



2026

ANNUAL REPORT



Pakistan Paper Products Ltd.

VISION STATEMENT

To transform the company into a modern and dynamic paper converting company by utilizing experience of the team of professionals to play a meaningful role on sustainable basis in the economy of Pakistan.

MISSION STATEMENT

To provide quality products to customers and explore new clients to promote sales of the company through good governance and encourage a sound and dynamic team, so as to achieve best prices of products of the company for sustainable growth and prosperity of the company.



Contents

ANNUAL REPORT

Company Information	04
Board of Directors	05
Directors Profile	06
Notice of Annual General Meeting	09
Operating Highlights	16
Statement Of Value Added And Its Distribution	17
Graphic Illustrations	18
Chairman Review	19
Directors' Report - English	21
Directors' Report - Urdu	30
Statement of Compliance with Listed Companies (code of Corporate Governance) Regulation 2019	37
Gender Pay Gap Statement	41
Independent Auditor's Review Report	42
Independent Auditor's Report to the Members	43
Statement of Financial Position	48
Statement of Profit or Loss	49
Statement of Comprehensive Income	50
Statement of Changes in Equity	51
Statement of Cash Flows	52
Notes To The Financial Statements	53
Pattern of Share Holdings	84
Form of Proxy (English & Urdu)	86

COMPANY INFORMATION

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. Mohsin Safdar		Independent Director
Ms. Maha Haider		Independent Director
Mr. Matiuddin Siddiqui	NIT	Director

AUDIT COMMITTEE

Mr. Mohsin Safdar	- Chairman
Mr. Abbas Sayeed	- Member
Dr. Asadullah Sayeed	- Member
Mr. Matiuddin Siddiqui	- Member

HR AND REMUNERATION COMMITTEE

Ms. Maha Haider	- Chairperson
Mr. Abbas Sayeed	- Member
Mrs. Muleika Sayeed	- Member
Mr. Matiuddin Siddiqui	- Member

MANAGEMENT COMMITTEE

Mr. Abbas Sayeed	- Chairman
Mr. Abid Sayeed	- Chief Executive
Mr. Muhammad Yusuf	- Chief Financial Officer

CHIEF FINANCIAL OFFICER

Mr. Muhammad Yusuf

AUDITORS

Faruq Ali & Co.
Chartered Accountants

COMPANY SECRETARY

Mr. Dawood Ahmed Mapara

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

Board of Directors



Mr. Abbas Sayeed

Chairman



Mrs. Muleika Sayeed

Non-Executive



Mr. Abid Sayeed

Executive



Dr. Asadullah Sayeed

Non-Executive



Ms. Maha Haider

Independent Director



Mr. Matiuddin Siddiqui

Director (NIT)



Mr. Mohsin Safdar

Independent Director

DIRECTOR'S PROFILE



MR. ABBAS SAYEED

Mr. Abbas Sayeed is a non-executive director of the company. He is on the Board of Pakistan Paper Products Limited since 1981. He is a graduate in business and commerce, and has more than 35 years of experience of commercial and trading business. He has vast knowledge and exposure of the local and international market in the area of packaging and industrial automation. He has played an instrumental role in the development and growth of the company. Mr. Abbas Sayeed was also on the Board of HB Sayeed (Pvt) Ltd for 13 years. He is also on the Board of

Management and Enterprises (Pvt) Ltd an associate company. He is now the CEO of Sayeed International, a leading supplier and solution provider for a wide range of packaging and industrial automation solutions, being a well reputed supplier to almost all leading local and Multinational companies in Pakistan.



MR. ABID SAYEED

Mr. Abid Sayeed has been with Pakistan Paper Products Limited since 1995, where he was later appointed as Chief Executive by the Board of Directors in the year 2005. He has been serving on the Board of Pakistan Paper Products Limited for more than twenty years. He also serves on the Board of Directors of Management and Enterprises (Pvt) Ltd (an Associate Company). Under his inspirational leadership, professional approach and operational management skills, the company has undergone numerous upgrades and developments. As a Chief Executive of Pakistan Paper

Products Limited, he oversees all areas of management including production, sales & distribution, finance & marketing, and expansion and acquisitions. He received his bachelor's degree in Economics from Kenyon College-USA.



DR. ASADULLAH SAYEED

Dr. Asadullah Sayeed is an economist by profession. He is currently Director of Collective for Social Science Research (Pvt) Ltd. in Karachi. He is also a Research Fellow at the Institute of Development and Economic Alternatives (IDEAS), Lahore. He has been a non-executive Director of Pakistan Paper Products since 2002. He is also on the Board of Management & Enterprises (Pvt) Ltd an associate company. He is on the Board of Advisors at the Foundation Open Society Institute of Pakistan (FOSIP) since 2009 also. Dr. Sayeed has also served on the Board of Directors of the

Hyderabad Electric Supply Corporation (HESCO) from 2011 to 2013. Dr. Asadullah Sayeed has also successfully completed the Corporate Governance and Leadership Skills (CGLS) conducted by the Pakistan Institute of Corporate Governance (PICG) in September 2015. Dr. Sayeed has a Ph.D and Master's Degree from University of Cambridge, UK and a Bachelor's Degree from Lawrence University, USA.



MRS. MULEIKA SAYEED

Mrs. Muleika Sayeed has been associated with Pakistan Paper Products Limited since 1995 as her husband (Late) Mr. Hashim B. Sayeed was the founder of the company. She was elected to the Board of PPP as non-executive director in 1995 and has been a member of the Board since that time. She is also the Chief Executive of Management and Enterprises (Pvt) Ltd (an Associate Company). She participates in CSR and philanthropic activities and has been involved in the running of a charitable organization called the The ABSA School and college for the Deaf for the last thirty five years and has served two terms as

President of the School. Mrs. Sayeed received her Bachelor of Arts degree from the University of Karachi.

**MR. MATI UDDIN SIDDIQUI (NIT NOMINEE)**

Mr. Mati Uddin Siddiqui holds a Master's Degree in Commerce from the University of Karachi and is a Certified Director from Institute of Cost and Management Accountants of Pakistan. Mr. Siddiqui brings with him 27 years of experience in Accountancy & Finance to his role at NITL, where he serves as the Executive Vice President and Head of Accounts. His influence extends to several other companies through board representations.

**MR. MOHSIN SAFDAR**

Mr. Mohsin Safdar is a seasoned corporate leader with over 40 years of experience in manufacturing, operations, and strategic management. He is currently the Executive Director of Yaqin Steels Limited and has previously served as CEO of IIL Americas Inc., Canada, as well as Director Operations at International Industries Limited. He holds advanced engineering and business qualifications from London and Karachi and is a Certified Director from the Pakistan Institute of Corporate Governance.

**MS. MAHA HAIDER**

Maha Haider is a seasoned corporate affairs and communications leader with over 12 years of experience across public and private sectors, currently serving as Divisional Head of Corporate Affairs at State Life Insurance Corporation of Pakistan. She has a strong track record of driving strategic communications, ESG initiatives, brand positioning, and large-scale digital transformations, while managing cross-functional teams in high-impact environments. Her international experience includes senior roles with the Government of Canada, where she led major communication strategies and public engagement initiatives. Academically, she holds a Graduate Certificate in Marketing Management and Digital Strategy from Harvard Extension School and a Double Major Honors BA from the University of Toronto. Known for her strategic vision, stakeholder management, and results-driven execution, she consistently delivers impactful corporate narratives and sustainable organizational growth.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **64th Annual General Meeting** of the Shareholders of the Company will be held on **Wednesday, October 21st, 2026, at 10:30 a.m.** at the Registered Office of the Company at D/58, Estate Avenue, S.I.T.E. Karachi, and also through video-conferencing, to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on 11th May, 2026.
2. To receive, consider, and adopt the Audited Accounts of the Company for the year ended June 30, 2026, together with the Chairman Reviews, Directors' and Auditors' Reports thereon.

In accordance with section 223 of the Companies Act, 2017 and pursuant to the S.R.O 389/(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code:

<https://pakpaper.com/AnnualReports/PPPLAnnualReport2026.pdf>



3. To consider and approve the payment of the Final cash dividend, for the year ended June 30, 2026 @ 80% i.e. Rs.8.00/- (per ordinary share of Rs. 10 each) for the financial year ended June 30,2026, as recommended by the Board of Directors.
4. To appoint Statutory Auditors for the year 2026-27 and to fix their remuneration. The present Auditors-M/s. Faruq Ali, being eligible offered themselves for reappointment.

OTHER BUSINESS

5. To transact any other business with the permission of the Chair.

Karachi

Dated: September 30th, 2026.

By Order of the Board

DAWOOD AHMED MAPARA

Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from Monday, October 19, 2026, to Wednesday, October 21, 2026 (both days inclusive). Transfers received at the office of our Share Registrar, M/s. F.D. Registrar Services (Pvt) Ltd, 17th Floor, Saima Trade Tower-A, I.I. Chandigarh Road, Karachi 74000, at the close of business on Friday, October 16, 2026, will be treated in time for the above entitlement.
2. A member of the Company entitled to attend, speak, and vote at this meeting may appoint any other member as his/her proxy to attend, speak, and vote in his / her instead. The proxies to be effective must be in writing and must be received by the Company's Registered Office not less than 48 hours before the meeting.
3. **For Attending the Meeting:**
 - i. In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and whose registration details are uploaded as per Regulations shall authenticate his/her identity by showing his/her original Computerized National Identity card (CNIC) or original Passport at the time of attending the meeting.
 - ii. Members registered with CDC are also requested to bring their particulars, I.D. numbers, and account numbers in CDS.
 - iii. In the case of the corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

4. For Appointing Proxies:

- i. In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses, and CNIC Numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v. In the case of the corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with a proxy form to the Company.

5. Zakat Declaration Certificate

Members who desire to stop the deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law (if not submitted earlier).

6. Submission of CNIC Copy (MANDATORY)

Under the directives of the Securities & Exchange Commission of Pakistan, a CNIC number is mandatory and required to be mentioned on dividend warrants. Shareholders are therefore requested to submit a copy of their valid CNIC (only Physical Shareholders) if not provided earlier to the M/s. F.D Registrar Services (Pvt) Ltd (The Share Registrar). The Corporate Entities are requested to provide their National Tax Number (NTN). Please quote Folio Number with a copy of CNIC/NTN details. In case of non-receipt of valid CNIC the Company would be unable to comply with SRO 831(I)/2012 dated July 5, 2012, of SECP read with SRO 19(1)/2014 January 10, 2014. Please note that no dividend will be payable unless the CNIC number is printed on the dividend warrants, failure to provide the same would constrain the Company to withhold dispatch of dividend warrants.

7. Payment of Cash Dividend Through Electronic Mode (Mandatory)

Section 242 of the Companies Act, 2017 provides that in the case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of entitled shareholders. Therefore, all shareholders are requested to fill in the Dividend Mandate Form available on the Company's website i.e. <http://www.pakpaper.com>, and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. F.D. Registrar Services (Pvt) Ltd in case of physical shares. In case shares are held in CDC then the Dividend Mandate Form must be submitted directly to the shareholder's broker/ participant/CDC account services. In case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017.

8. Change of Address and Quote Folio No. In Correspondence:

Members are also requested to notify any change in address immediately. The shareholders are further requested to quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.

9. Unclaimed Dividends and Shares (Important & Mandatory)

Shareholders who could not collect their dividend/physical shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividends or shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

10. Circulation of Notice of Meeting & Annual Accounts:

With reference to S.R.O. 787(I)/2014 dated September 8, 2014, issued by SECP; shareholders have an option to receive Annual Audited Financial Statements and Notice of Annual General Meeting through email. Shareholders of the Company are requested to give their consent to the Company's Registered Office to update our record if they wish to receive Annual Audited Financial Statements and Notice of General meetings through email. However, if shareholders, in addition, request a hard copy of Audited Financial Statements, the same shall be provided free of cost within seven [7] days of receipt of such written request.

11. Placement of Financial Accounts on Website:

Annual Audited Financial Statements of the Company for the year ended June 30, 2026, have been placed on the Company's website at www.pakpaper.com

12. Deduction of Income Tax on Dividend

Members are informed that the rates of deduction of income tax under Section 150 of the Income Tax

Ordinance, 2001 from dividend payment, have been revised in case of person not appearing in Active Tax

Payer List (ATL) which are as under:

- i. Rate of tax deduction for shareholders appearing in Active Taxpayer List (ATL) - 15%
- ii. Rate of tax deduction for shareholders not appearing in Active Taxpayer List (ATL) - 30%

To enable the company to make tax deductions on the amount of the cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR although they are filers, are advised to make sure that their names are entered into ATL. Further, according to clarification received from FBR, withholding tax will be determined separately on the 'Filer/Non-filer' status of the principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding

proportions of Principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

Company Name	Folio/CDC Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC	Shareholding Proportion (No.of Shares)	Name and CNIC	Shareholding Proportion (No.of Shares)

- The corporate shareholders having CDC accounts are required to have their National Tax Numbers (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or our Share Registrar M/s. F.D. Registrar Services (Pvt) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

13. Requirement of Companies (Postal Ballot) Regulations 2018

Members can exercise their right to vote through postal ballot i.e., by post or through electronic mode subject to the requirements of Section 143 -145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

14. Consent for Video Conference Facility/Online Participation in AGM:

Under Section 132 (2) of the Companies Act, 2017, the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least seven (7) days before the date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city. Please fill out the following and submit it to the Registered Office of the Company seven (7) days before holding the Annual General Meeting. Those members who wish to desire online participation in the AGM via video link, please send the required information to agm@pakpaper.com and cfo@pakpaper.com. with mention the subject "Registration for AGM"

I/We, _____ of _____, CNIC no. _____
Contact no. _____ being a
member of the Pakistan Paper Products Limited, holding Ordinary Share(s)
_____ as per Register Folio/CDC no. _____
hereby opt for video conference facility at email
address _____.

15. Conversion of Physical shares into Book Entry form:

Under Section 72 of the Companies Act, 2017 every existing Company shall be required to replace its physical shares with the book entry form in the manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shares are encouraged to convert their physical shares into book-entry form by depositing shares into Central Depository Company Pakistan Limited by opening a CDC sub-account with any broker or investor accounts directly with CDC.

