



Century Paper & Board Mills Limited

Making a **Difference**



Annual Report 2024

Making a Difference

About Theme

Energy conservation is key to making a difference in addressing the growing global demand for resources and mitigating the effects of climate change. By embracing sustainable practices, we can make a difference by contributing to a more resilient future for both the planet and future generations. Our commitment to “making a difference” reflects our dedication to sustainability and positive impact. By prioritizing initiatives that drive efficiency and reduce environmental footprint, we are creating lasting value. In this report, we highlight our efforts to lead change and shape a more responsible, energy-conscious future, providing benefits not only to the organization but to society as a whole.



The United Nations Sustainable Development Goals (SDGs) emphasize the critical importance of energy conservation in achieving a sustainable future. Goal 7, “Affordable and Clean Energy,” aims to ensure access to reliable, sustainable, and modern energy for all, reducing energy poverty and promoting economic growth. Improving energy efficiency and investing in renewable energy sources can mitigate climate change, reduce greenhouse gas emissions, and enhance energy security. Sustainable energy practices support other SDGs, including clean water and sanitation, health, and sustainable cities. Overall, energy conservation is pivotal in driving global efforts toward sustainability and resilience.



The Paris Agreement underscores the essential role of energy conservation in limiting global warming to well below 2°C above pre-industrial levels. By promoting energy efficiency and transitioning to renewable energy sources, countries can significantly reduce greenhouse gas emissions, a primary goal of the Agreement. Energy conservation efforts are vital for achieving nationally determined contributions (NDCs) and fostering sustainable development. Additionally, these efforts enhance energy security, reduce air pollution, and support economic growth. The Paris Agreement highlights the global commitment to sustainable energy as a cornerstone for combating climate change.

Making a difference with **Solar Energy**

Embracing solar energy is a crucial step towards a sustainable future. By harnessing this abundant renewable resource, we can significantly reduce reliance on traditional energy sources, lower carbon emissions, and contribute to a cleaner environment. Now is the time to shift towards solar for long-term positive impact.



At Century Paper, we installed 3.7 MW Solar Power Plant as Renewable Source of Energy.



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Making a difference with **Bio Energy**

Bioenergy is a vital component of the renewable energy landscape, offering a sustainable way to produce energy while reducing reliance on fossil fuels. By converting organic materials like agricultural waste, wood, and other biomass into usable energy, bioenergy helps decrease greenhouse gas emissions, supports waste management, and contributes to a circular economy.

At Century Paper, we actively embrace bioenergy by utilizing biofuel such as agricultural waste to produce energy. Our biomass-based boilers use these organic materials to generate steam, providing an eco-friendly energy source that reduces our dependence on conventional fuels. This approach supports the efficient use of agricultural by-products, turning waste into a valuable resource. Our bioenergy efforts are part of our commitment to sustainability and resource conservation, ensuring that we continue to explore innovative methods to power our operations in a responsible, environmentally conscious manner.



Making a difference with **Wind Energy**

Windmill projects play a pivotal role in resource conservation and the transition to renewable energy. By harnessing wind power, these projects generate clean, sustainable energy, reducing reliance on fossil fuels and minimizing carbon emissions.

In the spirit of doing whatever we can, no matter how small the effort, Century Paper took an initiative to install two windmills to contribute to renewable energy efforts. Although our intentions were aligned with the broader goal of resource conservation, the project did not yield significant results due to low wind speeds in our area. Despite this, we believe that every attempt to make a difference matters and this initiative represents our ongoing commitment to sustainability and our willingness to explore new ways to contribute.



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Making a difference with Improving Systems

We have implemented a comprehensive energy conservation strategy by upgrading to energy-efficient equipment, installing LED lighting, using VFDs, and utilizing smart appliances. In addition, we have maximized the use of natural light, enhanced our insulation to optimize temperature control, and an energy monitoring systems to minimize consumption. These initiatives, combined with preventive maintenance and process optimization, have significantly reduced our energy usage, contributing to lower costs and a smaller environmental footprint. The company acquired the services of international experts by involving the International Finance Corporation.



At Century Paper, we installed Less Energy Intensive Lights and maximized Natural Lighting.

A nighttime photograph of a cityscape. In the background, an industrial port with several large cranes is visible, illuminated by warm lights. In the foreground, a busy road shows long, colorful light trails from moving vehicles. A prominent building with a clock tower and a large illuminated sign is on the right. The sky is a deep blue.

Making a difference has the effects on Our Society

Pakistan, a developing country, faces significant energy challenges with expensive and limited supply, primarily reliant on thermal sources causing environmental harm. Power outages and high electricity bills burden domestic, agricultural, and industrial consumers alike. These challenges highlight the urgent need for energy conservation and the adoption of low-cost, renewable energy sources like hydro and solar power. Implementing sustainable energy practices can alleviate these burdens, reduce environmental impact, and promote economic growth. Prioritizing renewable energy is essential for a more resilient and sustainable energy future in Pakistan.



Century Paper & Board Mills Limited



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Vision

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

Mission

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



Overview & Strategy

Core Values



Code of Ethics

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

Corporate Governance

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

Human Resource Development

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

Transparent Financial Policies

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

Marketing and Industry Practices

We believe in free and fair business practices and open competitive markets. Developing any association within the segment, industry or with competitors to distort the pricing and availability is contradictory to

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

Business Risk Management

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

Social and Community Commitments

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

Environmental Management System - EMS

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

Company Profile



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

Legacy of Excellence

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

Strategic Location

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

Journey of Evolution

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

Remarkable Expansion

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

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

Company Profile

Powering Progress

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

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

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

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

Reputation Built on Quality

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

Product Portfolio for Every Need

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

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

Empowering Through People

Our sponsor Director, Mr. Iqbal Ali Lakhani is Chairman of the Board of Directors and Mr. Aftab Ahmad is Chief Executive Officer of the Company. Our management team comprises seasoned professionals, each excelling in their respective fields. A clear and structured hierarchy is in place for delegating responsibilities across various functions within the distinct management levels. We prioritize fair compensation for our 1,605 employees and provide continuous training opportunities to nurture their development.

Commitment to Excellence and Sustainability

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

Contribution to the Economy

Century Paper makes multifaceted contributions to the economy. During the Financial Year 2024, Century Paper made a notable contribution of Rs 8,612 million to the National Exchequer through Duties and Taxes. Additionally, Century Paper's utilization of agricultural residue (wheat straw/biomass) and recycled paper creates opportunities for individuals engaged in the supply chain of these materials to earn a decent livelihood. Furthermore, with its high-quality products and enhanced capabilities, Century Paper is increasing its contribution towards substituting imports and preserving the Country's precious foreign exchange reserves.



JOURNEY OF ASPIRATION

Century Paper remains steadfast in its vision:

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

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



Milestones

Production

1990

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

1997

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

2003

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

2005

Enhanced un-bleached and bleached straw pulp capacities.

2006

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

2009

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

2010

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

2011

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

2021

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

Power and Utilities

1996

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

2002

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

2005

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

2008

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

2012

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

2014

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

2016

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

2020

Enhanced Solar panel capacity to 3.7 MW after installation of 1.6 MW solar panel completed during the year.

2024

Upsize the grid station enhancing its capacity from 5.5 MW to 16 MW.

2022

Enhanced steam production capacity to 172 Ton per hour of steam after new Coal Fired Boiler is added with capacity of 25 Ton per hour of steam.

Certifications & Awards

2024

Awarded “38th Corporate Excellence Award” by Management Association of Pakistan.
Awarded “Best Corporate Award” on Annual Report for the year 2022.
Awarded “Environment Excellence Award 2024” by National Forum for Environment & Health (NFEH).
Awarded “Environmental Sustainability Initiative Award 2024” by National Forum for Environment & Health (NFEH).
Awarded “Fire Safety Award” by National Forum for Environment & Health.

2023

Awarded 9th International Award on Environment, Health & Safety by The Professional Network.
Awarded “Environment Excellence Award 2023” by National Forum for Environment & Health (NFEH).
Awarded “Environmental Sustainability Initiative Award 2023” by National Forum for Environment & Health (NFEH).
Awarded “Fire Safety Award” by National Forum for Environment & Health.
Awarded Lab Quality System ISO/IEC 17025 Accreditation.

2022

Awarded 10th position in Pakistan Stock Exchange (PSX) Award for Top Companies for the year 2020.
Awarded “Environment Excellence Award 2022” by National Forum for Environment & Health (NFEH).
Awarded “Energy Performance Award for Industry 2022” by United Nations Industrial Development Organization (UNIDO).

2021

Awarded “Sustainability Initiative Award 2021” by National Forum for Environment & Health (NFEH).
Awarded “Best Sustainable Packaging Award” by Future Forum.
Awarded “Fire Safety Award” by National Forum for Environment & Health.

2020

Awarded “Environment Excellence Award 2020” by National Forum for Environment & Health (NFEH).
Awarded the Forest Steward Council - Chain of Custody (FSC-COC) certification.

2019

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

2018

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

2015

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

2012

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

2011

Awarded the certification on “Integrated Management System (IMS)” which consists of:
· Quality Management System (QMS) ISO 9001:2015;
· Environmental Management System (EMS) ISO 14001:2015 and
· Occupational Health and Safety Assessment Series (OHSAS) 18001:2007.

2008

Awarded “Best Corporate Award” on Annual Report for the year 2007.
Awarded “Best Environmental Reporter” in ACCA-WWF Pakistan Environmental Reporting Awards 2007 in the Local Listed Company Category.

2007

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

2006

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

2004

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

Recent Awards

38th Corporate Excellence Award 2023



Best Corporate Award 2022



Environment Excellence Award 2024



Business Model

Key Processes

Customer Needs

Inputs



Financial Capital



Human Capital



Manufacturing Capital



Natural Capital



Intellectual Capital



Social & Relational Capital

Customer Satisfaction Sustainability

Output



Value Addition



Processing



Safe Storage



Efficient Procurement

Sharing

Value Distribution



Return to Shareholders



Duties & Taxes to Government



Payment to Suppliers



Community Investments



Salaries & Wages to Employees

Value Chain Analysis

Support Activities

- **MARKETING**
- **SUPPLY CHAIN**
- **ENGINEERING**
- **POWER & UTILITY**
- **FINANCE**
- **ADMINISTRATION**
- **HUMAN RESOURCE**
- **CORPORATE EXCELLENCE**
- **QUALITY ASSURANCE**

Primary Activities

INBOUND LOGISTICS

Raw materials and Chemicals received and stored at the Company



OPERATIONS

Sustainable conversion of raw materials and chemicals into finished goods



OUTBOUND LOGISTICS

Facilitate Logistics of Finished paper, paperboard and boxes to the Customers



SALES

Product promotion, Customers engagement, Quote preparation and Timely dispatch

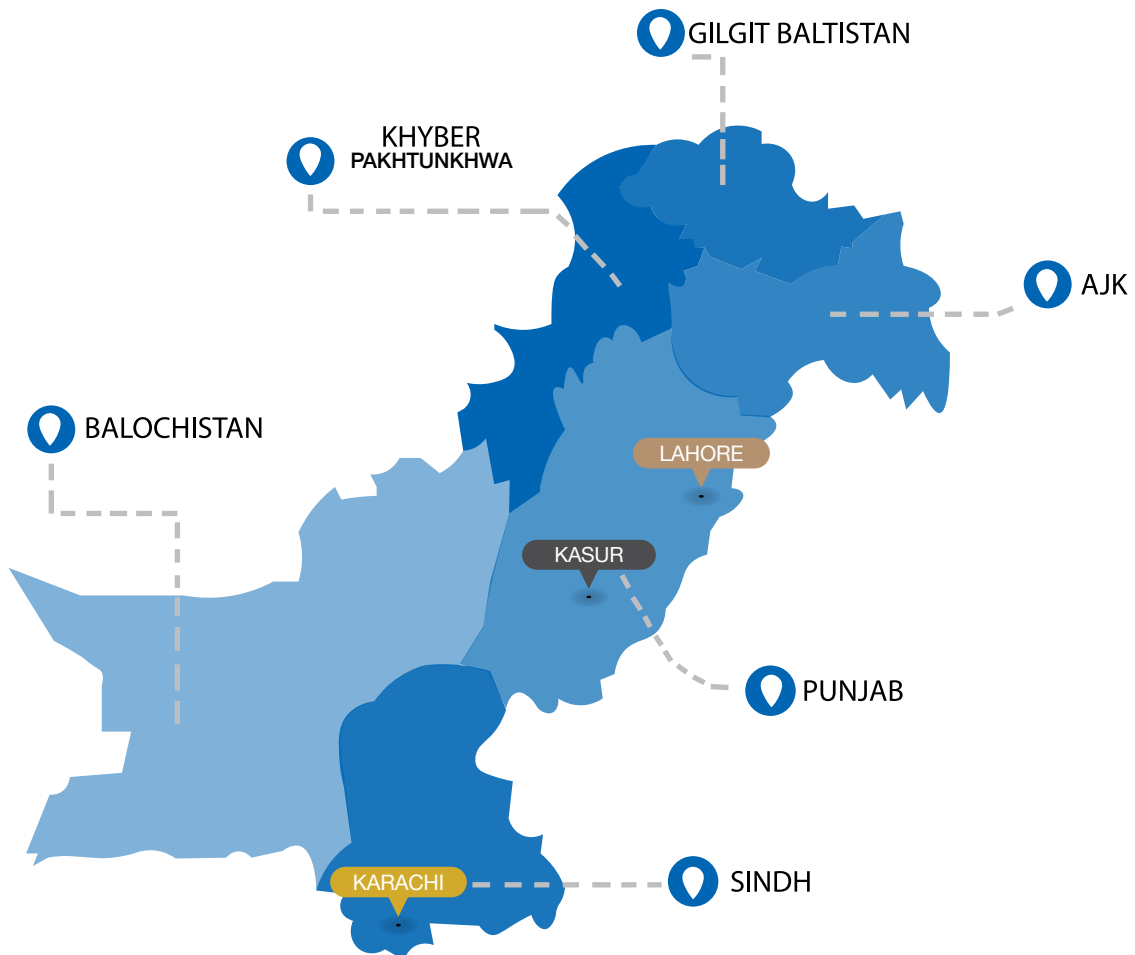


SERVICES

Understanding customer needs and changing process accordingly. Handling customer complaints with timely support to improve customer relations



Geographical Presence



HEAD OFFICE

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

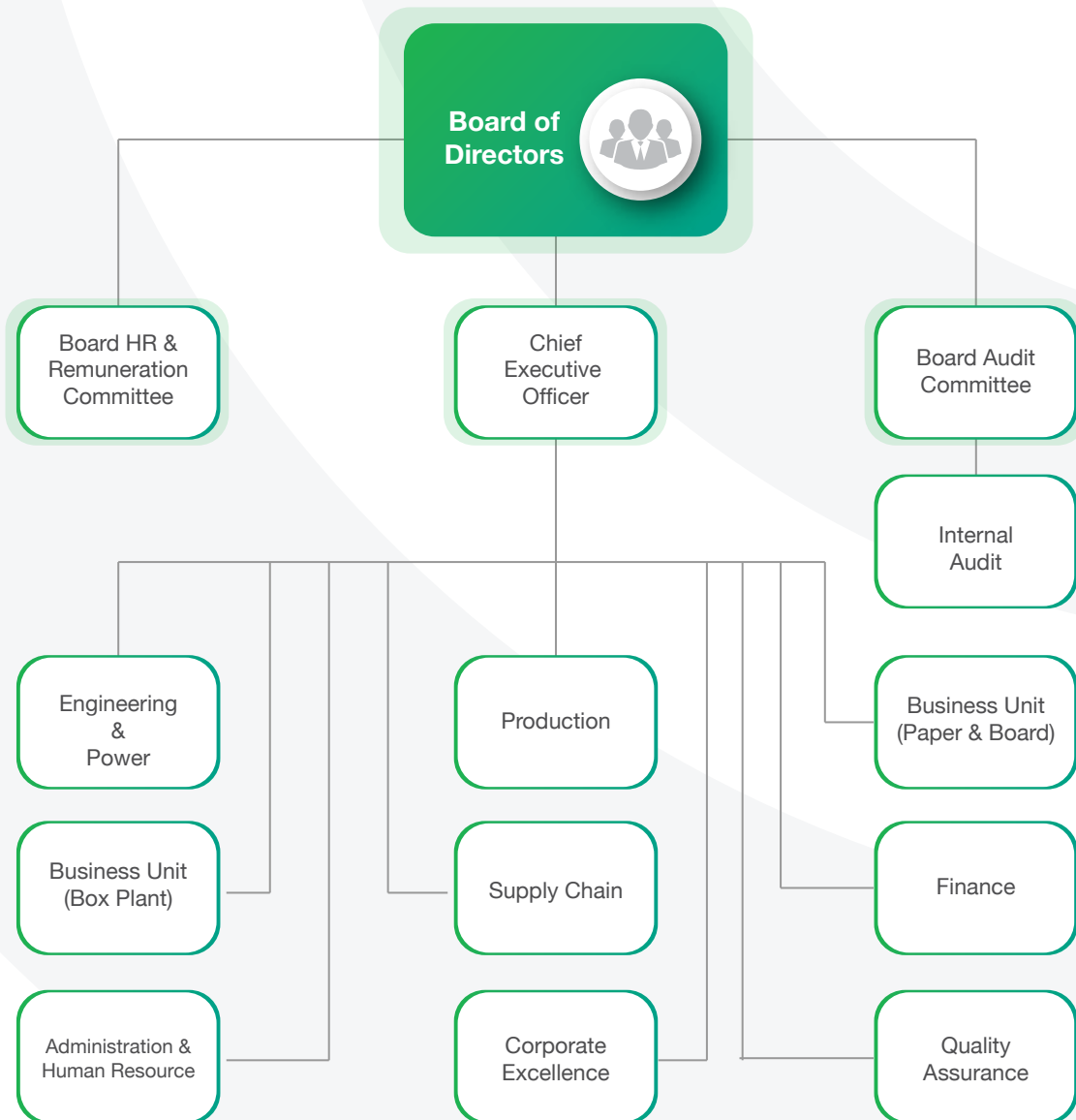
MILLS

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

LAHORE OFFICE

14-Ali Block, New Garden Town, Lahore.

Organogram



Integrated Management System Policy

CENTURY IS COMMITTED TO:

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



ENVIRONMENT POLICY

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



SAFETY POLICY

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



QUALITY POLICY

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

Entity Rating

by VIS Credit Rating Company Limited as on June 2024

Long-Term AA - (AA Minus)

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

Short-Term A-1 (A minus One)

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

YEAR AT A GLANCE 2024

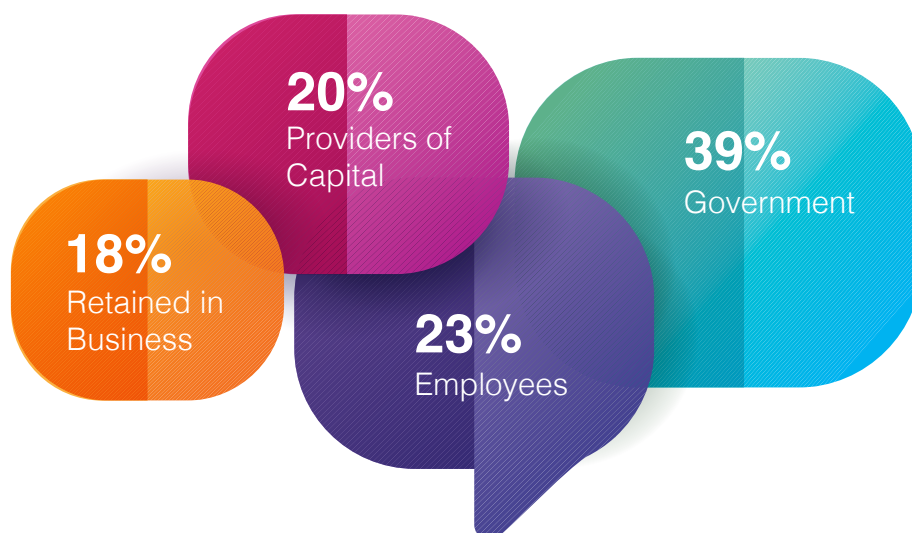


Statement of Value Added

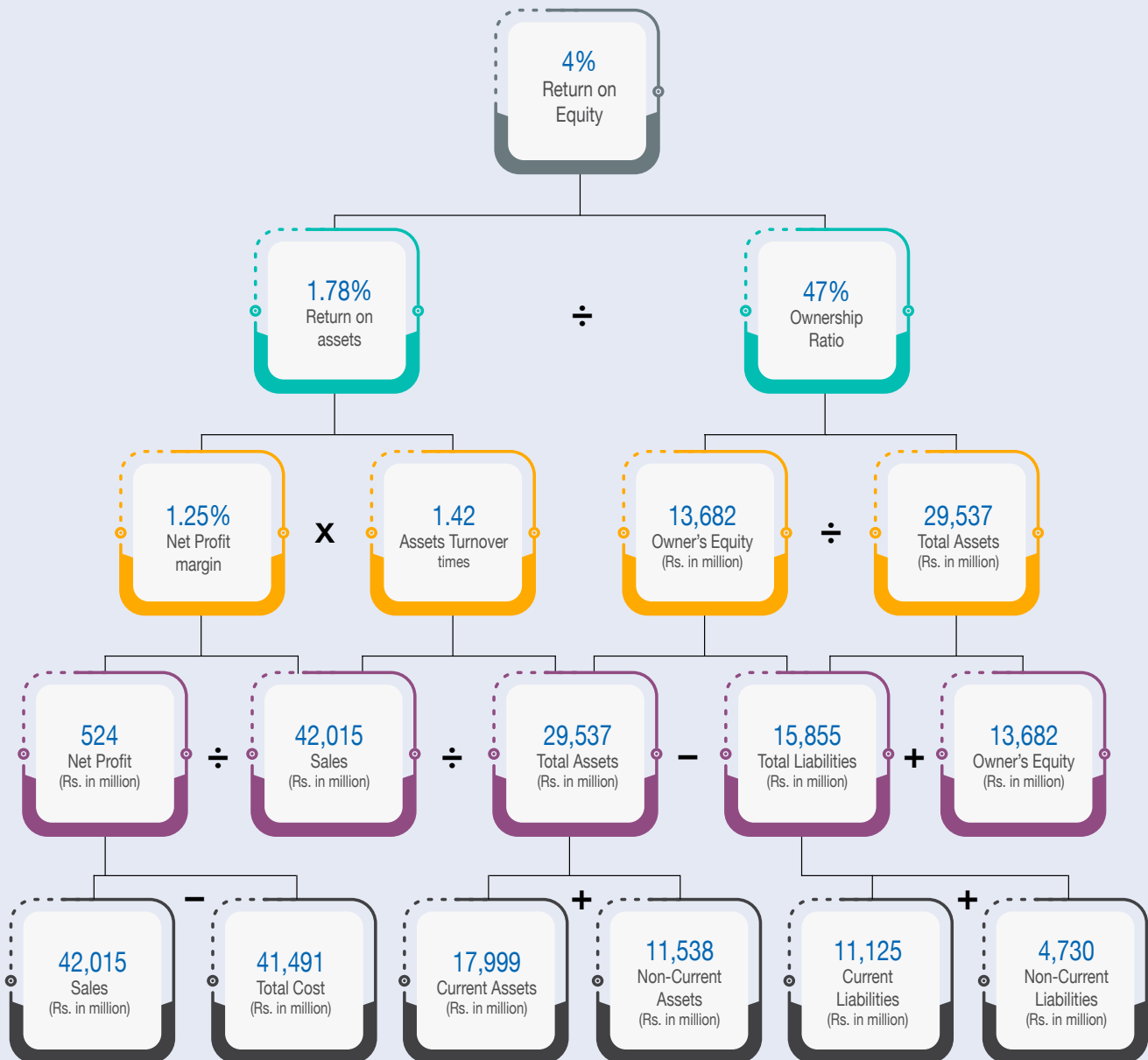
	2024	%age	2023	%age
-----Rupees in thousand -----				
<u>WEALTH GENERATED</u>				
Gross Turnover	49,396,381		55,790,392	
Purchased material and services	(40,601,422)		(47,709,768)	
Value Added	8,794,959		8,080,624	
Other Income	339,875		274,995	
TOTAL	9,134,834	100	8,355,619	100
<u>WEALTH DISTRIBUTED</u>				
To Employees				
Salaries, benefits and related costs	2,055,134	23	1,922,542	23
To Government				
Income Tax, Sales Tax, Import Duty and Workers' Welfare Fund	3,543,670	39	2,418,959	29
To providers of Capital				
Stock dividend to Shareholders (Note 2)	-	-	1,785,390	21
Finance cost on borrowed funds	1,847,834	20	2,015,621	24
Retained in Business				
Depreciation, amortization and retained profit	1,688,196	18	213,107	3
TOTAL	9,134,834	100	8,355,619	100

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

Note 2: Corresponding year figures represents Bonus Shares declared and issued by appropriating from distributable profits.



Dupont Analysis



Statement Of Cash Flows

2024 2023
(Rupees in thousands)

CASH FLOWS - DIRECT METHOD

FROM OPERATING ACTIVITIES

Cash received from customers	42,261,618	47,231,647
Cash paid to suppliers / service providers and employees	(37,263,876)	(43,071,570)
Cash generated from operations	4,997,742	4,160,077
Finance cost paid	(2,061,992)	(1,614,892)
Taxes paid	(839,527)	(1,002,738)
Other Operating outflows	(164,213)	(316,184)
Net cash generated from operating activities	1,932,010	1,226,263
FROM INVESTING ACTIVITIES	(952,804)	(1,573,142)
FROM FINANCING ACTIVITIES	(1,224,747)	3,829,925
Net (decrease) / increase in cash and cash equivalents	(245,541)	3,483,046
Cash and cash equivalents at the beginning of the year	(3,270,127)	(6,753,173)
Cash and cash equivalents at the end of the year	(3,515,668)	(3,270,127)

CASH AND CASH EQUIVALENTS

Cash and bank balances	788,493	800,991
Short-term borrowings	(4,304,161)	(4,071,118)
	(3,515,668)	(3,270,127)

FREE CASH FLOWS

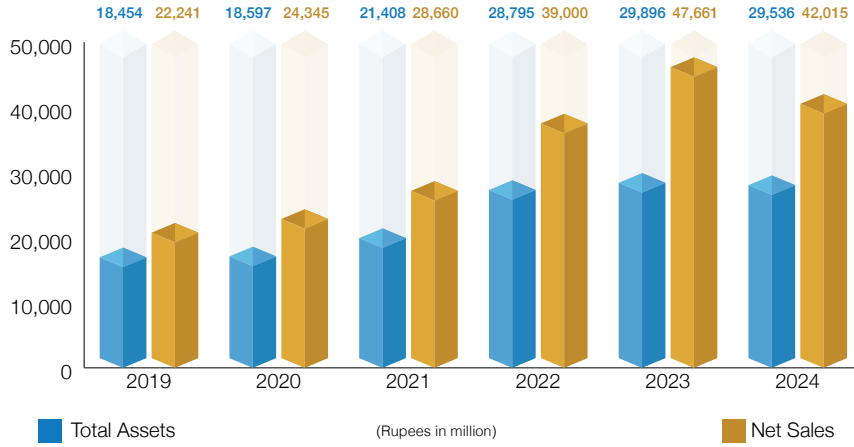
Profit Before Income Tax	963,045	1,149,344
Adjustment for Non-Cash Items	3,222,015	3,503,843
Finance cost paid	(2,061,992)	(1,614,892)
Taxes paid	(839,527)	(1,002,738)
Other Operating outflows	(164,213)	(316,184)
Working Capital Changes	812,682	(493,110)
Net Cash Generated from Operating Activities	1,932,010	1,226,263
Capital Expenditure	(972,510)	(1,594,682)
Free Cash Flows	959,500	(368,419)

Summarized Six Year Data

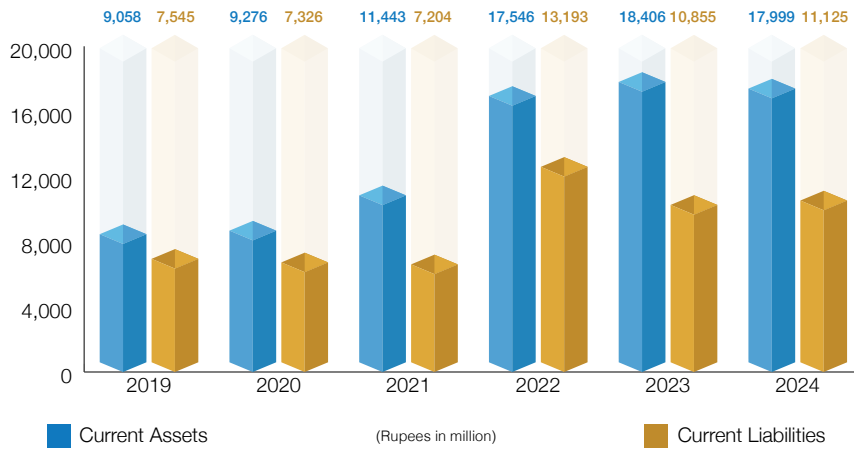
Rupees in million

	2024	2023	2022	2021	2020	2019
Statement of Financial Position						
Share Capital						
Ordinary shares	4,017	4,017	2,028	1,764	1,470	1,470
Reserves	9,665	9,095	10,198	8,558	6,112	4,719
Shareholders' equity	13,682	13,112	12,226	10,322	7,582	6,189
Long-term financing (including current portion)	5,522	6,734	2,892	3,273	2,901	4,183
Deferred taxation – Liability	819	791	976	1,095	1,189	1,209
Capital employed	20,046	20,674	16,143	14,785	12,025	11,581
Property, plant and equipment	11,505	11,718	11,204	9,946	9,290	9,373
Other non-current assets	33	45	46	18	30	22
Net current assets / Working capital	6,874	7,551	4,353	4,291	1,950	1,514
Statement of Profit or Loss						
Sales – gross	49,396	55,790	45,561	33,481	28,440	25,993
Sales – net	42,015	47,661	39,000	28,660	24,345	22,241
Gross profit	4,066	4,442	4,973	5,695	3,936	2,662
Operating profit	3,021	3,437	3,933	4,652	3,143	2,001
Profit before tax	1,174	1,422	3,257	4,246	2,156	1,239
Profit after tax	524	905	2,212	2,960	1,522	884
EBITDA	4,140	4,550	5,008	5,765	4,231	2,985
Statement of Cash Flows						
Net cash flow from operating activities	1,932	1,226	(1,882)	3,060	2,895	862
Net cash flow from investing activities	(953)	(1,573)	(2,532)	(1,511)	(949)	(962)
Net cash flow from financing activities	(1,225)	3,830	(654)	145	(1,431)	(785)
Changes in cash and cash equivalents	(246)	3,483	(5,067)	1,694	516	(885)
Cash and cash equivalents – Year end	(3,516)	(3,270)	(6,753)	(1,686)	(3,380)	(3,896)
Others						
Number of Employees	1,605	1,661	1,666	1,646	1,640	1,652
Number of shares (in million)						
Ordinary shares	402	402	203	176	147	147

