



Century Paper & Board Mills Limited



Condensed Interim Financial Information

For the 1st Quarter ended
September 30, 2020

Clean - Green - Sustainable

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Corporate Information

Board of Directors

Iqbal Ali Lakhani	- Chairman
Amin Mohammed Lakhani	
Anushka Lakhani	
Tasleemuddin Ahmed Batlay	
Shahid Ahmed Khan	
Engr. M. Abdul Jabbar	
Kemal Shoaib	
Aftab Ahmad	- Chief Executive Officer

Advisor

Sultan Ali Lakhani

Audit Committee

Kemal Shoaib	- Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	

Human Resource & Remuneration Committee

Engr. M. Abdul Jabbar	- Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
Aftab Ahmad	- Chief Executive Officer

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 Associates (Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S. Shahra-e-Faisal, Karachi.
Phone: (021) 34380101-5 Fax: (021) 34380106
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

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



Directors' Review

On behalf of the Board of Directors I am pleased to present the performance review of your Company together with the un-audited financial statements for the first quarter ended September 30, 2020.

Operations and Sales Review

The Company produced 60,404 metric tons during the quarter under review (July-September 2020) as compared to 57,348 metric tons of the corresponding quarter of the last year and 56,548 metric tons for the immediately preceding quarter.

The Company sold 54,275 metric tons of its products for the quarter under review (July-September 2020) as compared to 48,509 metric tons of the corresponding quarter and 50,729 metric tons for the immediately preceding quarter. Incremental sales volume was achieved owing to improved market demand of indigenous paper & paperboard products.

In terms of value, the net sales of the Company for the quarter under review (July-September 2020) increased to Rs. 6,444 million as compared to Rs. 5,372 million of the corresponding quarter of last year and Rs. 5,888 million of the immediately preceding quarter.

Financial Performance

For the quarter under review (July-September 2020), the Company posted gross profit of Rs. 1,294 million as compared to Rs. 652 million of the corresponding quarter of last year and Rs. 1,200 million of the immediately preceding quarter.

The improvement in gross profit came from incremental sales volumes with better product mix and operational efficiencies achieved as a result of continuous BMR done during last couple of years.

The net operating profit for the quarter under review (July-September 2020) is recorded at Rs. 1,061 million as compared to Rs. 485 million of the corresponding quarter of last year.

Finance cost for the quarter under review (July-September 2020) stood at Rs. 126 million which is significantly reduced as compared to Rs. 287 million of the corresponding quarter of last year on the backdrop of lower interest rates and subsided working capital requirements.

After taking into account financial charges, profit before tax increased to Rs. 935 million as compared to profit before tax of Rs. 198 million for the corresponding quarter of last year.

Directors' Review

After accounting for tax, the Company has made a net profit of Rs. 664 million for the quarter under review as compared to a profit of Rs. 140 million for the corresponding quarter of the last year.

Earnings per Share (EPS)

The basic earnings per share is reported at Rs. 4.52 as compared to basic earnings per share of Rs. 0.96 of the comparable quarter of the last year. There is no dilution effect on the earnings per share for the quarter under review and corresponding quarter of the last year. The weighted average number of shares taken for EPS calculation did not include impact of 20% bonus shares pending approval by the Shareholders in Annual General Meeting held after period under review.

Near Term Outlook

Demand for paper & paperboard products has been stable and sales volume of the Company's products are expected to improve in the ensuing quarter due to better seasonal demand period. Moreover, the Company will continue with its strategy to stay in export business with some moderate volumes. Company has already developed good reputation with counter parties in regional countries to expand export business. On the flip side, Input costs are escalating as both imported and local material prices are showing upward trends. Fuel prices mostly remained range bound, however, coal prices are slightly inching up while RLNG prices are moving in tandem with oil prices and continuous availability of RLNG could be a challenge. Management focus will remain on volume maximization in the wake of improved productivity of plants with all possible adjustments in selling prices to pass on cost escalations as per market conditions.

Acknowledgments

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

On behalf of the Board of Directors


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director

Karachi: October 26, 2020



ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2020ء کو ختم ہونے والے سہ ماہی کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

کاروباری کارکردگی اور سیلنز کا جائزہ

کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2020) کے دوران 60,404 میٹرک ٹن کی پیداوار دی، جو کہ گزشتہ سال کی اسی مدت میں 57,348 میٹرک ٹن اور کچھیلی سہ ماہی میں 56,548 تھی۔

کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2020) میں 54,275 میٹرک ٹن کی فروخت کی، جو کہ گزشتہ سال کی اسی مدت میں 48,509 میٹرک ٹن اور کچھیلی سہ ماہی میں 50,729 تھی۔ پپر اور پیپر بورڈ کی مقامی اشیاء کی طلب میں بہتری کی وجہ سے اضافی سیلنز جمع بہتر ہوا۔

