



PAKISTAN PAPER PRODUCTS LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
(SUBJECTED TO LIMITED SCOPE REVIEW)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2023**





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CORPORATE PROFILE

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

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

MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Zia Ur Rehman

COMPANY SECRETARY

Mr. Dawood Ahmed Mapara

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARE REGISTRAR

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

BANKERS

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

REGISTERED OFFICE AND FACTORY

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



PAKISTAN PAPER PRODUCTS LIMITED

Directors' Review

On behalf of the Board of Directors, we have pleasure in presenting review of performance together with the limited audit review accounts of the company for the period ended December 31, 2023.

We are pleased to report that in line with our Q1 results the company has continued to perform well in Q2. For the six months ended our Turnover increased by 24.03% to Rs 1.015 Billion which is a record sale for the first 6 months. Pro Labels and Exercise books both led the way with a 23.21% and 22.99% increase respectively. Plain Paper sales increased by 42.24% while Sensitized paper continued with the lackluster performance with sales down by 3.46%. Overall, it has been a very satisfactory performance by all sectors.

The increase in the top line translated all the way down with GP increasing by 97.22%, Operating Profit by 136.33% and NP after tax by 384.59%. Thanks to Allah we have been able to achieve these blockbuster results due to the economy stabilizing after a long time along with an appreciation of the PKR. This led to an increase in our margins and thanks to good marketing and customer service we were able to retain our market share. There are many internal efficiencies and cost cutting measures that we have also implemented which have helped in further improving our margins.

We also managed to keep our financial charges in check with an increase of only 1.99% in spite of a much higher interest rate compared to last year. We have diligently worked towards reducing our exchange loss by moving to LC on sight basis which will increase our RF requirement but feel that is more manageable than the severe exchange losses that we faced last year. However, in Q2 the PKR appreciated against the USD and has remained stable so we are hopeful that going forward our finance charges will not increase by much.

Overall, we have been very happy with the performance of the company in the last six months and are hopeful that the current economic and forex stability remains so that we can continue with our good performance. We have been experiencing a slight fall in demand for Pro Labels due to slowdown in business of the FMCG sector as the inflation pressure is catching up with them and reducing their sales. We have a diverse portfolio of clients so hoping that will not put too much pressure on our business and also hope that their sales will pick up in the near term. Rest assured that the management is well aware of these challenges and are doing all possible to tackle them in the best possible manner so that we can come out with better results at the end of the year.

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



PAKISTAN PAPER PRODUCTS LIMITED

IN TERMS OF THE REQUIREMENT STATED UNDER CORPORATE GOVERNANCE REGULATION 2017

Composition of Board

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

| | |
|------------------------|----|
| Executive Director | 01 |
| Non-Executive Director | 04 |
| Independent Director | 02 |

Committees of the Board.

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

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

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

| | |
|------------------------|---------------------------|
| Mr. Matiuddin Siddiqui | Chairperson (NIT Nominee) |
| Mrs. Muleika Sayeed | Member |
| Mr. Abbas Sayeed | Member |
| Mr. Sayeed Imran | Member |

REMUNERATION POLICY OF NON- EXECUTIVE & INDEPENDENT DIRECTORS

A. COMPANY POLICY:

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



PAKISTAN PAPER PRODUCTS LIMITED

B. SIGNIFICANT FEATURES:

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

C. AMENDMENTS:

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

On behalf of the Board of Directors

ABBAS SAYEED

Chairman

Karachi: February 15-2024

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

FARUQ ALI & CO.
CHARTERED ACCOUNTANTS

C-88, KDA Scheme No. 1, Telephone : (021) 34301966
Main Karsaz Road, : (021) 34301967
Opp: Maritime Museum, Karachi. : (021) 34301968
Email: info@fac.com.pk : (021) 34301969
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Paper Products Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Paper Products Limited as at 31 December 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

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

Other matters

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarter ended 31 December 2023 and 31 December 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2023.

