



PAKISTAN PAPER PRODUCTS LIMITED

QUARTERLY FINANCIAL STATEMENTS

**THIRD QUARTER
MARCH 31, 2016 (UN-AUDITED)**

To,

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If undelivered please return to:

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



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' REVIEW

On behalf of the Board of Directors we take pleasure in presenting the unaudited accounts of the company for the nine months ended March 31st, 2016

Your company has progressed very well with sales rising to Rs 498.1 million which is an increase of 10.99% compared to last year. Gross Profit also increased by 9.13% to Rs 81.71 million while the decline in operating profit and net profit after tax has been reduced to 8% and 13.51% which was much higher in the previous quarters this year. If it was not for the sale on the loss of machine which we mentioned in our last report, our profit ratios would have almost been the same as last year. We had also mentioned in our last two reports that the company was facing a lot of pressure on margins due to very high competition which continues to be the case, but with good marketing, internal control on costs, and higher production efficiency we have been able to increase our margins compared to the previous two quarters. We are very hopeful that with this continued progress we will produce more favorable results by the end of the year.

Your Board is also pleased to recommend an interim cash dividend of 30%, i.e. Rs.3 per share in light of the current positive cash flow of the company.

We would like to thank all our staff, workers and our stakeholders, including the financial institutions for their continues 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).

On behalf of the Board of Directors

MOHAMMAD ALI SAYEED

Chairman

ABID SAYEED

Chief Executive

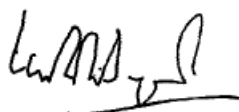
Karachi
April 22, 2016



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2016

	(Unaudited) March 2016 Rupees	(Audited) June 2015 Rupees
CAPITAL AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
8,000,000 Ordinary shares of Rs.10/= each	80,000,000	80,000,000
Issued,Subscribed and Paid-up		
6,000,000 ordinary shares	60,000,000	60,000,000
(June 2015:6,000,000) of Rs.10/= each	288,034,767	262,820,519
Revenue reserves	348,034,767	322,820,519
Surplus on revaluation of fixed assets	216,320,988	218,433,522
DEFERRED LIABILITIES		
Deferred taxation	41,190,153	43,912,962
Provision for Gratuity	8,943,444	8,253,851
	50,133,597	52,166,813
Long Term Loan - Secured	35,642,004	51,270,540
CURRENT LIABILITIES		
Current maturities	20,838,048	20,838,048
Short term borrowings - secured	19,201,877	12,731,499
Creditors, accrued and other liabilities	68,078,408	45,505,300
	108,118,333	79,074,847
Contingencies and commitments	-	-
	758,249,689	723,766,241
PROPERTY AND ASSETS		
TANGIBLE FIXED ASSETS	422,770,068	455,469,923
LONG TERM DEPOSITS	553,710	527,840
CURRENT ASSETS		
Store and spares	3,143,534	2,013,765
Stock-in-trade	125,118,531	102,899,617
Trade debtors-Unsecured(Considered good)	149,110,464	101,363,918
Advances and Other Receivable	52,299,357	44,233,012
Deposits and Prepayments	1,899,560	8,935,880
Cash and bank balances	3,354,465	8,322,286
	334,925,911	267,768,478
	758,249,689	723,766,241


MOHAMMAD ALI SAYEED
Chairman


ABID SAYEED
Chief Executive

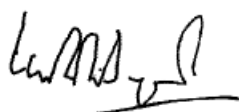


PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED PROFIT AND LOSS ACCOUNT (Un-Audited) FOR THE QUARTER ENDED MARCH 31, 2016

	FOR THE QUARTER JANUARY – MARCH		YEAR TO DATE JULY– MARCH	
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Turnover	250,685,920	220,960,516	498,163,000	448,849,200
Sales tax, discounts and returns	(16,918,197)	(12,765,326)	(48,451,696)	(39,531,078)
Net sales	233,767,723	208,195,190	449,711,304	409,318,122
Cost of goods sold	(187,324,412)	(171,890,895)	(368,001,971)	(334,446,580)
Gross profit	46,443,311	36,304,295	81,709,333	74,871,542
Other operating income/(loss)	133,122	14,000	(5,716,358)	277,484
Operating Expenses				
Administrative expenses	6,130,159	5,451,561	20,253,402	17,603,193
Selling and distribution expense	3,036,201	2,422,185	8,903,193	6,813,374
Workers' profit participation fund	1,774,897	1,362,294	2,050,087	2,369,474
Workers' welfare fund	775,155	517,672	1,122,816	900,401
	11,716,412	9,753,712	32,329,498	27,686,442
Operating profit	34,860,021	26,564,583	43,663,477	47,462,584
Financial Charges	1,912,127	1,198,661	5,834,635	3,342,974
Net Profit before taxation	32,947,894	25,365,922	37,828,842	44,119,610
Taxation	11,540,938	8,357,702	14,727,128	17,410,790
Profit after taxation	21,406,956	17,008,220	23,101,714	26,708,820
Earning per share				
- Basic	3.57	2.83	3.85	4.45
- diluted	3.57	2.83	3.85	4.45

"Appropriations have been dealt in the statement of changes in equity."