قدر کے اعتبار سے زیر جائزہ مدت (جولائی تا ستمبر 2020) میں سیلرز ویلو 6,444 ملین روپے تک بڑھ گئی جو گزشتہ سال اسی مدت میں 5,372 ملین روپے اور کچھیلی سہ ماہی میں 5,888 ملین روپے تھی۔

مالیاتی کارکردگی

زیر جائزہ مدت (جولائی تا ستمبر 2020) میں کمپنی نے 1,294 ملین روپے کا مجموعی منافع کمایا جو گزشتہ سال اسی مدت میں 652 ملین روپے اور گزشتہ سال کی آخری سہ ماہی میں 1,200 ملین روپے تھا۔

مجموعی منافع میں بہتری کی وجہ سے سیلرز حجم میں اضافے کے ساتھ بہتر پروڈکٹ مکس اور گزشتہ سالوں سے مستقل بنیادوں پر مقرر اثاثوں (BMR) میں بہتری سے حاصل ہونیوالی موخر آپریشنل کارکردگی ہے۔

زیر جائزہ مدت (جولائی تا ستمبر 2020) میں خالص آپریٹنگ منافع 1,061 ملین روپے ریکارڈ کیا گیا جو گزشتہ سال اسی مدت میں 485 ملین روپے تھا۔

زیر جائزہ مدت (جولائی تا ستمبر 2020) میں شرح سود کے باعث مالیاتی اخراجات نمایاں طور پر گھٹ کر 126 ملین روپے تک ہو گئے جو گزشتہ سال اسی مدت میں 287 ملین روپے تھے جس کی بنیادی وجہ شرح سود اور سرمائے کی ضروریات (Working Capital) میں کمی ہے۔

مالیاتی اخراجات متہا کرنے کے بعد زیر جائزہ مدت (جولائی تا ستمبر 2020) میں قبل از ٹیکس منافع بڑھ کر 935 ملین روپے رہا جو گزشتہ سال اسی مدت میں 198 ملین روپے تھا۔

کمپنی نے زیر جائزہ مدت (جولائی تا ستمبر 2020) میں 664 ملین روپے کا خالص منافع کمایا جو گزشتہ سال اسی مدت میں 140 ملین روپے تھا۔

فی شیئر آمدنی

گزشتہ سال اسی مدت کے لیے بنیادی فی شیئر آمدنی 0.96 روپے کے مقابلے میں زیر جائزہ مدت (جولائی تا ستمبر 2020) کی بنیادی فی شیئر آمدنی 4.52 روپے رپورٹ کی گئی ہے۔ زیر جائزہ مدت اور گزشتہ سال کی اسی مدت کے لیے فی شیئر آمدنی کے کمزور پڑنے کے کوئی آثار نہیں ہیں۔ فی شیئر آمدنی کے حصص (شیئرز) کی اوسط تعداد میں 20% بونس حصص (شیئرز) شامل نہیں جس کی وجہ زیر جائزہ مدت کے بعد ہونے والے سالانہ عام اجلاس میں شیئر ہولڈرز سے منظور ہونا ہے۔

ڈائریکٹر کا جائزہ

قریب مدتی منظر نامہ

پیپر اور پیپر بورڈ کی مصنوعات کی طلب مستحکم ہے اور آنے والی سہ ماہی میں کمپنی کی مصنوعات کے سیکلز حجم میں بہتری کے امکانات ہیں، مزید برآں کمپنی برآمدات کی مد میں مناسب حجم کے ساتھ شامل رہنے کی حکمت عملی جاری رکھے گی۔ برآمدات کو وسعت دینے کے لیے کمپنی نے خطے کے ممالک میں اپنی کاروباری ساکھ پہلے ہی قائم کی ہوئی ہے۔ دوسری طرف درآمدی اور مقامی خام مال کی قیمتوں میں اضافے کا رجحان ہے جس کی وجہ سے پیداواری لاگت بڑھ رہی ہے۔ ایندھن کی قیمتیں متوازن ہیں تاہم کوئلے کی قیمتوں میں اضافے کا رجحان ہے RLNG کی قیمت تیل کی قیمتوں کے رجحان پر منحصر ہے جبکہ آنے والی سہ ماہی میں RLNG کی دستیابی بھی چیلنج بن سکتی ہے۔ مینجمنٹ کی توجہ پیداواری گنجائش کے بھرپور استعمال کے ساتھ سیکلز حجم بڑھانے پر مرکوز ہے۔ قیمتوں کی تبدیلی پیداواری لاگت میں آنے والی تبدیلیوں پر منحصر ہوگی۔

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 شکر گزار ہیں۔ وہ کمپنی کے عملے اور ملازمین کی محنت اور پُر خلوص کارکردگی کا بھی اعتراف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


