



**CONDENSED INTERIM
FINANCIAL INFORMATION
(SUBJECTED TO LIMITED SCOPE REVIEW)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2015**



PAKISTAN PAPER PRODUCTS LIMITED





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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

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

REGISTERED OFFICE AND FACTORY

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



PAKISTAN PAPER PRODUCTS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors in their meeting held on February 18, 2016 considered the accounts with limited auditors review for the half year ended 31st December, 2015 and approved the same.

The comparative Financial Highlights for half year ended December 31, 2015 and 2014 are given below:

Financial Results in Rs (Million):

	<u>Dec.31, 2015</u>	<u>Dec.31, 2014</u>
Invoiced Sales (net)	215.94 M	201.12 M
Gross Profit	35.26 M	38.56 M
Profit Before Tax	4.88 M	18.75 M
Profit After Tax	1.69 M	9.70 M
Earnings per Share Rs.	0.28	1.62

The company experienced a very healthy growth in revenue of Rs 215.94 million which is an increase of 7.37% compared to the six months in 2014-15. This was basically due to robust sales in Pro Labels and Photocopy Paper which increased by 15.91% and 61.05% respectively. Exercise books sales decreased by 16% and Sensitized by 12.18%, but we are hopeful that Exercise books will make up for this decrease in the next two quarters.

Unfortunately, the growth in the top line did not have a positive effect on the bottom line where Profit before tax decreased to Rs 4.88 million and profit after tax declined to Rs 1.69 million for the six months under review. There are several reasons which contributed to this fall and one of the major reasons being the Rs 5.84 million loss that we had to book on the sale of our old Flexographic machine which was replaced by a new state of the art modern machine that we purchased in June 2015. The main reason for us to replace the old machine was that it's technology had become obsolete, hence the demand for this machine was very low in the rest of the world also. We got only very few offers of purchase and we sold it to the highest bidder, but unfortunately had to book this loss. The other reasons contributing to this fall have been a major increase in financial charges and depreciation due to the modernization we did in Pro Labels in June 2015.

In addition the labor costs have also gone up tremendously in the last six months. Overall, the margins of our products have been under pressure due to increased competition in the market by which we have had to reduce our prices to maintain our market share. We are working towards bringing more efficiency in our production systems and try to curtail our overheads to increase our margins. We are hopeful that by the year end we will be able to come out with better results. We have invested as per the current demands of the market and if required will do so further to acquire latest technology, especially in Pro Labels which will reap profits for the company in the future years.

We would like to thank all our staff, workers and our stakeholders, including the financial institutions for their continued support. In addition the Directors also record their sincere appreciation for the cooperation received from the Regulators Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange (formerly Karachi Stock Exchange).

MOHAMMAD ALI SAYEED

Chairman

ABID SAYEED

Chief Executive

February 18, 2016, Karachi

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED
INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pakistan Paper Products Limited** as at December 31, 2015, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the six months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other matters

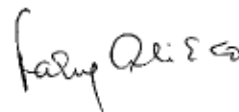
The figures for the quarters ended December 31, 2015 and December 31, 2014 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

The financial statements of the company for the year ended June 30, 2015 were audited by another firm of Chartered Accountants who vide their report dated September 21, 2015 expressed an un-qualified opinion thereon.

Dated: February 18, 2016

Place: Karachi

Engagement partner: Fasih uz Zaman



CHARTERED ACCOUNTANTS




PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM BALANCE SHEET (Un-audited)
AS AT DECEMBER 31, 2015

	Notes	(Un-audited) December 31, 2015	(Audited) June 30, 2015
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
RUPEES			
Authorised capital 8,000,000 (June 2015: 8,000,000) Ordinary shares of Rs. 10/- each		80,000,000	80,000,000
Issued, subscribed and paid-up-capital		60,000,000	60,000,000
Reserves		265,568,285	262,820,519
		325,568,285	322,820,519
Surplus on revaluation of fixed assets		217,380,514	218,433,522
NON-CURRENT LIABILITIES			
Deferred tax		41,729,883	43,912,962
Retirement benefit obligation		8,787,611	8,253,851
Long term loan - Secured	5	40,851,516	51,270,540
CURRENT LIABILITIES			
Current maturities		20,838,048	20,838,048
Short term borrowings - Secured	6	34,905,645	12,731,499
Creditors, accrued and other liabilities	7	56,764,639	45,505,300
		112,508,332	79,074,847
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		746,826,141	723,766,241
ASSETS			
NON-CURRENT ASSETS			
Fixed assets -			
Property, plant and equipment	9	424,966,755	455,469,923
Long term deposits		553,710	527,840
CURRENT ASSETS			
Stores and spares		3,326,722	2,013,765
Stock in trade	10	185,365,950	102,899,617
Trade debts - Unsecured, considered good	11	74,715,067	101,363,918
Advances and other receivables	12	51,649,582	44,233,012
Deposits and prepayments		2,242,757	8,935,880
Cash and bank balances	13	4,005,598	8,322,286
		321,305,676	267,768,478
		746,826,141	723,766,241

