

**FIRST QUARTER
SEPTEMBER 30, 2015 (UN-AUDITED)**

To,

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



PAKISTAN PAPER PRODUCTS LIMITED

CORPORATE PROFILE

BOARD OF DIRECTORS

Mohammad Ali Sayeed	Chairman	Non-Executive
Abid Sayeed	Chief Executive	Executive
Abbas Sayeed		Non-Executive
Mrs. Muleika Sayeed		Non-Executive
Dr. Asadullah Sayeed		Non-Executive
Zahid Dada		Independent Director
Shoaib Ahmad Khan	NIT Nominee	Non-Executive

AUDIT COMMITTEE

Abbas Sayeed	Chairman
Zahid Dada	Member
Dr. Asadullah Sayeed	Member

HR AND REMUNERATION COMMITTEE

Zahid Dada	Chairman
Abbas Sayeed	Member
Shoaib Ahmad Khan	NIT Nominee

CHIEF FINANCIAL OFFICER

Rizwan Ahmed Mughal

COMPANY SECRETARY

Faisal Saeed Khan

AUDITORS

Hafizullah & Co.
Chartered Accountants

SHARE REGISTRAR

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

BANKERS

Bank Al Habib Limited
Habib Bank Limited
National Bank of Pakistan

REGISTERED OFFICE AND FACTORY

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



PAKISTAN PAPER PRODUCTS LIMITED

Directors' Review

On behalf of the Board of Directors we have pleasure in presenting review of performance together with the unaudited accounts of the company for the first quarter ended September 30, 2015

The turnover during the quarter ended was Rs 123.47 million against Rs. 115.19 Million in the same period last year showing an increase of 7.18%. This was mainly due to robust sales of Plain Paper Copier Paper and Pro Labels which increased by 31.47% and 15.93% respectively. Exercise Book sales and Sensitized paper sales fell by 19.74% and 41.52% respectively. The fall in exercise books sales was in line with expectations as last year in this quarter we had received an unusually high demand which was not in line with the normal trend as this season requirement is normally very low compared to the main season requirement in March.

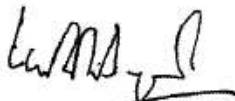
Unfortunately, the increase in the top line did not translate to the bottom as Profit before taxation fell by 48.78% to Rs 8.31 million. This was mainly due to rise in wages and salaries, higher financial charges, higher depreciation and devaluation of the Pak Rs. The above mentioned factors put severe pressure on the company's margins and due to very tough competition in the market we have been unable to pass this on to our customers and have had to absorb this increase in our costs. Profit after tax also fell by 76.18% to Rs 2.1 million due to an increase in deferred taxation.

This has been a very tough quarter for the company but the management would like to assure the shareholders that they are taking all possible measures to stem this fall in our profits and hope to share better results in the next quarter and the rest of the year.

The Board would like to thank all our stakeholders for the continuous support to the company and all employees for their dedicated efforts in running the operations of the company.

On behalf of the Board of Directors

Karachi
October 27, 2015


MOHAMMAD ALI SAYEED
Chairman


ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED BALANCE SHEET (Un-Audited) AS AT SEPTEMBER 30, 2015

	(Unaudited) September 2015 (Rupees)	(Audited) June 2015 (Rupees)
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised Share Capital		
8,000,000 Ordinary shares of Rs.10/- each	80,000,000	80,000,000
Issued, subscribed and paid-up	60,000,000	60,000,000
Revenue reserves	265,754,620	262,820,519
	325,754,620	322,820,519
Surplus on revaluation of fixed assets	217,608,881	218,433,522
Deferred liabilities		
Deferred tax	46,407,711	43,912,962
Retirement benefit obligation	8,610,322	8,253,851
	55,018,033	52,166,813
Long term loan - secured	46,061,028	51,270,540
Current liabilities		
Current maturities	20,838,048	20,838,048
Short term borrowings - secured	6,864,503	12,731,499
Creditors, accrued and other liabilities	55,086,773	45,505,300
	82,789,324	79,074,847
Contingencies and commitments	-	-
	727,231,886	723,766,241
ASSETS		
Fixed assets		
Property, plant and equipment	449,232,314	455,469,923
Long term deposits	553,710	527,840
Current assets		
Store and spares	2,544,737	2,013,765
Stock-in-trade	133,487,771	102,899,617
Trade debts-unsecured but considered good	84,944,668	101,363,918
Advances and other receivables	50,613,507	44,233,012
Deposits and prepayments	2,810,413	8,935,880
Cash and bank balances	3,044,766	8,322,286
	277,445,862	267,768,478
	727,231,886	723,766,241

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

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	September 2015 (Rupees)	September 2014 (Rupees)
Turnover	123,468,189	115,194,682
Sales tax, discounts and returns	(16,165,612)	(13,362,834)
Net sales	107,302,577	101,831,848
Cost of goods sold	86,025,869	74,882,355
Gross profit	21,276,708	26,949,493
Other operating income/(loss)	11,149	209,698
Administrative expenses	7,776,612	6,631,398
Selling and distribution expenses	2,731,595	2,140,879
Workers' profit participation fund	445,753	871,393
Workers' welfare fund	169,386	331,129
	11,123,346	9,974,799
Operating profit	10,164,511	17,184,392
Financial charges	1,853,433	959,049
Net Profit before taxation	8,311,078	16,225,343
Taxation	6,201,618	7,367,734
Net Profit after taxation	2,109,460	8,857,609
Earning per share :		
-Basic	0.35	1.48
-Diluted	0.35	1.48