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

CHARTERED ACCOUNTANTS

Place: Karachi

Dated: 16-02-2024

UDIN: UDIN : RR202310178wNUPtSKxe



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | Notes | (Un-audited) 31 December 2023 | (Audited) 30 June 2023 |
|---|-------|-------------------------------------|------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 852,222,762 | 864,080,606 |
| Intangible assets | | 164,790 | 235,415 |
| Long term deposits | | 1,525,258 | 1,225,258 |
| | | 853,912,810 | 865,541,279 |
| CURRENT ASSETS | | | |
| Stores and spares | | 10,047,282 | 8,349,253 |
| Stock-in-trade | 6 | 487,250,791 | 401,935,917 |
| Trade debts - Unsecured, considered good | | 212,484,160 | 340,095,787 |
| Advances and other receivables | 7 | 106,461,937 | 130,309,001 |
| Deposits, advances and short term prepayments | 8 | 2,371,553 | 5,974,627 |
| Cash and bank balances | 9 | 5,704,001 | 5,151,351 |
| | | 824,319,724 | 891,815,936 |
| | | 1,678,232,534 | 1,757,357,215 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital | | | |
| 15,000,000 (June 2022: 15,000,000) Ordinary shares of Rs. 10/- each | | 150,000,000 | 150,000,000 |
| Issued, subscribed and paid-up share capital | | 80,000,000 | 80,000,000 |
| Revenue reserves | | 559,056,168 | 522,632,946 |
| Capital reserve | | | |
| Surplus on revaluation of property, plant and equipment | | 502,479,939 | 504,841,334 |
| | | 1,141,536,107 | 1,107,474,280 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liability - Net | | 45,280,525 | 47,376,752 |
| Deferred liability for staff gratuity | | 19,704,597 | 18,624,529 |
| Long term loans - Secured | 10 | 74,050,235 | 85,226,417 |
| Liabilities against assets subject to musharakah financing | 11 | 4,560,000 | 6,000,000 |
| Deferred grant | | 3,747,716 | 4,338,169 |
| | | 147,343,073 | 161,565,867 |
| CURRENT LIABILITIES | | | |
| Current portion shown under current liabilities | | 26,560,800 | 26,560,800 |
| Current portion of deferred government grant | | 1,232,849 | 1,306,614 |
| Short term borrowings - Secured | 12 | 153,548,329 | 218,594,482 |
| Creditors, accrued and other liabilities | 13 | 196,821,257 | 231,848,003 |
| Unclaimed dividend | | 11,190,119 | 10,007,169 |
| | | 389,353,354 | 488,317,068 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | -- | -- |
| | | 1,678,232,534 | 1,757,357,215 |

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

| | Notes | Half Year Ended - (Un-audited) | | Quarter Ended - (Un-audited) | |
|--|-------|--------------------------------|---------------------|------------------------------|---------------------|
| | | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Sales - Net | 15 | 910,326,701 | 738,526,694 | 466,712,190 | 377,056,885 |
| Cost of sales | 16 | (744,253,692) | (654,320,143) | (388,339,996) | (339,570,816) |
| Gross profit | | 166,073,009 | 84,206,551 | 78,372,194 | 37,486,069 |
| Administrative expenses | | (28,206,413) | (22,157,430) | (14,727,917) | (11,298,098) |
| Selling and distribution expenses | | (9,963,185) | (10,015,171) | (5,202,101) | (5,439,781) |
| Other operating expenses | | (8,036,771) | (1,314,434) | (4,713,323) | (613,293) |
| | | (46,206,369) | (33,487,035) | (24,643,341) | (17,351,172) |
| Operating profit | | 119,866,640 | 50,719,516 | 53,728,853 | 20,134,897 |
| Other income | | 729,586 | 538,213 | 667,238 | 25,849 |
| Finance cost | | (34,609,342) | (33,934,937) | (12,991,949) | (12,153,109) |
| Profit before taxation | | 85,986,884 | 17,322,792 | 41,404,142 | 8,007,637 |
| Taxation - Net | | (19,925,057) | (3,690,184) | (8,042,907) | 828,189 |
| Profit for the period | | 66,061,827 | 13,632,608 | 33,361,235 | 8,835,826 |
| Earnings per share - Basic and diluted | | 8.26 | 1.70 | 4.17 | 1.10 |

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

ABBAS SAYEED

Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)**

| Notes | Half Year Ended - (Un-audited) | | Quarter Ended - (Un-audited) | |
|--|--------------------------------|--------------------------|------------------------------|-------------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Profit for the period | 66,061,827 | 13,632,608 | 33,361,235 | 8,835,826 |
| Other comprehensive income | -- | -- | -- | -- |
| Total comprehensive income for the period | <u>66,061,827</u> | <u>13,632,608</u> | <u>33,361,235</u> | <u>8,835,826</u> |

