



PAKISTAN PAPER PRODUCTS LIMITED

QUARTERLY FINANCIAL STATEMENTS

**FIRST QUARTER
SEPTEMBER 30, 2014 (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*



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
Shoab 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
Shoab Ahmad Khan	-NIT Nominee

CHIEF FINANCIAL OFFICER

Rizwan Ahmed Mughal

COMPANY SECRETARY

Faisal Saeed Khan

AUDITORS

Haider Shamsi & 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, 2014

The turnover during the quarter ended was Rs 115.19 million against Rs. 88.90 Million in the same period last year showing an increase of 29.64%. This was mainly due to robust sales of Exercise Books and Pro Labels which increased 59.88% and 23.73% respectively. Exercise Book sales are showing a very healthy trend and as long as we get regular supply of paper from the mills, then we will be able to fulfill the increased demand. This year the supply of paper has been more consistent and as per our strategy we plan to buy the full quantity of paper required till March/April 2015 by the end of November/December 2014 as after that supply gets very erratic due to gas and energy shortages.

The gross profit increased from Rs 22.24 Million to Rs 26.95 Million, although our margins came down to 26.46% from 28.45%. We expect our margins to be under pressure this year due to increased competition in the market, especially in Pro Labels. Profit before tax was Rs 16.2 Million against Rs.12.86 Million in the same period last year showing a healthy increase of 26.08%, while Profit after tax increased to Rs 8.86 Million against Rs 8.31 million showing an increase of 6.59%. This is mainly due to an increase in our taxation rate due to the provision for deferred taxation which has been created as a result of the revaluation of our assets done last year.

The company has shown good progress in the quarter and we hope to carry on this momentum for the rest of the year to bring out the best possible result for our shareholders.

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 24, 2014

MOHAMMAD ALI SAYEED

Chairman

ABID SAYEED

Chief Executive



PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED
BALANCE SHEET (Un-Audited)
AS AT SEPTEMBER 30, 2014

	(Unaudited) September 2014 (Rupees)	(Audited) June 2014 (Rupees)
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised Share Capital 8,000,000 Ordinary shares of Rs.10/- each	<u>80,000,000</u>	<u>80,000,000</u>
Issued, subscribed and paid-up Revenue reserves	<u>60,000,000</u> <u>236,487,295</u> <u>296,487,295</u>	<u>60,000,000</u> <u>226,649,431</u> <u>286,649,431</u>
Surplus on revaluation of fixed assets	<u>221,692,681</u>	<u>222,672,936</u>
Deferred liabilities		
Deferred tax Retirement benefit obligation	<u>43,775,161</u> <u>6,884,979</u> <u>50,660,140</u>	<u>42,699,448</u> <u>6,507,136</u> <u>49,206,584</u>
Long term loan - secured	<u>16,040,826</u>	<u>18,573,588</u>
Current liabilities		
Current maturities Short term borrowings - secured Creditors, accrued and other liabilities	<u>10,131,048</u> <u>5,064,683</u> <u>29,898,514</u> <u>45,094,245</u>	<u>10,131,048</u> <u>-</u> <u>50,536,891</u> <u>60,667,939</u>
Contingencies and commitments		
	<u>-</u>	<u>-</u>
	<u>629,975,187</u>	<u>637,770,478</u>
ASSETS		
Fixed assets		
Property, plant and equipment	<u>396,601,175</u>	<u>395,181,518</u>
Long term deposits	<u>525,090</u>	<u>525,090</u>
Current assets		
Store and spares Stock-in-trade Trade debts-unsecured but considered good Advances and other receivables Deposits and prepayments Investment - held for trading Cash and bank balances	<u>3,145,862</u> <u>132,821,121</u> <u>69,054,485</u> <u>23,127,433</u> <u>2,139,439</u> <u>-</u> <u>2,560,582</u> <u>232,848,922</u>	<u>2,855,897</u> <u>93,159,334</u> <u>82,972,581</u> <u>22,361,939</u> <u>1,617,137</u> <u>25,270,431</u> <u>13,826,551</u> <u>242,063,870</u>
	<u>629,975,187</u>	<u>637,770,478</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
PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	September 2014 (Rupees)	September 2013 (Rupees)
Turnover	115,194,682	88,858,855
Sales tax, discounts and returns	(13,362,834)	(10,696,196)
Net sales	101,831,848	78,162,659
Cost of goods sold	74,882,355	55,927,332
Gross profit	26,949,493	22,235,327
Other operating income/(loss)	209,698	267,769
Administrative expenses	6,631,398	5,571,757
Selling and distribution expenses	2,140,879	1,964,131
Workers' profit participation fund	871,393	694,033
Workers' welfare fund	331,129	317,582
	9,974,799	8,547,503
Operating profit	17,184,392	13,955,593
Financial charges	959,049	1,086,548
Net Profit before taxation	16,225,343	12,869,045
Taxation	7,367,734	4,558,879
Net Profit after taxation	8,857,609	8,310,166
Earning per share :		
-Basic	1.48	1.39
-Diluted	1.48	1.39