The annexed notes form an integral part of the condensed interim financial information.


MOHAMMAD ALI SAYEED
Chairman


ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		Half Year Ended		Quarter Ended	
	Notes	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
----- RUPEES -----					
Sales	14	215,943,581	201,122,932	108,641,004	99,291,084
Cost of goods sold	15	180,677,559	162,555,685	94,651,690	87,673,330
Gross profit		35,266,022	38,567,247	13,989,314	11,617,754
Other operating income / (loss)		(5,849,480)	263,484	(5,838,331)	53,786
Operating expenses					
Administrative expenses		14,123,243	12,151,632	6,346,631	5,520,234
Selling and distribution		5,866,992	4,391,189	3,135,397	2,250,310
Workers' profit participation fund		275,190	1,007,180	(170,563)	135,787
Workers' welfare fund		347,661	382,729	178,275	51,600
		20,613,086	17,932,730	9,489,740	7,957,931
Operating profit / (loss)		8,803,456	20,898,001	(1,338,757)	3,713,609
Financial charges		3,922,508	2,144,313	2,069,075	1,185,264
Profit / (Loss) before taxation		4,880,948	18,753,688	(3,407,832)	2,528,345
Taxation		3,186,190	9,053,088	(3,015,428)	1,685,354
Profit / (Loss) after taxation		1,694,758	9,700,600	(392,404)	842,991
Earnings / (loss) per share					
- Basic		0.28	1.62	(0.07)	0.14
- Diluted		0.28	1.62	(0.07)	0.14

The annexed notes form an integral part of the condensed interim financial information.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- 'RUPEES -----			
Profit/(Loss) for the period	1,694,758	9,700,600	(392,404)	842,991
Other comprehensive income:				
Remeasurement of defined benefit liability - Net	--	--	--	--
Items that will not be subsequently reclassified to profit or loss:				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	2,077,157	2,914,544	2,077,157	2,914,544
Related deferred tax	(751,832)	(961,800)	(751,832)	(961,800)
	1,325,325	1,952,744	1,325,325	1,952,744
Realization of surplus on disposal of assets	(406,443)	(227,366)	(406,443)	(227,366)
Related deferred tax	134,126	75,031	134,126	75,031
	(272,317)	(152,335)	(272,317)	(152,335)
Total comprehensive income	2,747,766	11,501,009	660,604	2,643,400

The annexed notes form an integral part of the condensed interim financial information.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Notes	(Un-audited) December 31, 2015	(Un-audited) December 31, 2014
		RUPEES	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	5,214,946	(12,335,388)
Income taxes paid		(15,777,624)	(16,537,113)
Gratuity paid		(179,181)	-
Financial charges		(2,650,597)	(1,906,572)
Net cash used in operating activities		(13,392,456)	(30,779,073)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,388,569)	(9,181,084)
Long term deposit		(25,870)	-
Investment - Held for trading		-	25,323,785
Sale proceeds against disposal of fixed assets		12,908,675	117,000
Income from deposit account		4,249	140,844
Net cash inflow from investing activities		11,498,485	16,400,545
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(10,419,024)	(5,065,524)
Dividend		(14,177,839)	(10,287,454)
Net cash used in financing activities		(24,596,863)	(15,352,978)
Net increase / (decrease) in cash and cash equivalents		(26,490,834)	(29,731,506)
Cash and cash equivalents at the beginning of the period		(4,409,213)	13,826,551
Cash and cash equivalents at the end of the period	18	(30,900,047)	(15,904,955)

