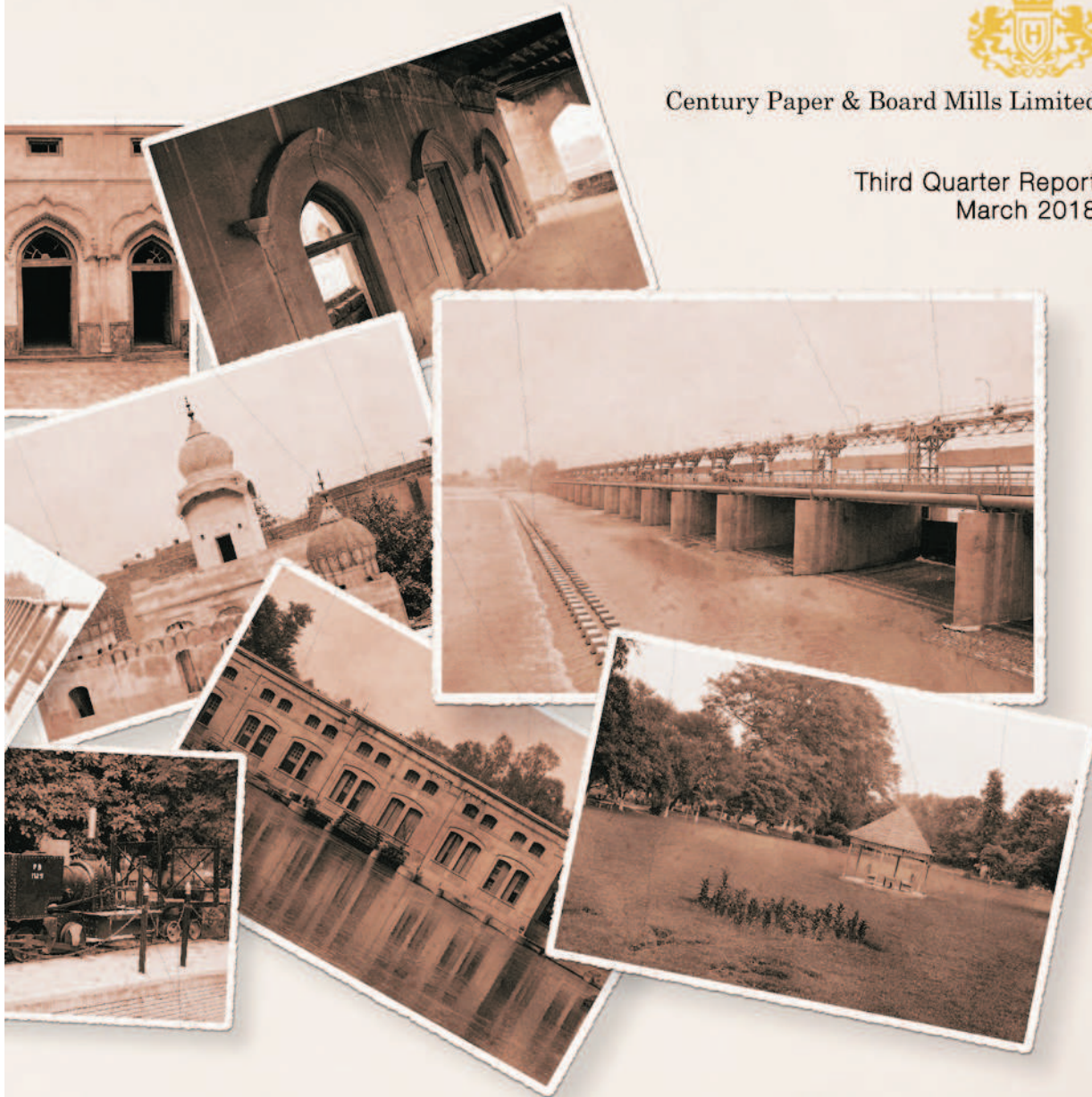




Century Paper & Board Mills Limited

Third Quarter Report  
March 2018



# Heritage around us

Clean - Green - Sustainable

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## Corporate Information

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### Board of Directors

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

### Advisor

Sultan Ali Lakhani

### Audit Committee

Kemal Shoaib	- Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	

### Human Resource and Remuneration Committee

Amin Mohammed Lakhani	- Chairman
Tasleemuddin Ahmed Batlay	
Aftab Ahmad	

### Chief Financial Officer

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

### Company Secretary

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

### Head Office and Registered Office

Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan.  
Phone: (021) 38400000  
Fax: (021) 35681163, 35683410  
Email: info@centurypaper.com.pk  
Website: www.centurypaper.com.pk

### Lahore Office

14-Ali Block, New Garden Town, Lahore-54600, Pakistan.  
Phone: (042) 35886801-4 Fax: (042) 35830338

### Mills

62 KM, Lahore-Multan Highway, N-5, District Kasur, Pakistan.  
Phone: (049) 4511464-5, 4510061-2 Fax: (049) 4510063

### External Auditors

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

### Shares Registrar

FAMCO Associates (Private) Limited  
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S. Shahra-e-Faisal, Karachi.  
Phone: (021) 34380101-2 Fax: (021) 34380106  
Email: info.shares@famco.com.pk  
Website: www.famco.com.pk



## Directors' Review

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On behalf of the Board of Directors I am pleased to present the performance review of the Company together with the un-audited financial statements for the Nine Months ended March 31, 2018.

### **Company's Operating Performance**

The Company produced 169,532 metric tons of paper and paperboard for the period under review (July 2017-March 2018) as compared to 160,440 metric tons of the corresponding period of last year. The current quarter (January-March 2018) production increased to 60,462 metric tons as compared to 55,967 metric tons for the corresponding quarter and 59,561 metric tons of preceding quarter.

During the period, optimal utilization of production facilities with uninterrupted supply of energy generated from Coal and economical mix of alternate fuels resulted in higher production as compared to corresponding period.