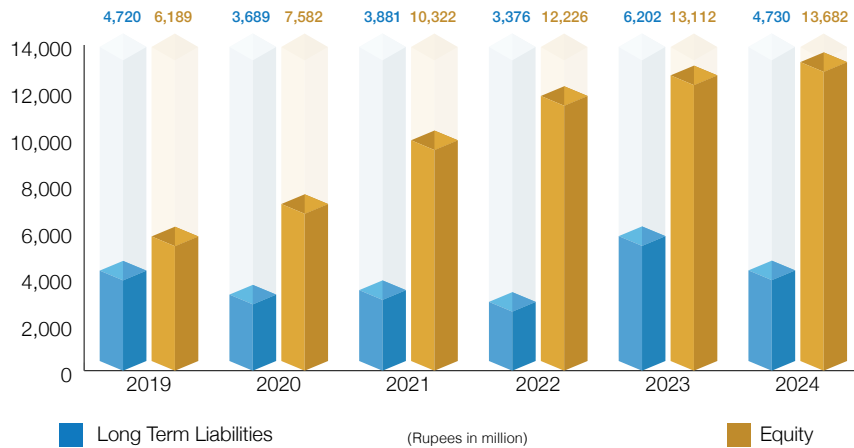
Total Assets and Net Sales



Current Assets and Current Liabilities



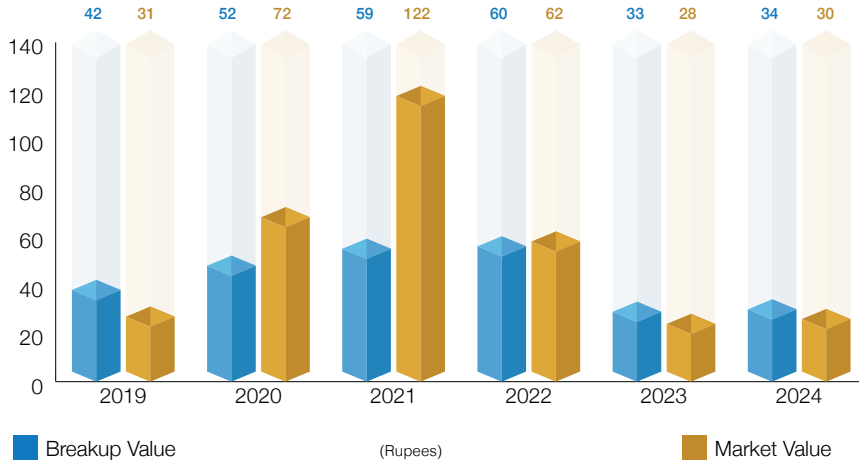
Long Term Liabilities and Equity



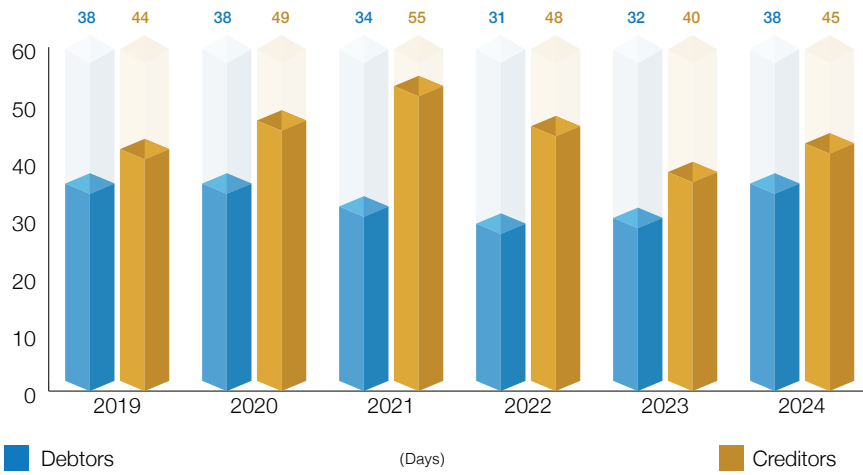
Financial Performance

		2024	2023	2022	2021	2020	2019
Profitability							
Gross profit margin	%	10	9	13	20	16	12
EBITDA margin to sales	%	10	10	13	20	17	13
Profit before tax margin	%	3	3	8	15	9	6
Net profit margin	%	1	2	6	10	6	4
Return on equity	%	4	7	18	29	20	14
Return on capital employed	%	11	10	21	30	22	14
Operating Performance / Liquidity							
Total assets turnover (excl. CWIP)		1.48 : 1	1.67 : 1	1.50 : 1	1.42 : 1	1.32 : 1	1.22 : 1
Fixed assets turnover		3.95 : 1	4.60 : 1	4.63 : 1	3.29 : 1	2.66 : 1	2.44 : 1
Debtors turnover		9.59 : 1	11.45 : 1	11.65 : 1	10.86 : 1	9.55 : 1	9.60 : 1
Debtors days		38	32	31	34	38	38
Inventory turnover		4.85 : 1	5.04 : 1	5.01 : 1	5.15 : 1	5.66 : 1	6.14 : 1
Inventory days		75	73	73	71	65	59
Creditors turnover		8.10 : 1	9.08 : 1	7.62 : 1	6.64 : 1	7.53 : 1	8.25 : 1
Creditors days		45	40	48	55	49	44
Operating cycle days		68	65	56	50	54	53
Return on assets (excl. CWIP)	%	1.83	3.17	8.50	14.68	8.24	4.85
Current ratio		1.62 : 1	1.71 : 1	1.33 : 1	1.60 : 1	1.27 : 1	1.20 : 1
Quick / Acid test ratio		0.54 : 1	0.57 : 1	0.40 : 1	0.52 : 1	0.43 : 1	0.45 : 1
Capital Market / Capital Structure Analysis							
Market value per share	Rs	29.95	28.24	61.80	122.07	71.57	31.15
Breakup value / (Net assets/shares)	Rs	34.06	32.64	60.26	58.51	51.57	42.10
Earnings per share (pre tax)	Rs	2.92	3.54	8.11	10.57	5.37	3.08
Earnings per share (post tax)	Rs	1.30	2.25	5.51	7.37	3.79	2.20
Price earning ratio		23.04 : 1	12.55 : 1	11.22 : 1	16.56 : 1	18.88 : 1	14.16 : 1
Market price to breakup value		0.88 : 1	0.87 : 1	1.03 : 1	2.09 : 1	1.39 : 1	0.74 : 1
Debt equity ratio		29 : 71	34 : 66	19 : 81	24 : 76	28 : 72	40 : 60
Weighted average cost of debt	%	18.37	16.39	8.97	7.06	12.60	9.59
Interest coverage ratio		1.64 : 1	1.71 : 1	5.82 : 1	11.46 : 1	3.18 : 1	2.63 : 1

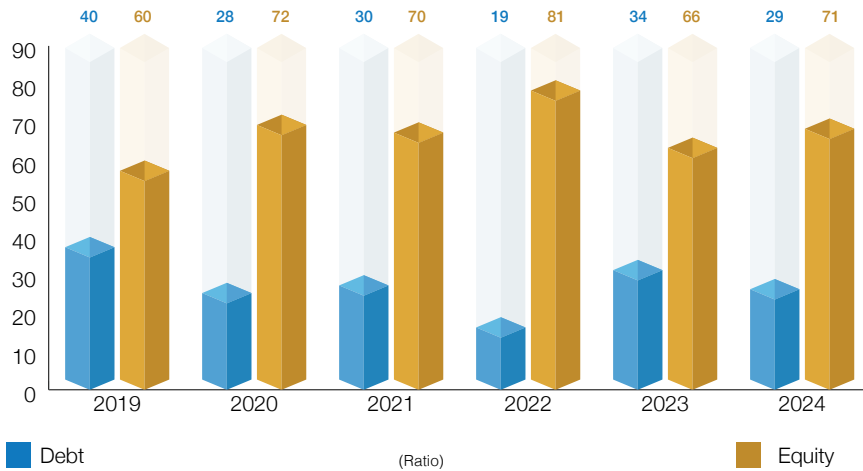
Breakup Value and Market Value



Debtors and Creditors



Debt and Equity



Horizontal Analysis

Rupees in million

STATEMENT OF FINANCIAL POSITION	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21
	Amount	%	Amount	%	Amount	%
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment						
Operating fixed assets	10,649	103	10,367	123	8,432	97
Capital work in progress	856	63	1,351	49	2,772	223
Intangible assets	15	104	14	82	17	189
Long-term loans and advances	8	67	12	57	21	1050
Long-term deposits	10	53	19	238	8	114
CURRENT ASSETS						
Stores and spares	4,060	147	2,758	80	3,467	157
Stock in trade	6,857	78	8,755	104	8,400	162
Trade debts	5,086	98	5,182	114	4,561	140
Loans and advances	134	60	222	93	240	135
Trade deposits and short-term prepayments	407	142	286	1,430	20	143
Other receivables	14	39	35	-	-	-
Tax refunds due from Government	651	318	205	209	98	101
Taxation-net	-	-	163	-	-	-
Cash and bank balances	788	98	801	106	759	154
TOTAL ASSETS	29,537		30,169		28,796	
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Issued, subscribed and paid-up capital						
Ordinary shares	4,017	100	4,017	198	2,029	115
Reserves	9,665	106	9,095	89	10,198	119
NON-CURRENT LIABILITIES						
Long-term financing	3,741	73	5,135	252	2,037	81
Lease liabilities	11	48	23	62	37	77
Deferred taxation	819	103	792	81	976	89
Deferred capital grant	159	63	252	77	326	182
CURRENT LIABILITIES						
Trade and other payables	4,951	101	4,881	99	4,913	122
Interest and mark-up accrued	228	42	541	292	185	561
Short-term borrowings	4,304	106	4,071	54	7,513	345
Taxation – net	6	-	-	-	40	10
Un-claimed dividend	2	100	2	100	2	100
Current portion of lease liabilities	12	87	14	125	11	123
Current portion of Government grant	93	85	110	96	115	166
Current portion of long-term financing	1,529	124	1,237	298	415	82
TOTAL EQUITY AND LIABILITIES	29,537		30,169		28,796	
STATEMENT OF PROFIT OR LOSS						
Sales – net	42,015	88	47,661	122	39,000	136
Cost of sales	(37,950)	88	(43,220)	127	(34,027)	148
Gross profit	4,066	92	4,442	89	4,973	87
General and administrative expenses	(977)	113	(863)	122	(707)	118
Selling and distribution expenses	(289)	103	(281)	117	(240)	114
Other operating income	340	124	275	147	187	103
Other operating expense	(119)	88	(136)	48	(281)	67
Operating profit	3,021	88	3,437	87	3,933	85
Finance cost	(1,848)	92	(2,016)	298	(676)	167
Profit before taxation	1,174	83	1,422	44	3,257	77
Taxation	(650)	126	(517)	49	(1,045)	81
Profit after taxation	524	58	905	41	2,212	75

Vertical Analysis

Rupees in million

STATEMENT OF FINANCIAL POSITION

ASSETS

NON CURRENT ASSETS

	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
Property, plant and equipment						
Operating fixed assets	10,649	36	10,367	35	8,432	29
Capital work in progress	856	3	1,351	4	2,772	10
Intangible assets	15	-	14	-	17	-
Long-term loans and advances	8	-	12	-	21	-
Long-term deposits	10	-	19	-	8	-

CURRENT ASSETS

Stores and spares	4,060	14	2,758	9	3,467	12
Stock in trade	6,857	23	8,755	29	8,400	29
Trade debts	5,086	17	5,182	17	4,561	16
Loans and advances	134	1	222	1	240	1
Trade deposits and short-term prepayments	407	1	286	1	20	-
Other receivables	14	-	35	-	-	-
Tax refunds due from Government	651	2	205	1	98	-
Taxation-net	-	-	163	1	-	-
Cash and bank balances	788	3	801	3	760	3
TOTAL ASSETS	29,537	100	30,169	100	28,796	100

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Issued, subscribed and paid-up capital						
Ordinary shares	4,017	14	4,017	14	2,029	7
Reserves	9,665	33	9,095	30	10,198	36

NON CURRENT LIABILITIES

Long-term financing	3,741	13	5,135	17	2,037	7
Lease liabilities	11	-	23	-	37	-
Deferred taxation	819	3	791	3	976	4
Deferred capital grant	159	-	252	1	326	1

CURRENT LIABILITIES

Trade and other payables	4,951	16	4,881	15	4,913	17
Interest and mark-up accrued	228	1	541	2	185	1
Short-term borrowings	4,304	15	4,071	14	7,513	26
Taxation – net	6	-	-	-	40	-
Un-claimed dividend	2	-	2	-	2	-
Current portion of lease liabilities	12	-	14	-	11	-
Current portion of Government grant	93	-	110	-	115	-
Current portion of long-term financing	1,529	5	1,237	4	415	1
TOTAL EQUITY AND LIABILITIES	29,537	100	30,169	100	28,796	100

STATEMENT OF PROFIT OR LOSS

Sales – net	42,015	100	47,661	100	39,000	100
Cost of sales	(37,950)	90	(43,220)	91	(34,027)	87
Gross profit	4,066	10	4,442	9	4,973	13
General and administrative expenses	(977)	2	(863)	2	(707)	2
Selling and distribution expenses	(289)	1	(281)	-	(240)	1
Other operating income	340	1	275	-	187	-
Other operating expense	(119)	-	(136)	-	(281)	-
Operating profit	3,021	7	3,437	7	3,933	10
Finance cost	(1,848)	4	(2,016)	4	(676)	2
Profit before taxation	1,174	3	1,422	3	3,257	8
Taxation	(650)	2	(517)	1	(1,045)	3
Profit after taxation	524	1	905	2	2,212	5

Sustainability Report

In today's global landscape, the role of businesses extends far beyond mere profitability. Organizations are increasingly recognizing the importance of embedding sustainability and corporate social responsibility (CSR) into their core operations. This report serves as a testament to our commitment to these principles, highlighting our efforts to create a positive impact on society and the environment while achieving economic success.

Our Vision for Sustainability and CSR

At Century Paper, we envision a future where businesses thrive in harmony with the planet and its people. Our sustainability and CSR initiatives are driven by this vision, aiming to balance the triple bottom line of people, planet, and profit. We believe that long-term success can only be achieved through responsible and ethical practices that benefit all stakeholders, including our employees, customers, communities, and the environment.

Strategic Approach to Sustainability

Sustainability is integral to our business strategy. We have developed a comprehensive framework that encompasses environmental stewardship, social equity, and economic viability. Our approach is guided by the United Nations Sustainable Development Goals (SDGs), which provide a universal blueprint for addressing the world's most pressing challenges. By aligning our efforts with these global goals, we are contributing to a sustainable future for all.

Environmental Stewardship

We are committed to minimizing our environmental footprint through sustainable practices and innovative solutions. Our initiatives focus on reducing greenhouse gas emissions, conserving natural resources, and promoting circular economy principles. We have set ambitious targets for reducing our carbon footprint and are continuously exploring renewable energy sources and energy-efficient technologies. Additionally, we prioritize sustainable sourcing and waste management to ensure responsible use of materials and minimize environmental impact.

Social Responsibility and Community Engagement

Our dedication to social responsibility is reflected in our efforts to support and uplift the communities in which we operate. We invest in community development projects, education, healthcare, and initiatives that promote social inclusion and equality. Our CSR programs are designed to create lasting positive change by addressing local needs and empowering individuals and communities. We also foster a culture of volunteerism among our employees, encouraging them to actively participate in community service and philanthropic activities.

Stakeholder Engagement and Collaboration

Collaboration is key to driving meaningful change. We actively engage with our stakeholders, including customers, employees, suppliers, investors, and community partners, to understand their perspectives and address their concerns. Through open dialogue and partnerships, we are able to co-create solutions that benefit all parties involved. We also collaborate with industry peers, non-governmental organizations (NGOs), and government bodies to advance sustainability and CSR initiatives on a broader scale.

Commitment to Transparency and Accountability

Transparency and accountability are fundamental to our sustainability and CSR approach. We are committed to regularly reporting our progress, challenges, and achievements in a clear and comprehensive manner. This report is part of our ongoing effort to provide stakeholders with accurate and timely information about our sustainability and CSR performance. By holding ourselves accountable and being open about our journey, we aim to build trust and demonstrate our dedication to continuous improvement.

Contributions to Sustainable Development Goals

Our company is dedicated to expanding its impact in the economic, environmental, and social spheres to promote the prosperity and well-being of local communities. We also strive to significantly contribute to the national targets for Sustainable Development Goals (SDGs). Our efforts across these three dimensions include:

Environment



Clean Water and Sanitation

Century Paper & Board Mills (CPBM) is dedicated to Sustainable Development Goal 6 by addressing the critical issue of declining per-capita surface water availability in Pakistan. Through its efforts to enhance water use efficiency, CPBM is committed to minimizing the use of freshwater, thereby mitigating water scarcity in the country.

Key initiatives include:

- **Water Use Efficiency:** CPBM continuously works on optimizing its water consumption to ensure minimal use of freshwater. By implementing advanced water-saving technologies and practices, the company significantly reduces its water footprint, contributing to the preservation of this vital resource.
- **Provision of Clean Water:** CPBM guarantees the availability of clean drinking water and proper sanitation facilities for its employees. Additionally, the company extends its commitment to the surrounding communities by providing essential drinking water infrastructure, ensuring access to clean water for all.
- **Underground Water Replenishment:** In collaboration with the Pakistan Council of Research in Water Resources (PCRWR), CPBM has developed injection wells for the replenishment of underground water through rainwater harvesting. The company is planning to increase the number of recharge wells both within and outside its premises, further enhancing groundwater replenishment efforts.
- **Long-term Objectives:** The ultimate goal of CPBM's water management strategy is to continuously improve water use efficiency over time. By reducing freshwater withdrawal, the company aims to alleviate the stress on local water levels and contribute to the sustainable management of water resources.

Through these comprehensive initiatives, CPBM aligns its operations with SDG6, ensuring the provision of clean water and sanitation, improving water use efficiency, and supporting the sustainable management of water resources in Pakistan.

(SDG Targets 6.2, 6.3, 6.4)



Affordable and Clean Energy

Century Paper & Board Mills (CPBM) is committed to Sustainable Development Goal 7 (SDG 7) by addressing the urgent issue of climate change, the defining crisis of our time. No region is immune to the devastating consequences of climate change, and the calls to reduce greenhouse gas emissions and limit the average global temperature rise to 1.5°C are growing louder.

Recognizing that energy from fossil fuels is a major source of anthropogenic greenhouse gas emissions, CPBM acknowledges that the world must either shift towards renewable energy sources or significantly reduce fossil fuel consumption. In response, CPBM is pursuing both renewable energy utilization and energy conservation measures.

CPBM operates a 3.7 MW solar power plant, harnessing renewable energy to reduce reliance on fossil fuels and lower greenhouse gas emissions. The company is heavily investing in energy conservation opportunities to enhance efficiency and sustainability. This includes the installation of waste heat recovery systems, which capture and reuse waste heat to improve energy efficiency, and the proactive repair of steam and compressed air leaks to reduce energy losses and improve operational efficiency.

Additionally, CPBM is incorporating modern, efficient air compressors and installing Variable Frequency Drives (VFDs) to optimize energy use. The company has also installed biomass boilers as a source of renewable energy, further decreasing dependence on fossil fuels.

Through these initiatives, CPBM is actively contributing to the global effort to combat climate change by promoting the use of affordable and clean energy. The company's dual approach of utilizing renewable energy and enhancing energy efficiency underscores its commitment to sustainable development and aligns with the objectives of SDG 7.

(SDG Targets 7.2 and 7.3)

Contributions to Sustainable Development Goals

Economy



Decent Work and Economic Growth

Century Paper is dedicated to conducting business with integrity, transparency, and respect for universal human rights and core labor principles throughout its operations. Our goal is to enhance the lives of workers, their communities, and the environment. We fully endorse the UN Guiding Principles on Business and Human Rights and integrate them into every aspect of our operations.

Our Fundamental Principles Include:

- Lawful and Ethical Business Conduct: We ensure that all business activities are conducted legally and with integrity.
- Fair Employment Terms: Employment terms are freely agreed upon and documented.
- Equality and Respect: All workers are treated with equality, respect, and dignity.
- Voluntary Employment: Employment is conducted on a voluntary basis.
- Appropriate Age: All workers are of an appropriate age.
- Fair Wages: All workers receive fair wages.
- Reasonable Working Hours: Working hours for all employees are reasonable.
- Freedom of Association: All workers have the right to form or join trade unions or choose not to, and to bargain collectively.
- Health and Safety: Workers' health and safety are protected in the workplace.
- Access to Fair Procedures: Workers have access to fair procedures and remedies.
- Community Land Rights: The land rights of communities, including indigenous peoples, are protected and promoted.
- Sustainability: Business is conducted in a manner that embraces sustainability and minimizes environmental impact.

By adhering to these principles, Century Paper aims to foster a work environment that supports economic growth and decent work for all, contributing to the broader achievement of Sustainable Development Goal 8.

(SDG Targets 8.3, 8.5, and 8.8)



Industry, Innovation and Infrastructure

Century Paper & Board Mills (CPBM) is committed to advancing Sustainable Development by embracing modern technology and sustainable practices in its operations.

CPBM's focus on increased resource-use efficiency and the adoption of clean, environmentally sound technologies aligns with SDG 9's objectives of promoting inclusive and sustainable industrialization, fostering innovation, and building resilient infrastructure.

CPBM has made significant strides in digitalization, demonstrating a commitment to innovation within the industry. The ongoing implementation of an information security management system based on ISO 27001 standards further underscores CPBM's dedication to ensuring robust and secure infrastructure for its operations.

The pulp and paper industry, known for its resource-intensive nature, presents challenges in terms of water and energy consumption. CPBM has strategically addressed these challenges through targeted initiatives aimed at enhancing water and energy efficiency.

In water management, CPBM has implemented measures such as improved metering, wastewater filtration and recycling, and the installation of water-efficient equipment. These efforts not only reduce water consumption but also contribute to sustainable industrial practices, in line with SDG 9's emphasis on resource efficiency.

On the energy front, CPBM's initiatives include advanced energy metering, waste heat recovery systems, and proactive maintenance to minimize energy losses. These measures not only reduce the environmental footprint but also promote innovation in energy management, supporting SDG 9's goal of promoting sustainable infrastructure and industrialization.

CPBM's proactive approach to sustainability aligns with SDG 9's vision of building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation. By integrating these principles into their operations, CPBM contributes to the global agenda for sustainable development and sets a positive example for the industry as a whole.

(SDG Targets 9.4, 9.5)

Contributions to Sustainable Development Goals

Economy



Responsible Consumption and Production

Century Paper & Board Mills (CPBM) is committed to adopting the modern concepts of Industrial Ecology and the Circular Economy. This approach ensures that process waste is not treated as waste but rather as a valuable resource for other processes, promoting responsible consumption and production.

Key initiatives include:

- Wheat Straw Fines/Baggage Pith: Supplied to other industries as a source of clean biofuel, reducing waste and promoting renewable energy use.
- Rejected Fiber: Utilized by neighboring board mills as raw material for producing sun-dry paper and boards, minimizing waste and supporting local manufacturing.
- Coal Ash: Supplied to cement factories and brick manufacturing units for use as raw material, aiding in waste reduction and resource efficiency.
- Organic-rich Wastewater: Provided to a chemical factory for the manufacture of organic fertilizer, turning waste into valuable agricultural inputs.

CPBM operates state-of-the-art wastewater treatment plants, including Dissolved Air Flotation and Biological Treatments, which help to prevent pollution and enable the recycling of treated water back into the production process. This significantly reduces freshwater consumption. Currently, CPBM is in the process of installing its third wastewater treatment plant with a capacity of 600 m³/hr. This new plant will further enhance water recycling efforts and conserve freshwater resources.

In addition, CPBM ensures that all emissions into the air strictly comply with national and international standards for human health and environmental protection, showcasing their commitment to maintaining a clean and safe environment.

To foster a culture of sustainability, CPBM actively encourages sustainable practices by celebrating World Sustainability Day and World Environment Day. These events feature the participation of environmental experts and young environmental students, promoting awareness and integrating sustainability into everyday actions.

(SDG Targets 12.4, 12.5 and 12.6)

Society



Quality Education

The company has collaborated with local NGOs to establish Smart Schools, based on the concept of one-room classrooms, in underprivileged communities. These schools aim to provide education to non-school-going children who are often involved in child labor, such as garbage collection.

Through these initiatives, CPBM has successfully enrolled 800 students, both boys and girls:

In collaboration with the Institute of Rural Management, five schools in Lahore have enrolled 150 students. Additionally, CPBM has partnered with Smile Foundation to establish four schools in Jumber Khurd, Kasur, which have enrolled 500 students. Furthermore, in collaboration with Million Smiles Foundation, one school with a computer lab has been established in Katha Paran (Neelum Valley), enrolling 150 students. By providing access to education in these marginalized communities, CPBM is making a significant impact on reducing child labor and enhancing the prospects of these children. The Smart Schools initiative not only offers basic education but also integrates digital literacy, preparing students for a brighter future.

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

CPBM's efforts in establishing these schools demonstrate a strong commitment to promoting inclusive and equitable quality education and lifelong learning opportunities for all, aligning with the objectives of SDG 4.

(SDG Target 4.1)



Gender Equality

In line with our Chairman's vision of women's empowerment, Century Paper & Board Mills (CPBM) has established a wastepaper sorting facility to engage and provide a reasonable source of income for disadvantaged women from the surrounding community. Currently, CPBM has engaged 40 local women in this activity, offering them economic opportunities and enhancing their livelihoods.

To ensure a respectful and dignified work environment for all employees, CPBM has implemented strict procedures to prevent any form of harassment, abuse, or intimidation. This includes protection against physical, sexual, psychological, and verbal abuse. Employment practices are designed to be free from discrimination in all aspects, including hiring, compensation, advancement and discipline. Discrimination based on caste, national origin, ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation, health status, or pregnancy is strictly prohibited.

Moreover, CPBM is committed to providing women with opportunities for leadership at all levels and across all functions, including production, engineering, management systems, supply chain management and also have representation on the Board of Directors.

This commitment to gender equality ensures that women have the chance to contribute meaningfully to the company's success and advance their careers.

Through these initiatives, CPBM aligns itself with the goals of SDG 5, promoting gender equality and empowering all women and girls.

(SDG Target 5.1, 5.2, and 5.5)





Annual Service Award



Smart School



Women's Day Celebration



Computer Training Summer Camp



Plantation for Life

Governance & Compliance





Corporate Information

Board of Directors

Non-Executive Directors

Iqbal Ali Lakhani (Chairman)
Amin Mohammed Lakhani
Babar Ali Lakhani
Anushka Lakhani

Independent Directors

Asif Qadir
Ali Aamir

Executive Director

Aftab Ahmad (Chief Executive Officer)

Board's Committees

Audit Committee

Ali Aamir (Chairman)
Amin Mohammed Lakhani
Babar Ali Lakhani

Human Resource & Remuneration Committee

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

Advisor to the Board

Sultan Ali Lakhani

Key Management Personal

Tanveer Ahmed Khalid (Chief Operating Officer)
Jehanzeb Ali Akhtar (Director Production)
Sheikh Nadeem Ullah (Director Engineering / Power & Utilities)

Officers

Chief Financial Officer

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

Company Secretary

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

Shares Registrar

FAMCO Share Registration Services (Private) Limited

8-F, Near Hotel Faran, Nursery
Block-6, P.E.C.H.S.
Shahra-e-Faisal, Karachi.
Phone: (021) 34380101-5, 34384621-23
Fax: (021) 34380106
Email: info.shares@famcosrs.com
Website: www.famcosrs.com

External Auditors

BDO Ebrahim & Co.

