



PAKISTAN PAPER PRODUCTS LIMITED

QUARTERLY FINANCIAL STATEMENTS

3rd QUARTER

March 31, 2024 (UN-AUDITED)

To,

If undelivered please return to:

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





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PAKISTAN PAPER PRODUCTS LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HR AND REMUNERATION COMMITTEE

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

MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Zia Ur Rehman

COMPANY SECRETARY

Mr. Dawood Ahmed Mapara

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARE REGISTRAR

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

BANKERS

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

REGISTERED OFFICE AND FACTORY

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



PAKISTAN PAPER PRODUCTS LIMITED

DIRECTORS' REVIEW

The Board of Directors is pleased to present the financial results of the company for the nine months period ended March 31, 2024.

Operating Performance

Your company has continued with the robust performance in the third quarter also which we witnessed in the first two quarters. Turnover grew by an impressive 22.78% to reach a new record high of Rs 1.575 billion compared to Rs 1.23 billion last year for this period. This top line growth translated all the way down with GP increasing by 86.51% to Rs 299.57 million, NP before Tax increasing by 256.12% to Rs 152.55 million, and finally NP after Tax increased by 253% to Rs 112.51 million compared to Rs 31.87 million last year. We were able to achieve these excellent results mainly due to the economy stabilizing after the crisis and chaos experienced last year. While interest rates remained high, the stable PKR exchange rate led to a reduction in our financial charges and also increased our margins due to the fact that a majority of our raw materials are imported.

Overview

Exercise Books and Pro Labels continued their robust performance with sales rising by 32.27% and 16.58% respectively. Exercise Books continue its good performance as we managed to secure large institutional orders in which we are able to achieve economies of scale and hence improve our margins. Supply chain issues in the country have also improved a lot due to the stable exchange rate. We have not only experienced growth in value but also in volume, which has been a highly positive sign. Although, going forward we are seeing an increase in competition due to our competitors offering lower prices due to abundant availability of cheap and low-quality paper in the local market. Pro Labels sales experienced an increase in value but a drop in volume which is concerning and it shows signs of a fall in local consumption of FMCG goods along with auto lubricants. It appears that the inflationary pressure in the country has now caught up with consumers who are reducing purchase of non-essential items. In the last quarter we have particularly experienced this slow down with production levels falling to levels not seen in the last few years. Sales of Plain Paper were stable and there was growth in price rather than volume, while Sensitized paper continues to decline and as mentioned earlier, we will finish this line once our raw materials are exhausted.

Future Outlook

The future outlook for the company is linked to the economic stability in the country, in the short term, which we hope to continue with this performance till the end of this year. We are also very hopeful that the interest rates will start to fall by the start of the next financial year.

Acknowledgement

The management would like to thank all the customers, financial institutions, suppliers and staff members who have been associated with the company for their support and cooperation.

On behalf of the Board of Directors

ABBAS SAYEED

Chairman

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	(Un-audited) 31 March 2024	(Audited) 30 June 2023
----- (Rupees) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	853,674,450	864,080,606
Intangible assets	5	129,476	235,415
Long term deposits		1,525,258	1,225,258
		855,329,184	865,541,279
CURRENT ASSETS			
Stores and spares		11,666,155	8,349,253
Stock-in-trade		406,165,449	401,935,917
Trade debts - Unsecured, considered good		319,807,654	340,095,787
Advances and other receivables		101,208,836	130,309,001
Deposits and short term prepayments		2,878,529	5,974,627
Cash and bank balances	6	4,769,488	5,151,351
		846,496,111	891,815,936
		1,701,825,295	1,757,357,215
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (June 2023: 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		605,507,592	522,632,946
Capital reserve			
Surplus on revaluation of property, plant and equipment		502,479,939	504,841,334
		1,187,987,531	1,107,474,280
NON-CURRENT LIABILITIES			
Deferred tax liability - Net		47,560,761	47,376,752
Deferred liability for staff gratuity		20,773,146	18,624,529
Long term loans - Secured		68,130,035	85,226,417
Liabilities against assets subject to musharakah financing		3,840,000	6,000,000
Deferred grant		3,747,716	4,338,169
		144,051,658	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	6	180,421,988	218,594,482
Creditors, accrued and other liabilities		150,380,350	231,848,003
Unclaimed dividend		11,190,119	10,007,169
		369,786,106	488,317,068
CONTINGENCIES AND COMMITMENTS			
	7	--	--
		1,701,825,295	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 PERIOD NINE MONTHS ENDED 31 MARCH 2024 (Un-audited)