### **Sales Review**

During the period under review, sales registered an increase of 21% in terms of value and this increase came from both incremental sales volumes and competitive selling prices.

Company sold 160,683 metric tons during the period under review (July 2017-March 2018) as compared to 155,444 metric tons of the corresponding period of last year.

In terms of value, the net sales of the Company for the period under review (July 2017-March 2018) were recorded at Rs.14 billion as compared to Rs.11.53 billion of the corresponding period of last year.

### **Financial Performance**

Your Company earned gross profit of Rs. 1,866 million for the period under review (July 2017-March 2018) as compared to Rs. 1,295 million of the corresponding period of last year. Gross profit as percentage to sales, increased by 210 BPS as compared to corresponding period.

Similarly, the operating profit for the period under review (July 2017-March 2018) is recorded at Rs. 1,414 million as compared to Rs. 958 million of the corresponding period of last year.

After taking out financial charges of Rs. 348 million (L.Y. Rs. 309 million) for the period under review, the Company has posted a Profit before tax of Rs. 1,066 million as compared to a Profit before tax of Rs. 649 million posted for the corresponding period of last year.

## Directors' Review

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After accounting for taxation, the Company has posted net Profit of Rs. 744 million for the period under review as compared to profit of Rs. 455 million for the corresponding period of last year. Net profit as percentage of sales increased by 137 BPS as compared to corresponding period.

### Earnings per Share

The basic earnings per share (EPS) is reported at Rs. 4.71 which is considerably higher than as compared to EPS of Rs. 2.76 of the corresponding period of last year. There is no dilution effect on the earnings per share for the period under review and the corresponding period.

### Future Outlook

The Directors of your Company are pleased to report that National Tariff Commission, acting on its application, has recently announced Final Determination of anti-dumping duty on imported Coated Bleached Board from China. Management hopes that full implementation of anti-dumping duties imposed on different paper & paperboard products will result in considerable import substitution by the local industry.

Accelerated growth in economy, strong market pull for Company's products, efficient plant utilization & optimal products mix are likely to bring forth better prospects for your Company.

### Acknowledgments

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

On behalf of the Board of Directors



**AFTAB AHMAD**  
Chief Executive Officer

Karachi: April 23, 2018



**TASLEEMUDDIN AHMED BATLAY**  
Director



### فی شیئر آمدنی

بنیادی فی شیئر آمدنی 4.71 روپے رہی جبکہ گذشتہ سال کی بنیادی فی شیئر آمدنی 2.76 روپے تھی۔ زیر جائزہ مدت اور گذشتہ سال کی اسی مدت کے لیے فی شیئر آمدنی کے کمزور پڑنے کے کوئی آثار نہیں ہیں۔

### مستقبل کا منظر نامہ


آپ کی کمپنی کے ڈائریکٹرز کے لئے یہ بات باعث مسرت ہے کہ نیشنل ٹیرف کمیشن نے کوئٹہ بورڈ کی چین سے درآمد پر حتمی اینٹی ڈمپنگ ڈیوٹی عائد کر دی ہے۔ مینجمنٹ پز امید ہے کہ پیپر اور پیپر بورڈ کی مختلف مصنوعات پر عائد کی جانے والی اینٹی ڈمپنگ ڈیوٹی کے مکمل عملدرآمد سے مقامی صنعت کی پیداوار میں اضافے سے درآمدات میں نمایاں کمی ہوگی۔


معیشت میں نمایاں بہتری، کمپنی کی مصنوعات کی طلب میں اضافہ، پیداواری سہولیات کا بہتر استعمال اور موزوں پروڈکٹس سے کمپنی کی کارکردگی میں بہتری کے روشن امکانات ہیں۔

### اظہار تشکر

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

بورڈ آف ڈائریکٹرز کی جانب سے

  
تسلیم الدین احمد باٹے  
ڈائریکٹر

  
آفتاب احمد  
چیف ایگزیکٹو آفیسر

کراچی: 23 اپریل 2018



بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2018ء کو ختم ہونے والی تیسری سہ ماہی کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

### کمپنی کی کارکردگی کا جائزہ

کمپنی نے زیر جائزہ مدت (جولائی 2017 تا مارچ 2018) کے دوران 169,532 میٹرک ٹن پتھر اور پتھر بورڈ کی پیداوار دی، جو کہ گزشتہ سال کی اسی مدت میں 160,440 میٹرک ٹن تھی۔ اسی طرح حالیہ سہ ماہی (جنوری تا مارچ 2018) کی پیداوار 60,462 میٹرک ٹن رہی جو کہ گزشتہ سال کی اسی سہ ماہی (جنوری تا مارچ 2017) میں 55,967 میٹرک ٹن اور گزشتہ سہ ماہی (اکتوبر تا دسمبر 2017) میں 59,561 میٹرک ٹن تھی۔

زیر جائزہ سہ ماہی میں کوئلہ اور متبادل ایندھن کے موزوں استعمال کے ذریعے توانائی کی مسلسل فراہمی سے پیداواری سہولت کا بہتر استعمال کیا گیا جو کہ گزشتہ سال کی نسبت اضافی پیداوار حاصل کرنے کا سبب بنا۔

### سیلز کا جائزہ

زیر جائزہ مدت میں اضافی سیلز حجم اور مسابقتی قیمت فروخت کی بنا پر سیلز ویلیو میں 21% اضافہ ہوا۔

آپ کی کمپنی نے زیر جائزہ مدت (جولائی 2017 تا مارچ 2018) کے دوران 160,683 میٹرک ٹن سیلز حجم حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 155,444 میٹرک ٹن تھا۔

زیر جائزہ مدت (جولائی 2017 تا مارچ 2018) کے دوران نیٹ سیلز ویلیو 14 بلین روپے رہی جو کہ گزشتہ سال کی اسی مدت میں (جولائی 2016 تا مارچ 2017) کے دوران 11.53 بلین روپے تھی۔

