



**CONDENSED INTERIM
FINANCIAL INFORMATION
(SUBJECTED TO LIMITED SCOPE REVIEW)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2022**



PAKISTAN PAPER PRODUCTS LIMITED





PAKISTAN PAPER PRODUCTS LIMITED

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PAKISTAN PAPER PRODUCTS LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

Mr. Abbas Sayeed	- Chairman	Non-Executive
Mr. Abid Sayeed	- Chief Executive	Executive
Dr. Asadullah Sayeed		Non-Executive
Mrs. Muleika Sayeed		Non-Executive
Mr. Sayeed Imran		Non-Executive
Ms. Aisha Fariel Salahuddin		Independent Director
Mr. Shoaib Ahmad Khan	- NIT Nominee	Independent Director

AUDIT COMMITTEE

Ms. Aisha Fariel Salahuddin	- Chairperson
Mr. Abbas Sayeed	- Member
Dr. Asadullah Sayeed	- Member
Mr. Shoaib Ahmad Khan	- Member

HR AND REMUNERATION COMMITTEE

Mr. Shoaib Ahmad Khan	- Chairman
Mr. Abbas Sayeed	- Member
Mr. Sayeed Imran	- Member
Mrs. Muleika Sayeed	- Member

MANAGEMENT COMMITTEE

Mr. Abbas Sayeed	- Chairman
Mr. Abid Sayeed	- Chief Executive
Mr. Zia Ur Rehman	- Chief Financial Officer

CHIEF FINANCIAL OFFICER

Mr. Zia Ur Rehman

COMPANY SECRETARY

Ms. Safia Khurshid

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARE REGISTRAR

F.D.Registrar Services (SMC-Pvt) Ltd

BANKERS

Bank Al Habib Limited
Habib Bank Limited
National Bank of Pakistan
Meezan Bank Limited

REGISTERED OFFICE AND FACTORY

D-58, Estate Avenue, S.I.T.E, Karachi.
Website : www.pakpaper.com



PAKISTAN PAPER PRODUCTS LIMITED

Directors' Review

On behalf of the Board of Directors, we have pleasure in presenting review of performance together with the limited audit review accounts of the company for the period ended December 31, 2022.

The turnover during the period ended was Rs.818.53 million against Rs.600.43 million in the same period last year which is an increase of 36.32%. Ex Books sales continued to show strong growth and increased by 62.53% which was mainly due to an increase in market demand post floods in Sindh and also due to a substantial increase in orders of institutions like TCF and Smart School. Going forward also we expect to see healthy growth in Ex Books sales. Pro Labels sales increased by 26.87% which is a very healthy sign and indicates that this strong growth segment of the company is back on track and showing good momentum. This was mainly due to a lot of customers of Pharma sector coming back to us after having tried the competition which was something we were confident about. In addition, the new Gallus machine which finally started full production by July' 22 helped this growth momentum also allowing us to take more orders. Sales of Sensitized paper declined by 25.17% and these are more signs of how this line of paper is completely dying as it is now a miniscule part of our overall operation. Photocopy paper sales increased by 30.33% which was partly volume but also more due to substantial price increase and this segment also constitutes only 1.07% of our sales.

The company's Gross Profit declined by 7% and unfortunately the growth in the top line has not translated down with Net Profit after tax also falling by 59.28%. The main two reasons for this is the constantly increasing prices of our raw material and while we are increasing our own prices also but are not being able to pass on the full impact. The second and most critical reason for the fall in profit is the massive increase in financial charges which have gone up by 198.61% compared to last year. There are very obvious reasons for this. Firstly, the interest rates in the country have more than doubled in the last one year so our markup charges have gone up as we were also running larger OD than before due to rising sales of Pro Labels which are all on 30-90 days credit. Secondly, the other reason for increase in markup being that both the Mark Andy machine and Gallus machines are financed so now we are paying markup for 2 machines and while the Mark Andy is under TERF so rate fixed at 5% but for the Gallus machine we are paying in excess of 20%. And the final reason being the constant devaluation of the currency which has led to a major increase in Exchange Loss.