Appropriations have been dealt in the statement of changes in equity.
The annexed notes form an integral part of these financial statements.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED
STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	September 2015 (Rupees)	September 2014 (Rupees)
Profit for the quarter	2,109,460	8,857,609
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u>2,109,460</u>	<u>8,857,609</u>

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

MOHAMMAD ALI SAYEED

Chairman

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED
CASH FLOW STATEMENT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	September 2015 (Rupees)	September 2014 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	8,311,078	16,225,343
Adjustment for non-cash items and other adjustments:		
Depreciation	6,925,318	5,498,830
Gratuity provision	356,471	251,896
Income from financial assets	(4,249)	(194,198)
Financial charges	1,853,433	1,005,473
	17,442,051	22,787,344
(Increase)/decrease in current assets		
Store, spares and stock in trade	(31,119,126)	(39,951,752)
Trade debts	16,419,250	13,918,096
Advances, deposits, prepayments & other receivables	3,821,793	(413,345)
	(10,878,083)	(26,447,001)
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	22,456,212	(10,291,779)
Cash generated from operations	11,578,129	(36,738,780)
Income tax paid	(7,783,689)	(7,133,373)
Financial charges paid	(661,066)	(1,005,473)
Net cash from operating activities	20,575,425	(22,090,282)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(687,709)	(6,918,487)
Long term deposits	(25,870)	
Investment - held for trading	-	25,270,431
Income from financial assets	4,249	194,198
Net cash used in investing activities	(709,330)	18,546,142
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan repaid	(5,209,512)	(2,532,762)
Dividend Paid	(14,067,107)	(10,253,750)
Net cash used in financing activities	(19,276,619)	(12,786,512)
Net increase / (decrease) in cash and cash equivalents	589,476	(16,330,652)
Cash and cash equivalent at the beginning of the period	(4,409,213)	13,826,551
Cash and cash equivalent at the end of the period	(3,819,737)	(2,504,101)

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

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED
STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Share Capital	Revenue reserve		Total
		General reserve	Unappropriated profit	
(Rupees)				
Balance as at July 01, 2014	60,000,000	143,900,000	82,749,431	286,649,431
Profit for the first quarter ended September 30, 2014	-	-	8,857,609	8,857,609
Incremental depreciation transfer from surplus on revaluation of fixed assets (net of tax)	-	-	980,255	980,255
Balance as at September 30, 2014	60,000,000	143,900,000	92,587,295	296,487,295
Profit for the nine month ended June 30, 2015	-	-	48,460,845	48,460,845
Total comprehensive income for the year ended June 2015	-	-	(439,592)	(439,592)
Interim dividend	-	-	(24,000,000)	(24,000,000)
Incremental depreciation transfer from surplus on revaluation of fixed assets (net of tax)	-	-	2,311,971	2,311,971
Balance as at June 30, 2015	60,000,000	143,900,000	118,920,519	322,820,519
Profit for the first quarter ended September 30, 2015	-	-	2,109,460	2,109,460
Incremental depreciation transfer from surplus on revaluation of fixed assets (net of tax)	-	-	824,641	824,641
Balance as at September 30, 2015	60,000,000	143,900,000	121,854,620	325,754,620

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive




PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED NOTES TO THE ACCOUNTS (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

01. Pakistan Paper Products Limited was incorporated in July, 1962 as a private limited company and was converted into public limited company and listed on the Karachi Stock Exchange in July, 1964. The registered office of the company is situated at D-58 SITE, Estate Avenue, Karachi 75700. The main business activity of the Company is the production and sale of sensitized papers, pro-labels and exercise books.
02. These financial statements are unaudited and are being presented to the shareholders as required by SRO 764 (1) 2001 dated November 05, 2001 of the Securities and Exchange Commission of Pakistan.
03. Accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2015

	Sep-2015 Rupees	Jun - 2015 Rupees
04. PROPERTY PLANT & EQUIPMENT		
Opening written down value	455,469,923	395,181,518
Additions	687,709	84,761,267
Book value of assets disposed-off during the period	-	(1,773,170)
Charge for the period	(6,925,318)	(22,699,692)
Closing written down value	<u>449,232,314</u>	<u>455,469,923</u>
	Sep-2015 Rupees	Sep-2014 Rupees
05. Cash and Cash Equivalent		
Cash and Bank Balances	3,044,766	2,560,582
Bank Overdraft	<u>(6,864,503)</u>	<u>(5,064,683)</u>
	<u>(3,819,737)</u>	<u>(2,504,101)</u>

06. Contingent liabilities in respect of guarantees issued by bank on behalf of the company aggregating to Rs.7,235,980 (September 2014 : 5,696,410).
- Commitments are outstanding in respect of letters of credit amounting to Rs.1,458,500 (September 2014 : 1,836,450).
07. These financial statements have been authorized for issue by the Board of Directors of the Company on October 27, 2015


MOHAMMAD ALI SAYEED
Chairman


ABID SAYEED
Chief Executive



**Promoting Education,
Development, & Quality Products.**



PRO LABELS



➤ Pro Labels - Self Adhesive labels in roll form.



➤ Exercise Books



➤ Photocopy Paper



➤ Plotter Paper



➤ Ammonia Sensitised Paper

Head Office & Factory:

Pakistan Paper Products Ltd.,

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