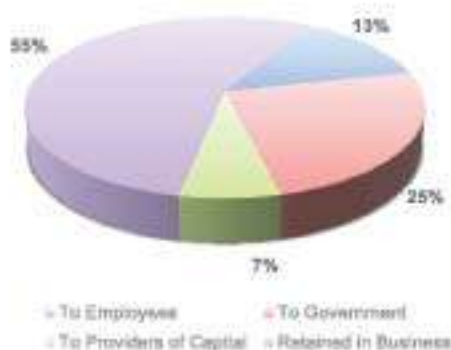
OPERATING HIGHLIGHTS

	2026	2025	2024	2023	2022	2021
HISTORICAL TRENDS						
Trading results						
Turnover	2,147,678	1,926,839	2,125,258	1,923,198	1,365,460	1,224,855
Sales - Net	1,913,733	1,733,597	1,927,281	1,745,901	1,234,186	1,092,962
Gross Profit	374,903	298,960	391,265	291,317	189,157	160,813
Profit before tax	225,278	161,463	231,101	132,617	90,427	97,014
Taxation	59,416	39,041	75,190	43,585	28,683	26,449
Profit after tax	165,862	122,422	155,911	89,032	61,744	70,565
Dividend						
Cash Dividend	80.00%	50.00%	75.00%	40.00%	25.00%	50.00%
Stock Dividend	-	-	-	-	-	-
Cash Dividend Value	64,000	40,000	60,000	32,000	20,000	40,000
Stock Dividend Value	-	-	-	-	-	-
Dividend Payout	38.59%	32.67%	38.48%	35.94%	32.39%	56.69%
Financial Position						
Total Assets	2,388,501	2,244,504	2,141,327	1,757,357	1,600,646	1,398,431
Paid up Capital	80,000	80,000	80,000	80,000	80,000	80,000
Reserves	1,794,465	1,670,749	1,581,342	1,027,474	936,558	919,015
Working capital	629,430	532,396	489,891	403,499	308,128	322,419
Current Ratio	2.60	2.57	2.46	1.83	1.77	2.19
KEY INDICATORS						
Operating						
Gross Profit	19.59%	17.25%	20.30%	16.69%	15.33%	14.71%
Profit before tax	11.77%	9.31%	11.99%	7.60%	7.33%	8.88%
Profit after tax	8.67%	7.06%	8.09%	5.10%	5.00%	6.46%
Return on Equity	8.85%	6.99%	9.38%	8.04%	6.07%	7.06%
Return on Assets	6.94%	5.45%	7.28%	5.07%	3.86%	5.05%
Valuation						
Earning per share (pre tax)	28.16	20.18	28.89	16.58	11.30	12.13
Earning per share (post tax)	20.73	15.30	19.49	11.13	7.72	8.82
Breakup value per share	234.31	218.84	207.67	138.43	127.07	124.88
Asset utilisation						
Inventory turnover ratio	3.93	3.86	4.05	4.15	3.72	3.79
Total assets turnover ratio	0.80	0.77	0.90	0.99	0.77	0.78
Production						
Exercise Books (Goose)	40,875	41,519	49,127	58,686	59,455	45,225
Amonia Paper (Rolls 10 yds)	3,502	2,465	5,434	15,283	8,941	17,875
Pro-Labels (Sq. Meter)	6,111,661	4,899,162	4,932,033	5,667,013	5,591,118	6,229,624

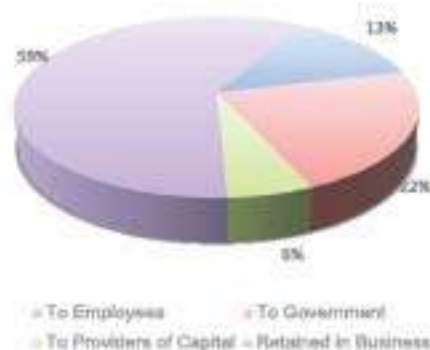
Statement of Value Added and its Distribution

	2026 Rupees in thousand	%	2025 Rupees in thousand	%
Wealth Generated				
Total revenue inclusive of sales tax & other income	2,148,704		1,928,951	
Bought-in-material & services	901,346		884,508	
	<u>1,247,359</u>	<u>100.00%</u>	<u>1,044,444</u>	<u>100.00%</u>
Wealth Distributed				
To Employees				
Salaries, wages, benefits & related cost	163,393	13.10%	133,960	12.83%
To Government				
Income tax, sales tax & workers' fund	309,070	24.78%	233,100	22.32%
To Providers of Capital				
Dividend to share holders	64,000	5.13%	40,000	3.83%
Markup on borrowed funds	21,850	1.75%	20,704	1.98%
	<u>85,850</u>		<u>60,704</u>	
Retained in Business				
Depreciation, Amortization & retained profit	689,046	55.24%	616,681	59.05%
	<u>1,247,359</u>	<u>100.00%</u>	<u>1,044,444</u>	<u>100.00%</u>

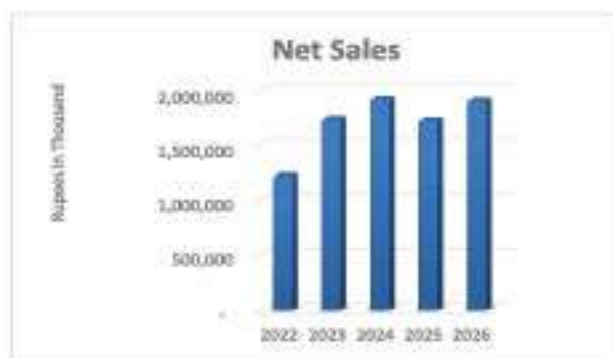
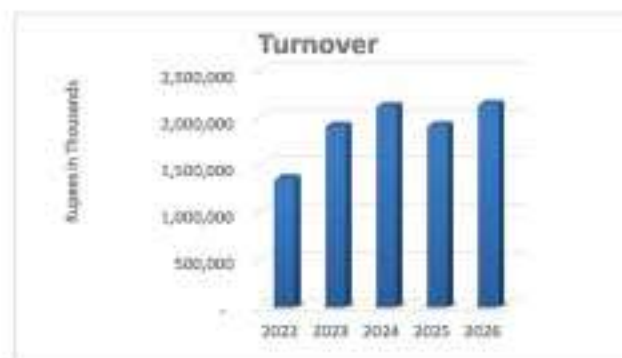
Wealth Distribution FY-2026



Wealth Distribution FY-2025



GRAPHICAL ILLUSTRATIONS



Chairman Review

Dear Shareholders

It is a matter of great privilege for me to present the Company's Annual Report and Audited Financial Statements for the year ended June 30, 2026 and share with you an update on the performance of our company.

Business Performance

By the grace of Allah, your Company had a profitable year, in terms of increase in sales and profit. Turnover during the year ending June 2026 increased by 11.46%. The profitability of your Company (PAT), also improved to Rs. 165.8 million, which amount to an EPS of Rs. 20.73 compared to an EPS of 15.30 in 2025.

I compliment the CE, COO and his team for achieving these results, since the business conditions have been extremely volatile and challenging, due to high inflation, current geopolitical situation and constant dependence on IMF funding, to keep the economy afloat.

Board Performance

The Board performed its duties and responsibilities diligently by effectively guiding the Company in its strategic affairs. The Board also played an important role in overseeing the Management's performance and focusing on major risk areas. The Board was fully involved in the budgeting and strategic planning processes. The Board also remained committed to ensure high standards of Corporate Governance to preserve and maintain stakeholder value. All Directors, including Independent Directors, fully participated and contributed in the decision-making process of the Board.

The Company has an independent Internal Audit department, and internal audit reports are presented to the Board Audit Committee on a quarterly basis wherein areas for improvement are highlighted.

The Board carried out its role and identified potential areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, and risk management.

Acknowledgement

I thank the Company management and all the members of our Board and the employees of our Company who have worked as a team, to achieve this outstanding performance.

I look forward to continued innovation and all-round effort and vigilance during the current year and in all times to come, to ensure sustained growth and profitability.

I am also thankful to Shareholders, Customers, Bankers, Regulatory Authorities and other Stakeholders for their continued support.



Abbas Sayeed
CHAIRMAN

September 9, 2026
Karachi

DIRECTORS' REPORT

The Board of Directors are pleased to present the 64th Annual Report along with the audited accounts of the company. The report covers your company's activity for the year ended June 30, 2026, and describes its operational and financial performance along with compliance details.

Operating Performance

By the Grace of Allah, your company had a record profitable year in spite of many headwinds including the geopolitical turmoil witnessed in the second half. The top line increase by 11.46% with total turnover rising to 2.15 billion. Exercise books and Photocopy paper had fall in sales of 7.59% and 37.55% respectively. Pro Labels had an exceptional performance this year with sales rising by 22.18% which is a highly commendable feat. The rise in the top line translated all the way down with GP increasing by 25.4%, NP before tax by 39.52%, and NP after tax by 35.48%.

Pro Labels:

Pro Labels had a record year in terms of sales which were recorded at Rs 1.29 billion. Although, this growth is not a huge surprise as every quarter we had been witnessing excellent growth in sales with increasing margins. This is a tribute to our company being the leader in this industry and continues to hold a commanding market share in spite of many competitors that have emerged in the last couple of years. We experienced good growth across the board in FMCG, Oil Lubricant, and Pharmaceuticals. This is even more commendable given the worldwide supply chain disruption due to the Middle East war which led to severe shortages of raw materials of all types. Not only did we manage to navigate our way through this, but also managed to gain some market share from our competitors who were unable to meet the demand of their customers. Our company has maintained a solid reputation for being a reliable supplier at all critical times. Our margins also showed positive growth due to improved efficiency and the move to LED UV has also helped in this regard as our overall energy cost continues to decline.

Exercise Books:

Exercise Books had one of the toughest years in recent memory. The continuous supply of cheap paper continued to erode our market sales and for the first 3-4 months of the financial year we barely had any sales or production. From the second half sales picked up as the school season started and we finally made the bold move to counter the competition by reducing the prices of our market brand copies to the same level as our

cheaper competition. This led to a surge in demand as any bookseller would gladly sell our product over the competition, given our reputation and quality. This along with the institutional demand increased our sales in the second half of the year and we managed to limit the decline in sales to 7.59% YOY and also erased the loss in this segment to come out with a profit at the end of the year.

Sensitized Paper & Plotter Paper:

Sensitized paper and Plotter Paper sales continued to be stagnant during the year and now the management has decided to shut down this line of business. We are currently trying to sell all our Sensitized Base Paper stock as Photocopy Paper. This is of course being sold at a considerable loss as Base Paper was a very expensive item but we have no choice now as we do not foresee the demand for this item improving as it is no longer used by anyone in Pakistan.

Financial Performance

We are pleased to report that in spite of the challenging year the company faced in terms of Ex Books sales we have still managed to come out with a record profit for the year. The main reason being the improvement in the profits of Pro Labels. Our Finance cost decreased by 21.37% due to stability in exchange rate, and better management of cash flows including recovery from customers which in turn decreased our overdraft. The whole management teams need to be commended for these efforts and we bow our heads in Thanks to Allah for what we have achieved.

	June, 2026	June, 2025
Profit before taxation	225,277,653	161,462,529
Taxation	(59,415,591)	(39,040,987)
Profit after taxation	165,862,062	122,421,542
Earnings per share	<u>20.73</u>	<u>15.30</u>

Declaration of Dividend

In light of the results, the Board is pleased to announce a Final Cash Dividend of 80% (Rs. 8/- per share).

Financial Reporting

Let us mention here that this Company's financial reporting is based on the approved International Accounting Standards notified by the SECP and also complies with the requirements of the Companies Act 2017.

Manufacturing and Operations

All our resources relating to the manufacturing facilities performed well and achieved positive gains in efficiencies. We are constantly modernizing and upgrading all our manufacturing facilities to stay well ahead of the competition. The company has focused on reducing its energy cost by shifting the Flexo printing machines to LED curing from UV curing. This along with our solar generation has helped us in absorbing the rising energy costs in the country. This year we saw a decline in our overall Fuel & Power costs.

Future Prospects

The future prospects of our company are intricately linked with the Macroeconomic performance of the country. In the last one year the country has been very stable which has helped the overall economic situation of the country and we are now starting to again see growth in the economy which will certainly help the Pro Labels business. Due to the immense competition by the informal sector in Ex Books, we have decided to compete with them on price in order not to lose market share. We are confident that our scale production will allow us to reap benefits in the future.

Corporate Social Responsibility

Being a Public Limited Company, we realize that we have a responsibility to this country and its people at large. In this respect, we make donations to several needy organizations.

Health

We are committed to demonstrating sound environmental performance by controlling the impact of our operations and products on the environment and we further endeavor to comply with the applicable environmental legislation, regulations, and standards laid down for pollution control in the country. Your company is determined to play a role in promoting a better and ecologically friendly future in Pakistan. Installation of a 300-kWh Solar energy system is our first step towards a cleaner energy future.

The Board

Pakistan Paper Products Limited has an independent and objective Board, consisting of one working and rest non-working Directors. The roles of the Chairman and the Chief Executive are different and each have a clearly defined role profile.

Corporate and Financial Reporting Framework

- ♦ We are pleased to report that your company has taken the necessary steps to comply with the provisions of the Code of Corporate Governance as incorporated in the listing regulations of the Pakistan Stock Exchange.
- ♦ The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of the operations, cash flows and changes in equity.
- ♦ Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- ♦ Proper books of accounts have been maintained by the Company.
- ♦ In the preparation of financial statements, International Accounting Standards, as applicable in Pakistan, have been followed.
- ♦ There is no significant doubt about the company's ability to continue as a going concern.
- ♦ The system of internal control is sound in design. The system is being continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements to the system.
- ♦ Detail about taxes is given in the notes to the accounts.

Board & its committee meetings

During the year Five (05) meetings of the Board of Directors (BOD), four (04) Audit Committee (AC) meetings and Two (02) HR&R Committee meetings were held. Attendance by each Director is as under:

Name of Director	Number of meetings attended		
	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr. Abbas Sayeed	4	3	1
Mr. Abid Sayeed	5	4	2
Mrs. Muleika Sayeed	4	-	2
Dr. Asadullah Sayeed	5	4	-
Mr. Mohsin Safdar	5	-	1
Ms. Maha Haider	1	-	1
Mr. Matiuddin Siddiqui	1	-	1

The Directors who could not attend the Board & Committee Meetings and requested for leave were duly granted leave of absence from the meeting by the Board/Committees in accordance with the law.

Directors' Training Program

Out of seven Directors of the Company, three Directors are exempt from such certification as they duly meet the exemption criteria given in the Code. Three have obtained certification under the Directors' Certification Training Program in 2015, 2018 & 2021 respectively. Therefore, over half of the Board is qualified under the criteria of DTP and exemption criteria as per the Code.

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017, and the Regulations of PSX Rule book.

Statement of Compliance

The Board has adopted the Statement of Compliance. All employees are informed of this statement.

Material Changes

There have been no material changes and the company has not consciously entered into any commitment that will affect its financial position.

Code of Business Principles

As a leading Paper converting company, a reputation for high ethical standards is central to business success. The Code of Business Principles is already developed communicated and acknowledged by each Director and employee of the company.

Risk Management

As part of its responsibilities, the Board of Directors have always kept a close watch on the socio- economic environment and consequential internal and external risks that might impact the safe and smooth operations of the Company and remained vigilant in identifying and mitigating risks throughout the year. The Board identified potential risks, assessed their impact on the Company, and formulated strategies to mitigate all foreseeable risks to the business. These strategies were enforced through the Audit Committee to ensure that no gaps remained in risk mitigation.

Risk Assessment

Businesses face numerous uncertainties that might pose threats to their objectives and if not addressed may cause preventable losses. The Board has carried out a vigilant and thorough assessment of both internal and external risks that the company might face. The rising cost of raw materials is the most imminent risk facing the company. The devaluation of PKR has made the risk more pronounced. In order to curb the negative impact of this, the company has invested in strategic relationships with its key international suppliers and ensured timely delivery. Availability of raw materials is another risk that is faced by the company.

Audit Committee

The Audit Committee comprises four members from the Board, two are non-executive directors and two are independent directors. The Chairman of the Committee is an independent director as required in the CCG Regulations 2019. The Board of Directors has set out terms of reference for the audit committee. The audit committee reviews the annual and quarterly financial statements, and internal audit reports and holds its meeting before the Board meetings. The committee manages adequately the system of internal control through the internal audit department and reviews the effectiveness of operational and financial control.

Human Resource Committee

The Committee consists of four members from the Board; three are non-executive directors and one is an independent director. The Chairman of the Committee is an independent director. The Committee reviews and formulates the HR & management policies of the company. The Committee is also responsible for the remuneration of employees and ensures that it is aligned with the Company's business strategy and long-term interests.

Operating and Financial Data

Operating and financial data and key ratios of the company for the last six years are annexed.