### مالیاتی کارکردگی

آپ کی کمپنی نے زیر جائزہ مدت (جولائی 2017 تا مارچ 2018) کے دوران 1,866 ملین روپے کا مجموعی منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 1,295 ملین روپے تھا۔ مجموعی منافع، سیلز کے فی صد کے طور پر، گزشتہ سال کی اسی مدت کے مقابلے میں 210BPS زیادہ رہا۔ اسی طرح زیر جائزہ مدت (جولائی 2017 تا مارچ 2018) کے دوران 1,414 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 958 ملین روپے تھا۔ 348 ملین روپے (گزشتہ سال کے 309 ملین روپے) کے مالیاتی چارجز کو نکالنے کے بعد کمپنی نے زیر جائزہ مدت میں 1,066 ملین روپے کا قبل از ٹیکس منافع کمایا جو کہ گزشتہ سال کی اسی مدت کے لیے 649 ملین روپے تھا۔ کمپنی نے زیر جائزہ مدت کے لیے 744 ملین روپے کا بعد از ٹیکس منافع کمایا جو کہ گزشتہ سال کی اسی مدت کے لیے 455 ملین روپے تھا۔ بعد از ٹیکس منافع، سیلز کے فی صد کے طور پر، گزشتہ سال کی اسی مدت کے مقابلے میں 137BPS زیادہ رہا۔

# Condensed Interim Balance Sheet


as at March 31, 2018 (Un-audited)

	Note	March 31, 2018 (Rupees in thousands)	June 30, 2017 (Audited)
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	7	9,271,137	9,420,548
Operating fixed assets	8	149,948	302,278
Capital work in progress		9,421,085	9,722,826
Intangible assets		3,705	1,685
Long-term loans and advances	9	2,730	4,859
Long-term deposits		5,869	3,829
		9,433,389	9,733,199
<b>CURRENT ASSETS</b>			
Stores and spares	10	1,273,775	1,364,551
Stock-in-trade	11	2,275,985	1,963,091
Trade debts (unsecured - considered good)		2,234,571	1,585,378
Loans and advances	12	17,911	7,235
Trade deposits and short term prepayments	13	29,494	85,147
Other receivables		6,791	3,865
Tax refunds due from Government		221,251	227,169
Taxation - net		97,951	241,369
Cash and bank balances	14	349,246	226,476
		6,506,975	5,704,281
<b>TOTAL ASSETS</b>		<b>15,940,364</b>	<b>15,437,480</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 410,000,000 (June 30, 2017: 410,000,000) shares of Rs. 10 each		4,100,000	4,100,000
Issued, subscribed and paid-up capital 147,018,345 (June 30, 2017: 147,018,345) ordinary shares of Rs. 10 each		1,470,184	1,470,184
90,121,351 (June 30, 2017: 90,121,351) preference shares of Rs. 10 each	15	901,214	901,214
		2,371,398	2,371,398
Reserves		3,845,476	3,341,627
		6,216,874	5,713,025
<b>NON - CURRENT LIABILITIES</b>			
Long-term financing	16	2,955,000	2,987,500
Deferred taxation		1,079,078	934,494
		4,034,078	3,921,994
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	2,044,423	1,842,142
Short-term borrowings	18	2,479,205	2,840,150
Interest and mark-up accrued	19	70,784	38,353
Current portion of long-term financing	16	1,095,000	1,081,816
		5,689,412	5,802,461
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,940,364</b>	<b>15,437,480</b>

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

  
AFTAB AHMAD  
Chief Executive Officer

  
TASLEEMUDDIN AHMED BATLAY  
Director

  
MUHAMMAD RASHID DASTAGIR  
Chief Financial Officer

CENTURY PAPER & BOARD MILLS LIMITED





## Condensed Interim Profit and Loss Account


for the period ended March 31, 2018 (Un-audited)

		Nine months ended		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Note	(Rupees in thousands)			
Sales - net	21	14,000,464	11,532,808	5,109,871	4,355,275
Cost of sales	22	(12,134,573)	(10,238,038)	(4,409,422)	(3,801,165)
Gross profit		1,865,891	1,294,770	700,449	554,110
General and administrative expenses		(310,760)	(279,279)	(99,185)	(93,894)
Selling expenses		(40,156)	(36,998)	(12,475)	(12,603)
Distribution expenses		(51,466)	(45,283)	(19,749)	(18,448)
Other operating charges					
Workers' profit participation fund		(57,213)	(34,878)	(23,769)	(16,609)
Workers' welfare fund		(21,741)	(13,253)	(9,032)	(6,311)
Others		(25,150)	(23,893)	(5,232)	(11,283)
		(104,104)	(72,024)	(38,033)	(34,203)
Other income	23	54,206	97,295	23,059	14,444
Operating profit		1,413,611	958,481	554,066	409,406
Finance cost	24	(348,312)	(309,059)	(111,487)	(100,161)
Profit before taxation		1,065,299	649,422	442,579	309,245
Taxation					
Current		(175,006)	-	(63,874)	-
Prior		(1,421)	-	-	-
Deferred		(144,585)	(194,826)	(68,900)	(92,774)
		(321,012)	(194,826)	(132,774)	(92,774)
Profit for the period		744,287	454,596	309,805	216,471
Earnings per share					
- basic and diluted (Rupees)	25	4.71	2.76	1.98	1.36

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

  
AFTAB AHMAD  
Chief Executive Officer

  
TASLEEMUDDIN AHMED BATLAY  
Director

  
MUHAMMAD RASHID DASTAGIR  
Chief Financial Officer



## Condensed Interim Statement of Comprehensive Income


for the period ended March 31, 2018 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Rupees in thousands)				
Profit for the period	744,287	454,596	309,805	216,471
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>744,287</u>	<u>454,596</u>	<u>309,805</u>	<u>216,471</u>

