



PAKISTAN PAPER PRODUCTS LIMITED

QUARTERLY FINANCIAL STATEMENTS

1st QUARTER

September 30, 2024 (UN-AUDITED)

To,

If undelivered please return to:

*Pakistan Paper Products Ltd.
D-58, S.I.T.E., Estate Avenue,
Karachi - 75700*



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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. Matiuddin Siddiqui	- NIT Nominee	Independent Director

AUDIT COMMITTEE

Ms. Aisha Fariel Salahuddin	- Chairperson
Mr. Abbas Sayeed	- Member
Dr. Asadullah Sayeed	- Member
Mr. Matiuddin Siddiqui	- Member

HR AND REMUNERATION COMMITTEE

Mr. Matiuddin Siddiqui	- 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

Mr. Dawood Ahmed Mapara

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 unaudited accounts of the company for the first quarter ended September 30, 2024.

Turnover declined by 15.38% to Rs 418.2 million with Ex Books leading the decline with a fall of 59.2% while Pro Labels had an increase of 7.72%. Sensitized paper and Photocopy paper sales also declined by 35.76%. Unfortunately, this fall in sales translated all the way down with GP decreasing to Rs 61.45 million, NP before tax fell to Rs 26.9 million, and NP after Tax decreased to Rs 12.7 million.

Ex Books sales had a massive decline in Q1 this year, especially compared to Q1 in 23-24 where we witnessed increase in sales of the PPP brand copy in interior Sindh. There are a couple of reasons for the decline in the first quarter: First of all we did very aggressive sales in the month of June and even our distributors picked up large quantities due to the expected removal of Zero Rating and Sales Tax being applied on the product. It was quite certain, as announced in the Federal Budget, but by Grace of Allah just before the Finance Bill was passed the Zero rating on Ex Books was maintained. Secondly this year we are facing major competition from all the players in the unorganized sector due to easy and abundant availability of cheap paper from all the smaller mills due to a massive decline in the prices of pulp in the international market. In the last couple of years, we maintained our dominant position due to regular supply from Century Paper Mills while there was severe shortage in the market. The increased supply of paper has badly affected our PPP brand sales in spite of us reducing our prices, but we cannot continue to chase the competition. Therefore, we have now shifted our policy to focus more on institutional sales and we are hopeful that going forward this decline in sales will be arrested.

Pro Labels had a very robust quarter as demand for labels increased in comparison to last quarter due to economic stability in the country. The FMCG and Oil Lubricant sector have seen positive growth, and it is hopeful that this will continue. We are very pleased that despite the 15% RD imposed on Self Adhesive paper we are continuing to maintain our profitability. The stable exchange rate is the key factor supporting us to maintain our profitability. Our Finance charges have also decreased on YOY basis due to reversal of exchange losses to a small exchange gain.

Overall, this has been a very mixed quarter with growth in one segment while decline in the other two. Rest assured that the Management is striving hard to reverse the losses in Ex Books and Sensitized Paper while maintaining the momentum in Pro Labels and hope to increase the overall profitability of the company going forward.

The Board would like to thank all our staff, stakeholders including the financial institutions for their continued support. In addition, the 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.

On behalf of the Board of Directors

ABBAS SAYEED

Chairman

Karachi, October 24, 2024

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited) AS AT SEPTEMBER 30, 2024

		(Un-audited) 30 Sep 2024	(Audited) 30 June 2024
	Notes	----- (Rupees) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,331,201,628	1,313,671,838
Intangible assets		58,853	94,165
Long term deposits		1,675,258	1,675,258
		1,332,935,739	1,315,441,261
CURRENT ASSETS			
Stores and spares		10,247,047	10,037,039
Stock-in-trade		355,340,845	355,983,019
Trade debts - Unsecured, considered good		280,679,753	346,734,816
Advances and other receivables		125,440,981	105,612,399
Trade deposits and short term prepayments		3,860,647	393,030
Cash and bank balances		7,157,913	7,125,720
		782,727,186	825,886,023
		2,115,662,925	2,141,327,284
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2020: 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 Reserve		634,659,503	621,942,028
Capital reserve			
Revaluation surplus on property, plant and equipment		959,399,936	959,399,936
		1,674,059,439	1,661,341,964
NON-CURRENT LIABILITIES			
Deferred tax liability - Net		56,814,076	55,141,541
Deferred liability for staff gratuity		19,972,304	19,928,330
Long term loans - Secured		56,932,031	62,852,231
Liabilities against assets subject to musharakah financing		2,398,685	2,878,685
Deferred grant		3,189,610	3,189,610
		139,306,706	143,990,397
CURRENT LIABILITIES			
Current portion shown under current liabilities		26,560,800	26,560,800
Current portion of deferred government grant		1,148,559	1,148,559
Short term borrowings - Secured		140,236,763	137,799,954
Creditors, accrued and other liabilities		94,729,299	130,639,788
Unclaimed dividend		12,061,175	12,285,638
Provision for taxation - Net		27,560,184	27,560,184
		302,296,780	335,994,923
CONTINGENCIES AND COMMITMENTS			
		--	--
		2,115,662,925	2,141,327,284