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

| | Issued, subscribed and paid-up share capital | Revenue reserves | | | Surplus on revaluation of property, plant and | 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 period ended 31 December 2022 | -- | -- | 13,632,608 | 13,632,608 | -- | 13,632,608 |
| Other comprehensive income | -- | -- | -- | -- | -- | -- |
| Total comprehensive income for the period | -- | -- | 13,632,608 | 13,632,608 | -- | 13,632,608 |
| Transfer to unappropriated profit on account of incremental depreciation - Net of tax | -- | -- | 1,219,302 | 1,219,302 | (1,219,302) | -- |
| Balance as at 31 December 2022 | 80,000,000 | 143,900,000 | 300,119,099 | 444,019,099 | 506,171,414 | 1,030,190,513 |
| Balance as on 1 July 2023 | 80,000,000 | 143,900,000 | 378,732,946 | 522,632,946 | 504,841,334 | 1,107,474,280 |
| Profit for the period ended 31 December 2023 | -- | -- | 66,061,827 | 66,061,827 | -- | 66,061,827 |
| Other comprehensive income | -- | -- | -- | -- | -- | -- |
| Total comprehensive income for the period | -- | -- | 66,061,827 | 66,061,827 | -- | 66,061,827 |
| Surplus on revaluation realized on disposal of fixed assets - Net of tax | -- | -- | 1,355,306 | 1,355,306 | (1,355,306) | -- |
| Transfer to unappropriated profit on account of incremental depreciation - Net of tax | -- | -- | 1,006,089 | 1,006,089 | (1,006,089) | -- |
| Transactions with owners: | | | | | | |
| Final cash dividend @ 40% related to the year ended 30 June 2023 | -- | -- | (32,000,000) | (32,000,000) | -- | (32,000,000) |
| Balance as at 31 December 2023 | 80,000,000 | 143,900,000 | 415,156,168 | 559,056,168 | 502,479,939 | 1,141,536,107 |

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

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

| | Notes | 31 December 2023 | 31 December 2022 |
|---|-------|----------------------|----------------------|
| ----- (Rupees) ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 17 | 184,308,616 | 89,286,397 |
| Payments for: | | | |
| Income taxes net of refund received | | (23,486,318) | (23,598,356) |
| Sindh Workers' Welfare Fund | | (2,996,893) | (70,146) |
| Sindh Workers' Profit Participation Fund | | (7,137,586) | (4,860,209) |
| Gratuity | | (1,057,030) | (1,088,890) |
| Finance cost | | (29,577,556) | (22,068,006) |
| Net cash inflows from operating activities | | 120,053,233 | 37,600,790 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Addition to tangible assets | 5.1.1 | (11,271,240) | (8,397,783) |
| Sale proceeds against disposal of fixed assets | | 1,214,260 | 750,000 |
| Net cash outflows from investing activities | | (10,056,980) | (7,647,783) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term deposits | | (300,000) | (150,000) |
| Repayment of long-term finances | | (13,280,400) | (20,426,875) |
| Dividend paid | | (30,817,050) | (29,244) |
| Net cash outflows from financing activities | | (44,397,450) | (20,606,119) |
| Net increase in cash and cash equivalents | | 65,598,803 | 9,346,888 |
| Cash and cash equivalents at the beginning of the period | | (213,443,131) | (157,174,486) |
| Cash and cash equivalents at the end of the period | | (147,844,328) | (147,827,598) |

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

ABBAS SAYEED

Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (Un-audited)

1 STATUS AND NATURE OF BUSINESS

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

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

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

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2023.

2.3 The figures included in the condensed interim statement of profit or loss for the quarters ended 31 December 2023 and 2022 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2023 and 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended 30 June 2023.