تسلیم الدین احمد باٹلے
ڈائریکٹر


آفتاب احمد
چیف ایگزیکٹو آفیسر

کراچی: 26 اکتوبر، 2020

Condensed Interim Statement of Financial Position

as at September 30, 2020 (Un-audited)

		September 30, 2020	June 30, 2020 (Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	6	8,871,904	9,161,796
Operating fixed assets	7	205,598	128,397
Capital work in progress		9,077,502	9,290,193
Intangible assets		10,897	11,829
Long-term advances	8	24,665	11,363
Long-term deposits		7,169	7,169
		9,120,233	9,320,554
CURRENT ASSETS			
Stores and spares	9	1,618,323	1,762,671
Stock-in-trade	10	4,095,864	3,727,784
Trade debts		3,305,871	2,907,929
Advances	11	108,998	102,192
Trade deposits and short term prepayments	12	95,386	92,086
Other receivables	13	59,486	33,953
Tax refunds due from Government	14	272,368	272,368
Taxation - net		15,259	140,292
Cash and bank balances	15	268,905	237,166
		9,840,460	9,276,441
TOTAL ASSETS		18,960,693	18,596,995
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 410,000,000 (June 30, 2020: 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, 2020: 147,018,345) ordinary shares of Rs. 10 each		1,470,184	1,470,184
Reserves		6,775,949	6,112,090
		8,246,133	7,582,274
NON - CURRENT LIABILITIES			
Long-term financing	16	2,078,641	2,130,730
Lease liabilities	17	19,505	20,390
Deferred taxation		1,267,162	1,189,331
Deferred capital grant		29,449	18,989
		3,394,757	3,359,440
CURRENT LIABILITIES			
Trade and other payables	18	3,383,692	3,222,380
Short-term borrowings	19	3,011,291	3,616,772
Interest and mark-up accrued	20	85,885	60,125
Unclaimed dividend		1,357	1,361
Current portion of long-term lease liabilities		3,208	2,954
Current portion of long-term financing	16	834,370	751,689
		7,319,803	7,655,281
TOTAL EQUITY AND LIABILITIES		18,960,693	18,596,995
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes from 1 to 36 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 Statement of Profit or Loss

for the quarter ended September 30, 2020 (Un-audited)

	Note	Quarter ended	
		September 30, 2020	September 30, 2019
		(Rupees in thousands)	
Sales - net	22	6,444,006	5,372,395
Cost of sales	23	(5,149,767)	(4,720,026)
Gross profit		1,294,239	652,369
General and administrative expenses		(150,703)	(129,505)
Selling expenses		(17,728)	(16,921)
Distribution expenses		(32,123)	(26,286)
Other operating charges			
Workers' Profit Participation Fund		(50,215)	(10,627)
Workers' Welfare Fund		(19,082)	(4,038)
Others		(7,105)	(3,848)
		(76,402)	(18,513)
Other income	24	43,417	23,995
Operating profit		1,060,700	485,139
Finance cost	25	(125,690)	(287,263)
Profit before taxation		935,010	197,876
Taxation			
Current		(193,320)	(94,017)
Deferred		(77,831)	36,634
		(271,151)	(57,383)
Profit for the period		663,859	140,493
Earnings per share - basic and diluted (Rupees)	26	4.52	0.96

The annexed notes from 1 to 36 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 quarter ended September 30, 2020 (Un-audited)

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousands)	
Profit for the period	663,859	140,493
Other comprehensive income	-	-
Total comprehensive income for the period	<u>663,859</u>	<u>140,493</u>

The annexed notes from 1 to 36 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 Flows

for the quarter ended September 30, 2020 (Un-audited)

		Quarter ended	
		September 30, 2020	September 30, 2019
	Note	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	1,017,301	(233,706)
Finance cost paid		(99,930)	(99,965)
Taxes paid		(68,287)	(131,179)
Gratuity paid		(12,783)	(13,610)
Workers' Profit Participation Fund paid		(115,775)	(66,627)
Long-term advances		(13,302)	(538)
Net cash generated / (used in) operating activities		707,224	(545,625)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(111,497)	(264,334)
Proceeds from sale of property, plant and equipment		1,071	717
Net cash used in investing activities		(110,426)	(263,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of long-term financing from associated companies		-	650,000
Repayment of long-term financing from Director		-	(650,000)
Proceeds from long-term financing from banking companies		216,160	-
Repayment of long-term financing from banking companies		(175,106)	(152,111)
Principle paid on lease Liability		(631)	-
Net cash generated / (used in) financing activities		40,422	(152,111)
Net increase / (decrease) in cash and cash equivalents		637,220	(961,353)
Cash and cash equivalents at the beginning of the period		(3,379,606)	(3,895,567)
Cash and cash equivalents at the end of the period		(2,742,386)	(4,856,920)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	268,905	332,103
Short-term borrowings	19	(3,011,291)	(5,189,023)
		(2,742,386)	(4,856,920)

The annexed notes from 1 to 36 form an integral part of this condensed interim financial information.