Auditors

The Board recommended the appointment of M/s. Faruq Ali & Co. as auditors for the next financial year. The present auditors, M/s. Faruq Ali & Co., Chartered Accountants, retire and being eligible, they have offered themselves for reappointment.

Pattern of Shareholding

The Pattern of Shareholding as required under the Code of Corporate Governance is attached with this Report. Details of trades in shares of the Company by Directors and Key Management Personnel and their spouses and minor children are reported on page 84-85 of the Annual Report.

**IN TERMS OF THE REQUIREMENTS STATED UNDER
CORPORATE GOVERNANCE REGULATION 2019**

Composition of the 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 committees comprising of members given below:

a) Audit Committee

Mr. Mohsin Safdar (Chairman)
Mr. Abbas Sayeed
Dr. Asadullah Saeed
Mr. Matiuddin Siddiqui

b) Human Resource & Remuneration Committee

Ms. Maha Haider (Chairperson)
Mr. Abbas Sayeed
Mrs. Muleika Sayeed
Mr. Matiuddin Siddiqui

Directors' Remuneration

Through the Articles of the Company, the Board of Directors is authorized to fix the remuneration of Executive, Non-Executive, and Independent Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for Executive, Non-executive, and Independent Directors of the company. Remuneration of Chief Executive and Directors for the Financial Statements of the year ended June 30, 2026, are disclosed on the note 33 of Financial Statements.

Acknowledgments

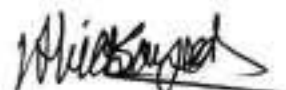
The Directors are grateful to the valued customers for their continued support. They also appreciate the support received from the Company's bankers, shareholders, and other stakeholders who continue to repose trust in your company. In addition to this, directors also record their sincere appreciation for the cooperation received from the Regulators Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange-PSX.

All the employees of the company have put in real teamwork and the results are evident. Directors congratulate all the employees for their continued performance.

On behalf of the Board of Directors



ABBAS SAYEED
Chairman



ABID SAYEED
Chief Executive

September 09th, 2026
Karachi

[illegible]

کئی کے ڈائریکٹرز مسلسل اعانت و تعاون پر اپنے قابل قدر کاموں کے شکر گزار ہیں۔ وہ کئی کے بینکاروں، حصص یافتگان، اور دیگر اسٹیک ہولڈروں کے بھی سپاس گزار ہیں جنہوں نے کئی پر اعتماد و محروسہ جاری رکھا ہے۔ ان کے ساتھ ساتھ ڈائریکٹر شایبہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور پاکستان اسٹاک ایکسچینج (PSX) کو بھی ان کی جانب سے تعاون جاری رکھنے پر جنیت پیش کرتے ہیں۔

کبھی کے تمام کارکنوں نے حقیقی مہم ورک کے ساتھ جہاں فضائی سے کام کیا ہے جس کا نتیجہ ظاہر ہے۔ ڈائریکٹرز اس قدر شامان وارکار کردگی پر اپنے تمام کارکنوں کو مبارکباد پیش کرتے ہیں۔

Whitney

عابد سعید
چیف ایگزیکٹو

[Handwritten signature]

عباس سعید
چیمبرمین

مورخہ 09 ستمبر 2026

کراچی۔

حصص کی ملکیت کا نمونہ

کوڈ آف کارپوریٹ گورننس کے تحت مطلوب حصص کی ملکیت کا نمونہ رپورٹ ہذا کے ساتھ منسلک ہے۔

برہان شراکتہ تحت کارپوریٹ گورننس ریگولیشنز 2019

بورڈ کی ترتیب

بورڈ کے اراکین کی تعداد سات ہے جن میں دو خواتین اور پانچ مرد انگریز شامل ہیں جبکہ بورڈ کی ترتیب درج ذیل ہے:

01	انگریز کیٹیوڈ انگریز
04	نان انگریز کیٹیوڈ انگریز
02	خواتین ڈانگریز

بورڈ کی کمیٹیاں

بورڈ نے کمیٹیاں تشکیل دی ہیں جو درج ذیل اراکین پر مشتمل ہیں:

(a) آڈٹ کمیٹی

جناب محسن مندر (چیئر مین)

جناب عباس سعید

ڈاکٹر اسد اللہ سعید

جناب مطیع الدین صدیقی

(b) ہیومن ریسورس اینڈ ریمونریشن کمیٹی

محترمہ ماہد (چیئر پرسن)

جناب عباس سعید

سرمہانگہ سعید

جناب مطیع الدین صدیقی

خطرات کا انتظام

اپنی ایک ذمہ داری کے طور پر بورڈ آف ڈائریکٹرز نے ہمیشہ ہماری اقتصادی ماحول اور ان کے اندرونی اور بیرونی خطرات پر کڑی نظر رکھی ہے جو کمپنی کے محفوظ اور کل انداز سے چلائے جانے پر اثر ڈال سکتے ہیں اور سارا سال وہ ان خطرات کو پہچاننے اور ان میں کمی لانے پر تیار رہے ہیں۔ بورڈ نے ممکنہ خطرات کا پتہ چلا یا کمپنی پر پڑنے والے ان کے اثرات کا تخمینہ لگایا اور کاروبار کو لاحق تمام تر معلوم خطرات میں کمی لانے والی حکمت عملی ترتیب دی۔ یہ حکمت عملی آڈٹ کمپنی کے ذریعے نافذ کی گئی تاکہ یقینی بنایا جاسکے کہ خطرات میں کمی لانے میں کوئی غلامی نہ ہونے سے روک دیا جائے۔

خطرات کی تشخیص

کاروبار میں لا تعداد غیر ملکی کام سامنا کرتا ہے جو اس کے مقاصد کے حصول کی راہ میں رکاوٹ ثابت ہوتے ہیں اور اگر ان سے رجوع نہ کیا جائے تو ایسے نقصانات پہنچا سکتی ہیں جن سے بچا جاسکتا تھا۔ بورڈ نے ایسے اندرونی اور بیرونی خطرات کی جو کسی سے تشخیص کیے جاسکتے ہیں جن کا کمپنی کو سامنا ہو سکتا تھا۔ کمپنی کو ورکشاپ ایک بڑا خطرہ عام مال کی بڑھتی ہوئی قیمتیں ہیں۔ پاکستانی روپے کی قدر میں کمی نے اس خطرے کو اور بھی بڑھا دیا ہے۔ اس کے متعلق اثرات پر قابو پانے کی غرض سے کمپنی نے اپنے اہم بین الاقوامی سپلائروں سے ترمیمیاتی تعلقات بنانے اور بروقت فراہمی میں سرمایہ کاری کی ہے۔ کمپنی کو ورکشاپ ایک اور خطرہ عام مال کی دستیابی بھی ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کے چار اراکین پر مشتمل ہے جن میں سے دو ان ایگزیکٹو ڈائریکٹرز جبکہ دو انڈیپنڈنٹ ڈائریکٹرز ہیں۔ CCG ریگولیشنز 2019 کی شرط کے مطابق کمیٹی کا چیئرمین انڈیپنڈنٹ ڈائریکٹر ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کے لئے ممبر آف ریفرنس وضع کر دیے ہیں۔ آڈٹ کمیٹی سالانہ اور سہ ماہی مالیاتی گوشواروں، انٹرنل آڈٹ رپورٹوں کا جائزہ لیتی ہے اور بورڈ کے اجلاس سے پہلے اپنے ممبران کا اجلاس بلاتی ہے۔ کمیٹی انٹرنل آڈٹ پارٹنٹ کے ذریعے اندرونی انضباط کا نظام سوزوں انداز سے چلاتی ہے اور عملیاتی اور مالیاتی انضباط کے معیار ہونے کا جائزہ لیتی ہے۔

ہیومن ریسورس کمیٹی

کمیٹی بورڈ کے چار اراکین پر مشتمل ہے جن میں سے تین ان ایگزیکٹو ڈائریکٹرز اور ایک انڈیپنڈنٹ ڈائریکٹر ہے۔ کمیٹی کا چیئرمین ایک انڈیپنڈنٹ ڈائریکٹر ہے۔ یہ کمیٹی کمپنی کے انسانی وسائل اور ان کے انتظام کی پالیسیاں وضع کرتی ہے۔ یہ کمیٹی ملازمین کے معاوضے کی بھی ذمہ دار ہے اور یقینی بناتی ہے کہ معاوضے کمپنی کی کاروباری حکمت عملی اور طویل مدتی مفادات کے عین مطابق ہیں۔

عملیاتی اور مالیاتی تفصیلات

گزشتہ چھ برسوں کی عملیاتی اور مالیاتی تفصیلات اور کمپنی کے اہم تناسبات منسلک ہیں۔

آڈیٹرز

بورڈ نے آئندہ مالی سال کے لئے میسرز فاروق علی اینڈ کمپنی کی بطور آڈیٹر تقرری کی۔ سفارش کی ہے۔ موجودہ آڈیٹر میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، رجسٹرڈ ہو رہے ہیں اور اہل ہونے کی حیثیت سے انہوں نے دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔

اجلاسوں میں شرکت

نام ڈائریکٹر	بورڈ کے اجلاس	آڈٹ کمیٹی	یو این سی ایف رپورٹیشن کمیٹی
جناب عباس سعید	4	3	1
جناب عابد سعید	5	4	2
مسز ملکہ سعید	4	—	2
ڈاکٹر اسد اللہ سعید	5	4	—
جناب محسن مندر	5	—	1
محترمہ ماہد حیدر	1	—	1
جناب طلحہ الدین صدیقی	1	—	1

بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت نہ کر سکنے والے ڈائریکٹرز جنہوں نے رخصت کی درخواست کی انہیں قانون کے مطابق اجلاس میں شرکت سے رخصت کی اجازت دے دی گئی۔

ڈائریکٹروں کا تربیتی پروگرام

کمیٹی کے ساتھ ڈائریکٹروں میں سے تین ڈائریکٹرز ضمنی سرٹیفکیٹ سے مستثنیٰ ہیں کیونکہ وہ ضابطے میں موجود اسٹی کی تمام شرائط کی تکمیل کرتے ہیں؛ تین نے ڈائریکٹروں کے تربیتی پروگرام کے تحت بالترتیب 2015-2018 اور 2021 میں سرٹیفکیٹ حاصل کر لیا ہے۔ چنانچہ ہمارا نصف بورڈ دیے گئے کوڈ کے مطابق DTP کے معیارات اور اسٹی کے معیارات کے تحت اہل ہے۔ کمیٹی کے ڈائریکٹر اپنے فرائض کی انجام دہی کیلئے سوزوں شریعت کے حامل ہیں اور گھنٹہ 2017 پاکستان اسٹاک ایکسچینج کی رول بک کے قواعد کے تحت اپنے اختیارات اور ذمہ داریوں سے مکمل آگاہ ہیں۔

تعمیل کا بیان

بورڈ نے تعمیل کا بیان اختیار کیا ہے۔ تمام ملازمین کو اس بیان سے آگاہ کر دیا گیا ہے۔

مادی تبدیلیاں

کسی قسم کی کوئی مادی تبدیلی عمل میں نہیں آئی ہے اور کمیٹی شعوری طور سے کسی ایسے معاہدے میں داخل نہیں ہوئی ہے جو اس کی مالیاتی حیثیت کو متاثر کرتا ہو۔

کوڈ برائے اصول کاروبار

کانڈم میں تحیر ۱۱ نے والی ایک معروف کمیٹی ہونے کی حیثیت سے کاروبار کی کامیابی کے لئے اعلیٰ اخلاقی معیار والی ساکھ مرکزی اہمیت کی حامل ہوتی ہے۔ چنانچہ کاروباری اصولوں کا کوڈ پہلے سے وضع کیا جا چکا ہے، ہر ڈائریکٹر اور ملازم کو اس سے آگاہ کیا جا چکا ہے اور انہوں نے اسے تسلیم بھی کر لیا ہے۔

کارپوریٹ سماجی ذمہ داری

پبلک لمیٹڈ کمپنی ہونے کی حیثیت سے ہم اور اک رکھتے ہیں کہ اس ملک اور یہاں رہنے والے عوام کی جانب ہماری ذمہ داری بنتی ہے۔ چنانچہ ہم کئی سماجی انجمنوں کو عطیات وغیرہ دیتے رہتے ہیں۔

صحت

ماحولیات پر اپنے کاروباری عمل اور مصنوعات کے اثرات کو قابو میں رکھ کر ہم ماحول محفوظ بنانے کے عہد پر کاربند ہیں اور ملک میں آلودگی پر قابو کرنے کی خاطر بنائے جانے والے ماحولیات سے متعلق قوانین، قواعد اور معیارات پر عمل پیرا ہوتے رہیں گے۔ آپ کی کمپنی بہتر اور حیاتیات دوست پاکستان کی ترویج میں اپنا کردار ادا کرنے کے بارے میں ہمیدہ ہے۔ 300KWh سولر انرجی کی تنصیب ساف توانائی والے مستقبل کی جانب ہمارا پہلا قدم ہے۔

بورڈ

پاکستان پیپر پروڈکٹس لمیٹڈ کے پاس آزاد اور معروضی بورڈ موجود ہے جو ایک عامل اور باقی غیر عامل ڈائریکٹروں پر مشتمل ہے۔ انجینئرین اور چیف ایگزیکٹو کے کردار ایک دوسرے سے مختلف ہیں اور ہر ایک کی ذمہ داریاں بھی واضح طور پر مقرر کی گئی ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

ہم یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ آپ کی کمپنی نے کارپوریٹ اور گورننس کی مضابطہ اخلاقی کی تعمیل کیلئے ضروری اقدامات اٹھائے ہیں جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط میں شامل ہے۔

ہم کمپنی کی انتظامیہ کی جانب سے جاری کردہ مالی گوشوارے، اس کے امور کی شفافیت، کارروائیوں کا نتیجہ، نقدی کے بہاؤ اور انکوائری میں شمولیت کو ظاہر کرتے ہیں۔

ہم مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں مستقل طور سے لاگو ہوتی ہیں اور خاصہ معقول اور شفاف فیصلے پہنچتی ہوتا ہے۔

ہم کمپنی کے ماحول کی موزوں اور مناسب کتب کا انتظام رکھتی ہے۔

ہم مالیاتی گوشواروں کی تیاری میں پاکستان پر قابل اطلاق اکاؤنٹنگ کے عالمی معیارات کی تعمیل کی گئی ہے۔

ہم کمپنی کے کاروبار کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک و شبہ نہیں ہے۔

ہم اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے۔ اس نظام کی مسلسل گہرائی اندرونی آڈٹ اور اس طرح کے دیگر طریقوں کے ذریعے کی جاتی ہے۔ اندرونی انضباط کی گہرائی کا عمل جاری رہے گا جس کا مقصد انضباط کو مزید تقویت بخشنا اور نظام میں بہتری لاتا ہے۔

ہم ریسکوں کے بارے میں تفصیلی اکاؤنٹس کے نوٹس میں دے دی گئی ہیں۔

بورڈ اور اس کی کمیٹیوں کے اجلاس

دوران سال پانچ بورڈ آف ڈائریکٹرز کے (05)، آڈٹ کمیٹی کے چار (04) اور HR&R کمیٹی کے دو (02) اجلاس منعقد ہوئے۔ ان میں ہر ڈائریکٹر کی حاضری کی کیفیت درج ذیل ہے:

