



**CONDENSED INTERIM
FINANCIAL INFORMATION
(SUBJECTED TO LIMITED SCOPE REVIEW)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2016**



PAKISTAN PAPER PRODUCTS LIMITED





Contents

	Pages
Corporate Profile	2
Directors' Report to the Shareholders	3
Independent Auditors Report on Review of Condensed Interim Financial Information to the Members	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Information	10



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

Khurram Idress

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 21, 2017 considered the accounts with limited auditors review for the half year ended 31st December, 2016 and approved the same.

The comparative Financial Highlights for half year ended December 31, 2016 and 2015 are given below:

Financial Results in Rs. (Million):

	<u>Dec.31, 2016</u>	<u>Dec.31, 2015</u>
Invoiced Sales (net)	212.10 M	215.94 M
Gross Profit	33.98 M	35.26 M
Profit Before Tax	12.24 M	04.88 M
Profit After Tax	12.40 M	1.69 M
Earnings per Share Rs.	2.07	0.28

The company experienced relatively flat sales for this half year in comparison to last year with a nominal decline of 3.64% which was mainly due to a slowdown in Ex Books sales which fell by 7.59%, Pro Labels sales were flat and Sensitized paper and Photo Copy paper sales fell by 6.12 & 13.75% respectively. The company was able to increase the profitability significantly compared to last period in review with Net Profit before tax and after tax increasing by 150.79% and 631.63% which is mainly due to an accounting loss that we had booked last year on the sale of an old machine and also due to reversal of deferred taxation during this period. Financial costs also were reduced by 49% which also gave boost to the bottom line during this period.

The company has progressed satisfactorily in spite of the reduction in our gross margin in Ex Books due to the withdrawal of Sales Tax Zero rating which has increased our input costs, mainly paper and board by 17% as they are now being charged with input tax and no adjustment against any output tax. It is not possible to increase the prices by the same percentage due to the competition in the market, but rest assured the company has taken certain stringent measures by which we are able to bring down our costs to a great extent and are hopeful that by the end of the year our results will improve. Pro Labels continues to perform satisfactorily and we expect better sales and margins in the next 6 months as our new machine has come online in January 2017 which will boost our volumes.

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.

MOHAMMAD ALI SAYEED
Chairman

ABID SAYEED
Chief Executive

February 21, 2017, 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 31 December 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows 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 condensed 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 condensed 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 condensed 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 31 December 2016 and 31 December 2015 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.

Dated: February 21, 2017

Place: Karachi

Engagement partner: Fasih uz Zaman



CHARTERED ACCOUNTANTS



PAKISTAN PAPER PRODUCTS LIMITED

CONDENSED INTERIM BALANCE SHEET - (Un-audited)

AS AT 31 DECEMBER 2016

	Notes	(Un-audited) 31 December 2016	(Audited) 30 June 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
8,000,000 (June 2016: 8,000,000) Ordinary shares of Rs. 10/- each		80,000,000	80,000,000
Issued, subscribed and paid-up share capital			
		60,000,000	60,000,000
Reserves			
		298,082,253	284,545,944
		358,082,253	344,545,944
Surplus on revaluation of property, plant and equipment			
		214,464,018	215,813,740
NON-CURRENT LIABILITIES			
Deferred taxation		36,877,825	38,466,416
Deferred liability for staff gratuity		11,420,639	11,137,484
Long term loan - Secured	5	26,767,500	32,121,000
CURRENT LIABILITIES			
Current portion of long term loans		14,084,016	19,149,540
Short term borrowings - Secured	6	34,694,879	963,441
Creditors, accrued and other liabilities	7	132,097,683	60,988,695
		180,876,578	81,101,676
CONTINGENCIES AND COMMITMENTS			
	8	--	--
		828,488,813	723,186,260
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	495,946,311	416,287,709
Long term deposits		908,232	673,054
CURRENT ASSETS			
Stores and spares		3,426,581	3,405,040
Stock in trade	10	163,022,829	117,498,197
Trade debts - Unsecured, considered good	11	87,199,750	108,125,822
Advances and other receivables	12	65,861,553	37,629,088
Deposits and prepayments	13	7,003,519	733,652
Cash and bank balances	14	5,120,038	38,833,698
		331,634,270	306,225,497
		828,488,813	723,186,260