AFTAB AHMAD
Chief Executive Officer


TASLEEMUDDIN AHMED BATLAY
Director


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

for the quarter ended September 30, 2020 (Un-audited)

	Issued, subscribed and paid-up capital		Capital				Reserves				Sub-total	Total
			Share premium	Merger reserve	Redemption reserve	Total	Revenue					
	Ordinary share capital	Preference share capital					General reserve	Unappropriated profit	Total			
Balance as at July 1, 2019	1,470,184	-	1,822,122	7,925	1,832,468	3,662,515	200,000	856,235	1,056,235	4,718,750	6,188,934	
Appropriation of reserve												
Transfer to reserve	-	-	-	-	-	-	600,000	(600,000)	-	-	-	
Total comprehensive income for the period ended September 30, 2019												
Profit for the period	-	-	-	-	-	-	-	140,493	140,493	140,493	140,493	
Transaction with owners												
Final dividend on ordinary shares @ Re 0.75 per share	-	-	-	-	-	-	-	(147,018)	(147,018)	(147,018)	(147,018)	
Balance as at September 30, 2019	1,470,184	-	1,822,122	7,925	1,832,468	3,662,515	800,000	249,710	1,049,710	4,712,225	6,182,409	
Balance as at July 1, 2020	1,470,184	-	1,822,122	7,925	1,832,468	3,662,515	800,000	1,649,575	2,449,575	6,112,090	7,582,274	
Total comprehensive income for the period ended September 30, 2020												
Profit for the period	-	-	-	-	-	-	-	663,859	663,859	663,859	663,859	
Balance as at September 30, 2020	1,470,184	-	1,822,122	7,925	1,832,468	3,662,515	800,000	2,313,434	3,113,434	6,775,949	8,246,133	

The annexed notes from 1 to 36 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 quarter ended September 30, 2020 (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 and its ordinary shares are listed 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

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

This condensed interim financial information of the Company for the first quarter ended September 30, 2020 has 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.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2020 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 statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2020, whereas the comparative 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 are extracted from the unaudited condensed interim financial information for the first quarter ended September 30, 2019.

3.2 Basis of measurement

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

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

3.3 Functional and presentation currency

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

3.4 Significant accounting policies and changes therein

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2020.

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2020, but are considered not to be relevant or to 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.

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 01, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2020.

5. TAXATION

The provisions for taxation for the quarter ended September 30, 2020, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate was 29% for the Tax Year 2021 as stipulated through Finance Act 2019.

		September 30, 2020	June 30, 2020 (Audited)
	Note	(Rupees in thousands)	
6. OPERATING FIXED ASSETS			
Fixed Assets	6.1	8,852,271	9,141,009
Right-of-use assets	6.2	19,633	20,787
		8,871,904	9,161,796
6.1 Fixed Assets			
Opening net book value (NBV)		9,141,009	9,131,201
Additions during the period / year at cost	6.1.1	7,873	1,097,540
		9,148,882	10,228,741
Disposals during the period / year at NBV	6.1.4	(9,536)	(7,026)
Depreciation charge for the period / year		(287,075)	(1,080,706)
		(296,611)	(1,087,732)
Closing net book value (NBV)		8,852,271	9,141,009

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

	September 30, 2020	June 30, 2020 (Audited)
Note	(Rupees in thousands)	
6.1.1 Detail of additions (at cost) during the period / year are as follows:		
Buildings on freehold land	-	16,587
Plant and machinery	260	1,019,743
Furniture and fixtures	59	-
Vehicles	1,840	45,246
Electrical and other equipments	3,942	8,144
Computers	1,772	7,820
	<u>7,873</u>	<u>1,097,540</u>
6.1.2 This includes transfers from capital work in progress amounting to Nil (June 30, 2020: Rs. 1,021.13 million).		
6.1.3 The free hold land is located at Village Jumber Khurd, Tehsil Pattoki, District Kasur and area of land is 158.5 acres.		
6.2 Right-of-use assets		
Opening net book value (NBV)	20,787	25,407
Depreciation charge for the period	(1,154)	(4,620)
	<u>19,633</u>	<u>20,787</u>
7. CAPITAL WORK IN PROGRESS		
This comprises of:		
Building	20,025	-
Plant and machinery	185,573	128,397
	<u>205,598</u>	<u>128,397</u>
7.1 Movement of carrying amount is as follows:		
Opening balance	128,397	241,653
Additions (at cost) during the period / year 7.1.1	77,201	907,877
	<u>205,598</u>	<u>1,149,530</u>
Transfer to operating fixed assets during the period / year	-	(1,021,133)
Closing balance	<u>205,598</u>	<u>128,397</u>
7.1.1 This includes advance from supplier amounting to Rs. 6.75 million (June 30, 2020: Rs. 2.93 million).		