Chartered Accountants
Email: info@bdoebrahim.com.pk

Bankers

Conventional

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

Islamic

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

Offices & Mills

Head Office and Registered Office

Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi - 74200, Pakistan.
Phone: (021) 38400000
Fax: (021) 35684336, 35683410
Email: info@centurypaper.com.pk
Website: www.centurypaper.com.pk

Lahore Office

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

Mills

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

Directors' Profile

Iqbal Ali Lakhani (Chairman)

Mr. Iqbal Ali Lakhani is the Chairman of the Lakson Group of Companies, one of the Pakistan's large and most diversified business groups. Under his visionary leadership, the Lakson Group has grown into a conglomerate with interests in various sectors, including fast-moving consumer goods, paper and board, printing and packaging, surgical instruments, software development, insurance, media, and telecommunications. Mr. Lakhani has been instrumental in establishing new ventures and steering the group towards continuous growth and innovation.

Mr. Lakhani holds a degree in Business Administration from the University of California, Berkeley, and has over four decades of experience in managing and leading businesses in Pakistan. He has served on the boards of various companies and is an active participant in several business forums. He is also actively involved in philanthropic activities and currently serves as the Vice Chairman of the Layton Rehmatullah Benevolent Trust (LRBT) and as a trustee of the Lakson Medical Trust.

Amin Mohammed Lakhani (Director)

Mr. Amin Mohammed Lakhani is a generous philanthropist and a member of the Lakson Group Executive Team. He is the CEO of SIZA Foods, the franchise holder of McDonald's in Pakistan, which has grown to 73 restaurants across the country under his able leadership. He is the recipient of the prestigious Golden Arches Award from McDonald's Corporation in 2011 - the highest award an owner-operator can receive from McDonald's.

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

Babar Ali Lakhani (Director)

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

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

Anushka Lakhani

(Director)

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

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

Ali Aamir

(Director)

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

Asif Qadir

(Director)

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

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

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

Aftab Ahmad

(Director & Chief Executive Officer)

Mr. Aftab Ahmad is presently the Chief Executive Officer of Century Paper & Board Mills Limited and serving as a Director of Merit Packaging Limited and Century Insurance Company Limited. He is also member of Audit Committee of Century Insurance Company Limited. He joined Lakson Group of Companies in 1984 as Deputy General Manager (Technical) of Century Paper & Board Mills Limited. He has also served as the General Manager (Operations) and Director (Operations) of the Company. Prior to joining Lakson Group, he worked at Packages Limited in Pakistan, Saigal Brothers and Azzawya Oil Refinery in Libya. Under his Dynamic Leadership, Century Paper & Board Mills Limited became a Market Leader in the field of Packaging. With his engineering background, he successfully implemented the mega project of Century Paper's new board machine PM-7, thereby building CPBM's brand image for quality and reliability in the market.

Shareholders' Information

The Company

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

Ownership

On June 30, 2024 the Company has 4,337 (L.Y. 3,537) shareholders. The Pattern of Shareholding is given on the page 164 of the annual report.

Distribution to Shareholders

The following table shows the cash & stock dividend distributed by the Company during last five years (2019 to 2023).

Rupees in thousand

	2019	2020	2021	2022	2023
Cash Dividend	110,264	147,018	220,528	264,633	-
Stock Dividend	-	-	294,037	264,633	1,988,275
Total	110,264	147,018	514,565	529,266	1,988,275

The details of stock dividends (bonus issues) and the corresponding increase in share capital are outlined below:

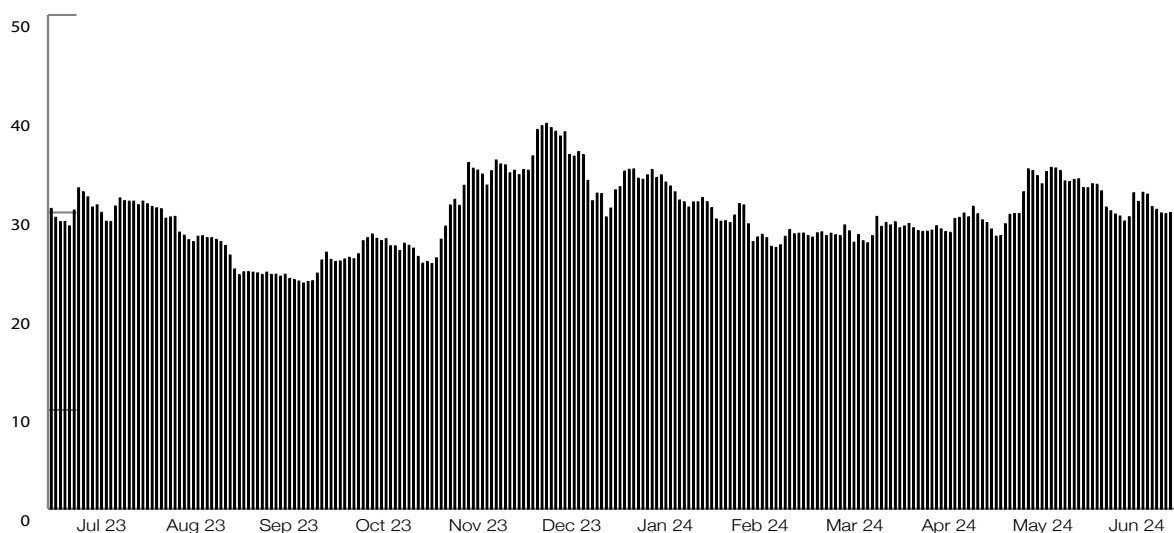
Rupees in thousand

Years	Nature of dividend	Stock dividend	Share capital
Share Capital as at July 1, 2020			1,470,184
2021	Issued bonus shares in the proportion of one (1) share for every five (5) shares held.	294,037	1,764,221
2022	Issued bonus shares in the proportion of three (3) shares for every twenty (20) shares held.	264,633	2,028,854
2023	Issued bonus shares in the proportion of one (1) share for every ten (10) shares held.	202,885	4,017,129
	Issued bonus shares in the proportion of four (4) shares for every five (5) shares held.	1,785,390	
Share capital as at June 30, 2024			4,017,129

Share Price Sensitivity Analysis

The overall stock market performance and Company's financial and operational performance impact the share price of the Company. The prevailing economic and political environment affects the Stock Market Performance. Uncertain economic conditions, high inflation, and expensive cost of borrowing affected both financial results and the share price of the Company during the year ended June 30, 2024.

Period	Share Price (Rupees)			Daily Average of Trading Volume
	High	Low	Closing	
First Quarter (Jul-Sep-23)	33.75	22.48	25.20	204,371
Second Quarter (Oct-Dec-23)	40.00	24.56	32.56	1,091,968
Third Quarter (Jan-Mar-24)	35.15	25.50	28.83	537,460
Fourth Quarter (Apr-Jun-24)	36.00	27.20	29.95	781,579
Full Year (Jul-23 to Jun-24)	40.00	22.48	29.95	652,494



Financial Results

The tentative timelines of the financial results for the year 2024-25 for approval in the Board of Directors meetings are as follows:

First Quarter ending on September 30, 2024	October 2024
Second Quarter ending on December 31, 2024	January 2025
Third Quarter ending on March 31, 2025	April 2025
For the year ending on June 30, 2025	August 2025

Web Presence

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

Change of Address

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

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of CENTURY PAPER & BOARD MILLS LIMITED will be held on Monday, October 28, 2024 at 03:00 p.m. at PSX Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi, as well as through Electronic means/Video link facility to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2024 together with the Directors' and Auditors' reports thereon.

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR enabled code:

<https://centurypaper.com.pk/annual/2024.pdf>

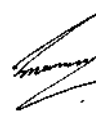


2. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

3. To consider and if deemed fit to pass the following resolutions as special resolution:
 - a) **"RESOLVED THAT** the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No. 47 of the Audited Financial Statements for the year ended June 30, 2024 be and are hereby ratified and approved."
 - b) **"RESOLVED THAT** the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2025 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

By Order of the Board



(MANSOOR AHMED)

Company Secretary

Karachi: September 30, 2024

NOTES:

1. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from October 21, 2024 to October 28, 2024 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi up to the close of business on October 20, 2024 will be treated in time for the purpose of attending the annual general meeting 'AGM'.

2. Electronic transmission of Annual Report:

In compliance with Section 223(6) of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2024 downloadable through weblink, QR enabled code, through email to Members whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2024 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2024, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

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

- a. A member or proxyholder can participate in the AGM proceedings either via physical presence or through video link facility:
- b. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited (CDC), must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- c. The arrangement for attending the AGM through electronic means will be as under:
 - i. To facilitate our members who want to attend AGM through Zoom application - a video link facility will be provided.
 - ii. Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary's office by providing the following details at the earliest but not later than 48 hours before the time of AGM (i.e., before 03:00 p.m. on October 26, 2024) through following means:
 - a. Mobile/WhatsApp: 0315 5008228
 - b. E-mail: comsec@centurypaper.com.pk

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

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

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

4. Requirements for appointing Proxies

- a. A member entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend, speak and vote on his/her behalf, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company.
- b. Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting excluding holidays.
- c. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

Notice Of Annual General Meeting

- d. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- e. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.
- f. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Updation of Shareholder Addresses/Email & Cell Numbers:

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

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to kindly provide their valid email address and cell number (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

Conversion of Physical Shares into CDC Account

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

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

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

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

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

6. E-Voting:

In accordance with the Companies (Postal Ballot) Regulation, 2018, as amended on December 05, 2022, the right to vote through electronic voting facility will be provided by the Company in respect of the Special Business. Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers and e-mail addresses available in the register of Members of the Company within due course. The member may alternatively opt for voting through postal ballot which is being published with this notice and is also available on Company's website.

7. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017.

8. Proxy Form:

Form of Proxy and Ballot Paper are enclosed and are also available on Company's website: www.centurypaper.com.pk.

Statement Of Material Facts

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

This statement sets out the material facts concerning the Special Business given in agenda item No. 3 of the Notice which will be considered to be passed by the members.

Agenda Item No. 3(a) – Transactions carried out with associated companies/related parties during the year ended June 30, 2024 to be passed as a Special Resolution.

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

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

In view of the above, the transactions conducted during the financial year ended June 30, 2024 with associated companies/related parties shown in Note No. 47 of the Audited financial statements for the year ended June 30, 2024 are being placed before the shareholders for their consideration and approval/ratification.

Agenda Item No. 3(b) – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2025 to be passed as a Special Resolution.

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

In order to comply with the provisions of Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2025.

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

Corporate Calendar

Board of Directors Meetings

August 10, 2023

To consider annual accounts of the Company for the year ended June 30, 2023

October 24, 2023

To consider interim accounts of the Company for the first quarter ended September 30, 2023

February 07, 2024

To consider interim accounts of the Company for the half year ended December 31, 2023

April 26, 2024

To consider interim accounts of the Company for the nine months ended March 31, 2024

Audit Committee Meetings

August 08, 2023

To consider annual accounts of the Company for the year ended June 30, 2023

October 23, 2023

To consider interim accounts of the Company for the first quarter ended September 30, 2023

February 06, 2024

To consider interim accounts of the Company for the half year ended December 31, 2023

April 24, 2024

To consider interim accounts of the Company for the nine months ended March 31, 2024

Annual General Meeting

October 17, 2023

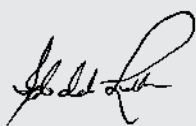
Annual General Meeting of Shareholders to consider annual accounts of the Company for the year ended June 30, 2023

Review Report By The Chairman

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

For the financial year ended June 30, 2024, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

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



Iqbal Ali Lakhani

Chairman

Dated: August 16, 2024

Dear Esteemed Shareholders,

With great pleasure, on behalf of the Board of Directors, I extend to you the Annual Report of your Company for the fiscal year ended on June 30, 2024.

The national economy was worst hit in previous year due to unprecedented high inflation, alarming current account deficit, a heavily depreciating currency and a catastrophic flood at the early part of the year and economic growth nosedived to 0.29%. During the year under review, we have witnessed certain positive developments in economic indicators including downside in inflation, contained current account deficit and relatively stable currency. These improvements slightly pushed the economic growth up to 2.4% mainly led by the growth in agriculture. There are also signs of improvement in industrial growth but it remained sluggish on overall basis as industry just recorded growth of 1.2% while large-scale manufacturing posted further contraction of 0.1%.

On the backdrop of sluggish economic activity, demand for paper and paperboard products further contracted during the year. Simultaneously, the influx of cheaper imports intensified competition for local producers. In this challenging environment, characterized by subdued demand and rising production costs, we adopted a targeted strategy, concentrating on selective sales with positive margins to safeguard the Company from potential losses amid aggressive competition particularly from import. As a result, while gross sales decreased from Rs. 55.79 billion to Rs. 49.40 billion, however your Company successfully maintained profitability, delivering a net profit of Rs. 524 million and Earnings Per Share (EPS) stood at Rs. 1.30 as compared to Rs. 2.25 per share for last year, based on an expanded share capital of 401,000,000 shares, following last year's 80% bonus share issuance.

Over the past few years, your Company has successfully completed several key BMR (Balancing, Modernization, and Replacement) projects aimed at enhancing operational efficiency and capacity. Notable achievements include the complete upgrade of quality control systems across various machines and power plants, enhanced capabilities for raw material processing, expansion of sheeting capacity, modernization of the mechanical workshop. Additionally, a major upgrade of our grid station, increasing load capacity from 5MW to 16.8MW marks a significant step in improving our energy infrastructure. These upgrades are expected to boost productivity, improve product quality, and enhance cost efficiency across operations, positioning the Company to capitalize on the anticipated demand recovery in line with improving economic conditions. I would also like to commend the management's efforts in optimizing the energy mix, which resulted in a significant reduction in energy costs compared to the previous year—a trend we expect to continue in the ensuing years.


Chairman's Message

In recent years, local producers, including your Company, have faced significant challenges due to a surge in extremely cheap imports, which have led to unhealthy competition in the market. To address this, your Company's management has been actively engaging with relevant government authorities, advocating for fairer conditions for the local industry. We are optimistic that the concerned departments will take prompt and positive action to safeguard the industry's ability to sustain livelihoods for workforce, both employed directly/indirectly and within the broader raw material supply chain, and to continue its vital contribution to the national economy.

As a conscientious corporate entity, your Company remains fully dedicated to the principles of the triple bottom line: prioritizing the well-being of people, safeguarding the planet, and driving sustainable profit. Building on our sustainability journey, we have further strengthened our approach to managing environmental, social, and governance (ESG) matters, ensuring that our strategies align with long-term value creation. This year's report emphasizes our proactive efforts to mitigate climate-related risks through energy conservation initiatives, while also advancing diversity, equity, and inclusion (DE&I) across all levels of the organization. Through our steadfast efforts on sustainability, we continue to enhance our environmental impact while remaining fully committed to fostering positive change for our stakeholders and communities.

With signs of improvement in economic indicators paving the way for better growth in the coming years, the management of your Company is fully committed to reclaiming market share and driving cost efficiencies following the successful completion of BMR projects, with improved competitiveness. Furthermore, the anticipated reduction in interest rates driven by ongoing monetary easing and declining inflation, will provide additional benefits to the Company. I am confident that the challenges of the past two years are behind us, and we can look forward to better times ahead for both the economy and, our Company. I sincerely thank our shareholders for their trust and confidence during these challenging times, and I am optimistic that we will deliver greater value in the years to come.

I extend my deepest gratitude to our dedicated employees, esteemed customers, reliable vendors, trusted financial partners, valued shareholders, and local authorities for their invaluable contributions to the Company's progress and achievements.



Iqbal Ali Lakhani

Chairman

Dated: August 16, 2024

Directors' Report

On behalf of the Board of Directors (BOD), we are pleased to present the Annual Report of Century Paper & Board Mills Limited (CPBM) for the year ended June 30th, 2024 along with the audited financial statements and Auditors' Report thereon.

BUSINESS PERFORMANCE REVIEW

The Financial year 2024 started with the challenges of higher inflation, high current account balance, volatile exchange rate and declining forex reserves. The successful implementation of IMF stand-by agreement, support from friendly countries and well managed external account pushed up the forex reserves and stabilized the exchange rate. Furthermore, SBP maintained the policy rate at 22% for most part of year and eventually started monetary easing in May 2024 by policy cut of 1.5% subsequent to significant reduction in inflation to 11.8% in May 2024 from 29.4% in June 2023. Owing to above stabilization measures, Pakistan's GDP grew by 2.4% in FY2024, a significant rebound from the 0.29% contraction witnessed in FY 2023. Through recovery was led by agriculture sector but industrial sector also recorded a modest increase of 1.2% as compared to a contraction of 3.7% in FY2023. The large-scale manufacturing (LSM) experienced a slight decline of 0.1% as opposed to a 7% contraction in FY2023.

Demand for the paper & board products further contracted during the year after witnessing slowdown last year owing to inflationary pressures that reduced the disposable income of the masses. Moreover, output of local industry has been reducing as cost escalations made it difficult for the local industry to compete with cheaper imports of certain varieties of paper & paperboard. During the year, local Industry raised the issue with relevant Government forums to get remedies available under the law to avert the unhealthy competition arising from certain malpractices by the importers of like products.

On the backdrop of extremely challenging circumstances, Your Company experienced a decline in production volumes this year, reaching 179,964 metric tons compared to last year's 196,192 metric tons, with overall capacity utilization falling to 68% from the previous year's 74%. However, the Company successfully optimized operations of its state-of-the-art coated duplex board machine, which is based on recycled paper. Sales volumes also dropped to 184,908 metric tons from 207,413 metric tons in the corresponding year. This reduction in sales volume led to a decline in net sales by 12% from Rs. 48.00 billion in last year to Rs. 42.00 billion for the year. The decrease in sales was primarily driven by sluggish market demand and increased competition from cheaper imported goods & the unorganized sector.

Throughout the year, the Company remained dedicated to maintaining the highest standards in quality, health, safety, and environmental protection across all operations. Despite challenging circumstances, we upheld our commitment to corporate social responsibility, focusing on enhancing employee well-being, empowering women in local communities, and expanding educational opportunities for underprivileged children. These efforts reflect our enduring dedication to making a meaningful societal impact.

FINANCIAL PERFORMANCE ANALYSIS

Summarized financial performance is as follows:

	Rupees in million	%	
	2024	2023	Variance
Sales	42,015	47,661	(12%)
Cost of Sales	(37,949)	(43,220)	12%
Gross profit	4,066	4,442	(8%)
Admin and Selling Expenses	(1,266)	(1,144)	(11%)
Other Operating Expenses	(118)	(136)	12%
Other Income	340	275	24%
Operating profit	3,022	3,437	(12%)
Financial Charges	(1,848)	(2,016)	8%
Profit before income tax and minimum tax differential	1,173	1,422	(17%)
Minimum tax differential	(210)	(272)	23%
Profit before income tax	963	1,149	(16%)
Income tax	(439)	(244)	(80%)
Net profit after tax	524	905	(42%)
Earnings per share - Rupees	1.30	2.25	(42%)

Due to lower sales volumes for the year, gross profit decreased by 8% to Rs. 4,066 million from Rs. 4,442 million of the last year. The gross profit margin, expressed as a percentage of net sales, increased to 9.68% from the previous year's 9.32%. This improvement in the gross margin can be attributed to stable raw material prices (especially imported) and reductions in energy costs, resulting from lower coal prices and the procurement of natural gas at concessional rates. These cost savings have been partially offset by downward revision in selling prices of certain varieties of products in line with market conditions and an increase in fixed overheads in line with inflationary trends.

After taking out admin, selling and other expenses/income, the current year's operating profit (EBIT) stood at Rs. 3,022 million (L.Y. Rs. 3,437 million). The admin & selling expenses inflated by 11% and other income increased by 24%.

After accounting for finance costs, the net profit before tax was Rs. 1,173 million (2023: Rs. 1,422 million). Through stringent management of inventory and trade receivables, the Company successfully reduced finance costs by 8% from Rs. 2,016 million last year to Rs. 1,848 million this year, despite higher prevailing interest rates.

The Directors report that the Company achieved a net profit after tax of Rs. 524 million (2023: Rs. 905 million). The tax expense, which includes the minimum tax differential and income taxes, increased to Rs. 649 million compared to Rs. 516 million last year. This increase reflects the provision for deferred tax liabilities at the enacted rate, including the impact of the super tax. The tax liability is split into two components i.e., "Minimum Tax Differential" and "Income Taxes" as per the requirement of guidelines issued by ICAP more fully explained in notes 5.26 and 39 of the financial statements.

APPROPRIATION

The following is the movement of Unappropriated profit for the year:

	Rupees in million
Profit for the year	523.89
Unappropriated Profit brought forward	267.84
Unappropriated Profit carried forward	791.73

Due to the business plan forecasted and cash flow planning & budgeting, no cash dividend has been declared for the year.

LIQUIDITY MANAGEMENT

During the year, the company's total borrowings decreased to Rs. 9,826 million, compared to Rs. 10,804 million in the previous year. This includes a principal outstanding of Rs. 5,522 million in long-term financing (L.Y. Rs. 6,733 million) including capital grants of Rs. 252 million (L.Y. Rs. 362 million) classified separately in the statement of financial position.

Short-term borrowings saw a slight increase to Rs. 4,304 million (L.Y. Rs. 4,071 million). The company generated Rs. 1,932 million in cash from operations, which was effectively used for capital expenditures of Rs. 973 million and the repayment of Rs. 1,210.98 million of long-term financing. Short-term borrowing utilization was effectively managed by maintaining a vigilant watch over working capital levels. As a result, finance costs were reduced from Rs. 2,016 million last year to Rs. 1,848 million this year, with an effective cost of 18.37% (L.Y. 16.39%). Though the cost of short-term borrowing rose to 22.18% (L.Y. 16.94%), we optimized the mix of short-term limits to control banking spreads amidst a high policy rate environment.

Encouragingly, the State Bank initiated a monetary easing cycle with a 1.5% policy rate cut in May 2024, followed by an additional 1% reduction in July 2024. With further rate cuts anticipated, this monetary easing, combined with effective working capital management, is expected to further reduce finance costs in the coming year.

MARKET CAPITALIZATION

The stock market in Pakistan witnessed a remarkable surge in FY2024, consistently scaling new heights and culminating a record peak of 80,060 in June 2024. The year closed at 78,445 points, a substantial leap from last year's 41,453 points. This extraordinary performance was underpinned by renewed investor confidence, fueled by the successful implementation of the IMF program and decisive stabilization measures that markedly improved key economic indicators.

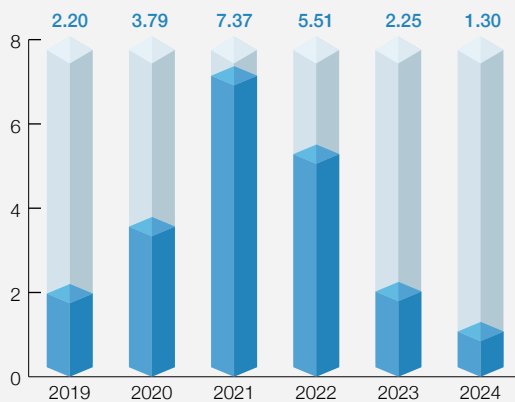
Following the impact of the increased paid-up capital in June last year, our share price stood at Rs. 28.24 per share as of June 30, 2023. Throughout the year, it navigated fluctuations, ranging from a low of Rs. 22.80 to a high of Rs. 38.98 per share. Ultimately, our share price settled at Rs. 29.95 as of June 30, 2024 translating into a market capitalization of Rs. 12,031 million (L.Y. Rs. 11,344 million).

EARNINGS PER SHARE (EPS)

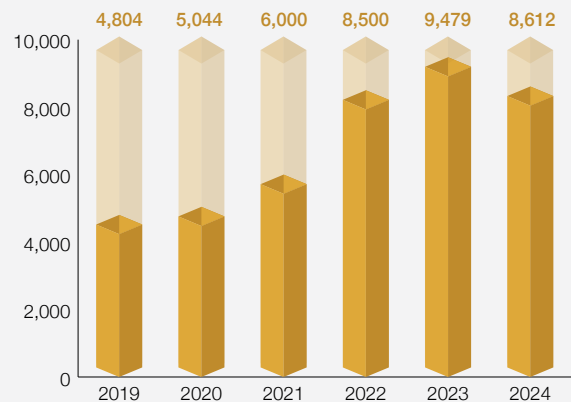
For the year under review, your Company reports the basic EPS at Rs. 1.30 (2023: Rs. 2.25) calculated on the fully paid-up ordinary shares totaling 401,712,926, which increased following the issuance of 198,827,610 bonus shares last year. There is no dilution effect on EPS for the period under review and the corresponding period of last year.

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Your Company's contribution to the national exchequer for the year stood at Rs. 8,612 million as compared to Rs. 9,479 million for the last year.

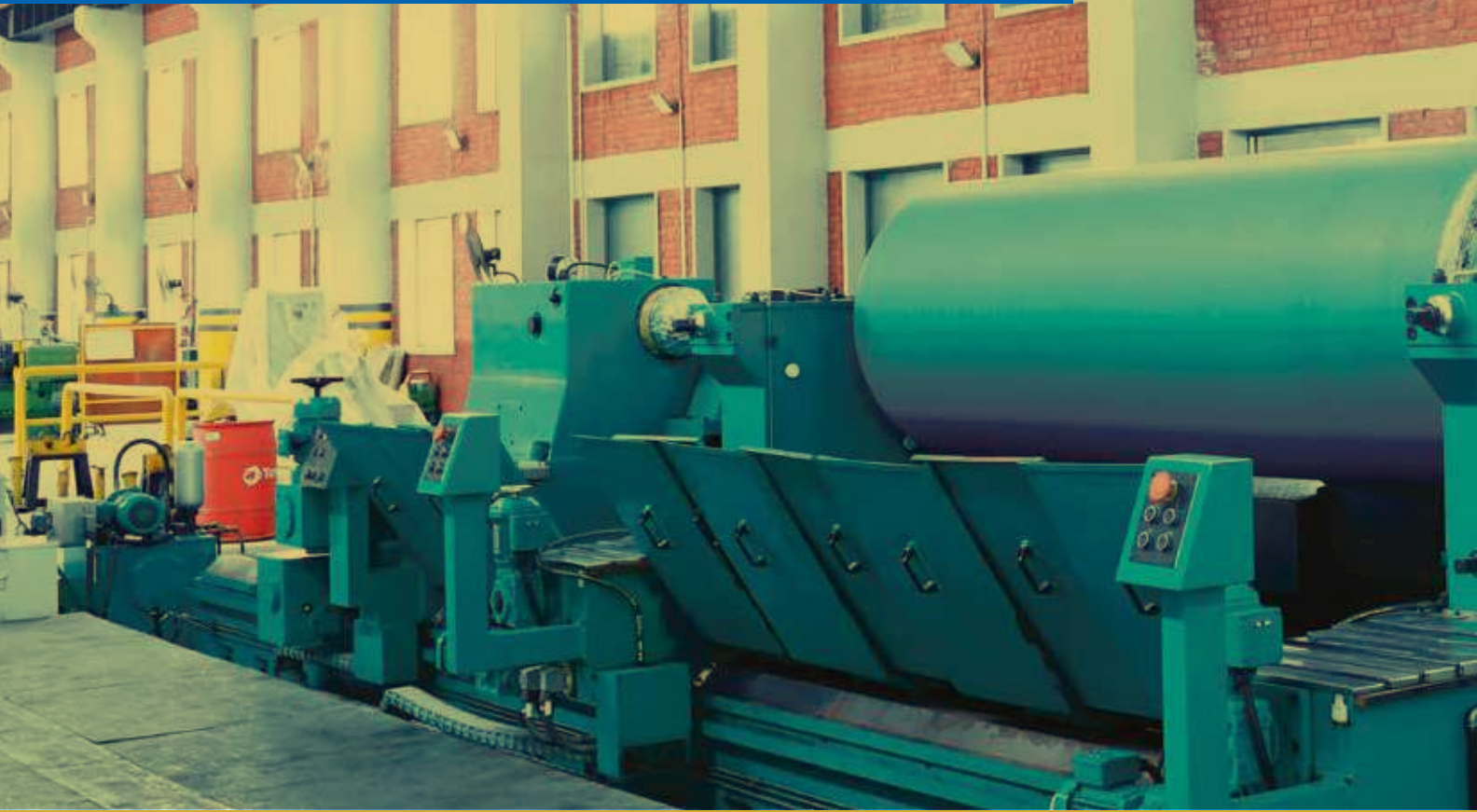


■ Earnings per share (Rupees)



■ Contribution To National Exchequer (Rupees in million)

Balancing, Modernization & Replacement (BMR)



During the year under review, the Company has incurred capital expenditure of Rs 973 million (L.Y: Rs. 1,595 million) to complete BMR projects initiated in previous years and certain necessary upgrades replacements.

During the year under review, a project for modernization of the Roll Grinding and Balancing System, alongside the enhancement of the Mechanical Workshop to bolster in-house maintenance capabilities is completed with a capital outlay of Rs 450 million. The Grid station after upsizing of its capacity from 5.5 MW to 16.0 MW became functional during the year involving a capital outlay of Rs 221 million. Additionally, the installation of an automatic Bale Breaking and Sorting Machine, with a capital outlay of Rs 100 million, has further streamlined material handling processes.



Roll Grinding and Balancing System

In total, The Company has successfully completed projects totaling Rs 1,222 million (L.Y. Rs 2,582 million) during the year.

Moreover, a Secondary Waste Water Treatment Plant, with a capital outlay of Rs 500 million is in process of installation underscoring our dedication to advancing environmental sustainability practices. Furthermore, the Company is expanding its capacity to produce local alternatives to imported chemicals, such as Calcium Carbonate, with a capital outlay of Rs 135 million.

