

Annual Report 2025



Pakistan Paper Products Ltd.



VISION STATEMENT

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

MISSION STATEMENT

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





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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. Mohsin Safdar		Independent Director
Ms. Aisha Fariel Salahuddin		Independent Director
Mr. Khurram Aftab	NIT	Director

AUDIT COMMITTEE

Ms. Aisha Fariel Salahuddin	- Chairperson
Mr. Abbas Sayeed	- Member
Dr. Asadullah Sayeed	- Member
Mr. Khurram Aftab	- Member

HR AND REMUNERATION COMMITTEE

Mr. Mohsin Safdar	- Chairman
Mr. Abbas Sayeed	- 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



PAKISTAN PAPER PRODUCTS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **63rd Annual General Meeting** of the Shareholders of the Company will be held on **Thursday, October 09th, 2025, at 10:30 a.m.** at the Registered Office of the Company at D/58, Estate Avenue, S.I.T.E. Karachi, and also through video-conferencing, to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on 24th October, 2024.
2. To receive, consider, and adopt the Audited Accounts of the Company for the year ended June 30, 2025, together with the Chairman Reviews, Directors' and Auditors' Reports thereon.
In accordance with section 223 of the Companies Act, 2017 and pursuant to the S.R.O 389/(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code:



<https://pakpaper.com/AnnualReports/PPPLAnnualReport2025.pdf>

3. To consider and approve the payment of the Final cash dividend, for the year ended June 30, 2025 @ 50% i.e. Rs.5.00/- (per ordinary share of Rs. 10 each) for the financial year ended June 30, 2025, as recommended by the Board of Directors.
4. To appoint Statutory Auditors for the year 2025-26 and to fix their remuneration. The present Auditors-M/s. Faruq Ali, being eligible offered themselves for reappointment.

OTHER BUSINESS

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

Karachi

Dated: September 16th, 2025.

By Order of the Board
DAWOOD AHMED MAPARA
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from Tuesday, October 07, 2025, to Thursday, October 09, 2025 (both days inclusive). Transfers received at the office of our Share Registrar, M/s. F.D. Registrar Services (Pvt) Ltd, 17th Floor, Saima Trade Tower-A, I.I. Chandigarh Road, Karachi 74000, at the close of business on Monday, October 06, 2025, will be treated in time for the above entitlement.
2. A member of the Company entitled to attend, speak, and vote at this meeting may appoint any other member as his/her proxy to attend, speak, and vote in his / her instead. The proxies to be effective must be in writing and must be received by the Company's Registered Office not less than 48 hours before the meeting.

3. For Attending the Meeting:

- i. In the case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and whose registration details are uploaded as per Regulations shall authenticate his/her identity by showing his/her original Computerized National Identity card (CNIC) or original Passport at the time of attending the meeting.
- ii. Members registered with CDC are also requested to bring their particulars, I.D. numbers, and account numbers in CDS.
- iii. In the case of the corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.



PAKISTAN PAPER PRODUCTS LIMITED

4. For Appointing Proxies:

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

5. Zakat Declaration Certificate

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

6. Submission of CNIC Copy (MANDATORY)

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

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

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

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

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

9. Unclaimed Dividends and Shares (Important & Mandatory)

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

10. Circulation of Notice of Meeting & Annual Accounts:

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



PAKISTAN PAPER PRODUCTS LIMITED

11. Placement of Financial Accounts on Website:

Annual Audited Financial Statements of the Company for the year ended June 30, 2025, have been placed on the Company's website at www.pakpaper.com

12. Deduction of Income Tax on Dividend

Members are informed that the rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment, have been revised in case of person not appearing in Active Tax Payer List (ATL) which are as under:

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

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

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

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

13. Requirement of Companies (Postal Ballot) Regulations 2018

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

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

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

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

15. Conversion of Physical shares into Book Entry form:

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

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



PAKISTAN PAPER PRODUCTS LIMITED

OPERATING HIGHLIGHTS

	2025	2024	2023	2022	2021	2020
HISTORICAL TRENDS						
Trading results						
Turnover	1,926,839	2,125,258	1,923,198	1,365,460	1,224,655	1,021,263
Sales - Net	1,733,597	1,927,281	1,745,901	1,234,186	1,092,962	913,310
Gross Profit	298,960	391,265	291,317	189,157	160,813	96,911
Profit before tax	161,463	231,101	132,617	90,427	97,014	21,616
Taxation	39,041	75,190	43,585	28,683	26,449	6,045
Profit after tax	122,422	155,911	89,032	61,744	70,565	15,570
Dividend						
Cash Dividend	50.00%	75.00%	40.00%	25.00%	50.00%	12.50%
Stock Dividend						
Cash Dividend Value	40,000	60,000	32,000	20,000	40,000	10,000
Stock Dividend Value	-	-	-	-	-	-
Dividend Payout	32.67%	38.48%	35.94%	32.39%	56.69%	64.22%
Financial Position						
Total Assets	2,244,504	2,141,327	1,757,357	1,600,646	1,398,431	1,376,352
Paid up Capital	80,000	80,000	80,000	80,000	80,000	80,000
Reserves	1,670,749	1,581,342	1,027,474	936,558	919,015	875,050
Working capital	532,396	489,891	403,499	308,128	322,419	207,876
Current Ratio	2.57	2.46	1.83	1.77	2.19	1.61
KEY INDICATORS						
Operating						
Gross Profit	17.25%	20.30%	16.69%	15.33%	14.71%	10.61%
Profit before tax	9.31%	11.99%	7.60%	7.33%	8.88%	2.37%
Profit after tax	7.06%	8.09%	5.10%	5.00%	6.46%	1.70%
Return on Equity	6.99%	9.38%	8.04%	6.07%	7.06%	1.63%
Return on Assets	5.45%	7.28%	5.07%	3.86%	5.05%	1.13%
Valuation						
Earning per share (pre tax)	20.18	28.89	16.58	11.30	12.13	2.70
Earning per share (post tax)	15.30	19.49	11.13	7.72	8.82	1.95
Breakup value per share	218.84	207.67	138.43	127.07	124.88	119.38
Asset utilisation						
Inventory turnover ratio	3.86	4.05	4.15	3.72	3.79	4.07
Total assets turnover ratio	0.77	0.90	0.99	0.77	0.78	0.66
Production						
Exercise Books (Goose)	41,519	49,127	58,686	59,455	45,225	50,466
Amonia Paper (Rolls 10 yds)	2,465	5,434	15,283	8,941	17,875	17,093
Pro-Labels (Sq. Meter)	4,899,162	4,932,033	5,667,013	5,591,118	6,229,624	5,421,736



PAKISTAN PAPER PRODUCTS LIMITED

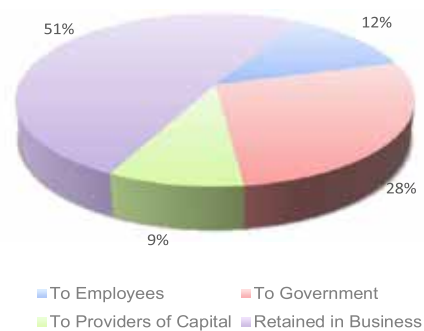
Statement of Value Added and its Distribution

	2025 Rupees in thousand	%	2024 Rupees in thousand	%
Wealth Generated				
Total revenue inclusive of sales tax & other income	1,928,951		2,126,857	
Bought-in-material & services	884,508		1,105,414	
	<u>1,044,444</u>	<u>100.00%</u>	<u>1,021,443</u>	<u>100.00%</u>
Wealth Distributed				
To Employees				
Salaries, wages, benefits & related cost	133,960	12.83%	126,162	12.35%
To Government				
Income tax, sales tax & workers' fund	233,100	22.32%	279,746	27.39%
To Providers of Capital				
Dividend to share holders	40,000	3.83%	60,000	5.87%
Markup on borrowed funds	20,704	1.98%	35,361	3.46%
	<u>60,704</u>		<u>95,361</u>	
Retained in Business				
Depreciation, Amortization & retained profit	616,681	59.04%	520,175	50.93%
	<u>1,044,444</u>	<u>100.00%</u>	<u>1,021,443</u>	<u>100.00%</u>

Wealth Distribution FY-2025



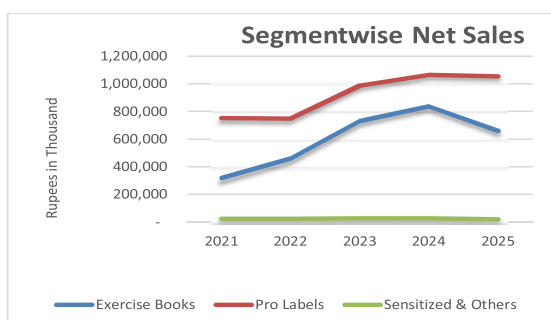
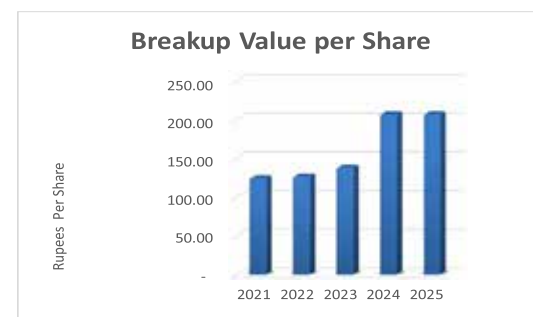
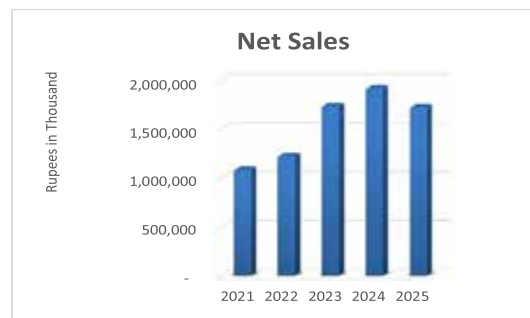
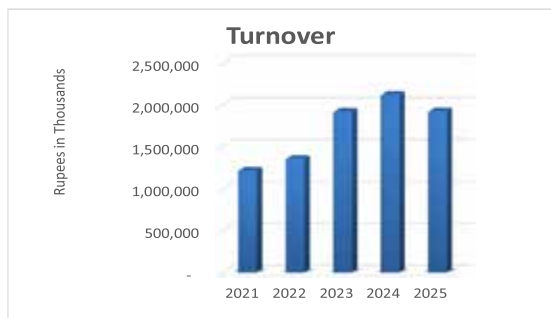
Wealth Distribution FY-2024





PAKISTAN PAPER PRODUCTS LIMITED

GRAPHICAL REPRESENTATION





Chairman Review

Dear Shareholders

It is a matter of great privilege for me to present the Company's Annual Report and Audited Financial Statements for the year ended June 30, 2025 and share with you an update on the performance of our company.

Business Performance

By the grace of Allah, your Company has had a challenging, but profitable year, inspite of a slight decline in sales and profit. Net sales the year ending June 2025 declined by 10.05%. The profitability of your Company (PAT), declined to Rs. 122.4 million, which amount to an EPS of Rs. 15.30 compared to 19.49 last year.