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

		September 30, 2020	June 30, 2020 (Audited)
	Note	(Rupees in thousands)	
8. LONG-TERM ADVANCES			
(Unsecured - considered good)			
Long-term advances to suppliers	8.1	<u>24,665</u>	<u>11,363</u>
8.1 This represents advances to suppliers against purchases of vehicles in the normal course of business which does not carry any interest / mark-up.			
9. STORES AND SPARES			
In hand			
Stores		868,816	769,296
Spares		459,346	433,529
Fuel		251,675	329,011
		<u>1,579,837</u>	<u>1,531,836</u>
In transit			
Spares		91,630	85,723
Coal		1,166	197,922
		<u>92,796</u>	<u>283,645</u>
Provision for slow moving stores and spares		<u>(54,310)</u>	<u>(52,810)</u>
		<u>1,618,323</u>	<u>1,762,671</u>
10. STOCK-IN-TRADE			
Raw materials			
in hand		2,221,091	2,270,077
in transit		1,136,977	891,012
		<u>3,358,068</u>	<u>3,161,089</u>
Work-in-process		103,430	103,498
Finished goods		634,366	463,197
		<u>4,095,864</u>	<u>3,727,784</u>
11. ADVANCES			
Advances			
to employees		1,381	710
to suppliers		107,617	101,482
	11.1	<u>108,998</u>	<u>102,192</u>
11.1 This represents advances in the normal course of the business and do not carry any interest / mark-up.			

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

	Note	September 30, 2020 (Rupees in thousands)	June 30, 2020 (Audited)
12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits	12.1	2,205	2,380
Prepayments		93,181	89,706
		<u>95,386</u>	<u>92,086</u>

12.1 This represents short term deposits in the normal course of the business and do not carry any interest / mark-up.

13. OTHER RECEIVABLES	13.1	<u>59,486</u>	<u>33,953</u>
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13.1 It includes insurance claim receivable of Rs. 44.93 million as per insurance surveyor's assesment for the damaged Steam Boilers and other assets caused by breakdown incident which occurred on February 29, 2020 (refer note # 24.1).

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

14. TAX REFUNDS DUE FROM GOVERNMENT

Income tax	14.1 & 14.2	254,410	254,410
Sales tax	14.3	17,958	17,958
		<u>272,368</u>	<u>272,368</u>

14.1 The Additional Commissioner of (Audit) Inland Revenue - LTU in his order dated February 19, 2020 in respect of tax year 2019 has determined the net tax payable of Rs. 13.78 million by disallowing the adjustment of minimum tax of Rs. 293.11 million for previous years, added-back GIDC charge 2015 of prior years' amounting to Rs. 207 million and certain other expenses.

The Company filed an appeal before the Commissioner Inland Revenue (Appeals) against the said order and the Commissioner Inland Revenue (Appeals) in his order upheld the disallowances of minimum tax and add back of GIDC charge made by the Additional Commissioner. The Company has filed an appeal before ATIR and believes that the case will be decided in favor of the Company and the legal adviser of the Company has also concurred with the management view.

14.2 The Additional Commissioner of (Audit) Inland Revenue - LTU in his order dated March 4, 2019 has determined the net tax payable of Rs. 67.74 million by disallowing the adjustment of minimum tax of Rs. 214.93 million for previous years and certain other expenses.

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

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

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

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

		September 30, 2020	June 30, 2020 (Audited)
	Note	(Rupees in thousands)	
15. CASH AND BANK BALANCES			
Cash at bank in current account - Conventional mode		18,526	168,751
Cheques in hand		248,682	64,641
Cash in hand		1,697	3,774
		<u>268,905</u>	<u>237,166</u>
16. LONG TERM FINANCING			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Meezan Bank Limited - Musharaka - 2	16.1	150,000	187,500
Conventional mode			
Syndicated - Consortium of Banks	16.2	300,000	375,000
Allied Bank Limited - Term Loan - 1	16.3	34,546	69,093
Allied Bank Limited - Term Loan - 2	16.4	226,435	163,315
Allied Bank Limited - Term Loan - 4	16.5	316,530	181,011
Allied Bank Limited - Term Loan - 3	16.6	360,500	381,500
		<u>1,238,011</u>	<u>1,169,919</u>
		1,388,011	1,357,419
From associated undertakings - unsecured			
SIZA Commodities (Private) Limited - 1	16.7	550,000	550,000
SIZA Commodities (Private) Limited - 2	16.8	100,000	100,000
SIZA (Private) Limited	16.8	625,000	625,000
SIZA Services (Private) Limited	16.8	250,000	250,000
		<u>1,525,000</u>	<u>1,525,000</u>
		2,913,011	2,882,419
Current portion:			
Islamic mode		(150,000)	(150,000)
Conventional mode		(684,370)	(601,689)
		<u>(834,370)</u>	<u>(751,689)</u>
		<u>2,078,641</u>	<u>2,130,730</u>

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

- 16.1 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, 2020: 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 8.28% (June 30, 2020: 13.32%) per annum.

