2	2,750,000	3,250,000
		<u>3,231,828</u>	<u>3,798,481</u>

Conventional mode

Syndicated - Consortium of Banks	15.3	829,235	952,928
Habib Metropolitan Bank Limited	15.3	116,303	123,253
JS Bank limited	15.3	316,495	327,614
Allied Bank Limited - Term Loan	15.4	49,911	68,125
		<u>1,311,944</u>	<u>1,471,920</u>
		<u>4,543,772</u>	<u>5,270,401</u>

Current portion:

Islamic mode		(1,125,288)	(1,123,449)
Conventional mode		(402,984)	(405,908)
		<u>(1,528,272)</u>	<u>(1,529,357)</u>
		<u>3,015,500</u>	<u>3,741,044</u>

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

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

500	Faysal Bank Ltd.	Balancing, Modernization and Replacement (BMR) of plant and machinery	2.20%	7 Years	20 Quarterly
250	Bank Islami Pak Ltd.		3.05%	10 Years	32 Quarterly

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

15.2 Diminishing Musharakah Financing

4000	Meezan Bank Ltd.	To rationalize use of short term working capital limits.	3 months KIBOR + 0.15%	5 Years	16 Quarterly
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The finance facility is secured by way of First Pari Passu Hypothecation Charge over all present and future movable fixed assets (including Plant & Machinery) of the Company with 25% margin. The effective markup rate was 18.38% (June 30, 2024 : 22.43%).

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

1500	Syndicated - Consortium of Banks	Balancing, Modernization and Replacement (BMR) of plant and machinery	2.20%	7 Years	20 Quarterly
200	Habib Metropolitan Bank Ltd.		4.50%	10 Years	32 Quarterly
400	JS Bank Ltd.		5%	10 Years	32 Quarterly

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

15.4 Renewable energy finance facility scheme of the State Bank of Pakistan

400	Allied Bank Ltd.	Solar Grid Panels	2.75% to 4.50%	7 Years	28 Quarterly
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This term loan is secured by way of first hypothecation charge over all assets belonging to the Company with 25% margin.

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
Note	(Rupees in thousands)	

16. DEFERRED CAPITAL GRANT

Capital grant	16.1	201,982	251,820
Current portion shown under current liability		<u>(81,473)</u>	<u>(93,211)</u>
		<u>120,509</u>	<u>158,609</u>



Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

	December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
Note	(Rupees in thousands)	
16.1 Following is the movement in government grant during the period / year:		
Opening balance	251,820	361,873
Addition during the period / year	-	-
Amortized during the period / year	16.1.1 (49,838)	(110,053)
Closing balance	201,982	251,820

16.1.1 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)" (Refer note 15) and amortized on a systematic basis over the respective tenor of loans.

17. TRADE AND OTHER PAYABLES

Creditors	17.1	2,022,483	1,625,178
Foreign bills payable		626,625	1,153,739
Accrued liabilities		1,247,399	1,180,109
Sales tax payable - net		-	144,802
Contract liabilities		91,583	57,320
Gratuity payable		51,750	58,251
Employee leave encashments		118,690	122,336
Workers' Profit Participation Fund		20,002	62,774
Workers' Welfare Fund		76,971	91,402
Minimum tax - levy		110,390	210,452
Provident fund payable		13,613	12,552
Other liabilities		350,467	231,939
		4,729,973	4,950,854

17.1 The aggregate amount of the outstanding balance of associated companies / undertakings is Rs. 76.31 million (June 30, 2024: Rs. 14.47 million).

18. SHORT TERM BORROWINGS

From banking companies - secured			
Running finances			
Conventional mode		87,744	971,774
Islamic mode		1,780,388	332,387
	18.1	1,868,132	1,304,161
Money market			
Conventional mode		5,150,000	3,000,000
Islamic mode		450,000	-
	18.2	5,600,000	3,000,000
		7,468,132	4,304,161

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

18.1 The Company has available aggregate short term running finance facilities amounting to Rs. 14,900 million (June 30, 2024: Rs. 15,500 million). Markup rates are linked with KIBOR from one to three months plus spread ranging from 0.05% to 1.50% (June 30, 2024: from 0.05% to 1.40%) per annum.