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

Board Performance

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

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

The Board carried out its self-evaluation and identified potential areas for further improvement in line with global best practices. The focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the Management



PAKISTAN PAPER PRODUCTS LIMITED

Acknowledgement

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

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

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

Abbas Sayeed
CHAIRMAN

September 12, 2025
Karachi



PAKISTAN PAPER PRODUCTS LIMITED

ڈائریکٹروں کی رپورٹ

بورڈ آف ڈائریکٹرز کمپنی کی 63 ویں سالانہ رپورٹ ہمراہ آڈٹ شدہ کھاتے پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔ زیر نظر رپورٹ 30 جون 2025 کو اختتام تک پہنچنے والے مالی سال کے دوران ہونے والی آپ کی کمپنی کی سرگرمیوں پر محیط ہے اور عملیاتی اور مالیاتی کارکردگی کے ساتھ ساتھ فیملیاتی تفصیل بھی بیان کرتی ہے۔

الحمد للہ بہت سی مشکلات کے باوجود آپ کی کمپنی کا ایک اور منافع بخش سال اختتام کو پہنچا۔ خام فروخت میں %9.34 کی کمی واقع ہوئی لہذا ٹرن اور بھی کم ہو کر 1.93 ارب روپے ہوا۔ ایکسرسائز بکس، سینیسیٹائزڈ پیپر اور فوٹوکاپی پیپر کی فروخت میں بالترتیب %21.02، %13.99 اور %30.78 کی کمی آئی۔ پرولیمبو کے لئے سال کچھ زیادہ مختلف نہیں رہا جس کی فروخت میں انتہائی معمولی یعنی صرف %0.91 کی کمی واقع ہوئی۔ خام فروخت میں کمی کے سبب خام نفع میں %23.59 قبل از ٹیکس خالص نفع میں %30.13 اور بعد از ٹیکس خالص نفع میں %21.48 کی کمی واقع ہوئی۔

پرو لیبلز

پرولیمبو نے اپنی اچھی کارکردگی کا تسلسل جاری رکھا اور مالیاتی اور حجم ہر دو حوالوں سے اس میں انتہائی معمولی سی کمی واقع ہوئی۔ پہلی تین ششماہیوں میں کمی واقع ہوئی البتہ آخری ششماہی میں جو تیزی آئی اس نے گزشتہ سال سے فرق ختم کر دیا۔ سیلف ایڈیسیو لیبل کے اسٹاک پر RD %15 عیسوی خامیوں کے باوجود سال کے دوران ہم اپنی بچتوں میں اضافہ کرنے میں کامیاب رہے جسکی وجہ پلائی چین کا بہتر انتظام تھا۔ سال کے دوران خام مال کی قیمتوں میں کمی دیکھنے میں آئی اور ان حالات میں ہم نے مختلف النوع اشیاء حاصل کی جنہوں نے ہماری بچتوں میں اضافہ میں مدد دی۔ اس کے ساتھ ساتھ ہم اپنی دو مشینوں کو UV کیورنگ سے LED کیورنگ میں منتقل کر کے ہم بجلی کے اخراجات میں کمی لانے میں بھی کامیاب رہے جس سے بجلی کی کھپت میں %60 کی کمی لائی گئی۔ پاکستانی روپے میں استحکام اور شرح سود میں کمی نے بھی ہمارے مالیاتی اخراجات میں کمی لانے میں مدد دی جس سے خسارہ کم ہوا۔ مجموعی طور سے گزشتہ برس معیشت میں استحکام رہا اور آخری ششماہی میں ہم نے فروخت کے حجم میں بہت اچھا اضافہ ہوتے دیکھا FMCG سیکٹر کے مہوں منت تھا جو میں پہلی تین ششماہیوں کے دوران فروخت کے حجم میں کمی واقع ہوئی تھی۔ ماشاء اللہ آپ کی کمپنی کو مختلف النوع گاہک میسر ہیں لہذا اگر ایک سیکٹر میں کچھ کمی واقع ہوتی ہے تو دوسرا سیکٹر اپنی کارکردگی سے تلافی کر دیتا ہے۔ گزشتہ برس آئل مارکیٹ کے سیکٹر میں تیزی رہی اور لیبر کیٹ کی فروخت میں اچھا خاصا اضافہ ہوا۔ یہی نہیں، فارماسیوٹیکل کانٹینر میں بھی بڑھوتری دیکھی گئی جس سے FMCG سیکٹر میں فروخت میں کمی سے ہونے والے خسارے کی بھر پائی ہو سکی۔ مجموعی طور سے پرولیمبو کی کارکردگی تسلی بخش رہی اور ہم آئندہ سال اس کی فروخت میں مزید اضافے کی توقع کر رہے ہیں۔

ایکسرسائز بکس

ایکسرسائز بکس کے لئے یہ ماہوں کن سال رہا۔ چار پانچ سال تک مسلسل بڑھوتری کے بعد پہلی بار ہم نے منفی کارکردگی دیکھی اور فروخت کے حجم میں %21.02 کی کمی واقع ہوئی۔ اس کی فروخت میں مزید کمی واقع ہو سکتی تھی اگر انتظامیہ اپنی توجہ ادارہ جاتی فروخت پر مرکوز نہ رکھتی کیونکہ مارکیٹ میں فروخت بدستور زوال کا شکار ہے۔ اسکی ایک بڑی وجہ یہ رہی کہ عالمی سطح پر پلپ کی قیمتوں میں ڈرامائی کمی واقع ہونے کی بدولت پاکستان میں کاغذ کی قیمتوں میں بھی کمی آئی۔ اس سبب کاغذ کی قیمتوں میں اچھی خاصی کمی واقع ہوئی اور مارکیٹ میں مسابقت کے سبب ہمیں بھی قیمتوں میں کمی لانی پڑی۔ مارکیٹ میں کم قیمت والے کاغذ کی بھرمار تھی جس کی بدولت بے قاعدہ سیکٹر بھی پیداوار بڑھانے اور مسابقت کرنے کے قابل ہو سکا۔ چھوٹی ملوں کی جانب سے کاغذ کی عدم دستیابی کی بدولت بے قاعدہ سیکٹر گزشتہ کئی برسوں تک تقریباً ناپید ہو چکا تھا۔ اس صورت حال نے بے اصول مسابقت کی فضاء ایک بار پھر قائم کی ہے اور بے قاعدہ پلاسٹائز انٹیٹی کم قیمتوں پر مصنوعات فروخت کر رہے ہیں۔ یہ پورا سیکٹر سرکاری ٹیکسوں اور ڈیوٹیوں سے بچا رہتا ہے اور ایسی ملوں سے کاغذ خریدتا ہے جو نا واجب اور بے اخلاقی سرگرمیوں میں ملوث ہوتی ہیں۔ مستقبل بدستور مشکلات سے پُر دکھائی دیتا ہے کیونکہ مارکیٹ میں فروخت میں کمی نے ہمیں بری طرح متاثر کیا ہے اور ہم قیمتوں میں کمی لاکر مسابقت کرنے کی کوشش کر رہے ہیں۔ محسوس ہوتا ہے کہ یہ مشکل صورت حال جلدی بدلے والی نہیں۔ اس سیکٹر میں ہماری بچتوں میں اچھی خاصی کمی کی بڑی وجہ یہی رہی کیونکہ ہم پہلے زیادہ قیمت پر خریدے گئے مہنگے کاغذ سے بنائی گئیں کا پیاں بہت کم قیمتوں پر فروخت کر رہے تھے۔ ایک مثبت واقعہ ہماری زیر ویز ٹیکس ریٹنگ والی حیثیت کی اس بجٹ میں بھی تبدیلی کی گئی ہے۔ ہم مختلف اداروں کو اپنی مصنوعات کی فروخت پر توجہ بدستور مرکوز رکھیں گے کیونکہ بے قاعدہ سیکٹر ادارہ جاتی فروخت میں ہمارا مقابلہ نہیں کر سکتا کیونکہ تمام ادارے اپنی خریداریاں دستاویزی بناتے ہیں۔

سینیسیٹائزڈ پیپر اور پلاٹر پیپر

زیر جائزہ سال کے دوران سینیسیٹائزڈ پیپر اور پلاٹر پیپر کی فروخت بدستور زوال کا شکار رہی لہذا انتظامیہ نے طے کیا ہے کہ کاروبار کے اس شعبے کو بند کر دیا جائے۔ حالیہ طور سے ہم اپنے سینیسیٹائزڈ پیپر کے



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اسٹاک کو بطور نوٹو کا پی پی پی فروخت کرنے کی کوشش کر رہے ہیں۔ بلاشبہ یہ ہماری خسارے کے ساتھ فروخت کیا جا رہا ہے کیونکہ میں پی پی پی انٹھائی مہنگا آئٹم تھا لیکن ہمارے پاس اس کے سوا اور کوئی چارہ نہیں کیونکہ اس آئٹم کی طلب میں ہمیں اضافہ دکھائی نہیں دیتا کیونکہ یہ اب پاکستان میں کوئی استعمال نہیں کرتا۔

مالیاتی کارکردگی

ہمیں یہ اطلاع دیتے ہوئے مسرت ہو رہی ہے کہ ایکسرسائز بکس کی فروخت میں مشکلات سے بھرپور سال کے باوجود ہم بہت اچھا منافع کما سکے ہیں۔ اس کی بڑی وجہ یہ ہے کہ ایکسرسائز بکس کے منافع میں کمی کا فرق پر لیبلز کی فروخت بڑھ جانے سے پورا ہو گیا۔ خام مال کی قیمتیں گرنے اور نقل و حمل کے اخراجات میں کمی نے بھی بچتوں میں اضافہ کیا۔ شرح مبادلہ میں استحکام آنے، نقدی کے بہاؤ کے بہتر انتظام بشمول گاہکوں سے وصولیاں جنہوں نے ہمارے اوور ڈرافٹ میں کمی کی، ہماری مالیاتی لاگت میں 30.13% کی کمی آئی۔ اس جدوجہد کیلئے پوری انتظامی ٹیم تعریف کے قابل ہے اور ہم رٹ جلیل کے سامنے سرسجود ہو کر اس کا شکر بجالاتے ہیں۔

جون 2024	جون 2025	
231,101,328	161,462,529	منافع قبل از ٹیکس
(75,190,499)	(39,040,987)	ٹیکس کاری
155,910,829	122,421,542	منافع بعد از ٹیکس
19.49	15.30	فی شیئر کمائی

منافع منقسمہ کا اعلان

نتائج کی روشنی میں بورڈ آف ڈائریکٹرز 50% یعنی 5/- روپے فی شیئر حتمی نقد منافع منقسمہ کا اعلان کرتا ہے۔

مالیاتی رپورٹ

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

مینوفیکچرنگ اور آپریشنز

مینوفیکچرنگ سہولیات سے منسلک ہمارے تمام تر وسائل نے اچھی کارکردگی کا مظاہرہ کیا اور نفع اور ابلتیں حاصل کیں۔ ہم اپنی تمام مینوفیکچرنگ سہولیات کو مسلسل بہتر اور جدید بناتے رہتے ہیں تاکہ مسابقت میں آگے رہ سکیں۔ کمپنی نے اپنی سولر پینل کی صلاحیت کو توسیع دی ہے اور اس میں مزید توسیع لانے کا منصوبہ رکھتی ہے تاکہ توانائی کی زیادہ سے زیادہ بچت کی جاسکے کیونکہ پاکستان میں بجلی کی قیمتیں ناقابل برداشت حد تک بڑھتی جا رہی ہیں۔

مستقبل کا منظر

ہماری کمپنی کا مستقبل ملک کی میکرو اکنامک کارکردگی سے جڑا ہوا ہے۔ گزشتہ ایک برس میں ہمارا ملک کافی مستحکم رہا ہے جس نے ملک کی مجموعی اقتصادیات میں مدد دی ہے اور ہم ایک بار پھر معیشت میں ترقی ہوتے ہوئے دیکھ رہے ہیں جو یقینی طور سے پروڈیو کے کاروبار میں مدد فراہم کرے گی۔ ایکسرسائز بکس کی مارکیٹ میں بے قاعدہ سخت مسابقتی ماحول پیدا ہو جانے کے سبب ہم نے طے کیا ہے کہ اپنی توجہ ادارہ جاتی فروخت پر بڑھائیں اور اندرونی ابلتیں بڑھا کر اور کم سے کم زیاں کر کے بچتوں میں اضافہ کریں۔ ہم شرح مبادلہ مستحکم رہنے کے ساتھ ساتھ شرح سود میں مزید کمی کی امید بھی کر رہے ہیں کیونکہ ہمارا منافع ان سے مضبوطی سے جڑا ہوا ہے۔



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کارپوریٹ سماجی ذمہ داری

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

صحت

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

بورڈ

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

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

- ☆ ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ آپ کی کمپنی نے کارپوریٹ اور گورننس کی ضابطہ اخلاق کی تعمیل کیلئے ضروری اقدامات اٹھائے ہیں جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط میں شامل ہے۔
- ☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی گوشوارے، اس کے امور کی منصفانہ حیثیت، کارروائیوں کا نتیجہ، نقدی کے بہاؤ اور ایکویٹی میں منتقلی کو ظاہر کرتے ہیں۔
- ☆ مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں مستقل طور سے لاگو ہوتی ہیں اور محاسبہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- ☆ کمپنی کھاتوں کی موزوں اور مناسب کتب کا انتظام رکھتی ہے۔
- ☆ مالیاتی گوشواروں کی تیاری میں پاکستان پر قابل اطلاق اکاؤنٹنگ کے عالمی معیارات کی تعمیل کی گئی ہے۔
- ☆ کمپنی کے کاروبار کے جاری رہنے کی صلاحیت کے بارے میں کوئی شک وشبہ نہیں ہے۔
- ☆ اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے۔ اس نظام کی مسلسل نگرانی اندرونی آڈٹ اور اس طرح کے دیگر طریقوں کے ذریعے کی جاتی ہے۔ اندرونی انضباط کی نگرانی کا عمل جاری رہے گا جس کا مقصد انضباط کو مزید تقویت بخشنا اور نظام میں بہتری لانا ہے۔
- ☆ ٹیکسوں کے بارے میں تفصیل اکاؤنٹس کے نوٹس میں دے دی گئی ہیں۔