- 16.2 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, 2020: 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 8.28% (June 30, 2020: 13.32%) per annum.

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

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

The rate of markup is equal to base rate plus 0.20% (June 30, 2020: 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 markup rate was 7.43% (June 30, 2020: 13.32%) per annum.

- 16.4 The Company has utilized Rs. 267.9 million out of term finance facilities sanctioned by Allied Bank Limited under Financing Schemes of the State Bank of Pakistan for Renewal Energy amounting to Rs. 400 million specifically for Solar Grid Panels.

The tenor of the loans ranges from five to seven years and are repayable in equal quarterly installments. The rate of markup ranges from 2.75% to 4.5% for different drawdowns.

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.

- 16.5 The Company has approved term finance facility from Allied Bank Limited under Refinancing Scheme of the State Bank of Pakistan and availed total facility of Rs. 435 million specifically for paying salaries and wages to Company's employees. The Company has made drawdowns of Rs. 346 million against this facility as at period end.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

The rate of mark-up is fixed 1.50% and 0.75% for the financing of Rs. 200 million and Rs. 235 million respectively. The tenor of the financing is two and half year inclusive 6-Months grace period and are repayable in 8 equal quarterly installments commencing from January 2021.

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.

- 16.6 The Company has utilized Rs. 444.5 million against term finance facility sanctioned by Allied Bank Limited amounting to Rs. 500 million specifically for Gas Turbine Generators. The tenor of the loan is three years inclusive of 6 months grace period and are repayable in 10 equal quarterly installments commencing from December 2019 and October 2020.

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 markup rate was 7.66% (June 30, 2020: 13.11%).

- 16.7 This loan has been obtained from SIZA Commodities (Private) Limited, an associated company. The remaining loan is repayable in July 2022.

The rate of markup is 0.50% (June 30, 2020: 0.50%) over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective markup rate was 7.76% (June 30, 2020: 13.41%) per annum.

- 16.8 These loans have been obtained from associated undertakings and are repayable in July 2022. The rate of markup on these loans is 0.50% over average of three months KIBOR of the last one day of preceding quarter. During the period, the effective markup rate on these loans was 7.76% (June 30, 2020: 13.52%) per annum.

		September 30, 2020	June 30, 2020 (Audited)
	Note	(Rupees in thousands)	
17. LEASE LIABILITIES			
Lease liabilities		22,713	23,344
Current portion		(3,208)	(2,954)
		<u>19,505</u>	<u>20,390</u>
18. TRADE AND OTHER PAYABLES			
Creditors	18.1	846,454	885,549
Foreign bills payable		652,756	552,067
Accrued liabilities	18.2	1,225,397	1,145,276
Sales tax payable - net		167,864	67,227
Customers' balances		89,751	108,871
Gratuity payable		80,263	82,930
Workers' Profit Participation Fund		50,215	115,775
Workers' Welfare Fund		108,457	89,376
Provident fund payable		9,060	8,329
Other liabilities		153,475	166,980
		<u>3,383,692</u>	<u>3,222,380</u>

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

18.1 The aggregate amount of the outstanding balance of associated undertakings is Rs. 91.25 million (June 30, 2020: Rs. 77.60 million).

18.2 This includes an amount of Rs. 588.08 million (June 30, 2020: Rs. 607.59 million), payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. It became payable in 24 monthly installments starting from August-2020 after the Supreme Court of Pakistan has decided the matter in favor of Government on review application earlier filed by Govt. of Pakistan.

However, The Honorable Sindh High Court based on appeal filed by the Company, granted stay against recovery of GIDC installments and directed the Company to pay current bills only.

	September 30, 2020	June 30, 2020 (Audited)
Note	(Rupees in thousands)	
19. SHORT TERM BORROWINGS		
From banking companies - secured		
Running finances		
Islamic mode	414,953	324,971
Conventional mode	2,596,338	3,291,801
19.1	3,011,291	3,616,772

19.1 The Company has available aggregate short term running finance facilities amounting to Rs. 8,200 million (June 30, 2020: Rs. 7,825 million). Markup rates are linked with KIBOR from one to three months plus spread ranging from 0.20% to 1.50% per annum (June 30, 2020: from 0.20% to 1.50% per annum).

19.2 The Company has available aggregate sub-limits for FE loans under facilities for running finance and letters of credit amounting to Rs.7,130 million (June 30, 2020: Rs. 6,770 million).

