PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM
FINANCIAL INFORMATION
SUBJECTED TO LIMITED SCOPE REVIEW
FOR THE HALF YEAR ENDED
DECEMBER 31, 2024


PPP

Contents

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.Muhammad Yusuf	- Chief Financial Officer

CHIEF FINANCIAL OFFICER

Mr.Muhammad Yusuf

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

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, 2024.

In comparison to last year the results for this year are not that positive for which there are certain reasons which will be highlighted below. Turnover and Sales declined by 16.72% and 18.25% with Ex Books taking the biggest hit where sales fell by 44.65%. Pro Labels had a marginal decline of 2.45% while Sensitized paper and photocopy paper also saw a big fall of 18.96% and 32.32%. This decline in sales translated all the way down with Operating Profit falling by 39.77% and Net Profit before tax by 39.79% and Net Profit after tax by 54.7%.

The main reason behind these negative figures is the massive decline in sales of Ex Books due to reasons highlighted earlier, since the paper market is now flooded with cheap paper and the unorganized sector is providing Ex Books at very low prices. While there has been a decline overall in prices of Paper & Board and we have also reduced our prices but are unable to compete with such low prices. Another major reason for this decline in sales is that due to the threat of removal of our Sales Tax zero rating we did a lot of our sales before June 30, 2024 which would have normally materialized in Q1. However, the fall in sales during the season in Q1 was quite unprecedented. As highlighted earlier we are now focusing more on institutional sales than market sales where we enjoy an edge over the unorganized sector and we have had very promising results with all major institutions and schools placing their bulk orders with us. The fall in profit was also due to the loss that we have suffered in Ex Books during Q1 & Q2 due to the heavy fixed cost associated with this segment. We anticipate the situation will turn around and improve with the increase in Ex book sales over the next two quarters.

Pro Labels has had a satisfactory performance with improvement in margins and while sales declined marginally in monetary terms, we managed to increase volumes slightly. In this segment also we are facing very intense competition with new players, but we are able to retain our prime customers as we have a very good brand loyalty with them, and they are happy with our service and reliability. We have also managed our supply chain in a very efficient manner because 15% RD was imposed on self adhesive paper from July 1, 2024 and we have managed to not have that affect our margins by sourcing materials at lower costs without affecting the quality of our products.

On another positive note Financial charges have declined by 38.13% due to the reduction in interest rates and thanks to the stability of PKR we have avoided Exchange losses. In addition the company continues to bring in more efficiency in our production processes and reduce wastages. We are pleased to inform you that after a long time we have invested in Modernization of our Ex Books production line and we have installed a brand new 5 clamp binding machine and a 42" Four color Flexo ruling machine which is the first of its kind in Pakistan. It is hoped that we will be able to improve our margins in Ex Books going forward by focusing on the improvement in quality of our products which will stand out from cheaper competition in the unrecognized sector.

Overall, we have been 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 come out with better results by the end of the year. Rest assured that the management is aware of all 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.

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 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.

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	**ABID SAYEED**
Chairman	*Chief Executive*

Karachi: February 25 2025

FARUQ ALI & CO.
& CO. CHARTERED ACCOUNTANTS

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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 2024 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 2024 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2024.

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

Chartered Accountants

Place: Karachi

Dated: 26-02-2025

UDIN: RR202410178jP57TiHV0

PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	(Un-audited) 31 December 2024	(Audited) 30 June 2024
ASSETS		---------------- (Rupees)	----------------
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,366,176,374	1,313,671,838
Intangible assets		22,810	94,165
Long term deposits		1,675,258	1,675,258
		1,367,874,442	1,315,441,261
CURRENT ASSETS			
Stores and spares		10,549,917	10,037,039
Stock-in-trade	6	431,281,558	355,983,019
Trade debts - Unsecured		226,999,918	346,734,816
Advances and other receivables	7	159,779,439	105,612,399
Deposits, advances and short term prepayments	8	15,601,880	393,030
Cash and bank balances	9	5,631,616	7,125,720
		849,844,328	825,886,023
		2,217,718,770	**2,141,327,284**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (2024: 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		619,870,970	621,942,028
Capital reserve			
Surplus on revaluation of property, plant and equipment		959,399,936	959,399,936
		1,659,270,906	1,661,341,964
NON-CURRENT LIABILITIES			
Deferred tax liability - Net		59,593,254	55,141,541
Deferred liability for staff gratuity		20,779,931	19,928,330
Long term loans - Secured	10	89,592,241	62,852,231
Liabilities against assets subject to musharakah financing	11	1,678,685	2,878,685
Deferred grant		2,668,656	3,189,610
		174,312,767	143,990,397
CURRENT LIABILITIES			
Current portion shown under current liabilities		38,889,624	26,560,800
Current portion of deferred government grant		1,079,060	1,148,559
Short term borrowings - Secured	12	158,464,285	137,799,954
Creditors, accrued and other liabilities	13	172,629,072	130,639,788
Unclaimed dividend		13,073,056	12,285,638
Provision for taxation - Net		--	27,560,184
		384,135,097	335,994,923
CONTINGENCIES AND COMMITMENTS	14	--	--
		2,217,718,770	**2,141,327,284**