بورڈ اور اس کی کمیٹیوں کے اجلاس

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

اجلاسوں میں شرکت

نام ڈائریکٹر	بورڈ کے اجلاس	آڈٹ کمیٹی	ہیومن ریسورس اینڈ رپورٹیشن کمیٹی
جناب عباس سعید	4	2	1
جناب عابد سعید	4	4	2
مسز ملائکہ سعید	4		2



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2		4	جناب سعید عمران
.....	4	4	ڈاکٹر اسد اللہ سعید
.....	4	3	محترمہ عائشہ فیصلہ صلاح الدین
2	4	4	جناب مطیع الدین صدیقی (NIT کے نامزد)

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

ڈائریکٹروں کا تربیتی پروگرام

کمپنی کے ساتھ ڈائریکٹروں میں سے تین ڈائریکٹرز اس ضمن میں تحقیقات سے مستثنیٰ ہیں کیونکہ وہ ضابطے میں موجود استثنیٰ کی تمام شرائط کی تکمیل کرتے ہیں؛ تین نے ڈائریکٹروں کے تربیتی پروگرام کے تحت بالترتیب 2015، 2018 اور 2021 میں تحقیقات حاصل کر لیا ہے۔ چنانچہ ہمارا نصف بورڈ دیئے گئے کوڈ کے مطابق DTP کے معیارات اور استثنیٰ کے معیارات کے تحت اہل ہے۔

کمپنی کے ڈائریکٹر اپنے فرائض کی انجام دہی کیلئے موزوں تربیت کے حامل ہیں اور کمپنیز ایکٹ 2017، پاکستان اسٹاک ایکسچینج کی رول بک کے قواعد کے تحت اپنے اختیارات اور ذمہ داریوں سے مکمل آگاہ ہیں۔

تعمیل کا بیان

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

مادی تبدیلیاں

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

کوڈ برائے اصول کاروبار

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

خطرات کا انتظام

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

خطرات کی تشخیص

کاروبار ایسی لاتعداد غیر یقینیوں کا سامنا کرتا ہے جو اس کے مقاصد کے حصول کی راہ میں رکاوٹ ثابت ہوتے ہیں اور اگر ان سے رجوع نہ کیا جائے تو ایسے نقصانات پہنچ سکتی ہیں جن سے بچا جاسکتا تھا۔ بورڈ نے ایسے اندرونی اور بیرونی خطرات کی چوکی سے تشخیص کی ہے جن کا کمپنی کو سامنا ہو سکتا تھا۔ کمپنی کو درپیش ایک بڑا خطرہ خام مال کی بڑھتی ہوئی قیمتیں ہیں۔ پاکستانی روپے کی قدر میں کمی نے اس خطرے کو اور بھی بڑا بنا دیا ہے۔ اس کے مٹائی اثرات پر قابو پانے کی غرض سے کمپنی نے اپنے اہم بین الاقوامی سپلائروں سے تدریقاتی تعلقات بنانے اور بروقت فراہمی میں سرمایہ کاری کی ہے۔ کمپنی کو درپیش ایک اور خطرہ



PAKISTAN PAPER PRODUCTS LIMITED

خام مال کی دستیابی بھی ہے۔

آڈٹ کمیٹی

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

هیومن ریسورس کمیٹی

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

عملیاتی اور مالیاتی تفصیلات

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

آڈیٹرز

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

حصص کی ملکیت کا نمونہ

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

بہ لحاظ شرائط تحت کارپوریٹ گورننس ریگولیشنز 2019

بورڈ کی ترتیب

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

01	ایگزیکٹو ڈائریکٹر
04	نان ایگزیکٹو ڈائریکٹرز
02	خواتین ڈائریکٹرز

بورڈ کی کمیٹیاں

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



PAKISTAN PAPER PRODUCTS LIMITED

(a) آڈٹ کمیٹی

محترمہ عائشہ فیصل صلاح الدین - چیئر پرسن

جناب عباس سعید

ڈاکٹر اسد اللہ سعید

جناب خرم آفتاب

(b) ہیومن ریسورس اینڈ ریمپونریشن کمیٹی

جناب محسن صفدر

جناب عباس سعید

مسز ملائکہ سعید

ڈائریکٹروں کا معاوضہ

کمپنی کے آرٹیکلز کی رو سے بورڈ آف ڈائریکٹرز ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹروں کے معاوضوں کے وقت فو قی تعیین کا اختیار رکھتا ہے۔ اس ضمن میں بورڈ آف ڈائریکٹرز نے کمپنی کے ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹروں کے معاوضوں کی ایک پالیسی وضع کی ہے۔ 30 جون 2025 کو اختتام پذیر ہونے والے سال کے لئے کمپنی کے ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹروں کے معاوضے مالیاتی گوشواروں کے صفحہ نمبر 65 پر دے دیئے گئے ہیں۔

اعترافات

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

کمپنی کے تمام کارکنوں نے حقیقی ٹیم ورک کے ساتھ جاں فشانی سے کام کیا ہے جس کا نتیجہ ظاہر ہے۔ ڈائریکٹرز اس قدر شاندار کارکردگی پر اپنے تمام کارکنوں کو مبارکباد پیش کرتے ہیں۔

عابد سعید
چیف ایگزیکٹو

عباس سعید
چیئر مین

مورخہ 12 ستمبر 2025

کراچی۔



PAKISTAN PAPER PRODUCTS LIMITED

DIRECTORS' REPORT

The Board of Directors are pleased to present the 63rd Annual Report along with the audited accounts of the company. The report covers your company's activity for the year ended June 30, 2025, and describes its operational and financial performance along with compliance details.

Operating Performance

By the Grace of Allah, your company had another good profitable year in spite of many headwinds. The top line shrunk by 9.34% with total turnover declining to Rs 1.93 billion. Exercise books, Sensitized Paper and Photocopy paper had fall in sales of 21.02%, 13.99% and 30.78% respectively. Pro Labels had an almost even year with a minor loss of 0.91% in sales. The fall in the top line translated all the way down with GP decreasing by 23.59%, NP before tax by 30.13%, and NP after tax by 21.48%.

Pro Labels:

Pro Labels continued its good performance and sales on both monetary terms and volume terms had very small decline. The first 3 quarters were down but the last quarter we had a very good comeback with excellent sales and thus managed to close the gap with last year. In spite of some drawbacks like 15% RD on Self adhesive label stock, we managed to increase our margins over the year due to very good management of our supply chain. There was a decline in commodity prices over the year and along with that we managed a very good mix of inventory procurement which helped our margins to improve. In addition, we also managed to reduce our energy costs to a great extent by converting two of our machines to LED curing from UV curing which is a reduction of more than 60% in electricity consumption. A stable PKR and decline in interest rates also reduced our financial charges which helped our bottom line. Overall, we have seen a stable economy over the last one year and in the last quarter we saw very good growth in sales driven mainly by the FMCG sector which had declining sales for the first 3Q. Mashallah, your company has a very good mix of customers so where one sector declines the other one is able to compensate as we saw very healthy growth in the Oil Market sector with lubricant sales increasing heavily over the year. In addition, we also saw some growth in pharmaceutical clients and this helped overcome the loss of sales which we experienced in the FMCG sector. Overall, the performance of Pro Labels was very satisfactory and we are expecting higher sales next year.

Exercise Books:

Exercise Books had a very disappointing year. After 4-5 years of solid growth, we experienced our first negative year with sales falling by 21.02%. This decline would have been even more severe if the management had not concentrated more on institutional sales as market sales continued to plummet. One of the main reasons was that this year paper prices in Pakistan declined due to a dramatic slump in pulp prices worldwide. This led to major fall in prices and in order for us to be competitive in the market we also had to reduce our prices. This was due to the fact that the market was dumped with low priced paper allowing the informal sector competition to start producing again in bulk. For the last couple of years this sector had completely vanished due to low availability of paper from smaller mills. This has also led to an increase again in unscrupulous competition again where these informal suppliers are offering products at very low prices. This entire sector evades all Government taxes and



PAKISTAN PAPER PRODUCTS LIMITED

duties and buys paper also from Mills which indulge in these unfair practices. The future outlook continues to be very challenging as the fall in markets sales has affected us quite a bit and while we are trying to counter the competition with reducing our prices but it will remain a big challenge. This was the main reason that we had a huge fall in margins also in this sector as we were selling our copies at a much lower price and using the expensive paper which we had purchased earlier. On a positive note, our Zero Sales Tax rating was again renewed in this year's Budget. We will continue to concentrate more on Institutional sales as the informal sector cannot compete with us in this sector as all institutions require proper documentation for their purchases.

Sensitized Paper & Plotter Paper:

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

Financial Performance

We are pleased to report that in spite of the challenging year the company faced in terms of Ex Books sales we have still managed to come out with a very good profit. The main reason being that the decline in Ex Books profit was covered to some extent by an improvement in the profits of Pro Labels. Falling commodity prices along with lower freight rates also helped our margins. Our Finance cost decreased by 30.13% due to stability in exchange rate, and better management of cash flows including recovery from customers which in turn decreased our Overdraft. The whole management teams need to be commended for these efforts and we bow our heads in Thanks to Allah for what we have achieved.

	<u>June, 2025</u>	<u>June, 2024</u>
Profit before taxation	161,462,529	231,101,328
Taxation	<u>(39,040,987)</u>	<u>(75,190,499)</u>
Profit after taxation	122,421,542	155,910,829
 Earnings per share	 15.30	 19.49

Declaration of Dividend

In light of the results, the Board is pleased to announce a Final Cash Dividend of 50% i.e. Rs. 5/- per share.



PAKISTAN PAPER PRODUCTS LIMITED

Financial Reporting

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

Manufacturing and Operations

All our resources relating to the manufacturing facilities performed well and achieved positive gains in efficiencies. We are constantly modernizing and upgrading all our manufacturing facilities to stay well ahead of the competition. The company has expanded its solar panel capacity and plans to further expand on it to become more energy efficient as electricity costs in Pakistan continue to rise to unbearable levels.

Future Prospects

The future prospects of our company are intricately linked with the Macroeconomic performance of the country. In the last one year the country has been very stable which has helped the overall economic situation of the country and we are now starting to again see growth in the economy which will certainly help the Pro Labels business. Due to the immense competition by the informal sector in Ex Books we have decided to concentrate more on institutional sales and improve our margins through internal efficiencies and reduction of wastage. We are also hoping for further reduction in interest rates in the country along with Forex stability as our profit margins are very closely linked to that.

Corporate Social Responsibility

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

Health

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

The Board

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



PAKISTAN PAPER PRODUCTS LIMITED

Corporate and Financial Reporting Framework

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

Board & its committee meetings

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

Name of Director	Number of meetings attended		
	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
Mr. Abbas Sayeed	4	2	1
Mr. Abid Sayeed	4	4	2
Mrs. Muleika Sayeed	4	-	2
Mr. Sayeed Imran	4	-	2
Dr. Asadullah Sayeed	4	4	-
Ms. Aisha Fariel Salahuddin	3	4	-
Mr. Matiuddin Siddiqui (NIT Nominee)	4	4	2

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

Directors' Training Program



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

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

Statement of Compliance

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

Material Changes

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

Code of Business Principles

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

Risk Management

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

Risk Assessment

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



Audit Committee

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

Human Resource Committee

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

Operating and Financial Data

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

Auditors

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

Pattern of Shareholding

The Pattern of Shareholding as required under the Code of Corporate Governance is attached with this Report.



PAKISTAN PAPER PRODUCTS LIMITED

IN TERMS OF THE REQUIREMENTS STATED UNDER CORPORATE GOVERNANCE REGULATION 2019

Composition of the Board

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

Executive Director	01
Non-Executive Director	04
Independent Director	02

Committees of the Board.

The board has formed committees comprising of members given below:

- a) **Audit Committee**
Ms. Aisha Fariel Salahuddin – Chairperson
Mr. Abbas Sayeed
Dr. Asadullah Saeed
Mr. Khurram Aftab
- b) **Human Resource & Remuneration Committee**
Mr. Mohsin Safdar
Mr. Abbas Sayeed
Mrs. Muleika Sayeed

Directors' Remuneration

Through the Articles of the Company, the Board of Directors is authorized to fix the remuneration of Executive, Non-Executive, and Independent Directors from time to time. In this regard, the Board of Directors has developed a Remuneration policy for Executive, Non-executive, and Independent Directors of the company. Remuneration of Chief Executive and Directors for the Financial Statements of the year ended June 30, 2025, are disclosed on the page 65 of Financial Statements.

Acknowledgments

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

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

On behalf of the Board of Directors

ABBAS SAYEED

Chairman

September 12th, 2025
Karachi

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of the Company: Pakistan Paper Products Limited.

For the year ended: June 30, 2025.

