

CENTURY PAPER & BOARD MILLS LIMITED
Balance Sheet
As at June 30, 2003

	2003	2002
	(Rupees in thousands)	
<u>ASSETS</u>		
NON - CURRENT ASSETS		
Tangible fixed assets		
Operating assets	1,307,828	788,977
Capital work-in-progress	112,522	263,537
	1,420,350	1,052,514
Intangible fixed assets	104	268
Long-term investment	100,000	100,000
Long-term loans	350	476
Long-term deposits	2,492	4,336
	<u>1,523,296</u>	<u>1,157,594</u>
CURRENT ASSETS		
Stores and spares	142,488	113,502
Stock-in-trade	204,634	208,517
Trade debts	104,910	122,251
Loans, advances and other receivables	6,410	8,952
Deposits and prepayments	5,582	6,571
Taxation - net	22,858	-
Cash and bank balances	16,990	14,302
	503,872	474,095
TOTAL ASSETS	<u><u>2,027,168</u></u>	<u><u>1,631,689</u></u>
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized capital 35,000,000 ordinary shares of Rs. 10 each	<u>350,000</u>	<u>350,000</u>
Issued, subscribed and paid-up capital	314,213	314,213
Reserves	686,551	557,125
	1,000,764	871,338
NON - CURRENT LIABILITIES		
Long-term finances	412,052	127,778
Liabilities against assets subject to finance lease	-	6,001
Deferred taxation	219,696	141,541
Other deferred liabilities	-	14,004
	631,748	289,324
CURRENT LIABILITIES		
Current portion of		
- long-term finances	65,726	31,111
- liabilities against assets subject to finance lease	6,001	10,281
Short-term finances	42,815	136,399
Creditors, accrued and other liabilities	185,850	184,000
Taxation - net	-	38,538
Proposed final dividend	94,264	70,698
	394,656	471,027
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u><u>2,027,168</u></u>	<u><u>1,631,689</u></u>

The annexed notes form an integral part of these financial statements

IQBALALI LAKHANI
Chairman

M.RAFI CHAWLA
Chief Executive

CENTURY PAPER & BOARD MILLS LIMITED

Profit & Loss Account For the year ended June 30, 2003

	2003	2002
	(Rupees in thousands)	
Sales	2,309,422	2,289,549
Cost of goods sold	(1,839,071)	(1,839,771)
Gross profit	<u>470,351</u>	<u>449,778</u>
Other income	35,405	16,250
Administrative and selling expenses	(61,733)	(65,335)
Other charges	(27,008)	(26,649)
Operating profit	<u>417,015</u>	<u>374,044</u>
Financial charges	(31,189)	(34,613)
Dividend income from subsidiary company	20,000	-
Profit before taxation	405,826	339,431
Taxation	<u>(135,004)</u>	<u>(123,694)</u>
Profit after taxation	270,822	215,737
Unappropriated profit brought forward	<u>80</u>	<u>28</u>
Profit available for appropriation	270,902	215,765
Appropriations:		
Interim dividend Rs 1.50 (15%) per share [2002: Rs 1.75 (17.50%) per share]	<u>(47,132)</u>	<u>(54,987)</u>
Proposed final dividend Rs. 3.00 (30%) per share [2002: Rs 2.25 (22.50%) per share]	<u>(94,264)</u>	<u>(70,698)</u>
Transfer to general reserve	<u>(129,000)</u>	<u>(90,000)</u>
	<u>(270,396)</u>	<u>(215,685)</u>
Unappropriated profit carried forward	<u><u>506</u></u>	<u><u>80</u></u>
Basic earnings per share (Rupees)	<u>8.62</u>	<u>Rs. 6.87</u>

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CENTURY PAPER & BOARD MILLS LIMITED

Cash Flow Statement For the year ended June 30, 2003

	2003 (Rupees in thousands)	2002
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	527,979	510,617
Financial charges paid	(35,049)	(34,090)
Gartuity paid	(11,260)	(19,719)
Tax paid	(118,244)	(57,628)
Contingent liability paid	(2,271)	-
Long-term loans	126	19
Long-term deposits	1,844	2,811
Net cash generated from operating activities	<u>363,124</u>	<u>402,010</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(478,569)	(325,050)
Dividend received	20,000	-
Proceeds from sale of fixed assets	595	477
Net cash used in investing activities	(457,974)	(324,573)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term finance	350,000	50,000
Repayment of long term finance	(31,111)	(77,778)
Repayment of liabilities against assets subject to finance lease	(10,281)	(19,155)
Dividend paid	(117,486)	(101,813)
Net cash generated from/(used in) financing activities	<u>191,122</u>	<u>(148,746)</u>
Net increase/(decrease) in cash equivalents	96,272	(71,309)
Cash and cash equivalents at the beginning of the year	(122,097)	(50,788)
Cash and cash equivalents at the end of the year	<u>(25,825)</u>	<u>(122,097)</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	16,990	14,302
Short - term finances	(42,815)	(136,399)
	<u>(25,825)</u>	<u>(122,097)</u>