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

ABBAS SAYEED	MUHAMMAD YUSUF	ABID SAYEED
Chairman	*Chief Financial Officer*	*Chief Executive*

STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 (Un-audited)

	Notes	Half Year Ended (Un-audited) 31 December 2024	Half Year Ended (Un-audited) 31 December 2023	Quarter Ended (Un-audited) 31 December 2024	Quarter Ended (Un-audited) 31 December 2023
		----------- (Rupees) -----------		----------- (Rupees) -----------	
Sales - Net	15	744,184,000	910,326,701	379,641,838	466,712,190
Cost of sales	16	(625,230,454)	(744,253,692)	(322,139,633)	(388,339,996)
Gross profit		118,953,546	166,073,009	57,502,205	78,372,194
Administrative expenses		(30,955,185)	(28,206,413)	(16,115,865)	(14,727,917)
Selling and distribution expenses		(11,923,594)	(9,963,185)	(5,944,014)	(5,202,101)
Other operating expenses		(3,880,990)	(8,036,771)	(1,885,877)	(4,713,323)
		(46,759,769)	(46,206,369)	(23,945,756)	(24,643,341)
Operating profit		72,193,777	119,866,640	33,556,449	53,728,853
Other income		993,873	729,586	985,473	667,238
Finance cost		(21,412,857)	(34,609,342)	(9,686,693)	(12,991,949)
Profit before taxation		51,774,793	85,986,884	24,855,229	41,404,142
Taxation - Net		(21,845,851)	(19,925,057)	(7,643,762)	(8,042,907)
Profit for the year		**29,928,942**	**66,061,827**	**17,211,467**	**33,361,235**
Earnings per share - Basic and diluted		3.74	8.26	2.15	4.17

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

ABBAS SAYEED	**MUHAMMAD YUSUF**	**ABID SAYEED**
Chairman	*Chief Financial Officer*	*Chief Executive*

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 (Un-audited)

	Notes	Half Year Ended - (Un-audited)		Quarter Ended - (Unaudited)	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		----------- (Rupees) -----------		----------- (Rupees) -----------	
Profit for the year		29,928,942	66,061,827	17,211,467	33,361,235
Other comprehensive income		--	--	--	--
Total comprehensive income for the period		**29,928,942**	**66,061,827**	**17,211,467**	**33,361,235**

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

ABBAS SAYEED	**MUHAMMAD YUSUF**	**ABID SAYEED**
Chairman	*Chief Financial Officer*	*Chief Executive*

PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 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 2023	80,000,000	143,900,000	378,732,946	522,632,946	504,841,334	1,107,474,280
Profit for the year ended 31 December 2023	--	--	66,061,827	66,061,827	--	66,061,827
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income for the year	--	--	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**
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 31 December 2024	--	--	29,928,942	29,928,942	--	29,928,942
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income for the year	--	--	29,928,942	29,928,942	--	29,928,942
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 31 December 2024	**80,000,000**	**143,900,000**	**475,970,970**	**619,870,970**	**959,399,936**	**1,659,270,906**

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

ABBAS SAYEED	MUHAMMAD YUSUF	ABID SAYEED
Chairman	*Chief Financial Officer*	*Chief Executive*

STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 (Un-audited)