Everyone is aware of the dire situation in the country with regards to Forex situation and import compression which has happened as a result. Your company is not immune to this situation so going forward we see very difficult times. Mashallah, there is no lack of demand for our products but managing the supply chain has become a big challenge due to the fact that all our raw materials are imported, and even in Ex Books where we buy the paper locally, the pulp and chemicals are all imported items. There has been a major disruption in our supply chain and a result we have also had to reduce our production due to lack of material availability. The company is right now in a basic survival mode as we do not see how the country will get out of this Forex crisis and until that does not get resolved we will continue facing these issues.

Rest assured that the management is well aware of these challenges and are doing all possible to tackle them in the best possible manner so that we can come out with better results at the end of the year.

The Board would like to thank all our staff, stakeholders including the financial institutions for their continued support. In addition, directors also record their sincere appreciation for the cooperation received from the Regulators i.e. Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited.



PAKISTAN PAPER PRODUCTS LIMITED

IN TERMS OF THE REQUIREMENT STATED UNDER
CORPORATE GOVERNANCE REGULATION 2017

Composition of Board

There are seven Board members including two female and five male directors, whereas the composition of the Board is as follows;

Executive Director	01
Non-Executive Director	04
Independent Director	02

Committees of the Board.

The board has formed an Audit Committee. It comprises four members of whom all are non-executive directors including Chairman of the committee.

Ms. Aisha Fariel Salahuddin	Chairperson
Dr. Asadullah Sayeed	Member
Mr. Abbas Sayeed	Member
Mr. Shoaib Ahmed Khan	Member

The board has also formed an HR and Remuneration Committee. It comprises four members, of whom all are non-executive directors and the Chairman of the committee is an independent director.

Mr. Shoaib Ahmed Khan	Chairman (NIT Nominee)
Mrs. Muleika Sayeed	Member
Mr. Abbas Sayeed	Member
Mr. Sayeed Imran	Member

REMUNERATION POLICY OF NON- EXECUTIVE & INDEPENDENT DIRECTORS

A. COMPANY POLICY:

- ☒ The Board of Directors of the Company lays great emphases on adding and practicing good Corporate Governance practices with a view to achieve transparency in its operations so as to boost stakeholders' confidence.
- ☒ The objective of this policy is to ensure that the Non- Executive Directors and Independent Director(s) are governed by the criteria that is based on their valuable contribution made by them towards the success of the Company.

B. SIGNIFICANT FEATURES:

- ☒ The criteria of making payments to Non-Executive and Independent Directors is decided by the Board.



PAKISTAN PAPER PRODUCTS LIMITED

- ☒ No other remuneration whatsoever in any form apart from a director's meeting fee is paid to the Non-Executive and Independent Directors.
- ☒ Non-Executive Directors and Independent Director(s) paid only meeting / sitting fee as decided by the Board of Directors for attending the Board or Committee meetings in accordance with the provisions of the article of the Company.
- ☒ No retirement benefits in any form for Non-Executive and Independent Directors of the Company.
- ☒ The Company has no stock options plans and no payment by way of pension, incentives in any form etc. to its Non-Executives and Independent Directors.
- ☒ The Board has the flexibility to enhance the director's fee / sitting fees up to the maximum limit allowed in accordance with the provisions of the article of the Company and by the Act, 2017 and Rules thereunder.
- ☒ Non-Executive Directors and Independent Directors reimbursed such sums which may be paid for attending Directors Training Program, which is the mandatory requirement for the board of Directors of listed companies to get certification under Directors' Training Program (DTP) offered by the SECP.

C. **AMENDMENTS:**

The Board is responsible for the administration, interpretation, application and review of this policy and bring necessary changes in this policy, if required at any stage in compliance with the prevailing laws and provisions of the article of the Company.

On behalf of the Board of Directors

ABBAS SAYEED
CHAIRMAN

Karachi: February 16, 2023

ABID SAYEED
CHIEF EXECUTIVE



PAKISTAN PAPER PRODUCTS LIMITED



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Main Karsaz Road, : (021) 34301967
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Paper Products Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Paper Products Limited as at 31 December 2022 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

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

Other matters

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2022.

The engagement partner on the review resulting in this independent auditor's report is Muhammad Faisal Nini.