The annexed notes form an integral part of the condensed interim financial information.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Issued, subscribed and paid up capital	RESERVES			Total equity
		Revenue reserve	Unappropriated profit	Total reserves	
----- RUPEES -----					
Balance as at July 01, 2014	60,000,000	143,900,000	82,749,431	226,649,431	286,649,431
Total comprehensive income for the period					
Profit for the period	--	--	9,700,600	9,700,600	9,700,600
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	1,952,744	1,952,744	1,952,744
Realization of surplus on disposal of assets	--	--	(152,335)	(152,335)	(152,335)
	--	--	11,501,009	11,501,009	11,501,009
Balance as at December 31, 2014	60,000,000	143,900,000	94,250,440	238,150,440	298,150,440
Balance as at July 01, 2015	60,000,000	143,900,000	118,920,519	262,820,519	322,820,519
Total comprehensive income for the period					
Profit for the period	--	--	1,694,758	1,694,758	1,694,758
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	1,325,325	1,325,325	1,325,325
Realization of surplus on disposal of assets	--	--	(272,317)	(272,317)	(272,317)
	=	=	2,747,766	2,747,766	2,747,766
Balance as at December 31, 2015	60,000,000	143,900,000	121,668,285	265,568,285	325,568,285

The annexed notes form an integral part of the condensed interim financial information.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

1 THE COMPANY AND ITS OPERATIONS

The company 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. Registered office of the Company is situated at D/58, S.I.T.E., Karachi. The Company is principally engaged in the production and sale of sensitized papers, pro-labels and exercise books.

2 BASIS OF PREPARATION

The condensed interim financial information is un audited but subject to limited scope review by the auditors and is required to be presented to the share holders under section 245 of the ordinance and has been prepared in a condensed form in accordance with the requirements of the international accounting standard (IAS-34) "Interim Financial Reporting" as applicable in Pakistan. The figures of the condensed interim profit and loss account and condensed interim comprehensive income for the quarters ended 31, December 2015 and 2014 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half year ended December 31, 2015 and 2014. The condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2015.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2015.

3.2 The preparation of condensed interim financial information requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June, 30, 2015.

4 TAXATION

The provision for taxation for the half year and quarter ended December 31, 2015, have been made using the estimated effective tax rate applicable to expected total annual earnings.

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
5 LONG TERM LOANS - Secured		
	RUPEES	
Bank Al Habib Limited - Term finance		
Opening balance	72,108,588	28,704,636
Acquired during the period	-	53,535,000
	72,108,588	82,239,636
Repayment during the period	(10,419,024)	(10,131,048)
	61,689,564	72,108,588
Less: Current portion shown under current maturity	(20,838,048)	(20,838,048)
	<u>40,851,516</u>	<u>51,270,540</u>



PAKISTAN PAPER PRODUCTS LIMITED

The above loans have been obtained from Bank Al Habib Limited for acquisition of machinery. The loans are secured by way of hypothecation charge over acquired imported machinery and equitable mortgage over industrial property bearing plot No. D/57 & D/58 at SITE, Karachi. The facilities are repayable in sixty equal monthly installment. The facilities carry mark-up at 1.75% (2015: 1.75%) over six months KIBOR.

(Un-audited)
December 31,
2015

(Audited)
June 30,
2015

RUPEES

6 SHORT TERM BORROWINGS - Secured

Bank Al Habib Limited - Running finance utilized	<u>34,905,645</u>	<u>12,731,499</u>
--	-------------------	-------------------

The Company enjoys short term finance facilities from Bank Al Habib Limited comprising running finance up to Rs. 60.00 million (June 2015: Rs. 60.00 million), letter of credit (Sight-foreign) for Rs. 10.00 million (June 2015: Rs. 10.00 million), Letter of Credit (Usance-Foreign) for Rs. 10.00 million (June 2015: 10.00 million), Acceptance - Sub limit of LC Sight Foreign for Rs. 10.00 million (June 2015: Rs. 10.00 million) at Nil margin and Letter of Guarantee for Rs. 5.00 million (June 2015: Rs. 5.00 million). The finance is secured against registered hypothecation charge over movables of the Company each for Rs. 30.00 million with 25% margin, registered hypothecation charge over movables and receivables of the Company for Rs. 70.00 million with 25% margin, import documents consigned in the name of Bank Al Habib Limited in case of Sight LC, accepted drafts / trust receipts in case of usance LC, counter guarantee in case of LG's and equitable mortgage over industrial property bearing No. D-57 A & D-58 SITE, Karachi registered with SECP for Rs. 169.40 million. The running finance facility carries markup of 3 months KIBOR plus 2% while other facility carries markup as per bank's schedule of charges.