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

  
AFTAB AHMAD  
Chief Executive Officer

  
TASLEEMUDDIN AHMED BATLAY  
Director

  
MUHAMMAD RASHID DASTAGIR  
Chief Financial Officer

## Condensed Interim Statement of Cash Flow

for the period ended March 31, 2018 (Un-audited)

	Note	March 31, 2018 (Rupees in thousands)	March 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	26	1,627,445	1,332,709
Finance cost paid		(315,881)	(299,567)
Taxes paid		(63,571)	(122,443)
Taxes refunded		36,481	108,365
Gratuity paid		(30,469)	(28,284)
Workers' Profit Participation Fund paid		(48,539)	(23,437)
Long-term loans and advances - net		2,129	(7,026)
Long-term deposits		(2,040)	-
Net cash generated from operating activities		1,205,555	960,317
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(466,426)	(570,113)
Proceeds from sale of property, plant and equipment		4,219	3,204
Net cash used in investing activities		(462,207)	(566,909)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term financing from Director		650,000	-
Proceeds from long-term financing from banking companies		150,000	225,000
Repayment of long-term financing from banking companies		(819,316)	(706,816)
Dividend paid on preference shares		(19,910)	-
Dividend paid on ordinary shares		(220,407)	-
Net cash used in financing activities		(259,633)	(481,816)
Net increase / (decrease) in cash and cash equivalents		483,715	(88,408)
Cash and cash equivalents at the beginning of the period		(2,613,674)	(1,770,949)
Exchange loss		-	(101)
Cash and cash equivalents at the end of the period		(2,129,959)	(1,859,458)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	14	349,246	367,795
Short-term borrowings	18	(2,479,205)	(2,227,253)
		(2,129,959)	(1,859,458)

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

  
**AFTAB AHMAD**  
 Chief Executive Officer

  
**TASLEEMUDDIN AHMED BATLAY**  
 Director  
 THIRD QUARTER REPORT MARCH 2018

  
**MUHAMMAD RASHID DASTAGIR**  
 Chief Financial Officer

## Condensed Interim Statement of Changes in Equity


for the period ended March 31, 2018 (Un-audited)

	Issued, subscribed and paid-up capital		Reserves								Total
			Capital				Revenue			Sub-total	
	Ordinary share capital	Preference share capital	Share premium	Merger reserve	Redemption reserve	Total	General reserve	Unappropriated profit	Total		
(Rupees in thousands)											
Balance as at July 1, 2016	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	404,641	717,867	3,479,168	5,850,566
Total comprehensive income for the period ended March 31, 2017											
Profit for the period	-	-	-	-	-	-	-	454,596	454,596	454,596	454,596
Balance as at March 31, 2017	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	859,237	1,172,463	3,933,764	6,305,162
Balance as at July 1, 2017	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	267,100	580,326	3,341,627	5,713,025
Total comprehensive income for the period ended March 31, 2018											
Profit for the period	-	-	-	-	-	-	-	744,287	744,287	744,287	744,287
Transaction with owners											
Interim dividend on ordinary shares @ Rs. 1.50 per share	-	-	-	-	-	-	-	(220,528)	(220,528)	(220,528)	(220,528)
Cumulative dividend paid on preference shares	-	-	-	-	-	-	-	(19,910)	(19,910)	(19,910)	(19,910)
Balance as at March 31, 2018	1,470,184	901,214	1,822,122	7,925	931,254	2,761,301	313,226	770,949	1,084,175	3,845,476	6,216,874

The annexed notes from 1 to 32 form an integral part of this condensed interim financial information.

  
AFTAB AHMAD  
Chief Executive Officer

  
TASLEEMUDDIN AHMED BATLAY  
Director  
CENTURY PAPER & BOARD MILLS LIMITED

  
MUHAMMAD RASHID DASTAGIR  
Chief Financial Officer

# Notes to the Condensed Interim Financial Information

*for the period ended March 31, 2018 (Un-audited)*

## 1. THE COMPANY AND ITS OPERATIONS

Century Paper & Board Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on August 02, 1984 under the repealed Companies Ordinance, 1984 (now substituted by Companies Act, 2017) and its ordinary shares are quoted on Pakistan Stock Exchange. The Company is engaged in manufacturing and marketing of paper, board and related products.

## 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. The mills (plant) of the Company is located at 62 KM, Lahore-Multan Highway, N-5, District Kasur, Pakistan, and a Regional Office of the Company is located at 14-Ali Block, New Garden Town, Lahore, Pakistan.

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

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

These condensed interim financial information of the Company for the nine months ended March 31, 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise off :

- 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial information do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2017 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative balance sheet presented in these condensed interim financial information have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2017, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2017.

### 3.2 Basis of measurement

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

### 3.3 Functional and presentation currency

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

# Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

## 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2017.

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

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2017. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

## 5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2017.

## 6. TAXATION

The provisions for taxation for the nine months and quarter ended March 31, 2018, have been made using the estimated effective tax rate applicable to expected total annual earnings.

		March 31, 2018	June 30, 2017 (Audited)
	Note	(Rupees in thousands)	
<b>7. OPERATING FIXED ASSETS</b>			
Opening net book value (NBV)		<b>9,420,548</b>	10,037,714
Additions during the period / year at cost	7.1	<b>583,515</b>	298,208
		<b>10,004,063</b>	10,335,922
Disposals during the period / year at NBV	7.2	<b>(3,227)</b>	(3,841)
Depreciation charge for the period / year		<b>(729,699)</b>	(911,533)
		<b>(732,926)</b>	(915,374)
Closing net book value (NBV)		<b>9,271,137</b>	9,420,548

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

Buildings on freehold land	<b>7,426</b>	73,153
Plant and machinery	<b>532,741</b>	201,767
Furniture and fixtures	<b>1,041</b>	847
Vehicles	<b>29,618</b>	16,170
Electrical and other equipments	<b>1,828</b>	4,373
Computers	<b>10,861</b>	1,898
	<b>583,515</b>	298,208



## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

		March 31, 2018	June 30, 2017 (Audited)
	Note	(Rupees in thousands)	
7.2	Detail of disposals (at NBV) during the period / year are as follows:		
	Vehicles	3,227	3,828
	Computers	-	13
		<u>3,227</u>	<u>3,841</u>
7.3	The free hold land is located at Village Jumber Khurd, Tehsil Pattoki, District Kasur and area of land is 158.5 acres.		
8.	CAPITAL WORK IN PROGRESS		
	Civil works	59,565	2,705
	Plant and machinery	87,153	297,798
	Advances to suppliers	3,230	1,775
		<u>149,948</u>	<u>302,278</u>
8.1	Movement of carrying amount is as follows:		
	Opening balance	302,280	49,036
	Additions (at cost) during the period / year	8.1.1 <u>376,696</u>	<u>502,944</u>
		678,976	551,980
	Transfer to operating fixed assets during the period / year	<u>(529,028)</u>	<u>(249,702)</u>
	Closing balance	<u>149,948</u>	<u>302,278</u>
8.1.1	This includes borrowing costs capitalized amounting to Rs. 1.083 million (June 30, 2017: nil) at an average rate of 6.26% per annum (June 30, 2017: nil).		
9.	LONG-TERM LOANS AND ADVANCES		
	(Unsecured - considered good)		
	Long-term loans	86	86
	Long-term advance to supplier	2,644	4,773
	9.1	<u>2,730</u>	<u>4,859</u>
9.1	This represents loans and advances in the normal course of business which do not carry any interest / mark-up.		
10.	STORES AND SPARES		
	In hand		
	Stores	10.1 <u>798,697</u>	<u>729,605</u>
	Spares	<u>383,325</u>	<u>413,612</u>
		1,182,022	1,143,217
	In transit	10.2 <u>131,063</u>	<u>256,144</u>
		1,313,085	1,399,361
	Provision for slow moving stores and spares	<u>(39,310)</u>	<u>(34,810)</u>
		<u>1,273,775</u>	<u>1,364,551</u>
10.1	This includes fuel for power and steam generation amounting to Rs. 154.81 million (June 30, 2017: Rs. 131.19 million).		

## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

10.2 This includes coal in transit amounting to Rs. 102.87 million (June 30, 2017: Rs. 218.31 million).

	<b>March 31, 2018</b>	<b>June 30, 2017 (Audited)</b>
	(Rupees in thousands)	
<b>11. STOCK-IN-TRADE</b>		
Raw materials		
in hand	<b>1,072,120</b>	1,110,602
in transit	<b>623,602</b>	419,043
	<b>1,695,722</b>	1,529,645
Work-in-process	<b>92,365</b>	96,961
Finished goods	<b>487,898</b>	336,485
	<b>2,275,985</b>	1,963,091
<b>12. LOANS AND ADVANCES</b>		
(Unsecured - considered good)		
Loans		
Current portion of long-term loans	<b>5</b>	116
Advances		
to employees	<b>3,331</b>	1,183
to suppliers	<b>14,575</b>	5,936
	<b>17,906</b>	7,119
12.1	<b>17,911</b>	7,235
12.1 This represents loans and advances in the normal course of the business and do not carry any interest / mark-up.		
<b>13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Trade deposits	<b>1,334</b>	773
Prepayments	<b>28,160</b>	84,374
	<b>29,494</b>	85,147
13.1 This represents short term deposits in the normal course of the business and do not carry any interest / mark-up.		
<b>14. CASH AND BANK BALANCES</b>		
Cash at bank in current account		
Islamic mode	<b>-</b>	498
Conventional mode	<b>187,610</b>	89,740
	<b>187,610</b>	90,238
Cheques in hand	<b>160,186</b>	132,831
Cash in hand	<b>1,450</b>	3,407
	<b>349,246</b>	226,476

## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

	Note	March 31, 2018	June 30, 2017 (Audited)
(Rupees in thousands)			
<b>15. PREFERENCE SHARES</b>			
Original issue size (fully paid in cash)		<b>3,004,046</b>	3,004,046
Redeemed		<b>(1,351,821)</b>	(1,351,821)
Converted into ordinary shares		<b>(751,011)</b>	(751,011)
Balance outstanding		<b>901,214</b>	901,214
15.1 In November 2009, the Company has issued preference right shares of the face value of Rs. 10 each, in the proportion of 4.25 preference shares for every ordinary share held. These shares are not listed on the stock exchange in Pakistan.			
15.2 Following are the terms, conditions and rights and privileges of preference shares with amendments which became effective on July 1, 2013.			
a) Annual dividends will be payable when and if declared by the Company but shall be paid on cumulative basis prior to any dividend or other distribution payable to the ordinary shareholders. The dividend rate will be based on six months KIBOR plus spread of 1% per annum subject to cap of 13% per annum on the face value of the preference shares on cumulative basis.			
During the period, the Company has paid cumulative preference dividend amounting to Rs. 19.91 million. The cumulative preference dividend as at the balance sheet date amounted to Rs. 35.00 million (June 30, 2017: Rs. 3.63 million).			
b) The preference shareholders do not have any voting rights and are not entitled to receive any notice for meeting of shareholders and will not be entitled to any rights in respect of subscription of further issue of ordinary shares of the Company.			
c) The Company shall have the option to redeem the preference shares in full or in any proportion by giving fourteen days notice. The redemption will be subject to the payment of cumulative unpaid dividend, if any, on the part being redeemed up to the applicable date of redemption notice. The redemption will be subject to compliance with the terms, conditions and rights and privileges of preference shares.			
<b>16. LONG-TERM FINANCING</b>			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Meezan Bank Limited - Musharaka - 1	16.1	<b>375,000</b>	600,000
Meezan Bank Limited - Musharaka - 2	16.2	<b>525,000</b>	637,500
Faysal Bank Limited - Term Loan	16.3	-	31,816
		<b>900,000</b>	1,269,316
Conventional mode			
Syndicated - Consortium of Banks	16.4	<b>1,050,000</b>	1,275,000
Allied Bank Limited - Term Loan - 1	16.5	<b>300,000</b>	525,000
Allied Bank Limited - Term Loan - 2	16.6	<b>150,000</b>	-
		<b>1,500,000</b>	1,800,000
		<b>2,400,000</b>	3,069,316
From associated undertakings - unsecured	16.7	<b>1,000,000</b>	1,000,000
From Director - unsecured	16.8	<b>650,000</b>	-
		<b>4,050,000</b>	4,069,316
Current portion shown under current liabilities			
Islamic mode			
		<b>(450,000)</b>	(481,816)
Conventional mode			
		<b>(645,000)</b>	(600,000)
		<b>(1,095,000)</b>	(1,081,816)
		<b>2,955,000</b>	2,987,500