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

18.2 Short-term money market loans have been arranged as a sub-limit of the running finance facility.

December 31, 2024 (Un-audited)	June 30, 2024 (Audited)
(Rupees in thousands)	

19. INTEREST AND MARK-UP ACCRUED

Interest and mark-up accrued on:

Long-term financing from Banks
Islamic mode
Conventional mode

10,787	12,672
12,831	9,969
23,618	22,641

Short-term borrowings from Banks
Islamic mode
Conventional mode

67,458	46,061
113,218	159,198
180,676	205,259
204,294	227,900

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 1,467.19 million (June 30, 2024: Rs. 1,367.19 million) including guarantee relating to Sindh Infrastructure Cess amounting to Rs. 750 million (June 30, 2024: Rs. 650 million) furnished to Excise and Taxation Department and a guarantee of Rs. 136.77 million (June 30, 2024: Rs. 136.77 million) issued in favor of "The Nazir High Court of Sindh" in accordance with the order of the Honorable High Court of Sindh on the matter of super tax.

20.1.2 Sales tax

a) The Deputy Commissioner has adjudicated amounts of Rs. 299.99 million and Rs.230.611 million as inadmissible input tax adjustments on the ground of fake and flying invoices along with 100% penalty vide his order-in-original no. 14/07 and 15/07 dated February 26, 2024 and February 27, 2024 respectively. These orders were issued in response to show cause notices dated January 22, 2024 pertaining to input tax claimed on coal purchases from December 2021 to September 2023. This was despite the fact that the Company had provided all necessary information and evidence for the purchase, receipt, and consumption of coal during the period mentioned in the show cause notices.

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

Aggrieved with the orders passed by the Deputy Commissioner, the Company lodged an appeal before the Commissioner (Appeals) dated March 21, 2024 with the plea that the orders were unfairly decided, without considering the facts, evidence, and explanations provided by the Company. However, the Company had to pay Rs. 80 million under Section 48 of Chapter-IX of the Sales Tax Act 1990, in response to the order. The case stood transferred to Appellate Tribunal Inland Revenue on January 06, 2025 in accordance with the changes introduced through Finance Act 2024.

Based on the advice of the legal adviser, the management believes that the decision is likely to be in favor of the Company. Therefore, no liability has been provided in these condensed interim financial statements against the demand adjudicated in the orders.

- b) 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 as previously determined by the Commissioner (Appeals) vide his Order No. PRA 328/2018 dated November 06, 2019. However, the Company has filed a reference application before the Honorable Lahore High Court against the decision with the plea that order by the Appellate Tribunal was passed without comprehensively concluding the evidence and explanation provided by the Company. No provision has been made in these condensed interim 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.
- c) 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 forums. 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 condensed interim 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.

20.2 Commitments

Letters of credit at the end of the period amounted to Rs. 1,254.16 million (June 30, 2024: Rs. 2,245.61 million).

Half year ended		Quarter ended	
December 31, 2024 (Un-audited)	December 31, 2023	December 31, 2024 (Un-audited)	December 31, 2023
(Rupees in thousands)			

21. TURNOVER - NET

Local turnover	23,324,691	25,984,442	11,379,258	12,553,861
Sales tax	(3,521,525)	(3,905,794)	(1,708,328)	(1,872,787)
Net turnover	<u>19,803,166</u>	<u>22,078,648</u>	<u>9,670,930</u>	<u>10,681,074</u>