CHARTERED ACCOUNTANTS

Place: Karachi

Dated: 20.02.2023

UDIN: RR2022101791G|SmAitu

CHARTERED ACCOUNTANTS



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	(Un-audited) 31 December 2022	(Audited) 30 June 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	879,205,616	893,264,648
Intangible assets		306,040	376,665
Long term deposits		1,285,258	1,135,258
		880,796,914	894,776,571
CURRENT ASSETS			
Stores and spares		8,031,703	8,442,309
Stock-in-trade	6	350,626,866	298,736,588
Trade debts - Unsecured, considered good		239,095,348	255,865,910
Advances and other receivables	7	135,750,764	118,237,943
Deposits, advances and short term prepayments	8	5,953,831	18,445,449
Cash and bank balances	9	5,746,302	6,141,564
		745,204,814	705,869,763
		1,626,001,728	1,600,646,334
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (June 2022: 15,000,000) Ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up share capital		80,000,000	80,000,000
Revenue reserves		444,019,099	429,167,189
Capital reserve			
Surplus on revaluation of property, plant and equipment		506,171,414	507,390,716
		1,030,190,513	1,016,557,905
NON-CURRENT LIABILITIES			
Deferred tax liability - Net		44,133,175	43,539,407
Deferred liability for staff gratuity		20,073,144	19,247,674
Long term loans - Secured	10	96,341,721	107,452,497
Liabilities against assets subject to musharakah financing	11	7,440,000	8,880,000
Deferred grant		6,369,504	7,227,187
		174,357,544	186,346,765
CURRENT LIABILITIES			
Current portion shown under current liabilities	10 & 11	26,561,175	33,579,591
Short term borrowings - Secured	12	153,573,900	163,316,050
Unclaimed dividend		10,007,169	10,036,413
Creditors, accrued and other liabilities	13	231,311,427	190,809,610
		421,453,671	397,741,664
CONTINGENCIES AND COMMITMENTS			
	14	--	--
		1,626,001,728	1,600,646,334

The annexed notes form an integral part of these condensed interim financial statements.

ABBAS SAYEED
CHAIRMAN

ZIA UR REHMAN
CHIEF FINANCIAL OFFICER

ABID SAYEED
CHIEF EXECUTIVE



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (Un-audited)

	Notes	Half Year Ended		Quarter Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		(Rupees)		(Rupees)	
Sales - Net	15	738,526,694	537,134,212	377,056,885	228,732,155
Cost of sales	16	(654,320,143)	(446,586,049)	(339,570,816)	(197,541,713)
Gross profit		84,206,551	90,548,163	37,486,069	31,190,442
Administrative expenses		(22,157,430)	(19,905,192)	(11,298,098)	(9,694,371)
Selling and distribution expenses		(10,015,171)	(10,473,522)	(5,439,781)	(4,866,280)
Other operating expenses		(1,314,434)	(3,396,815)	(613,293)	(804,068)
		(33,487,035)	(33,775,529)	(17,351,172)	(15,364,719)
Operating profit		50,719,516	56,772,634	20,134,897	15,825,723
Other income		538,213	357,134	25,849	10,560
Finance cost		(33,934,937)	(11,364,125)	(12,153,109)	(4,517,131)
Profit before taxation		17,322,792	45,765,643	8,007,637	11,319,152
Taxation - Net		(3,690,184)	(12,287,254)	828,189	(8,432,228)
Profit for the period		13,632,608	33,478,389	8,835,826	2,886,924
Earnings per share - Basic and diluted		1.70	4.18	1.10	0.36

The annexed notes form an integral part of these condensed interim financial statements.

ABBAS SAYEED
CHAIRMAN

ZIA UR REHMAN
CHIEF FINANCIAL OFFICER

ABID SAYEED
CHIEF EXECUTIVE



PAKISTAN PAPER PRODUCTS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (Un-audited)**

Notes	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Profit for the period	13,632,608	33,478,389	8,835,826	2,886,924
Other comprehensive income:	--	--	--	--
Total comprehensive income for the period	<u>13,632,608</u>	<u>33,478,389</u>	<u>8,835,826</u>	<u>2,886,924</u>

The annexed notes form an integral part of these condensed interim financial statements.

