



PAKISTAN PAPER PRODUCTS LIMITED

QUARTERLY FINANCIAL STATEMENTS

1st QUARTER

September 30, 2023 (UN-AUDITED)

To,

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If undelivered please return to:

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



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PAKISTAN PAPER PRODUCTS LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

Mr. Matiuddin Siddiqui	- Chairman
Mr. Abbas Sayeed	- Member
Mr. Sayeed Imran	- Member
Mrs. Muleika Sayeed	- Member

MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Zia Ur Rehman

CHIEF OPERATION OFFICER

Mr. Dawood Ahmed

COMPANY SECRETARY

Ms. Safia Khurshid

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARE REGISTRAR

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

BANKERS

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

REGISTERED OFFICE AND FACTORY

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



PAKISTAN PAPER PRODUCTS LIMITED

Directors' Review

On behalf of the Board of Directors, we have pleasure in presenting review of performance together with the unaudited accounts of the company for the first quarter ended September 30, 2023.

By the Grace of God your company had an excellent First Quarter. Turnover increased by 23.47% to Rs 494.23 million with Ex Books and Pro Labels both having robust growth of 22.31% and 21.99% respectively. Sensitized paper and Photocopy paper also had good growth but their contribution to overall sales is very little. This growth in the top line translated all the way down with GP increasing to R87.7 million, NP before tax increased to Rs 44.58 million, and NP after Tax rose to Rs 32.7 million.

There were many reasons for this stellar performance. Ex Books had a very good seasonal sales of their market Ex Books in Sindh which was missed last year due to the devastating floods. Pro Labels continues with its robust growth with improving margins as in spite of the increasing competition more customers are coming to us due to our reliable support, good printing quality, and excellent customer service. As I had mentioned earlier that in these inflationary times our Brand loyalty has been put to great test and we are glad to report that it has truly paid off as instead of searching for cheaper options customers want good quality and reliable suppliers which is our forte.

The economic situation has improved to a great extent in the last couple of months with much needed stability in the Foreign Exchange market due to some very timely and correct decisions by the present government. We hope to see this stability continue and also hope there will be some relief from the State Bank in reduction of interest rates. It is impossible for any industry to even consider any expansion or modernization with 25%+ cost of funds.

Overall, we have been very pleased with the company's performance in Q1 and future prospects are also looking good at the moment. We are striving our hardest to continue this momentum and pray to Allah that we succeed.

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

On behalf of the Board of Directors

ABBAS SAYEED

Chairman

Karachi, October 24, 2023

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)
AS AT SEPTEMBER 30, 2023

	Notes	(Un-audited, 30 Sep 2023	(Audited, 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	861,146,352	864,080,606
Intangible assets		200,103	235,415
Long term deposit		1,225,258	1,225,258
		862,571,712	865,541,279
CURRENT ASSETS			
Stores and spares		9,421,707	8,349,253
Stock-in-trade		329,866,300	401,935,917
Trade debts - Unsecured, considered g		269,651,550	340,095,787
Advances and other receivables		112,056,890	129,980,822
Trade deposits and short term prepaym		4,519,683	6,302,806
Cash and bank balances		5,594,551	5,151,351
		731,110,681	891,815,936
		1,593,682,393	1,757,357,215
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 15,000,000 (2020: 15,000,000) Ordinary shares of Rs. 10/- ea		150,000,000	150,000,000
Issued, subscribed and paid-up share capital		80,000,000	80,000,000
Revenue Reserve		555,870,465	522,632,946
Capital reserve			
Revaluation surplus on property, plant and equi		504,304,407	504,841,334
		1,140,174,872	1,107,474,280
NON-CURRENT LIABILITIES			
Deferred tax liability-Net		46,806,921	47,376,752
Deferred liability for staff gratuity		19,145,398	18,624,529
Long term loans - Secured		79,306,217	85,226,417
Liabilities against assets subject to musharakah financing		5,280,000	6,000,000
Deferred grant		4,338,169	4,338,169
		154,876,705	161,565,867
CURRENT LIABILITIES			
Current and overdue portion of long term loans		26,560,800	26,560,800
Current portion of deferred government grant		1,306,614	1,306,614
Short term borrowings - Secured		152,682,008	218,594,482
Unclaimed divider		108,074,225	231,848,003
Creditors, accrued and other liabilities		10,007,169	10,007,169
		298,630,816	488,317,068
CONTINGENCIES AND COMMITMENTS			
		--	--
		1,593,682,394	1,757,357,215