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

	Half year ended		Quarter ended	
	December 31, 2024 (Un-audited)	December 31, 2023	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
(Rupees in thousands)				
22. COST OF SALES				
Materials consumed	12,111,887	13,891,454	5,982,258	6,706,468
Fuel and power	3,604,659	4,218,705	1,832,202	2,176,985
Depreciation on property, plant and equipment	521,543	506,795	258,724	247,943
Salaries, wages and other benefits	766,875	741,097	380,974	370,791
Stores and spares consumption	567,200	573,712	259,233	314,945
Repairs and maintenance	106,602	91,859	65,429	48,211
Packing expenses	498,359	519,477	235,439	274,464
Insurance	60,014	62,827	30,752	32,444
Rent rates and taxes	5,126	4,469	2,516	2,262
Manufacturing cost	<u>18,242,265</u>	<u>20,610,395</u>	<u>9,047,527</u>	<u>10,174,513</u>
Work-in-process				
Opening stock	139,428	130,390	127,947	124,155
Closing stock	(138,828)	(176,413)	(138,828)	(176,413)
	<u>600</u>	<u>(46,023)</u>	<u>(10,881)</u>	<u>(52,258)</u>
Cost of goods manufactured	<u>18,242,865</u>	<u>20,564,372</u>	<u>9,036,646</u>	<u>10,122,255</u>
Finished goods				
Opening stock	1,289,163	1,057,075	1,394,107	1,370,518
Closing stock	(1,531,462)	(1,598,820)	(1,531,462)	(1,598,820)
	<u>(242,299)</u>	<u>(541,745)</u>	<u>(137,355)</u>	<u>(228,302)</u>
	<u>18,000,566</u>	<u>20,022,627</u>	<u>8,899,291</u>	<u>9,893,953</u>
23. FINANCE COST				
Long-term financing				
Islamic mode	308,363	484,587	132,431	245,626
Conventional mode	59,219	59,603	28,730	37,433
	<u>367,582</u>	<u>544,190</u>	<u>161,161</u>	<u>283,059</u>
Short term borrowings				
Islamic mode	164,206	141,015	83,884	71,867
Conventional mode	415,425	244,561	197,202	106,795
	<u>579,631</u>	<u>385,576</u>	<u>281,086</u>	<u>178,662</u>
Workers' Profit Participation Fund	2,492	4,183	16	-
Bank charges and commission	4,561	12,045	2,435	8,716
Finance cost on Leases	1,126	1,926	506	902
	<u>955,392</u>	<u>947,920</u>	<u>445,204</u>	<u>471,339</u>

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

Note	Half year ended		Quarter ended	
	December 31, 2024 (Un-audited)	December 31, 2023	December 31, 2024 (Un-audited)	December 31, 2023

(Rupees in thousands)

24. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit for the period	<u>200,557</u>	<u>354,228</u>	<u>53,288</u>	<u>54,713</u>
Weighted average number of ordinary shares (in thousands)	<u>401,713</u>	<u>401,713</u>	<u>401,713</u>	<u>401,713</u>
Basic earnings per share (Rupee) 24.1	<u>0.50</u>	<u>0.88</u>	<u>0.13</u>	<u>0.14</u>

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

25. LEVY-MINIMUM TAX DIFFERENTIAL

This represents portion of minimum tax under Section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

Note	Half year ended	
	December 31, 2024 (Un-audited)	December 31, 2023 Restated

(Rupees in thousands)

26. CASH GENERATED FROM OPERATIONS

Profit before income taxation	261,856	500,413
Adjustment for non cash charges and other items:		
Depreciation on property, plant and equipment	574,312	554,009
Amortization of intangible assets	5,122	3,513
Gain on disposal of operating fixed assets	(19,726)	(2,440)
Provision for gratuity	32,490	35,493
Workers' Profit Participation Fund	20,002	31,187
Minimum tax differential	110,390	80,287
Finance cost	955,391	947,920
Amortization of deferred income - government grants	(49,838)	(56,328)
Working capital changes 26.1	(2,217,288)	1,438,485
	<u>(589,145)</u>	<u>3,032,126</u>
	<u>(327,289)</u>	<u>3,532,539</u>

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

	Half year ended	
	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
(Rupees in thousands)		
26.1 Changes in working capital		
Decrease / (increase) in current assets		
Stores and spares	225,206	(1,266,821)
Stock-in-trade	(1,755,012)	1,881,336
Trade debts	(387,365)	601,877
Advances	23,917	39,781
Trade deposits and short-term prepayments	29,443	(74,217)
Other receivables	(31,150)	15,934
Tax refunds due from Government	(150,725)	(28,678)
	(2,045,686)	1,169,212
(Decrease) / increase in current liabilities		
Trade and other payables	(171,602)	269,273
	(2,217,288)	1,438,485