	Notes	31 December 2024	31 December 2023
		--------------- (Rupees) ---------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	164,712,240	184,308,616
Payments for:			
Income taxes net of refund received		(75,188,742)	(23,486,318)
Sindh Workers' Welfare Fund		(5,182,779)	(2,996,893)
Sindh Workers' Profit Participation Fund		(12,436,006)	(7,137,586)
Gratuity		(1,298,199)	(1,057,030)
Finance cost		(23,210,121)	(29,577,556)
Net cash inflows / (outflows) from operating activities		47,396,393	120,053,233
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to tangible assets	5.1.1	(76,375,036)	(11,271,240)
Sale proceeds against disposal of fixed assets		754,409	1,214,260
Net cash outflows from investing activities		(75,620,627)	(10,056,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term deposits		--	(300,000)
Long-term finances obtained		51,758,100	--
Repayment of long-term finances		(14,479,719)	(13,280,400)
Dividend paid		(31,212,582)	(30,817,050)
Net cash outflows from financing activities		6,065,799	(44,397,450)
Net increase / (decrease) in cash and cash equivalents		(22,158,435)	65,598,803
Cash and cash equivalents at the beginning of the year		(130,674,234)	(213,443,131)
Cash and cash equivalents at the end of the year	18	**(152,832,669)**	**(147,844,328)**

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

ABBAS SAYEED	MUHAMMAD YUSUF	ABID SAYEED
Chairman	*Chief Financial Officer*	*Chief Executive*

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 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 half year ended 31 December 2024 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 2024.

2.3 The figures included in the condensed interim statement of profit or loss for the quarters ended 31 December 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 2024 and 2023.

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 2024.

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.

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 2024.

		(Un-audited) 31 December 2024	(Audited) 30 June 2024
		(Rupees)	(Rupees)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,366,176,374	1,313,671,838
5.1 Operating fixed assets			
Opening net book value (NBV)		1,313,671,838	862,135,756
Addition (at cost) during the period / year	5.1.1	76,375,036	30,975,425
		1,390,046,874	893,111,181
Revaluation for period / year		--	465,344,007
Disposal (NBV) during the period / year	5.1.2	(600,648)	(2,791,971)
Depreciation charged for the period / year		(23,269,852)	(41,991,379)
Closing net book value (NBV)		1,366,176,374	1,313,671,838

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

Factory building on leasehold land	--	5,752,080
Plant and machinery	64,871,734	18,143,920
Furniture and fixture	1,138,545	209,500
Factory and other equipment	--	2,058,300
Electric equipment and fitting	132,160	70,000
Computers	130,500	55,000
Vehicles	3,903,000	4,686,625
Solar power system	6,199,097	--
	76,375,036	30,975,425

		(Un-audited) 31 December 2024	(Audited) 30 June 2024
		--------------- (Rupees) ---------------	
5.1.2	**Details of disposals (NBV) during the period / year are as follows:**		
	Factory and other equipment	(2,377)	--
	Plant and machinery	(518,092)	(2,569,493)
	Vehicles	(80,179)	(222,478)
		(600,648)	(2,791,971)

6 STOCK-IN-TRADE

Raw materials	299,710,478	296,718,260
Work-in-process	44,792,940	35,827,605
Finished goods	86,778,140	23,437,154
	431,281,558	355,983,019

7 ADVANCES AND OTHER RECEIVABLES

Considered good		
Advance to suppliers	23,375,070	557,600
Advance to staff	288,799	1,120,079
Advance income tax - Net	30,234,420	--
Income tax refundable	100,832,491	100,832,491
Sales tax refundable - Net	5,048,659	3,102,229
	159,779,439	105,612,399

8 DEPOSITS, ADVANCES AND SHORT TERM PREPAYMENTS

Margin deposits	5,547,700	--
Trade deposits	224,418	224,418
Advance against letter of credit	6,521,709	90,515
Short term prepayments	3,308,053	78,097
	15,601,880	393,030

9 CASH AND BANK BALANCES

Cash in hand	90,000	110,044
Factory imprest	155,000	125,000
Cash at banks:		
- Current accounts	5,386,616	6,890,676
	5,631,616	7,125,720

		(Un-audited) 31 December 2024	(Audited) 30 June 2024
		--------------- (Rupees)	---------------
10	**LONG TERM LOANS - Secured**		
	Temporary economic refinance facility	31,196,284	34,283,831
	Long term loan	58,395,957	28,568,400
		89,592,241	62,852,231
11	**LIABILITIES AGAINST ASSETS SUBJECT TO MUSHARAKAH FINANCING**		
	Lease liabilities	4,558,685	5,758,685
	Current portion shown under current liabilities	(2,880,000)	(2,880,000)
		1,678,685	2,878,685
12	**SHORT TERM BORROWINGS - Secured**		
	Bank Al-Habib Limited - Running finance	108,464,285	105,316,323
	Bank Al-Habib Limited - Short term finance	50,000,000	32,483,631
		158,464,285	137,799,954

There are no significant change in the facilities and securities of short term borrowings as reported in note 20 to the annual audited financial statements of the Company for the year ended 30 June 2024.