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

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

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



PAKISTAN PAPER PRODUCTS LIMITED

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

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

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements and estimates made by the management in the preparation of these condensed interim financial segments are the same as those applied in the annual audited financial statements of the Company for the year ended 30 June 2023.

| | | (Un-audited) 31 December 2023 | (Audited) 30 June 2023 |
|--|-------|-------------------------------------|------------------------------|
| | | ----- (Rupees) ----- | |
| 5 PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 852,222,762 | 862,135,756 |
| Capital work in progress - At cost | | -- | 1,944,850 |
| Operating fixed assets | | <u>852,222,762</u> | <u>864,080,606</u> |
| 5.1 Operating fixed assets | | | |
| Opening net book value (NBV) | | 862,135,756 | 893,264,648 |
| Addition (at cost) during the period / year | 5.1.1 | <u>13,216,090</u> | <u>13,878,802</u> |
| | | 875,351,846 | 907,143,450 |
| Disposal (NBV) during the period / year | 5.1.2 | (2,765,147) | (624,161) |
| Depreciation charged for the period / year | | (20,363,937) | (44,383,533) |
| Closing net book value (NBV) | | <u>852,222,762</u> | <u>862,135,756</u> |
| 5.1.1 Details of additions (at cost) during the period / year are as follows: | | | |
| Factory building on leasehold land | | 5,752,077 | 337,700 |
| Plant and machinery | | 5,934,013 | 9,021,428 |
| Furniture and fixture | | 209,500 | -- |
| Factory and other equipment | | 410,000 | 916,220 |
| Electric equipment and fitting | | 70,000 | -- |
| Computers | | 55,000 | 132,800 |
| Vehicles | | 785,500 | 3,470,654 |
| | | <u>13,216,090</u> | <u>13,878,802</u> |



PAKISTAN PAPER PRODUCTS LIMITED

| | (Un-audited) 31 December 2023 | (Audited) 30 June 2023 |
|--|-------------------------------------|------------------------------|
| ----- (Rupees) ----- | | |
| 5.1.2 Details of disposals (NBV) during the period / year are as follows: | | |
| Factory and other equipment | -- | (100,422) |
| Plant and machinery | (2,569,493) | -- |
| Vehicles | (195,654) | (523,739) |
| | <u>(2,765,147)</u> | <u>(624,161)</u> |
| 6 STOCK-IN-TRADE | | |
| Raw materials | 338,430,882 | 332,162,037 |
| Work-in-process | 77,005,369 | 38,539,679 |
| Finished goods | 71,814,540 | 31,234,201 |
| | <u>487,250,791</u> | <u>401,935,917</u> |
| 7 ADVANCES AND OTHER RECEIVABLES | | |
| <i>Considered good</i> | | |
| Advance to suppliers | 1,235,970 | 1,371,001 |
| Advance to staff | 323,859 | 679,956 |
| Advance against letter of credit | 133,825 | 328,179 |
| Advance income tax - Net | 3,604,061 | 15,836,702 |
| Income tax refundable | 100,832,491 | 87,134,816 |
| Sales tax refundable - Net | 331,731 | 24,958,347 |
| | <u>106,461,937</u> | <u>130,309,001</u> |
| 8 DEPOSITS, ADVANCES AND SHORT TERM PREPAYMENTS | | |
| Margin deposits | 31 | 5,652,931 |
| Trade deposits | 224,418 | 224,418 |
| Short term prepayments | 2,147,104 | 97,278 |
| | <u>2,371,553</u> | <u>5,974,627</u> |
| 9 CASH AND BANK BALANCES | | |
| Cash in hand | 70,000 | 95,180 |
| Factory imprest | 125,000 | 125,000 |
| Cash at banks: | | |
| - Current accounts | 5,509,001 | 4,931,171 |
| | <u>5,704,001</u> | <u>5,151,351</u> |