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

1. The total number of directors are seven as per following:
 - a) Male: Five
 - b) Female: Two
2. The composition of the Board of Directors (“the Board”) is as follows:

Category	Names
Independent Directors	Mr. Mohsin Safdar Ms. Aisha Fariel Salahuddin
Non-Executive Directors	Mrs. Muleika Sayeed Mr. Abbas Sayeed Dr. Asadullah Sayeed Mr. Khurram Aftab Mr. Mohsin Safdar
Executive Director	Mr. Abid Sayeed
Female Directors	Mrs. Muleika Sayeed Ms. Aisha Fariel Salahuddin

3. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.
4. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
5. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.



PAKISTAN PAPER PRODUCTS LIMITED

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval is maintained by the Company.
7. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
8. The meetings of the board were presided over by the Chairman and in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
9. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
10. Out of seven, Three Directors have obtained certification under Directors' Training Program in 2015, 2018 & 2021 respectively and three Directors are exempt from such certification as they duly meet the exemption criteria given in the Code.
11. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
12. The Board has developed and implemented Anti-Harassment policy.
13. CFO and CEO duly endorsed the financial statements before approval of the board.
14. The board has reconstituted the following committees after the Election of Directors held on 11-05-2023:

a) Audit Committee

Ms. Aisha Fariel Salahuddin – Chairperson
Mr. Abbas Sayeed
Dr. Asadullah Saeed
Mr. Khurram Aftab



PAKISTAN PAPER PRODUCTS LIMITED

b) Human Resource & Remuneration Committee

Mr. Mohsin Safdar
Mr. Abbas Sayeed
Mrs. Muleika Sayeed

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

16. The frequency of meetings of the committees were as per following:

Audit Committee	Four quarterly meetings held during the financial year ended June 30, 2025.
Human Resource & Remuneration Committee	One meeting held during the financial year ended June 30, 2025.

17. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all of their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

21. **Gender Pay Gap Statement**

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

As required under the SECP circular no. 10 of 2024, the following is the Gender Pay Gap calculated for the year ended June 30, 2025.

- Mean Gender pay gap: -13.60%
- Median Gender Pay gap: -20.08%



PAKISTAN PAPER PRODUCTS LIMITED

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

#	Non-Mandatory requirement	Reg.No.	Explanation
1	The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Board.
2.	The Board may constitute the Risk Management committee, of such number and class of directors, as sit may deem appropriate in its circumstances, to carry out a review of effectiveness and present a report to The Board.	30(1)	Currently, the Board has not Constituted a separate Risk Management committee and the functions are being performed by The Board.
3.	The Board is responsible for Governance and oversight of Sustainability risk and opportunities and takes appropriate measure to Address it. Further, the Board ensures that the company's sustainability is Periodically reviewed and monitored.	10A (1)(3)(4)	The Board will ensure that the Company has addressed Sustainability-related risk and Opportunities. Also, it will ensure that company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.
4.	The Board may establish a dedicated Sustainability committee or assign additional responsibilities to an existing Board Committee.	10A (5)	Currently the Board has not constituted a separate Sustainability committee and the functions will be performed by the Board Audit committee.

ABBAS SAYEED
Chairman
Karachi: 04th September, 2025

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED



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

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of **Pakistan Paper Products Limited** ('the Company') for the year ended 30 June 2025 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required to have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.

Chartered Accountants

Place: Karachi

Dated: 15 SEP 2025

UDIN: CR20251017814DCJj7du

Engagement partner: Muhammad Faisal Nini.



PAKISTAN PAPER PRODUCTS LIMITED



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INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan Paper Products Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Paper Products Limited ('the Company'), which comprise the statement of financial position as at 30 June 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



PAKISTAN PAPER PRODUCTS LIMITED



Following is the key audit matter:

S.no.	Key audit matter	How the matter was addressed in our audit
1.	Revenue from Contracts with Customers	Our audit procedures to address the Key Audit Matter included the following:
	The Company is engaged in production and sale of exercise books, pro-labels and sensitized papers. Revenue recognition policy has been explained in note 3.16 to the financial statements, and the related amounts of revenue recognized during the year are disclosed in note 23 to the financial statements. The Company generates revenue from sale of goods to domestic customers. Revenue from sales is recognized when performance obligation is satisfied as per the requirements of the International Financial Reporting Standard (IFRS) 15 – ‘Revenue from Contracts with Customers’. We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. when control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.	• Considered the appropriateness of revenue recognition policy and compared it with the applicable accounting standards; • Obtained an understanding of revenue and assessed the design, implementation and operating effectiveness of controls around recognition of revenue; • Checked on sample basis relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as introduced by IFRS 15; • Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents and by checked significant credit notes issued after year-end; and • Evaluated the adequacy and appropriateness of disclosures made in the financial statements.

Information Other than the Financial Statements and Auditors’ Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



PAKISTAN PAPER PRODUCTS LIMITED

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



PAKISTAN PAPER PRODUCTS LIMITED

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Chartered Accountants

Place: Karachi

Dated: 15 SEP 2025

UDIN: AR202510178Ya4BIZgbH



PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 ----- (Rupees) -----	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,371,735,655	1,313,671,838
Intangible assets	5	--	94,165
Long term deposits		1,989,572	1,675,258
		1,373,725,227	1,315,441,261
CURRENT ASSETS			
Stores and spares		9,046,509	10,037,039
Stock-in-trade	6	387,930,940	355,983,019
Trade debts - Unsecured, considered good	7	304,203,342	346,734,816
Advances and other receivables	8	156,126,150	105,612,399
Deposits, advances and short term prepayments	9	7,858,586	393,030
Cash and bank balances	10	5,613,309	7,125,720
		870,778,836	825,886,023
		2,244,504,063	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	11	80,000,000	80,000,000
Revenue reserves		717,894,048	621,942,028
Capital reserve			
Surplus on revaluation of property, plant and equipment	12	952,855,207	959,399,936
		1,750,749,255	1,661,341,964
NON-CURRENT LIABILITIES			
Deferred tax liability - Net	13	57,469,486	55,141,541
Deferred liability for staff gratuity	14	23,593,266	19,928,330
Long term loans - Secured	15	72,145,535	62,852,231
Liabilities against assets subject to musharakah financing	16	--	2,878,685
Deferred grant	17	2,163,455	3,189,610
		155,371,742	143,990,397
CURRENT LIABILITIES			
Current portion shown under current liabilities	18	38,889,624	26,560,800
Current portion of deferred government grant	19	1,026,155	1,148,559
Short term borrowings - Secured	20	85,742,481	137,799,954
Creditors, accrued and other liabilities	21	200,078,000	130,639,788
Unclaimed dividend		12,646,806	12,285,638
Provision for taxation - Net		--	27,560,184
		338,383,066	335,994,923
CONTINGENCIES AND COMMITMENTS			
	22	--	--
		2,244,504,063	2,141,327,284

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

ABBAS SAYEED

Chairman

MUHAMMAD YUSUF

Chief Financial Officer

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
Sales - Net	23	1,733,597,216	1,927,281,032
Cost of sales	24	(1,434,637,714)	(1,536,015,693)
Gross profit		298,959,502	391,265,339
Administrative expenses	25	(60,125,142)	(54,350,312)
Selling and distribution expenses	26	(24,506,315)	(21,265,076)
Other operating expenses	27	(16,522,878)	(26,293,846)
		(101,154,335)	(101,909,234)
Operating profit		197,805,167	289,356,105
Other income	28	2,112,547	1,599,168
Finance cost	29	(38,455,185)	(59,853,945)
Profit before levies and income tax		161,462,529	231,101,328
Levies		--	--
Profit before income tax		161,462,529	231,101,328
Income tax expense	30	(39,040,987)	(75,190,499)
Profit for the year		122,421,542	155,910,829
Earnings per share - Basic and diluted	31	15.30	19.49

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

ABBAS SAYEED
Chairman

MUHAMMAD YUSUF
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
Profit for the year		122,421,542	155,910,829
Other comprehensive income / (loss):			
<i>Items that will not be reclassified to statement of profit or loss:</i>			
Surplus on revaluation of property, plant and equipment		--	466,439,871
Related deferred tax		--	(8,943,562)
		--	457,496,309
Remeasurement of defined benefit liability	14	(1,428,522)	677,273
Related deferred tax		414,271	(216,727)
		(1,014,251)	460,546
Total comprehensive income for the year		121,407,291	613,867,684

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

ABBAS SAYEED
Chairman

MUHAMMAD YUSUF
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	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 30 June 2024	--	--	155,910,829	155,910,829	--	155,910,829
Other comprehensive income	--	--	460,546	460,546	457,496,309	457,956,855
Total comprehensive income for the year	--	--	156,371,375	156,371,375	457,496,309	613,867,684
Surplus on revaluation realized on disposal of fixed assets - Net of tax	--	--	21,047	21,047	(21,047)	--
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	--	--	2,916,660	2,916,660	(2,916,660)	--
Transactions with owners:						
Final cash dividend @ 40% related to the year ended 30 June 2023	--	--	(32,000,000)	(32,000,000)	--	(32,000,000)
Interim cash dividend @ 35% related to the period ended 31 December 2023	--	--	(28,000,000)	(28,000,000)	--	(28,000,000)
Balance as at 30 June 2024	80,000,000	143,900,000	478,042,028	621,942,028	959,399,936	1,661,341,964
Profit for the year ended 30 June 2025	--	--	122,421,542	122,421,542	--	122,421,542
Other comprehensive loss	--	--	(1,014,251)	(1,014,251)	--	(1,014,251)
Total comprehensive income for the year	--	--	121,407,291	121,407,291	--	121,407,291
Surplus on revaluation realized on disposal of fixed assets - Net of tax	--	--	1,328,415	1,328,415	(1,328,415)	--
Transfer to unappropriated profit on account of incremental depreciation - Net of tax	--	--	5,216,314	5,216,314	(5,216,314)	--
Transactions with owners:						
Final cash dividend @ 40% related to the year ended 30 June 2024	--	--	(32,000,000)	(32,000,000)	--	(32,000,000)
Balance as at 30 June 2025	80,000,000	143,900,000	573,994,048	717,894,048	952,855,207	1,750,749,255

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

ABBAS SAYEED
Chairman

MUHAMMAD YUSUF
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	348,221,988	311,567,099
Payments for:			
Income taxes net of refund received		(114,306,468)	(46,886,788)
Sindh Workers' Welfare Fund		(5,182,779)	(2,996,893)
Sindh Workers' Profit Participation Fund	21.4	(12,436,006)	(7,137,586)
Gratuity	14.1	(2,146,779)	(2,352,434)
Finance cost		(42,158,658)	(56,737,540)
Net cash generated from operating activities		171,991,298	195,455,858
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property plant and equipment	4	(111,942,690)	(29,030,575)
Sale proceeds against disposal of fixed assets		3,706,157	1,317,260
Net cash used in investing activities		(108,236,533)	(27,713,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term deposits		(314,314)	(450,000)
Long-term finances obtained		51,758,100	--
Repayment of long-term finances		(33,014,657)	(26,802,115)
Dividend paid		(31,638,832)	(57,721,531)
Net cash used in financing activities		(13,209,703)	(84,973,646)
Net increase in cash and cash equivalents		50,545,062	82,768,897
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		(80,129,172)	(130,674,234)

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

ABBAS SAYEED
Chairman

MUHAMMAD YUSUF
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a private limited Company in July 1962 under the Companies Act, 1913 (now the Companies Act, 2017). It was converted into public Company and listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) in July 1964. The main business activity of the Company is the production and sale of exercise books, pro-labels and sensitized papers.

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

2.2 Accounting convention

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

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

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



PAKISTAN PAPER PRODUCTS LIMITED

2.4.1 Operating fixed assets, revaluation and depreciation

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

2.4.2 Trade debts and amount due from related parties

The Company reviews its doubtful debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

2.4.3 Income tax

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

2.4.4 Stock in trade

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

2.4.5 Stores and spares

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

2.4.6 Staff retirement benefits

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

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

2.5.1 Amendments to accounting and reporting standards and interpretations / guidance that became effective during the year

There were certain amendments to accounting and reporting standards that became applicable to the Company during the year. These do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.



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2.5.2 New and Revised Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability	1 July 2025
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements	1 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	1 January 2026
Annual Improvements to IFRS Accounting Standards -Volume 11	1 January 2026
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2027
IFRS S2 Climate-related Disclosures	01 July 2027
Amendments to IFRS 7 'Financial instruments - Disclosures' and IFRS 9 'Financial Instruments' - classification and measurement of financial instruments	1 January 2026
Standard IFRS 17 'Insurance Contract'	01 January 2027
Amendment to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
Other than the aforesaid amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
- IFRS 1 'First Time Adoption of International Financial Reporting Standards'	
- IFRS 18 'Presentation and Disclosures in Financial Statements'	
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

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



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

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

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

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

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

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

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

3.2 Intangible assets

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

Generally costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any, thereon.