Notes	Nine Months Ended - (Un-audited)		Quarter Ended - (Un-audited)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Rupees) -----		----- (Rupees) -----	
Sales - Net	1,427,918,279	1,161,975,152	517,591,578	423,448,458
Cost of sales	<u>(1,128,331,904)</u>	<u>(1,001,349,736)</u>	<u>(384,078,212)</u>	<u>(347,029,593)</u>
Gross profit	299,586,375	160,625,415	133,513,366	76,418,864
Administrative expenses	<u>(42,882,955)</u>	<u>(33,700,417)</u>	<u>(14,676,542)</u>	<u>(11,542,987)</u>
Selling and distribution expenses	<u>(14,732,181)</u>	<u>(15,030,702)</u>	<u>(4,768,996)</u>	<u>(5,015,531)</u>
Other operating expenses	<u>(41,003,498)</u>	<u>(3,435,170)</u>	<u>(32,966,727)</u>	<u>(2,120,736)</u>
	<u>(98,618,634)</u>	<u>(52,166,289)</u>	<u>(52,412,265)</u>	<u>(18,679,254)</u>
Operating profit	<u>200,967,741</u>	<u>108,459,126</u>	<u>81,101,101</u>	<u>57,739,610</u>
Other income	819,432	576,613	89,846	38,400
Finance cost	<u>(49,235,628)</u>	<u>(66,198,515)</u>	<u>(14,626,286)</u>	<u>(32,263,578)</u>
Profit before taxation	<u>152,551,545</u>	<u>42,837,225</u>	<u>66,564,661</u>	<u>25,514,433</u>
Taxation - Net	<u>(40,038,294)</u>	<u>(10,961,588)</u>	<u>(20,113,237)</u>	<u>(7,271,404)</u>
Profit for the period	<u>112,513,251</u>	<u>31,875,637</u>	<u>46,451,424</u>	<u>18,243,029</u>
Earnings per share - Basic and diluted	<u>14.06</u>	<u>3.98</u>	<u>5.81</u>	<u>2.28</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 COMPREHENSIVE INCOME FOR THE PERIOD NINE MONTHS ENDED 31 MARCH 2024 (Un-audited)

Notes	Nine Months Ended - (Un-audited)		Quarter Ended - (Un-audited)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	112,513,251	31,875,637	46,451,424	18,243,029
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	<u>112,513,251</u>	<u>31,875,637</u>	<u>46,451,424</u>	<u>18,243,029</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 PERIOD NINE MONTHS ENDED 31 MARCH 2024 (Un-audited)

	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 period nine months ended 31 March 2023	--	--	31,875,637	31,875,637	--	31,875,637
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income for the period	--	--	31,875,637	31,875,637	--	31,875,637
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 March 2023	80,000,000	143,900,000	318,362,128	462,262,128	506,171,414	1,048,433,542
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 March 2024	--	--	112,513,251	112,513,251	--	112,513,251
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income for the period	--	--	112,513,251	112,513,251	--	112,513,251
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 March 2024	80,000,000	143,900,000	461,607,592	605,507,592	502,479,939	1,187,987,531

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 PERIOD NINE MONTHS ENDED 31 MARCH 2024 (Un-audited)

Notes	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	152,551,545	42,837,226
<i>Adjustments for non-cash and other items:</i>		
Depreciation	30,861,701	33,199,549
Amortization	105,939	105,938
Provision for gratuity	3,205,647	2,871,540
Provision for Sindh Workers' Profit Participation Fund	8,196,450	2,313,620
Provision for Sindh Workers' Welfare Fund	3,181,011	1,121,550
Loss / (Gain) on disposal of fixed assets	1,474,711	(303,486)
Finance cost	42,559,961	38,021,316
Exchange loss / (gain)	6,675,667	28,177,199
Amortization of deferred grant	(664,218)	-
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(3,316,902)	228,101
Stock-in-trade	(4,229,532)	(76,540,733)
Trade debts	20,288,133	(9,952,937)
Advances and other receivables	(3,049,313)	(4,549,483)
Deposits, advances and short term prepayments	3,096,098	1,063,499
<i>Increase / (decrease) in current liabilities</i>		
Creditors, accrued and other liabilities	(89,456,649)	34,662,368
Cash generated from operations	171,480,249	93,255,267
<i>Payments for:</i>		
Income taxes net of refund received	(7,704,807)	(28,738,112)
Sindh Workers' Welfare Fund	(2,996,893)	(1,987,171)
Sindh Workers' Profit Participation Fund	(7,137,586)	(4,860,209)
Gratuity	(1,057,030)	(1,931,811)
Finance cost	(41,825,396)	(34,905,799)
Net cash inflows from operating activities	110,758,537	20,832,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to tangible assets	(23,247,516)	(11,220,976)
Sale proceeds against disposal of fixed assets	1,317,260	800,600
Net cash outflows from investing activities	(21,930,256)	(10,420,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term deposits	(300,000)	(150,000)
Repayment of long-term finances	(19,920,600)	(27,067,078)
Dividend paid	(30,817,050)	(29,244)
Net cash outflows from financing activities	(51,037,650)	(27,246,322)
Net increase in cash and cash equivalents	37,790,631	(16,834,533)
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	6 (175,652,500)	(174,009,019)