## Notes to the Condensed Interim Financial Information

*for the period ended March 31, 2018 (Un-audited)*

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

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

The rate of mark up is equal to base rate plus 0.50% (June 30, 2017: 0.50%). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 6.67% (June 30, 2017: 6.64%) per annum.

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

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

The rate of mark up is equal to base rate plus 0.50% (June 30, 2017: 0.50%). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 6.68% (June 30, 2017: 6.63%) per annum.

- 16.3 This finance facility has been fully repaid during the period at its maturity date. This term finance facility was obtained from Faysal Bank Limited under Diminishing Musharaka Arrangement specifically for acquisition of Compact Sheeter.

During the period, the effective mark up rate was 6.90% (June 30, 2017: 6.84%) per annum.

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

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

The rate of mark up is equal to base rate plus 0.50% (June 30, 2017: 0.50%). Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 6.68% (June 30, 2017: 6.63%) per annum.

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

## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

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

The rate of mark up is equal to base rate plus 0.50% (June 30, 2017: 0.50%). Base rate is equal to average of three months KIBOR of the last six business days prior to the beginning of each installment period. During the period, the effective mark up rate was 6.65% (June 30, 2017: 6.57%) per annum.

- 16.6 This term finance facility has been obtained from Allied Bank Limited amounting to Rs. 350 million specifically for Gas Turbine Generators out of which the Company has made drawdown of Rs. 150 million during the period. The tenor of the loan is three years inclusive 6 months grace period and are repayable in 10 equal installments commencing from September 2018.

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

The rate of markup is equal to base rate plus 0.20%. Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the period, the effective mark up rate was 6.37% .

- 16.7 This loan has been obtained from SIZA Commodities (Private) Limited, an associated company, amounting to Rs. 1,000 million. The loan is repayable in July 2019. The rate of mark up is 0.50% (June 30, 2017: 0.50%) over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective mark up rate was 6.65% (June 30, 2017: 6.58%) per annum.

- 16.8 The loan has been obtained from Sponsor Director of the Company, Mr. Iqbal Ali Lakhani, amounting to Rs. 650 million. The loan is unsecured and the tenor of the loan is two years. The rate of mark up is 0.50% over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective mark up rate was 6.66%.

	<b>March 31, 2018</b>	<b>June 30, 2017 (Audited)</b>
<b>Note</b>	<b>(Rupees in thousands)</b>	
<b>17. TRADE AND OTHER PAYABLES</b>		
Creditors	<b>423,444</b>	523,739
Foreign bills payable	<b>507,692</b>	326,368
Accrued liabilities	<b>689,279</b>	626,617
Customers' balances	<b>32,996</b>	147,323
Gratuity payable	<b>49,814</b>	58,479
Workers' profit participation fund payable	<b>57,213</b>	48,539
Sales tax payable - net	<b>142,677</b>	24,138
Workers' welfare fund payable	<b>40,186</b>	18,445
Provident fund payable	<b>7,069</b>	6,505
Unclaimed dividend	<b>724</b>	724
Other liabilities	<b>93,329</b>	61,265
	<b>2,044,423</b>	1,842,142

## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

17.1 This includes an amount of Rs. 475.52 million (June 30, 2017: Rs. 410.97 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. On appeal filed by the Company, the Sindh High Court declared the GIDC Act 2015 as null and void through its judgement dated October 26, 2016. Subsequently, based on appeal filed by the Government, the Sindh High Court suspended the aforesaid judgement till the disposal of appeal. The matter is pending for hearing of appeal.

		<b>March 31, 2018</b>	June 30, 2017 (Audited)
	<b>Note</b>	(Rupees in thousands)	
<b>18. SHORT-TERM BORROWINGS</b>			
From banking companies - secured			
Running finances			
Islamic mode		<b>212,161</b>	71,408
Conventional mode		<b>2,267,044</b>	1,355,634
	18.1	<b>2,479,205</b>	1,427,042
Import credit finances - Conventional mode	18.2	-	574,308
Short term loan - Conventional mode	18.3	-	838,800
		<b>2,479,205</b>	2,840,150

18.1 The Company has available aggregate short term running finance facilities amounting to Rs. 4,485 million (June 30, 2017: Rs. 3,060 million). Mark up rates are linked with KIBOR from one to three months plus spread ranging from 0.30% to 1.25% (June 30, 2017: from 0.30% to 1.25%) per annum.