These projects collectively reflect our strategic vision of enhancing operational efficiency, sustainability, and resilience, ensuring that the Company remains at the forefront of industry standards while continuing to deliver value to our stakeholders.

RISK MITIGATION

The Board of Directors, Board's Audit Committee, and the senior management team led by the Chief Executive Officer are responsible for oversight of your Company's operations and to evolve proactive strategies to mitigate any potential adverse impact of major risks duly categorized into Strategic Risk, Operation Risks and Financial Risks. The information about these risks and their mitigants is provided below:

Risk factors	Mitigants
a) Strategic Risk	
<ul style="list-style-type: none"> • Changes in global and local economic trends & competition threats. • Technology and product innovations disrupting the acceptability of the Company's products. • Market shift towards the substitute products. • Changes in the Legal requirements. 	<p>Your Company regularly keeps track of the changing market trends and seeks feedback from its regular and prospective customers. Your Company also ensures that its products are best suited for the customers' current and future needs at competitive prices with the finest quality as a measure to counter the competition and to retain and improve its market share.</p>
b) Operational Risks	
<ul style="list-style-type: none"> • Upkeep of production machines. • Rising raw material/fuel and other operating costs. • Supply chain disruptions and increased lead time. • Scarcity of Materials/Fuels disrupting the production. • Dearth of Skilled human resources. 	<p>Your Company has a well-diversified supplier base for domestic and imported materials. Energy sufficiency is ensured by putting in place different power/steam generation facilities running on alternate fuels. Human resources are developed by providing appropriate in-house and external training opportunities.</p>
c) Cybersecurity Risks	
<ul style="list-style-type: none"> • Ransomware Attacks • Phishing and Social Engineering • Insider Threats • IoT Vulnerabilities • Physical Security Breaches 	<p>The Company has following system in place to mitigate the cybersecurity risks:</p> <ul style="list-style-type: none"> • Security Software Solution • Firewall Solutions • Secure WIFI Connectivity • Use of Licensed Software <p>Moreover, Company is also in process of implementation of ISO/IEC 27001 standard "Information Security Management System".</p>

Risk factors	Mitigants
d) Financial Risks	
<ul style="list-style-type: none"> • Credit Risk • Liquidity Risk • Interest rates Risk • Foreign Exchange Risk 	These risks are explained in note 46 of the financial statements.

CAPITAL MANAGEMENT

Your Company's policy is to maintain a strong capital base and preserve investors, creditors, and market confidence to safeguard its ability to continue as a going concern. Your Company manages its capital structure and makes appropriate adjustments to move with economic changes and the risks associated with safeguarding its asset base. Your Company's management believes in maintaining an appropriate debt-equity ratio and optimal mix of long and short-term debts. As of June 30, 2024, Shareholder Equity increased from Rs. 13,112 million in the previous year to Rs. 13,682 million. Simultaneously, the Company's net debt decreased from Rs. 10,091 million at the end of last year to Rs. 9,422 million. Consequently, the gearing ratio slightly improved from 0.43 last year to 0.41 for the current year under review.

PROVIDENT AND GRATUITY FUNDS

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

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

	Rupees in million	
	2024	2023
Provident Fund	1,159.11	919.02
Gratuity Fund	1,106.82	866.77

AUDITORS

The present Auditors, BDO Ebrahim & Company, Chartered Accountants, are the retiring auditors of the Company and have offered their services for re-appointment. They confirmed that they have been given a satisfactory rating under the Quality Control Review Program of The Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by ICAP. On the recommendation of the Board's Audit Committee, the Board of Directors proposed their re-appointment by the shareholders at the forthcoming Annual General Meeting, as auditors of the Company for the year ending June 30, 2025, at a fee to be mutually agreed upon.

CORPORATE INFORMATION

Board of Directors

Composition of the Board

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

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

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

The three-year term of Board of Director expired on July 17, 2024. Therefore, an Extra-Ordinary General Meeting (EOGM) of your Company was held on July 12, 2024 to elect the directors for a new term of three (3) years commencing from July 17, 2024 and following seven directors were elected: -

Mr. Iqbal Ali Lakhani (Chairman – Non-Executive Director)

Mr. Amin Mohammed Lakhani (Non-Executive Director)

Mr. Babar Ali Lakhani (Non-Executive Director)

Ms. Anushka Lakhani (Non-Executive Director)

Mr. Aftab Ahmad (Chief Executive Officer)

Mr. Ali Aamir (Independent Director)

Mr. Asif Qadir (Independent Director)

Subsequent to election of directors, Mr. Iqbal Ali Lakhani was re-elected as Chairman of the Board and Mr. Aftab Ahmad was re-appointed as Chief Executive Officer of the Company for the term of next 3 years. The composition of the newly elected Board remains unchanged from its previous structure.

Board Meetings

Four meetings of the Board of Directors were held during the year ended June 30, 2024. Attendance by each Director was as under:

Name of Directors	Meetings Attended
Non-Executive	
Mr. Iqbal Ali Lakhani (Chairman)	4
Mr. Amin Mohammed Lakhani	3
Mr. Babar Ali Lakhani	1
Ms. Anushka Lakhani	4

Name of Directors	Meetings Attended
Independent Director	
Mr. Ali Aamir	3
Mr. Asif Qadir	1
Executive Director	
Mr. Aftab Ahmad (CEO)	4

Audit Committee

An Audit Committee was set up by the Board as per the requirements of the Code of Corporate Governance. An independent Director is its chairman and two Non-Executives Directors are members. Four meetings of the Committee were held during the year ended June 30, 2024. Attendance of each Director is as under:

Name of Directors	Role in Committee	Director Type	Meetings Attended
Mr. Ali Aamir	Chairman	Independent	4
Mr. Amin Mohammed Lakhani	Member	Non-Executive	4
Mr. Babar Ali Lakhani	Member	Non-Executive	3

After election of Directors on July 12, 2024, the audit committee was reconstituted retaining the same chairman and members.

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

Human Resource & Remuneration Committee

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

Name of Directors	Role in Committee	Director Type
Mr. Asif Qadir	Chairman	Independent
Mr. Amin Mohammed Lakhani	Member	Non-Executive
Ms. Anushka Lakhani	Member	Non-Executive
Mr. Aftab Ahmad	Member	Executive

After election of Directors on July 12, 2024, the committee was reconstituted retaining the same chairman and members.

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

Directors' Remuneration

The remuneration of the Board members is approved by the Board. However, in following the Code of Corporate Governance, it is ensured that no Director takes part in deciding his/her remuneration. Please refer to note 46 of the Financial Statements for information on the remuneration of the Chief Executive Officer and Directors for the year ended June 30, 2024.

Directors' Training Program

All the Directors on the Board are fully aware of their duties and responsibilities as Directors of your Company. The Company has fully complied with the requirements of the CCG as out of seven (7) directors, four (4) Directors of your Company have completed the Director Training Program and three (3) directors are exempted from the requirement of the Directors' Training program.

Directors' Evaluation

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

CORPORATE AND FINANCIAL REPORTING

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

- The Financial Statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
- Proper books of accounts have been maintained by the Company;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment;
- There are no doubts upon the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations of the Pakistan Stock Exchange;
- Significant deviations from last year's operating results of the Company have been highlighted and reasons have been explained in the Directors report;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017 have been followed in the preparation of the financial statements; and any departure thereof has been adequately disclosed and explained;
- Summary of key operational and financial data for the last six years is annexed to the annual report.
- Information about taxes and levies is given in the notes to, and forming part of, financial statements.
- The number of board and committees' meetings held during the year and attendance by each director is annexed.
- The pattern of shareholding is annexed on page 164.

RELATED PARTY TRANSACTIONS

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

MATERIAL CHANGES

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

PATTERN OF SHAREHOLDING

The pattern of shareholding of the Company as of June 30, 2024, along with the necessary information is annexed to this report. There were 4,337 shareholders on the record of the Company as of June 30, 2024. There was no purchase / sale of shares by Directors / Chief Executive Officer / Company Secretary / Chief Financial Officer / Executives and their minor children during the year.

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

SUSTAINABILITY AND CSR

Your Company remains committed to sustainability and continuous improvement, as demonstrated by our certifications in ISO 9001:2015 QMS, ISO 14001:2015 EMS, ISO 45001:2018 OSHM, FSC COC, and ISO/IEC 17025.

As a part of the Lakson group, Sustainability is integral to our operations. We focus on climate action, environmental awareness, and the UN's Sustainable Development Goals, with significant achievements in energy efficiency, workplace safety, and community welfare. Our efforts have earned us awards such as the Sustainability Initiative Award 2024 and the Environment Excellence Award 2023.

In social responsibility, we prioritize education, clean water, and support for vulnerable groups, collaborating with NGOs and foundations. This year, we contributed Rs 11.91 million to various philanthropic initiatives.

For detailed insights, please refer to our separate Sustainability and CSR reports.

SUSTAINABILITY RELATED RISKS

At your Company, sustainability-related risks, such as climate change, resource depletion, and regulatory challenges, are managed through proactive strategies. These include investment in renewable energy, water conservation efforts, and optimizing production processes to reduce environmental impacts. We adopt a circular economy approach, reusing treated effluent water and reducing waste to improve resource efficiency. Additionally, we comply with international standards like ISO 14001 and FSC COC to ensure that our environmental management systems align with global best practices. The major sustainability risks and mitigating strategies are outlined in the table below:-

S. No.	Risk Category	Description of Risk	Mitigating Strategies
1	Energy Consumption, GHG Emissions, and Climate Change	High dependency on non-renewable energy sources, contributing to greenhouse gas emissions and climate change.	Implementing comprehensive energy conservation measures such as installing a 3.7 MW solar power plant, utilizing waste heat recovery systems, upgrading to modern air compressors, applying Variable Frequency Drives (VFDs), and incorporating Biomass Boilers.
2	Circular Economy Pressures	Missing opportunities for recycling and reuse that decreases resource dependency and waste generation.	We are committed to advancing circular economy practices by incorporating recycled paper and agricultural residues as primary fibrous materials. We implement comprehensive water stewardship strategies, including water recycling and groundwater replenishment through rainwater harvesting. Waste reduction is achieved by treating wastewater using Dissolved Air Flotation (DAF) and biological processes, converting wheat straw fines into biofuel, and repurposing coal ash for use in cement and brick manufacturing.
3	Health and Safety of Employees	Suboptimal working conditions may pose health risks and reduce workforce safety.	Accident and fire risks are eliminated through regular fire drills, maintaining up-to-date firefighting equipment, external evaluations and conducting thorough incident investigations.
4	Gender Diversity, Equity & Inclusion (DE&I)	Bias in hiring, training, and career advancement.	To uphold the commitment outlined in the DE&I policy, the organization provides regular training sessions on diversity and inclusion. Job advertisements are free from gender bias, ensuring inclusivity at the hiring stage. Additionally, managerial promotions are approved by the Board's HR committee, which includes a female member to foster balanced decision-making.

DIVERSITY, EQUITY AND INCLUSION (DE&I)

At your Company, promoting Diversity, Equity, and Inclusion (DE&I) is a top priority, as we are committed to being an equal opportunity employer that fosters a culture of fairness, respect, and inclusivity. We have implemented measures such as recruitment policies that emphasize diversity, gender inclusion programs, and training initiatives aimed at fostering an inclusive culture. We have created a flexible opportunity for local women to engage in raw material sorting on their own schedule, offering transport, free lunch, and

personal hygiene materials, empowering them with financial freedom and greater autonomy at home. Through mentorship and leadership development programs, we ensure equitable career advancement opportunities for all employees.

CUSTOMER FOCUS AND EMPLOYEE ENGAGEMENT

Our business success is anchored in two key pillars: a deep commitment to our customers and a strong harmonious relationship with our employees. By placing customers at the heart of every strategic decision, we continuously refine our understanding of their needs, ensuring that our offerings earn their loyalty and trust. Simultaneously, our supportive work environment, characterized by low turnover and mutual respect, fosters a sense of belonging and enhances employee engagement and performance, driving overall excellence in our company.

OUTLOOK FOR THE YEAR 2025


Government has set an ambitious growth target of 3.4% for the FY2025, building on the improvement of 2.4% witnessed in FY2024. Particularly notable is the significant increase in the growth target for the industrial sector, from 1.2% to 4.4%, with large-scale manufacturing expected to grow by 3.5%. As economic indicators continue to improve, there is a likelihood of achieving the targeted growth. Simultaneously, inflationary pressures that previously constrained the purchasing power of the masses are easing. This anticipated growth, combined with the expected improvement in consumer demand, is likely not only to arrest the slowdown in demand for paper and paper products but also to drive a steady improvement throughout the year.

We will continue to focus on securing an optimal sales mix while achieving further efficiencies in material and energy costs. Additionally, the expected monetary easing cycle will likely to result in considerable savings in finance costs. Nevertheless, the continuous influx of cheaper imports remains a persistent challenge until concrete measures are implemented by the relevant government authorities in response to the applications submitted by the local industry. Despite these challenges, the management of your Company is determined to navigate through these obstacles and leverage the positive factors outlined above to boost the financial performance of the Company in the coming year.

ACKNOWLEDGEMENT

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

On Behalf of the Board of Directors



Iqbal Ali Lakhani

Chairman

Karachi: August 16, 2024



Aftab Ahmad

Chief Executive Officer

صارفین پر توجہ اور ملازمین سے تعلقات

ہماری کاروباری کامیابی کے دو اہم اور بنیادی جز ہیں: اپنے صارفین کے ساتھ گہری وابستگی اور ہمارے ملازمین کے ساتھ مضبوط ہم آہنگی۔ صارفین کو ہر اسٹریٹجک فیصلے کے موقع میں مد نظر رکھ کر، ہم ان کی ضروریات کے بارے میں آگاہ رہتے ہیں اور اس بات کو یقینی بناتے ہیں کہ ہماری مصنوعات ان کا بھروسہ اور اعتماد حاصل کریں۔ اسی کے ساتھ ساتھ، ہمارے کام کا پرسکون ماحول باہمی احترام اور احساس جیسی خصوصیات ملازمین کی کارکردگی کو بڑھاتی ہیں، جس سے ہماری کمپنی کی کارکردگی پر مثبت اثرات مرتب ہوتے ہیں۔

سال 2025 کا منظر نامہ

حکومت نے مالی سال 2025 کے لیے 3.4 فیصد ترقی کا ہدف مقرر کیا ہے، جو کہ مالی سال 2024 میں ہونے والی 2.4 فیصد کی امید افزا بہتری کو دیکھتے ہوئے کیا گیا ہے۔ خاص طور پر صنعتی شعبے کے لیے ترقی کے ہدف میں 1.2 فیصد سے 4.4 فیصد تک نمایاں اضافہ ہے، جس میں بڑے پیمانے پر مینوفیکچرنگ سیکٹر میں 3.5 فیصد اضافہ متوقع ہے۔ جیسے جیسے معاشی اشاریے بہتر ہوتے جاتے ہیں، ہدف شدہ نمو حاصل کرنے کا امکان بھی بڑھ جاتا ہے۔ اس کے ساتھ ہی مہنگائی کا دباؤ جس نے عوام کی قوت خرید کو محدود کر دیا تھا، اس میں کمی کے آثار نظر آرہے ہیں۔ اقتصادی اشاریوں میں متوقع بہتری، صارفین کی طلب میں متوقع بہتری کے ساتھ مل کر، نہ صرف کاغذ اور کاغذی مصنوعات کی طلب میں کمی کو روک سکتی ہے بلکہ سال بھر میں مسلسل بہتری لانے کا بھی بہتر امکان ظاہر کرتی ہے۔

ہم مصنوعات اور توانائی کے اخراجات میں مزید افادیت حاصل کرتے ہوئے فروخت کے بہترین امتزاج کے حصول کو ممکن بنانے پر توجہ مرکوز کرتے رہیں گے۔ مزید برآں، متوقع زری پالیسی کی بہتری کے نتیجے میں مالیاتی اخراجات میں خاطر خواہ بچت ہوگی۔ اس کے باوجود، جب تک کہ مقامی صنعت کی جانب سے جمع کرائی گئی درخواستوں کے جواب میں متعلقہ حکومتی حکام کی جانب سے ضروری اقدامات نہیں کیے جاتے، سستی درآمدات کی مسلسل آمد اس وقت تک ایک مستقل چیلنج بنی رہے گی۔ ان درپیش مسائل کے باوجود آپ کی کمپنی کی انتظامیہ آنے والے سال میں کمپنی کی مالی کارکردگی کو بڑھانے کے لیے پرعزم ہے۔

اعتراف

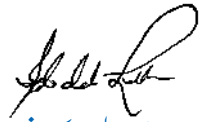
ڈائریکٹرز تمام شعبے کے ملازمین کی لگن کو سراہتے ہیں اور ان کی محنت اور عزم کی قدر کرتے ہیں۔ وہ کمپنی کے سپلائرز، صارفین، اور بینکرز کو ان کے مسلسل اعتماد اور تعاون کے لیے نہایت مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



آفتاب احمد

چیف ایگزیکٹو آفیسر



اقبال علی لاکھانی

چیئر مین

کراچی : 16 اگست 2024ء

سیریل نمبر	خطرے کا زمرہ	خطرے کی تفصیل	تحقیق کی حکمت عملی
3	ملازمین کی صحت اور حفاظت	کام کی جگہ پر حفاظتی اقدامات کا ناکافی ہونا ملازمین کی صحت اور حفاظت کے لیے خطرناک ہو سکتا ہے۔	حادثات اور آگ کے خطرات کو باقاعدہ فائر ڈرلز، تازہ ترین آگ بجھانے والے آلات کو برقرار رکھنے، بیرونی تشخیص اور واقعے کی مکمل تحقیقات کے ذریعے ختم کیا جاتا ہے۔
4	صنعتی تنوع، مساوات اور شمولیت (DE&I)	ملازمین کی بھرتی، تربیت، اور کیریئر کی ترقی میں تعصب۔	DE&I پالیسی میں بیان کردہ عزم کو برقرار رکھنے کے لیے ادارہ صنعتی تنوع، اور شمولیت پر باقاعدہ تربیتی سیشن فراہم کرتا ہے۔ ملازمت کے اشتہارات صنعتی تعصب سے پاک ہیں، ملازمین کے چناؤ کے عمل میں صنعتی تنوع اپنانے کو یقینی بناتے ہیں۔ مزید برآں، کلیدی عہدوں پر ترقیوں کو بورڈ کی HR کمیٹی سے منظور کیا جاتا ہے، جس میں متوازن فیصلہ سازی کو فروغ دینے کے لیے ایک خاتون رکن شامل ہیں۔

صنعتی تنوع، مساوات اور شمولیت (DE&I)

آپ کی کمپنی میں صنعتی تنوع، مساوات، اور شمولیت (DE&I) کو فروغ دینا اولین ترجیح ہے، کیونکہ ہم ایک مساوی مواقع فراہم کرنے والے آجر ہونے کے لیے پرعزم ہیں جو انصاف، احترام اور شمولیت کے کلچر کو فروغ دیتا ہے۔ ہم نے ایسے اقدامات نافذ کیے ہیں جیسے بھرتی کی پالیسیاں جو تنوع پر زور دیتی ہیں، صنعتی شمولیت کے پروگرام، اور تربیتی اقدامات جن کا مقصد ایک جامع ثقافت کو فروغ دینا ہے۔ ہم نے مقامی خواتین کے لیے خام مال کی چھانٹی کا مناسب روزگار فراہم کیا اور ساتھ ہی ان کو ٹرانسپورٹ، مفت لچ، اور ذاتی حفظان صحت کا مواد بھی فراہم کیا جاتا ہے، اس طرح انہیں مالی آزادی اور خود مختاری کے قابل بنایا جاتا ہے۔ رہنمائی اور قائدانہ ترقی کے پروگراموں کے ذریعے، ہم تمام ملازمین کے لیے کیریئر میں ترقی کے مساوی مواقع کو یقینی بناتے ہیں۔

سیریل نمبر	خطرے کا زمرہ	خطرے کی تفصیل	تخفیف کی حکمت عملی
1	توانائی کی کھپت، GHG کا اخراج، اور موسمیاتی تبدیلی	غیر قابل تجدید توانائی کے ذرائع پر زیادہ انحصار، گرین ہاؤس گیسوں کے اخراج اور موسمیاتی تبدیلیوں میں حصہ ڈالتا ہے۔	توانائی کے تحفظ کے جامع اقدامات جیسے کہ 3.7 میگاواٹ کا سولر پاور پلانٹ لگانا، اضافی حرارت کو قابل استعمال بنانے کا نظام، لیٹر کمپریسرز کو اپ گریڈ کرنا، ویری ایبل فریکوئنسی ڈرائیوز (VFDs) کا اطلاق، اور ہائیو ماس بوائلرز کو شامل کرنا۔
2	سرکلر اکانومی پریشرز	ری سائیکلنگ اور دوبارہ استعمال کے ایسے مواقع کی عدم دستیابی، جس سے وسائل پر انحصار اور صنعتی فضلہ کی پیداوار میں کمی واقع ہو۔	ہم ری سائیکل شدہ کاغذ اور زرعی باقیات کو بنیادی خام مال کے طور پر شامل کر کے سرکلر اکانومی کے طریقوں کو آگے بڑھانے کے لیے پرعزم ہیں۔ ہم پانی کی ذخیرہ اندوزی کی جامع حکمت عملیوں پر عمل درآمد کرتے ہیں، بشمول پانی کی ری سائیکلنگ اور بارش کے پانی کی ذخیرہ اندوزی کے ذریعے زمینی پانی کو بھرنا۔ تحلیل شدہ لیٹر فلوٹیشن (DAF) اور حیاتیاتی عمل کا استعمال کرتے ہوئے گندے پانی کو قابل استعمال بنا کر، گندم کے بھوسے کے ذرات کو ہائیو فیول میں تبدیل کر کے، اور کونکے کی راکھ کو سیمینٹ اور لہٹوں کی تیاری میں استعمال کر کے صنعتی فضلے میں کمی کی جاتی ہے۔

ڈائریکٹرز رپورٹ

ماحولیاتی استحکام کی اور سماجی ذمہ داری

آپ کی کمپنی پائیداری اور مسلسل بہتری کے لیے پرعزم ہے، جیسا کہ

ISO 9001:2015 QMS, ISO 14001:2015 EMS, ISO 45001:2018 OSHM, FSC اور COC, ISO /IEC 17025 میں ہمارے سرٹیفیکیشنز سے ظاہر ہوتا ہے۔

لیکن گروپ کا حصہ ہونے کی حیثیت سے ماحولیاتی استحکام ہمارے کاروبار کے لیے لازمی ہے۔ ہم توانائی کی بچت، ملازمین کی کام کی جگہ پر تحفظ اور برادریوں کی بہبود میں اہم کامیابیوں کے ساتھ، آب و ہوا کے جائزے، ماحولیاتی آگاہی، اور اقوام متحدہ کے پائیدار ترقی کے اہداف پر توجہ مرکوز کرتے ہیں۔ انہی کاوشوں کے نتیجے میں ہمیں (Sustainability Initiative Award) سسٹین ایبلٹی انیشیٹیو ایوارڈ 2024 اور (Environment Excellence Award) انوائرنمنٹ ایکسیلینس ایوارڈ 2023 جیسے ایوارڈز سے نوازا گیا ہے۔

سماجی ذمہ داری میں، ہم این جی اوز (NGOs) اور فلاحی اداروں کے ساتھ تعاون کرتے ہوئے، تعلیم، صاف پانی، اور پسماندہ آبادیوں کی امداد کو ترجیح دیتے ہیں۔ اس سال، ہم نے مختلف فلاحی اقدامات کے لیے 11.91 ملین روپے کا تعاون کیا۔

تفصیلات کے لیے، براہ کرم ہماری ماحولیاتی استحکام اور سماجی ذمہ داری رپورٹ ملاحظہ کریں۔

ماحولیاتی استحکام سے متعلق خطرات

آپ کی کمپنی میں ماحولیاتی استحکام کو لاگو خطرات، جیسے موسمیاتی تبدیلی، وسائل کی کمی، اور ریگولیٹری چیلنجز کی تضعیف کے لیے فعال حکمت عملی وضع کی ہے۔ ان میں قابل تجدید توانائی میں سرمایہ کاری، پانی کے تحفظ کی کوششیں، اور ماحولیاتی اثرات کو کم کرنے کے لیے پیداواری عمل کو بہتر بنانا شامل ہے۔ وسائل کے بہتر استعمال کے لیے ہم ایک سرکلر اکانومی اپروچ اپناتے ہیں، استعمال شدہ پانی کا دوبارہ استعمال کرتے ہیں اور صنعتی فضلے کے کم سے کم اخراج کو یقینی بناتے ہیں۔ مزید برآں، ہم بین الاقوامی معیارات جیسے ISO 14001 اور FSC COC کی تعمیل کرتے ہیں تاکہ یہ یقینی بنایا جاسکے کہ ہمارے ماحولیاتی نظم و نسق کے نظام عالمی بہترین طریقوں سے ہم آہنگ ہیں۔ ماحولیاتی استحکام کے بڑے خطرات اور ان سدباب کی حکمت عملی کا خاکہ ذیل کے جدول میں دیا گیا ہے:-

- گزشتہ چھ سالوں کے اہم آپریشنل اور فنانشل معلومات کا خلاصہ سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ٹیکس اور محصولات کے بارے میں معلومات مالیاتی گوشواروں کا حصہ ہیں۔
- سال کے دوران منعقد ہونے والے بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل ڈائریکٹرز رپورٹ میں درج ہے۔
- حصص داری کی تفصیل صفحہ نمبر 164 پر درج ہے۔

متعلقہ فریق سے لین دین (Related Party)

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

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

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

نمایاں تبدیلیاں

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

حصص داری کی تفصیل (Pettern of shareholding)

30 جون 2024 تک کمپنی کے شیئر ہولڈنگ کا پیٹرن، ضروری معلومات کے ہمراہ اس رپورٹ کے ساتھ منسلک ہے۔ 30 جون 2024 تک کمپنی کے ریکارڈ پر 4,337 شیئر ہولڈرز تھے۔ سال کے دوران ڈائریکٹرز/ چیف ایگزیکٹو آفیسر/ کمپنی سیکرٹری/ چیف فنانشل آفیسر/ ایگزیکٹوز اور ان کے نابالغ بچوں کی طرف سے حصص کی کوئی خرید و فروخت نہیں ہوئی۔

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

ڈائریکٹرز رپورٹ

ڈائریکٹرز کا تربیتی پروگرام

بورڈ کے تمام ڈائریکٹرز آپ کی کمپنی کے ڈائریکٹر کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے پوری طرح آگاہ ہیں۔ کمپنی نے کاروباری نظم و ضبط کے ضابطے کی ضروریات کی پوری طرح تعمیل کی ہے سات (7) ڈائریکٹرز میں سے، آپ کی کمپنی کے چار (4) ڈائریکٹرز نے ڈائریکٹر ٹریننگ پروگرام مکمل کر لیا ہے اور تین (3) ڈائریکٹرز کو اس پروگرام سے استثنیٰ حاصل ہے۔

ڈائریکٹرز کی کارکردگی کا جائزہ

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

کارپوریٹ اور مالیاتی رپورٹنگ

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

• کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی کیفیت، بشمول اس کی کاروباری سرگرمیاں، (Cash Flows) کیش فلوز اور ایکویٹی (Equity) میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

• کمپنی نے اپنے مالیاتی گوشوارے درست انداز میں مرتب کیے ہیں؛

• کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

• کمپنی کی کاروباری سرگرمیوں کو جاری رکھنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں؛

• اسٹاک ایکسچینج لسٹنگ ریگولیشنز میں تفصیلاً درج کاروباری نظم و ضبط کی اعلیٰ ترین روایات سے کوئی انحراف نہیں کیا گیا ہے۔

• ڈائریکٹرز رپورٹ میں کمپنی کے پچھلے سال کے آپریٹنگ نتائج میں نمایاں تبدیلیوں اور ان کی وجوہات کی وضاحت کی گئی ہے۔

• اندونی ضوابط کا نظام مستحکم ہے اور اس کی موثر انداز میں نفاذ اور نگرانی کی جاتی ہے۔

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

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

افرادى وسائل و مشاہرہ کمیٹی

بورڈ نے کاروباری نظم و ضبط کے ضابطے کی پیروی کرتے ہوئے ایک افرادی وسائل اور معاوضہ کمیٹی بھی تشکیل دی ہے جو مندرجہ ذیل اراکین پر مشتمل ہے:

ڈائریکٹرز کے نام	کمیٹی میں کردار	ڈائریکٹرز کی قسم
جناب آصف قادر	چیئر مین	خود مختار
جناب امین محمد لاکھانی	ممبر	نان ایگزیکٹو
محترمہ انوشکا لاکھانی	ممبر	نان ایگزیکٹو
جناب آفتاب احمد	ممبر	ایگزیکٹو

12 جولائی 2024 کو ڈائریکٹرز کے انتخاب کے بعد، افرادی و وسائل مشاہدہ کمیٹی کی تشکیل نو کی گئی جس میں مندرجہ بالا چیئر مین اور ممبران کو برقرار رکھا گیا۔

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

ڈائریکٹرز کا مشاہرہ

بورڈ ممبران کے مشاہرے کی منظوری خود بورڈ کی جانب سے کی جاتی ہے۔ تاہم، کاروباری نظم و ضبط کے ضابطے (Code Of Corporate Governance) پر عمل کرتے ہوئے، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کا فیصلہ کرنے میں شریک نہ ہو۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کے مشاہرے کے بارے میں معلومات کے لیے برائے کرم مالیاتی گوشواروں کے نوٹ 46 ملاحظہ کریں۔