**ABBAS SAYEED
CHAIRMAN**

**ZIA UR REHMAN
CHIEF FINANCIAL OFFICER**

**ABID SAYEED
CHIEF EXECUTIVE**



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (Un-audited)

	Issued, subscribed and paid-up share capital	Revenue reserves			Surplus on revaluation of property, plant and equipment	Total equity
		General reserves	Unappropri- ated profit	Total revenue reserves		
----- (Rupees) -----						
Balance as at 1 July 2021	80,000,000	143,900,000	264,523,468	408,423,468	510,591,499	999,014,967
Profit for the period ended 31 December 2021	—	—	33,478,389	33,478,389	—	33,478,389
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the period	—	—	33,478,389	33,478,389	—	33,478,389
Surplus on revaluation realized on disposal of fixed assets - Net of tax	—	—	319,219	319,219	(319,219)	—
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	—	—	1,386,572	1,386,572	(1,386,572)	—
Transactions with owners:						
Final cash dividend @ 12.5% related to the year ended 30 June 2021	—	—	(24,000,000)	(24,000,000)	—	(24,000,000)
Balance as at 31 December 2021	80,000,000	143,900,000	275,707,648	419,607,648	508,885,708	1,008,493,356
Balance as at 1 July 2022	80,000,000	143,900,000	285,267,189	429,167,189	507,390,716	1,016,557,905
Profit for the period ended 31 Decemberr 2022	—	—	13,632,608	13,632,608	—	13,632,608
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the period	—	—	13,632,608	13,632,608	—	13,632,608
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	—	—	1,219,302	1,219,302	(1,219,302)	—
Balance as at 31 December 2022	80,000,000	143,900,000	300,119,099	444,019,099	506,171,414	1,030,190,513

The annexed notes form an integral part of these condensed interim financial statements.

ABBAS SAYEED
CHAIRMAN

ZIA UR REHMAN
CHIEF FINANCIAL OFFICER

ABID SAYEED
CHIEF EXECUTIVE



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (Un-audited)

	Notes	31 December 2022	31 December 2021
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	89,286,397	135,152,279
Payments for:			
Income taxes net of refund received		(23,598,356)	(734,154)
Sindh Workers' Welfare Fund		(70,146)	--
Sindh Workers' Profit Participation Fund		(4,860,209)	(5,225,511)
Gratuity		(1,088,890)	(595,653)
Finance cost		(22,068,006)	(12,009,759)
Net cash inflows from operating activities		37,600,790	116,587,202
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to tangible assets		(8,397,783)	(30,804,422)
Sale proceeds against disposal of fixed assets		750,000	1,965,000
Net cash outflows from investing activities		(7,647,783)	(28,839,422)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term deposits		(150,000)	(162,000)
Net movements in long term loan		--	(3,050,875)
Repayment of long-term finances		(20,426,875)	--
Dividend paid		(29,244)	(22,974,812)
Net cash used in financing activities		(20,606,119)	(26,187,687)
Net increase in cash and cash equivalents		9,346,888	61,560,093
Cash and cash equivalents at the beginning of the period		(157,174,486)	(86,723,464)
Cash and cash equivalents at the end of the period		(147,827,598)	(25,163,371)

The annexed notes form an integral part of these condensed interim financial statements.

ABBAS SAYEED
CHAIRMAN

ZIA UR REHMAN
CHIEF FINANCIAL OFFICER

ABID SAYEED
CHIEF EXECUTIVE



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (Un-audited)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated and domiciled in Pakistan as a private limited company in July 1962. It was converted into public company and listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) in July 1964. The main business activity of the Company is the production and sale of exercise books, pro-labels and sensitized papers.

The geographical location and address of Company's business units including plant is as under:

- The registered office of the Company along with its plant is situated at D-58, SITE, Estate Avenue, Karachi.
- The Company also have a sales office in Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements of the Company for the half year ended 31 December 2022 have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting 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 requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2022.

2.3 The figures included in the condensed interim statement of profit or loss for the quarters ended 31 December 2022 and 2021 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2022 and 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended 30 June 2022.

3.2 Change in accounting standards, interpretations, and amendments to published accounting and reporting standards

3.2.1 Amendments to published accounting and reporting standards that became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.



PAKISTAN PAPER PRODUCTS LIMITED

3.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial segments are the same as those applied in the annual audited financial statements of the Company for the year ended 30 June 2022.