PAKISTAN PAPER PRODUCTS LIMITED

| | (Un-audited) 31 December 2023 | (Audited) 30 June 2023 |
|--|-------------------------------------|------------------------------|
| | ----- (Rupees) ----- | |
| 10 LONG TERM LOANS - Secured | | |
| Temporary economic refinance facility | 44,675,435 | 47,689,217 |
| Long term loan | 53,055,600 | 61,218,000 |
| | <u>97,731,035</u> | <u>108,907,217</u> |
| Current portion shown under current liabilities | (23,680,800) | (23,680,800) |
| | <u>74,050,235</u> | <u>85,226,417</u> |
| 11 LIABILITIES AGAINST ASSETS SUBJECT TO MUSHARAKAH FINANCING | | |
| Lease liabilities | 7,440,000 | 8,880,000 |
| Current portion shown under current liabilities | (2,880,000) | (2,880,000) |
| | <u>4,560,000</u> | <u>6,000,000</u> |
| 12 SHORT TERM BORROWINGS - Secured | | |
| Bank Al-Habib Limited - Short term finance | 49,131,577 | -- |
| Bank Al-Habib Limited - Running finance | 104,416,752 | 218,594,482 |
| | <u>153,548,329</u> | <u>218,594,482</u> |
| <p>During the period, the Company obtained short term finance facility from Bank Al-Habib Limited up to Rs. 50 million. The running finance facility carries mark-up of 3 months KIBOR plus 2% per annum prevailing on the date of disbursement.</p> | | |
| <p>Except the short term finance facility, There are no significant change in the facilities and securities of short term borrowings as reported in note 19 to the annual audited financial statements of the Company for the year ended 30 June 2023.</p> | | |
| 13 CREDITORS, ACCRUED AND OTHER LIABILITIES | | |
| Trade creditors | 93,172,168 | 183,671,607 |
| Advance from customers | 66,921,968 | 10,072,388 |
| Accrued expenses and other payables | 16,372,776 | 11,519,013 |
| Payable to provident fund | 829,199 | 836,439 |
| Accrued mark-up | 11,477,079 | 13,879,938 |
| Sindh Workers' Profit Participation Fund | 4,623,638 | 7,137,586 |
| Sindh Workers' Welfare Fund | 1,862,246 | 2,996,893 |
| Sales tax payable | 1,562,183 | 1,734,139 |
| | <u>196,821,257</u> | <u>231,848,003</u> |



PAKISTAN PAPER PRODUCTS LIMITED

14 CONTINGENCIES AND COMMITMENTS

There are no significant change in the status of contingencies and commitments as reported in note 21 to the annual audited financial statements of the Company for the year ended 30 June 2023.

15 SALES - Net

| | Half Year Ended - (Un-audited) | | Quarter Ended - (Un-audited) | |
|-----------------|---------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Gross sales | 1,015,196,368 | 818,532,830 | 520,963,450 | 418,238,989 |
| Less: Sales tax | (104,869,667) | (80,006,136) | (54,251,260) | (41,182,104) |
| | <u>910,326,701</u> | <u>738,526,694</u> | <u>466,712,190</u> | <u>377,056,885</u> |

16 COST OF SALES

| | Half Year Ended - (Un-audited) | | Quarter Ended - (Un-audited) | |
|------------------------------------|---------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| Opening stock of raw material | 332,162,037 | 239,350,710 | 256,629,882 | 234,471,593 |
| Purchases during the period | <u>696,107,652</u> | <u>585,849,629</u> | <u>472,070,187</u> | <u>348,083,936</u> |
| | 1,028,269,689 | 825,200,339 | 728,700,069 | 582,555,529 |
| Closing stock of raw material | (338,430,882) | (258,919,581) | (338,430,882) | (258,919,581) |
| Raw materials consumed | <u>689,838,807</u> | <u>566,280,758</u> | <u>390,269,187</u> | <u>323,635,948</u> |
| Manufacturing overheads | | | | |
| Salaries, wages and other benefits | 61,491,353 | 54,936,720 | 34,344,739 | 27,093,303 |
| Stores and spares consumed | 23,444,027 | 21,694,456 | 12,704,194 | 11,829,229 |
| Depreciation | 18,243,657 | 19,731,607 | 9,140,565 | 9,895,526 |
| Fuel and power | 14,628,794 | 9,930,263 | 7,838,612 | 3,686,194 |
| Other manufacturing expenses | 7,959,218 | 5,583,196 | 5,769,749 | 3,791,128 |
| Repairs and maintenance | 6,519,155 | 7,401,005 | 3,244,200 | 3,149,457 |
| Insurance expenses | 1,014,303 | 919,035 | 511,632 | 474,621 |
| Rent, rates and taxes | 71,002 | 111,642 | 53,002 | 55,821 |
| Telephone charges | 89,405 | 52,868 | 47,607 | 1,093 |
| | 133,460,914 | 120,360,792 | 73,654,300 | 59,976,372 |
| Manufacturing cost | <u>823,299,721</u> | <u>686,641,550</u> | <u>463,923,487</u> | <u>383,612,320</u> |
| Work in process - Opening | 38,539,679 | 40,472,042 | 43,318,512 | 27,074,884 |
| Work in process - Closing | (77,005,369) | (42,831,171) | (77,005,369) | (42,831,171) |
| | (38,465,690) | (2,359,129) | (33,686,857) | (15,756,287) |
| Cost of goods manufactured | <u>784,834,031</u> | <u>684,282,421</u> | <u>430,236,630</u> | <u>367,856,033</u> |
| Finished goods - Opening | 31,234,201 | 18,913,836 | 29,917,906 | 20,590,897 |
| Finished goods - Closing | (71,814,540) | (48,876,114) | (71,814,540) | (48,876,114) |
| | (40,580,339) | (29,962,278) | (41,896,634) | (28,285,217) |
| | <u>744,253,692</u> | <u>654,320,143</u> | <u>388,339,996</u> | <u>339,570,816</u> |