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 31 DECEMBER 2016

	Notes	Half Year Ended		Quarter Ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
		----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
Sales	15	212,098,235	215,943,581	116,378,632	108,641,004
Cost of goods sold	16	(178,116,057)	(180,677,559)	(97,774,893)	(94,651,690)
Gross profit		33,982,178	35,266,022	18,603,739	13,989,314
Other operating income / (loss)		250,107	(5,849,480)	(24,342)	(5,860,629)
Operating expenses					
Administrative expenses		(13,260,456)	(14,123,243)	(5,851,905)	(6,346,631)
Selling and distribution		(5,709,067)	(5,866,992)	(2,947,608)	(3,135,397)
Workers' profit participation fund		(663,351)	(275,190)	(451,950)	170,563
Workers' welfare fund		(362,824)	(347,661)	(282,492)	(178,275)
		(19,995,698)	(20,613,086)	(9,533,955)	(9,489,740)
Operating profit / (loss)		14,236,587	8,803,456	9,045,442	(1,361,055)
Finance cost		(1,995,752)	(3,922,508)	(1,015,345)	(2,069,075)
Profit / (loss) before taxation		12,240,835	4,880,948	8,030,097	(3,430,130)
Taxation		158,593	(3,186,190)	1,466,643	3,015,428
Profit / (loss) after taxation		12,399,428	1,694,758	9,496,740	(414,702)
Earnings / (loss) per share					
- Basic		2.07	0.28	1.58	(0.07)
- Diluted		2.07	0.28	1.58	(0.07)

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 31 DECEMBER 2016

	Half Year Ended		Quarter Ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- (Rupees) -----		----- (Rupees) -----	
Profit / (loss) for the period	12,399,428	1,694,758	9,496,740	(414,702)
Other comprehensive income:				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Cashflow hedge - Effective portion of changes in fair value	(308,466)	--	(308,466)	--
Related deferred tax	95,624	--	95,624	--
	(212,842)	--	(212,842)	--
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	1,943,508	2,077,157	548,008	2,077,157
Related deferred tax	(602,487)	(751,832)	(272,254)	(751,832)
	1,341,021	1,325,325	275,754	1,325,325
Realization of surplus on disposal of assets	12,611	(406,443)	(963)	(406,443)
Related deferred tax	(3,909)	134,126	435	134,126
	8,702	(272,317)	(528)	(272,317)
Total comprehensive income	13,536,309	2,747,766	9,559,124	638,306

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 CASH FLOWS - (Un-audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Notes	(Un-audited) 31 December 2016	(Un-audited) 31 December 2015
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	66,126,003	5,214,946
Payments for:			
Income taxes		(18,275,254)	(15,777,624)
Gratuity		(548,349)	(179,181)
Finance cost		(2,211,305)	(2,650,597)
Net cash used in operating activities		45,091,095	(13,392,456)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(91,524,112)	(1,388,569)
Long term deposit		(235,178)	(25,870)
Sale proceeds against disposal of fixed assets		35,000	12,908,675
Income from deposit account		--	4,249
Net cash inflow from investing activities		(91,724,290)	11,498,485
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(10,419,024)	(10,419,024)
Dividend		(10,392,879)	(14,177,839)
Net cash used in financing activities		(20,811,903)	(24,596,863)
Net decrease in cash and cash equivalents		(67,445,098)	(26,490,834)
Cash and cash equivalents at the beginning of the period		37,870,257	(4,409,213)
Cash and cash equivalents at the end of the period	19	(29,574,841)	(30,900,047)

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 31 DECEMBER 2016

	Issued, subscribed and paid-up share capital	Revenue reserves			Total equity	
		General reserves	Unappropriated profit	Hedging reserves		Total reserves
----- (Rupees) -----						
Balance as at 1 July 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 31 December 2015	60,000,000	143,900,000	121,668,285	--	265,568,285	325,568,285
Balance as at 1 July 2016	60,000,000	143,900,000	140,645,944	--	284,545,944	344,545,944
Total comprehensive income for the period						
Profit for the period	--	--	12,399,428	--	12,399,428	12,399,428
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	1,341,021	--	1,341,021	1,341,021
Cashflow hedge - Effective portion of changes in fair value - Net of tax	--	--	--	(212,842)	(212,842)	(212,842)
Realisation of surplus on disposal of assets	--	--	8,702	--	8,702	8,702
	--	--	13,749,151	(212,842)	13,536,309	13,536,309
Balance as at 31 December 2016	60,000,000	143,900,000	154,395,095	(212,842)	298,082,253	358,082,253

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 31 DECEMBER 2016

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 shareholders 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 2016 and 2015 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half year ended 31 December 2016 and 2015. 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 30 June 2016.