ڈائریکٹرز رپورٹ

بورڈ میٹنگز

30 جون 2024 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ جس میں ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

ڈائریکٹرز کے نام	اجلاس میں شرکت
نان ایگزیکٹو ڈائریکٹرز	
جناب اقبال علی لاکھانی (چیئرمین)	4
جناب امین محمد لاکھانی	3
جناب بابر علی لاکھانی	1
محترمہ انوشکا لاکھانی	4
خود مختار ڈائریکٹرز	
جناب علی عامر	3
جناب آصف قادر	1
ایگزیکٹو ڈائریکٹر	
جناب آفتاب احمد (چیف ایگزیکٹو آفیسر)	4

آڈٹ کمیٹی

کاروباری نظم و ضبط کے ضابطے کے مطابق بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے۔ ایک خود مختار ڈائریکٹر اس کمیٹی کا چیئرمین ہے اور دو نان ایگزیکٹو ڈائریکٹرز بطور رکن شامل رہے۔ 30 جون 2024 کو ختم ہونے والے سال کے دوران کمیٹی کے 4 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے۔

ڈائریکٹرز کے نام	کمیٹی میں کردار	ڈائریکٹرز کی قسم	اجلاس میں شرکت
جناب علی عامر	چیئرمین	خود مختار	4
جناب امین محمد لاکھانی	ممبر	نان ایگزیکٹو	4
جناب بابر علی لاکھانی	ممبر	نان ایگزیکٹو	3

12 جولائی 2024 کو ڈائریکٹرز کے انتخاب کے بعد آڈٹ کمیٹی کی تشکیل نو کی گئی جس میں مندرجہ بالا چیئرمین اور ممبران کو برقرار رکھا گیا ہے۔

کارپوریٹ انفارمیشن

بورڈ آف ڈائریکٹرز

بورڈ کی تشکیل

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

6	مرد
1	خاتون
2	خود مختار ڈائریکٹرز
4	نان ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹر

جناب اقبال علی لاکھانی نے بورڈ کے چیئرمین اور جناب آفتاب احمد کمپنی کے چیف ایگزیکٹو آفیسر ہیں۔ بورڈ آف ڈائریکٹرز کی تین سالہ مدت 17 جولائی 2024 کو ختم ہو گئی۔ اس لیے، آپ کی کمپنی کا غیر معمولی اجلاس 12 جولائی 2024 کو منعقد کیا گیا جس میں 17 جولائی 2024 سے شروع ہونے والی تین (3) سال کی مدت کے لیے ڈائریکٹرز کا انتخاب کیا گیا:

• جناب اقبال علی لاکھانی (چیئرمین - نان ایگزیکٹو ڈائریکٹر)
• جناب امین محمد لاکھانی (نان ایگزیکٹو ڈائریکٹر)
• جناب بابر علی لاکھانی (نان ایگزیکٹو ڈائریکٹر)
• محترمہ انوشکا لاکھانی (نان ایگزیکٹو ڈائریکٹر)
• جناب آفتاب احمد (چیف ایگزیکٹو آفیسر)
• جناب علی عامر (خود مختار ڈائریکٹر)
• جناب آصف قادر (خود مختار ڈائریکٹر)

ڈائریکٹرز کے انتخاب کے بعد، جناب اقبال علی لاکھانی کو بورڈ کا چیئرمین دوبارہ منتخب کیا گیا اور جناب آفتاب احمد کو اگلے تین سال کے لیے کمپنی کے چیف ایگزیکٹو آفیسر کے طور پر دوبارہ تعینات کیا گیا۔ نئے منتخب شدہ بورڈ کی ترتیب گزشتہ ترتیب کے مطابق ہے۔

ڈائریکٹرز رپورٹ

سرمایہ کا انتظام

آپ کی کمپنی کی پالیسی سرمایہ کاروں، قرض دہندگان، اور مارکیٹ کے اعتماد کو برقرار رکھنے کے لئے ایک مضبوط سرمایہ کی بنیاد کو برقرار رکھنا ہے۔ آپ کی کمپنی اپنے سرمائے کے ساخت کو بہتر بنانے کا اہتمام کرتی ہے اور معاشی تبدیلیوں کے ساتھ اپنے اثاثوں کو بنیادی حفاظت سے وابستہ خطرات کے سدباب کے لئے مناسب ردوبدل کرتی ہے۔ کمپنی قرضوں اور سرمائے کا موزوں تناسب برقرار رکھنے پر یقین رکھتی ہے۔ 30 جون 2024 تک ایکویٹی کی مالیت، گزشتہ سال کے 13,112 ملین روپے کے مقابلے میں بڑھ کر 13,682 ملین روپے ہو گئی۔ اسی دوران، کمپنی کا قرض گزشتہ سال کے اختتام میں 10,091 ملین روپے سے کم ہو کر 9,422 ملین روپے ہو گیا۔ نتیجتاً قرض و سرمائے کا تناسب گزشتہ سال کے 0.43 سے بہتر ہو کر اس سال کے لیے 0.41 ہو گیا۔

پروویڈنٹ اور گریجویٹی فنڈ

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

2023	2024	
	ملین روپے	
919.02	1,159.11	پروویڈنٹ فنڈ
866.77	1,106.82	گریجویٹی فنڈ

آڈیٹرز

موجودہ آڈیٹرز، BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کمپنی کے ریٹائر ہونے والے آڈیٹرز ہیں اور انہوں نے دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔ انہوں نے اس بات کی تصدیق کی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی دی گئی ہے اور یہ ادارہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق سے متعلق رہنما اصولوں کی مکمل تعمیل کرتا ہے جیسا کہ ICAP کی طرف سے اپنایا گیا ہے۔ بورڈ کی آڈٹ کمیٹی کی تجویز پر، بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر تقرری کے لیے ان کا نام آئندہ سالانہ جنرل میٹنگ میں ممبران کی منظوری کے لیے پیش کیا ہے۔

تحقیقات	خطرے کے عوامل
الف) اسٹریٹجک خطرات	
<p>آپ کی کمپنی باقاعدگی سے مارکیٹ کے بدلتے ہوئے رجحانات پر نظر رکھتی ہے اور اپنے باقاعدہ اور متنوع صارفین سے رائے طلب کرتی ہے۔ آپ کی کمپنی اس بات کو بھی یقینی بناتی ہے کہ اس کی مصنوعات مسابقتی قیمتوں پر صارفین کی موجودہ اور مستقبل کی ضروریات کے لیے بہترین معیار کے ساتھ مسابقت کا مقابلہ کرنے اور اپنے مارکیٹ شیئر کو برقرار رکھنے اور مستحکم بنانے کے لیے بہترین ہیں۔</p>	<ul style="list-style-type: none"> • عالمی اور مقامی اقتصادی رجحانات اور مسابقت کے خطرات میں تبدیلیاں۔ • ٹیکنالوجی اور مصنوعات کی اختراعات کی وجہ سے کمپنی کی مصنوعات کی طلب میں خلل۔ • متبادل مصنوعات کی طرف مارکیٹ کا رجحان قانونی تقاضوں میں تبدیلیاں
ب) عملیاتی خطرات	
<p>آپ کی کمپنی کے پاس اندرونی اور بیرونی درآمد شدہ مال کے لیے سپلائر کی ایک متنوع بنیاد موجود ہے۔ متبادل ایندھن پر چلنے والی منفرد پاور/بھاپ پیدا کرنے والی سہولیات کے موزوں امتزاج سے توانائی کی کفایت کو یقینی بنایا جاتا ہے۔ انسانی وسائل کو اندرونی اور بیرونی تربیت کے مناسب مواقع فراہم کر کے تیار کیا جاتا ہے۔</p>	<ul style="list-style-type: none"> • پیداواری مشینوں کی جدت طرازی۔ • خام مال / ایندھن اور دیگر کاروباری اخراجات میں اضافہ سپلائی چین میں رکاوٹیں خام مال کی دستیابی میں تاخیر کا سبب بنتی ہے۔ • پیداوار کے لئے ضروری خام مال / ایندھن کی کمی • ہنرمند انسانی وسائل کی کمی۔
ج) سائبر سیکورٹی کے خطرات	
<p>سائبر سیکورٹی کے خطرات کو کم کرنے کے لیے کمپنی کے پاس درج ذیل نظام موجود ہے:</p> <ul style="list-style-type: none"> • سیکورٹی سافٹ ویئر • فائر وال • محفوظ وائی فائی (WIFI) رابطے کا نظام • لائسنس یافتہ سافٹ ویئر کا استعمال <p>مزید برآں، کمپنی میں ISO/IEC 27001 «انفارمیشن سیکورٹی مینجمنٹ سسٹم» کے نفاذ کے عمل کا آغاز ہو گیا ہے۔</p>	<ul style="list-style-type: none"> • رینسم ویئر (Ransomware) کے حملے • فیشنگ اور سوشل انجینئرنگ • اندرونی خطرات • آئی او ٹی (IOT) کمزوریاں • حفاظتی اقدامات کی خلاف ورزیاں • سائبر سیکورٹی (Cyber Security)
مالیاتی خطرات	
<p>ان خطرات کی وضاحت مالی گوشوارے کے نوٹ 46 میں کی گئی ہے۔</p>	<ul style="list-style-type: none"> • قرض کا خطرہ • لیکویڈٹی خطرہ • شرح سود کا خطرہ • غیر ملکی زر مبادلہ کا خطرہ

ڈائریکٹرز رپورٹ

فی شیئر آمدنی (EPS)

زیر جائزہ سال کے لئے، آپ کی کمپنی کی بنیادی فی شیئر آمدنی 1.30 روپے (2023: 2.25 روپے) رہی۔ جو کہ گزشتہ سال جاری کیے گئے 198,827,610 بونس شیئرز جمع کرنے کے بعد حاصل ہونے والی عمومی حصص کی تعداد 401,712,926 کے حساب سے متعین کی گئی ہے۔

زیر جائزہ سال اور گزشتہ سال کی اسی مدت کے لئے فی شیئر آمدنی کمزور پڑنے کے کوئی آثار نہیں ہیں۔

قومی خزانے میں حصہ

سال کے دوران آپ کی کمپنی کا قومی خزانے میں حصہ 8,612 ملین روپے رہا جبکہ گزشتہ سال یہ 9,479 ملین روپے تھا۔

توازن، جدت اور تبدیلی (Balancing, Modernization & Replacement)

زیر جائزہ سال کے دوران، کمپنی نے گزشتہ سالوں میں شروع کیے گئے ترقیاتی منصوبوں کی تکمیل کے لیے 973 ملین روپے (2023: 1,595 ملین روپے) کا سرمایہ خرچ کیا۔

زیر جائزہ سال کے دوران، رول گرائنڈنگ اور بیلنسنگ سسٹم میں جدت اور کمینیکل ورکشاپ کی جدت طرازی کا منصوبہ مکمل کیا گیا، جس کا مقصد داخلی صلاحیتوں کو مضبوط بنانا تھا، اور اس پر 450 ملین روپے کا سرمایہ خرچ ہوا۔ گریڈ اسٹیشن کی گنجائش 5.5 میگاواٹ سے بڑھا کر 16.0 میگاواٹ کرنے کے بعد یہ سال کے دوران مکمل فعال ہو گیا، جس پر 221 ملین روپے کے اخراجات آئے۔ مزید برآں، 100 ملین روپے کی سرمایہ کاری سے نیل بریکنگ اور سورٹنگ مشین کی تنصیب نے خام مال کی تیاری کے عمل کو مزید منظم کر دیا۔ مجموعی طور پر، کمپنی نے اس سال کے دوران 1,222 ملین روپے (2023: 2,582 ملین روپے) کے منصوبے کامیابی سے مکمل کیے۔

مزید برآں، 500 ملین روپے کے اخراجات سے ایک سینڈری ویسٹ واٹر ٹریٹمنٹ پلانٹ کی تنصیب جاری ہے، جو کہ ہمارے ماحولیاتی استحکام کے عمل کو فروغ دینے کے عزم کی عکاسی کرتا ہے۔ مزید برآں، کمپنی مقامی کیمیکلز کے متبادل، جیسے کہ کیلشیم کاربونیٹ (Calcium Carbonate) کی پیداوار کی صلاحیت کو 135 ملین روپے کی سرمایہ کاری سے بڑھا رہی ہے۔

یہ تمام منصوبے ہماری دور رس حکمت عملی کی عکاسی کرتے ہیں، جس کا مقصد ماحولیاتی استحکام اور مضبوط استعداد کار کو فروغ دینا ہے، تاکہ ہم مارکیٹ کے مطابق اپنی مصنوعات کا معیار برقرار رکھ سکیں اور اپنے شراکت داروں کو مسلسل ویلیو فراہم کر سکیں۔

خطرات کی تخفیف

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

لیکوئیڈیٹی کا انتظام (Liquidity Management)

سال کے دوران کمپنی کے کل قرضے کم ہو کر 9,826 ملین روپے ہو گئے، جو کہ گزشتہ سال 10,804 ملین روپے تھے۔ مجموعی قرضوں میں طویل مدتی قرضوں کی 5,522 ملین روپے کا اصل زر شامل ہے (2023: 6,733 ملین روپے)، بشمول 252 ملین روپے کے سرمایہ جاتی گرانٹس (2023: 362 ملین روپے) جو مالیاتی گوشواروں میں علیحدہ سے ظاہر کی گئی ہیں۔

قلیل مدتی قرضوں میں معمولی اضافہ ہوا اور یہ 4,304 ملین روپے ہو گئے (2023: 4,071 ملین روپے)۔ کمپنی نے کاروباری افعال سے 1,932 ملین روپے کی نقد رقم حاصل کی، جسے 973 ملین روپے کے سرمایہ جاتی اخراجات اور 1,211 ملین روپے کے طویل مدتی قرضوں کی ادائیگیوں کے لیے مؤثر طریقے سے استعمال کیا گیا۔ مختصر مدتی قرضوں کا استعمال ورکنگ کیپیٹل کی ضروریات کو دیکھتے ہوئے مؤثر طریقے سے منظم کیا گیا۔ اس کے نتیجے میں مالیاتی اخراجات گزشتہ سال کے 2,016 ملین روپے سے کم ہو کر اس سال 1,848 ملین روپے ہو گئے، جس کی مؤثر شرح 18.37 فیصد رہی (2023: 16.39 فیصد)۔ اگرچہ مختصر مدتی قرضوں کی لاگت کی شرح 22.18 فیصد تک بڑھ گئی (2023: 16.94 فیصد)، قرضوں کی بلند شرح سود کے باوجود بینکنگ اسپریڈز کو کنٹرول کرنے کے لیے قلیل مدتی قرضوں کی سہولیات کا بہتر استعمال کیا گیا۔

حوصلہ افزا بات یہ ہے کہ اسٹیٹ بینک نے مئی 2024 میں پالیسی ریٹ میں 1.5 فیصد کمی کے ساتھ مالیاتی نرمی کا آغاز کیا، جس کے بعد جولائی 2024 میں مزید 1 فیصد کمی کی گئی۔ مستقبل میں مزید کمی کی توقع ہے، یہ مالیاتی نرمی اور گردش سرمایے (ورکنگ کیپیٹل) کے بہتر استعمال کے ساتھ آئندہ مالی سال میں مالیاتی اخراجات مزید کم ہوں گے۔

مجموعی بازاری مالیت (Market Capitalization)

پاکستان کی اسٹاک مارکیٹ نے مالی سال 2024 میں اچھی کارکردگی کا مظاہرہ کیا، مسلسل نئی بلندیوں کو چھوتے ہوئے جون 2024 میں 80,060 کی ریکارڈ سطح تک پہنچ گئی۔ سال کا اختتام 78,445 پوائنٹس پر ہوا، جو گزشتہ سال کے 41,453 پوائنٹس سے بہت بہتر تھا۔ اس شاندار کارکردگی کی وجہ سرمایہ کاروں کے اعتماد کی بحالی تھی، جو کہ آئی ایم ایف پروگرام کے کامیاب نفاذ اور استحکام کے اقدامات سے ممکن ہوئی، جس نے اہم اقتصادی اشاریوں کو نمایاں طور پر بہتر کیا۔

گزشتہ سال جون میں حصص کی تعداد میں اضافے کے بعد، ہمارے حصص کی قیمت 30 جون 2023 تک 28.24 روپے فی شیئر رہی۔ سال بھر کے دوران، قیمت میں اتار چڑھاؤ دیکھنے میں آیا، جو کم سے کم 22.80 روپے سے لے کر زیادہ سے زیادہ 38.98 روپے فی شیئر تک رہی۔ 30 جون 2024 کو ہمارے حصص کی قیمت 29.95 روپے رہی، جس سے مارکیٹ کیپیٹلائزیشن 12,031 ملین روپے ہو گئی (2023: 11,344 ملین روپے)۔

ڈائریکٹرز رپورٹ

سال کے دوران فروخت کے حجم میں کمی کی وجہ سے مجموعی منافع 8 فیصد سے کم ہو کر 4,066 ملین روپے ہو گیا جو گزشتہ سال 4,442 ملین روپے تھا۔ قدر فروخت (Sales Volume) کے تناسب سے مجموعی منافع کی شرح گزشتہ سال کے 9.32 فیصد سے بڑھ کر 9.68 فیصد ہو گئی۔ اس بہتری کی وجہ خام مال کی مستحکم قیمتیں (خصوصاً درآمد شدہ) کو نئے کی قیمتوں میں کمی اور رعایتی نرخوں پر قدرتی گیس کی خریداری کے باعث توانائی کے اخراجات میں کمی ہے۔

لاگت میں بچت جزوی طور پر بعض مصنوعات کی قیمتوں میں مارکیٹ کی صورتحال کے مطابق کمی اور مستقل اخراجات میں افراط زر کے رجحانات کے مطابق اضافے سے متاثر ہوئی۔

انتظامی، فروخت اور دیگر اخراجات منہا کرنے کے بعد موجودہ سال کا عملیاتی منافع 3,022 ملین روپے رہا (2023: 3,437 ملین روپے)۔ انتظامی اور فروخت کے اخراجات میں 11 فیصد کا اضافہ ہوا، جبکہ دیگر آمدنی میں 24 فیصد کا اضافہ ہوا۔

مالی اخراجات کو منہا کرنے کے بعد، قبل از ٹیکس منافع 1,173 ملین روپے تھا (2023: 1,422 ملین روپے)۔ بہتر طریقے سے خام مال اور تجارتی وصولیوں کے انتظام کے ذریعے کمپنی نے اعلیٰ شرح سود کے باوجود مالی اخراجات میں 8 فیصد کمی کی، جو 2023 کے 2,016 ملین روپے سے کم ہو کر رواں سال 1,848 ملین روپے ہو گئے۔

ڈائریکٹرز رپورٹ کرتے ہیں کہ کمپنی نے بعد از ٹیکس منافع 524 ملین روپے حاصل کیا (2023: 905 ملین روپے)۔ ٹیکس کے اخراجات، جن میں کم از کم ٹیکس کا فرق اور انکم ٹیکس شامل ہیں، بڑھ کر 649 ملین روپے ہو گئے جو 2023 میں 516 ملین روپے تھے۔ اس اضافے میں سپر ٹیکس اور مؤخر ٹیکس واجبات (Deferred Tax) کی فراہمی شامل ہے۔ ٹیکس کی دو حصوں میں تقسیم یعنی ”کم از کم ٹیکس کا فرق“ اور ”آمدن پر ٹیکس“ ICAP کی جاری کردہ ہدایات کے مطابق کی گئی ہے اور جس کی وضاحت مالیاتی گوشوارے کے نوٹ 5.26 اور 39 میں کی گئی ہیں۔

تخصیص (Appropriation)

سال کے دوران غیر تخصیص شدہ منافع میں تبدیلیاں درج ذیل ہیں:

ملین روپے	سال کے مجموعی آمدنی
523.89	گزشتہ غیر مختص شدہ منافع
267.84	مجموعی غیر مختص شدہ منافع
791.73	

کاروباری منصوبوں کی پیش بندی اور کیش فلو کی منصوبہ بندی کی وجہ سے بورڈ آف ڈائریکٹرز کی جانب سے اس سال کے لیے کسی کیش ڈیویڈنڈ کا اعلان نہیں کیا گیا ہے۔

سال کے دوران، کمپنی نے اپنے تمام افعال (Operations) میں معیار، صحت، حفاظت اور ماحولیاتی تحفظ کے اعلیٰ ترین معیارات کو برقرار رکھنے پر اپنی توجہ مرکوز رکھی۔ مشکل حالات کے باوجود، ہم نے CSR کے اقدامات کے لیے اپنے عزم کو برقرار رکھا، ملازمین کی فلاح و بہبود، مقامی برادریوں میں خواتین کو بااختیار بنانے کے ساتھ ساتھ، اور پسماندہ علاقوں کے بچوں کے لیے تعلیمی مواقع کو فروغ دینے پر توجہ مرکوز رکھی۔ یہ کاوش بامعنی سماجی اثرات کے لیے کی جانے والی ہماری مستقل جدوجہد کی عکاسی کرتی ہیں۔

مالیاتی کارکردگی کا تجزیہ

مالیاتی کارکردگی کا خلاصہ درج ذیل ہے:

فرق	ملین روپے		
	2023	2024	
(12)	47,661	42,015	فروخت
12	(43,220)	(37,949)	قیمتِ فروخت
(8)	4,442	4,066	مجموعی منافع
(11)	(1,144)	(1,266)	انتظامی اور فروخت کے اخراجات
12	(136)	(118)	دیگر مدوں میں اخراجات
24	275	340	دیگر آمدن
(12)	3,437	3,022	آپریٹنگ منافع
8	(2,016)	(1,848)	مالیاتی اخراجات
(17)	1,422	1,173	منافع قبل از انکم ٹیکس اور کم از کم ٹیکس کا فرق
23	(272)	(210)	کم از کم ٹیکس کا فرق
(16)	1,149	963	قبل از ٹیکس منافع
(80)	(244)	(439)	انکم ٹیکس
(42)	905	524	خالص بعد از ٹیکس منافع
(42)	2.25	1.30	آمدنی فی شیئر-روپے

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز (BOD) کی طرف سے، 30 جون 2024 کو ختم ہونے والے سال کے لیے سینیچری پیپر اینڈ بورڈ ملز لمیٹڈ (CPBM) کی سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ پیش کرنا ہمارے لئے باعث مسرت ہے۔

کاروباری کارکردگی کا جائزہ

مالی سال 2024 کا آغاز، بلند افراط زر، کرنٹ اکاؤنٹ خسارہ، غیر مستحکم شرح مبادلہ اور غیر ملکی زرمبادلہ کے ذخائر میں کمی جیسی مشکلات سے ہوا۔ آئی ایم ایف (IMF) کے اسٹیٹڈ ہائی معاہدے کے کامیاب نفاذ، دوست ممالک کی حمایت اور بہتر بیرونی اکاؤنٹ کی وجہ سے غیر ملکی زرمبادلہ کے ذخائر میں اضافہ ہوا اور شرح مبادلہ میں استحکام دیکھنے میں آیا۔ مزید برآں، افراط زر کی شرح جو کہ جون 2023 میں 29.4 فیصد ہوئی تھی رواں سال بتدریج بہتری کے بعد مئی 2024 میں 11.8 فیصد رہ گئی۔ مہنگائی میں اس نمایاں کمی کی وجہ سے اسٹیٹ بینک (SBP) نے جون 2024 میں پالیسی ریٹ میں 1.5 فیصد کمی کا فیصلہ کیا۔ مذکورہ بالا مستحکم اقدامات کی وجہ سے، مالی سال 2024 میں پاکستان کی (GDP) میں 2.4 فیصد اضافہ ہوا، جو کہ مالی سال 2023 میں 0.29 فیصد کے مقابلے میں نمایاں طور پر بہتر رہا۔ زراعت کے شعبے میں نمایاں بہتری نظر آئی جبکہ صنعتی شعبے میں بھی 1.2 فیصد کا معمولی اضافہ ریکارڈ کیا گیا جو کہ مالی سال 2023 میں منفی 3.7 فیصد تھا۔ بڑے پیمانے پر مینوفیکچرنگ سیکٹر (LSM) میں مالی سال 2023 میں 7 فیصد کمی کے مقابلے میں 0.1 فیصد کمی کا سامنا رہا۔

گزشتہ سال کی طرح اس سال بھی کاغذ اور بورڈ کی مصنوعات کی مانگ میں سست روی کا رجحان برقرار رہا جس کی وجہ مہنگائی کا دباؤ ہے۔ جس نے عوام کی اضافی آمدنی پر منفی اثرات مرتب کئے جس کی وجہ سے مقامی صنعت کی پیداوار میں کمی دیکھنے میں آئی ہے۔ کیونکہ لاگت میں اضافے کی وجہ سے مقامی صنعتکاروں کے لیے کاغذ اور پیپر بورڈ کی بعض مصنوعات کی سستی درآمدات کا مقابلہ کرنے میں مشکلات درپیش رہیں۔ سال کے دوران، مقامی صنعتکاروں نے متعلقہ حکومتی اداروں کے سامنے اس مسئلے کو اجاگر کیا تاکہ اس طرح کی مصنوعات کے درآمد کنندگان کی طرف سے ہونے والی بے قاعدگیوں کی قانونی طور پر روک تھام کی جائے۔

انتہائی مشکل حالات کے پس منظر میں، آپ کی کمپنی کو اس سال پیداواری حجم میں کمی کا سامنا رہا جو گزشتہ سال کے 196,192 میٹرک ٹن کے مقابلے میں 179,964 میٹرک ٹن تک رہا، جس میں مجموعی پیداواری صلاحیت کا استعمال گزشتہ سال کے 74 فیصد سے 68 فیصد تک گر گیا۔ تاہم، کمپنی نے اپنی جدید ترین کوئٹ ڈوپلیکس بورڈ مشین کی پیداواری صلاحیت کا بہتر استعمال ممکن بنایا، جو کہ استعمال شدہ کاغذ پر مبنی ہے۔ فروخت کا حجم بھی گزشتہ سال کے 207,413 میٹرک ٹن سے کم ہو کر 184,908 میٹرک ٹن رہ گیا۔ فروخت کے حجم میں اس کمی کی وجہ سے خالص فروخت گزشتہ سال کے 48 ارب روپے سے 12 فیصد کمی کے بعد اس سال 42 ارب روپے رہی۔ سیلز ویلیو میں کمی کی بنیادی وجوہات میں طلب میں کمی، سستی درآمدی اشیاء اور غیر منظم شعبے کی طرف سے بڑھتی ہوئی مسابقت شامل رہی۔

Statement Of Compliance

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

For the Year Ended June 30, 2024

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

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

Male: Six (6)

Female: One (1)

2. The composition of the Board is as follows:

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

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

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

9. The Company is compliant with Regulation 19 of the CCG as out of seven Directors of the Company, four Directors have completed the Director’s Certification from authorized institutions and three Directors have been exempted from the requirement of Regulation.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
 - a. Audit Committee 4 Quarterly meetings
 - b. HR and Remuneration Committee 1 Annual meeting
15. The board has set up an effective internal audit function comprising of personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 is as follows:

S. No.	Non-Mandatory requirement	Reg. No.	Explanation
1.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the board has not constituted a separate Nomination Committee and the function are being performed by the Board.
2.	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	Currently, the board has not constituted a separate Risk Management Committee and the functions are being performed by the Board.
3.	The board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.	10A (1) (3) (4)	The board will ensure that the company has addressed sustainability related risk and opportunities. Also, it will ensure that company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.
4.	The board may establish a dedicated sustainability committee or assign additional responsibilities to an existing board committee.	10A(5)	Currently, the board has not constituted a separate Sustainability Committee and the functions will be performed by the Board Audit Committee.