13	**CREDITORS, ACCRUED AND OTHER LIABILITIES**		
	Trade creditors	55,392,711	87,348,232
	Advance from customers	86,795,251	963,299
	Accrued expenses and other payables	18,525,587	13,563,748
	Payable to provident fund	847,755	775,649
	Accrued mark-up	7,186,778	8,984,042
	Sindh Workers' Profit Participation Fund	2,812,312	12,436,006
	Sindh Workers' Welfare Fund	1,068,678	5,182,779
	Sales tax payable	--	1,386,033
		172,629,072	130,639,788

14 CONTINGENCIES AND COMMITMENTS

There are no significant change in the status of contingencies and commitments as reported in note 22 to the annual audited financial statements of the Company for the year ended 30 June 2024.

15 SALES - Net

	Half Year Ended - (Un-audited)		Quarter Ended - (Unaudited)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees)		(Rupees)	
Gross sales	845,494,487	1,015,196,368	427,280,860	520,963,450
Sales tax	(101,310,487)	(104,869,667)	(47,639,022)	(54,251,260)
	744,184,000	910,326,701	379,641,838	466,712,190

16 COST OF SALES

	Half Year Ended - (Un-audited)		Quarter Ended - (Un-audited)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	(Rupees)		(Rupees)	
Raw material consumed	566,347,015	689,838,807	318,468,644	390,269,187
Salaries, wages and other benefits	63,345,652	61,491,353	33,722,440	34,344,739
Stores and spares consumed	19,372,606	23,444,027	11,692,486	12,704,194
Depreciation	20,046,661	18,243,657	10,407,782	9,140,565
Fuel and power	14,883,745	14,628,794	7,186,550	7,838,612
Other manufacturing expenses	5,159,997	7,959,218	3,928,381	5,769,749
Repairs and maintenance	7,036,236	6,519,155	3,073,418	3,244,200
Insurance expenses	1,134,764	1,014,303	569,178	511,632
Rent, rates and taxes	89,298	71,002	44,649	53,002
Telephone charges	120,801	89,405	49,680	47,607
Manufacturing cost	697,536,775	823,299,721	389,143,208	463,923,487
Work in process - Opening	35,827,605	38,539,679	36,075,230	43,318,512
Work in process - Closing	(44,792,940)	(77,005,369)	(44,792,940)	(77,005,369)
	(8,965,335)	(38,465,690)	(8,717,710)	(33,686,857)
Cost of goods manufactured	688,571,440	784,834,031	380,425,498	430,236,630
Finished goods - Opening	23,437,154	31,234,201	28,492,275	29,917,906
Finished goods - Closing	(86,778,140)	(71,814,540)	(86,778,140)	(71,814,540)
	(63,340,986)	(40,580,339)	(58,285,865)	(41,896,634)
	625,230,454	744,253,692	322,139,634	388,339,996

	(Un-audited) 31 December 2024	(Un-audited) 31 December 2023
	-------------- (Rupees) --------------	
17 CASH GENERATED FROM OPERATIONS		
Profit before taxation	51,774,793	85,986,884
Adjustments for non-cash and other items:		
Depreciation	23,269,852	20,363,937
Amortization	70,625	70,625
Provision for gratuity	2,149,800	2,137,098
Provision for Sindh Workers' Profit Participation Fund	2,812,312	4,623,638
Provision for Sindh Workers' Welfare Fund	1,068,678	1,862,246
Loss on disposal of fixed assets	--	1,550,887
Finance cost	21,412,857	27,838,915
Exchange loss	(233,619)	6,770,427
Gain on disposal of fixed assets	(153,761)	--
(Increase) / decrease in current assets		
Stores and spares	(512,878)	(1,698,029)
Stock-in-trade	(75,298,539)	(85,314,874)
Trade debts	119,734,898	127,611,627
Advances and other receivables	(23,932,620)	25,312,098
Deposits and short term prepayments	(15,208,850)	3,603,074
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	57,758,692	(36,409,937)
Cash generated from operations	164,712,240	184,308,616
18 CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,631,616	7,125,720
Short term borrowings - Secured	(158,464,285)	(137,799,954)
	(152,832,669)	(130,674,234)