20. INTEREST AND MARK-UP ACCRUED

Interest and mark-up accrued on:

Long-term financing from Banks

 Islamic mode

 Conventional mode

1,546	5,387
11,318	9,534

12,864

14,921

From associated undertakings - Conventional mode

29,828

-

42,692

14,921

Short-term borrowings from Banks

 Islamic mode

 Conventional mode

5,115	7,806
38,078	37,398

43,193

45,204

85,885

60,125

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 791 million (June 30, 2020: Rs. 741 million) including guarantee relating to Sindh Infrastructure Cess amounting to Rs. 250 million (June 30, 2020: Rs. 200 million) furnished to Excise and Taxation Department during the period.



Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

b) Sales tax

- 1) The Additional Commissioner Enforcement - I, Punjab Revenue Authority issued a show cause notice bearing No. PRA/SC/WH/937 on June 07, 2018. The Deputy Commissioner Enforcement vide his order No. PRA/ST/WH/008 dated November 02, 2018 has determined the liability of Rs. 140 million on account of withholding sales tax under Punjab Sales Tax on Services Act 2012 for the period from July 01, 2015 to June 30, 2017. The Company filed an appeal before the Commissioner (Appeals) Punjab Revenue Authority dated December 22, 2018 against the order passed by the Additional Commissioner Enforcement - I.

The Company received order No. PRA 328/2018 dated November 06, 2019 from the Commissioner (Appeal), Punjab Revenue Authority in which determined liability has been reduced Rs. 30.021 million. However, the Company has filed an appeal before the Appellate Tribunal, Punjab Revenue Authority against the order passed by Commissioner (Appeal) with the plea that this order was passed adversely without comprehensively concluding the evidence and explanation provided by the Company. The management is of the opinion, based on the advice of legal adviser that the decision is likely to be in the favor of the Company.

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

21.2 Commitments

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

- Letters of credit other than for capital expenditure at the end of the period amounted to Rs. 1,678.27 million (June 30, 2020: Rs. 1,638.98 million).
- Capital expenditure including letters of credit amounted to Rs. 299.51 million (June 30, 2020: Rs. 22.37 million).

22. SALES

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousands)	
Local sales	7,504,022	6,261,735
Export sales	29,834	19,447
	7,533,856	6,281,182
Sales tax	(1,089,850)	(908,787)
	6,444,006	5,372,395

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

		Quarter ended	
	Note	September 30, 2020	September 30, 2020
		(Rupees in thousands)	
23. COST OF SALES			
Materials consumed		3,423,388	3,295,355
Fuel and power		914,939	1,041,197
Depreciation on property, plant and equipment		277,437	256,278
Salaries, wages and other benefits		258,817	241,390
Repairs, maintenance and stores consumption		274,685	198,101
Packing expenses		145,710	123,025
Insurance		21,561	21,187
Provision for slow moving stores and spares		1,500	1,500
Rent rates and taxes		2,831	3,925
Manufacturing cost		5,320,868	5,181,958
Work-in-process			
Opening stock		103,498	87,584
Closing stock		(103,430)	(112,448)
		68	(24,864)
Cost of goods manufactured		5,320,936	5,157,094
Finished goods			
Opening stock		463,197	762,346
Closing stock		(634,366)	(1,199,414)
		(171,169)	(437,068)
		5,149,767	4,720,026
24. OTHER INCOME			
Sale of scrap		19,367	16,612
Insurance agency commission from associated company		-	3,600
Net exchange gain - Conventional mode		-	3,095
Gain on disposal of operating fixed assets – net	24.1	23,255	585
Government grants		792	-
Others		3	103
		43,417	23,995
24.1 It includes gain on insurance claim for the damaged Steam Boilers and other assets caused by breakdown incident which occurred on February 29, 2020 (refer note # 13.1).			
25. FINANCE COST			
Long-term financing			
From banks - Islamic mode		3,495	10,531
From banks - Conventional mode		19,370	35,271
		22,865	45,802
Long term loan from associated undertakings / Director		29,828	89,123
		52,693	134,925
Short term borrowings			
Islamic mode		5,115	15,402
Conventional mode		63,888	133,914
		69,003	149,316
Workers' Profit Participation Fund		1,922	1,750
Bank charges and commission		1,184	1,272
Finance charges on Leases		888	-
		125,690	287,263

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

Note	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in thousands)	
26. 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	663,859	140,493
Weighted average number of ordinary shares (in thousands)	147,018	147,018
Basic earnings per share (Rupees)	4.52	0.96

There is no dilutive effect on the basic earnings per shares of the Company. The weighted number of shares do not reflect impact of Bonus shares pending approval by the Shareholders in Annual General Meeting held after Balance Sheet date (refer note # 33).