Intangible asset with a definite useful life is amortized on a straight line basis over its useful life. Amortization on all additions in intangibles is charged from the month in which the asset is available for use and on disposals upto the month of disposal. Amortisation charge is recognised in the statement of profit or loss. The rate of amortization is disclosed in note 5.



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3.3 Stores and spares

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

3.4 Stock in trade

Stock in trade is valued at the lower of cost and estimated net realizable value.

Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to the present location and condition. Cost is calculated using the weighted average method. Average is calculated as each additional shipment is received.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost of completion and cost necessary to be incurred in order to make the sale.

3.5 Financial instruments

3.5.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

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

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

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.



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3.5.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.5.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.5.2.2 Cash and cash equivalents

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

3.5.3 Financial liabilities

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

3.5.3.1 Mark-up bearing borrowings and borrowing costs

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

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

3.5.3.2 Trade and other payables

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



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3.5.4 Derivative financial instruments - Other than hedging

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

3.5.5 Derivative financial instruments - Cash flow hedges

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

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

3.5.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

3.6 Trade debts

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method, if applicable, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivables are written off when considered irrecoverable.

3.7 Cash and cash equivalents

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

3.8 Trade and other payables

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

3.9 Staff retirement benefits

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



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Defined contribution plan

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

Defined benefit plan

The Company operates a defined benefit plan comprising an unfunded gratuity scheme covering all permanent employees, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service. An approved gratuity fund trust is established for the management of the gratuity obligation of the company. Annual contributions are made to the fund based on actuarial recommendations. The actuarial valuations are carried out using Projected Unit Credit Method. Remeasurement charge which comprises of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

3.10 Taxation

Current

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

Deferred

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

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

- 3.10.1** Final tax, designated as such under various provisions of Income Tax Ordinance, 2001, charged/ withheld / paid on various income streams and calculated on basis other than the taxable income are recognized as a levy in accordance with the IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan vide Circular No 7 of 2024 dated 15 May 2024.

3.11 Provisions

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

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



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3.12 Foreign currency translation

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

3.13 Impairment

3.13.1 Financial assets

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

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

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

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

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

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

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

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



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3.13.2 Non-financial assets

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

3.14 Government grants and assistance

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

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

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

3.15 Dividend and appropriation to reserves

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

3.16 Revenue recognition

Sale of goods

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

Interest income

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

Service income

Service income is recognized when related services are rendered.

3.17 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.



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3.18 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the accounting and reporting standards, is presented in note 37 to these financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

		2025	2024
		(Rupees)	
Operating fixed assets	4.1	1,371,735,655	1,313,671,838
Capital work in progress - At cost	4.8	--	--
		<u>1,371,735,655</u>	<u>1,313,671,838</u>

4.1 Operating fixed assets

2 0 2 5											
PARTICULARS	Cost / revaluation				Accumulated depreciation				Written down value as at 30 June 2025	Rate %	
	As at 1 July 2024	Additions during the year	(Disposal)	As at 30 June 2025	As at 1 July 2024	Charge for the year	As at 30 June 2025				
	(Rupees)										
Tangible assets											
Leasehold land	919,600,000	--	--	919,600,000	--	--	--	--	919,600,000	-	
Buildings on leasehold land											
- Factory	52,553,641	--	--	52,553,641	25,603,286	--	2,695,044	28,298,330	24,255,311	10	
- Office	12,062,881	--	--	12,062,881	2,691,801	--	468,576	3,160,377	8,902,504	5	
Plant and machinery	556,229,241	89,774,555	(1,402,537)	644,601,259	258,471,980	(735,307)	35,147,912	292,884,585	351,716,673	10	
Furniture and fixture	3,833,144	--	(14,734)	3,818,410	1,364,948	(5,226)	246,123	1,605,845	2,212,565	10	
Factory and other equipment	15,941,740	1,316,545	(5,712)	17,252,573	5,868,567	(60)	1,102,684	6,971,191	10,281,382	10	
Electric equipment and fitting	6,102,510	1,077,160	(72,735)	7,106,935	4,548,977	(56,986)	301,761	4,793,752	2,313,183	15	
Computers	2,898,180	174,500	(54,755)	3,017,925	2,038,345	(35,932)	288,015	2,290,428	727,497	30	
Vehicles	52,886,733	12,903,425	(4,830,264)	60,959,894	18,444,605	(2,260,833)	7,946,948	24,130,720	36,829,174	20	
Musharakah Assets											
Solar power system	16,619,854	6,696,505	--	23,316,359	6,023,577	--	2,395,416	8,418,993	14,897,366	15	
	1,638,727,924	111,942,690	(6,380,737)	1,744,289,877	325,056,086	(3,094,343)	50,592,479	372,554,222	1,371,735,655		

2 0 2 4											
PARTICULARS	Cost / revaluation				Accumulated depreciation					Written down value as at 30 June 2024	Rate %
	As at 1 July 2023	Additions during the year	(Disposal)	Revaluation	As at 30 June 2024	As at 1 July 2023	(On disposal)	Charge for the year	As at 30 June 2024		
	(Rupees)										
Tangible assets											
Leasehold land	484,000,000	--	--	435,600,000	919,600,000	--	--	--	--	919,600,000	-
Buildings on leasehold land											
- Factory	46,028,442	357,500	--	6,167,699	52,553,641	23,180,794	--	2,422,492	25,603,286	26,950,355	10
- Office	6,472,338	5,394,580	--	195,963	12,062,881	2,266,239	--	425,562	2,691,801	9,371,080	5
Plant and machinery	539,309,647	18,143,920	(7,048,355)	5,824,029	556,229,241	231,549,429	(4,478,862)	31,401,413	258,471,980	297,757,261	10
Furniture and fixture	3,538,106	209,500	--	85,538	3,833,144	1,107,078	--	257,870	1,364,948	2,468,196	10
Factory and other equipment	15,570,287	2,058,300	--	(1,686,847)	15,941,740	4,745,711	--	1,122,856	5,868,567	10,073,173	10
Electric equipment and fitting	6,530,816	70,000	--	(498,306)	6,102,510	4,206,325	--	342,652	4,548,977	1,553,533	15
Computers	2,348,253	55,000	--	494,927	2,898,180	1,842,870	--	195,475	2,038,345	859,835	30
Vehicles	29,420,917	4,686,625	(337,430)	19,116,621	52,886,733	14,537,738	(114,952)	4,021,819	18,444,605	34,442,128	20
Musharakah Assets											
Solar power system	16,575,471	--	--	44,383	16,619,854	4,222,337	--	1,801,240	6,023,577	10,596,277	15
	1,149,794,277	30,975,425	(7,385,785)	465,344,007	1,638,727,924	287,658,521	(4,593,814)	41,991,379	325,056,086	1,313,671,838	

4.2 The depreciation charge for the year has been allocated as follows:

		2025	2024
		(Rupees)	
Cost of sales	24	43,713,755	37,359,650
Administrative expenses	25	3,807,888	2,615,061
Selling and distribution expenses	26	3,070,836	2,016,668
		<u>50,592,479</u>	<u>41,991,379</u>



PAKISTAN PAPER PRODUCTS LIMITED

4.3 Detail of assets disposed of during the year:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
(Rupees)							
Vehicles							
- Honda City Prosmatic BRE-116	4,749,961	2,165,963	2,583,998	2,850,000	266,002	By Negotiation	Mohammad Yameen - Outsider
Others	1,630,776	928,380	702,396	856,157	153,761	By Negotiation	Various
30 June 2025	6,380,737	3,094,343	3,286,394	3,706,157	419,763		
30 June 2024	7,385,785	4,593,814	2,791,971	1,317,260	(1,474,711)		

4.4 The revaluation of property, plant and equipment was carried out as of 01 April 2024 by M/s. Paradigm Inspections (Pvt) Ltd (an independent valuer who is located in Karachi) on the basis of their professional assessment of prevailing market values. The revaluation resulted a surplus amounting to Rs.465.344 million which was incorporated in these financial statement.

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

	2025	2024
	----- (Rupees) -----	
Leasehold land	191,203	191,203
Building on leasehold land		
- Factory	16,733,594	18,592,892
- Office	7,452,004	7,844,238
Plant and machinery	327,822,833	271,147,170
Furniture and fixture	2,041,456	2,278,075
Factory and other equipment	10,281,382	10,073,173
Electric equipment and fittings	2,313,183	1,553,533
Computers	364,769	341,652
Vehicles	23,157,759	15,543,232
Solar power system	14,861,055	10,553,558
	405,219,238	338,118,726

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

4.7 The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs. 831.546 million (2024: Rs.1,039.433 million).

4.8 Capital work in progress - At cost

Opening balance	--	1,944,850
Additions during the year	--	1,863,350
	--	3,808,200
Capitalized during the year	--	(3,808,200)
	4.8.1	--

4.8.1 This represents advances paid to contractor for construction of a meeting room in factory.



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		----- (Rupees) -----	
5 INTANGIBLE ASSETS			
Software license	5.1	--	94,165
5.1 Movement of intangible assets			
<i>Cost:</i>			
Cost as at 1 July		565,000	565,000
Additions during the year		--	--
Cost as at 30 June		565,000	565,000
<i>Amortization:</i>			
Accumulated amortization as at 1 July		470,835	329,585
Charge for the year	25	94,165	141,250
Accumulated amortization as at 30 June		565,000	470,835
Net book value as at 30 June		--	94,165
Useful life (in years)		4	4
5.2	The amortization charge for the year has been allocated to administrative expenses.		
6 STOCK-IN-TRADE			
Raw materials		330,009,395	296,718,260
Work-in-process		34,431,433	35,827,605
Finished goods		23,490,112	23,437,154
		387,930,940	355,983,019
7 TRADE DEBTS - Unsecured			
Considered good		314,371,728	352,839,302
Provision for expected credit loss	7.2	(10,168,386)	(6,104,486)
		304,203,342	346,734,816
7.1 The ageing of trade debts as at 30 June is as follows:			
Neither past due nor impaired		170,881,445	262,349,755
Past due 0-30 days		88,596,711	75,902,808
Past due 31-60 days		43,350,651	6,633,832
Past due 61-90 days		4,692,770	4,766,383
Past due 91-120 days		1,755,600	2,369,175
Past due more than 120 days		5,094,551	817,349
		314,371,728	352,839,302
7.2 Provision for expected credit loss			
Opening balance		6,104,486	--
Provision for expected credit loss		4,063,900	6,104,486
		10,168,386	6,104,486



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		----- (Rupees) -----	
8	ADVANCES AND OTHER RECEIVABLES		
	<i>Considered good</i>		
	Advance to suppliers	1,143,412	557,600
	Advance to staff	460,794	1,120,079
	Advance income tax - Net	50,447,513	--
	Income tax refundable	100,832,491	100,832,491
	Advance sales tax - Net	3,241,940	3,102,229
		<u>156,126,150</u>	<u>105,612,399</u>
	8.1 Advances to staff represent advance for business related expenses and is interest free.		
9	DEPOSITS, ADVANCES AND SHORT TERM PREPAYMENTS		
	Trade deposits	526,498	224,418
	Advance against letter of credit	6,847,120	90,515
	Short term prepayments	484,968	78,097
		<u>7,858,586</u>	<u>393,030</u>
10	CASH AND BANK BALANCES		
	Cash in hand	918,350	110,044
	Factory imprest	155,000	125,000
	Cash at banks - Current accounts	4,539,959	6,890,676
		<u>5,613,309</u>	<u>7,125,720</u>
11	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	578,000 (2024: 578,000) Ordinary shares		
	of Rs.10/- each fully paid in cash	5,780,000	5,780,000
	172,000 (2024: 172,000) Ordinary shares of Rs. 10/-		
	each issued for consideration (property) other than cash	1,720,000	1,720,000
	7,250,000 (2024: 7,250,000) Ordinary shares		
	of Rs. 10/- each issued as fully paid bonus shares	72,500,000	72,500,000
		<u>80,000,000</u>	<u>80,000,000</u>
	11.1 As at year-end 907,026 (2024: 907,026) ordinary shares of the Company are held by an associated undertaking M/s. Management & Enterprises (Private) Limited.		
	11.2 There are no agreements among shareholders in respect of voting rights, board selection, right of first refusal and block voting.		
	11.3 Ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.		