مالیاتی کارکردگی

ہمیں یہ اطلاع دینے سے مسرت ہو رہی ہے کہ انکم سائز کمپن کی فروخت میں مشکلات سے بھرپور سال کے باوجود ہم اس سال ریکارڈ منافع حاصل کرنے میں کامیاب رہے ہیں۔ اس کی بنیادی وجہ پربلیٹو کے منافع میں بہتری ہے۔ ہماری مالیاتی لاگت میں %21.37 کی ہوئی، جس کی وجہ شرح مبادلہ میں استحکام، اور نقدی کے بہاؤ کے بہتر انتظام، بشمول گاہکوں سے وصولیوں کی وجہ سے ہوئی۔ جس کے نتیجے میں ہمارا اورڈرافٹ بھی کم ہوا۔ اس وجہ سے کیلئے پوری انتظامی ٹیم تعزیر کے قابل ہے اور ہم رپ بل کیل کے سامنے سرخرو ہو کر اس کا شکر بجالاتے ہیں۔

جون 2025	جون 2026	
161,462,529	225,277,653	منافع قبل از ٹیکس
(39,040,987)	(59,415,591)	ٹیکس کاری
122,421,542	165,862,062	منافع بعد از ٹیکس
15.30	20.73	ٹی شیئر کمائی

منافع منقسمہ کا اعلان

ٹیک کی روٹی میں بورڈ آف ڈائریکٹرز %80 یعنی 80 روپے ٹی شیئر حتمی منافع منقسمہ کا اعلان کرتا ہے۔

مالیاتی رپورٹ

ہمیں یہ کہنے دیجئے کہ اس کمپنی کی مالیاتی رپورٹنگ SECP کی جانب سے اعلان کردہ منظور شدہ عالمی اکاؤنٹنگ معیارات پر مبنی ہے اور گینٹیز ایکٹ 2017 کی شرائط کی قیام بھی کرتی ہے۔

مینوفیکچرنگ اور آپریشنز

مینوفیکچرنگ سہولیات سے منسلک ہمارے تمام تر وسائل نے اچھی کارکردگی کا مظاہرہ کیا اور نفع اور بائیس حاصل کیں۔ ہم اپنی تمام مینوفیکچرنگ سہولیات کو مسلسل بہتر اور جدید بناتے رہے ہیں تاکہ مسابقت میں آگے رہ سکیں۔ کمپنی نے فلیکسو پرنٹنگ مشینوں کو Curing UV سے Curing LED پر منتقل کر کے اپنی توانائی کی لاگت کم کرنے پر توجہ مرکوز کی ہے۔ اس کے ساتھ ہماری ٹیکس توانائی کی پیداوار نے ملک میں بڑھتی ہوئی توانائی کی لاگت کو برداشت کرنے میں ہماری مدد کی ہے۔ اس سال ہم نے اپنی مجموعی لیول اور پاور لاگت میں کمی دیکھی۔

مستقبل کا منظر

ہماری کمپنی کا مستقبل ملک کی بیکروائٹس کا کارکردگی سے جڑا ہوا ہے۔ گزشتہ ایک برس میں ہمارا ملک کافی مستحکم رہا ہے جس نے ملک کی مجموعی اقتصادیات میں مدد دی ہے اور ہم ایک بار پھر معیشت میں ترقی ہوتے ہوئے دیکھ رہے ہیں جو قیمتی طور سے پربلیٹو کے کاروبار میں مدد فراہم کرے گی۔ انکم سائز کمپن کی مارکیٹ میں بے قاعدہ فروخت مسابقتی ماحول پیدا ہوا جانے کے سبب ہم نے ادارہ جاتی فروخت پر زیادہ توجہ مرکوز کرنے اور اندرونی کارکردگی میں بہتری اور فیصلے میں کمی کے ذریعے اپنے منافع کے مارجن کو بہتر بنانے کا فیصلہ کیا ہے۔ ہم ملک میں شرح سود میں حریصی کے ساتھ ساتھ ٹیکس میں استحکام کی بھی امید کر رہے ہیں کیونکہ ہمارے منافع کے مارجن کا اس سے بہت گہرا تعلق ہے۔

ڈائریکٹروں کی رپورٹ

بورڈ آف ڈائریکٹرز کئفی کی 64 ویں سالانہ رپورٹ ہر نو آڈٹ شدہ کھاتے پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔ زیر نظر رپورٹ 30 جون 2026 کو اختتام تک پہنچنے والے مالی سال کے دوران ہونے والی آپ کی کئفی کی سرگرمیوں پر محیط ہے اور عملیاتی اور مالیاتی کارکردگی کے ساتھ ساتھ قیاداتی تفصیل بھی بیان کرتی ہے۔

آپریشنل کارکردگی

اللہ کے فضل و کرم سے آپ کی کئفی نے بہت سے نامساعد حالات کے باوجود جن میں سال کی دوسری ششماہی میں دیکھنے میں آنے والی نغرائیاتی سیاسی کشیدگی بھی شامل ہے، درکارڈ منافع بخش سال گزارا۔ ٹاپ لائن میں 11.46% اضافہ ہوا اور ٹرن اور بڑھ کر 2.15 بلین ہو گیا۔ ایکسرسائز بکس اور فوٹو کاپی بیجے کی فروخت میں بالترتیب 7.59% اور 37.55% کی کمی ہوئی۔ پریپلٹو نے اس سال غیر معمولی کارکردگی کا مظاہرہ کیا اور فروخت میں 22.18% اضافہ ہوا، جو ایک انتہائی قابل فہمین کامیابی ہے۔ ٹاپ لائن میں اضافے کا اثر مکمل طور پر چلی سٹل تک پہنچا، جس کے نتیجے میں GP میں 25.4%، ٹیکس سے قبل NP میں 39.52% اور ٹیکس کے بعد NP میں 35.48% اضافہ ہوا۔

پرو لیبلز

پریپلٹو نے فروخت کے لحاظ سے ایک درکارڈ سال گزارا، جو 1.29 ارب روپے درکارڈ کی گئی۔ اگرچہ یہ ترقی کوئی بہت بڑا حیرت انگیز امر نہیں ہے کیونکہ ہر رہائی میں ہم فروخت میں بہترین ترقی کے ساتھ بڑھتے ہوئے مارجنز کا مشاہدہ کرتے رہے ہیں۔ یہ ہماری کئفی کے اس صنعت میں قائم ہونے کا اعزاز ہے اور گزشتہ چند سالوں میں سامنے آنے والے بہت سے چیلنوں کے باوجود ایک مضبوط مارکیٹ شیئر برقرار رکھے ہوئے ہے۔ ہمیں FMCG، آگل بریکٹس، اور کارڈ ماسیو پیکٹوں میں مجموعی طور پر اچھی ترقی حاصل ہوئی۔ یہ اس لیے اور بھی قابل تعریف ہے کہ مشرق وسطیٰ کی جنگ کے باعث دنیا بھر میں سپلائی چین میں ٹپل پڑا، جس کے نتیجے میں ہر قسم کے خام مال کی شدید قلت پیدا ہوئی۔ نہ صرف ہم اس صورتحال سے کامیابی سے نمٹنے میں کامیاب رہے، بلکہ اپنے ان حریفوں سے کچھ مارکیٹ شیئر بھی حاصل کرنے میں کامیاب رہے جو اپنے صارفین کی طلب پوری کرنے سے قاصر تھے۔ ہماری کئفی نے تمام اہم اوقات میں ایک قابل اعتماد سپلائی ہونے کی مضبوط ساکھ برقرار رکھی ہے۔ ہماری مارجنز میں بھی بہتر کارکردگی کی وجہ سے مثبت ترقی دیکھنے میں آئی اور UVLED کی جانب منتقلی نے بھی اس حوالے سے مدد کی ہے کیونکہ ہماری مجموعی توانائی کی لاگت میں مسلسل کمی آ رہی ہے۔

ایکسرسائز بکس

ایکسرسائز بکس کے شعبے کیلئے حالیہ عرصے کا ایک مشکل ترین سال رہا۔ سستے کاغذ کی مسلسل فراہمی کے باعث ہماری مارکیٹ سٹریٹجی ہوتی رہی اور مالی سال کے ابتدائی 3 سے 4 ماہ کے دوران ہماری فروخت یا بیوا اور نہ ہونے کے برابر رہی۔ سال کے دوسرے نصف حصے میں اسکول سیزن کے آغا کے ساتھ فروخت میں اضافہ ہوا اور بالآخر ہم نے اپنی مارکیٹ برائڈ کی کاپیوں کی تقسیم اپنے سستے حریفوں کے برابر کم کر کے مقابلے کا سامنا کرنے کے لیے ایک جرات مندانہ قدم اٹھایا۔ اس کے نتیجے میں طلب میں زبردست اضافہ ہوا کیونکہ ہماری ساکھ اور معیار کو دیکھتے ہوئے کوئی بھی کتاب فروش حریف کی مصنوعات کے مقابلے میں ہماری مصنوعات فروخت کرنے کو ترجیح دیتا تھا۔ اس کے ساتھ ساتھ ادارہ جاتی طلب نے سال کے دوسرے نصف میں ہماری فروخت میں اضافہ کیا اور ہم فروخت میں سال پہ سال کی 7.59% تک محدود کرنے میں کامیاب رہے اور اس شعبے میں ہونے والے نقصان کو بھی ختم کر کے سال کے اختتام پر منافع حاصل کیا۔

سینسٹائزڈ پیپر اور پلاٹر پیپر

زیر جانچہ سال کے دوران سینسٹائزڈ پیپر اور پلاٹر پیپر کی فروخت بدستور وال کاغذ کار رہی لہذا انتظامیہ نے طے کیا ہے کہ کارڈ پار کے اس شعبے کو بند کر دیا جائے۔ حالیہ طور سے ہم اپنے پیسجنگ ٹرڈ میں بھیجے کے اسٹاک کو بطور فوٹو کاپی بیجے فروخت کرنے کی کوشش کر رہے ہیں۔ بلاشبہ یہ ہماری خسارے کے ساتھ فروخت کیا جا رہا ہے کیونکہ ہمیں بھی انتہائی مہنگا اسٹیم تھا لیکن ہمارے پاس اس کے سوا اور کوئی چارہ نہیں کیونکہ اس اسٹیم کی طلب میں ہمیں اضافہ دکھائی نہیں دیتا کیونکہ پیاب پاکستان میں کوئی استعمال نہیں کرتا۔

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of the Company: Pakistan Paper Products Limited

For the year ended: June 30, 2026

Pakistan Paper Products Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of directors is seven, comprising five male directors and two female directors.
2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Mohsin Safdar Ms. Maha Haider
Non-Executive Directors	Mrs. Muleika Sayeed Mr. Abbas Sayeed Dr. Asadullah Sayeed Mr. Matluddin Siddiqui (NIT)
Executive Director	Mr. Abid Sayeed
Female Directors	Mrs. Muleika Sayeed Ms. Maha Haider

The Board comprises two elected independent directors who possess the requisite competencies, skills, knowledge and experience to discharge their duties effectively. The fraction arising from one-third of the Board has not been rounded up to three independent directors because the Company considers the existing two independent directors, having the requisite skills, knowledge and experience, sufficient to ensure effective independent oversight and decision-making by the Board.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the 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 significant policies along with their dates of approval or updating is maintained by the Company.

6. All 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 Companies Act, 2017 and the 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 the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulation of minutes of Board meetings.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations.

9. Out of seven directors, three directors have obtained certification under the Directors' Training Program in 2015, 2018 and 2021 respectively, four directors meet the applicable exemption criteria.

10. The Board has approved the appointments of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and has complied with the relevant requirements of the Regulations.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval by the Board.

The Company has developed and implemented an anti-harassment/protection-against-harassment policy.

12. The Board has reconstituted the following committees after the election of directors held on May 11, 2026

a) Audit Committee

Name	Capacity
Mr. Mohsin Safdar	Chairman
Mr. Abbas Sayeed	Member
Dr. Asadullah Sayeed	Member
Mr. Matiuddin Siddiqui	Member

b) Human Resource & Remuneration Committee

Name	Capacity
Ms. Maha Haider	Chairperson
Mrs. Muleika Sayeed	Member
Mr. Matiuddin Siddiqui	Member
Mr. Abbas Sayeed	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the respective committees for compliance.

14. The frequency of meetings of the committees during the financial year was as follows: Audit Committee - four quarterly meetings; Human Resource & Remuneration Committee - two meetings.

15. The Board has set up an effective internal audit function whose personnel 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 are registered with the Audit Oversight Board of Pakistan; that they and their partners comply with the applicable ethical requirements; and that the partners of the firm involved in the audit are not close relatives of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or directors of the Company.

17. The statutory auditors or persons associated with them have not been appointed to provide services other than those permitted under applicable law and regulatory requirements, and the auditors have confirmed compliance with applicable ethical requirements in this regard.

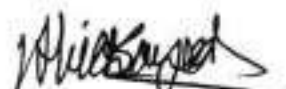
18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36, is as follows:

Not applicable, as the Company has complied with all applicable requirements of the Regulations



ABBAS SAYEED
Chairman



ABID SAYEED
Chief Executive

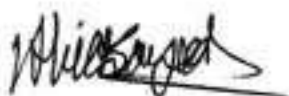
September 08th, 2026
Karachi

Gender Pay Gap Statement

The Board is committed to formulate a gender diversity policy for recruitment, promotion, gender pay gap analysis, retention and development of female employees. We are committed to enhancing gender diversity by ensuring that our hiring, retention, and promotion processes prioritize education, skills, technical expertise, experience, and job performance, free from gender bias. This commitment has fostered a diverse workforce and significantly contributed to the sustained growth of our organization.

As required under the SECP circular no. 10 of 2024, the following is the Gender Pay Gap calculated for the year ended June 30, 2026.

- Mean Gender pay gap: 34.44%
- Median Gender Pay gap: 14.91%



Mr. Abid Sayeed
Chief Executive Officer



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Independent Auditor's Review Report to the Members of Pakistan Paper Products Limited

Review Report 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 **Pakistan Paper Products Limited** ('the Company') for the year ended 30 June 2026 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 which 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 30 June 2026.

CHARTERED ACCOUNTANTS

Place: Karachi

Dated: 15-Sep-2026

UDIN: CR202610179sjalKZwCV

Engagement partner : Fasih uz Zaman



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INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Paper Products Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Paper Products Limited ('the Company'), which comprise the statement of financial position as at 30 June 2026, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 30 June 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows 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 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.



Following is the key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
1.	Revenue from Contracts with Customers	Our audit procedures to address the Key Audit Matter included the following:
	The Company is engaged in production and sale of exercise books, pro-labels and sensitized papers. Revenue recognition policy has been explained in note 3.16 to the financial statements, and the related amounts of revenue recognized during the year are disclosed in note 22 to the financial statements. Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer in accordance with IFRS 15 'Revenue from Contracts with Customers'. We identified revenue recognition as a key audit matter due to the significance of revenue to the financial statements and the risk that revenue transactions may be recognized in an incorrect reporting period, particularly around the year end, before control of the goods has transferred to the customer in accordance with the Company's accounting policy and IFRS 15.	• Considered the appropriateness of the revenue recognition policy and compared it with the applicable accounting standards; • Obtained an understanding of revenue and assessed the design, implementation and operating effectiveness of controls around recognition of revenue; • Checked, on a sample basis, relevant underlying supporting documents to assess whether revenue recognition criteria under IFRS 15 were met; • Tested the timeliness of revenue recognition by comparing selected sales transactions recorded immediately before and after the reporting date to relevant supporting documents; • Reviewed significant credit notes and sales returns recorded subsequent to the reporting date for indications of inappropriate revenue recognition; • Performed substantive analytical procedures over revenue, including comparison with prior year and investigation of significant or unusual fluctuations; • Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

**Information Other than the Financial Statements and Auditors' 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 auditors' 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.