The annexed notes form an integral part of these 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 (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Notes	(Un-audited) 30 Sep 2024	(Un-audited) 30 Sep 2023
----- (Rupees) -----			
Turnover		418,213,627	494,232,918
Sales tax		(53,671,465)	(50,618,407)
Sales - Net		<u>364,542,162</u>	<u>443,614,511</u>
Cost of sales		<u>(303,090,821)</u>	<u>(355,913,696)</u>
Gross profit		61,451,341	87,700,815
Operating expenses			
Administrative expenses		(14,839,320)	(13,478,496)
Selling and distribution expenses		(5,979,580)	(4,761,084)
Other operating expenses		(1,995,113)	(3,323,448)
		<u>(22,814,013)</u>	<u>(21,563,028)</u>
Operating profit		<u>38,637,328</u>	<u>66,137,787</u>
Other income		8,400	62,348
Finance cost		(11,726,164)	(21,617,393)
Profit before taxation		<u>26,919,564</u>	<u>44,582,742</u>
Taxation - Net		(14,202,089)	(11,882,150)
Profit for the quarter		<u><u>12,717,475</u></u>	<u><u>32,700,592</u></u>
Earning per share - Basic and diluted		<u>1.59</u>	<u>4.09</u>

The annexed notes form an integral part of these 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 (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	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 on 1 July 2023	80,000,000	143,900,000	378,732,946	522,632,946	504,841,334	1,107,474,280
Profit for the first quarter ended September 30, 2023	-	-	32,700,592	32,700,592	-	32,700,592
Other comprehensive income	-	-	-	-	-	-
	-	-	32,700,592	32,700,592	-	32,700,592
Surplus on revaluation realized on disposal of fixed assets - net of tax	-	-	-	-	-	-
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	-	-	-	-	-	-
Balance as at 30 Sep, 2023	80,000,000	143,900,000	411,433,538	555,333,538	504,841,334	1,140,174,872
Profit for the nine month ended 30 June, 2024	-	-	123,210,237	123,210,237	-	123,210,237
Other comprehensive income	-	-	460,546	460,546	457,496,309	457,956,855
	-	-	123,670,783	123,670,783	457,496,309	581,167,092
Surplus on revaluation realized on disposal of fixed assets - net of tax	-	-	21,047	21,047	(21,047)	-
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	-	-	2,916,660	2,916,660	(2,916,660)	-
Transactions with owners:						
Final cash dividend @ 40% related to the year ended 30 June 2023	--	--	(32,000,000)	(32,000,000)	--	(32,000,000)
Interim cash dividend @ 35% related to the period ended 31 March 2024	--	--	(28,000,000)	(28,000,000)	--	(28,000,000)
Balance as at June 30, 2024	80,000,000	143,900,000	478,042,028	621,942,028	959,399,936	1,661,341,964
Profit for the first quarter ended September 30, 2024	-	-	12,717,475	12,717,475	-	12,717,475
Other comprehensive income net of tax	-	-	-	-	-	-
	-	-	12,717,475	12,717,475	-	12,717,475
Surplus on revaluation realized on disposal of fixed assets - Net of tax	-	-	-	-	-	-
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	-	-	-	-	-	-
Balance as at September 30, 2024	80,000,000	143,900,000	490,759,503	634,659,503	959,399,936	1,674,059,439

The annexed notes form an integral part of the condensed interim financial information.

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	(Un-audited) 30 Sep 2024	(Un-audited) 30 Sep 2023
Notes	-----	-----
	(Rupees)	
Profit for the quarter	12,717,475	32,700,592
Other comprehensive income / (loss):	--	--
Total comprehensive income for the quarter	<u><u>12,717,475</u></u>	<u><u>32,700,592</u></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 CASH FLOW STATEMENT (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	(Un-audited) 30 Sep 2024	(Un-audited) 30 Sep 2023
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,919,564	44,582,742
<i>Adjustments for non-cash and other items:</i>		
Depreciation & Amortization	11,191,607	10,165,922
Provision for gratuity	1,114,461	1,068,549
Provision for Sindh Workers' Profit Participation Fund	1,445,734	2,395,310
Provision for Sindh Workers' Welfare Fund	549,379	928,138
Financial charges & Exchange loss	11,726,164	21,617,393
	26,027,345	36,175,312
<i>(Increase)/decrease in current assets</i>		
Store, spares and stock in trade	432,166	70,997,163
Trade debts	66,055,063	70,444,237
Advances, deposits, prepayments & other receivables	(3,987,830)	16,810,971
	62,499,399	158,252,371
<i>Increase/(decrease) in current liabilities</i>		
Creditors, accrued and other liabilities	(34,766,701)	(122,676,400)
Cash generated from/ (used) in operations	80,679,607	116,334,025
Income taxes net of refund received	(31,837,923)	(9,555,897)
Sindh Workers' Welfare Fund	-	(2,996,893)
Sindh Workers' Profit Participation Fund	(3,999,210)	(6,749,400)
Gratuity paid	(1,070,487)	(547,680)
Finance cost	(10,865,853)	(14,347,076)
Net cash generated from / (used) in operating activities	32,906,134	82,137,079
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(28,686,085)	(9,141,205)
Long term deposits	-	-
Sales proceeds against disposal of fixed assets	-	-
Net cash outflows from investing activities	(28,686,085)	(9,141,205)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term finances	(6,400,200)	(6,640,200)
Dividend Paid	(224,465)	-
Net cash outflows from financing activities	(6,624,665)	(6,640,200)
Net (decrease) / increase in cash and cash equivalents	(2,404,616)	66,355,674
Cash and cash equivalent at the beginning of the quarter	(130,674,234)	(213,443,131)
Cash and cash equivalent at the end of the quarter	(133,078,850)	(147,087,457)