Iqbal Ali Lakhani
 Chairman


Aftab Ahmad
 Chief Executive officer

Karachi: August 16, 2024



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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Century Paper & Board Mills Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention that causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

KARACHI
DATED: September 23, 2024
UDIN: CR202410166j3ysUrnccq

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



Century Paper & Board Mills Limited

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of CENTURY PAPER & BOARD MILLS LIMITED (the Company), which comprise the statement of financial position as at June 30, 2024, statement of profit or loss, statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of cash flows, and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024, and of the profit, its other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

The following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Capital Expenditures</p> <p>As disclosed in notes 6 and 7 to the annexed financial statements, The Company has made a significant Capital expenditure in Capital projects on account of balancing, modernization, and replacement of Paper & machines, cogeneration plant, and related auxiliaries. The total additions made during the year in operating fixed assets amounts to Rs. 1,404.746 million.</p> <p>The capital expenditure made during the year constitute a substantial transaction that requires significant judgments related to the capitalization of eligible cost components, such as borrowing costs, timing of capitalization and estimating their useful lives and residual value.</p> <p>Accordingly, we have identified capital expenditure as a key audit matter.</p>	<p>Our audit work includes number of procedures, among others:</p> <ul style="list-style-type: none"> • We also evaluated the useful economic lives assigned with reference to the Company's historical experience, including assessing the level of fully depreciated assets held by the Company. • We checked the timing of capitalization by examining, on a sample basis, the completion certificates from the Company's technical departments and evaluate whether borrowing cost capitalized satisfied the required recognition criteria. • We reviewed the minutes of the Company's Board of Directors and Board's Audit Committee to evaluate the completeness of management's consideration of any events that warranted changes to the useful economic lives. • We visited the sites where significant capital projects are ongoing to understand the nature of the projects. • We evaluated the adequacy of the disclosures presented in the financial statements regarding property, plant, and equipment in accordance with the applicable financial reporting framework.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Existence and valuation of stock in trade and Stores and spares	
	<p>As at June 30, 2024, the Company held stock-in-trade amounting to Rs. 6,857 million and stores and spares amounting to Rs. 4,060 million, which constitutes 37% of the total assets, as disclosed in notes 10 & 11 to the financial statements.</p> <p>As described in notes 5.5 to the financial statements, stock-in-trade is measured at a lower of cost and net realizable value. The cost of work-in-process and finished goods is determined by an average manufacturing cost including a proportion of production overheads, including assessment of provision for slow moving and obsolete stock in trade</p> <p>Due to the significance of inventory balances and related estimations involved in valuing the inventory, we considered this as a key audit matter.</p>	<p>We obtained an understanding of the Company's processes in place for stock accounting. Our audit procedures to assess the existence and valuation of inventory included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's process with respect to the existence and valuation of stock-in-trade and tested controls relevant to such process; • We attended the physical count of stock in trade to observe the management's process of measurement • We performed tests over the prices of raw materials and verified items in the product costing of work in progress. • We performed tests over the NRV calculations and the assumptions used. • Tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads and compared it with the prior period to assess reasonableness; • We evaluated the appropriateness of the basis for the identification of slow moving and obsolete stock, including the accuracy of the provision made there against as assessed by the management, on a test basis. • We evaluated the adequacy of the disclosures presented in the financial statements regarding stock in trade and stores and spares in accordance with the applicable financial reporting framework.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

KARACHI
DATED: September 23, 2024
UDIN: AR202410166DUt5I3Wym



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

Statement Of Financial Position


As at June 30, 2024

	Note	2024 (Rupees in thousands)	2023 (Restated)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	10,648,823	10,367,165
Capital work in progress	7	856,358	1,350,556
		<u>11,505,181</u>	<u>11,717,721</u>
Intangible assets	8	14,692	13,663
Long term advances	9	8,599	11,809
Long term deposits	10	9,831	19,181
		<u>11,538,303</u>	<u>11,762,374</u>
CURRENT ASSETS			
Stores and spares	11	4,060,143	2,758,473
Stock-in-trade	12	6,857,445	8,755,430
Trade debts	13	5,086,269	5,181,962
Advances	14	133,793	221,728
Trade deposits and short term prepayments	15	407,107	285,769
Other receivables	16	14,045	34,601
Tax refunds due from government	17	651,333	204,598
Taxation - net	18	-	162,516
Cash and bank balances	19	788,493	800,991
		<u>17,998,628</u>	<u>18,406,068</u>
		<u>29,536,931</u>	<u>30,168,442</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,000,000,000 (2023: 1,000,000,000) ordinary shares of Rs. 10 each	20	10,000,000	10,000,000
Issued, subscribed and paid-up capital	21	4,017,129	4,017,129
Reserves	22	9,664,757	9,094,838
		<u>13,681,886</u>	<u>13,111,967</u>
NON-CURRENT LIABILITIES			
Long term financing	23	3,741,044	5,134,796
Lease liabilities against right of use assets	24	11,276	23,445
Deferred taxation	25	818,660	791,725
Deferred capital grant	26	158,609	251,820
		<u>4,729,589</u>	<u>6,201,786</u>
CURRENT LIABILITIES			
Trade and other payables	27	4,950,854	4,880,813
Interest and mark-up accrued	28	227,900	540,685
Current portion of long-term financing	23	1,529,357	1,236,535
Current portion of lease liabilities against right of use assets	24	12,170	13,764
Current portion of deferred capital grant	26	93,211	110,053
Short-term borrowings	29	4,304,161	4,071,118
Taxation - net	18	6,160	-
Un-claimed dividend		1,643	1,721
		<u>11,125,456</u>	<u>10,854,689</u>
		<u>29,536,931</u>	<u>30,168,442</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	30		

The annexed notes from 1 to 55 form an integral part of these financial statements.


Iqbal Ali Lakhani
Chairman / Director


Aftab Ahmad
Chief Executive Officer

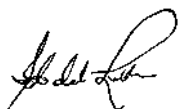

Muhammad Rashid Dastagir
Chief Financial Officer

Statement Of Profit Or Loss

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023 (Restated)
Turnover - net	31	42,015,480	47,661,248
Cost of sales	32	(37,949,651)	(43,219,678)
Gross profit		4,065,829	4,441,570
General and administrative expenses	33	(976,706)	(862,576)
Selling and distribution expenses	34	(289,162)	(280,648)
Other operating expenses	35	(118,505)	(136,137)
Other income	36	339,875	274,995
Operating profit		3,021,331	3,437,204
Finance cost	37	(1,847,834)	(2,015,621)
Profit before income tax and minimum tax differential		1,173,497	1,421,583
Minimum tax differential	38	(210,452)	(272,239)
Profit before income tax		963,045	1,149,344
Income tax	39	(439,152)	(244,355)
Profit for the year		523,893	904,989
Earnings per share - basic and diluted (Rupees)	40	1.30	2.25

The annexed notes from 1 to 55 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

Statement of Comprehensive Income

For the year ended June 30, 2024

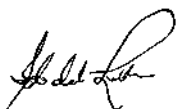
	Note	2024 (Rupees in thousands)	2023
Profit for the year		523,893	904,989

Other comprehensive income / (loss)

Items that will not be reclassified to statement of profit or loss

Income / (loss) on remeasurement of defined benefit liability		64,825	(27,443)
Tax impact on remeasurement of defined benefit liability		(18,799)	7,959
Other comprehensive income / (loss)	41.9	46,026	(19,484)
Total comprehensive income for the year		569,919	885,505

The annexed notes from 1 to 55 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



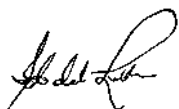
Muhammad Rashid Dastagir
Chief Financial Officer

Statement Of Cash Flows

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	4,997,742	4,160,077
Finance cost paid	43.2	(2,061,992)	(1,614,892)
Taxes paid		(839,527)	(1,002,738)
Gratuity paid		(81,040)	(69,230)
Workers' profit participation fund paid		(75,999)	(175,118)
Workers' welfare fund paid		(19,734)	(69,606)
Long term advances - net		3,210	9,070
Long term deposits - net		9,350	(11,300)
Net cash generated from operating activities		1,932,010	1,226,263
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(972,510)	(1,594,682)
Proceeds from disposal of operating fixed assets		19,706	21,540
Net cash used in investing activities		(952,804)	(1,573,142)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing from banking companies		-	4,241,906
Repayment of long term financing from banking companies		(1,210,984)	(400,939)
Lease rentals paid		(13,763)	(11,042)
Net cash (used in) / generated from financing activities		(1,224,747)	3,829,925
Net (decrease) / increase in cash and cash equivalents		(245,541)	3,483,046
Cash and cash equivalents at the beginning of the year		(3,270,127)	(6,753,173)
Cash and cash equivalents at the end of the year	45	(3,515,668)	(3,270,127)

The annexed notes from 1 to 55 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

Statement Of Changes In Equity

For the year ended June 30, 2024

Issued, subscribed and paid-up capital	Reserves								Total Reserves		
	Capital reserves				Revenue reserves		Other Components of Equity				
	Share premium	Merger reserve	Redemption reserve	Total	General reserve	Unappropriated profit	Actuarial gain / (loss) on defined benefit plan - net of deferred tax	Total			
2,028,854	1,822,122	7,925	1,273,798	3,103,845	4,800,000	2,148,239	145,524	7,093,763	10,197,608	12,226,462	
(Rupees in thousands)											
-	-	-	-	-	2,000,000	(2,000,000)	-	-	-	-	-
-	-	-	-	-	-	904,989	(19,484)	(19,484)	904,989	904,989	904,989
-	-	-	-	-	-	904,989	(19,484)	(19,484)	885,505	885,505	885,505
-	-	-	-	-	(1,000,000)	1,000,000	-	-	-	-	-
202,885	-	-	(202,885)	(202,885)	-	-	-	-	(202,885)	(202,885)	-
1,785,390	-	-	-	-	-	(1,785,390)	-	(1,785,390)	(1,785,390)	(1,785,390)	-
4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	267,838	126,040	6,193,878	9,094,838	13,111,967	
4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	267,838	126,040	6,193,878	9,094,838	13,111,967	
-	-	-	-	-	-	523,893	-	523,893	523,893	523,893	
-	-	-	-	-	-	-	46,026	46,026	46,026	46,026	
-	-	-	-	-	-	523,893	46,026	569,919	569,919	569,919	
4,017,129	1,822,122	7,925	1,070,913	2,900,960	5,800,000	791,731	172,066	6,763,797	9,664,757	13,681,986	

Balance as at July 01, 2022

Appropriation of reserves

Transfer to general reserve

Total comprehensive income for the year ended June 30, 2023

Profit for the year

Loss on remeasurement of defined benefit liability - net of tax

Appropriation of reserves

Transfer to un-appropriated profit

Transaction with owners directly recognized in equity

20,288,532 bonus shares issued in the proportion of

one (1) share for every ten (10) shares held

178,539,078 interim bonus shares issued in the proportion of

four (4) shares for every five (5) shares held

Balance as at June 30, 2023

Balance as at July 01, 2023

Total comprehensive income for the year ended June 30, 2024

Profit for the year

Gain on remeasurement of defined benefit liability - net of tax

Balance as at June 30, 2024

The annexed notes from 1 to 55 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

Notes To The Financial Statements

For the year ended June 30, 2024

1 STATUS AND NATURE OF BUSINESS

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Basis of measurement

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

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

3.3 Functional and presentation currency

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

3.4 Use of estimates and judgements

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

Notes To The Financial Statements

For the year ended June 30, 2024

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in next financial year are provided below:

3.4.1 Significant accounting judgments and critical accounting estimates / assumptions

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

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

The management has exercised judgment in applying the Company's accounting policies for classification of Post Employment Benefits as Defined Benefits Plan and Defined Contribution Plan (refer note 5.19, note 41 and 42) that have the most significant effects on the amounts recognized in the financial statements.

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

a) Income taxes

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

b) Defined benefits plan

Certain actuarial assumptions have been adopted as disclosed in note 40 to these financial statements for valuation of present value of defined benefit obligation and fair value of plan assets. Any changes in these assumptions in future years might affect actuarial gains / losses recognized in those years with corresponding effect on carrying amount of defined benefit plan liability / asset.

c) Property, plant and equipment

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

d) Stock in trade and stores and spares

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

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability.

e) Contingencies

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

Notes To The Financial Statements

For the year ended June 30, 2024

f) Impairment of financial assets

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

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

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

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

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Notes To The Financial Statements

For the year ended June 30, 2024

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in "Note 5 - Material Accounting Policies" in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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

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

Effective date (annual periods beginning on or after)

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 'Insurance Contracts'	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	

Notes To The Financial Statements

For the year ended June 30, 2024

IFRS 17 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

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

5.1 Property, plant and equipment

a) Operating fixed assets

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

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

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

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

The spare parts, stand-by equipments and servicing equipments are capitalized as an asset under plant and machinery when they meet the definition of property, plant and equipment. These are depreciated over their useful lives, or the remaining life of principle asset, whichever is lower.

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

Notes To The Financial Statements

For the year ended June 30, 2024

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

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

b) Capital work-in-progress

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

5.2 Intangible assets

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

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

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

5.3 Impairment of non-financial assets

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

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

Notes To The Financial Statements

For the year ended June 30, 2024

Value in use is estimated as the present value of estimated future cash flows from the continuing use of an asset / cash generating unit and from its disposal at the end of its useful life. A pre-tax discount rate reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

5.4 Leases

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

a) Right of use assets

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

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

b) Lease liability

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

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

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

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

Notes To The Financial Statements

For the year ended June 30, 2024

5.5 Stores and spares

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

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

5.6 Stock-in-trade

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

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

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

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

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

5.7 Trade debts

Trade debts are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL) that result from all possible default events over the expected life of trade debts. Trade debts are written-off when the Company has no reasonable expectations of recovering a trade receivable in its entirety or a portion thereof.

5.8 Trade deposits and other receivables

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

5.9 Taxation

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

Notes To The Financial Statements

For the year ended June 30, 2024

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Company has adopted an approach to account for current tax calculated on taxable income using the notified tax rate as an income tax and minimum tax any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognized as a levy as per IFRIC 21/IAS 37.

a) Current

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

b) Deferred

Deferred tax is accounted for using the Balance Sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit.

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

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

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

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

c) The Company takes into account decisions taken by the taxation authorities. For instance where the Company's view differs from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the disputed amounts are shown as contingent liabilities.

Notes To The Financial Statements

For the year ended June 30, 2024

d) Sales tax

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

- (i) When the sales tax incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the goods or as part of the expense item, as applicable.
- (ii) When receivables and payables include amount of sales tax, the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

5.10 Deferred Capital Grant

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

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

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

5.11 Borrowings

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

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

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

5.12 Borrowings cost

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

Notes To The Financial Statements

For the year ended June 30, 2024

5.13 Trade and other payables

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

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

5.14 Provisions

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

5.15 Contingencies

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

5.16 Financial instruments

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

5.16.1 Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- a) Fair value through profit or loss
- b) Fair value through other comprehensive income
- c) Amortized cost

The classification depends on the entity's business model for managing the financial assets. The management determines the classification of its financial assets at initial recognition.

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

Notes To The Financial Statements

For the year ended June 30, 2024

Amortized cost

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

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

Impairment

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

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

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

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

5.16.2 Financial liabilities

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

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

5.16.3 Recognition and measurement

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

5.16.4 Derecognition

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

Notes To The Financial Statements

For the year ended June 30, 2024

5.17 Offsetting of financial assets and financial liabilities

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

5.18 Foreign currency translation

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

5.19 Employees benefits

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

5.19.1 Staff retirement benefits

a) Defined benefit plan

The Company has a gratuity scheme for all its permanent employees who attain the minimum qualification period for entitlement to gratuity. The Gratuity Fund is maintained by a trust created and duly approved. Contributions to the fund are made based on actuarial recommendations using Projected Unit Credit Method. The most recent actuarial valuation was carried out at June 30, 2024 (refer note 41).

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

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

b) Defined contribution plan

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

Notes To The Financial Statements

For the year ended June 30, 2024

5.19.2 Compensated absences

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

5.19.3 Medical benefits

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

5.20 Revenue recognition

Revenue from contracts with customers

Sale of goods

Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Sale of goods give rise to contract assets and liabilities as explained below.

Contract assets

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

Contract liabilities

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

Others

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

5.21 Cash and cash equivalents

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

Notes To The Financial Statements

For the year ended June 30, 2024

5.22 Share capital

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

5.23 Earnings per share

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

5.24 Dividend and appropriation to reserves

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

5.25 Related party transactions

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

5.26 Change in accounting policy

Previously, sum of current tax expense calculated as per applicable tax laws, prior year tax expense and deferred tax was recorded as income tax expense.

During the year the Institute of Chartered Accountant of Pakistan has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

During the year ended June 30, 2024, the Company has revised its accounting policy. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been restated.

Notes To The Financial Statements

For the year ended June 30, 2024

	For the year ended June 30, 2023		
	As previously reported	As restated	Restatement
	(Rupees in thousands)		
Effect on statement of financial position			
Trade deposits and short term prepayments	13,530	285,769	272,239
Trade and other payables	4,608,574	4,880,813	272,239
Effect on statement of profit or loss			
Minimum tax differential	-	272,239	272,239
Profit before income tax and minimum tax differential	1,421,583	1,149,344	(272,239)
Income tax	516,594	244,355	(272,239)
Profit for the year	904,989	904,989	-

The change has been applied retrospectively resulting in reclassifications in the statement of financial position, statement of profit or loss and statement of cash flows.

The change do not have any impact on statement of other comprehensive income and statement of changes in equity.

6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Freehold land (note 6.1)	Buildings on freehold land	Leasehold improvements	Plant and machinery (note 6.2 & 6.3)	Furniture and fixtures	Vehicles	Electrical and other equipments	IT equipments	Right of use asset	Total
(Rupees in thousands)										
Year ended June 30, 2024										
Net carrying value basis										
Opening net book value (NBV)	447,920	1,676,045	-	7,928,712	4,968	201,032	44,191	36,345	27,954	10,367,166
Additions (at cost) (refer note 6.4)	-	151,616	-	1,089,636	2,110	95,268	3,218	62,919	-	1,404,768
Disposals (NBV)	-	-	-	-	-	(11,281)	(470)	(731)	-	(12,481)
Depreciation charge	-	(109,406)	-	(904,030)	(1,753)	(41,573)	(13,151)	(29,460)	(11,258)	(1,110,630)
Closing net book value (refer note 6.5)	447,920	1,718,254	-	8,114,319	5,325	243,446	33,789	69,073	16,696	10,648,823
Gross carrying value basis										
Cost	447,920	2,902,367	18,714	22,144,745	32,060	387,666	118,938	251,085	65,246	26,368,741
Accumulated depreciation / impairment	-	(1,184,113)	(18,714)	(14,030,426)	(26,735)	(144,220)	(85,149)	(182,012)	(48,550)	(15,719,918)
Net book value	447,920	1,718,254	-	8,114,319	5,325	243,446	33,789	69,073	16,696	10,648,823
Year ended June 30, 2023										
Net carrying value basis										
Opening net book value (NBV)	447,920	1,619,348	2,149	6,067,870	6,557	185,286	31,452	32,029	39,213	8,431,823
Additions (at cost) (refer note 6.4)	-	155,418	-	2,784,884	283	63,484	25,289	24,417	-	3,053,775
Disposals (NBV)	-	-	-	-	-	(11,554)	-	-	-	(11,554)
Depreciation charge	-	(98,721)	(2,149)	(924,043)	(1,872)	(36,185)	(12,550)	(20,101)	(11,259)	(1,106,879)
Closing net book value (refer note 6.5)	447,920	1,676,045	-	7,928,712	4,967	201,032	44,191	36,345	27,954	10,367,165
Gross carrying value basis										
Cost	447,920	2,750,751	18,714	21,055,131	29,950	324,908	116,205	189,263	65,246	24,998,088
Accumulated depreciation / impairment	-	(1,074,707)	(18,714)	(13,126,419)	(24,983)	(123,877)	(72,014)	(152,918)	(37,292)	(14,630,923)
Net book value	447,920	1,676,045	-	7,928,712	4,967	201,032	44,191	36,345	27,954	10,367,165
Depreciation rate % per annum	-	2.5 to 10	20	5 to 20	10 to 20	20	10 to 33	20 to 33	-	-

Notes To The Financial Statements

For the year ended June 30, 2024

- 6.1** This freehold land of 170.6 acre (2023: 170.6 acre) is located at Village Jumber Khurd, Tehsil Pattoki, District Kasur.
- 6.2** Plant and machinery includes gas pipeline installations with a cost of Rs. 16.87 million (written down value: Nil) [2023: Rs. 16.87 million (written down value: Nil)] that installed outside the premises of the factory but which are under the possession and control of the Sui Northern Gas Pipelines Limited. However, the economic benefits associated with these assets are flowing to the Company.
- 6.3** Plant and machinery includes capital spares amounting to Rs. 303.74 million (written down value Rs. 44.09 million) [2023: Rs. 286.16 million (written down value Rs. 34.27 million)].
- 6.4** This includes transfer from capital work-in-progress amounting to Rs. 1,221.88 million (2023: Rs. 2,852.16 million).
- 6.5** The cost of fully depreciated assets which are still in use as at June 30, 2024 is Rs. 8,469 million and written down value is Rs. 15.01 million (2023: Rs. 7,089 million and written down value is Rs. 10.98 million).

	Note	2024 (Rupees in thousands)	2023 (Rupees in thousands)
6.6 The depreciation charge for the year has been allocated as follows:			
Cost of sales	32	1,010,757	1,030,769
General and administrative expenses	33	95,164	72,055
Selling and distribution expenses	34	4,709	4,055
		<u>1,110,630</u>	<u>1,106,879</u>

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Relationship with buyers	Particulars of buyers
(Rupees in thousands)								
Vehicles								
Items having book value exceeding Rs. five hundred thousand								
Toyota Corolla GLI (LEB-18A-6811)	2,129	1,426	703	852	149	As per company policy (Note 6.7.1)	Employee	Mr. Abid Ali Shah
Honda City I-VTEC (LEB-18A-6805)	1,733	1,161	572	789	217	--do--	--do--	Mr. Haris Riaz Rana
Honda Civic VTI-Oriel (LED-18A-1421)	2,854	1,912	942	935	(7)	--do--	--do--	Mr. Sheikh Nadeemullah
Toyota Corolla Altis (LEA-19-4798)	2,579	1,728	851	1,525	674	--do--	--do--	Mr. Kamran Zamir Sheikh
Honda City Aspire Automatic (BNT-504)	2,093	1,402	691	1,154	464	--do--	--do--	Mr. Syed Mazhar Hashmi
Honda City Prosmetic 1.5 (BPL-018)	2,009	1,346	663	908	245	--do--	--do--	Mr. Syed Jurrat Saqlain
Toyota Corolla Altis (LEB-18A-5570)	2,379	1,594	785	1,517	732	--do--	--do--	Mr. Asif Mehmood
Suzuki Alto VXL (A/T) (AHE-718)	1,521	459	1,062	2,001	938	Negotiation	Outgoing Employee	Mr. Touqeer Riaz
	<u>17,297</u>	<u>11,029</u>	<u>6,268</u>	<u>9,682</u>	<u>3,412</u>			
Items having book value upto Rs. five hundred thousand	15,214	10,201	5,012	10,025	5,012	As per company policy (Note 6.7.1)	Employee	Various (Note 6.7.1)
	<u>32,511</u>	<u>21,230</u>	<u>11,281</u>	<u>19,706</u>	<u>8,424</u>			
IT equipments								
Items having book value upto Rs. five hundred thousand								
	1,097	367	731	-	(731)	Writeoff	-	-
Electrical & Other Equipments								
Items having book value upto Rs. five hundred thousand								
	486	16	470	-	(470)	Writeoff	-	-
Total - 2024	<u>34,094</u>	<u>21,613</u>	<u>12,481</u>	<u>19,706</u>	<u>7,224</u>			
Total - 2023	32,423	20,867	11,554	21,540	9,986			

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

Notes To The Financial Statements

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousands)	
7 CAPITAL WORK-IN-PROGRESS		
This comprises of:		
Building	14,542	17,163
Plant and machinery	841,627	1,311,870
Advances to suppliers	189	21,523
	<u>856,358</u>	<u>1,350,556</u>

7.1 Movement of carrying amount

	Building	Plant and machinery	Total
	(Rupees in thousands)		
Year ended June 30, 2024			
Opening balance	17,163	1,333,394	1,350,556
Additions (at cost)	148,995	578,690	727,686
Transferred to operating fixed assets	(151,616)	(1,070,268)	(1,221,884)
Closing balance	<u>14,542</u>	<u>841,816</u>	<u>856,358</u>
Year ended June 30, 2023			
Opening balance	55,073	2,716,954	2,772,027
Additions (at cost)	85,913	1,344,777	1,430,691
Transferred to operating fixed assets	(123,824)	(2,728,337)	(2,852,161)
Closing balance	<u>17,163</u>	<u>1,333,394</u>	<u>1,350,556</u>

	2024	2023
	(Rupees in thousands)	
8 INTANGIBLE ASSETS		
Intangible assets	8.1 <u>14,692</u>	<u>13,663</u>
8.1 Net carrying value basis		
Opening net book value	13,663	16,999
Additions (at cost)	8,676	2,780
Amortization charge	8.1.1 <u>(7,647)</u>	<u>(6,117)</u>
Closing net book value	<u>14,692</u>	<u>13,663</u>
Gross carrying value basis		
Cost	102,152	93,476
Accumulated amortization	<u>(87,460)</u>	<u>(79,813)</u>
Net book value	<u>14,692</u>	<u>13,663</u>
Amortization rate % per annum	20 – 33.33	20 – 33.33

Notes To The Financial Statements

For the year ended June 30, 2024

8.1.1 Amortization charge for the year has been allocated to administrative expenses (refer note 33).

	Note	2024 (Rupees in thousands)	2023
9 LONG-TERM ADVANCES			
(Unsecured - considered good)			
Long-term advances to supplier	9.1	<u>8,599</u>	<u>11,809</u>

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

10 LONG-TERM DEPOSITS

Long-term deposits	10.1	<u>9,831</u>	<u>19,181</u>
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10.1 This represents deposits in the normal course of business and does not carry any interest or mark-up. These advances are not carried at amortized cost as the impact of discounting is immaterial.

	Note	2024 (Rupees in thousands)	2023
11 STORES AND SPARES			
In hand			
Stores		1,623,592	1,390,137
Spares		1,051,397	922,222
Fuel		1,168,310	446,652
		<u>3,843,299</u>	<u>2,759,011</u>
In transit - Fuel/Spares		275,654	58,272
		<u>4,118,953</u>	<u>2,817,283</u>
Provision for slow moving stores and spares	11.1	(58,810)	(58,810)
	11.2	<u>4,060,143</u>	<u>2,758,473</u>

11.1 Provision for slow moving stores and spares and any reversal of provision, is included in cost of sales.

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

12 STOCK-IN-TRADE

	2024 (Rupees in thousands)	2023
Raw materials		
in hand	3,614,432	6,985,888
in transit	1,814,422	582,077
	<u>5,428,854</u>	<u>7,567,965</u>
Work-in-process	139,428	130,390
Finished goods	1,289,163	1,057,075
	<u>6,857,445</u>	<u>8,755,430</u>

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
13 TRADE DEBTS			
(Unsecured - considered good)			
Due from associated undertakings	13.1	821,118	1,025,829
Others		4,304,187	4,195,169
	13.2	5,125,305	5,220,998
Provision for expected credit losses	13.3	(39,036)	(39,036)
		<u>5,086,269</u>	<u>5,181,962</u>
13.1 This comprises of amounts receivable from:			
Merit Packaging Limited		735,952	973,026
Colgate-Palmolive (Pakistan) Limited		85,166	52,803
	13.1.1	<u>821,118</u>	<u>1,025,829</u>
13.1.1 The ageing of balances due from associated undertakings at the statement of financial position date is as follows:			
		2024 (Rupees in thousands)	2023
Not past due		502,670	480,072
Past due 1-30 days		318,448	545,757
		<u>821,118</u>	<u>1,025,829</u>
13.1.2 The maximum amount due from related parties at the end of any month during the year was Rs. 1,160.13 million (2023: Rs. 1,337.54 million).			
13.2 These are in the normal course of business and are interest free.			
13.3 This expected credit losses (ECL) have been provided in accordance with the ECL model under IFRS 9 and the Company considers that the allowance for expected credit loss is adequate to cover any default in recoverability of balances in future. The movement of provision for the year are as follows:			
	Note	2024 (Rupees in thousands)	2023
Opening balance		39,036	37,409
Charge during the year	35	-	1,627
Closing balance		<u>39,036</u>	<u>39,036</u>
14 ADVANCES			
Advances			
to employees	14.1	1,480	3,312
to suppliers	14.2	132,313	218,416
		<u>133,793</u>	<u>221,728</u>

Notes To The Financial Statements

For the year ended June 30, 2024

- 14.1** This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances does not carry any interest or mark-up.
- 14.2** This represents advances paid to suppliers in the normal course of business against goods and services to be received in future and it does not carry any interest or mark-up.
- 14.3** Chief Executive Officer and Directors have not taken any loans and advances from the Company.

	Note	2024 (Rupees in thousands)	2023
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits	15.1	186,605	3,480
Prepayments	15.2	10,050	10,050
Minimum tax - levy	5.26	210,452	272,239
		<u>407,107</u>	<u>285,769</u>

- 15.1** This includes an amount of Rs. 182.36 million to Universal Gas Distribution Company (Private) limited (UGDCL) as Security Deposit against contract for supply of gas at concessional rate.

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

- 15.2** This includes prepaid insurance premium of Rs. 10.05 million (2023: Rs. 10.05 million) to Century Insurance Company limited, an associated undertaking.

	Note	2024 (Rupees in thousands)	2023
16 OTHER RECEIVABLES			
(Unsecured - considered good)			
Due from associated undertakings	16.1	1,344	257
Margin held against imports	16.2	10,373	29,723
Others		2,328	4,621
	16.3	<u>14,045</u>	<u>34,601</u>

- 16.1** This comprises of amounts receivable from:

Century Insurance Company Limited		605	61
Cyber Internet Services (Private) Limited		104	196
SIZA Food (Private) Limited		595	-
SIZA Services (Private) Limited		40	-
		<u>1,344</u>	<u>257</u>

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

Not past due		<u>1,344</u>	<u>257</u>
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- 16.1.2** The maximum amount due from related parties at the end of any month during the year was Rs. 19.67 million (2023: Rs. 1.69 million).

Notes To The Financial Statements

For the year ended June 30, 2024

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

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

	Note	2024 (Rupees in thousands)	2023
17 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax	17.1	555,270	188,535
Sales tax	17.2	96,063	16,063
	17.3	651,333	204,598

17.1 The above figure includes tax refund for tax years 2018, 2019, 2022 and 2023 of Rs. 215.40 million, Rs. 10.85 million, Rs. 96.48 million and Rs. 366.74 million respectively and leftover refunds for the tax year 2009 to 2017 of Rs. 25.35 million. Moreover, tax payable for the tax year 2020 as per assessment orders aggregating to Rs. 159.55 million, is netted off with above tax refund. Year wise status of assessment is as follows:-

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

The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) (CIR(Appeals)) against the said order.