		(Un-audited) 31 December 2022	(Audited) 30 June 2022
		----- (Rupees) -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	879,205,616	893,264,648
5.1 Operating fixed assets			
Opening net book value (NBV)		893,264,648	802,714,130
Addition (at cost) during the period / year	5.1.1	8,397,783	130,324,467
		901,662,431	933,038,597
Disposal (NBV) during the period / year	5.1.2	(387,185)	(1,757,830)
Depreciation charged for the period / year		(22,069,630)	(38,016,119)
Closing net book value (NBV)		879,205,616	893,264,648
5.1.1 Details of additions (at cost) during the period / year are as follows:			
Factory building on leasehold land		337,700	5,510,906
Plant and machinery		4,866,629	91,861,589
Furniture and fixture		--	1,082,680
Factory and other equipment		56,000	4,625,204
Computers		91,800	219,700
Vehicles		3,045,654	10,448,917
Solar power system		--	16,575,471
		8,397,783	130,324,467
5.1.2 Details of disposals (NBV) during the period / year are as follows:			
Factory and other equipment		--	(1,101)
Computers		--	(5,949)
Vehicles		(387,185)	(1,750,780)
		(387,185)	(1,757,830)

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	(Un-audited) 31 December 2022	(Audited) 30 June 2022
	----- (Rupees) -----	
6 STOCK-IN-TRADE		
Raw materials	258,919,581	239,350,710
Work-in-process	42,831,171	40,472,042
Finished goods	48,876,114	18,913,836
	<u>350,626,866</u>	<u>298,736,588</u>
7 ADVANCES AND OTHER RECEIVABLES		
<i>Considered good</i>		
Advance to suppliers	1,721,022	4,163,495
Advance to staff	405,448	258,538
Advance income tax - Net	17,503,394	25,557,966
Income tax refundable	93,645,382	65,088,870
Sales tax refundable - Net	22,475,518	23,169,074
	<u>135,750,764</u>	<u>118,237,943</u>
8 DEPOSITS, ADVANCES AND SHORT TERM PREPAYMENTS		
Margin deposits	2,302,700	13,744,700
Trade deposits	1,524,418	1,124,418
Advance against letter of credit	18,176	3,409,635
Short term prepayments	2,108,537	166,696
	<u>5,953,831</u>	<u>18,445,449</u>
9 CASH AND BANK BALANCES		
Cash in hand	40,630	802,858
Factory imprest	42,370	100,000
Cash at banks:		
- Current accounts	5,663,302	5,238,706
	<u>5,746,302</u>	<u>6,141,564</u>
10 LONG TERM LOANS - Secured		
Temporary economic refinance facility	50,642,496	51,751,779
Term finance under refinance scheme	--	8,857,509
Long term loan	69,380,400	77,542,800
	<u>120,022,896</u>	<u>138,152,088</u>
Current portion shown under current liabilities	(23,681,175)	(30,699,591)
	<u>96,341,721</u>	<u>107,452,497</u>



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	(Un-audited) 31 December 2022	(Audited) 30 June 2022
	----- (Rupees) -----	
11 LIABILITIES AGAINST ASSETS SUBJECT TO MUSHARAKAH FINANCING		
Lease liabilities	10,320,000	11,760,000
Current portion shown under current liabilities	(2,880,000)	(2,880,000)
	<u>7,440,000</u>	<u>8,880,000</u>
12 SHORT TERM BORROWINGS - Secured		
Bank Al-Habib Limited - Running finance	<u>153,573,900</u>	<u>163,316,050</u>
13 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Trade creditors	154,250,820	152,743,782
Advance from customers	43,993,243	10,929,632
Accrued expenses and other payables	15,163,626	9,999,670
Payable to provident fund	725,298	610,706
Accrued mark-up	12,580,725	8,172,160
Sindh Workers' Profit Participation Fund	931,861	4,860,209
Sindh Workers' Welfare Fund	2,229,452	1,917,025
Sales tax payable	1,436,402	1,576,426
	<u>231,311,427</u>	<u>190,809,610</u>
14 CONTINGENCIES AND COMMITMENTS		

There are no significant change in the status of contingencies and commitments as reported in note 21 to the annual audited financial statements of the Company for the year ended 30 June 2022.