The annexed notes form an integral part of the condensed interim financial information.

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited) FOR THE PERIOD ENDED SEPTEMBER 30, 2024

1 THE COMPANY AND ITS OPERATIONS

The company was incorporated in July 1962 as a private limited company and was converted into public limited company and listed on the Karachi Stock Exchange in July 1964. The registered office of the Company is situated at D/58, S.I.T.E., Estate Avenue, Karachi. The Company is principally engaged in the production and sale of sensitized papers, pro-labels and exercise books.

2 BASIS OF PREPARATION

This condensed financial information of the company for the quarter ended September 30, 2024 has been prepared in accordance with approved accounting standards as applicable in Pakistan for financial reporting. This condensed financial information does not include all of the information required for full annual financial statements, and should therefore be read in conjunction with the audited annual financial statements of the company as at and for the year ended June 30, 2024.

This condensed financial information is unaudited and is required to be presented to the shareholders under section 237 of the Companies Act, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2024.

4 PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) September 30 2024	(Audited) June 30 2024
	----- (Rupees) -----	
Operating assets	1,331,201,628	1,313,671,838
	<u>1,331,201,628</u>	<u>1,313,671,838</u>
4.1 Opening net book value (NBV)	1,313,671,838	862,135,756
Addition (at cost) during the period year	4.1.1 28,686,085	30,975,425
Revaluation Surplus	--	465,344,007
	<u>1,342,357,923</u>	<u>1,358,455,188</u>
Disposal (NBV) during the period	4.1.2 --	(2,791,971)
Depreciation charged for the period	(11,156,295)	(41,991,379)
	<u>1,331,201,628</u>	<u>1,313,671,838</u>



PAKISTAN PAPER PRODUCTS LIMITED

4.1.1 Details of additions (at cost) during the period / year are as follows:

Building on leasehold land		
- Factory	--	357,500
- Office	--	5,394,580
Plant and machinery	18,390,443	18,143,920
Furniture and fixture	--	209,500
Factory and other equipment	193,545	2,058,300
Electric equipment and fittings	--	70,000
Computers	--	55,000
Vehicles	3,903,000	4,686,625
Musharaka Assets		
Solar power system	6,199,097	--
	<u>28,686,085</u>	<u>30,975,425</u>

4.1.2 Details of disposals (NBV) during the period / year are as follows:

Plant and machinery	--	(2,569,493)
Factory and other equipment	--	--
Computers	--	--
Vehicles	--	(222,478)
	<u>--</u>	<u>(2,791,971)</u>

(Un-audited) **(Un-audited)**
September 30 **September 30**
2024 **2023**

5 CASH AND CASH EQUIVALENT

Cash and bank balance	7,157,913	5,594,551
Short term borrowings - Secured	(140,236,763)	(152,682,008)
	<u>(133,078,850)</u>	<u>(147,087,457)</u>

6 Contingent liabilities in respect of guarantees issued by bank on behalf of the company aggregating to Rs.Nil /- (September 2023: Rs. Nil/-)

Commitments are outstanding in respect of letters of credit amounting to Rs.139,375,095/- (September 2023: Rs. 80,187,929/-)

7 SUBSEQUENT EVENT

Subsequent to year ended June 30 2024, the Board of Directors in its meeting held on 24 September 2024 has proposed final cash dividend @ Rs.4 per share Rs. 32 million for approval of the members at the Annual General Meeting . These financial statements do not reflect the effect of such dividend which will be accounted for in the financial statements of the Company subsequent to the year end, when it is approved by the shareholders of the Company.

8 The condensed interim financial information was authorized for issue by the Board of Directors of the company on 24th October 2024.

ABBAS SAYEED

Chairman

ZIA UR REHMAN

Chief Financial Officer

ABID SAYEED

Chief Executive








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


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Promoting Education, Development, & Quality Products.



PRO LABELS



➤ Pro Labels - Self Adhesive labels in roll form.



➤ Exercise Books



➤ Photocopy Paper



➤ Plotter Paper



➤ Ammonia Sensitised Paper

Head Office & Factory:

Pakistan Paper Products Ltd.,

D/58, S.I.T.E. Estate Avenue, Karachi-75700