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 MARCH 31, 2016

	Quarter Ended		YEAR TO DATE	
	JANUARY -- MARCH		JULY-- MARCH	
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Profit for the period	21,406,956	17,008,220	23,101,714	26,708,820
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 - Net of tax	1,169,045	1,454,814	3,507,134	4,364,443
Related deferred tax	(374,094)	(480,089)	(1,122,283)	(1,440,266)
	794,951	974,725	2,384,851	2,924,177
Realization of surplus on disposal of assets	--	--	(406,443)	(227,366)
Related deferred tax	--	--	134,126	75,031
	--	--	(272,317)	(152,335)
Total comprehensive income	22,201,907	17,982,945	25,214,248	29,480,662

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

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 MARCH 31, 2016

	(Un-Audited) March 2016 (Rupees)	(Un-Audited) March 2015 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	37,828,842	44,119,610
Adjustment for non-cash charges and other items		
Depreciation	19,612,309	16,790,639
Gratuity Provision	1,049,413	1,133,530
Income from deposit account	(4,249)	(194,198)
Financial charges	5,834,635	3,342,974
(Gain) / Loss on disposal of assets	5,881,129	(49,786)
Profit before working capital changes	70,202,079	65,142,769
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
Store, spares and stock in trade	(23,348,683)	(9,814,510)
Trade debts	(47,746,546)	(57,592,361)
Advances, deposits, prepayments & other receivables	8,050,664	3,268,348
	(63,044,565)	(64,138,523)
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	35,435,564	(11,031,278)
Net cash flow from working capital changes	(27,609,001)	(75,169,801)
CASH FLOW FROM OPERATING ACTIVITIES	42,593,078	(10,027,032)
Income tax paid	(26,402,024)	(24,211,703)
Gratuity paid	(379,920)	(139,171)
Financial charges paid	(4,616,410)	(3,064,608)
Net cash flow from operating activities	11,194,724	(37,442,514)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(5,702,258)	(16,176,472)
Long term deposit	(25,870)	-
Investment - held for trading	-	25,323,785
Income from deposit account	4,249	194,188
Sale proceeds against disposal of fixed assets	12,908,675	117,000
Net cash flow from investing activities	7,184,796	9,458,501
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	(15,628,536)	(7,598,286)
Dividend Paid	(14,189,183)	(10,287,805)
Net increase / (decrease) in cash and cash equivalents	(11,438,199)	(45,870,104)
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	(15,847,412)	(32,043,553)

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

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 MARCH 31, 2016

	Share Capital	Revenue reserve		Total
		Revenue Reserve	Unappropriated profit	
(Rupees)				
Balance as at June 30, 2014	60,000,000	143,900,000	82,749,431	286,649,431
Incremental depreciation transferred from surplus on revaluation of property,plant and equipment - Net of tax	-	-	2,924,177	2,924,177
Realization of surplus on disposal of assets	-	-	(152,335)	(152,335)
Profit for the nine months ended March 31 , 2015	-	-	26,708,820	26,708,820
Balance as at March 31, 2015	60,000,000	143,900,000	112,230,093	316,130,093
Balance as at June 30, 2015	60,000,000	143,900,000	118,920,519	322,820,519
Incremental depreciation transferred from surplus on revaluation of property,plant and equipment - Net of tax	-	-	2,384,851	2,384,851
Realization of surplus on disposal of assets	-	-	(272,317)	(272,317)
Profit for the nine months ended March 31, 2016	-	-	23,101,714	23,101,714
Balance as at March 31, 2016	60,000,000	143,900,000	144,134,767	348,034,767

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

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 MARCH 31, 2016

01. 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. The Company is principally engaged in 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. These accounts have been prepared in accordance with the requirements as stipulated in International Accounting Standard (IAS) 34.
04. 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.

	Mar- 2016 Rupees	Jun - 2015 Rupees
05. PROPERTY PLANT & EQUIPMENT		
Opening written down value	455,469,923	395,181,518
Additions	5,702,258	84,761,267
Book value of assets disposed-off during the period	(18,789,804)	(1,773,170)
Charge for the period	(19,612,309)	(22,699,692)
Closing written down value	<u>422,770,068</u>	<u>455,469,923</u>

06. Contingent Liabilities in respect of guarantee issued by bank on behalf of the company aggregating to Rs.7,670,505 (March 2015: 5,535,910).

Commitments are outstanding in respect of letters of credit amounting to Rs.5,491,672 (March 2015 :7,925,520).

	Mar-16	Mar-15
07 Cash and cash equivalent		
Cash and bank balance	3,354,465	2,729,229
Bank overdraft	<u>(19,201,877)</u>	<u>(34,772,782)</u>
	<u>(15,847,412)</u>	<u>(32,043,553)</u>

08. These financial statements have been authorized for issue by the Board of Directors of the Company on April 22, 2016.

09. Figures in the accounts have been rounded off nearest to the rupee. Previous year figures have been re-arranged and regrouped for the purpose of comparison where necessary.

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