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 30 June 2016.
- 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 30 June 2016.

4 TAXATION

The provision for taxation for the half year and quarter ended 31 December 2016, have been made using the estimated effective tax rate applicable to expected total annual earnings.

5 LONG TERM LOANS - Secured

Bank Al Habib Limited - Term finance

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	----- (Rupees) -----	
Opening balance	51,270,540	72,108,588
Acquired during the period	--	--
	51,270,540	72,108,588
Repayment during the period	(10,419,024)	(20,838,048)
	40,851,516	51,270,540
Current portion shown under current maturity	(14,084,016)	(19,149,540)
	26,767,500	32,121,000



PAKISTAN PAPER PRODUCTS LIMITED

This comprises of two term finance facilities obtained by the company namely TF-I for Rs. 53.54 million and TF-II for Rs. 50.78 million from Bank Al Habib for acquiring machinery. These facilities are secured by way of first specific hypothecation charge over imported machinery for Rs. 59.48 million and Rs.56.42 million respectively. Further, these are secured by equitable mortgage over industrial property bearing plot no. D-57 & D-58 at SITE, Karachi registered with SECP for Rs.169.40 million. Each facility is repayable in sixty equal monthly installments and carries mark-up at 6-month KIBOR plus 1.75%.

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	----- (Rupees) -----	

6 SHORT TERM BORROWINGS - Secured

Bank Al Habib Limited - Running finance utilized	<u>34,694,879</u>	<u>963,441</u>
--	-------------------	----------------

The Company enjoys short term finance facilities from Bank Al Habib Limited comprising running finance up to Rs. 60.0 million (June 2016: Rs.60.0) million, Letter of Credit (Sight-Foreign) for Rs. 10.0 million (June 2016: Rs.10.0) million, Letter of Credit (Usance-Foreign) for Rs. 10.0 million (June 2016: Rs.10.0) million, Acceptance - Sub limit of LC sight foreign for Rs. 10.0 million (June 2016: Rs.10.0) million at Nil margin and Letter of Guarantee for Rs. 5 million (June 2016: Rs.5.0) million. The finance is secured against registered hypothecation charge over movables of the company each for Rs. 30.0 million, registered hypothecation charge over movables and receivables of the company for Rs. 70.0 million, 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 and D-58, SITE, Karachi registered with SECP for Rs. 169.40 million. Further, a promissory note for Rs. 72.066 million has been issued in favour of Bank Al Habib against short term running finance. The running finance facility carries mark-up of 03 months KIBOR plus 2% while other facility carries mark-up as per bank's schedule of charges.

7 CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors	28,638,215	31,411,607
Advance from customers	16,731,488	2,005,618
Foreign bills payable	72,654,809	--
Derivative financial liability - cashflow hedge	308,466	--
Accrued expenses and other payables	5,133,386	2,594,719
Accrued mark-up on running finance	68,241	30,730
Accrued mark-up on long term loans	866,410	1,119,475
Workers' profit participation fund	1,362,100	3,924,740
Works welfare fund	371,816	1,900,814
Unclaimed dividend	5,962,752	16,355,631
Sales tax payable	--	1,645,361
	<u>132,097,683</u>	<u>60,988,695</u>

8 CONTINGENCIES AND COMMITMENTS

Performance guarantees in favour of customers issued by Bank Al Habib Limited, SITE Branch on behalf of the Company aggregating to Rs. 4.8 million (June 2016: Rs. 7.7 million).

Post-dated cheques amounting to Rs. 5.878 million issued (June 2016: Rs. 0.403 million) in favour of Collector Model Customs Collectorate, Karachi.