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 INFORMATION FOR THE PERIOD NINE MONTHS ENDED 31 MARCH 2024 (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 quarter ended 31 March 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 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 requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 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 profit and loss account for the quarters ended 31 March 2024 and 2023 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 adopted in the preparation of this condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2023.



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD NINE MONTHS ENDED 31 MARCH 2024 (Un-audited)

	(Un-audited) 31-Mar 2024	(Audited) June 30 2023
	----- (Rupees) -----	
4 PROPERTY, PLANT AND EQUIPMENT		
Operating assets	853,674,450	862,135,756
Capital work in progress - At cost	--	1,944,850
	<u>853,674,450</u>	<u>864,080,606</u>
4.1 Operating fixed assets		
Opening net book value (NBV)	862,135,756	893,264,648
Addition (at cost) during the period year	<u>25,192,366</u>	<u>13,878,802</u>
	887,328,122	907,143,450
- Factory	5,752,077	337,700
- Office	--	--
Plant and machinery	17,910,289	9,021,428
Furniture and fixture	209,500	--
Factory and other equipment	410,000	916,220
Electric equipment and fittings	70,000	--
Computers	55,000	132,800
Vehicles	785,500	3,470,654
	<u>25,192,366</u>	<u>13,878,802</u>
4.1.2 Details of disposals (NBV) during the period / year are as follows:		
Factory and other equipment	--	(100,422)
Plant and machinery	(2,569,493)	--
Vehicles	(222,478)	(523,739)
	<u>(2,791,971)</u>	<u>(624,161)</u>
5 INTANGIBLE ASSETS		
Software license	5.1 <u>129,476</u>	<u>235,415</u>
5.1 Movement of intangible assets		
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>
Accumulated amortization as at 1 July,	329,585	188,335
Charge for the year	105,939	141,250
Accumulated amortization as at 30 June,	435,524	329,585
Net book value	<u>129,476</u>	<u>235,415</u>
Useful life (in years)	<u>4</u>	<u>4</u>



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD NINE MONTHS ENDED 31 MARCH 2024 (Un-audited)

	(Un-audited) 31-Mar 2024	(Un-audited) 31-Mar 2023
6 CASH AND CASH EQUIVALENT		
		----- (Rupees) -----
Cash and bank balance	4,769,488	4,774,871
Bank Al Habib Limited - Running finance utilized	(180,421,988)	(178,783,891)
	<u>(175,652,500)</u>	<u>(174,009,019)</u>

- 7 Contingent liabilities in respect of guarantees issued by bank on behalf of the company aggregating to Rs. 2,134,915/- (March 2023: Nil-).

Commitments are outstanding in respect of letters of credit amounting to Rs. 53,291,873/- (March 2023: Rs. 98,381,966/-)

- 8 The condensed interim financial information was authorized for issue by the Board of Directors of the company on April 19th, 2024.

ABBAS SAYEED
Chairman

ZIA UR REHMAN
Chief Financial Officer

ABID SAYEED
Chief Executive








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


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(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
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*Mobile apps are also available for download for android and ios devices



Promoting Education, Development, & Quality Products.



PRO LABELS



➤ Pro Labels - Self Adhesive labels in roll form.



➤ Exercise Books



➤ Photocopy Paper



➤ Plotter Paper



➤ Ammonia Sensitised Paper

Head Office & Factory:

Pakistan Paper Products Ltd.,

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