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Notes	(Un-audited) 30 Sep 2023	(Un-audited) 30 Sep 2022
		----- (Rupees) -----	
Turnover		494,232,918	400,293,841
Sales tax		(50,618,407)	(38,824,032)
Sales - Net		443,614,511	361,469,809
Cost of sales		(355,913,696)	(314,749,327)
Gross profit		87,700,815	46,720,481
Operating expenses			
Administrative expenses		(13,478,496)	(10,827,302)
Selling and distribution expenses		(4,761,084)	(4,607,420)
Sindh Workers' Profit Participation Fund		(2,395,310)	(500,815)
Sindh Workers' Welfare Fund		(928,138)	(200,326)
		(21,563,028)	(16,135,863)
Operating profit		66,137,787	30,584,618
Other income		62,348	512,364
Finance cost		(21,617,393)	(21,781,828)
Profit before taxation		44,582,742	9,315,154
Taxation - Net		(11,882,150)	(4,518,373)
Profit for the quarter		32,700,592	4,796,782
Earning per share - Basic and dilu		4.09	0.60

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

ABBAS SAYEED

Chairman

ZIA UR REHMAN

Chief Financial Officer

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid-up share capital	Revenue reserves		Surplus on revaluation of property, plant and equipment	Total equity	
		General reserves	Unappropriated profit			Total revenue reserves
(Rupees)						
Balance as on 1 July 2022	80,000,000	143,900,000	285,267,189	429,167,189	507,390,716	1,016,557,905
Profit for the first quarter ended September 30, 2023	-	-	4,796,782	4,796,782	-	4,796,782
Other comprehensive income	-	-	-	-	-	-
	-	-	4,796,782	4,796,782	-	4,796,782
Surplus on revaluation realized on disposal of fixed assets - net	-	-	-	-	-	-
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	-	-	-	-	-	-
Balance as at 30 Sep, 2022	80,000,000	143,900,000	290,063,971	433,963,971	507,390,716	1,021,354,687
Profit for the nine month ended 30 June, 2023	-	-	84,235,658	84,235,658	-	84,235,658
Other comprehensive income	-	-	1,883,935	1,883,935	-	1,883,935
	-	-	86,119,593	86,119,593	-	86,119,593
Surplus on revaluation realized on disposal of fixed assets - net	-	-	138,471	138,471	(138,471)	-
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	-	-	2,410,911	2,410,911	(2,410,911)	-
Balance as at June 30, 2023	80,000,000	143,900,000	378,732,946	522,632,946	504,841,334	1,107,474,280
Total comprehensive income for the period	-	-	32,700,592	32,700,592	-	32,700,592
Profit for the first quarter ended September 30, 2023	-	-	-	-	-	-
Other comprehensive income net of	-	-	32,700,592	32,700,592	-	32,700,592
Surplus on revaluation realized on disposal of fixed assets - Net of tax	-	-	-	-	-	-
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	-	-	536,927	536,927	(536,927)	-
Balance as at September 30, 2023	80,000,000	143,900,000	411,970,465	555,870,465	504,304,407	1,140,174,872

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

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

	(Un-audited) 30 Sep 2023	(Un-audited) 30 Sep 2022
Notes	-----	-----
	(Rupees)	(Rupees)
Profit for the quart	32,700,592	4,796,782
Other comprehensive income / (loss)	--	--
Total comprehensive income for the quarte	<u>32,700,592</u>	<u>4,796,782</u>