27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties and associated company / undertakings comprise of group company, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and other associated company / undertakings are as under:

Nature of transaction	Nature of Relation	Basis of Relation	Half year ended		Quarter ended	
			December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)	December 31, 2024 (Un-audited)	December 31, 2023 (Un-audited)
(Rupees in thousands)						
Sale of goods, Services and Reimbursement of expenses						
Merit Packaging Limited	Associated company	Common Director	1,473,309	1,719,113	687,565	840,449
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	606,430	478,904	290,078	274,937
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	18,610	2,573	1,517	1,513
Cyber Internet Services (Private) Limited	Associated company	Common Director	2,598	3,653	2,220	1,534
SIZA Foods (Private) Limited	Associated company	Common Director	285	400	190	400
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	208	92	151	92
Sybrid (Private) Limited	Associated company	Common Director	246	484	246	300
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	79	-	39	-

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

Nature of transaction	Nature of Relation	Basis of Relation	Half year ended		Quarter ended	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
			(Un-audited)		(Un-audited)	
			(Rupees in thousands)			
Purchase of goods, Services and Reimbursement of expenses						
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	203,677	191,337	15,885	14,281
Merit Packaging Limited	Associated company	Common Director	68,058	94,541	34,990	44,284
Lakson Business Solutions Limited	Associated company	Common Director	4,050	7,469	348	3,723
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	4,758	3,772	2,237	1,288
Princeton Travels (Private) Limited	Associated company	Common Director	4,451	3,272	3,567	2,547
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	3,105	2,776	1,553	1,388
Cyber Internet Services (Private) Limited	Associated company	Common Director	16,726	12,976	10,579	6,978
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	96	109	-	-
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	55	81	27	32
Express Publications (Private) Limited	Associated company	Common Management	1,465	968	459	427
Sybird (Private) Limited	Associated company	Common Director	1,280	2,267	276	1,374
Rent and other allied charges						
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	4,721	2,249	3,149	2,289
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	2,970	1,368	1,184	1,392
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	503	223	248	230
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held	111	105	56	53
Donation						
The Layton Rahmatulah Benevolent Trust	Related Party	Trustee	-	1,000	-	-

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024

Nature of transaction	Nature of Relation	Basis of Relation	Half year ended		Quarter ended	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
			(Un-audited) (Rupees in thousands)			
Purchase of short term investments						
Lakson Investment Company Limited	Associated company	Common Director	3,500,000	-	2,000,000	-
Sale proceeds on redemption of short term investments						
Lakson Investment Company Limited	Associated company	Common Director	3,578,556	-	2,560,031	-
Others						
Contribution to Staff Retirement Benefit Plans	Employees Fund		72,021	75,824	35,824	39,674
Remuneration and other benefits	Key Management Personnel		255,894	191,776	123,614	92,520
			December 31, 2024		June 30, 2024	
			(Un-audited)		(Audited)	
			(Rupees in thousands)			

27.1 Period / year end balances

Receivable from related parties	1,094,612	822,462
Payable to related parties	76,306	14,467
Prepayment to related parties	-	10,050
Payable to retirement benefit plan	65,363	70,802

28. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2024.

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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



Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2024 (Un-audited)

	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousands) -----			
December 31, 2024				
Investments				
Market Treasury Bills	-	303,411	-	303,411
	<u>-</u>	<u>303,411</u>	<u>-</u>	<u>303,411</u>
	<u>-</u>	<u>303,411</u>	<u>-</u>	<u>303,411</u>
June 30, 2024				
Investments				
Market Treasury Bills	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Transfers during the period

There were no transfers amongst levels during the period.

30. NUMBER OF EMPLOYEES

The number of employees as at period ended December 31, 2024 was 1,565 (June 30, 2024: 1,605) and average number of employees during the period was 1,582 (June 30, 2024: 1,632).

31. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 12, 2025 by the Board of Directors of the Company.

32. CORRESPONDING FIGURES


Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison and better presentation.

33. GENERAL

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


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



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