PAKISTAN PAPER PRODUCTS LIMITED

| | (Un-audited) 31 December 2023 | (Un-audited) 31 December 2022 |
|--|-------------------------------------|-------------------------------------|
| | ----- (Rupees) ----- | |
| 17 CASH GENERATED FROM OPERATIONS | | |
| Profit before taxation | 85,986,884 | 17,322,792 |
| <i>Adjustments for non-cash and other items:</i> | | |
| Depreciation | 20,363,937 | 22,069,630 |
| Amortization | 70,625 | 70,625 |
| Provision for gratuity | 2,137,098 | 1,914,360 |
| Provision for Sindh Workers' Profit Participation Fund | 4,623,638 | 931,861 |
| Provision for Sindh Workers' Welfare Fund | 1,862,246 | 382,573 |
| Finance cost | 27,838,915 | 26,476,571 |
| Exchange loss | 6,770,427 | 7,458,366 |
| Loss / (gain) on disposal of fixed assets | 1,550,887 | (362,815) |
| <i>(Increase) / decrease in current assets</i> | | |
| Stores and spares | (1,698,029) | 410,606 |
| Stock-in-trade | (85,314,874) | (51,890,278) |
| Trade debts | 127,611,627 | 16,770,562 |
| Advances and other receivables | 25,312,098 | 2,989,119 |
| Deposits, advances and short term prepayments | 3,603,074 | 12,491,618 |
| <i>Increase / (decrease) in current liabilities</i> | | |
| Creditors, accrued and other liabilities | (35,745,719) | 32,250,807 |
| Cash generated from operations | <u>184,972,834</u> | <u>89,286,397</u> |
| 18 CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 5,704,001 | 5,636,590 |
| Short term borrowings - Secured | <u>(153,548,329)</u> | <u>(218,594,482)</u> |
| | <u>(147,844,328)</u> | <u>(212,957,892)</u> |

19 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

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

| Name of the related party | Relationship and percentage of shareholding | Transactions during the year | (Un-audited) 31 December 2023 | (Un-audited) 31 December 2022 |
|---|---|------------------------------|-------------------------------------|-------------------------------------|
| | | | ----- (Rupees) ----- | |
| M/s. Sayeed International | A director of the Company is the owner of the business. | Purchases | <u>859,630</u> | <u>933,368</u> |
| | | Repairing service | <u>112,527</u> | <u>--</u> |
| Pakistan Paper Products Limited Employees' Provident Fund Trust | Employees Fund | Contribution | <u>3,468,712</u> | <u>2,983,658</u> |