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

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

### 19. INTEREST AND MARK-UP ACCRUED

Mark-up accrued on:

Long-term financing

From banks

- Islamic mode

- Conventional mode

From associated undertakings / Director - Conventional mode

Short-term borrowings

Islamic mode

Conventional mode

<b>7,809</b>	11,173
<b>9,613</b>	11,652
<b>17,422</b>	22,825
<b>37,248</b>	-
<b>54,670</b>	22,825
<b>3,403</b>	3,105
<b>12,711</b>	12,423
<b>16,114</b>	15,528
<b>70,784</b>	38,353



# Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

## 20. CONTINGENCIES AND COMMITMENTS

### 20.1 Contingencies

#### a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 591 million (June 30, 2017: Rs. 521 million).

#### b) Sales tax

Four cases of inadmissible input sales tax amounting to Rs. 87.31 million were adjudicated against the Company by Deputy Commissioner Inland Revenue. The appeals were filed by the Company against these orders at respective forum. These cases were remanded back to the adjudicating authorities by the Appellate Authorities with the direction to verify compliance of the Company with the relevant provision of the Sales Tax Act, 1990. No provision has been made in the condensed interim financial information as the management is of the opinion, based on advice of tax advisor, that the decision is likely to be in the favor of the Company.

#### c) Gas infrastructure development cess - GIDC

Sui Northern Gas Pipeline Limited has charged an amount of Rs. 221.45 million (June 30, 2017: Rs. 152.72 million) on account of late payment surcharge on GIDC of Rs. 475.52 million (Note 16.1) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. On the appeal filed by the Company, the Honorable Sindh High Court by their judgement, suspended the levy and declared the GIDC Act 2015 as null and void. Subsequent to the judgment, based on appeal filed by the Government, the Sindh High Court suspended the aforesaid judgment till the disposal of appeal. The matter is still pending in Honorable Sindh High Court.

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

### 20.2 Commitments

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

- Letters of credit other than for capital expenditure amounted to Rs. 1,162.46 million (June 30, 2017: Rs. 1,101.44 million).
- Capital expenditure including letters of credit amounted to Rs. 110.81 million (June 30, 2017: Rs. 10.93 million).

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in thousands)			
<b>21. SALES</b>				
Gross sales	16,382,616	13,494,737	5,978,648	5,096,171
Sales tax	(2,382,152)	(1,961,929)	(868,777)	(740,896)
	<u>14,000,464</u>	<u>11,532,808</u>	<u>5,109,871</u>	<u>4,355,275</u>



## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

		Nine months ended		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Note	(Rupees in thousands)			
<b>22. COST OF SALES</b>					
Materials consumed		8,010,230	6,322,526	2,959,663	2,260,168
Fuel and power		2,101,580	1,771,882	840,494	673,459
Depreciation on property, plant and equipment		703,325	658,194	247,007	216,639
Salaries, wages and other benefits		572,761	523,209	194,080	176,131
Repairs, maintenance and stores consumption		517,053	453,244	169,861	146,859
Packing expenses		304,294	266,143	111,978	98,237
Insurance		59,271	54,919	20,292	18,589
Provision for slow moving stores and spares		4,500	4,500	1,500	1,500
Rent, rates and taxes		8,376	4,477	4,424	1,508
Manufacturing cost		12,281,390	10,059,094	4,549,299	3,593,090
Work-in-process					
Opening stock		96,961	50,053	94,338	80,704
Closing stock		(92,365)	(71,020)	(92,365)	(71,020)
		4,596	(20,967)	1,973	9,684
Cost of goods manufactured		12,285,986	10,038,127	4,551,272	3,602,774
Finished goods					
Opening stock		336,485	379,353	346,048	377,833
Closing stock		(487,898)	(179,442)	(487,898)	(179,442)
		(151,413)	199,911	(141,850)	198,391
		12,134,573	10,238,038	4,409,422	3,801,165
<b>23. OTHER INCOME</b>					
Liabilities settled					
against claims	23.1	-	47,488	-	-
Sale of scrap		43,832	38,705	19,653	11,922
Insurance agency commission					
from associated company		9,000	9,044	3,000	2,700
Net exchange gain - conventional mode		-	443	-	(1,005)
Gain on sale of fixed assets – net		992	903	156	596
Others		382	712	250	231
		54,206	97,295	23,059	14,444

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

# Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in thousands)			
<b>24. FINANCE COST</b>				
Long-term financing				
From banks				
- Islamic mode	56,734	77,038	18,334	23,552
- Conventional mode	80,574	105,704	24,223	33,388
	137,308	182,742	42,557	56,940
From associated undertakings				
/ Director	70,742	49,317	27,096	16,323
Short term borrowings				
Islamic mode	8,385	10,026	3,403	2,455
Conventional mode	122,188	63,055	37,340	23,302
	130,573	73,081	40,743	25,757
Workers' profit participation fund	987	461	-	-
Net exchange loss on import				
credit finances - Conventional mode	5,121	160	-	160
Bank charges and commission	3,581	3,298	1,091	981
	348,312	309,059	111,487	100,161

## 25. 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	744,287	454,596	309,805	216,471
Dividend attributable to cumulative preference shares	(51,281)	(48,304)	(18,525)	(15,821)
Profit attributable to ordinary shareholders	693,006	406,292	291,280	200,650
Weighted average number of ordinary shares (in thousands)	147,018	147,018	147,018	147,018
Basic earnings per share (Rupees)	4.71	2.76	1.98	1.36

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

	Nine months ended	
	March 31, 2018	March 31, 2017
	(Rupees in thousands)	
<b>26. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	1,065,299	649,422
Adjustment for non cash charges and other items:		
Depreciation	729,699	684,100
Amortization of intangible assets	769	540
Gain on sale of property, plant and equipment	(992)	(903)
Provision for gratuity	21,804	19,505
Provision for slow moving stores and spares	4,500	4,500
Workers' Profit Participation Fund	57,213	34,878
Finance cost	348,312	309,059
Exchange gain	-	101
Working capital changes	(599,159)	(368,493)
	562,146	683,287
	1,627,445	1,332,709

Note



# Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

	Nine months ended	
	March 31, 2018	March 31, 2017
	(Rupees in thousands)	
<b>26.1 Changes in working capital</b>		
(Increase) / decrease in current assets		
Stores and spares	86,276	(62,957)
Stock-in-trade	(312,894)	(25,479)
Trade debts	(649,193)	(490,091)
Loans and advances	(10,676)	(7,283)
Trade deposits and short-term prepayments	55,653	52,111
Other receivables	(2,926)	1,368
	(833,760)	(532,331)
Increase in current liabilities		
Trade and other payables	234,601	163,838
	(599,159)	(368,493)