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	(Un-audited) 30 Sep 2023	(Un-audited) 30 Sep 2022
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	44,582,742	9,315,154
Adjustments for non-cash and other items:		
Depreciation & Amortization	10,165,922	11,014,832
Gratuity provision	1,068,549	957,180
Gain on disposal of fixed assets	-	(362,814)
Financial charges & Exchange loss	21,617,393	21,781,828
	32,851,864	33,391,026
(Increase)/decrease in current assets		
Store, spares and stock in trade	70,997,163	17,365,658
Trade debts	70,444,237	(627,823)
Advances, deposits, prepayments & other receivables	16,810,971	3,171,462
	158,252,371	19,909,297
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(129,099,245)	(90,694,678)
Cash generated from/ (used) in operations	106,587,732	(28,079,200)
Income tax paid	(9,555,897)	(18,186,202)
Gratuity paid	(547,680)	(369,056)
Financial charges paid	(14,347,076)	(8,138,149)
Net cash generated from / (used) in operating activities	82,137,079	(54,772,607)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(9,141,205)	(7,070,415)
Long term deposits	-	(150,000)
Sales proceeds against disposal of fixed assets	-	750,000
Net cash outflows from investing activities	(9,141,205)	(6,470,415)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term finances	(6,640,200)	(9,293,938)
Dividend Paid	-	-
Net cash outflows from financing activities	(6,640,200)	(9,293,938)
Net (decrease) / increase in cash and cash equivalents	66,355,674	(70,536,960)
Cash and cash equivalent at the beginning of the quarter	(213,443,131)	(157,174,486)
Cash and cash equivalent at the end of the quarter	(147,087,457)	(227,711,446)

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION - (Un-audited) FOR THE PERIOD ENDED SEPTEMBER 30, 2023

1 THE COMPANY AND ITS OPERATIONS

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

2 BASIS OF PREPARATION

This condensed financial information of the company for the quarter ended September 30, 2023 has been prepared in accordance with approved accounting standards as applicable in Pakistan for financial reporting. This condensed financial information does not include all of the information required for full annual financial statements, and should therefore be read in conjunction with the audited annual financial statements of the company as at and for the year ended June 30, 2023.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2023.

	(Un-audited September 30 2023	(Audited June 30 2023
	----- (Rupees) -----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating assets	861,146,352	862,135,756
Capital work-in-progress	--	1,944,850
	<u>861,146,352</u>	<u>864,080,606</u>
4.1 Opening net book value (NB)	862,135,756	893,264,648
Addition (at cost) during the period year	4.1.1 <u>9,141,205</u>	<u>13,878,802</u>
	871,276,961	907,143,450
Disposal (NBV) during the period	4.1.2 --	(624,161)
Depreciation charged for the period	(10,130,609)	(44,383,533)
Closing net book value (NB)	<u>861,146,352</u>	<u>862,135,756</u>



PAKISTAN PAPER PRODUCTS LIMITED

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

Building on leasehold land		--
- Factory	3,808,200	337,700
- Office	--	--
Plant and machinery	5,068,505	9,021,428
Furniture and fixture	209,500	--
Factory and other equipment	--	916,220
Electric equipment and fittings	--	--
Computers	55,000	132,800
Vehicles	--	3,470,654
Musharaka Assets		--
Solar power system		--
	<u>9,141,205</u>	<u>13,878,802</u>

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

Plant and machinery	--	--
Factory and other equipment	--	(100,422)
Computers	--	--
Vehicles	--	(523,739)
	<u>--</u>	<u>(624,161)</u>

(Un-audited,
September 30
2023

(Un-audited,
September 30
2022

5 CASH AND CASH EQUIVALENT

Cash and bank balan	5,594,551	4,741,531
Short term borrowings - Secu	(152,682,008)	(232,452,977)
	<u>(147,087,457)</u>	<u>(227,711,446)</u>

6 Contingent liabilities in respect of guarantees issued by bank on behalf of the company aggregating to Rs.Nil /- (September 2022: Rs. 1,121,742/-)

Commitments are outstanding in respect of letters of credit amounting to Rs.80,187,929 /- (September 2022: Rs. 67,864,989/-)

7 SUBSEQUENT EVENT

Subsequent to year ended June 30 2023, the Board of Directors in its meeting held on 22 September 2023 has proposed final cash dividend @ Rs.4 per share Rs. 32 million for approval of the members at the Annual General Meeting. These financial statements do not reflect the effect of such dividend which will be accounted for in the financial statements of the Company subsequent to the year end, when it is approved by the shareholders of the Company.

8 The condensed interim financial information was authorized for issue by the Board of Directors of the company on 24th October 2023

ABBAS SAYEED

Chairman

ZIA UR REHMAN

Chief Financial Officer

ABID SAYEED

Chief Executive

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Head Office & Factory:

Pakistan Paper Products Ltd.,

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