27. CASH GENERATED FROM OPERATIONS

Profit before taxation	935,010	197,876
Adjustment for non cash charges and other items:		
Depreciation on property, plant and equipment	288,230	266,190
Amortization of intangible assets	931	754
Gain on disposal of operating fixed assets	(23,255)	(585)
Provision for gratuity	10,116	12,064
Provision for slow moving stores and spare	1,500	1,500
Workers' Profit Participation Fund	50,215	10,627
Finance cost	125,690	287,263
Working capital changes	(371,136)	(1,009,395)
	82,291	(431,582)
	1,017,301	(233,706)

27.1 Changes in working capital

(Increase) / decrease in current assets		
Stores and spares	142,848	(215,979)
Stock-in-trade	(368,080)	(712,084)
Trade debts	(397,942)	(157,610)
Loans and advances	(6,806)	(83,134)
Trade deposits and short-term prepayments	(3,300)	(24,896)
Other receivables	6,187	(1,594)
	(627,093)	(1,195,297)
Increase in current liabilities		
Trade and other payables	255,957	185,902
	(371,136)	(1,009,395)

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

28. 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	Quarter ended	
			September 30, 2020 (Rupees in thousands)	September 30, 2019
Sale of Goods, Services and Reimbursement of expenses				
Merit Packaging Limited	Associated company	Common Director	377,626	288,236
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	202,322	164,032
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	45,154	221
Cyber Internet Services (Private) Limited	Associated company	Common Director	486	457
Purchase of Goods, Services and Reimbursement of expenses				
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	41,051	32,631
Merit Packaging Limited	Associated company	Common Director	11,387	7,316
Lakson Business Solutions Limited	Associated company	Common Director	1,347	1,401
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	796	904
Princeton Travels (Private) Limited	Associated company	Common Director	32	3,380
SIZA Services (Private) Limited	Associated company	Common Director and 22.81% shares held	758	861
Cyber Internet Services (Private) Limited	Associated company	Common Director	2,397	647
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	144	-
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director	11	64
Express Publications (Private) Limited	Associated company	Common Management	387	-
Sybrid (Private) Ltd.	Associated company	Common Director	363	-
SIZA Foods (Private) Limited	Associated company	Common Director	-	177
Rent and other allied charges				
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee	1,850	1,648
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	800	888
SIZA Services (Private) Limited	Associated company	Common Director and 22.81% shares held	168	163
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	44	41
Insurance Agency Commission				
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held	-	3,600
Donation				
The Layton Rahmatulla Benevolent Trust	Related Party	Trustee	-	500

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

Nature of transaction	Nature of Relation	Basis of Relation	Quarter ended	
			September 30, 2020 (Rupees in thousands)	September 30, 2019
Mark-up accrued				
SIZA Commodities (Private) Limited	Associated company	Common Director and 8.50% shares held	12,714	37,347
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	12,225	39,690
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held	4,890	8,488
Mr. Iqbal Ali Lakhani	Director	Directorship	-	3,598
Long term loan obtained				
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held	-	650,000
Long term loan paid				
Mr. Iqbal Ali Lakhani	Director	Directorship	-	650,000
Others				
Contribution to Staff Retirement Benefit Plans	Employees Fund		25,233	24,988
Remuneration and other benefits	Key Management Personnel		73,760	63,890

28.1 Period / year end balances

Receivable from related parties	530,550	500,723
Payable to related parties	91,247	77,601
Payable to retirement benefit plan	89,322	91,259
Markup accrued – Long Term Finance from Associated Companies	29,828	-
Long-term financing from associated undertaking / Director	1,525,000	1,525,000

29. 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, 2020.

30. 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.

Notes to the Condensed Interim Financial Information

for the quarter ended September 30, 2020 (Un-audited)

Transfers during the period

During period ended September 30, 2020, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

31. NUMBER OF EMPLOYEES

The number of employees as at period ended September 30, 2020 was 1,646 (June 30, 2020: 1,640) and average number of employees during the period was 1,646 (June 30, 2020: 1,646).

32. EVENT AFTER REPORTING PERIOD

The Board of Directors of the Company, in its meeting held on August 25, 2020, had proposed the final Cash dividend of 15% (i.e. Rs. 1.50 per share), issue of Bonus shares 20% in the proportion of one (1) share for every five (5) shares held and transfer of Rs. 1,000 million from Un-appropriated profits to General Reserve. These condensed interim financial statements do not reflect these appropriations pending approval by Shareholders in Annual General Meeting held subsequent to balance sheet date on October 07, 2020. Therefore, this appropriation will be reflected in the interim financial statements for the next quarter as required by the IAS 10 'Events after the Balance Sheet Date'.

33. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 26, 2020 by the Board of Directors of the Company.

34. IMPACT OF COVID-19

The COVID-19 pandemic emerged which impacted the economy of country in general, however there was no significant impact of COVID-19 pandemic on the Company's operations or decline in revenue during the period ended September 30, 2020.

35. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. Following reclassification made during the period:

- GIDC payable amounting to Rs. 329.11 million previously classified under non-current liabilities on the face of Statement of Financial position has now been classified under the head "Trade and other payables" (refer note# 19) for the purpose of better presentation.

36. 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



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