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 2024	(Un-audited) 31 December 2023
			-------------- (Rupees) --------------	
M/s. Sayeed International	A director of the Company is the owner of the business.	Purchases	699,032	859,630
		Repairing service	--	112,527
		Advance for Machinery	23,087,000	--
Pakistan Paper Products Limited Employees' Provident Fund Trust	Employees Fund	Contribution	3,699,418	3,468,712

20 INFORMATION ABOUT BUSINESS SEGMENTS

	Exercise Books				Prolabels			
	Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	------ (Rupees) ------		------ (Rupees) ------		------ (Rupees) ------		------ (Rupees) ------	
Segment revenue	182,261,043	329,288,634	115,883,144	166,587,672	551,332,789	565,197,607	257,796,648	292,703,045
Cost of sales	(178,369,706)	(274,123,659)	(111,335,343)	(152,905,382)	(436,638,734)	(457,792,727)	(205,775,763)	(229,441,720)
Gross profit	3,891,337	55,164,975	4,547,801	13,682,290	114,694,055	107,404,880	52,020,885	63,261,325
Segment expenses								
Administrative expenses	(13,579,012)	(14,623,460)	(7,064,734)	(7,607,068)	(15,794,286)	(12,187,430)	(8,227,749)	(6,386,379)
Selling and distribution expenses	(6,320,556)	(5,259,423)	(3,118,183)	(2,775,608)	(4,966,404)	(3,130,325)	(2,520,118)	(1,644,311)
Finance cost	(7,127,162)	(10,438,328)	(2,503,796)	(4,305,598)	(13,058,428)	(22,356,786)	(6,751,704)	(7,938,830)
Sindh Workers' Profit Participation Fund	--	(1,209,823)	--	(285,534)	(2,592,191)	(3,413,815)	(1,142,947)	(1,942,472)
Sindh Workers' Welfare Fund	--	(487,276)	--	(129,256)	(816,356)	(1,374,970)	(266,977)	(804,852)
	(27,026,729)	(32,018,310)	(12,686,712)	(15,103,064)	(37,227,665)	(42,463,326)	(18,909,494)	(18,716,844)
Operating profit	(23,135,393)	23,146,665	(8,138,911)	(1,420,774)	77,466,390	64,941,554	33,111,390	44,544,481

	Others				Total			
	Half Year Ended		Quarter Ended		Half Year Ended		Quarter Ended	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	------ (Rupees) ------		------ (Rupees) ------		------ (Rupees) ------		------ (Rupees) ------	
Segment revenue	10,590,168	15,840,460	5,962,047	7,421,473	744,184,000	910,326,701	379,641,838	466,712,190
Cost of sales	(10,222,014)	(12,337,306)	(5,028,527)	(5,992,894)	(625,230,454)	(744,253,692)	(322,139,633)	(388,339,996)
Gross profit	368,154	3,503,154	933,519	1,428,579	118,953,546	166,073,009	57,502,205	78,372,194
Segment expenses								
Administrative expenses	(1,581,887)	(1,395,523)	(823,383)	(734,470)	(30,955,185)	(28,206,413)	(16,115,865)	(14,727,917)
Selling and distribution expenses	(636,634)	(1,573,437)	(305,714)	(782,182)	(11,923,594)	(9,963,185)	(5,944,014)	(5,202,101)
Finance cost	(1,227,267)	(1,814,228)	(431,193)	(747,521)	(21,412,857)	(34,609,342)	(9,686,693)	(12,991,949)
Sindh Workers' Profit Participation Fund	--	--	(3,510)	(322)	(2,592,191)	(4,623,638)	(1,146,457)	(2,228,328)
Sindh Workers' Welfare Fund	--	--	--	--	(816,356)	(1,862,246)	(266,977)	(934,108)
	(3,445,789)	(4,783,188)	(1,563,800)	(2,264,495)	(67,700,183)	(79,264,824)	(33,160,006)	(36,084,403)
Operating profit	(3,077,635)	(1,280,034)	(630,280)	(835,916)	51,253,363	86,808,185	24,342,199	42,287,791
Other operating expenses					(472,443)	(1,550,887)	(472,443)	(1,550,887)
Other income					993,873	729,586	985,473	667,238
Profit before taxation					51,774,793	85,986,884	24,855,229	41,404,142
Taxation - Net					(21,845,851)	(19,925,057)	(7,643,762)	(8,042,907)
Profit after taxation					**29,928,942**	**66,061,827**	**17,211,467**	**33,361,235**

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 25-02-2025 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	**MUHAMMAD YUSUF**	**ABID SAYEED**
Chairman	*Chief Financial Officer*	*Chief Executive*