PAKISTAN PAPER PRODUCTS LIMITED

	2025	2024
	(Rupees)	
12 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
<i>Gross surplus</i>		
Opening balance	975,553,112	513,432,090
Surplus arising due to revaluation of property, plant and equipment	--	466,439,871
Release on disposal of revalued assets	(1,871,007)	(29,643)
Transfer to un-appropriated profit in respect of incremental depreciation charged during the current year	(7,165,688)	(4,289,206)
	966,516,417	975,553,112
<i>Deferred tax liability</i>		
Opening balance	(16,153,176)	(8,590,756)
Related deferred tax liability of current revaluation	--	(8,943,562)
Tax effect on disposal of revalued assets	542,592	8,596
On incremental depreciation for the year	1,949,374	1,372,546
	(13,661,210)	(16,153,176)
	952,855,207	959,399,936

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

13 DEFERRED TAX LIABILITY - Net

Deferred tax liability arising due to:

- accelerated tax depreciation	53,231,111	47,531,948
- surplus on revaluation of fixed assets	13,661,210	17,966,181
	66,892,321	65,498,129

Deferred tax asset arising due to:

- provision against gratuity	(6,842,047)	(6,377,066)
- long term loan	627,402	1,020,675
- deferred grant	(627,402)	(1,020,675)
- creditors, accrued and other liabilities	(2,580,788)	(3,979,522)
	(9,422,835)	(10,356,588)

13.1 57,469,486 55,141,541

13.1 Movement of deferred tax liabilities

Balance as at beginning of the year	55,141,541	47,376,752
Tax charge recognised in statement of profit or loss	2,742,216	(1,395,500)
Tax charge recognised in other comprehensive income	(414,271)	216,727
Tax charge recognised in statement of changes in equity	--	8,943,562
Balance as at end of the year	57,469,486	55,141,541

14 DEFERRED LIABILITY FOR STAFF GRATUITY

Present value of defined benefit obligations	14.1	23,593,266	19,928,330
--	------	------------	------------

The actuarial valuation of gratuity plan was carried out as at 30 June 2025 by M/s. SIR Consultants. Following are the relevant disclosures:



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		----- (Rupees) -----	
14.1 Movement in net liability			
Opening net liability		19,928,330	18,624,529
Expense for the year	14.2	4,383,193	4,333,508
Other comprehensive income (OCI)	14.3	1,428,522	(677,273)
Benefits paid		(2,146,779)	(2,352,434)
Closing net liability		<u>23,593,266</u>	<u>19,928,330</u>
14.2 Expense for the year recognized in profit and loss account			
Current service cost		1,602,089	1,498,157
Net interest	14.4	<u>2,781,104</u>	<u>2,835,351</u>
		<u>4,383,193</u>	<u>4,333,508</u>
14.3 Other comprehensive income (OCI)			
Actuarial remeasurements: actuarial (gain) / loss on obligations		<u>1,428,522</u>	<u>(677,273)</u>
14.4 Expense for the year has been allocated as follows:			
Cost of sales	24	3,032,643	2,946,768
Administrative expenses	25	928,506	953,375
Selling and distribution expenses	26	<u>422,044</u>	<u>433,365</u>
		<u>4,383,193</u>	<u>4,333,508</u>
14.5 Principal actuarial assumptions used are as follows:		2025	2024
Valuation discount rate per annum		11.75%	14.75%
Discount rate for profit and loss		14.75%	16.25%
Expected rate of eligible salary increase in future years per annum		12.00%	12.37%
Salaries increase rate per annum		11.75%	12.75%
Normal retirement age		60 Years	60 Years
Duration		5.44 Years	4.33 Years
Withdrawal rate		Moderate	High
Mortality rate		SLIC 2001-2005	SLIC 2001-2005
Effective salary increase date		01 July 2025	01 July 2024

14.6 Sensitivity analysis

Particulars	(2025)		(2024)	
	PVDBO (Rupees)	Percentage change	PVDBO (Rupees)	Percentage change
Current liability	23,593,266		19,928,330	
+1% Discount rate	22,378,578	(5.15%)	19,103,711	(4.14%)
-1% Discount rate	24,945,660	5.73%	20,827,988	4.51%
+1 % Salary increase rate	25,043,811	6.15%	20,929,077	5.02%
-1% Salary increase rate	22,268,321	(5.62%)	18,997,138	(4.67%)
+10% Withdrawal rates	23,571,901	(0.09%)	19,992,757	0.32%
-10% Withdrawal rates	23,614,972	0.09%	19,857,312	(0.36%)
1 Year Mortality age set back	23,594,237	0.00%	19,923,807	(0.02%)
1 Year Mortality age set forward	23,592,297	(0.00%)	19,932,832	0.02%



PAKISTAN PAPER PRODUCTS LIMITED

	Undiscounted payments	
	2025	2024
	----- (Rupees) -----	
14.7 Maturity profile		
Particulars		
Year 1	4,760,000	3,294,580
Year 2	2,819,421	4,672,820
Year 3	2,595,542	2,964,497
Year 4	1,698,028	2,922,474
Year 5	2,423,158	1,856,844
Year 6 to Year 10	17,403,612	17,554,617
Year 11 and above	27,035,578	18,096,404

14.8 Ratios

Termination liability vs the actuarial liability

Termination liability	21,366,501	19,324,595
Actuarial liability	23,593,266	19,928,330
Ratio of discontinuance to actuarial	90.56%	96.97%

Service cost vs the actuarial liability

Service cost	1,815,481	1,539,155
Actuarial liability	23,593,266	19,928,330
Ratio of service cost to actuarial	7.69%	7.72%

Past service years	13.39	12.90
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14.9 Risks associated with defined benefit plans

Longevity risk:

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

Salary increase risk:

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

Withdrawal risk:

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

14.10 Expected gratuity expense for the year ending June 30, 2026 is Rs. 4,294,299.

		2025	2024
		----- (Rupees) -----	
15 LONG TERM LOANS - Secured			
Temporary economic refinance facility	15.1	28,076,390	34,283,831
Long term loan	15.2	44,069,145	28,568,400
		<u>72,145,535</u>	<u>62,852,231</u>



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		(Rupees)	
15.1 Temporary economic refinance facility			
At amortised cost			
Opening balance		45,978,000	53,334,000
Repayments during the year		(7,356,000)	(7,356,000)
		38,622,000	45,978,000
Deferred grant	17.1	(3,189,610)	(4,338,169)
Current portion shown under current liabilities	18	(7,356,000)	(7,356,000)
		28,076,390	34,283,831

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

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

		2025	2024
		(Rupees)	
15.2 Long term loan			
Opening balance		44,893,200	61,218,000
Acquired during the year		51,758,100	--
		<u>96,651,300</u>	<u>61,218,000</u>
Repayments during the year		(23,928,531)	(16,324,800)
		<u>72,722,769</u>	<u>44,893,200</u>
Current portion shown under current liabilities	18	(28,653,624)	(16,324,800)
		<u>44,069,145</u>	<u>28,568,400</u>

The term finance facilities have been obtained from Bank Al-Habib Limited (BAH) for acquiring machineries. The facilities carry mark-up at the rate of 6 months KIBOR plus 1.5% - 1.75% per annum (2024: 6 months KIBOR plus 1.75% per annum) payable monthly installments. The facilities availed are re-payable in equal monthly instalments starting from the date of respective disbursements. Tenure of these facilities ranges from 3 to 5 years. Markup is payable on a calendar quarter basis. These facilities are secured by way of first specific hypothecation charge over imported machineries. Equitable mortgage over Industrial property bearing no D/58, S.I.T.E., measuring 2.42 acres, Karachi and import documents consigned to BAH.



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		(Rupees)	
16 LIABILITIES AGAINST ASSETS SUBJECT TO MUSHARAKAH FINANCING			
Opening balance		5,758,685	8,880,000
Repayments during the year		(2,878,685)	(3,121,315)
		<u>2,880,000</u>	<u>5,758,685</u>
Current portion shown under current liabilities	18	(2,880,000)	(2,880,000)
		<u>--</u>	<u>2,878,685</u>
16.1 It represents obligation in respect of assets acquired under musharakah arrangements from Meezan Bank Limited (MBL) for a period of five years at an applicable rate of IFRE base rate plus 2% which have been used as a discounting factor. Rentals are payable in monthly installments. Repairs and insurance costs are to be borne by the Company. Overdue payments are subject to additional charge upto 20 percent per annum. The facility is secured by way of first exclusive ownership of the asset in the name of MBL, personal guarantee of all directors and pari Passu Charge amounting to Rs.18.66 million over Industrial Land bearing No. D/58, measuring 2.42 Acres, SITE.			
17 DEFERRED GRANT			
Temporary economic refinance facility	17.1	<u>2,163,455</u>	<u>3,189,610</u>
17.1 Deferred grant under temporary economic refinance facility			
This represents benefit of the below-market rate of interest calculated as the difference between the initial carrying value of the loan and the proceeds received (note 15.1).			
Opening balance		4,338,169	5,644,783
Amortised during the year		(1,148,559)	(1,306,614)
	15.1	<u>3,189,610</u>	<u>4,338,169</u>
Current portion of deferred government grant shown under current liabilities	19	(1,026,155)	(1,148,559)
		<u>2,163,455</u>	<u>3,189,610</u>
18 CURRENT PORTION SHOWN UNDER CURRENT LIABILITIES			
Temporary economic refinance facility	15.1	7,356,000	7,356,000
Long term loan	15.2	28,653,624	16,324,800
Liabilities against assets subject to musharakah financing	16	2,880,000	2,880,000
		<u>38,889,624</u>	<u>26,560,800</u>
19 CURRENT PORTION OF DEFERRED GOVERNMENT GRANT			
Deferred grant under temporary economic refinance facility	17.1	1,026,155	1,148,559



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		----- (Rupees) -----	
20	SHORT TERM BORROWINGS - Secured		
Bank Al-Habib Limited - Running finance	20.1	49,169,687	105,316,323
Bank Al-Habib Limited - Short Term Finance (STF)	20.2	36,572,794	32,483,631
		<u>85,742,481</u>	<u>137,799,954</u>

20.1 The Company obtained running finance facility from Bank Al-Habib Limited up to Rs.250 million (2024: Rs.250 million). The running finance facility carries mark-up of 3 months KIBOR plus 1.75% (2024: 3 months KIBOR plus 2%) per annum.

20.2 During the year, the Company obtained short term finance facility from Bank Al-Habib Limited up to Rs. 50 million. The short term finance facility carries mark-up of 3 months KIBOR plus 1.75% per annum prevailing on the date of disbursement.

20.3 The Company has other finance facilities from Bank Al-Habib Limited comprising Letter of Credit (Sight-Foreign) for Rs.200 million (2024: Rs.200 million), Letter of Credit (Usance-Foreign), sub limit of LC-Sight, for Rs.200 million (2024: Rs.200 million), Acceptance ULC - Sub limit of LC Usance for Rs.200 million (2024: Rs.200 million) and Letter of Guarantee for Rs.20 million (2024: Rs.20 million). These facilities carry mark-up as per bank's schedule of charges.

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

21 CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors	21.1	157,863,017	87,348,232
Advance from customers		5,593,213	963,299
Accrued expenses and other payables	21.2	16,281,700	13,563,748
Payable to provident fund	21.3	923,000	775,649
Accrued mark-up		5,280,569	8,984,042
Sindh Workers' Profit Participation Fund	21.4	8,899,270	12,436,006
Sindh Workers' Welfare Fund	21.5	3,559,708	5,182,779
Sales tax payable		1,677,523	1,386,033
		<u>200,078,000</u>	<u>130,639,788</u>

21.1 Trade creditors include payable to an associated concern M/s. Sayeed International amounting to Rs.0.447 million (2024: Rs.0.148 million).