7 CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors	34,365,210	15,396,591
Advance from customers	9,693,800	1,112,793
Accrued expenses and other payables	4,247,241	3,244,645
Accrued markup on running finance	496,071	60,810
Accrued markup on long term loans	1,426,137	589,487
Workers' profit participation fund	807,080	4,023,890
Works welfare fund	356,653	1,526,798
Unclaimed dividend	5,372,447	19,550,286
	<u>56,764,639</u>	<u>45,505,300</u>

8 CONTINGENCIES AND COMMITMENTS

Performance guarantees in favor of customers issued by Bank Al Habib Limited, SITE Branch on behalf of the Company aggregating to Rs. 6.890 million (June 2015: Rs. 5.4 million).

Commitments in respect of outstanding letters of credits amount to Rs.22.58 million (June 2015: Rs.4.5 million).fi

9 OPERATING FIXED ASSETS

Opening net book value (NBV)	455,469,923	395,181,518
Addition (at cost) during the period year	1,388,569	84,761,267
	<u>456,858,492</u>	<u>479,942,785</u>
Less: Disposal (NBV) during the period	(18,789,804)	(1,773,170)
Less: Depreciation charged for the period	(13,101,933)	(22,699,692)
Closing net book value (NBV)	<u>424,966,755</u>	<u>455,469,923</u>



PAKISTAN PAPER PRODUCTS LIMITED

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
9.1 Details of additions (at cost) during the period / year are as follows:	RUPEES	
Building on leasehold land		
- Factory	232,200	584,540
- Office	-	211,530
Plant and machinery	255,604	78,650,214
Furniture and fixture	22,065	116,550
Factory and other equipments	20,000	441,531
Electric equipments and fittings	98,000	288,937
Computers	61,400	113,565
Vehicles	699,300	4,354,400
	<u>1,388,569</u>	<u>84,761,267</u>
9.2 Details of disposals (NBV) during the period / year are as follows:		
Factory and other equipments	-	28,057
Plant and machinery	18,583,688	-
Electric equipments and fittings	-	-
Computers	-	-
Vehicles	206,116	1,745,113
	<u>18,789,804</u>	<u>1,773,170</u>
10 STOCK IN TRADE		
Raw materials	109,067,535	76,769,576
Work in process	34,407,224	15,264,769
Finished goods	41,891,191	10,865,272
	<u>185,365,950</u>	<u>102,899,617</u>
11 TRADE DEBTS - Unsecured, considered good		
Due from customers	74,711,211	101,349,780
Due from associated concern - Sayeed International	3,856	13,423
Due from staff	-	715
	<u>74,715,067</u>	<u>101,363,918</u>
12 ADVANCES AND OTHER RECEIVABLES		
Advance to suppliers	237,549	114,319
Advance against letter of credit	340,707	4,263,371
Advance against expenses	12,451	-
Advance to staff	107,000	67,439
Advance income tax - Net of tax liability	14,105,936	23,457,050
Income tax refundable	30,280,086	10,520,617
Sales tax refundable	6,565,853	5,810,216
	<u>51,649,582</u>	<u>44,233,012</u>
13 CASH AND BANK BALANCES		
Cash in hand	65,000	65,000
Factory imprest	75,000	75,000
Cash at banks:		
- Current accounts	3,865,598	8,110,889
- Deposit accounts	-	71,397
	<u>4,005,598</u>	<u>8,322,286</u>



PAKISTAN PAPER PRODUCTS LIMITED

14 SALES

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- 'RUPEES -----			
Sales	247,477,080	227,888,684	124,008,891	112,694,002
Less: Sales tax, discount and return	(31,533,499)	(26,765,752)	(15,367,887)	(13,402,918)
	<u>215,943,581</u>	<u>201,122,932</u>	<u>108,641,004</u>	<u>99,291,084</u>

The activity of production and sale of exercise books which was about 45% of the total revenue of the Company, as per last audited financial statements, is seasonal in nature. About 80% of the same is generally realized in its season which falls in third quarter of the financial year.