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

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

During the year 2023, Additional Commissioner issued Appeal Effect Order on disallowances remanded back by Commissioner (Appeal) and created the refund of Rs. 11.13 million. Resultantly, net tax refundable of Rs. 10.85 million is appearing as at statement of financial position date in the financial statements.

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

Notes To The Financial Statements

For the year ended June 30, 2024

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

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

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

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

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

17.2 It includes the following cases:

- a) During the year Rs. 80 million has been paid against demand raised by Deputy Commissioner (IR), Federal Board of Revenue in respect of sales tax input disallowance on certain coal purchases from December 2021 to September 2023 as more fully explained in note 30.1(b)(1).
- b) This also 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.
- c) 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.

Notes To The Financial Statements

For the year ended June 30, 2024

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

18 TAXATION - NET

18.1 The income tax assessments proceedings of the Company are in process for tax year 2011, 2012, 2015, 2016, 2018, 2019, 2020, 2021 and income tax return for tax year 2022 and 2023 has been duly filed.

The Company has made adequate provisions in these financial statements for the year ended June 30, 2024 (Tax year 2024) (Note 38 and 39).

	Note	2024 (Rupees in thousands)	2023
19 CASH AND BANK BALANCES			
Cash at bank - conventional mode			
Current account		151,914	351,183
Term deposit	19.1	386,768	236,768
		538,682	587,951
Cheques in hand		245,653	209,720
Cash in hand		4,158	3,320
		788,493	800,991

19.1 This represents term deposits under lien with bank as security for bank guarantees (Open Ended) as referred to in note 30.1(a) and carries profit at the rate from 18.00% to 18.40% (2023: 19%) per annum.

	2024 (Rupees in thousands)	2023
20 AUTHORIZED SHARE CAPITAL	10,000,000	10,000,000

21 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2024	2023		2024 (Rupees in thousands)	2023
Number of ordinary shares of Rs. 10/- each					
77,678,857	77,678,857	Fully paid in cash	776,790	776,790	
298,237,082	298,237,082	Issued as bonus shares	2,982,370	2,982,370	
25,089,437	25,089,437	Issued due to conversion of preference shares	250,894	250,894	
707,550	707,550	Issued under scheme of amalgamation	7,075	7,075	
401,712,926	401,712,926		4,017,129	4,017,129	
276,136,970	276,136,970	Shares held by associated companies and related parties	2,761,370	2,761,370	

21.1 Percentage of shares held by Directors, Chief Executive Officer and their spouses as at June 30, 2024 is 0.08 (2023: 0.08).

21.2 The Shareholders' rights and privileges are governed through Company's Memorandum and Articles of Association and there is no specific shareholder's agreement executed for voting rights, board selection, right of first refusal and block voting.

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
22 RESERVES			
Capital			
Share premium	22.1	1,822,122	1,822,122
Capital redemption reserve	22.2	1,070,913	1,070,913
Merger reserve	22.3	7,925	7,925
		<u>2,900,960</u>	<u>2,900,960</u>
Revenue			
General reserve		5,800,000	5,800,000
Actuarial gain on defined benefit plan - net of deferred tax - other Components of Equity		172,066	126,040
Un-appropriated profit		791,731	267,838
		<u>6,763,797</u>	<u>6,193,878</u>
		<u>9,664,757</u>	<u>9,094,838</u>
22.1	This reserve can be utilized by the Company only for the purposes specified in Section 81(3) of the Companies Act, 2017.		
22.2	This represents reserve created for preference shares redeemed through cash to comply with Section 85(c) of the repealed Companies Ordinance, 1984.		
22.3	This represents amount created under scheme of arrangement for amalgamation of former Company Century Power Generation Limited, a subsidiary.		
23 LONG-TERM FINANCING			
From banking companies - secured			
Utilized under mark-up arrangements financed by:			
Islamic mode			
Faysal Bank Limited - Musharaka	23.1	359,274	416,585
Bank Islami Pakistan Limited	23.2	189,207	193,290
Meezan Bank Limited - Musharaka	23.3	3,250,000	4,000,000
		<u>3,798,481</u>	<u>4,609,875</u>
Conventional mode			
Syndicated - Consortium of Banks	23.4	952,928	1,192,488
Allied Bank Limited - Term loan - 1	23.5	68,125	110,341
Habib Metropolitan Bank Limited	23.6	123,253	130,257
JS Bank Limited	23.7	327,614	328,370
		<u>1,471,920</u>	<u>1,761,456</u>
		<u>5,270,401</u>	<u>6,371,331</u>
Current portion shown under current liabilities			
Islamic mode		(1,123,449)	(868,484)
Conventional mode		(405,908)	(368,051)
		<u>(1,529,357)</u>	<u>(1,236,535)</u>
		<u>3,741,044</u>	<u>5,134,796</u>

Notes To The Financial Statements

For the year ended June 30, 2024

23.1 This represents Diminishing Musharaka Arrangement of Rs. 500 million under the Islamic Temporary Economic Refinance (ITERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 389.05 million (2023: Rs.465.05 million). This facility is recorded at present value discounted at the rate of 8.5% (2023: 8.5%).

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

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

23.2 This represents Term Finance Facility amounting to Rs. 250 million under the Islamic Temporary Economic Refinance (ITERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 230.87 million (2023: Rs.246.53 million). This facility is recorded at present value discounted at the rate of 10.53% (2023: 10.53%).

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

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

23.3 This represents Diminishing Musharaka Financing amounting to Rs. 4,000 million with Meezan Bank Limited. The tenor of the facility is five years with one year grace period. This finance facility is repayable in sixteen equal quarterly installments commencing from December 2023.

The finance facility is secured by way of first pari passu hypothecation charge over all present and future movable fixed assets of the Company with 25% margin.

The rate of markup is equal to base rate plus 0.15% . Base rate is equal to three months KIBOR of the last one business day prior to the beginning of each installment period. During the year, the effective markup rate was 22.43% (2023: 16.75%) .

23.4 This represents Syndicated Term Financing Arrangement amounting to Rs. 1,500 million under the Temporary Economic Refinance (TERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 1,050 million (2023: Rs.1,351 million). This facility is recorded at present value discounted at the rate of 8.5% (2023: 8.5%)

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

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

Notes To The Financial Statements

For the year ended June 30, 2024

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

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

This term loan is secured by way of first hypothecation charge over all assets belonging to the Company with 25% margin. The rate of markup is fixed ranging from 2.75% to 4.50% for different drawdowns.

23.6 This represents Term Finance Facility amounting to Rs. 200 million under the Temporary Economic Refinance (TERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machine. The principal outstanding is Rs.147.22 million (2023: Rs. 160 million). This facility is recorded at present value discounted at the rate of 10.99% (2023: 10.99%).

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

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

23.7 This represents Term Finance Facility with JS Bank Limited amounting to Rs. 400 million under the Temporary Economic Refinance (TERF) schemes of the State Bank of Pakistan for Balancing, Modernization and Replacement (BMR) of Paper & Board Machines, Cogeneration Plants and Auxiliaries relating thereto. The principal outstanding is Rs. 387.02 million (2023: Rs. 400 million). This facility is recorded at present value discounted at the rate of 11.49% (2023: 11.49%)

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

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

	2024	2023
	(Rupees in thousands)	
24 LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS		
Lease liabilities	23,446	37,209
Current portion	<u>(12,170)</u>	<u>(13,764)</u>
	<u>11,276</u>	<u>23,445</u>

24.1 These lease liabilities were recognized against right of use assets (Note 6). The Company discounted lease payments using its incremental borrowing rate which is 14% and 9% (2023: 14% and 9%) per annum.

24.2 The future minimum lease payments to which the Company is committed under the agreement will be due as follows:

Notes To The Financial Statements

For the year ended June 30, 2024

Particulars	Upto one year	One to Five year	Total
(Rupees in thousands)			
2024			
Minimum lease payments	13,756	11,925	25,681
Finance cost allocated to future periods	<u>(1,586)</u>	<u>(649)</u>	<u>(2,235)</u>
Present value of minimum lease payment	<u>12,170</u>	<u>11,276</u>	<u>23,446</u>
2023			
Minimum lease payments	16,967	25,681	42,648
Finance cost allocated to future periods	<u>(3,203)</u>	<u>(2,236)</u>	<u>(5,439)</u>
Present value of minimum lease payment	<u>13,764</u>	<u>23,445</u>	<u>37,209</u>

	Note	2024 (Rupees in thousands)	2023
25 DEFERRED TAXATION			
Deferred taxation	25.1	<u>818,660</u>	<u>791,725</u>
25.1 The net balance for deferred taxation in respect of following temporary differences:			
Deferred tax liabilities			
Accelerated tax depreciation allowance		1,570,548	1,297,613
Deferred tax assets			
Turnover tax / Alternative Corporate tax		<u>(660,004)</u>	<u>(406,911)</u>
Others		<u>(91,883)</u>	<u>(98,977)</u>
	25.3	<u>(751,887)</u>	<u>(505,888)</u>
		<u>818,660</u>	<u>791,725</u>
25.2 The gross movement in the deferred tax liability during the year is as follow:			
Balance as at July 1		791,724	976,530
Effect to statement of profit or loss	39	8,136	(176,847)
Charge recognized in other comprehensive income	41.9	18,799	(7,959)
Balance as at June 30		<u>818,660</u>	<u>791,725</u>

25.3 Company has recognized deferred tax assets and liabilities at enacted applicable rate, in accordance with the relevant accounting and reporting standards.

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
26 DEFERRED CAPITAL GRANT			
Capital grant	26.1	251,820	361,873
Current portion shown under current liability		(93,211)	(110,053)
		<u>158,609</u>	<u>251,820</u>
26.1 Following is the movement in capital grant during the year:			
Opening balance		361,873	440,767
Additions during the year		-	42,909
Amortized during the year	26.1.1	(110,053)	(121,803)
Closing balance	26.1.2	<u>251,820</u>	<u>361,873</u>

26.1.1 It includes amortization charged to capital work in progress of Rs. 11.42 million (2023: 76.56 million).

26.1.2 This represents government grant recognized on long term financing facilities obtained under SBP Refinance Scheme from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" (refer note 23).

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

	Note	2024 (Rupees in thousands)	2023 (Restated)
27 TRADE AND OTHER PAYABLES			
Creditors	27.1	1,625,178	1,292,966
Foreign bills payable		1,153,739	1,022,934
Accrued liabilities		1,180,109	936,106
Sales tax payable - net		144,802	233,033
Contract liabilities	27.2	57,320	486,143
Gratuity payable	41.4	58,251	134,786
Employee leave encashments		122,336	108,667
Workers' Profit Participation Fund	27.3	62,774	75,999
Workers' Welfare Fund		91,402	91,935
Minimum tax - levy	5.26	210,452	272,239
Provident fund payable		12,552	11,046
Other liabilities		231,939	214,959
		<u>4,950,854</u>	<u>4,880,813</u>

27.1 This includes aggregate amount of the outstanding balance due to associated undertakings as at June 30, 2024 is Rs. 14.47 million (2023: Rs. 1.43 million).

27.2 This represents the amount of consideration received from customers before the related goods are transferred. During the year, contract liabilities as at June 30, 2023 have been recognized as revenue.

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
27.3 Workers' Profit Participation Fund			
Balance at July 01		75,999	175,118
Interest on funds utilized in Company's business	37	4,183	6,767
Allocation for the year	35	62,774	75,999
		<u>142,956</u>	<u>257,884</u>
Amount paid during the year		(80,182)	(181,885)
Balance at June 30		<u>62,774</u>	<u>75,999</u>
28 INTEREST AND MARK-UP ACCRUED			
Interest and mark-up accrued on:			
Long-term financing from Banks			
Islamic mode		12,672	249,936
Conventional mode		9,969	13,443
		<u>22,641</u>	<u>263,379</u>
Short-term borrowings from Banks			
Islamic mode		46,061	105,803
Conventional mode		159,198	171,503
		<u>205,259</u>	<u>277,306</u>
		<u>227,900</u>	<u>540,685</u>
29 SHORT TERM BORROWINGS			
From banking companies - secured			
Running finances			
Islamic mode		332,387	1,160,235
Conventional mode		971,774	2,017,283
	29.1	<u>1,304,161</u>	<u>3,177,518</u>
Money market loans - Conventional mode	29.2	3,000,000	893,600
		<u>4,304,161</u>	<u>4,071,118</u>
29.1	The Company has available aggregate short term running finance facilities amounting to Rs. 15,500 million (2023: Rs. 15,800 million). Markup rates are linked with KIBOR from one to three months plus spreads ranging from 0.05% to 1.50% per annum (2023: KIBOR from one to three months plus spreads ranging from 0.05% to 1.50% per annum).		
29.2	Short-term money market loans have been arranged as a sub-limit of the running finance facility.		
29.3	The Company has available aggregate sub-limits for Foreign Exchange (FE) loans under facilities for running finance and letters of credit amounting to Rs. 10,430 million (2023: Rs. 10,230 million).		
29.4	These arrangements are secured by way of pari passu hypothecation charge created on stock-in-trade, stores & spares and trade debts of the Company.		
29.5	Aggregate facilities for opening of letters of credit and guarantees amounting to Rs. 14,350 million (2023: Rs. 12,200 million) are available to the Company.		

Notes To The Financial Statements

For the year ended June 30, 2024

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

a) Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 1,367 million (2023: Rs. 1,237 million) including guarantee relating to Sindh Infrastructure Cess amounting to Rs. 650 million (2023: Rs. 500 million) furnished to Excise and Taxation Department and a guarantee of Rs. 136.77 million (2023: Rs. 136.77 million) issued in favor of "The Nazir High Court of Sindh" in accordance with the order of the Honorable High Court of Sindh on the matter of super tax.

b) Sales tax

- 1) During the year, the Deputy Commissioner has adjudicated amounts of Rs. 299.99 million and Rs.230.61 million as inadmissible input tax adjustments on the ground of fake and flying invoices along with 100% penalty vide his order-in-original no. 14/07 and 15/07 dated February 26, 2024 and February 27, 2024 respectively. These orders were issued in response to show cause notices issued dated January 22, 2024 pertaining to input tax claimed on coal purchases from December 2021 to September 2023. This was despite the fact that the Company had provided all necessary information and evidence for the purchase, receipt, and consumption of coal during the period mentioned in the show cause notices.

Aggrieved with the orders passed by the Deputy Commissioner, the Company lodged an appeal before the Commissioner (Appeals) dated March 21, 2024 with the plea that the orders were unfairly decided, without considering the facts, evidence, and explanations provided by the Company. However, the Company had to pay Rs. 80 million (refer to note 17.3) under Section 48 of Chapter-IX of the Sales Tax Act 1990, in response to the order.

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

- 2) The Appellate Tribunal, Punjab Revenue Authority has issued an Order No. PRA 10/2023 dated February 14, 2023 upholding the demand of Rs. 30 million as previously determined by the Commissioner (Appeals) vide his Order No. PRA 328/2018 dated November 06, 2019. However, the Company has filed a reference application before the Honorable Lahore High Court against the decision with the plea that order by the Appellate Tribunal was passed without comprehensive concluding the evidence and explanation provided by the Company. 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.
- 3) Five cases of inadmissible input sale tax amounting to Rs. 94.45 million were adjudicated against the Company by Deputy Commissioner Inland Revenue. The appeals were filed by the Company against these orders at respective forum. These cases were remanded back to the adjudicating authorities by the Appellate Authorities with the direction to verify the compliance of the Company with the relevant provisions of the Sales Tax Act, 1990. No provision has been made in these financial statements as the management is of the opinion, based on advice of tax advisor, that the decision is likely to be in the favor of the Company.

Notes To The Financial Statements

For the year ended June 30, 2024

30.2 Commitments

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

- a) Letters of credit other than for capital expenditure at the end of the year amounted to Rs. 2,245.61 million (2023: Rs. 2,304.45 million).
- b) Capital expenditure including letters of credit amounting to Rs. 2.91 million (2023: Rs. 60.39 million).

	Note	2024 (Rupees in thousands)	2023
31 TURNOVER - NET			
Gross turnover			
Local		49,112,779	55,559,920
Export	31.1	283,602	230,472
		<u>49,396,381</u>	<u>55,790,392</u>
Sales tax		(7,380,901)	(8,129,144)
		<u>42,015,480</u>	<u>47,661,248</u>
31.1 Information by geographical area			
Afghanistan		276,279	230,472
Uzbekistan		7,323	-
		<u>283,602</u>	<u>230,472</u>

32 COST OF SALES

Materials consumed		25,592,617	28,304,021
Fuel and power		7,656,917	9,927,588
Depreciation on property, plant and equipment	6.6	1,010,757	1,030,769
Salaries, wages and other benefits	32.1	1,491,789	1,352,077
Stores and spares consumption		1,135,933	973,261
Repairs and maintenance		165,644	214,951
Packing expenses		996,059	937,339
Insurance		131,915	122,500
Rent, rates and taxes		9,146	5,472
Manufacturing cost		<u>38,190,777</u>	<u>42,867,978</u>
Work-in-process			
Opening stock		130,390	206,536
Closing stock		(139,428)	(130,390)
		<u>(9,038)</u>	<u>76,146</u>
Cost of goods manufactured		<u>38,181,739</u>	<u>42,944,124</u>
Finished goods			
Opening stock		1,057,075	1,332,629
Closing stock		(1,289,163)	(1,057,075)
		<u>(232,088)</u>	<u>275,554</u>
		<u>37,949,651</u>	<u>43,219,678</u>

32.1 Salaries, wages and other benefits include Rs. 102.77 million (2023: Rs. 88.31 million) in respect of staff retirement benefits.

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
33 GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other benefits	33.1	577,826	520,835
Depreciation on property, plant and equipment	6.6	95,164	72,055
Information technology charges		71,019	63,040
Rent, rates and taxes		13,815	14,631
Amortization on intangible assets	8.1	7,647	6,115
Security service charges		92,490	80,021
Repairs and maintenance		17,615	19,532
Travelling and conveyance		9,880	10,838
Electricity		31,362	23,280
Printing, stationery and periodicals		15,282	15,108
Business promotion expenses		4,167	7,388
Fees and subscription		30,568	17,002
Telephone and postage		5,262	4,152
Insurance		4,059	8,064
Advertisement		550	515
		976,706	862,576

33.1 Salaries and other benefits include Rs. 32.63 million (2023: Rs. 28.36 million) in respect of staff retirement benefits.

	Note	2024 (Rupees in thousands)	2023
34 SELLING AND DISTRIBUTION EXPENSES			
Selling expenses			
Salaries and other benefits	34.1	91,171	85,351
Insurance		1,124	1,619
Electricity		166	777
Depreciation on property, plant and equipment	6.6	4,709	4,055
Export related expenses		1,967	506
Travelling and conveyance		1,318	511
Rent, rate and taxes		2,367	2,235
Telephone and postage		183	140
		103,005	95,194
Distribution expenses			
Outward freight		186,157	185,454
		289,162	280,648

34.1 Salaries and other benefits include Rs. 7.15 million (2023: Rs. 6.24 million) in respect of staff retirement benefits.

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
35 OTHER OPERATING EXPENSES			
Legal and professional charges		14,742	12,896
Auditor's remuneration			
Statutory audit		1,850	1,650
Half yearly review		300	225
Fee for other certification		315	385
Reimbursement of expenses		195	237
		2,660	2,497
Workers' profit participation fund	27.3	62,774	75,999
Workers' welfare fund - current year		22,032	22,565
Workers' welfare fund - prior year		(2,831)	(174)
Net exchange loss		-	7,450
Donation	35.1	11,914	7,438
Provision for expected credit losses (ECL)	13.2	-	1,627
Others		7,214	5,839
		118,505	136,137

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

Name of Donee

Million Smile Foundation		5,154	1,718
Smile Foundation		2,391	2,110
Institute of Rural Management		2,075	1,229
District Assistant Commissioner - Pattoki		493	1,517
Government Girl High School - Kasur		570	430
The Layton Rahmatulla Benevolent Trust (LRBT)	35.1.1	1,000	-
Others		231	434
		11,914	7,438

35.1.1 Mr. Iqbal Lakhani the director, is the trustee of Layton Rahmatulla Benevolent Trust (LRBT).

36 OTHER INCOME

Income from non-financial assets			
Sale of scrap		150,445	193,052
Gain on sale of operating fixed assets - net		7,224	9,987
Amortization of deferred income - Government Grants		98,627	45,251
Others		649	290
		256,945	248,580
Income from financial assets			
Profit on bank deposits - Conventional		57,069	26,415
Profit on Investment - Mutual fund		22,127	-
Exchange gain		3,734	-
		82,930	26,415
		339,875	274,995

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
37 FINANCE COST			
Long term financing from banks			
Islamic mode		898,219	566,286
Conventional mode		110,667	70,290
	37.1	1,008,886	636,576
Short term borrowings			
Islamic mode		220,705	335,829
Conventional mode		593,177	1,018,368
		813,882	1,354,197
Workers' Profit Participation Fund	27.3	4,183	6,767
		1,826,951	1,997,540
Bank charges and commission		17,393	12,807
Finance cost on leases		3,490	4,924
Finance cost on GIDC		-	350
		1,847,834	2,015,621

37.1 These include financial charges at commercial rate on loan availed under State Bank of Pakistan scheme of Temporary Economic Refinance (TERF) as per IAS 20 - Government Grants (refer note 26).

38 MINIMUM TAX DIFFERENTIAL

This represents portion of minimum tax paid under Section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37 (Note 5.26).

	Note	2024 (Rupees in thousands)	2023 (Restated)
39 TAXATION			
For the year			
Current	39.1	421,035	431,213
Prior		9,981	(10,011)
Deferred		8,136	(176,847)
		439,152	244,355

39.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognized in the profit or loss account, is as follows:

	Note	2024 (Rupees in thousands)	2023 (Restated)
Income tax under IAS 12		421,035	431,213
Income tax levy under IFRIC 21/IAS 37		210,452	272,239
Current tax liability as per Income Tax Ordinance	39.2	631,487	703,452

The provision of current tax liability for the year contains minimum tax at 1.25% of the net turnover for the year and final tax regime at 1% of export proceeds. It also includes super tax provided at 10% under Section 4(c) of Income Tax Ordinance, 2001 in accordance with the new slab rates for super tax as introduced through Finance Act 2023.

Notes To The Financial Statements

For the year ended June 30, 2024

39.2 Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	2024 (Rupees in thousands) %age	2023 %age (Restated)
Applicable tax rate	29.00	29.00
Effect of prior year tax	0.85	(0.70)
Super tax	9.20	7.78
Impact of change in enacted rate	5.51	(15.08)
Others	1.03	0.26
	<u>16.59</u>	<u>(7.74)</u>
Average effective tax rate	<u>45.59</u>	<u>21.26</u>

40 EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit for the year	<u>523,893</u>	<u>904,989</u>
Weighted average number of ordinary shares (in thousands)	<u>401,713</u>	<u>401,713</u>
Earnings per share attributable to ordinary shareholders (Rupees)	<u>1.30</u>	<u>2.25</u>

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

41 DEFINED BENEFIT PLAN

41.1 General description

The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2024 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

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

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

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

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

Notes To The Financial Statements

For the year ended June 30, 2024

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

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

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

41.2 Principal actuarial assumptions

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

	2024 %age	2023 %age
Discount rate	14.75	16.25
Expected rate of return on plan assets	16.25	13.25
Expected rate of increase in salary	14.75	16.25
Mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001- 2005 Setback 1 Year

41.3 Reconciliation of balance due to defined benefit plan

	2024 (Rupees in thousands)	2023 (Rupees in thousands)
Present value of defined benefit obligation	1,165,074	1,001,556
Fair value of plan assets	<u>(1,106,824)</u>	<u>(866,770)</u>
Closing net liability	<u>58,251</u>	<u>134,786</u>

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

		2024	2023
Opening net liability		134,786	118,363
Charge for the year	41.8	69,329	58,210
Remeasurement chargeable to other Comprehensive income	41.9	(64,825)	27,443
Contribution made during the year		<u>(81,040)</u>	<u>(69,230)</u>
Closing net liability	27	<u>58,251</u>	<u>134,786</u>

41.5 Fair value of plan assets at year end

Government securities	197,679	146,098
Term Deposit Receipt (TDR)	-	103,550
Term Finance Certificates / Certificates of Investment	145,760	89,670
Mutual funds / Shares	760,611	514,325
Cash at banks	4,779	13,593
Others	<u>(2,005)</u>	<u>(467)</u>
	<u>1,106,824</u>	<u>866,769</u>

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
41.6 Movement in present value of defined benefit obligations			
Opening present value of defined benefit obligations		1,001,556	868,466
Current service cost for the year	41.8	54,174	47,144
Interest cost for the year	41.8	158,545	113,148
Benefits due but not paid during the year		(2,005)	(466)
Benefits paid during the year		(49,785)	(28,571)
Remeasurement loss on obligation	41.9	2,590	1,834
Closing present value of defined benefit obligations		1,165,075	1,001,556
41.7 Movement in fair value of plan assets			
Opening fair value of plan assets		866,769	750,103
Remeasurement loss on plan assets	41.9	67,414	(25,609)
Contributions during the year		81,040	69,230
Benefits paid during the year		(49,785)	(28,571)
Benefits due but not paid during the year		(2,005)	(466)
Expected return on plan assets	41.8	143,390	102,082
Closing fair value of plan assets		1,106,823	866,769
41.8 Charge for the year			
Current service cost		54,174	47,144
Interest cost		158,545	113,148
Expected return on plan assets		(143,390)	(102,082)
Charge for the year		69,329	58,210
41.9 Remeasurement chargeable to other comprehensive income			
Remeasurement loss on defined benefit obligation		2,590	1,834
Remeasurement loss on plan assets		(67,414)	25,609
		(64,825)	27,443
Tax impact on remeasurement of defined benefit liability		18,799	(7,959)
		(46,026)	19,484

Notes To The Financial Statements

For the year ended June 30, 2024

41.10 Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	Increase in assumption	Decrease in assumption
Discount rate	(67,524)	77,465
Salary increase	77,626	(68,861)
	2024	2023
	(Rupees in thousands)	

41.11 Maturity Profile

Time in year		
1	285,149	272,904
2	100,785	69,152
3	105,701	117,612
4	116,319	124,013
5-10	1,005,425	1,043,295
Weighted average duration	6 years	5 years

41.12 The charge in respect of defined benefit plan for the year ending June 30, 2025 is estimated to be Rs. 64.979 million.

42 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees under the title of "Century Paper & Board Mills Limited - Employees Contributory Provident Fund". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

42.1 The Trustees have intimated that the size of the Fund at year end was Rs. 1,182.08 million (2023: Rs. 926.34 million).

42.2 As intimated by the Trustees, the cost of the investments made at year end was Rs. 1,122.12 million (2023: Rs. 901.02 million) which is equal to 94% of the total fund size. The fair value of the investments was Rs. 1,159.11 million (2023: Rs. 919.02 million) at that date.

42.3 All investments out of the provident fund made in Government securities and collective investment schemes including listed equity-based funds, listed debt securities funds & Money Market funds have been made in accordance with the provision of section 218 of the Companies Act 2017 and the rules formulated for this purpose.

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023 (Restated)
43 CASH GENERATED FROM OPERATIONS			
Profit before income tax		963,045	1,149,344
Adjustment for non-cash charges and other items:			
Depreciation on property, plant and equipment	6.6	1,110,630	1,106,879
Amortization of intangible assets	8	7,646	6,115
Gain on sale of operating fixed assets	6.7	(7,224)	(9,987)
Provision for gratuity	41.8	69,329	58,210
Provision for expected credit losses		-	1,627
Workers' Profit Participation Fund	35	62,774	75,999
Workers' Welfare Fund	35	19,201	22,391
Minimum tax differential	39.1	210,452	272,239
Finance cost	37	1,847,834	2,015,621
Amortization of deferred income - Government Grants	36	(98,627)	(45,251)
Working capital changes	43.1	812,682	(493,110)
		4,997,742	4,160,077

43.1 Changes in working capital

(Increase) / decrease in current assets:

Stores and spares	(1,301,670)	670,221
Stock-in-trade	1,897,985	(355,992)
Trade debts	95,693	(622,653)
Loans and advances	87,935	17,859
Trade deposits and short term prepayments	(121,338)	(265,357)
Other receivables	20,559	4,947
Tax refunds due from Government	(80,000)	-
	599,164	(550,975)

Increase in current liabilities:

Trade and other payables	213,518	57,865
	812,682	(493,110)

43.2 Finance cost paid includes an amount of Rs.1,395.73 million (2023: Rs. 611.94 million) paid on Islamic mode of financing.