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CENTURY PAPER & BOARD MILLS LIMITED

Statement of Changes in Equity For the year ended June 30, 2003

	Issued subscribed and paid - up capital	Reserves			Sub-total	Total
		Capital Share Premium	General	Revenue Unappropriated Profit		
(Rupees in thousands)						
Balance as at July 1, 2001	314,213	85,045	382,000	28	467,073	781,286
Profit after taxation	-	-	-	215,737	215,737	215,737
Interim dividend	-	-	-	(54,987)	(54,987)	(54,987)
Proposed final dividend	-	-	-	(70,698)	(70,698)	(70,698)
Transfer to general reserve during the year	-	-	90,000	(90,000)	-	-
Balance as at June 30, 2002	314,213	85,045	472,000	80	557,125	871,338
Profit after taxation	-	-	-	270,822	270,822	270,822
Interim dividend	-	-	-	(47,132)	(47,132)	(47,132)
Proposed final dividend	-	-	-	(94,264)	(94,264)	(94,264)
Transfer to general reserve during the year	-	-	129,000	(129,000)	-	-
Balance as at June 30, 2003	314,213	85,045	601,000	506	686,551	1,000,764

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Chairman

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Chief Executive

Financial Review of Six Years

(Rs. in million)

	CAGR	2003	2002	2001	2000	1999	1998
PROFITABILITY	%						
Sales value - Gross	9	2,659	2,635	2,466	2,006	1,858	1,599
Sales value - Net	8	2,309	2,290	2,143	1,743	1,629	1,422
Gross profit	20	470	450	350	226	178	157
Gross profit %		20%	20%	16%	13%	11%	11%
Operating profit	22	417	374	295	181	140	126
Profit from operation	40	386	339	241	126	62	52
Dividend income from subsidiary		20	-	-	25	45	25
Profit before taxation	32	406	339	241	151	107	77
Profit before taxation %		18%	15%	11%	9%	7%	5%
Profit after taxation	27	271	216	145	95	74	66
Profit after taxation %		12%	9%	7%	5%	5%	5%

DIVIDEND

Cash dividend %		45%	40%	25%	20%	15%	-
Stock dividend %		-	-	-	-	-	10%
Dividend payout ratio		52%	58%	54%	66%	64%	

BALANCE SHEET

Total capital employed		1,704	1,202	1,152	930	948	947
Paid-up capital		314	314	314	314	314	286
Shareholders' equity		1,001	871	781	715	683	656
Long-term loans		478	159	187	69	125	165
Finance lease		6	16	35	52	70	72

RATIO ANALYSIS

Earnings per share - Rs.		8.62	6.87	4.60	3.04	2.35	2.10
Current ratio		1.28 : 1	1.00 : 1	1.45 : 1	1.08 : 1	1.04 : 1	1.02 : 1
Debt / Equity Ratio		33 : 67	17 : 83	22 : 78	14 : 86	22 : 78	27 : 73
Price earning ratio		7.27	4.63	3.21	4.08	5.32	5.52
Assets coverage ratio		4.19	9.33	6.32	11.23	6.89	5.80
Total assets turnover - excluding CWIP		1.21 : 1	1.67 : 1	1.57 : 1	1.31 : 1	1.25 : 1	1.04 : 1
Net worth turnover		2.31 : 1	2.63 : 1	2.74 : 1	2.43 : 1	2.38 : 1	2.17 : 1
Inventory turnover ratio		8.90	10.00	10.03	7.49	6.51	7.72
Interest coverage ratio		14.01	10.81	5.43	3.73	2.39	2.03
Return on assets - excluding CWIP		14%	16%	11%	7%	6%	5%
Return on equity		27%	25%	18%	13%	11%	10%
Return on capital employed		16%	18%	13%	10%	8%	7%
Break-up value per share - Rs.		31.85	27.73	24.87	22.77	21.73	20.88
Market value per share - Rs - at year end		62.70	31.80	14.75	12.40	12.50	11.60

OTHERS

Employees - Nos. - at year end		914	902	889	874	857	836
Contribution to exchequer		618	567	515	431	387	338
Capital expenditure		479	325	171	87	68	39

C.A.G.R. - Cumulative Average Growth Rate.