15 COST OF GOODS SOLD

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- RUPEES -----			
Opening stock	76,769,576	73,588,245	98,604,478	101,293,671
Purchase	206,144,424	184,028,969	115,622,534	91,323,611
	<u>282,914,000</u>	<u>257,617,214</u>	<u>214,227,012</u>	<u>192,617,282</u>
Closing stock	(109,067,535)	(89,358,653)	(109,067,535)	(89,358,653)
Raw material consumed	<u>173,846,465</u>	<u>168,258,561</u>	<u>105,159,477</u>	<u>103,258,629</u>
Manufacturing overheads				
Salaries, wages and other benefits	27,116,360	20,818,326	14,971,410	10,960,687
Fuel and power	4,393,795	4,009,559	2,142,556	2,095,745
Spare parts and stores consumed	8,366,275	7,156,938	5,331,070	4,312,978
Insurance	594,410	529,639	297,205	267,319
Repair and maintenance	1,425,951	1,011,857	830,604	465,246
Rent, rates and taxes	148,048	153,048	12,000	119,713
Telephone and trunk calls	51,604	41,122	34,590	14,329
Other manufacturing expenses	2,625,982	2,350,089	1,529,074	1,084,928
Depreciation	12,277,043	10,284,605	5,758,826	5,195,455
	<u>56,999,468</u>	<u>46,355,183</u>	<u>30,907,335</u>	<u>24,516,400</u>
Manufacturing cost	<u>230,845,933</u>	<u>214,613,744</u>	<u>136,066,812</u>	<u>127,775,029</u>
Work in process opening	15,264,769	12,553,940	19,225,299	19,004,638
Work in process closing	(34,407,224)	(30,413,956)	(34,407,224)	(30,413,956)
	<u>(19,142,455)</u>	<u>(17,860,016)</u>	<u>(15,181,925)</u>	<u>(11,409,318)</u>
Cost of goods manufactured	<u>211,703,478</u>	<u>196,753,728</u>	<u>120,884,887</u>	<u>116,365,711</u>
Finished goods - Opening	10,865,272	7,017,150	15,657,994	12,522,812
Finished goods - Closing	(41,891,191)	(41,215,193)	(41,891,191)	(41,215,193)
	<u>(31,025,919)</u>	<u>(34,198,043)</u>	<u>(26,233,197)</u>	<u>(28,692,381)</u>
	<u>180,677,559</u>	<u>162,555,685</u>	<u>94,651,690</u>	<u>87,673,330</u>



PAKISTAN PAPER PRODUCTS LIMITED

16 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies and undertakings, directors, executives and staff retirement fund. Transactions with related parties during the period are as follows:

	(Un-audited) December 31, 2015	(Un-audited) December 31, 2014
	RUPEES	
Associated companies and undertakings:		
Sales excluding Sales tax	35,536	30,542
Purchases excluding Sales tax	101,500	199,000
Rent Paid	96,000	96,000
Donations	300,000	350,000
Directors		
Director fees	50,000	45,000
Chief Executive Remuneration	2,541,832	2,321,995
Staff provident fund		
Employers and employees contribution	1,845,902	1,600,282

17 CASH GENERATED FROM OPERATIONS

Profit before taxation	4,880,948	18,753,688
<u>Adjustment for non-cash items and other items</u>		
Depreciation	13,101,933	11,105,105
Gratuity provision	712,941	755,686
Other income	(4,249)	(194,198)
(Loss) / gain on disposal of fixed assets	5,881,129	(49,786)
Financial charges	3,922,508	2,144,313
	23,614,262	13,761,120
<u>(Increase) / decrease in current assets</u>		
Stores, spares and stock in trade	(83,779,290)	(68,101,422)
Trade debtors	26,648,851	23,060,773
Advances, other receivables, deposits and prepayments	9,684,908	(627,131)
	(47,445,531)	(45,667,780)
<u>Increase / (decrease) in current liabilities</u>		
Creditors, accrued expenses and other liabilities	24,165,267	817,584
	5,214,946	(12,335,388)

18 CASH AND CASH EQUIVALENT

Cash and bank balance	4,005,598	2,349,959
Bank overdraft	(34,905,645)	(18,254,914)
	(30,900,047)	(15,904,955)



PAKISTAN PAPER PRODUCTS LIMITED

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	NUMBERS	
19 NUMBER OF EMPLOYEES		
Total for the period	<u>107</u>	<u>107</u>
Average during the period	<u>107</u>	<u>107</u>

20 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However no significant reclassifications have been made during the period.

21 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue on February 18, 2016 in accordance with the resolution of the Board of Directors of the company.

22 GENERAL

These financial information presented in Rupees and Figures have been rounded off to nearest rupee.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive



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



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