21.2 Accrued expenses include bonus payable amounting to Rs.1.940 million (2024: Rs.0.746 million).

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



PAKISTAN PAPER PRODUCTS LIMITED

	2025	2024
	----- (Rupees) -----	
21.4 Sindh Workers' Profit Participation Fund		
Balance at the beginning of the year	12,436,006	7,137,586
Amount allocated for the year	8,899,270	12,436,006
Amount adjusted / paid to the Fund Trustees	(12,436,006)	(6,782,500)
Amount deposited with government	--	(355,086)
	<u>8,899,270</u>	<u>12,436,006</u>
21.5 Sindh Workers' Welfare Fund		
Balance at the beginning of the year	5,182,779	2,996,893
Amount allocated for the year	3,559,708	5,182,779
Amount deposited with government	(5,182,779)	(2,996,893)
	<u>3,559,708</u>	<u>5,182,779</u>
22 CONTINGENCIES AND COMMITMENTS		
22.1 Contingencies		
Bank guarantees issued on behalf of the Company	<u>--</u>	<u>2,134,915</u>
22.2 Commitments		
Commitments under letter of credits	<u>132,444,377</u>	<u>86,188,502</u>
Post dated cheques issued in favour of Collector of Customs Collectorate, Karachi	<u>--</u>	<u>402,590</u>
23 SALES - Net		
Gross sales	1,926,838,899	2,125,257,978
Less: Sales tax	(193,241,683)	(197,976,946)
23.1	<u>1,733,597,216</u>	<u>1,927,281,032</u>
23.1 Segment wise breakup of net sales		
Pro-labels	1,054,003,059	1,063,639,680
Exercise books	660,032,308	835,653,503
Ammonia paper	5,686,363	6,611,429
Plain paper	13,371,131	19,316,635
Sensitized machine parts	12,500	--
Waste paper	491,855	2,059,785
	<u>1,733,597,216</u>	<u>1,927,281,032</u>



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		(Rupees)	
24 COST OF SALES			
Raw material consumed	24.1	1,152,307,669	1,260,625,723
Salaries, wages and other benefits	24.2	138,928,086	128,093,032
Stores and spares consumed	24.3	43,515,462	43,515,462
Depreciation	4.2	43,713,755	37,359,650
Fuel and power		28,914,147	29,462,919
Other manufacturing expenses		13,040,862	14,709,475
Repairs and maintenance		10,069,609	9,279,057
Insurance expenses		2,277,944	2,037,663
Rent, rates and taxes		290,558	246,743
Telephone charges		236,408	176,848
Manufacturing cost		1,433,294,500	1,525,506,572
Work in process - Opening		35,827,605	38,539,679
Work in process - Closing	6	(34,431,433)	(35,827,605)
		1,396,172	2,712,074
Cost of goods manufactured		1,434,690,672	1,528,218,646
Finished goods - Opening		23,437,154	31,234,201
Finished goods - Closing	6	(23,490,112)	(23,437,154)
		(52,958)	7,797,047
		1,434,637,714	1,536,015,693
24.1 Raw material consumed			
Opening stock of raw material		296,718,260	332,162,037
Purchases during the year		1,185,598,804	1,225,181,946
		1,482,317,064	1,557,343,983
Closing stock of raw material	6	(330,009,395)	(296,718,260)
Raw materials consumed		1,152,307,669	1,260,625,723
24.2 Staff salaries and benefits include Rs.3.033 million (2024: Rs.2.947 million) in respect of staff retirement gratuity and Rs.2.073 million (2024: Rs.1.799 million) in respect of provident fund contribution.			
24.3 Stores and spares consumed			
Opening balance		10,037,039	8,349,253
Purchases during the year		42,524,932	45,203,248
		52,561,971	53,552,501
Closing balance		(9,046,509)	(10,037,039)
		43,515,462	43,515,462



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		----- (Rupees) -----	
25 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits	25.1	36,851,817	33,308,462
Repairs and maintenance		1,416,529	788,707
Fuel expense		2,368,832	2,324,439
Depreciation	4.2	3,807,888	2,615,061
Legal and professional fees		2,349,493	2,592,723
Electric charges		2,363,601	2,603,708
Traveling and conveyance		3,080,636	3,640,761
Charity and donation	25.2	1,200,000	1,250,000
General expenses		1,241,897	858,820
Auditor's remuneration	25.3	1,250,000	1,100,000
Directors' fees		860,000	620,000
Insurance expense		913,439	701,193
Software and website maintenance		268,458	372,811
Postage and telegrams		539,778	467,900
Stationery and periodicals		222,381	249,400
Advertisement expenses		949,412	436,657
Amortization	5.2	94,165	141,250
Telephone charges		208,816	168,920
Rent, rates and taxes		138,000	109,500
		<u>60,125,142</u>	<u>54,350,312</u>

25.1 Staff salaries and benefits include Rs.0.929 million (2024: Rs.0.953 million) in respect of staff retirement gratuity and Rs.1.159 million (2024: Rs.0.918 million) in respect of provident fund contribution.

25.2 Charity and donation

Anjuman Behbood-e-Samat-e-Atfal (ABSA School and College for Deaf)	25.2.1	250,000	300,000
The Citizens Foundation		300,000	300,000
Rotary Metropolitan Trust		150,000	150,000
The Kidney Centre		500,000	500,000
		<u>1,200,000</u>	<u>1,250,000</u>

25.2.1 Donations during the year include donation amounting to Rs.0.25 million (2024: Rs.0.30 million) to Anjuman Behbood-e-Samat-e-Atfal (ABSA School and College of Deaf). Mrs. Muleika Sayeed a Director of the Company is the Honorary Treasurer of ABSA School and College of Deaf. Except above, none of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.

25.3 Auditor's remuneration

Audit of financial statements	825,000	700,000
Review of half-yearly financial statements	300,000	300,000
Review report on code of corporate governance	75,000	50,000
Provident fund audit fee	25,000	25,000
Sindh Workers' Profit Participation Fund audit fee	25,000	25,000
	<u>1,250,000</u>	<u>1,100,000</u>



PAKISTAN PAPER PRODUCTS LIMITED

		2025	2024
		----- (Rupees) -----	
26	SELLING AND DISTRIBUTION EXPENSES		
	Staff salaries and benefits	26.1	8,523,744
	Cartage and forwarding		8,813,552
	Vehicle running expenses		5,304,330
	Fuel expenses		781,134
	Depreciation	4.2	570,075
	Sales promotion		2,093,461
	Utilities		2,016,668
	Insurance expenses		350,753
	Advertisement and publicity		780,616
	Printing and stationery		524,103
	Other expenses		291,376
			753,884
			14,670
			18,180
			39,454
		<u>24,506,315</u>	<u>21,265,076</u>
	26.1 Staff salaries and benefits include Rs.0.422 million (2024: Rs.0.433 million) in respect of staff retirement gratuity and Rs.0.251 million (2024: Rs.0.251 million) in respect of provident fund contribution.		
27	OTHER OPERATING EXPENSES		
	Sindh Workers' Profit Participation Fund	21.4	8,899,270
	Sindh Workers' Welfare Fund	21.5	12,436,006
	Loss on disposal of fixed assets		5,182,779
	Provision for expected credit loss		1,474,711
	Loss on revaluation of		4,063,900
			6,104,486
			1,095,864
		<u>16,522,878</u>	<u>26,293,846</u>
28	OTHER INCOME		
	Gain on disposal of property, plant and equipment		419,763
	Other income		--
	Exchange gain		292,554
	Amortization of deferred government grant		474,103
			--
			1,148,559
		<u>2,112,547</u>	<u>1,599,168</u>
29	FINANCE COST		
	Mark-up on long term loans		14,966,428
	Mark-up on musharakah financing		16,604,552
	Mark-up on short term borrowings		185,241
	Exchange loss		303,254
	Bank and other charges		20,703,560
			35,361,271
			6,705,687
			879,181
		<u>38,455,185</u>	<u>59,853,945</u>



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	2025	2024
	----- (Rupees) -----	
30 INCOME TAX EXPENSE		
<i>Current tax</i>		
For the year	41,149,343	80,946,972
For prior year	(4,850,572)	(4,360,973)
	36,298,771	76,585,999
<i>Deferred tax</i>		
Relating to the origination and reversal of temporary differences	2,742,216	(1,395,500)
	<u>39,040,987</u>	<u>75,190,499</u>
30.1 Reconciliation between tax expense and accounting profit		
Profit for the year	<u>161,462,529</u>	<u>231,101,328</u>
Tax on accounting profit @ 29% (2024: @ 29%)	46,824,133	67,019,385
Effect of super tax under section 4©	--	6,933,040
Difference between depreciation rates	(8,389,048)	4,855,716
Inadmissible expenses	3,062,257	(8,313,095)
Tax credits	(348,000)	(319,000)
Tax effect of prior year	(4,850,572)	(4,360,973)
Deferred taxation	2,742,217	9,375,426
	<u>39,040,987</u>	<u>75,190,499</u>
Average tax rate	<u>24%</u>	<u>33%</u>
30.2 Assessment for the tax year 2024 stands finalized as per section 120 of the Income Tax Ordinance. Proceedings under section 161/205 for the tax year 2018 to 2019 are still pending wherein proceedings have been initiated. Pending proceedings under section 177/72B of second schedule for the year 2019 has been finalized by closure of audit by the assessing officer. The Assessing Officer created tax demand of Rs 12.45 million for Tax Year 2023 which was contested by the Company before the Commissioner Appeals (CIR). During the year, the assessment has been annulled by CIR and remand back to the assessing officer for re-assessment after providing opportunity of hearing to the Company. The re-assessment proceedings are pending. The management expect a favourable decision in this respect.		
31 EARNINGS PER SHARE - Basic and diluted		
Profit after taxation	<u>122,421,542</u>	<u>155,910,829</u>
	----- (Number of shares) -----	
Weighted average number of ordinary shares in issue during the year	<u>8,000,000</u>	<u>8,000,000</u>
	----- (Rupees) -----	
Earnings per share - Basic and diluted	<u>15.30</u>	<u>19.49</u>
31.1 There were no convertible dilutive potential ordinary shares in issue as at year end.		



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		2025	2024
		----- (Rupees) -----	
32 CASH GENERATED FROM OPERATIONS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		161,462,529	231,101,328
<i>Adjustments for non-cash and other items:</i>			
Depreciation	4.2	50,592,479	41,991,379
Amortization	5.2	94,165	141,250
Provision for gratuity	14.1	4,383,193	4,333,508
Provision for Sindh Workers' Profit Participation Fund	21.4	8,899,270	12,436,006
Provision for Sindh Workers' Welfare Fund		3,559,708	5,182,779
Government grant amortised		(1,148,559)	(1,306,614)
Loss on disposal of fixed assets	27	--	1,474,711
Finance cost		38,455,185	53,148,258
Exchange gain		(474,103)	6,705,687
Gain on disposal of fixed assets	28	(419,763)	--
Loss on revaluation of property, plant and equipment		--	1,095,864
<i>(Increase) / decrease in current assets</i>			
Stores and spares		990,530	(1,687,786)
Stock-in-trade		(31,947,921)	45,952,898
Trade debts		42,531,474	(6,639,029)
Advances and other receivables		(66,238)	22,229,396
Deposits, advances and short term prepayments		(7,465,556)	5,909,776
<i>Increase / (decrease) in current liabilities</i>			
Creditors, accrued and other liabilities		78,775,595	(110,502,312)
Cash generated from operations		<u>348,221,988</u>	<u>311,567,099</u>
33 CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,613,309	7,125,720
Short term borrowings - Secured		<u>(85,742,481)</u>	<u>(137,799,954)</u>
		<u>(80,129,172)</u>	<u>(130,674,234)</u>

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	----- (Rupees) -----							
Fees	--	--	860,000	620,000	--	--	860,000	620,000
Managerial remuneration and allowances	6,773,708	5,449,932	--	--	3,593,188	4,029,209	10,366,896	9,479,141
Provident fund	384,480	384,480	--	--	252,358	269,240	636,838	653,720
Medical expenses	430,215	350,875	--	--	348,965	321,574	779,180	672,449
House rent	2,076,168	2,076,168	--	--	1,395,872	1,286,304	3,472,040	3,362,472
Reimbursable expenses	1,921,812	1,743,461	--	--	--	--	1,921,812	1,743,461
	<u>11,586,383</u>	<u>10,004,916</u>	<u>860,000</u>	<u>620,000</u>	<u>5,590,383</u>	<u>5,906,327</u>	<u>18,036,766</u>	<u>16,531,243</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>2</u>	<u>2</u>	<u>9</u>	<u>9</u>

34.1 The Chief Executive and certain employees of the Company are provided with Company maintained cars.

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



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35 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	2025 ----- (Rupees) -----	2024 ----- (Rupees) -----
M/s. Sayeed International	A director of the Company is the owner of the business.	Purchases	2,092,258	2,240,067
		Purchase of Fixed Assets	24,721,000	--
Pakistan Paper Products Limited Employees' Provident Fund Trust	Employees Fund	Contribution	7,487,176	6,947,740

2025
----- (Numbers) -----

36 NUMBER OF EMPLOYEES

Number of employees as at 30 June	101	111
Number of factory employees as at 30 June	79	85
Average number of employees during the year	113	113
Average number of factory employees during the year	85	85

37 OPERATING SEGMENTS

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

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

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

a) Exercise books

This segment relates to the sale of exercise books.

b) Pro-labels

This segment relates to the sale of pro-labels.

c) Sensitized paper and others

This segment relates to sensitized paper and others.