15 SALES - Net

	Half Year Ended - (Un-audited)		Quarter Ended - (Un-audited)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees) -----		----- (Rupees) -----	
Gross sales	818,532,830	600,429,569	418,238,989	260,746,515
Sales tax	(80,006,136)	(63,295,357)	(41,182,104)	(32,014,360)
	<u>738,526,694</u>	<u>537,134,212</u>	<u>377,056,885</u>	<u>228,732,155</u>



PAKISTAN PAPER PRODUCTS LIMITED

16 COST OF SALES

	Half Year Ended - (Un-audited)		Quarter Ended - (Un-audited)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees) -----		----- (Rupees) -----	
Opening stock of raw material	239,350,710	218,203,666	234,471,593	147,807,957
Purchases during the year	585,849,629	318,404,052	348,083,936	204,698,370
	825,200,339	536,607,718	582,555,529	352,506,327
Closing stock of raw material	(258,919,581)	(196,790,598)	(258,919,581)	(196,790,598)
Raw materials consumed	566,280,758	339,817,120	323,635,948	155,715,729
Manufacturing overheads				
Salaries, wages and other benefits	54,936,720	42,405,845	27,093,303	19,515,388
Stores and spares consumed	21,694,456	19,160,452	11,829,229	8,531,361
Depreciation	19,731,607	16,080,944	9,895,526	8,064,001
Fuel and power	9,930,263	8,353,715	3,686,194	3,644,437
Other manufacturing expenses	5,583,196	2,602,668	3,791,128	1,221,539
Repairs and maintenance	7,401,005	3,949,326	3,149,457	2,034,892
Insurance expenses	919,035	913,950	474,621	469,760
Rent, rates and taxes	111,642	111,642	55,821	55,821
Telephone charges	52,868	144,116	1,093	86,205
	120,360,792	93,722,658	59,976,372	43,623,404
Manufacturing cost	686,641,550	433,539,778	383,612,320	199,339,133
Work in process - Opening	40,472,042	24,833,837	27,074,884	13,872,953
Work in process - Closing	(42,831,171)	(23,282,839)	(42,831,171)	(23,282,839)
	(2,359,129)	1,550,998	(15,756,287)	(9,409,886)
Cost of goods manufactured	684,282,421	435,090,776	367,856,033	189,929,247
Finished goods - Opening	18,913,836	19,547,522	20,590,897	15,664,715
Finished goods - Closing	(48,876,114)	(8,052,249)	(48,876,114)	(8,052,249)
	(29,962,278)	11,495,273	(28,285,217)	7,612,466
	654,320,143	446,586,049	339,570,816	197,541,713



PAKISTAN PAPER PRODUCTS LIMITED

	31 December 2022	31 December 2021
	----- (Rupees) -----	
17 CASH GENERATED FROM OPERATIONS		
Profit before taxation	17,322,792	45,765,643
<i>Adjustments for non-cash and other items:</i>		
Depreciation	22,069,630	18,101,501
Amortization	70,625	70,625
Provision for gratuity	1,914,360	1,464,848
Provision for Sindh Workers' Profit Participation Fund	931,861	2,458,123
Provision for Sindh Workers' Welfare Fund	382,573	938,692
Finance cost	26,476,571	5,560,641
Exchange loss / (gain)	7,458,366	5,803,484
Gain on disposal of fixed assets	(362,815)	(336,734)
<i>(Increase) / decrease in current assets</i>		
Stores and spares	410,606	(1,395,406)
Stock-in-trade	(51,890,278)	34,459,339
Trade debts	16,770,562	65,489,099
Advances and other receivables	2,989,119	3,685,064
Deposits, advances and short term prepayments	12,491,618	(25,814,917)
<i>Increase / (decrease) in current liabilities</i>		
Creditors, accrued and other liabilities	32,250,807	(21,097,723)
Cash generated from operations	<u>89,286,397</u>	<u>135,152,279</u>
18 CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,746,302	5,636,590
Short term borrowings - Secured	(153,573,900)	(30,799,961)
	<u>(147,827,598)</u>	<u>(25,163,371)</u>