Commitments in respect of letter of credit for import of raw material Rs. 36.25 million (June 2016: Rs.0.044 million).



PAKISTAN PAPER PRODUCTS LIMITED

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	----- (Rupees) -----	
9 PROPERTY, PLANT AND EQUIPMENT		
Operating assets	407,702,033	416,287,709
Capital work-in-progress	88,244,278	--
	<u>495,946,311</u>	<u>416,287,709</u>
9.1 Opening net book value (NBV)	416,287,709	455,469,923
Addition (at cost) during the period year	3,279,834	5,830,358
	<u>419,567,543</u>	<u>461,300,281</u>
Disposal (NBV) during the period	(37,487)	(18,789,804)
Depreciation charged for the period	(11,828,023)	(26,222,768)
	<u>407,702,033</u>	<u>416,287,709</u>
9.1.1 Details of additions (at cost) during the period / year are as follows:		
Building on leasehold land		
- Factory	--	232,200
- Office	156,090	--
Plant and machinery	1,732,454	4,244,693
Furniture and fixture	--	28,565
Factory and other equipment	101,790	370,000
Electric equipment and fittings	--	122,100
Computers	35,750	133,500
Vehicles	1,253,750	699,300
	<u>3,279,834</u>	<u>5,830,358</u>
9.1.2 Details of disposals (NBV) during the period / year are as follows:		
Plant and machinery	--	18,583,688
Vehicles	37,487	206,116
	<u>37,487</u>	<u>18,789,804</u>
9.2 Capital work in progress		
These represent additions during the year		
Civil works	7,914,053	--
Plant and machinery	80,330,225	--
	<u>88,244,278</u>	<u>--</u>



PAKISTAN PAPER PRODUCTS LIMITED

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	----- (Rupees) -----	
10 STOCK IN TRADE		
Raw materials	94,155,738	94,112,637
Work in process	24,672,508	15,335,994
Finished goods	44,311,308	8,166,291
	163,139,554	117,614,922
Less: Provision for dead stock	(116,725)	(116,725)
	<u>163,022,829</u>	<u>117,498,197</u>
11 TRADE DEBTS - Unsecured, considered good		
Due from customers	87,195,894	108,109,437
Due from associated concern - Sayeed International	3,856	15,256
Due from staff	--	1,129
	<u>87,199,750</u>	<u>108,125,822</u>
12 ADVANCES AND OTHER RECEIVABLES		
Advance to suppliers	3,875,893	186,014
Advance against letter of credit	5,425	--
Advance against expenses	402,005	--
Advance to staff	266,300	94,604
Advance income tax - Net	19,031,415	7,068,384
Income tax refundable	35,257,935	30,280,086
Sales tax refundable	7,022,580	--
	<u>65,861,553</u>	<u>37,629,088</u>
13 DEPOSITS AND PREPAYMENTS		
Other deposits	5,708,746	657,549
Prepayments	1,294,773	76,103
	<u>7,003,519</u>	<u>733,652</u>
13.1	This includes guarantee deposited to Collector Model Customs Collection amounting to Rs. 5,475,447 against consignment of imported machinery. These deposits are interest free.	
14 CASH AND BANK BALANCES		
Cash in hand	65,000	65,000
Factory imprest	75,000	75,000
Cash at banks:		
- Current accounts	4,978,072	5,577,210
- Deposit accounts	1,966	33,116,488
	<u>5,120,038</u>	<u>38,833,698</u>



PAKISTAN PAPER PRODUCTS LIMITED

15 SALES

	Half Year Ended		Quarter Ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	----- (Rupees) -----		----- (Rupees) -----	
Sales	241,526,741	247,477,080	133,776,548	124,008,891
Less: Sales tax, discount and return	(29,428,506)	(31,533,499)	(17,397,916)	(15,367,887)
	<u>212,098,235</u>	<u>215,943,581</u>	<u>116,378,632</u>	<u>108,641,004</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.