The Board of Directors is 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, the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Fasih uz Zaman.

A handwritten signature in black ink, appearing to read 'Fasih uz Zaman', is written over the printed name.

CHARTERED ACCOUNTANTS**Place: Karachi****Dated: 15-Sep-2026****UDIN: AR202610179xJPBIB4SM**

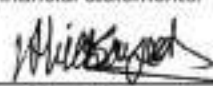
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

ASSETS	Notes	2026 ----- (Rupees) -----	2025 -----
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,363,401,672	1,371,735,655
Intangible assets	5	--	--
Long term deposits		2,078,722	1,989,572
		1,365,480,394	1,373,725,227
CURRENT ASSETS			
Stores and spares		8,092,040	9,046,509
Stock-in-trade	6	395,231,033	387,930,940
Trade debts	7	403,316,661	304,203,342
Advances and other receivables	8	203,547,949	156,126,150
Deposits, advances and short term prepayments	9	7,789,637	7,858,588
Cash and bank balances	10	5,043,224	5,613,309
		1,023,020,544	870,778,836
		2,388,500,938	2,244,504,063
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2025: 15,000,000) Ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up share capital	11	80,000,000	80,000,000
Revenue reserves		845,926,783	717,894,048
Capital reserve			
Surplus on revaluation of property, plant and equipment	12	948,538,592	952,855,207
		1,874,465,375	1,750,749,255
NON-CURRENT LIABILITIES			
Deferred tax liability - Net	13	45,633,028	57,469,488
Deferred liability for staff gratuity	14	28,180,234	23,593,266
Long term loans - Secured	15	45,324,466	72,145,535
Liabilities against assets subject to musharakah financing	16	--	--
Deferred grant	17	1,306,825	2,163,455
		120,444,553	155,371,742
CURRENT LIABILITIES			
Current portion of long-term financing	18	28,703,854	39,915,779
Short term borrowings - Secured	19	158,028,573	85,742,481
Creditors, accrued and other liabilities	20	192,786,551	200,078,000
Unclaimed dividend		14,072,032	12,646,806
		393,591,010	338,383,066
CONTINGENCIES AND COMMITMENTS	21	--	--
		2,388,500,938	2,244,504,063

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


Abbas Sayeed
Chairman


Abid Sayeed
Chief Executive


Muhammad Yusuf
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

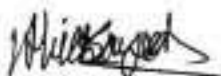
FOR THE YEAR ENDED 30 JUNE 2026

	Notes	2026 ----- (Rupees) -----	2025 -----
Sales - Net	22	1,913,733,186	1,733,597,216
Cost of sales	23	(1,538,830,543)	(1,434,637,714)
Gross profit		374,902,643	298,959,502
Administrative expenses	24	(77,536,335)	(59,175,730)
Selling and distribution expenses	25	(26,126,840)	(25,455,727)
Other operating expenses	26	(17,123,165)	(16,522,878)
		(120,786,340)	(101,154,335)
Operating profit		254,116,303	197,805,167
Other income	27	1,026,155	1,638,444
Finance cost	28	(29,864,805)	(37,981,082)
Profit before income tax		225,277,653	161,462,529
Income tax expense	29	(59,415,591)	(39,040,987)
Profit for the year		165,862,062	122,421,542
Earnings per share - Basic and diluted	30	20.73	15.30

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



Abbas Sayeed
Chairman



Abid Sayeed
Chief Executive



Muhammad Yusuf
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

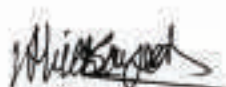
AS AT 30 JUNE 2026

	Notes	2026 ----- (Rupees) -----	2025 -----
Profit for the year		165,862,062	122,421,542
Other comprehensive income / (loss):			
<i>Items that will not be reclassified to statement of profit or loss:</i>			
Remeasurement of defined benefit liability	14	(3,022,453)	(1,428,522)
Related deferred tax		876,511	414,271
		(2,145,942)	(1,014,251)
Total comprehensive income for the year		163,716,120	121,407,291

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



Abbas Sayeed
Chairman



Abid Sayeed
Chief Executive



Muhammad Yusuf
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2026

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 2024	80,000,000	143,900,000	478,042,028	621,942,028	959,399,936	1,661,341,964
Profit for the year ended 30 June 2025	—	—	122,421,542	122,421,542	—	122,421,542
Other comprehensive income	—	—	(1,014,251)	(1,014,251)	—	(1,014,251)
Total comprehensive income for the year	—	—	121,407,291	121,407,291	—	121,407,291
Surplus on revaluation realized on disposal of fixed assets - Net of tax	—	—	1,328,415	1,328,415	(1,328,415)	—
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	—	—	5,216,314	5,216,314	(5,216,314)	—
Transactions with owners:						
Final cash dividend @ 40% related to the year ended 30 June 2024	—	—	(32,000,000)	(32,000,000)	—	(32,000,000)
Balance as at 30 June 2025	80,000,000	143,900,000	573,994,048	717,894,048	952,855,207	1,759,749,255
Profit for the year ended 30 June 2026	—	—	165,862,062	165,862,062	—	165,862,062
Other comprehensive loss	—	—	(2,145,942)	(2,145,942)	—	(2,145,942)
Total comprehensive income for the year	—	—	163,716,120	163,716,120	—	163,716,120
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	—	—	4,316,615	4,316,615	(4,316,615)	—
Transactions with owners:						
Final cash dividend @ 50% related to the year ended 30 June 2025	—	—	(40,000,000)	(40,000,000)	—	(40,000,000)
Balance as at 30 June 2026	80,000,000	143,900,000	702,026,783	845,926,783	948,538,592	1,674,465,375

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



Abbas Sayeed
Chairman



Abid Sayeed
Chief Executive



Muhammad Yusuf
Chief Financial Officer

STATEMENT OF CASH FLOWS

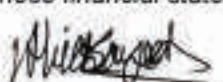
AS AT 30 JUNE 2026

	Notes	2026 ----- (Rupees) -----	2025 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	184,635,043	348,221,988
Payments for:			
Income taxes		(92,484,132)	(114,306,468)
Sindh Workers' Welfare Fund		(3,559,708)	(5,182,779)
Sindh Workers' Profit Participation Fund	20.4	(8,899,270)	(12,436,006)
Gratuity	14.1	(2,917,664)	(2,146,779)
Finance cost		(29,392,037)	(42,158,658)
Net cash generated from operating activities		47,382,232	171,991,298
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property plant and equipment	4	(42,684,861)	(111,942,690)
Sale proceeds against disposal of fixed assets		—	3,706,157
Net cash used in investing activities		(42,684,861)	(108,236,533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term deposits		(89,150)	(314,314)
Long-term finances obtained		—	51,758,100
Repayment of long-term finances		(38,889,624)	(33,014,657)
Dividend paid		(38,574,774)	(31,638,832)
Net cash used in financing activities		(77,553,548)	(13,209,703)
Net (decrease) / increase in cash and cash equivalents		(72,856,177)	50,545,062
Cash and cash equivalents at the beginning of the year		(80,129,172)	(130,674,234)
Cash and cash equivalents at the end of the year		(152,985,349)	(80,129,172)

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



Abbas Sayeed
Chairman



Abid Sayeed
Chief Executive



Muhammad Yusuf
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a private limited company in July 1962 under the Companies Act, 1913 (now the Companies Act, 2017). 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 has a sales office in Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except the obligation in respect of gratuity fund which is measured at present value and items of property, plant and equipment which are carried at revalued amounts.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest rupee.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

2.4.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

2.4.2 Trade debts and amount due from related parties

The Company recognises loss allowance for expected credit losses on trade debts using the simplified approach under IFRS 9, whereby lifetime expected credit losses are recognised. The assessment incorporates historical credit-loss experience, current conditions and reasonable and supportable forward-looking information.

2.4.3 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

2.4.4 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

2.4.5 Stores and spares

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

2.4.6 Staff retirement benefits

Certain actuarial assumptions have been used as disclosed in these financial statements (note 14) for the actuarial valuation of unfunded gratuity scheme. Changes in these assumptions in future years may effect the liability under this scheme in those years.

2.5 Changes in accounting standards, interpretations and amendments to accounting and reporting standards

2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than certain additional disclosures.

Effective Date
(Period
beginning on or
after)

Amendments to IAS 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability 1 January 2025

2.5.2 Standards, interpretation and amendments to approved accounting standards 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, interpretations and the amendments 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.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments 1 January 2026

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity 1 January 2026

Adoption of IFRS 18 'Presentation and Disclosures in Financial Statements' 1 January 2027

Adoption of IFRS 17 'Insurance Contracts' 1 January 2027

Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures' 1 January 2027

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' 1 July 2029

IFRS S2 'Climate-related Disclosures' 1 July 2029

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 20 'Regulatory Assets and Regulatory Liabilities'

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies, set out below, have been consistently applied to all the periods presented in these financial statements.

3.1 Property, plant and equipment

Item of property, plant and equipment is recognised as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at reporting date.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or recognised 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. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Capital work in progress is stated at cost, less any recognised impairment loss. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold land and capital work in progress, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in note 4. The depreciation for assets acquired or disposed of during the year is charged from the month of acquisition or up to the month of disposal of such assets respectively.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

3.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Generally costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any, thereon. Intangible asset with a definite useful life is amortized on a straight line basis over its useful life. Amortization on all additions in intangibles is charged from the month in which the asset is available for use and on disposals upto the month of disposal. Amortisation charge is recognised in the statement of profit or loss. The rate of amortization is disclosed in note 5.

3.3 Stores and spares

These are valued at lower of cost and estimated net realizable value. Cost comprises cost of purchase and other costs incurred in bringing the stores and spares to their present location and condition. Cost signifies the weighted average cost. Average is calculated as each additional shipment is received.

3.4 Stock in trade

Stock in trade is valued at the lower of cost and estimated net realizable value. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to the present location and condition. Cost is calculated using the weighted average method. Average is calculated as each additional shipment is received. Net realizable value signifies the estimated selling price in the ordinary course of business less cost of completion and cost necessary to be incurred in order to make the sale.

3.5 Financial instruments

3.5.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.

Financial assets measured at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

3.5.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.5.2.1 Trade debts, advances and other receivables

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, as appropriate, based on the Company's business model for managing the financial assets and their contractual cash flow characteristics.

3.5.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

3.5.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

3.5.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

3.5.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost using the effective interest method.

3.5.4 Derivative financial instruments - Other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.5.5 Derivative financial instruments - Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

3.5.6 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 currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.6 Trade debts

Trade debts are initially recognised at their transaction price and subsequently measured at amortised cost, less loss allowance for expected credit losses. The Company applies the simplified approach under IFRS 9 and recognises lifetime expected credit losses on trade debts. Expected credit losses are based on historical credit-loss experience, adjusted for current conditions and reasonable and supportable forward-looking information.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and cheques in hand, balances with banks, term deposits with original maturity period of three months or less, short term running finances and temporary book overdrawn balances. Cash and cash equivalents are carried at cost.

3.8 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

3.9 Staff retirement benefits

The Company's retirement benefit plans comprises of provident fund and gratuity scheme for eligible employees.

Defined contribution plan

The Company operates an approved Provident Fund (defined contribution) scheme applicable to all employees. Monthly contributions are made by the Company and the employees equally in accordance with the fund's rules. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

Defined benefit plan

The Company operates a defined benefit plan comprising an unfunded gratuity scheme covering all permanent employees, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service. The actuarial valuations are carried out using Projected Unit Credit Method. Remeasurement charge which comprises of actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income.

3.10 Taxation and levy**Current**

Provision for current taxation is based on taxable income at the current rates of taxation or based on turnover or accounting profit at the specified rates, whichever is higher, after taking into account tax credits and rebates available.

Deferred

Deferred tax is recognised using the liability method based on temporary differences between carrying amounts and tax bases in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Levy

Minimum taxes that exceed the normal tax liability, as well as tax deducted at source under the provisions of the Income Tax Ordinance, 2001 (the 'Ordinance'), are not within the scope of IAS 12 - Income Taxes. Instead, these taxes fall under the provisions of IFRIC 21 - Levies, and IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. Consequently, a liability for these levies is recognised in accordance with IFRIC 21 when the event specified in the Ordinance that triggers the obligation occurs. Therefore, excess minimum taxes and final taxes are recognised as liabilities when they become due, ensuring compliance with the recognition and measurement principles outlined in IAS 37.

3.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as interest expense.

3.12 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, if any. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, if any.

3.13 Impairment

3.13.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised 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. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

3.13.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs of disposal, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.14 Government grants and assistance

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Schemes, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in statement of financial position as deferred government grant.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

The recognition of government grant in profit or loss will be made on a systematic basis over the term of related loan.

3.15 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the period in which the dividends are paid or approved by the Company's shareholders.

3.16 Revenue recognition

Sale of goods

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company is recognised when the goods are provided, and thereby the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the control has been transferred to the customers. The Company assesses its revenue arrangements against specific criteria that must be met before revenue is recognised.

Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Service income

Service income is recognised when related services are rendered.

3.17 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the 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, if any.

3.18 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers its Chief Executive as the CODM, who is responsible for allocating resources and assessing the performance of the operating segments. The Company has identified three reportable segments, namely Exercise Books, Pro-labels and Sensitized Paper & Others. Segment information relating to these reportable segments is disclosed in note 36 to these financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

		2026	2025
		(Rupees)	(Rupees)
Operating fixed assets	4.1	1,361,901,672	1,371,735,655
Advance against capital expenditures		1,500,000	—
		<u>1,363,401,672</u>	<u>1,371,735,655</u>

4.1 Operating fixed assets

2026								
PARTICULARS	Cost / revaluation			Accumulated depreciation			Written down value as at 30 June 2026	Rate %
	As at 1 July 2025	Additions during the year	As at 30 June 2026	As at 1 July 2025	Charge for the year	As at 30 June 2026		
	(Rupees)							
Tangible assets								
Leasehold land	919,600,000	—	919,600,000	—	—	—	919,600,000	—
Buildings on leasehold land								
- Factory	52,553,641	802,820	53,356,461	28,298,330	2,492,448	30,790,778	22,565,683	10
- Office	12,062,881	—	12,062,881	3,160,377	445,128	3,605,505	8,457,376	5
Plant and machinery	644,601,259	29,956,215	674,557,474	292,884,585	35,594,148	328,478,733	346,078,740	10
Furniture and fixture	3,818,410	50,400	3,868,810	1,605,845	222,132	1,827,977	2,040,833	10
Factory and other equipment	17,252,573	1,758,141	19,010,714	6,971,191	1,162,237	8,133,428	10,877,286	10
Electric equipment and fitting	7,106,935	112,000	7,218,935	4,793,752	352,882	5,146,634	2,072,301	15
Computers	3,017,925	261,860	3,279,785	2,290,428	285,428	2,575,856	703,929	30
Vehicles	60,959,894	8,243,425	69,203,319	24,130,720	8,229,825	32,360,545	36,842,774	20
Musharakah Assets								
Solar power system	23,316,359	—	23,316,359	8,418,993	2,234,616	10,653,609	12,662,750	15
	1,744,289,877	41,184,861	1,785,474,738	372,554,222	51,018,844	423,573,066	1,361,901,672	

2025										
PARTICULARS	Cost / revaluation			Accumulated depreciation					Written down value as at 30 June 2025	Rate %
	As at 1 July 2024	Additions during the year	(Disposal)	As at 30 June 2025	As at 1 July 2024	(On disposal)	Charge for the year	As at 30 June 2025		
	(Rupees)									
Tangible assets										
Leasehold land	919,600,000	—	—	919,600,000	—	—	—	—	919,600,000	—
Buildings on leasehold land										
- Factory	52,553,641	—	—	52,553,641	25,603,286	—	2,695,844	28,298,590	24,255,311	10
- Office	12,062,881	—	—	12,062,881	2,691,801	—	468,576	3,160,377	8,502,504	5
Plant and machinery	556,229,241	89,734,555	(1,480,537)	644,601,259	258,471,980	(735,307)	55,147,912	292,884,585	351,716,673	10
Furniture and fixtures	3,833,144	—	(14,734)	3,818,410	1,364,948	(5,226)	246,123	1,605,845	2,212,565	10
Factory and other equipment	15,941,740	1,316,545	(5,712)	17,252,573	5,898,567	(68)	1,102,684	6,971,191	10,281,382	10
Electric equipment and fitting	4,102,510	1,077,160	(72,735)	7,106,935	4,548,977	(56,986)	301,761	4,793,752	2,315,183	15
Computers	2,898,180	174,500	(54,755)	3,017,925	2,038,345	(35,932)	288,015	2,290,428	727,497	30
Vehicles	52,886,733	12,903,425	(4,830,254)	60,959,894	18,444,605	(2,260,833)	7,946,948	26,130,720	36,829,174	30
Intangible Assets										
Solar power system	14,619,854	6,696,505	—	23,316,359	6,023,377	—	2,395,416	8,418,993	14,897,366	15
	1,638,727,924	111,842,690	(6,380,737)	1,744,289,877	325,056,086	(3,094,343)	59,593,479	372,554,222	1,371,735,655	

		2026	2025
		(Rupees)	
4.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	23	44,212,673	43,713,755
Administrative expenses	24	3,766,535	3,807,888
Selling and distribution expenses	25	3,049,636	3,070,836
		<u>51,018,844</u>	<u>50,592,479</u>

4.3 The revaluation of property, plant and equipment was carried out as of 01 April 2024 by M/s. Paradigm Inspections (Pvt) Ltd (an independent valuer who is located in Karachi) on the basis of their professional assessment of prevailing market values. The revaluation resulted in a surplus amounting to Rs.465.34 million, which was incorporated in these financial statements.