PAKISTAN PAPER PRODUCTS LIMITED

20 INFORMATION ABOUT BUSINESS SEGMENTS

| | Paper Mills | | | Products | | | Others | | | Total | | | | | |
|---|-----------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|--------------|--------------|--------------|
| | Half Year Ended | Quarter Ended | Half Year Ended | Half Year Ended | Quarter Ended | Half Year Ended | Half Year Ended | Quarter Ended | Half Year Ended | Quarter Ended | Half Year Ended | Quarter Ended | | | |
| | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2022 | | | |
| Segment revenue | 30,286,624 | 35,728,628 | 16,659,522 | 124,906,298 | 86,175,267 | 69,721,219 | 29,202,006 | 25,525,591 | 15,843,408 | 12,076,256 | 7,904,088 | 91,625,270 | 74,625,694 | 49,671,219 | 377,658,805 |
| Cost of sales | (25,121,689) | (29,482,648) | (12,966,382) | (131,638,996) | (87,792,278) | (84,645,412) | (29,646,171) | (22,072,218) | (12,112,308) | (8,914,333) | (5,999,209) | (74,252,882) | (64,120,167) | (38,329,988) | (34,576,616) |
| Gross profit | 5,164,935 | 6,245,980 | 3,693,140 | 93,267,302 | 98,382,989 | 85,075,807 | 62,555,835 | 33,453,373 | 3,731,100 | 3,161,923 | 1,904,879 | 17,372,388 | 10,505,527 | 11,341,231 | 33,082,189 |
| Segment expense | (1,822,400) | (1,822,577) | (1,607,088) | (1,671,221) | (2,182,428) | (1,236,812) | (8,386,379) | (5,296,627) | (1,295,522) | (1,000,843) | (754,428) | (2,236,412) | (2,157,428) | (1,427,571) | (11,260,898) |
| Administrative expenses | (5,299,422) | (5,199,864) | (2,775,686) | (2,897,548) | (3,133,229) | (3,435,611) | (1,664,312) | (1,838,723) | (1,571,672) | (1,628,726) | (782,182) | (9,961,852) | (10,651,121) | (5,202,101) | (5,629,281) |
| Selling and distribution expenses | (10,484,229) | (9,796,344) | (4,395,598) | (4,868,286) | (2,235,796) | (2,726,655) | (7,684,826) | (2,386,222) | (1,314,228) | (1,072,628) | (876,276) | (14,690,142) | (13,959,697) | (12,260,194) | (12,153,189) |
| Finance cost | (2,209,822) | (2,272,116) | (288,524) | (1,525,206) | (2,411,815) | (2,700,875) | (1,662,472) | (290,111) | - | (71,228) | (8,209) | (4,623,608) | (9,128,121) | (2,224,828) | (6,010,481) |
| Shareholders' Profit Participation Plan | (487,226) | (2,821,222) | (1,282,226) | (52,112) | (1,215,679) | (290,128) | (864,822) | (26,299) | - | (5,586) | (3,172) | (1,852,248) | (3,222,212) | (954,128) | (12,227,227) |
| Shareholders' Welfare Fund | (2,884,110) | (3,033,148) | (1,510,664) | (12,962,946) | (2,483,126) | (18,246,696) | (1,729,621) | (4,729,621) | (4,301,088) | (4,199,379) | (2,296,461) | (7,264,811) | (8,712,119) | (6,414,681) | (29,594,231) |
| Operating profit | 21,164,862 | 46,891,266 | (1,420,774) | (6,022,796) | 64,941,154 | 25,829,812 | 44,544,481 | 18,141,708 | (3,260,614) | (2,564,677) | (692,646) | 6,088,116 | 16,794,129 | 42,207,276 | 7,981,278 |
| Other operating expenses | - | - | - | - | - | - | - | - | - | - | - | (3,593,892) | - | (3,546,887) | - |
| Other income | - | - | - | - | - | - | - | - | - | - | - | 729,586 | 2,818,112 | 867,228 | 23,849 |
| Profit before taxation | - | - | - | - | - | - | - | - | - | - | - | 15,923,810 | 13,272,722 | 41,487,617 | 8,007,607 |
| Taxation - Net | - | - | - | - | - | - | - | - | - | - | - | (19,925,837) | (16,911,181) | (16,922,987) | (23,119) |
| Profit after taxation | - | - | - | - | - | - | - | - | - | - | - | 13,997,973 | 6,361,541 | 24,564,630 | 7,887,488 |



PAKISTAN PAPER PRODUCTS LIMITED

21 CORRESPONDING FIGURES

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

22 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on 15-02-2024 by the Board of Directors of the Company.

23 GENERAL

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

ABBAS SAYEED

Chairman

ZIA UR REHMAN

Chief Financial Officer

ABID SAYEED








Chief Executive










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➤ Photocopy Paper



➤ Plotter Paper



➤ Ammonia Sensitised Paper

Head Office & Factory:

Pakistan Paper Products Ltd.,

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