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37.2 Segment information

	Exercise Books		Prolabels		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees)		(Rupees)		(Rupees)		(Rupees)	
Segment revenue	660,032,308	835,653,503	1,054,003,059	1,063,639,680	19,561,849	27,987,849	1,733,597,216	1,927,281,032
Cost of sales	(575,368,790)	(657,119,897)	(840,165,367)	(856,335,872)	(19,103,557)	(22,559,924)	(1,434,637,714)	(1,536,015,693)
Gross profit	84,663,518	178,533,606	213,837,692	207,303,808	458,292	5,427,925	298,959,502	391,265,339
Segment expenses								
Administrative expenses	(33,565,687)	(28,195,513)	(23,336,582)	(23,407,053)	(3,222,873)	(2,747,746)	(60,125,142)	(54,350,312)
Selling and distribution expenses	(13,941,144)	(11,455,610)	(9,596,968)	(6,590,534)	(968,203)	(3,218,932)	(24,506,315)	(21,265,076)
Finance cost	(12,145,910)	(21,712,710)	(24,211,733)	(34,589,609)	(2,097,542)	(3,551,626)	(38,455,185)	(59,853,945)
Sindh Workers' Profit Participation Fund	(1,250,539)	(5,606,130)	(7,623,774)	(6,829,876)	(24,957)	--	(8,899,270)	(12,436,006)
Sindh Workers' Welfare Fund	(500,216)	(2,336,388)	(2,872,023)	(2,846,391)	(187,469)	--	(3,559,708)	(5,182,779)
	(61,403,496)	(69,306,351)	(67,641,080)	(74,263,463)	(6,501,044)	(9,518,304)	(135,545,620)	(153,088,118)
Operating profit	23,260,021	109,227,255	146,196,612	133,040,345	(6,042,752)	(4,090,379)	163,413,883	238,177,221
Other operating expenses							(4,063,900)	(8,675,061)
Other income							2,112,546	1,599,168
Profit before taxation							161,462,529	231,101,328
Taxation - Net							(39,040,987)	(75,190,499)
Profit after taxation							122,421,542	155,910,829

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

37.4 Revenue from Unilever Pakistan Limited represents 12.05% (2024: 12.30%) of the net revenue of the Company.

38 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

38.1 Financial risk management

Overview

The Company has exposure to the following risks arising from

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

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



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38.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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

Exposure to credit risk

In summary, the maximum exposure to credit risk as at 30 June 2025 and 30 June 2024 was as follows:

	2025	2024
	Financial	Financial
	assets	assets
	----- (Rupees) -----	
Long term deposits	1,989,572	1,675,258
Trade debts	304,203,342	346,734,816
Advances and other receivables	1,604,206	1,677,679
Deposits and advances	7,373,618	314,933
Cash and bank balances (excluding cash in hand)	4,539,959	6,890,676
	<u>319,710,697</u>	<u>357,293,362</u>

Cash and cash equivalents

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

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

None of the financial assets of the Company are secured.

38.3 Liquidity risk

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



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

Exposure to liquidity risk

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

	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	More than two years
	(Rupees)					
2025						
<i>Non-derivative financial liabilities</i>						
Long term loans - Secured	108,155,159	122,101,684	21,371,343	20,502,835	52,854,746	27,372,760
Liabilities against assets subject to musharka financing	2,880,000	2,952,092	1,490,551	1,461,541	--	--
Unclaimed dividend	12,646,806	12,646,806	12,646,806	--	--	--
Creditors, accrued and other liabilities	189,247,556	189,247,556	189,247,556	--	--	--
Short term borrowings	85,742,481	85,742,481	85,742,481	--	--	--
	398,672,002	412,690,619	310,498,737	21,964,376	52,854,746	27,372,760
	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	More than two years
	(Rupees)					
2024						
<i>Non-derivative financial liabilities</i>						
Long term loans - Secured	86,533,031	112,533,549	17,741,232	16,611,778	30,192,960	47,987,579
Liabilities against assets subject to musharka financing	5,758,685	5,998,869	1,543,496	1,514,196	2,941,177	--
Unclaimed dividend	12,285,638	12,285,638	12,285,638	--	--	--
Creditors, accrued and other liabilities	123,107,677	123,107,677	123,107,677	--	--	--
Short term borrowings	137,799,954	137,799,954	137,799,954	--	--	--
	365,484,985	391,725,687	292,477,997	18,125,974	33,134,137	47,987,579

38.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

38.4.1 Currency risk

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

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

Exposure to currency risk

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



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		2025	2024
Spot rate as at 30 June	EUR	332.83	298.41
Trade creditors	EUR	--	997
Spot rate as at 30 June	GBP	389.65	351.85
Trade creditors	GBP	--	679
Spot rate as at 30 June	USD	284.10	278.80
Trade creditors	USD	333,193	3,484
Spot rate as at 30 June	AED	77.90	76.37
Trade creditors	AED	--	83,386
Trade creditors	Rupees	94,660,214	7,876,080
Sensitivity analysis			

A five percent strengthening / (weakening) of the Rupee against foreign currency as at 30 June 2025 would have increased / (decreased) equity and profit and loss account by Rs.4.733 million (2024: Rs.0.394 million). This analysis assumes that all other variables, in particular interest rates, remaining constant.

38.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

	2025	2024
	----- (Rupees) -----	
Fixed rate instruments		
<i>Financial liabilities</i>		
Long term loans	38,622,000	45,978,000
Variable rate instruments		
<i>Financial liabilities</i>		
Long term loans	72,722,769	44,893,200
Liabilities against assets subject to musharakah financin	2,880,000	5,758,685
Short term borrowings	85,742,481	137,799,954
	161,345,250	188,451,839

Fair value sensitivity analysis for fixed rate instruments

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

Cash flows sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the reporting period would have increased / (decreased) equity by Rs.1.613 million (2024: Rs.1.885 million). This analysis assumes that all other variables remain constant.



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38.4.3 Equity price risk

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

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

38.5 Fair value of financial instruments

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of all the financial instruments reported in the financial statements approximates their fair value as the items are short term in nature.

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

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

39 CAPITAL MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

	Unit	30-Jun-25	30-Jun-24
Total debt	Rupees	111,035,159	89,413,031
Total equity	Rupees	1,750,749,255	1,661,341,964
Total capital employed		1,861,784,414	1,750,754,995
Gearing ratio		6%	5%

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



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40 CAPACITY AND PRODUCTION

	Units	Capacity		Production		Remarks
		2025	2024	2025	2024	
a) Exercise books	Groose	58,632	58,632	41,519	49,127	Due to lack of demand.
b) Sensitized paper	Rolls	216,000	216,000	2,465	5,434	Due to lack of demand.
c) Prolabels	Sq. Meter	4,000,000	4,000,000	4,899,162	4,932,033	Due to extra shifts.

40.1 The capacity is determined on single shift basis.

41 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and companies listed on the Islamic Index are required to disclose the following:

	2025	2024
	----- (Rupees) -----	
Loan obtained as per Islamic mode	2,880,000	5,758,685
Shariah compliant bank deposits/bank balances	185,548	1,705,057
Mark up paid on Islamic mode of financing	185,241	303,254
	<u>3,250,789</u>	<u>7,766,996</u>

The Company maintains bank account with M/s. Meezan Bank Limited.

42 SUBSEQUENT EVENT

Subsequent to year ended 30 June 2025, the Board of Directors in its meeting held on 12 September 2025 has proposed final cash dividend @ Rs.5 per share amounting Rs.40 million for approval of the members at the Annual General Meeting. These financial statements do not reflect the effect of such dividend which will be accounted for in the financial statements of the Company subsequent to the year end, when it is approved by the shareholders of the Company.

43 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.

44 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 12 SEP 2025 by the Board of Directors of the Company.

45 GENERAL

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

ABBAS SAYEED
Chairman

MUHAMMAD YUSUF
Chief Financial Officer

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

Pattern Of Share Holding - Form "34" Shareholders Statistics As At June 30, 2025

Number Of Share Holders	From	Share Holding To	Total Shares Held	%	
469	1	-	100	13,697	0.17
319	101	-	500	92,278	1.15
152	501	-	1000	118,376	1.48
230	1001	-	5000	519,547	6.49
46	5001	-	10000	322,436	4.03
13	10001	-	15000	157,484	1.97
5	15001	-	20000	87,989	1.10
3	20001	-	25000	71,406	0.89
5	25001	-	30000	132,210	1.65
1	30001	-	35000	33,518	0.42
2	35001	-	40000	75,570	0.94
2	40001	-	45000	87,657	1.10
2	45001	-	50000	99,057	1.24
2	50001	-	55000	103,531	1.29
1	55001	-	60000	56,516	0.71
1	60001	-	65000	61,000	0.76
1	65001	-	70000	66,828	0.84
1	70001	-	75000	70,500	0.88
1	105001	-	110000	108,000	1.35
2	110001	-	115000	225,331	2.82
2	135001	-	140000	275,200	3.44
1	245001	-	250000	248,622	3.11
3	255001	-	260000	768,961	9.61
1	415001	-	420000	417,334	5.22
1	500001	-	505000	502,161	6.28
1	615001	-	620000	619,101	7.74
1	620001	-	625000	623,557	7.79
1	905001	-	910000	907,026	11.34
1	1135001	-	1140000	1,135,107	14.19
1,270			8,000,000	100.00	

S. No.	Categories Of Shareholders	Number Of Share Holders	Total Shares Held	Percentage
1	Individuals	1242	5,935,915	74.20
2	Financial Institutions	2	1,867	0.02
3	Joint Stock Companies	18	1,302,560	16.28
4	Insurance Companies	1	3,000	0.04
5	Mutual Fund	4	671,239	8.39
6	Other	3	85,419	1.07
		1,270	8,000,000	100.00



PAKISTAN PAPER PRODUCTS LIMITED

Details of Pattern of Shareholdings as on June 30, 2025

S. No.	Categories Shareholders	Shares Held	% Age
1	Associated Companies	907,026	11.34
	Management & Enterprises (Pvt.) Limited	907,026	
2	NIT & ICP	626,249	7.83
	National Bank of Pakistan-Trustee Department NI(U)T Fund	619,101	
	Investment Corporation of Paksitan	6,816	
	IDBL (ICP) Unit	332	
3	Directors, CEO, their Spouses and Minor Childern	2,978,711	37.23
	Mrs. Muleika Sayeed	502,161	
	Mr. Abbas Sayeed	623,557	
	Mr. Asadullah Sayeed	417,334	
	Mr. Abid Sayeed	1,135,107	
	Ms Aisha Fariel Salahuddin	2,500	
	Mr. Sayeed Imran	12,860	
	Mrs. Nadia Sayeed W/o. Abid Sayeed	36,570	
	Mrs. Nusser Sayeed W/o. Abbas Sayeed	248,622	
4	Executives	Nil	
5	Individuals	2,957,194	36.96
6	Public Sector Companies and Corporation	Nil	
7	Banks, DFIS, NBFIS, Insurance Companies, Modarabas Joint Stock Companies, Mutual Funds and others	530,820	6.64
Total		8,000,000	100.00

Shareholders Holding Ten Percent or More In The Company

Mr. Abid Sayeed	1,135,108	14.19
Management & Enterprises (Pvt.) Limited	907,026	11.34



PAKISTAN PAPER PRODUCTS LIMITED

FORM OF PROXY

I / We _____
of _____
being a member(s) of **Pakistan Paper Products Limited** holder of _____
ordinary Shares as per Share Registrar Folio/CDC Account No. _____
hereby appoint Mr./Miss/Mrs. _____ Folio/CDC Account No. _____
of _____ who is also a member of the Company as my / our proxy to attend, speak & vote for me / us
and on my / our behalf at the at the 63rd ANNUAL GENERAL MEETING of the Company to be held on Thursday,
October 09, 2025 at 10:30 am and at any adjournment thereof.

Signed this _____ day of _____ 2025.

Rs.5/=
Revenue
Stamp

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

Signature _____

Witnesses:

1: Signature _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

2: Signature _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Important:

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



PAKISTAN PAPER PRODUCTS LIMITED

پاکستان پیپر پروڈکٹس لمیٹڈ مختار نامہ

میں / ہم _____
 کا / کے _____
 بحیثیت رکن پاکستان پیپر پروڈکٹس لمیٹڈ اور حامل حصص، بمطابق شیئر رجسٹرڈ فوئیو نمبر _____
 اور / یا سی ڈی سی پارٹنرشپ (شرکت آئی ڈی نمبر) _____
 اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر _____
 محترم / محترمہ _____
 کو اپنے / ہمارے ایماء پر _____ مورخہ 09 اکتوبر 2025ء جمعرات صبح 10.30 بجے
 کو منعقد ہونے والے کمپنی کے 63 سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔
 آج بروز _____ بتاریخ _____ 2025ء کو دستخط کئے گئے۔

گواہان:

پانچ روپے مالیت کے رسید کلٹ پر دستخط	دستخط: _____
	نام: _____
	پتہ: _____
	کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____
دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں	دستخط: _____
	نام: _____
	پتہ: _____
	کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: _____

دستخط _____

نوٹ:

- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل رجسٹرڈ آفس کے پتے پر ارسال کر دے۔
- سی ڈی سی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:

(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

(ب) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

(ج) ٹینیفیشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختار نامہ کے ہمراہ پیش کرے گا۔

(د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(د) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز قرار دار / مع نامزد کردہ شخص / انٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔



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