4.4 Had there been no revaluation, the net book value of the items of property, plant and equipment would have been as follows:

Leasehold land	191,203	191,203
Building on leasehold land		
- Factory	15,796,138	16,733,594
- Office	7,079,401	7,452,004
Plant and machinery	324,574,284	327,822,833
Furniture and fixture	1,886,835	2,041,456
Factory and other equipment	10,877,286	10,281,382
Electric equipment and fittings	2,072,301	2,313,183
Computers	450,019	364,769
Vehicles	25,905,642	23,157,759
Solar power system	12,631,886	14,861,065
	<u>401,464,995</u>	<u>405,219,238</u>

4.5 Leasehold land of the Company and building thereon is situated at Estate Avenue, SITE, Karachi. This comprises of two plots of land bearing plot no. D-58 with an accumulated area of 2.42 acres.

4.6 The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs. 1,039.43 million.

5 INTANGIBLE ASSETS

Cost:

Cost as at 1 July	565,000	565,000
Additions during the year	—	—
Cost as at 30 June	<u>565,000</u>	<u>565,000</u>

Amortization:

Accumulated amortization as at 1 July	565,000	470,835
Charge for the year - administrative expenses	24	94,165
Accumulated amortization as at 30 June	<u>565,000</u>	<u>565,000</u>

Net book value as at 30 June	<u>—</u>	<u>—</u>
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Useful life (in years)	<u>4</u>	<u>4</u>
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6 STOCK-IN-TRADE

Raw materials		352,306,403	330,009,395
Work-in-process		30,316,078	34,431,433
Finished goods		12,608,552	23,490,112
		<u>395,231,033</u>	<u>387,930,940</u>

7 TRADE DEBTS - Unsecured

Gross trade debts		413,752,612	314,371,728
Less: Loss allowance for expected credit losses	7.2	(10,435,951)	(10,168,386)
Net trade debts		<u>403,316,661</u>	<u>304,203,342</u>

7.1 The ageing of trade debts as at 30 June is as follows:

Neither past due nor impaired		211,345,043	170,881,445
Past due 0-30 days		113,455,957	86,596,711
Past due 31-60 days		78,943,558	43,350,651
Past due 61-90 days		5,157,847	4,892,770
Past due 91-120 days		3,803,799	1,755,600
Past due more than 120 days		1,046,408	5,094,551
		<u>413,752,612</u>	<u>314,371,728</u>

7.2 Loss allowance for expected credit losses

Opening balance		10,168,386	6,104,486
Loss allowance for expected credit losses		267,565	4,063,900
		<u>10,435,951</u>	<u>10,168,386</u>
		<u>2026</u>	<u>2025</u>
		(Rupees)	

8 ADVANCES AND OTHER RECEIVABLES

<i>Considered good</i>			
Advance to suppliers		1,067,861	1,143,412
Advance to staff	8.1	617,000	460,794
Advance income tax - Net	8.2	22,202,918	50,447,513
Income tax refundable		151,185,680	100,832,491
Advance sales tax - Net		28,474,490	3,241,940
		<u>203,547,949</u>	<u>156,126,150</u>

8.1 Advances to staff represent advance for business related expenses and is interest free.

8.2 Advance income tax includes Rs. 3.5 million paid under section 147 of the Income Tax Ordinance, 2001, in respect of Tax Year 2027.

9 DEPOSITS, ADVANCES AND SHORT TERM PREPAYMENTS

Margin deposits		3,076,480	—
Trade deposits		224,418	526,498
Advance against letter of credit		4,206,179	6,847,120
Short term prepayments		282,560	484,968
		<u>7,789,637</u>	<u>7,858,586</u>

10 CASH AND BANK BALANCES

Cash in hand	90,000	918,350
Factory imprest	125,000	155,000
Cash at banks - Current accounts	4,828,224	4,539,959
	5,043,224	5,613,309

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

578,000 (2025: 578,000) Ordinary shares of Rs.10/- each fully paid in cash	5,780,000	5,780,000
172,000 (2025: 172,000) Ordinary shares of Rs. 10/- each issued for consideration (property) other than cash	1,720,000	1,720,000
7,250,000 (2025: 7,250,000) Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	72,500,000	72,500,000
	80,000,000	80,000,000

11.1 As at year-end 907,026 (2025: 907,026) ordinary shares of the Company are held by an associated undertaking M/s. Management & Enterprises (Private) Limited.

11.2 There are no agreements among shareholders in respect of voting rights, board selection, right of first refusal and block voting.

11.3 Ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

2026 2025
 ----- (Rupees) -----

12 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT
Gross surplus

Opening balance	966,516,417	975,553,112
Release on disposal of revalued assets	--	(1,871,007)
Transfer to un-appropriated profit in respect of incremental depreciation charged during the current year	(6,079,740)	(7,165,688)
	960,436,677	966,516,417

Deferred tax liability

Opening balance	(13,661,210)	(16,153,176)
Tax effect on disposal of revalued assets	--	542,582
On incremental depreciation for the year	1,763,125	1,949,374
	(11,898,085)	(13,661,210)
	948,538,592	952,855,207

12.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

13 DEFERRED TAX LIABILITY - Net

Deferred tax liability arising due to:

- accelerated tax depreciation
- surplus on revaluation of fixed assets

49,821,761	53,231,111
11,898,085	13,661,210
61,719,846	66,892,321

Deferred tax asset arising due to:

- provision against gratuity
- provision against expected credit losses
- creditors, accrued and other liabilities

(8,172,268)	(6,842,047)
(3,026,426)	-
(4,888,124)	(2,580,788)
(16,086,818)	(9,422,835)

13.1

45,633,028	57,469,486
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13.1 Movement of deferred tax liabilities

Balance as at beginning of the year	57,469,486	55,141,541
Deferred tax income / (expense) recognised in statement of profit or loss	(10,959,947)	2,742,216
Deferred tax income recognised in other comprehensive income	(876,511)	(414,271)
Balance as at end of the year	45,633,028	57,469,486

14 DEFERRED LIABILITY FOR STAFF GRATUITY

Present value of defined benefit obligations	14.1	28,180,234	23,593,266
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The actuarial valuation of gratuity plan was carried out as at 30 June 2026 by M/s. SIR Consultants. Following are the relevant disclosures:

		2026	2025
		(Rupees)	
14.1 Movement in net liability			
Opening net liability		23,593,266	19,928,330
Expense for the year	14.2	4,482,179	4,383,193
Other comprehensive income (OCI)	14.3	3,022,453	1,428,522
Benefits paid		(2,917,664)	(2,146,779)
Closing net liability		28,180,234	23,593,266

14.2 Expense for the year recognised in profit and loss account

Current service cost		1,881,383	1,602,089
Net interest		2,600,796	2,781,104
	14.4	4,482,179	4,383,193

14.3 Other comprehensive income (OCI)

Actuarial remeasurements: actuarial (gain) / loss on obligations		3,022,453	1,428,522
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14.4 Expense for the year has been allocated as follows:

Cost of sales	23	3,101,129	3,032,643
Administrative expenses	24	949,475	928,506
Selling and distribution expenses	25	431,575	422,044
		4,482,179	4,383,193

14.5 Principal actuarial assumptions used are as follows:

	2026	2025
Valuation discount rate per annum	11.75%	11.75%
Discount rate for profit and loss	11.75%	14.75%
Expected rate of eligible salary increase in future years per annum	13.00%	12.00%
Salaries increase rate per annum	13.00%	11.75%
Normal retirement age	60 Years	60 Years
Duration	6.03 Years	5.44 Years
Withdrawal rate	Moderate	Moderate
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Effective salary increase date	01 July 2026	01 July 2025

14.6 Sensitivity analysis

Particulars	(2026)		(2025)	
	PVDBO (Rupees)	Percentage change	PVDBO (Rupees)	Percentage change
Current liability	28,180,234		23,593,266	
+1% Discount rate	26,575,892	(5.69%)	22,378,578	(5.15%)
-1% Discount rate	29,972,783	6.36%	24,945,660	5.73%
+1 % Salary increase rate	30,067,561	6.70%	25,043,811	6.15%
-1% Salary increase rate	26,461,415	(6.10%)	22,268,321	(5.62%)
+10% Withdrawal rates	28,074,850	(0.37%)	23,571,901	(0.09%)
-10% Withdrawal rates	28,291,553	0.40%	23,614,972	0.09%
1 Year Mortality age set back	28,188,004	0.03%	23,594,237	0.00%
1 Year Mortality age set forward	28,172,498	(0.03%)	23,592,297	(0.00%)

Undiscounted payments

2026	2025
(Rupees)	

14.7 Maturity profile
Particulars

Year 1	3,964,423	4,760,000
Year 2	3,090,953	2,819,421
Year 3	2,096,459	2,595,542
Year 4	2,966,784	1,698,028
Year 5	3,833,529	2,423,158
Year 6 to Year 10	21,120,509	17,403,612
Year 11 and above	38,841,968	27,035,578

2026	2025
(Rupees)	

14.8 Ratios
Termination liability vs the actuarial liability

Termination liability	23,111,439	21,366,501
Actuarial liability	28,180,234	23,593,266
Ratio of discontinuance to actuarial	82.01%	90.56%

Service cost vs the actuarial liability

Service cost	2,243,524	1,815,481
Actuarial liability	28,180,234	23,593,266
Ratio of service cost to actuarial	7.96%	7.69%

Past service years	13.02	13.39
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14.9 Risks associated with defined benefit plans

Longevity risk:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

14.10 Expected gratuity expense for the year ending June 30, 2027 is Rs. 5,311,009/-.

15 LONG TERM LOANS - Secured

Temporary economic refinance facility	15.1	21,746,545	28,076,390
Long term loan	15.2	23,577,921	44,069,145
		<u>45,324,466</u>	<u>72,145,535</u>
		2026	2025
		----- (Rupees) -----	
15.1 Temporary economic refinance facility			
At amortised cost			
Opening balance		38,622,000	45,978,000
Repayments during the year		<u>(7,356,000)</u>	<u>(7,356,000)</u>
		31,266,000	38,622,000
Deferred grant	17.1	(2,163,455)	(3,189,610)
Current portion shown under current liabilities	18	<u>(7,356,000)</u>	<u>(7,356,000)</u>
		<u>21,746,545</u>	<u>28,076,390</u>

The Company on July 21, 2020 obtained loan under the State Bank of Pakistan's (SBP) 'Temporary Economic Refinance Facility' for purchase of imported plant and machinery. The facility carries mark-up at SBP refinance rate plus 4% per annum. The loan is to be repaid in ten years including grace period of two years in thirty two equal quarterly installments from the date of disbursement. In addition to the securities mentioned in note 15.2, the facility is secured by way of specific hypothecation charge over imported machinery.

The loan is recognised and measured in accordance with IFRS 9 - Financial Instruments. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for and presented as deferred grant in accordance with IAS 20 - Government Grants (note 17).

15.2 Long term loan

Opening balance		72,722,769	44,883,200
Acquired during the year		<u>—</u>	<u>51,758,100</u>
		72,722,769	96,651,300
Repayments during the year		<u>(28,653,624)</u>	<u>(23,928,531)</u>
		44,069,145	72,722,769
Current portion shown under current liabilities	18	<u>(20,491,224)</u>	<u>(28,653,624)</u>
		<u>23,577,921</u>	<u>44,069,145</u>

The term finance facilities have been obtained from Bank Al-Habib Limited (BAH) for acquiring machineries. The facilities carry mark-up at the rate of 6 months KIBOR plus 1.5% - 1.75% per annum (2025: 6 months KIBOR plus 1.75% per annum) payable monthly instalments. The facilities availed are re-payable in equal monthly instalments starting from the date of respective disbursements. Tenure of these facilities ranges from 3 to 5 years. Markup is payable on a calendar quarter basis. These facilities are secured by way of first specific hypothecation charge over imported machineries. Equitable mortgage over industrial property bearing no D/58, S.I.T.E., measuring 2.42 acres, Karachi and import documents consigned to BAH.

16 LIABILITIES AGAINST ASSETS SUBJECT TO MUSHARAKAH FINANCING

Opening balance		2,880,000	5,758,685
Repayments during the year		(2,880,000)	(2,878,685)
		--	2,880,000
Current portion shown under current liabilities	18	--	(2,880,000)
		--	--

16.1 It represents obligation in respect of assets acquired under musharakah arrangements from Meezan Bank Limited (MBL) for a period of five years at an applicable rate of IFRE base rate plus 2% which have been used as a discounting factor. Rentals are payable in monthly instalments. Repairs and insurance costs are to be borne by the Company. Overdue payments are subject to additional charge upto 20 percent per annum. The facility is secured by way of first exclusive ownership of the asset in the name of MBL, personal guarantee of all directors and pari Passu Charge amounting to Rs.18.66 million over Industrial Land bearing No. D/58, measuring 2.42 Acres, SITE.

		2026	2025
		(Rupees)	
17 DEFERRED GRANT			
Temporary economic refinance facility		1,306,825	2,163,455

17.1 Deferred grant under temporary economic refinance facility

This represents benefit of the below-market rate of interest calculated as the difference between the initial carrying value of the loan and the proceeds received (note 15.1).