16 COST OF GOODS SOLD

Opening stock	94,112,637	76,769,576	94,050,849	98,604,478
Purchases	161,494,622	206,144,424	93,788,724	115,622,534
	<u>255,607,259</u>	<u>282,914,000</u>	<u>93,788,724</u>	<u>214,227,012</u>
Closing stock	(94,155,738)	(109,067,535)	(94,155,738)	(109,067,535)
Raw material consumed	<u>161,451,521</u>	<u>173,846,465</u>	<u>93,683,835</u>	<u>105,159,477</u>
Manufacturing overheads				
Salaries, wages and other benefits	35,102,367	27,116,360	19,833,108	14,971,410
Fuel and power	3,632,786	4,393,795	2,483,991	2,142,556
Stores and spares consumed	8,295,864	8,366,275	6,225,100	5,331,070
Insurance	648,917	594,410	384,483	297,205
Repair and maintenance	1,510,339	1,425,951	909,701	830,604
Rent, rates and taxes	168,357	148,048	40,005	12,000
Telephone and trunk calls	134,335	51,604	62,862	34,590
Other manufacturing expenses	1,535,086	2,625,982	1,056,231	1,529,074
Depreciation	11,118,016	12,277,043	5,579,756	5,758,826
	<u>62,146,067</u>	<u>56,999,468</u>	<u>36,575,237</u>	<u>30,907,335</u>
Manufacturing cost	<u>223,597,588</u>	<u>230,845,933</u>	<u>130,259,072</u>	<u>136,066,812</u>
Work in process - Opening	15,335,994	15,264,769	18,672,835	19,225,299
Work in process - Closing	(24,672,508)	(34,407,224)	(24,672,508)	(34,407,224)
	<u>(9,336,514)</u>	<u>(19,142,455)</u>	<u>(5,999,673)</u>	<u>(15,181,925)</u>
Cost of goods manufactured	<u>214,261,074</u>	<u>211,703,478</u>	<u>124,259,399</u>	<u>120,884,887</u>
Finished goods - Opening	8,166,291	10,865,272	17,826,802	15,657,994
Finished goods - Closing	(44,311,308)	(41,891,191)	(44,311,308)	(41,891,191)
	<u>(36,145,017)</u>	<u>(31,025,919)</u>	<u>(26,484,506)</u>	<u>(26,233,197)</u>
	<u>178,116,057</u>	<u>180,677,559</u>	<u>97,774,893</u>	<u>94,651,690</u>



PAKISTAN PAPER PRODUCTS LIMITED

17 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) 31 December 2016	(Un-audited) 31 December 2015
	----- (Rupees) -----	
<i>Associated companies and undertakings:</i>		
Sales excluding sales tax	33,231	35,536
Purchases excluding sales tax	101,500	101,500
Rent paid	108,000	96,000
Donations	250,000	300,000
<i>Directors</i>		
Director fees	50,000	50,000
Chief executive remuneration	2,487,359	2,541,832
<i>Staff provident fund</i>		
Employers and employees contribution	1,959,430	1,845,902

18 CASH GENERATED FROM OPERATIONS

Profit before taxation	12,240,835	4,880,948
<i>Adjustment for non-cash items and other items</i>		
Depreciation	11,828,023	13,101,933
Gratuity provision	831,504	712,941
Other loss	--	(4,249)
Loss on disposal of fixed assets	2,487	5,881,129
Finance cost	1,995,752	3,922,508
	14,657,766	23,614,262
<i>(Increase) / decrease in current assets</i>		
Stores, spares and stock in trade	(45,546,173)	(83,779,290)
Trade debtors	20,926,072	26,648,851
Advances, other receivables, deposits and prepayments	(17,561,452)	9,684,908
	(42,181,553)	(47,445,531)
<i>Increase / (decrease) in current liabilities</i>		
Creditors, accrued expenses and other liabilities	81,408,955	24,165,267
	66,126,003	5,214,946

19 CASH AND CASH EQUIVALENT

Cash and bank balance	5,120,038	4,005,598
Bank overdraft	(34,694,879)	(34,905,645)
	(29,574,841)	(30,900,047)



PAKISTAN PAPER PRODUCTS LIMITED

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	----- (Numbers) -----	
20 NUMBER OF EMPLOYEES		
Total for the period	<u>115</u>	<u>114</u>
Average during the period	<u>115</u>	<u>108</u>

21 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.

22 DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue on February 21, 2017 in accordance with the resolution of the Board of Directors of the company.

23 GENERAL

This condensed financial information is 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.**



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