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

Description	Long term Financing	Government Grant	Lease Liabilities	Equity reserves	Total
	(Rupees in thousands)				
Balance as at July 1, 2023	6,371,331	361,873	37,209	9,094,838	15,865,251
Repayment to Banking Companies	(1,100,931)	(110,053)	-	-	(1,210,984)
Repayment of lease	-	-	(13,763)	-	(13,763)
Total comprehensive income for the year	-	-	-	569,919	569,919
Balance as at June 30, 2024	5,270,400	251,820	23,446	9,664,757	15,210,423

Notes To The Financial Statements

For the year ended June 30, 2024

	Note	2024 (Rupees in thousands)	2023
45 CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	788,493	800,991
Short-term borrowings	29	(4,304,161)	(4,071,118)
		<u>(3,515,668)</u>	<u>(3,270,127)</u>

46 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2024				2023			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in thousands)							
Managerial remuneration	19,934	39,497	216,171	275,602	17,905	31,862	186,348	236,115
Housing	8,155	14,503	81,007	103,665	7,324	10,138	69,468	86,930
Fixed bonuses	3,525	-	30,687	34,212	4,243	-	39,505	43,748
Staff retirement benefits	5,683	-	38,922	44,605	4,703	-	33,338	38,041
Utilities	-	13,240	-	13,240	-	8,551	-	8,551
Others	8	-	4,030	4,038	8	-	4,804	4,812
Total	<u>37,305</u>	<u>67,240</u>	<u>370,817</u>	<u>475,362</u>	<u>34,183</u>	<u>50,551</u>	<u>333,463</u>	<u>418,197</u>
Number of persons	<u>1</u>	<u>1</u>	<u>78</u>	<u>80</u>	<u>1</u>	<u>1</u>	<u>69</u>	<u>71</u>

- b) Aggregate amount charged in these financial statements in respect of Directors' fee for attending Board, Audit Committee and HR & Remuneration Committee meetings amounted to Rs. 160,000 (2023: Rs. 320,000), Rs. 320,000 (2023: Rs. 320,000) and Rs. 60,000 (2023: Rs. 60,000) respectively. The Directors fee for attending Board, HR & Remuneration Committee and Audit Committee meetings were paid as prescribed in Articles of Association.
- c) The Chief Executive Officer (CEO) and certain executives are provided with cars for business and personal use in accordance with the Company car scheme.
- d) Remuneration to Non-Executive Director relates to amount paid for part time involvement in the Company.
- e) As required by Companies Act 2017, executive means an employee whose basic salary exceeds Rs 1,200 thousand (2023: Rs 1,200 thousand) during the year.

Notes To The Financial Statements

For the year ended June 30, 2024

47 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Nature of transaction	Nature of Relation	Basis of Relation / Shareholding in the Company	Note	2024	2023
				(Rupees in thousands)	
Sale of goods, services and reimbursement of expenses					
Merit Packaging Limited	Associated company	Common Director		2,942,264	3,156,493
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director		1,093,080	928,719
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held		19,967	1,825
Cyber Internet Services (Private) Limited	Associated company	Common Director		6,004	3,333
SIZA Foods (Private) Limited	Associated company	Common Director		595	-
Sybrid (Private) Limited	Associated company	Common Director		484	241
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held		131	-
Purchase of goods, services and reimbursement of expenses					
Century Insurance Company Limited	Associated company	Common Director and 0.43% shares held		230,905	223,702
Merit Packaging Limited	Associated company	Common Director		173,134	162,434
Cyber Internet Services (Private) Limited	Associated company	Common Director		25,295	21,593
Lakson Business Solutions Limited	Associated company	Common Director		14,877	14,321
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee		6,783	4,835
Princeton Travels (Private) Limited	Associated company	Common Director		5,861	4,105
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held		5,762	3,795
Sybrid (Private) Limited	Associated company	Common Director		4,849	7,915
Express Publications (Private) Limited	Associated company	Common Management		1,547	1,599
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held		382	355
Colgate Palmolive (Pakistan) Limited	Associated company	Common Director		237	101
Rent and other allied charges					
Hassanali and Gulbanoo Lakhani Foundation	Associated undertaking	Trustee		9,107	8,578
SIZA (Private) Limited	Associated company	Common Director and 27.31% shares held		4,994	4,039
SIZA Services (Private) Limited	Associated company	Common Director and 22.18% shares held		914	873
SIZA Commodities (Private) Limited	Associated company	Common Director and 9.76% shares held		210	200
Donation					
The Layton Rahmatulla Benevolent Trust	Donee	Trustee		1,000	-
Others					
Contribution to Staff Retirement Benefit Plans	Employees Fund			152,747	133,013
Remuneration and other benefits	Key Management Personnel		47.2	475,362	418,196

Notes To The Financial Statements

For the year ended June 30, 2024

	2024 (Rupees in thousands)	2023
47.1 Year end balances		
Receivable from related parties	822,462	1,026,086
Payable to related parties	14,467	1,430
Prepayment to related parties	10,050	10,050
Payable to Retirement Benefit Plan	70,802	145,832
47.2	The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executives (note 45)". There are no transactions with key management personnel other than under their terms of employment.	
47.3	All transactions with related parties have been carried out on commercial terms and conditions as approved by the Board of Directors.	

48 CAPACITY AND PRODUCTION - TONNES

	2024		2023	
	Annual capacity on three shifts	Actual production	Annual capacity on three shifts	Actual production
Paper and paper board produced	265,000	179,326	265,000	195,454
Paper and paper board conversion	35,000	21,776	35,000	23,998

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

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

49.1 Risk management policies

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

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

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

Notes To The Financial Statements

For the year ended June 30, 2024

49.2 Credit risk

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

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures. Out of total financial assets of Rs. 6,124.28 million (2023: Rs. 6,079.25 million), the financial assets which are subject to credit risk amounted to Rs. 6,120.12 million (2023: Rs. 6,075.93 million). The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2024	2023
	(Rupees in thousands)	
Loans and deposits	196,436	22,661
Trade debts	5,125,305	5,220,998
Other receivables	14,045	34,601
Bank balances	784,335	797,671
	<u>6,120,121</u>	<u>6,075,931</u>

The aging of trade receivable at the reporting date is:

Not past due	4,225,470	3,642,140
Past due 1-30 days	759,882	1,270,237
Past due 30-90 days	73,653	272,932
Past due 90 days	66,354	35,689
	<u>5,125,359</u>	<u>5,220,998</u>

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

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

Concentration of credit risk

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

49.3 Liquidity risk

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

Notes To The Financial Statements

For the year ended June 30, 2024

	Carrying amount	Contractual Cash Flows	Six months or less	Six to Twelve months	One to two years	Two to five years	Over five years
(Rupees in thousands)							
2024							
Long-term financing	5,270,401	6,761,083	1,100,967	1,067,347	1,941,390	2,294,399	356,980
Lease liabilities	23,446	25,681	8,934	4,822	10,205	1,720	-
Trade and other payables	3,378,615	3,378,615	3,378,615	-	-	-	-
Interest and mark-up accrued	227,900	227,900	227,900	-	-	-	-
Short-term borrowings	4,304,161	4,304,161	4,304,161	-	-	-	-
	13,204,523	14,697,440	9,020,577	1,072,169	1,951,595	2,296,119	356,980
2023							
Long-term financing	6,371,331	8,672,972	916,768	906,542	2,139,700	2,195,080	2,514,882
Lease liabilities	37,209	42,649	8,243	8,725	13,756	11,925	-
Trade and other payables	2,622,957	2,622,957	2,622,957	-	-	-	-
Interest and mark-up accrued	540,685	540,685	540,685	-	-	-	-
Short-term borrowings	4,071,118	4,071,118	4,071,118	-	-	-	-
	13,643,300	15,950,381	8,159,771	915,267	2,153,456	2,207,005	2,514,882

49.4 Market risk

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

a) Currency risk

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

	2024	2023
	(Rupees in thousands)	
Foreign bills payable	1,153,739	1,022,934
Outstanding letter of credits	2,245,613	2,336,188
Net exposure	3,399,352	3,359,122

The following significant exchange rates have been applied.

	Average rate		Reporting date rate	
	2024	2023	2024	2023
	Rupees			
USD to PKR	283.84	249.49	279.10	286.50

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

Notes To The Financial Statements

For the year ended June 30, 2024

	Average rate		Reporting date rate	
	2024	2023	2024	2023
		(Rupees in thousands)		
Effect on profit	245,450	208,281	241,354	239,174

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post-tax profit.

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

b) Interest rate risk

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

2024	2023
Carrying amount	
(Rupees in thousands)	

Financial liabilities

Variable rate instruments		
Long term loans	5,270,401	6,371,331
Short term borrowings	4,304,161	4,071,118

Cash flow sensitivity analysis for variable rate instruments

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

	Profit or loss (post tax)	
	100 bps increase	100 bps decrease
	(Rupees in thousands)	
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial liabilities	(67,979)	67,979
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial liabilities	(74,141)	74,141

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

Notes To The Financial Statements

For the year ended June 30, 2024

	2024	2023
	(Rupees in thousands)	
49.5 Financial instruments by category		
Financial assets at amortized cost		
Loans and deposits	196,436	22,661
Trade debts	5,125,305	5,220,998
Other receivables	14,045	34,601
Cash and bank balances	788,493	800,991
	<u>6,124,279</u>	<u>6,079,251</u>
Financial liabilities at amortized cost		
Long term financing	5,270,401	6,371,331
Lease liabilities	23,446	37,209
Trade and other payables	3,378,615	2,622,957
Interest and mark-up accrued	227,900	540,685
Short-term borrowings	4,304,161	4,071,118
	<u>13,204,523</u>	<u>13,643,300</u>

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy is recognized at the end of the reporting period during which the changes have occurred.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

Notes To The Financial Statements

For the year ended June 30, 2024

51 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	2024	2023
	(Rupees in thousands)	
The proportion of debt to equity at the year end was:		
Total borrowings (notes 23 & 29)	9,574,562	10,442,449
Balances with banks (note 19)	(151,914)	(351,183)
Net debt	9,422,648	10,091,266
Total equity	13,681,886	13,111,967
Total capital	23,104,534	23,203,233
Gearing ratio	0.41	0.43

52 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 31 to the financial statements.

53 NUMBER OF EMPLOYEES

The number of employees as at year end was 1,605 (2023: 1,661) and average number of employees during the year was 1,632 (2023: 1,662).

Notes To The Financial Statements

For the year ended June 30, 2024

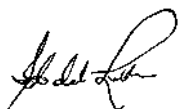
54 GENERAL

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

54.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

55 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 16, 2024 by the Board of Directors of the Company.



Iqbal Ali Lakhani
Chairman / Director



Aftab Ahmad
Chief Executive Officer



Muhammad Rashid Dastagir
Chief Financial Officer

Pattern Of Shareholding

As at June 30, 2024

Incorporation Number K-54/8182 of 1984
CUIN Registration No. 0012021

No. Of Shareholders	Shareholding		Total Shares Held
	From	To	
599	1	100	15,826
694	101	500	242,406
535	501	1,000	478,905
1,349	1,001	5,000	3,576,804
418	5,001	10,000	3,202,215
181	10,001	15,000	2,283,296
119	15,001	20,000	2,102,767
87	20,001	25,000	1,970,233
41	25,001	30,000	1,149,982
37	30,001	35,000	1,227,610
17	35,001	40,000	643,747
19	40,001	45,000	815,226
40	45,001	50,000	1,924,464
15	50,001	55,000	778,155
11	55,001	60,000	647,664
7	60,001	65,000	436,030
10	65,001	70,000	679,001
10	70,001	75,000	732,856
9	75,001	80,000	697,468
5	80,001	85,000	410,609
6	85,001	90,000	526,823
2	90,001	95,000	187,357
11	95,001	100,000	1,086,324
3	100,001	105,000	309,267
6	105,001	110,000	645,977
5	110,001	115,000	563,460
3	115,001	120,000	352,245
2	125,001	130,000	256,822
2	135,001	140,000	276,166
1	140,001	145,000	140,600
8	145,001	150,000	1,189,175
2	150,001	155,000	300,304
2	155,001	160,000	315,064
1	160,001	165,000	160,577
2	165,001	170,000	337,500
1	170,001	175,000	174,873
1	175,001	180,000	177,150
1	180,001	185,000	181,000
1	195,001	200,000	200,000
1	200,001	205,000	204,930
2	210,001	215,000	423,337
1	225,001	230,000	227,700
1	235,001	240,000	240,000
1	245,001	250,000	245,752
3	250,001	255,000	759,348
1	255,001	260,000	256,000
1	260,001	265,000	261,487
1	280,001	285,000	284,625
1	295,001	300,000	300,000
1	305,001	310,000	309,886
1	315,001	320,000	319,335

No. Of Shareholders	Shareholding		Total Shares Held
	From	To	
1	340,001	345,000	341,550
1	380,001	385,000	383,500
2	385,001	390,000	776,959
3	390,001	395,000	1,178,005
1	405,001	410,000	409,860
2	420,001	425,000	849,746
1	425,001	430,000	430,000
2	430,001	435,000	863,130
1	445,001	450,000	450,000
1	450,001	455,000	450,810
1	470,001	475,000	475,000
1	535,001	540,000	537,145
1	560,001	565,000	563,101
1	570,001	575,000	574,921
1	580,001	585,000	581,792
1	590,001	595,000	594,000
1	635,001	640,000	638,242
3	645,001	650,000	1,950,000
2	680,001	685,000	1,366,200
2	695,001	700,000	1,400,000
1	715,001	720,000	719,833
1	790,001	795,000	790,850
1	795,001	800,000	797,860
1	905,001	910,000	909,889
1	940,001	945,000	942,678
1	1,045,001	1,050,000	1,050,000
1	1,055,001	1,060,000	1,056,780
1	1,095,001	1,100,000	1,096,253
1	1,400,001	1,405,000	1,403,415
1	1,415,001	1,420,000	1,419,700
1	1,720,001	1,725,000	1,720,031
1	1,910,001	1,915,000	1,914,141
1	1,920,001	1,925,000	1,920,056
1	2,085,001	2,090,000	2,085,488
1	2,090,001	2,095,000	2,093,807
1	2,455,001	2,460,000	2,455,177
1	2,745,001	2,750,000	2,748,794
1	3,110,001	3,115,000	3,112,880
1	3,120,001	3,125,000	3,124,374
1	3,965,001	3,970,000	3,968,053
1	4,455,001	4,460,000	4,456,407
1	5,340,001	5,345,000	5,341,383
1	6,185,001	6,190,000	6,190,000
1	7,690,001	7,695,000	7,694,175
1	8,885,001	8,890,000	8,889,962
1	9,685,001	9,690,000	9,689,523
1	36,035,001	36,040,000	36,036,658
1	39,215,001	39,220,000	39,218,187
1	89,115,001	89,120,000	89,117,116
1	109,705,001	109,710,000	109,707,147
	4,337		401,712,926

Categories Of Shareholding

As at June 30, 2024

SHAREHOLDERS' CATEGORY	Shares Held	Percentage
Directors, CEO, and their spouse and minor children	317,041	0.08
Associated Companies, undertakings and related parties	275,819,929	68.66
NIT and ICP	9,690,342	2.41
Banks, Development Financial Institutions, Non Banking Financial Institutions	11,525,690	2.87
Modarabas and Mutual Funds	18,427,531	4.59
Insurance Companies	9,518,044	2.37
Shareholders holding 10% or more	198,824,263	49.49
General Public	54,831,247	13.65
Others	21,583,102	5.37

Note: Some of the Shareholders are reflected in more than one category.

Information as required under Code of Corporate Governance

As at June 30, 2024

SHAREHOLDERS' CATEGORY	SHARES HELD
ASSOCIATED COMPANIES/UNDERTAKINGS AND RELATED PARTIES	
SIZA Services (Private) Limited	89,117,116
SIZA (Private) Limited	109,707,147
Premier Fashions (Private) Limited	36,036,658
SIZA Commodities (Private) Limited	39,218,187
Century Insurance Company Limited	1,720,031
Sultan Ali Lakhani	4,825
Shaista Sultan Ali Lakhani	824
Fatima Lakhani	511
Bilal Ali Lakhani	410
Danish Ali Lakhani	7,786
Natasha Lakhani	3,043
Anika Amin Lakhani	3,391
MUTUAL FUNDS	
CDC - TRUSTEE ABL STOCK FUND	475,000
CDC - TRUSTEE AKD INDEX TRACKER FUND	47,214
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	2,455,177
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	139,566
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	3,124,374
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	48,450
CDC - TRUSTEE AWT STOCK FUND	51,000
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	46,000
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	60,000
CDC - TRUSTEE HBL MULTI - ASSET FUND	17,500
CDC - TRUSTEE HBL PF EQUITY SUB FUND	29,400
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	50,000
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	150,000
CDC - TRUSTEE MEEZAN BALANCED FUND	150,022
CDC - TRUSTEE MEEZAN ISLAMIC FUND	5,341,383
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	2,093,807
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	9,689,523
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	72,372
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	424,746
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	2,085,488
CDC - TRUSTEE - MEEZAN DEDICATED EQUITY FUND	50,000
CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	581,792
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	430,500
CDC - TRUSTEE HBL ISLAMIC STOCK FUND	78,500
M/S. FIRST CAPITAL MUTUAL FUND LIMITED	1,240
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	393,000
MCBFSL - TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	21,000
DIRECTORS,CEO,THEIR SPOUSES AND MINOR CHILDREN	
Iqbal Ali Lakhani	5,914
Amin Mohammed Lakhani	4,386
Babar Ali Lakhani	51,643
Anushka Lakhani	6,395
Aftab Ahmad	116,721
Ali Aamir	1,137
Asif Qadir	2,277
Ronak Iqbal Lakhani W/o Iqbal Ali Lakhani	511
Saira Amin Lakhani W/o Amin Mohammed Lakhani	511
Roohi Aftab W/o Aftab Ahmad	127,546
EXECUTIVE	
	52
PUBLIC SECTOR COMPANIES AND CORPORATIONS	
	8,889,962
BANKS,DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABA AND PENSION FUNDS	
	14,077,913
SHAREHOLDERS HOLDING 5% OR MORE VOTING RIGHTS	
SIZA Services (Private) Limited	89,117,116
SIZA (Private) Limited	109,707,147
Premier Fashions (Private) Limited	36,036,658
SIZA Commodities (Private) Limited	39,218,187

FORM OF PROXY

I/We _____
of _____
a member of **CENTURY PAPER & BOARD MILLS LIMITED**
hereby appoint _____
of _____
or failing him/her _____
of _____

to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders of the Company to be held on October 28, 2024 and at any adjournment thereof.

Signed this _____ day of _____ 2024.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of shares held	Signature

Witness 1

Signature _____
Name _____
CNIC No. _____
Address _____

Witness 2

Signature _____
Name _____
CNIC No. _____
Address _____

- Notes:
1. The Proxy must be a member of the Company.
 2. The signature must tally with the specimen signature/s registered with the Company.
 3. If a proxy is granted by a member who has deposited his/her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
 4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company situated at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi not less than 48 hours before the time of the meeting excluding holidays.

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AFFIX
CORRECT
POSTAGE

TO,
THE COMPANY SECRETARY
CENTURY PAPER & BOARD MILLS LIMITED
LAKSON SQUARE, BUILDING NO. 2,
SARWAR SHAHEED ROAD,
KARACHI-74200.

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مختار نامہ (پراکسی فارم)

میں/ہم _____ ساکن
 بحیثیت رکن (ممبر) سینجری پیپرائنڈ بورڈ ملز لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسلمی / مسماة _____ ساکن
 کو یا ان کی غیر حاضری میں مسلمی / مسماة _____ ساکن
 کو جو خود بھی سینجری پیپرائنڈ بورڈ ملز لمیٹڈ کا رکن ہے کہ وہ بطور میرا / ہمارا مختار نامہ (پراکسی) سینجری پیپرائنڈ بورڈ ملز لمیٹڈ کے سالانہ اجلاس عام جو ۲۸ اکتوبر ۲۰۲۳ کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ ۲۰۲۳ کو میرے/ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر ۱	گواہ نمبر ۲
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
پتہ _____	پتہ _____

ہدایات:

- مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔
- ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- مختار نامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۳۸ گھنٹے قبل علاوہ چھٹی کے دنوں کے جمع کرنا ضروری ہے۔

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AFFIX
CORRECT
POSTAGE

TO,
THE COMPANY SECRETARY
CENTURY PAPER & BOARD MILLS LIMITED
LAKSON SQUARE, BUILDING NO. 2,
SARWAR SHAHEED ROAD,
KARACHI-74200.

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CENTURY PAPER & BOARD MILLS LIMITED

Registered Office: Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200

Ph: +92 21 3840 0000 **Fax No.** +92 21 3568 3410

Email: mansoor-ahmed@centurypaper.com.pk

website: www.centurypaper.com.pk

Ballot Paper for Voting Through Post

For poll to be held at the Annual General Meeting of Century Paper & Board Mills Limited on Monday, October 28, 2024, at 3:00 p.m. at PSX Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi, as well as through video-link facility to transact the following business:

Contact Details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, Century Paper & Board Mills Limited, Lakson Square, Building No.2, Sarwar Shaheed Road Karachi-74200, Pakistan,

Attention: Company Secretary Designated email address: chairman@centurypaper.com.pk

Name of shareholder/joint shareholders	
Registered address of shareholder(s)	
Number of shares held (on October 20, 2024)	
Folio number / CDC Account	
CNIC No./Passport No. (in case of foreigner) (Copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

INSTRUCTION FOR POLL
1. Please indicate your Vote by ticking (✓) the relevant box.
2. In case both the boxes are marked as (✓), your ballot paper shall be treated as "Rejected".
I/we hereby exercise my/our vote in respect of the below resolutions through ballot by conveying my/our assent or dissent to the resolution(s) by placing tick (✓) mark in the appropriate box below.

Nature and Description of Special Business/Resolution	I/We assent to the Special Resolution (FOR)	I/We dissent to the Special Resolution (AGAINST)
<u>SPECIAL RESOLUTION</u> "RESOLVED THAT the transactions carried out in normal course of business with associated companies/related parties as disclosed in Note No. 47 of the Audited Financial Statements for the year ended June 30, 2024 be and are hereby ratified and approved." "RESOLVED THAT the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2025 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."		

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

- Duly filled and signed original postal ballot should be sent to the Chairman, at above-mentioned postal or email address.
- Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Postal ballot forms should reach chairman of the meeting on or before October 25, 2024 during working hours (i.e. by 5:00 p.m.). Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match the signature on CNIC/Passport (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.
- In case of representative of Body Corporate and Corporation, postal ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted alongwith the Proxy Form. In case of foreign body corporate, all documents must be attested from the Counsel General of Pakistan having jurisdiction over the member.
- Ballot paper has also been placed on the website of the Company www.centurypaper.com.pk. Members may download the ballot paper from the website or use original/photocopy as published in newspapers.

Signature of shareholder(s)

Place:

Date:



سینچری پیپر اینڈ بورڈ ملز لمیٹڈ

رجسٹرڈ آفس: لیکسن اسکوائر بلڈنگ نمبر 2، سرور شہید روڈ، کراچی - 74200

ای میل: mansoor-ahmed@centurypaper.com.pk ویب سائٹ: www.centurypaper.com.pk

بیلٹ پیپر برائے ووٹنگ بذریعہ ڈاک

برائے ووٹنگ بابت انتخاب بموقع سالانہ اجلاس عام برائے سنچری پیپر اینڈ بورڈ ملز لمیٹڈ بروز جیر تارنخ 28 اکتوبر 2024 بوقت 3:00 بجے شام بمقام پاکستان اسٹاک ایکسچینج آڈیٹوریم، پاکستان اسٹاک ایکسچینج بلڈنگ، پاکستان اسٹاک ایکسچینج روڈ، کراچی۔ مندرجہ ذیل امور کے سلسلے میں یہ بیلٹ بذریعہ الیکٹرانک ذرائع اور پرنٹنگ بھی دستیاب ہوگی۔

چیز میں سے رابطے کی تفصیلات جہاں بیلٹ پھر بھیجا جاسکتا ہے:

کاروباری پتہ: چیز مین، سنچری پیپر اینڈ بورڈ ملز لمیٹڈ، لیکسن اسکوائر بلڈنگ نمبر 2، سرور شہید روڈ، کراچی - 74200، پاکستان۔

معرفت: کمپنی سیکرٹری / مختص شدہ ای میل ایڈریس: chairman@centurypaper.com.pk

شیرز ہولڈرز / جوائنٹ شیرز ہولڈرز کے نام	
رجسٹرڈ شدہ پتہ	
شیرز کی تعداد (تارنخ 20 اکتوبر 2024)	
فوبیو نمبر / سی ڈی سی اکاؤنٹ نمبر	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر / پاسپورٹ نمبر (بصورت غیر ملکی) (نقل منسلک کی جائیں)	
اضافی معلومات اور منسلک دستاویزات (بصورت نمائندہ برائے کاروباری ادارے، کارپوریشن اور وفاقی حکومت)	

ووٹنگ کیلئے ہدایات
1۔ برائے مہربانی اپنے ووٹ کی نشاندہی دینے کے لئے کسی صحیح کا نشان (✓) لگا کر کیجئے۔
2۔ اگر دونوں خانوں میں صحیح کا نشان (✓) لگا دیا گیا تو آپ کا بیلٹ پیپر مسترد کر دیا جائے گا۔
میں / ہم اپنا ووٹ مندرجہ ذیل قرارداد کے سلسلے میں استعمال کرتا / کرتے ہوں / ہیں بذریعہ بیلٹ پیپر ہذا، اس سلسلے میں میں / ہم اپنے ووٹ کی نشاندہی متعلقہ خانے میں صحیح کا نشان (✓) لگا کر کر رہا / رہے ہوں / ہیں۔

نصوصی قرارداد کی نوعیت و تفصیلات	میں / ہم قرارداد کے خلاف ووٹ دیتا ہوں / دیتے ہیں۔ (مخالفت میں)	میں / ہم قرارداد کے حق دیتے ہوں / دیتے ہیں۔ (مخالفت میں)
امور خصوصی: "قرارداد جاتا ہے کہ معمول کے مطابق منسلک کمپنیوں / متعلقہ پارٹیوں کے ساتھ کاروباری لین دین، جیسا کہ مالی سال اختتامیہ 30 جون 2024 کی سالانہ آڈٹ شدہ رپورٹ کے نوٹ نمبر 47 میں مذکور ہے، کی توثیق کی جاتی اور ان کی منظور کیا جاتا ہے۔" "قرارداد جاتا ہے کہ آئندہ مالی سال اختتامیہ 30 جون 2025 کے دوران معمول کے مطابق مذکورہ بالا منسلک کمپنیوں / متعلقہ پارٹیوں کے ساتھ کاروباری لین دین کے معاملات کے سلسلے میں کمپنی کے چیف ایگزیکٹو آفیسر فیصلہ کرنے کے مجاز ہیں اور انہیں بذریعہ ہذا اس بات کا مجاز بنایا جاتا ہے، نیز انہیں اس سلسلے میں کمپنی کی جانب سے تمام ضروری دستاویزات / معاہدات تیار کرنے اور ان پر دستخط کرنے اور ضروری اقدامات اٹھانے کے مجاز ہیں اور انہیں بذریعہ ہذا مجاز بنایا جاتا ہے۔"		

نوٹس / بیلٹ پیپر جمع کروانے کا طریقہ کار:

- 1۔ باقاعدہ شدہ اور دستخط شدہ اصل پوسٹل بیلٹ جناب چیز مین کو مذکورہ بالا کاروباری یا ای میل ایڈریس پر ارسال کر دیا جائے۔
- 2۔ پوسٹل بیلٹ فارم کے ساتھ کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ (بصورت غیر ملکی) کی نقل منسلک کرنا لازم ہے۔
- 3۔ پوسٹل بیلٹ فارم چیز مین اجلاس 25 اکتوبر 2024 تک یا اس سے قبل دوران اوقات کار موصول (یعنی 5:00 تک) موصول ہو جانے چاہئیں۔ مذکورہ تاریخ کے بعد موصول ہونے والے پوسٹل بیلٹس کو ووٹنگ میں شمار نہیں کیا جائے گا۔
- 4۔ پوسٹل بیلٹ پر ممبران کے دستخطوں کا ان کے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ (بصورت غیر ملکی) کے مطابق ہونا لازم ہے۔
- 5۔ نامکمل، غیر دستخط شدہ، غلط پر شدہ فارم، بھٹے ہوئے اور خراب شدہ فارم کو مسترد کر دیا جائے گا۔
- 6۔ کاروباری اداروں یا کارپوزیشنز کے نمائندگان کی صورت میں، پوسٹل بیلٹ کے ساتھ مجاز فرد کے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل منسلک کرنا لازم ہے، علاوہ ازیں کمپنی ایکٹ 2017 سیکشنز 138 یا 139، جیسا بھی صورت ہو ان کے مطابق بیلٹ کے ساتھ بورڈ کی قرارداد، پاورٹاری کی تصدیق / نقل یا تھنری لیٹر کا منسلک کیا جانا لازم ہے، اگر یہ دستاویزات اس سے قبل پر کسی فارم کے ساتھ جمع نہیں کروائی گئی ہیں۔ غیر ملکی کاروباری اداروں کی صورت میں تمام دستاویزات کا مجاز تو فیصلہ جزل آف پاکستان سے تصدیق شدہ ہونا لازم ہے۔
- 7۔ بیلٹ پیپر جمع کرنے کی ویب سائٹ www.centurypaper.com.pk پر بھی دستیاب ہے۔ ممبران کمپنی کی ویب سائٹ سے اس فارم کو ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع کردہ یا سالانہ رپورٹ کیساتھ منسلک بیلٹ پیپر کی اصل یا فوٹو کاپی بھی استعمال کی جاسکتی ہے۔



CENTURY PAPER & BOARD MILLS LIMITED

Head Office, Registered Office, Corporate/Shares Office & Regional Sales Office (South)

Lakson Square, Building No.2, Sarwar Shaheed Road,
Karachi - 74200, Pakistan.

Phone: (021) 38400000 Fax: (021) 35684336, 35683410

Regional Sales Office (North)

14-Ali Block, New Garden Town, Lahore - 54600, Pakistan.

Phone: (042) 35886801-4 Fax: (042) 35830338

Mills

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

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