Opening balance		3,189,610	4,338,169
Amortised during the year		(1,026,155)	(1,148,559)
	15.1	2,163,455	3,189,610
Current portion of deferred government grant shown under current liabilities	18	(856,630)	(1,026,155)
		1,306,825	2,163,455

18 CURRENT PORTION OF LONG-TERM FINANCING

Temporary economic refinance facility	15.1	7,356,000	7,356,000
Long term loan	15.2	20,491,224	28,653,624
Liabilities against assets subject to musharakah financing	16	--	2,880,000
Deferred grant under temporary economic refinance facility	17.1	856,630	1,026,155
		28,703,854	39,915,779

19 SHORT TERM BORROWINGS - Secured

Bank Al-Habib Limited - Running finance	19.1	129,249,417	49,169,667
Bank Al-Habib Limited - Short Term Finance (STF)	19.2	28,779,156	36,572,794
		158,028,573	85,742,461

19.1 The Company obtained running finance facility from Bank Al-Habib Limited up to Rs.250 million (2025: Rs.250 million). The running finance facility carries mark-up of 3 months KIBOR plus 1.75% (2025: 3 months KIBOR plus 1.75%) per annum.

19.2 The Company obtained short term finance facility from Bank Al-Habib Limited up to Rs. 50 million (2025: Rs.50 million). The short term finance facility carries mark-up of 3 months KIBOR plus 1.75% (2025: 3 months KIBOR plus 1.75%) per annum.

19.3 The Company has other finance facilities from Bank Al-Habib Limited comprising Letter of Credit (Sight-Foreign) for Rs. 200 million (2025: Rs.200 million), Letter of Credit (Usance-Foreign), sub limit of LC-Sight, for Rs. 200 million (2025: Rs.200 million), Acceptance ULC - Sub limit of LC Usance for Rs. 200 million (2025: Rs.200 million) and Letter of Guarantee for Rs. 20 million (2025: Rs.20 million). These facilities carry mark-up as per bank's schedule of charges.

The above facilities are secured against registered hypothecation charge over receivables and movables stocks, equitable mortgage over industrial property bearing No. D-58, SITE, Karachi, import documents and a promissory note has been issued in favour of Bank Al-Habib against short term running finance.

		2026	2025
		(Rupees)	
20 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Trade creditors	20.1	136,321,910	157,863,017
Advance from customers		8,083,217	5,593,213
Accrued expenses and other payables	20.2	21,777,945	16,281,700
Payable to provident fund	20.3	962,400	923,000
Accrued mark-up		5,129,085	5,280,569
Sindh Workers' Profit Participation Fund	20.4	12,106,663	8,899,270
Sindh Workers' Welfare Fund	20.5	4,748,937	3,559,708
Sales tax payable		3,656,394	1,677,523
		192,786,551	200,078,000

20.1 Trade creditors include payable to an associated concern M/s. Sayeed International amounting to Rs. 0.27 million (2025: Rs.0.45 million).

20.2 Accrued expenses include bonus payable amounting to Rs. 3.96 million (2025: Rs.1.94 million).

20.3 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

20.4 Sindh Workers' Profit Participation Fund

Balance at the beginning of the year	8,899,270	12,436,006
Amount allocated for the year	12,106,663	8,899,270
Amount adjusted / paid to the Fund Trustees	(8,899,270)	(12,436,006)
	12,106,663	8,899,270

20.5 Sindh Workers' Welfare Fund

Balance at the beginning of the year	3,559,708	5,182,779
Amount allocated for the year	4,748,937	3,559,708
Amount deposited with government	(3,559,708)	(5,182,779)
	4,748,937	3,559,708

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

There were no contingencies as at the reporting date other than those disclosed in these financial statements.

21.2 Commitments

Commitments under letter of credits

36,431,415 132,444,377

2026 2025
(Rupees)

22 SALES - Net

Gross sales 2,147,678,305 1,926,838,899
Less: Sales tax (233,945,119) (193,241,683)

22.1 1,913,733,186 1,733,597,216

22.1 Segment wise breakup of net sales

Pro-labels	1,287,822,156	1,054,003,059
Exercise books	609,830,699	660,032,308
Ammonia paper	7,315,780	5,686,363
Plain paper	8,615,611	13,371,131
Sensitized machine parts	48,940	12,500
Waste paper	—	491,855
	1,913,733,186	1,733,597,216

23 COST OF SALES

Raw material consumed	23.1	1,225,950,566	1,152,307,869
Salaries, wages and other benefits	23.2	143,234,979	138,928,086
Stores and spares consumed	23.3	53,217,811	43,516,462
Depreciation	4.2	44,212,673	43,713,755
Fuel and power		24,873,894	28,914,147
Other manufacturing expenses		13,828,203	13,040,862
Repairs and maintenance		15,732,431	10,069,609
Insurance expenses		2,232,167	2,277,944
Rent, rates and taxes		236,769	290,558
Telephone charges		314,135	236,408
Manufacturing cost		1,523,833,628	1,433,294,500

Work in process - Opening		34,431,433	35,827,605
Work in process - Closing	6	(30,316,078)	(34,431,433)
		4,115,355	1,396,172

Cost of goods manufactured		1,527,948,983	1,434,690,672
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Finished goods - Opening		23,490,112	23,437,154
Finished goods - Closing	6	(12,608,552)	(23,490,112)
		10,881,560	(52,958)

1,538,830,543 1,434,637,714

23.1 Raw material consumed

Opening stock of raw material		330,009,395	296,716,260
Purchases during the year		1,248,247,574	1,185,598,804
		<u>1,578,256,969</u>	<u>1,482,317,064</u>
Closing stock of raw material	6	(352,306,403)	(330,009,395)
Raw materials consumed		<u>1,225,950,566</u>	<u>1,152,307,669</u>

23.2 Staff salaries and benefits include Rs. 3.1 million (2025: Rs.3.03 million) in respect of staff retirement gratuity and Rs. 2.73 million (2025: Rs.2.07 million) in respect of provident fund contribution.

		2026	2025
		(Rupees)	
23.3 Stores and spares consumed			
Opening balance		9,046,509	10,037,039
Purchases during the year		52,263,342	42,524,932
		<u>61,309,851</u>	<u>52,561,971</u>
Closing balance		(8,092,040)	(9,046,509)
		<u>53,217,811</u>	<u>43,515,462</u>

24 ADMINISTRATIVE EXPENSES

Staff salaries and benefits	24.1	50,628,901	36,851,817
Repairs and maintenance		1,298,506	1,416,529
Fuel expense		2,538,276	2,368,832
Depreciation	2,368,832	3,756,535	3,807,888
Legal and professional fees	4.2	4,669,678	2,349,493
Electric charges		2,389,808	2,363,601
Traveling and conveyance		3,830,363	3,080,636
Charity and donation	24.2	2,385,000	1,200,000
General expenses		843,926	1,241,897
Auditor's remuneration	24.3	1,438,000	1,250,000
Directors' fees		1,360,000	860,000
Insurance expense		849,961	913,439
Software and website maintenance		401,518	268,458
Postage and telegrams		533,871	539,778
Stationery and periodicals		266,387	222,381
Amortization	5	--	94,165
Telephone charges		219,105	208,816
Rent, rates and taxes		126,500	138,000
		<u>77,536,335</u>	<u>59,175,730</u>

24.1 Staff salaries and benefits include Rs. 0.95 million (2025: Rs.0.93 million) in respect of staff retirement gratuity and Rs. 1.81 million (2025: Rs.1.16 million) in respect of provident fund contribution.

24.2 Charity and donation

Anjuman Behbood-e-Samat-e-Aitfal (ABSA School and College for Deaf)	24.2.1	500,000	250,000
The Citizens Foundation		350,000	300,000
Rotary Metropolitan Trust		200,000	150,000
The Kidney Centre		735,000	500,000
KDSP		500,000	--
Pakistan Women Foundation		100,000	--
		<u>2,385,000</u>	<u>1,200,000</u>

24.2.1 Donations during the year include donation amounting to Rs. 0.5 million (2025: Rs.0.25 million) to Anjuman Bahbood-e-Samat-e-Afzal (ABSA School and College of Deaf). Mrs. Muleika Sayeed a Director of the Company is the Honorary Treasurer of ABSA School and College of Deaf. Except above, none of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.

	2026	2025
	(Rupees)	
24.3 Auditor's remuneration		
Audit of financial statements	950,000	825,000
Review of half-yearly financial statements	350,000	300,000
Review report on code of corporate governance	75,000	75,000
Provident fund audit fee	31,500	25,000
Sindh Workers' Profit Participation Fund audit fee	31,500	25,000
	1,438,000	1,250,000

25 SELLING AND DISTRIBUTION EXPENSES

Staff salaries and benefits	25.1	9,093,084	8,523,744
Cartage and forwarding		7,013,269	5,695,835
Vehicle running expenses		924,108	274,290
Fuel expenses		2,149,023	2,581,175
Depreciation	4.2	3,049,636	3,070,836
Sales promotion		1,009,100	1,700,032
Utilities		515,439	1,644,589
Insurance expenses		610,106	650,587
Advertisement and publicity		1,679,086	1,240,788
Printing and stationery		10,130	14,670
Other expenses		73,859	59,181
		26,126,840	25,455,727

25.1 Staff salaries and benefits include Rs. 0.43 million (2025: Rs.0.42 million) in respect of staff retirement gratuity and Rs. 0.23 million (2025: Rs.0.25 million) in respect of provident fund contribution.

26 OTHER OPERATING EXPENSES

Sindh Workers' Profit Participation Fund	20.4	12,106,663	8,899,270
Sindh Workers' Welfare Fund	20.5	4,748,937	3,559,708
Provision for expected credit loss		267,565	4,063,900
		17,123,165	16,522,878

27 OTHER INCOME

Gain on disposal of property, plant and equipment		—	419,763
Other income		—	70,122
Amortization of deferred government grant		1,026,155	1,148,559
		1,026,155	1,638,444

	2026	2025
	(Rupees)	
28 FINANCE COST		
Mark-up on long term loans	5,371,560	14,966,428
Mark-up on musharakah financing	72,092	185,241
Mark-up on short term borrowings	21,850,335	20,703,560
Exchange loss / (gain)	401,903	(474,103)
Bank and other charges	2,168,915	2,599,956
	29,864,805	37,981,082
29 INCOME TAX EXPENSE		
<i>Current tax</i>		
For the year	70,281,214	41,149,343
For prior year	94,324	(4,850,572)
	70,375,538	36,298,771
<i>Deferred tax</i>		
Relating to the origination and reversal of temporary differences	(10,959,947)	2,742,216
	59,415,591	39,040,987
29.1 Reconciliation between tax expense and accounting profit		
Profit for the year	225,277,653	161,462,529
Tax on accounting profit @ 29% (2025: @ 29%)	65,330,519	46,824,133
Effect of super tax under section 4C	3,490,469	—
Difference between depreciation rates	(2,378,256)	(2,662,576)
Inadmissible expenses	(4,666,690)	4,382,973
Tax credits	(691,650)	(348,000)
Tax effect of prior year	94,324	(4,850,572)
Reversal of permanent difference	(1,763,125)	(4,304,971)
	59,415,591	39,040,987
Average tax rate	26%	24%

29.2 Assessment for the tax year 2025 stands finalized as per section 120 of the Income Tax Ordinance.

Proceedings under sections 161 and 205 of the Income Tax Ordinance, 2001 for Tax Years 2018 to 2020 are pending before the tax authorities. Based on the information presently available, no provision has been recognised in these financial statements in respect of these proceedings.

For Tax Year 2023, the tax authorities raised a demand of Rs. 12.45 million, which was contested by the Company before the Commissioner Inland Revenue (Appeals). The Commissioner Inland Revenue (Appeals) annulled the assessment and remanded the matter to the assessing officer for reassessment after providing an opportunity of being heard to the Company. The reassessment proceedings are currently pending. Based on management's assessment, the Company expects a favourable outcome and, accordingly, no provision has been recognised in these financial statements.

	2026	2025
	(Rupees)	
30 EARNINGS PER SHARE - Basic and diluted		
Profit after taxation	165,862,062	122,421,542
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	8,000,000	8,000,000
	(Rupees)	
Earnings per share - Basic and diluted	20.73	15.30

30.1 There were no convertible dilutive potential ordinary shares in issue as at year end.

31 CASH GENERATED FROM OPERATIONS
CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation		225,277,653	161,462,529
<i>Adjustments for non-cash and other items:</i>			
Depreciation	4.2	51,018,844	50,592,479
Amortization	5	--	94,165
Provision for gratuity	14.1	4,482,179	4,383,193
Provision for Sindh Workers' Profit Participation Fund	20.4	12,106,663	8,899,270
Provision for Sindh Workers' Welfare Fund		4,748,937	3,559,708
Government grant amortised		(1,026,155)	(1,148,559)
Finance cost		29,864,805	38,455,185
Exchange loss / (gain)		401,903	(474,103)
Gain on disposal of fixed assets	27	--	(419,763)
<i>(Increase) / decrease in current assets</i>			
Stores and spares		954,469	990,530
Stock-in-trade		(7,300,093)	(31,947,921)
Trade debts		(99,113,319)	42,531,474
Advances and other receivables		(25,313,205)	(66,238)
Deposits, advances and short term prepayments		68,949	(7,465,556)
<i>Increase / (decrease) in current liabilities</i>			
Creditors, accrued and other liabilities		(11,536,587)	78,775,595
Cash generated from operations		184,635,043	348,221,988

32 CASH AND CASH EQUIVALENTS

Cash and bank balances	5,043,224	5,613,309
Short term borrowings - Secured	(158,028,573)	(85,742,481)
	(152,985,349)	(80,129,172)

33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees)							
Managerial remuneration and allowances	12,072,471	6,773,708	—	—	10,666,436	3,593,188	22,738,907	10,366,896
Fee for attending the board meetings	—	—	1,360,000	860,000	—	—	1,360,000	860,000
Provident fund	866,664	384,480	—	—	787,406	252,358	1,654,070	636,838
Medical expenses	260,820	430,215	—	—	944,384	348,965	1,205,204	779,180
Home rent	4,680,000	2,076,168	—	—	3,869,045	1,395,872	8,549,045	3,472,040
Reimbursable expenses	2,550,169	1,921,812	—	—	—	—	2,550,169	1,921,812
	20,430,124	11,586,383	1,360,000	860,000	16,267,271	5,590,383	38,057,395	18,036,766
Number of persons	1	1	6	6	6	2	13	9

33.1 The Chief Executive and certain employees of the Company are provided with Company maintained vehicles.

33.2 The Company has borne the telephone and utility charges of the Chief Executive's residence.

33 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	Transactions during the year	2026	2025
			(Rupees)	
M/s. Sayeed International	A director of the Company is the owner of the business.	Purchases	1,693,300	2,092,258
		Purchase of fixed assets	324,500	24,721,000
Pakistan Paper Products Limited Employees' Provident Fund Trust	Employees Fund	Contribution	9,621,990	7,487,176
			2026	2025
			(Numbers)	

34 NUMBER OF EMPLOYEES

Number of employees as at 30 June	110	101
Average number of employees during the year	106	113

35 OPERATING SEGMENTS

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

36.1 The management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

a) Exercise books

This segment relates to the sale of exercise books.

b) Pro-labels

This segment relates to the sale of pro-labels.

c) Sensitized paper and others

This segment relates to sensitized paper and others.