19 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

The related parties and associated undertakings comprise local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Relationship and percentage of shareholding	Transactions during the year	(Un-audited) 31 December 2022	(Un-audited) 31 December 2021
			----- (Rupees) -----	
M/s. Sayeed International	A director of the Company is the owner of the business.	Purchases	<u>933,368</u>	<u>381,011</u>
Pakistan Paper Products Limited Employees' Provident Fund Trust	Employees Fund	Contribution	<u>2,983,658</u>	<u>2,784,780</u>



PAKISTAN PAPER PRODUCTS LIMITED

20 INFORMATION ABOUT BUSINESS SEGMENTS

	Exercise Books				Packets				Others				Total			
	Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Segment revenue	267,728,628	164,724,257	134,700,299	40,350,291	458,771,310	361,580,928	235,352,301	182,288,743	12,076,756	10,829,027	7,004,085	6,093,121	738,526,694	537,134,212	377,056,885	228,732,155
Cost of sales	(249,482,947)	(130,506,829)	(131,639,897)	(34,618,053)	(394,645,442)	(307,652,643)	(202,451,218)	(158,923,553)	(10,191,753)	(8,428,577)	(5,499,699)	(4,000,127)	(654,220,142)	(446,386,049)	(339,570,815)	(197,541,713)
Gross profit	18,245,682	34,217,428	3,060,401	5,732,238	64,075,867	53,928,285	32,921,283	23,365,210	1,885,002	2,400,450	1,504,386	2,092,994	84,306,551	90,548,163	37,486,070	31,190,442
Segment expenses																
Administrative expenses	(10,821,576)	(9,621,794)	(5,471,220)	(4,645,748)	(10,260,013)	(9,280,474)	(5,290,057)	(4,559,420)	(1,069,840)	(1,002,934)	(527,839)	(489,203)	(22,157,429)	(19,905,192)	(11,296,096)	(9,694,371)
Selling and distribution expenses	(5,159,865)	(6,390,536)	(2,907,549)	(2,692,826)	(3,455,031)	(2,806,549)	(1,816,323)	(1,526,876)	(1,420,276)	(1,274,437)	(715,911)	(646,578)	(10,015,172)	(10,473,522)	(5,439,762)	(4,866,280)
South Workers' Profit Participation Fund	(337,816)	(760,216)	(153,506)	(13,347)	(578,807)	(1,657,126)	(249,331)	(980,672)	(15,238)	(40,583)	(8,210)	(12,142)	(931,861)	(2,438,123)	(451,047)	(606,161)
South Workers' Welfare Fund	(125,837)	(332,960)	(52,113)	(34,213)	(250,150)	(585,878)	(126,360)	(155,216)	(6,586)	(19,854)	(3,774)	(8,478)	(382,573)	(938,692)	(182,247)	(197,907)
	(16,445,094)	(17,105,496)	(8,584,388)	(7,386,134)	(14,520,002)	(14,332,227)	(7,511,080)	(6,822,184)	(2,511,940)	(2,337,806)	(1,255,735)	(1,156,401)	(33,487,065)	(33,775,529)	(17,351,173)	(15,364,719)
Operating profit / (loss)	1,800,588	17,113,932	(5,523,986)	(1,653,896)	49,545,865	39,596,058	25,410,233	16,543,026	(626,937)	62,644	248,651	936,593	50,719,516	56,772,634	20,134,898	15,825,723
Other income													538,213	357,134	25,849	10,560
Finance cost	(8,390,346)	(1,559,984)	(4,008,208)	(845,307)	(23,716,955)	(8,673,444)	(7,208,325)	(3,603,407)	(1,827,636)	(130,697)	(876,376)	(68,417)	(33,934,937)	(11,394,125)	(12,153,109)	(4,517,131)
Profit before taxation													17,322,792	45,765,643	8,007,638	11,319,152
Taxation - Net													(3,690,184)	(12,287,254)	828,189	(8,432,228)
Profit after taxation													13,632,608	33,478,389	8,835,826	2,886,924



PAKISTAN PAPER PRODUCTS LIMITED

21 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", balance sheet has been compared with the balances of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

22 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on 16th Feb. 2023 by the Board of Directors of the Company.

23 GENERAL

These condensed interim financial statements is presented in rupees and figures have been rounded off to nearest rupee.

ABBAS SAYEED
CHAIRMAN

ZIA UR REHMAN
CHIEF FINANCIAL OFFICER

ABID SAYEED
CHIEF EXECUTIVE

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