## 27. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Nature of transaction	Nature of Relation	Basis of Relation	Nine months ended		Quarter ended	
			March 31, 2018	March 31, 2017 (Rupees in thousands)	March 31, 2018	March 31, 2017
<b>Sale of goods, Services and Reimbursement of expenses</b>						
Merit Packaging Limited	Associated	Common Director	1,145,004	772,292	425,779	280,714
Colgate Palmolive (Pakistan) Limited	Associated	Common Director	429,924	419,118	145,682	148,490
Century Insurance Company Limited	Associated	Common Director and 0.43% shares held	2,302	2,169	2,210	678
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held	2,569	2,012	2,569	655
Cyber Internet Services (Private) Limited	Associated	Common Director	1,439	177	1,195	49
Sybird (Private) Limited	Associated	Common Director	472	704	472	229
			1,581,710	1,196,472	577,907	430,815

# Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

Nature of transaction	Nature of Relation	Basis of Relation	Nine months ended		Quarter ended	
			March 31, 2018	March 31, 2017 (Rupees in thousands)	March 31, 2018	March 31, 2017
<b>Purchase of goods, Services and Reimbursement of expenses</b>						
Century Insurance Company Limited	Associated	Common Director and 0.43% shares held	39,350	30,416	9,497	7,016
Merit Packaging Limited	Associated	Common Director	22,378	22,414	5,941	5,933
Lakson Business Solutions Limited	Associated	Common Director	3,149	2,294	1,084	765
Hassanali and Gulbanoo Lakhani Foundation	Associated	Common Director	2,127	2,089	510	501
Princeton Travels (Private) Limited	Associated	Common Director	10,918	7,971	2,783	3,416
SIZA Services (Private) Limited	Associated	Common Director and 22.18% shares held	2,321	2,052	774	684
Cyber Internet Services (Private) Limited	Associated	Common Director	1,312	1,496	451	353
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held	570	568	273	295
SIZA Foods (Private) Limited	Associated	Common Director	299	-	143	-
Colgate Palmolive (Pakistan) Limited	Associated	Common Director	102	42	46	12
Express Publications (Private) Limited	Associated	Common Director	3,333	143	1,814	-
			85,860	69,485	23,316	18,974
<b>Rent and other allied charges</b>						
Hassanali and Gulbanoo Lakhani Foundation	Associated	Common Director	4,395	4,230	1,543	1,446
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held	1,985	1,985	662	662
SIZA Services (Private) Limited	Associated	Common Director and 22.18% shares held	456	443	161	149
SIZA Commodities (Private) Limited	Associated	Common Director and 8.5% shares held	164	248	38	62
			6,999	6,906	2,403	2,318
<b>Insurance Agency Commission</b>						
Century Insurance Company Limited	Associated	Common Director and 0.43% shares held	9,000	8,759	3,000	2,414
<b>Mark-up Accrued</b>						
SIZA Commodities (Private) Limited	Associated	Common Director and 8.5% shares held	49,920	49,317	16,422	16,323
Mr. Iqbal Ali Lakhani	Director		20,822	-	10,674	-
			70,742	49,317	27,096	16,323

# Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

Nature of transaction	Nature of Relation	Basis of Relation	Nine months ended		Quarter ended	
			March 31, 2018	March 31, 2017 (Rupees in thousands)	March 31, 2018	March 31, 2017
<b>Long Term Loan Obtained</b>						
Mr. Iqbal Ali Lakhani	Director		650,000	-	100,000	-
<b>Dividend on Ordinary Shares</b>						
Premier Fashions (Pvt) Ltd.	Associated	Common Director and 8.93% shares held	18,586	-	-	-
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held	60,226	-	-	-
SIZA Commodities (Private) Limited	Associated	Common Director and 8.5% shares held	18,749	-	-	-
SIZA Services (Private) Limited	Associated	Common Director and 22.18% shares held	48,922	-	-	-
			146,484	-	-	-
<b>Dividend on Preference Shares</b>						
Premier Fashions (Pvt) Ltd	Associated	Common Director and 8.93% shares held	1,685	-	-	-
SIZA (Private) Limited	Associated	Common Director and 27.31% shares held	11,775	-	-	-
SIZA Commodities (Private) Limited	Associated	Common Director and 8.5% shares held	2,015	-	-	-
SIZA Services (Private) Limited	Associated	Common Director and 22.18% shares held	4,435	-	-	-
			19,910	-	-	-
<b>Others</b>						
Contribution to Staff Retirement Benefit Plans	Employees Fund		59,799	55,454	19,715	18,425
Remuneration and other benefits (Note : 27.4)	Key Management Personnel		140,668	110,545	47,337	32,418

## 27.1 Year end balances

	March 31, 2018	June 30, 2017 (Audited)
Receivable from related parties	314,500	133,056
Payable to related parties	8,970	92,942
Payable to retirement benefit plan	56,882	64,984
Long-term financing from associated undertaking	1,650,000	1,000,000
Mark-up accrued on long term financing from associated undertaking	37,244	-

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



## Notes to the Condensed Interim Financial Information

for the period ended March 31, 2018 (Un-audited)

### 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, 2017.

### 29. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

#### Transfers during the period

During the nine months period ended March 31, 2018, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

### 30. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 23, 2018 by the Board of Directors of the Company.

### 31. CORRESPONDING FIGURES

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


### 32. GENERAL

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



  
**AFTAB AHMAD**  
Chief Executive Officer

  
**TASLEEMUDDIN AHMED BATLAY**  
Director

  
**MUHAMMAD RASHID DASTAGIR**  
Chief Financial Officer

THIRD QUARTER REPORT MARCH 2018








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


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