36.2 Segment information

	Exercise Books		Pro-labels		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Segment revenue	608,570,699	660,012,308	1,287,822,156	1,854,003,859	15,980,331	19,561,849	1,913,733,186	1,733,577,216
Cost of sales	(543,222,213)	(575,368,190)	(978,438,253)	(840,165,367)	(18,172,055)	(19,103,557)	(1,538,830,543)	(1,434,637,714)
Gross profit	67,388,464	84,663,518	309,385,903	213,837,692	(2,191,724)	458,292	574,902,643	388,939,502
Segment expenses								
Administrative expenses	(37,413,706)	(33,565,687)	(38,382,180)	(23,336,582)	(1,740,535)	(2,273,461)	(77,536,355)	(58,175,734)
Selling and distribution expenses	(13,456,597)	(13,941,344)	(13,946,211)	(9,596,968)	(724,032)	(1,917,615)	(26,126,840)	(25,455,727)
Finance cost	(8,573,419)	(12,145,510)	(20,941,451)	(24,211,733)	(349,935)	(1,623,439)	(29,864,805)	(37,881,082)
Staff Workers' Profit Participation Plan	(315,237)	(1,258,539)	(11,593,428)	(7,623,734)	—	(24,957)	(12,186,663)	(8,899,278)
Staff Workers' Welfare Fund	(285,209)	(508,215)	(5,343,642)	(2,873,623)	—	(187,468)	(4,148,337)	(3,559,708)
	(58,162,248)	(51,460,495)	(89,406,893)	(67,641,680)	(2,814,582)	(5,026,941)	(156,383,580)	(135,871,517)
Operating profit	9,546,216	25,268,022	219,979,075	146,196,012	(5,006,226)	(5,568,649)	224,519,063	163,887,985
Other operating expenses							(267,565)	(4,863,908)
Other income							1,026,155	1,638,444
Profit before taxation							225,277,653	161,462,525
Taxation - Net							(38,415,591)	(38,840,987)
Profit after taxation							165,862,063	122,421,542

36.3 Segment-wise assets and liabilities are not being reviewed by the Chief Operating Decision Maker. All non-current assets of the Company as at reporting date are located in Pakistan.

36.4 Revenue from Unilever Pakistan Limited represents 18.10% (2025: 12.05%) of the net revenue of the Company.

37 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

37.1 Financial risk management

Overview

The Company has exposure to the following risks arising from

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

37.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. 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 ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly.

Exposure to credit risk

In summary, the maximum exposure to credit risk as at 30 June 2026 and 30 June 2025 was as follows:

	2026	2025
	Financial assets	Financial assets
	(Rupees)	
Long term deposits	2,078,722	1,989,572
Trade debts	403,316,661	304,203,342
Advances and other receivables	1,684,861	1,604,206
Deposits and advances	7,507,077	7,373,618
Cash and bank balances (excluding cash in hand)	4,828,224	4,539,959
	<u>419,415,545</u>	<u>319,710,697</u>

Trade debts

The Company evaluates customer's credit worthiness with reference to their historical performance and market reputation.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts.

Based on past experience, consideration of financial position, past track records and other recoveries, the management believes that trade debts past due do not require any impairment.

Cash and cash equivalents

The cash and cash equivalents are held with banks, which are rated as follows:

Name of banks	Rating agency	Rating	
		Short term	Long term
Bank Al Habib Limited	PACRA	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Habib Bank Limited	VIS	A-1+	AAA

None of the financial assets of the Company are secured.

37.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	More than two years
	(Rupees)					
2026						
<i>Non-derivative financial liabilities</i>						
Long term loans - Secured	73,171,690	85,055,873	21,008,992	15,975,222	19,172,574	28,899,085
Unclaimed dividend	14,072,032	14,072,032	14,072,032	—	—	—
Creditor, accrued and other liabilities	176,298,003	176,298,003	176,298,003	—	—	—
Short term borrowings	158,028,573	158,028,573	158,028,573	—	—	—
	421,570,298	433,454,481	369,407,600	15,975,222	19,172,574	28,899,085
2025						
<i>Non-derivative financial liabilities</i>						
Long term loans - Secured	108,155,159	122,101,684	21,371,343	20,502,835	52,854,746	27,372,760
Liabilities against assets subject to musharaka financing	2,880,000	2,952,092	1,490,551	1,461,541	—	—
Unclaimed dividend	12,646,806	12,646,806	12,646,806	—	—	—
Creditor, accrued and other liabilities	189,247,556	189,247,556	189,247,556	—	—	—
Short term borrowings	85,742,481	85,742,481	85,742,481	—	—	—
	398,672,002	412,690,619	310,498,737	21,964,376	52,854,746	27,372,760

37.4 Market risk

Market risk is the risk that changes in market prices, 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 objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

37.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than Pak Rupees (PKR). As the Company import certain raw material, accordingly it is exposed to currency risk, primarily with respect to trade creditors denominated in foreign currencies.

Exposure to currency risk

The summary of the quantitative data about the Company's exposure to foreign currency risk is as follows:

		2026	2025
Spot rate as at 30 June	GBP	368.64	389.65
Trade creditors	GBP	842	—
Spot rate as at 30 June	USD	278.55	284.10
Trade creditors	USD	198,945	333,193
Trade creditors	Rupees	55,726,525	94,660,214

Sensitivity analysis

A five percent strengthening / (weakening) of the Rupee against foreign currency as at 30 June 2026 would have increased / (decreased) equity and profit and loss account by Rs. 2.79 million (2025: Rs.4.73 million). This analysis assumes that all other variables, in particular interest rates, remaining constant.

37.4.2 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.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2026	2025
	(Rupees)	
Fixed rate instruments		
<i>Financial liabilities</i>		
Long term loans	31,266,000	38,622,000
Variable rate instruments		
<i>Financial liabilities</i>		
Long term loans	44,069,145	72,722,769
Liabilities against assets subject to musharakah financing	—	2,880,000
Short term borrowings	158,028,573	85,742,481
	202,097,718	161,345,250

Fair value sensitivity analysis for fixed rate instruments

The impact of change in fair value due to a change in interest rate is not considered to be material to these financial statements.

Cash flows sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the reporting period would have increased / (decreased) equity by Rs. 2.02 million (2025: Rs. 1.61 million). This analysis assumes that all other variables remain constant.

37.4.3 Equity price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company does not have investments in listed equity securities and is not exposed to market price risk.

37.5 Fair value of financial instruments

Fair value is the amount 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.

The carrying amounts of financial assets and financial liabilities approximate their fair values, except where otherwise disclosed, due to their short-term nature or because they carry market-based rates of return.

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

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 or the liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level-3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company does not hold any such financial instrument in its portfolio that falls in the above criteria.

38 CAPITAL MANAGEMENT

The management'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 management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

	Unit	30-Jun-26	30-Jun-25
Total debt	Rupees	75,335,145	111,035,159
Total equity	Rupees	1,874,465,375	1,750,749,255
Total capital employed		1,949,800,520	1,861,784,414
Gearing ratio		4%	6%

The Company is not subject to externally imposed capital requirements, except those related to maintenance of debt covenants, commonly imposed by the providers of debt finance. There were no changes in the Company's approach to capital management during the year.

39 CAPACITY AND PRODUCTION

	Units	Capacity		Production		Remarks
		2026	2025	2026	2025	
a) Exercise books	Groose	58,632	58,632	40,875	41,519	In line with demand
b) Sensitized paper	Rolls	216,000	216,000	3,502	2,465	In line with demand
c) Prolabels	Sq. Meter	4,000,000	4,000,000	6,111,661	4,899,162	Due to extra shifts.

39.1 The capacity is determined on single shift basis.

40 DISCLOSURES FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under Part I Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O. 1278(I)/2024 dated August 15, 2024:

		Notes	2026	2025
			(Rupees)	
Statement of financial position				
Assets				
Cash and bank	Shariah Compliant	10	499,295	185,548
	Non-Shariah		4,328,929	4,354,411
Liabilities				
Long term financing	Shariah Compliant	16	—	2,880,000
	Non-Shariah	15	52,281,775	83,984,924
Deferred grant	Non-Shariah	17	1,306,825	2,163,455
	Non-Shariah	19	158,028,573	85,742,481
Interest and markup accrued	Non-Shariah	20	5,129,085	5,280,569
Statement of profit or loss				
Sales - Net	Shariah Compliant	22	1,913,733,186	1,733,597,216
Finance cost	Shariah Compliant	28	122,094	185,241
	Non-Shariah		29,742,711	37,795,841
Other income	Non-Shariah	27	1,026,155	1,638,444

Relationship with Shariah-compliant financial institutions:

The Company maintains banking relationships with Meezan Bank Limited, an Islamic banking institution.

41 SUBSEQUENT EVENT

Subsequent to the year ended 30 June 2028, the Board of Directors in its meeting held on 9 Sep 2028 has proposed final cash dividend @Rs.8 per share (i.e 80%) amounting to Rs 64 million for approval of the members at the Annual General Meeting. These financial statements do not reflect the proposed final dividend, which will be recognised as a liability in the period in which it is approved by the shareholders of the Company.

42 CORRESPONDING FIGURES

The corresponding figures have been presented for comparison purposes and are consistent with the presentation and classification of the current year.

43 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 9th Sep 2026 by the Board of Directors of the Company.

44 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.



Abbas Sayeed
Chairman



Abid Sayeed
Chief Executive



Muhammad Yusuf
Chief Financial Officer

Pattern Of Share Holding - Form "34"
Shareholders Statistics As At June 30, 2026

Number Of	Share Holding		Total Shares	%	
Share Holders	From	To	Held		
704	1	-	100	21,965	0.27
427	101	-	500	123,950	1.55
196	501	-	1000	149,409	1.87
325	1001	-	5000	734,235	9.18
44	5001	-	10000	303,704	3.80
14	10001	-	15000	165,565	2.07
3	15001	-	20000	52,742	0.66
6	20001	-	25000	137,393	1.72
5	25001	-	30000	136,058	1.70
3	30001	-	35000	102,312	1.28
2	35001	-	40000	76,487	0.96
1	40001	-	45000	42,657	0.53
1	45001	-	50000	49,057	0.61
1	55001	-	60000	56,516	0.71
2	60001	-	65000	125,550	1.57
2	110001	-	115000	225,331	2.82
2	135001	-	140000	275,200	3.44
1	245001	-	250000	248,622	3.11
3	255001	-	260000	768,961	9.61
1	415001	-	420000	417,334	5.22
1	500001	-	505000	502,161	6.28
1	615001	-	620000	619,101	7.74
1	620001	-	625000	623,557	7.79
1	905001	-	910000	907,026	11.34
1	1135001	-	1140000	1,135,107	14.19
1,748			8,000,000	100.00	

S. No.	Categories Of Shareholders	Number Of Share Holders	Total Shares Held	Percentage
1	Individuals	1723	6,261,259	78.27
2	Financial Institutions	2	867	0.01
3	Joint Stock Companies	15	1,016,332	12.70
4	Mutual Fund	4	661,239	8.27
5	Other	4	60,303	0.75
		1,748	8,000,000	100.00

Details of Pattern of Shareholdings as on June 30, 2026

S. No.	Categories Shareholders	Shares Held	% Age
1	Associated Companies	907,026	11.34
	Management & Enterprises (Pvt.) Limited	907,026	
2	NIT & ICP	626,249	7.83
	National Bank of Pakistan-Trustee Department NI(U)T Fund	619,101	
	Investment Corporation of Paksitan	6,816	
	IDBL (ICP) Unit	332	
3	Directors, CEO, their Spouses and Minor Childern	2,968,351	37.10
	Mrs. Muleika Sayeed	502,161	
	Mr. Abbas Sayeed	623,557	
	Mr. Asadullah Sayeed	417,334	
	Mr. Abid Sayeed	1,135,107	
	Mr. Mohsin Safdar	2,500	
	Ms. Maha Haider	2,500	
	Mrs. Nadia Sayeed W/o. Abid Sayeed	36,570	
	Mrs. Nusser Sayeed W/o. Abbas Sayeed	248,622	
4	Executives	Nil	
5	Individuals	3,292,908	41.16
6	Public Sector Companies and Corporation	Nil	
7	Banks, DFIS, NBFIS, Insurance Companies, Modarabas Joint Stock Companies, Mutual Funds and others	205,466	2.57
Total		8,000,000	100.00

Shareholders Holding Ten Percent or More In The Company

Mr. Abid Sayeed	1,135,107	14.19
Management & Enterprises (Pvt.) Limited	907,026	11.34

FORM OF PROXY

I / We _____
 of _____
 being a member(s) of **Pakistan Paper Products Limited** holder of _____
 ordinary Shares as per Share Registrar Folio/CDC Account No. _____
 hereby appoint Mr./Miss/Mrs. _____ Folio/CDC Account No. _____
 of _____ who is also a member of the Company as my / our proxy to attend, speak & vote for me / us
 and on my / our behalf at the at the 64th ANNUAL GENERAL MEETING of the Company to be held on Wednesday,
 October 21, 2026 at 10:30 am and at any adjournment thereof.

Signed this _____ day of _____, 2026.

Rs. 5/-
 Reverse
 Stamp

(Signature should agree with
 the specimen signature registered
 with the Company)

Signature _____

Witnesses:

1: Signature _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

2: Signature _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Important:

1. This form of Proxy, duly completed and signed, must be submitted at the Company's Registered Office not later than 48 hours.
2. For CDC Account Holder / Corporate Entities:
 In addition of the above following requirements have to be met;
 - i) The proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
 - ii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iii) The proxy shall produce his / her original CNIC or passport at the time of the meeting.
 - iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen
 - v) signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پاکستان پیپر پروڈکٹس لمیٹڈ

مختار نامہ

میں ام

کا کے

بحیثیت رکن پاکستان پیپر پروڈکٹس لمیٹڈ اور حال میں، برطانیہ شیز رجسٹرڈ فرم نمبر

اور ایسی ڈی سی پارٹیکولٹ (شرکت آئی ڈی نمبر

اور سب اکاؤنٹ (زلی کھاتہ) نمبر

محترم انجنیئر

مورخہ 21 اکتوبر 2026ء بدھ صبح 10.30 بجے

کو اپنے ادارے ایما پر

کو منعقد ہونے والے کھیتی کے 84 سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التزام کی صورت اپنا اہلکار بطور مفاد (پراسی) مقرر کرنا ہوں کرتے ہیں۔

آج بروز تاریخ 2026ء کو دھلا کے گئے۔

گواہان:

دھلا:

نام:

پتہ:

کیپٹول انڈسٹریل کارڈ ایما سپورٹ نمبر:

دھلا:

نام:

پتہ:

کیپٹول انڈسٹریل کارڈ ایما سپورٹ نمبر:

نوٹ:

1- ایک نمبر (رکن) ہر اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دھلا کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کر دے۔

2- ای ڈی سی شیز ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:
(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایما و جس کی سکیورٹیز رجسٹرڈ گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کھیتی کی جانب سے دی گئی ہدایات کی روشنی میں پراسی فارم جمع کرانا ہوگا۔

(ب) مفاد سے پر بطور گواہان دور افتادہ کے دھلا ہونے پراسی اور ان کے نام پتے اور کیپٹول انڈسٹریل کارڈ ایما سپورٹ نمبر فارم پر درج ہوں۔

(ج) تنظیمات اور ریز (مستند ہونے والے فرد) کیپٹول انڈسٹریل کارڈ ایما سپورٹ کی حدود و ضوابط کی مناسبت کرنی ہوگی جسے نائب علامہ کے ہمراہ پیش کرے گا۔

(د) اجلاس کے وقت نائب کو اپنا اصل کیپٹول انڈسٹریل کارڈ ایما سپورٹ پیش کرنا ہوگا۔

(و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت نمبر (رکن)، ایما آف ڈائریکٹرز اور اسے نامزد کردہ شخص ایما کے نمونہ دھلا پور آف ایما (اگر پہلے فراہم نہ کئے گئے ہوں) پراسی فارم (ایما نامہ) کے ہمراہ کھیتی میں جمع کرنا ہوگا۔

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