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, 2014

	<u>September 2014 (Rupees)</u>	<u>September 2013 (Rupees)</u>
Profit for the quarter	8,857,609	8,310,166
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u>8,857,609</u>	<u>8,310,166</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, 2014

	September 2014 (Rupees)	September 2013 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,225,343	12,869,045
Adjustment for non-cash items and other adjustments:		
Depreciation	5,498,830	4,209,980
Gratuity provision	251,896	236,040
Income from financial assets	(194,198)	(255,769)
Financial charges	1,005,473	1,086,548
	22,787,344	18,145,844
(Increase)/decrease in current assets		
Store, spares and stock in trade	(39,951,752)	(12,460,634)
Trade debts	13,918,096	19,408,108
Advances, deposits, prepayments & other receivables	(413,345)	(3,829,075)
	(26,447,001)	3,118,399
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(10,291,779)	(3,835,607)
Cash generated from operations	(36,738,780)	(717,208)
Income tax paid	(7,133,373)	(4,779,795)
Financial charges paid	(1,005,473)	(1,229,323)
Net cash from operating activities	(22,090,282)	11,419,518
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(6,918,487)	(126,350)
investment - held for trading	25,270,431	-
Income from financial assets	194,198	255,769
Net cash used in investing activities	18,546,142	129,419
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan repaid	(2,532,762)	(4,464,762)
Dividend Paid	(10,253,750)	(8,360,546)
Net cash used in financing activities	(12,786,512)	(12,825,308)
Net increase / (decrease) in cash and cash equivalents	(16,330,652)	(1,276,371)
Cash and cash equivalent at the beginning of the period	13,826,551	27,307,646
Cash and cash equivalent at the end of the period	(2,504,101)	26,031,275

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, 2014

	Share Capital	Revenue reserve		Total
		General reserve	Unappropriated profit	
(Rupees)				
Balance as at July 01, 2013- restated	60,000,000	93,900,000	102,183,057	256,083,057
Profit for the first quarter ended September 30, 2013	-	-	8,310,166	8,310,166
Incremental depreciation transfer from surplus on revaluation of fixed assets (net of tax)	-	-	102,199	102,199
Balance as at September 30, 2013	60,000,000	93,900,000	110,595,422	264,495,422
Profit for the nine month ended June 30, 2014	-	-	39,929,224	39,929,224
Total comprehensive income for the year ended June 2013 - restated	-	-	(960,323)	(960,323)
Transfer to revenue reserve	-	50,000,000	(50,000,000)	-
Interim dividend	-	-	(18,000,000)	(18,000,000)
Incremental depreciation transfer from surplus on revaluation of fixed assets (net of tax)	-	-	1,185,108	1,185,108
Balance as at June 30, 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

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, 2014

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, 2014

	Sep-2014 Rupees	Jun - 2014 Rupees
04. PROPERTY PLANT & EQUIPMENT		
Opening written down value	395,181,518	308,739,943
Additions	6,918,487	10,560,728
Book value of assets disposed-off during the period	-	(93,503)
Surplus on revaluation	-	94,598,436
Charge for the period	(5,498,830)	(18,624,086)
Closing written down value	<u>396,601,175</u>	<u>395,181,518</u>

	Sep-2014 Rupees	Sep-2013 Rupees
05. Cash and Cash Equivalent		
Cash and Bank Balances	2,560,582	33,343,160
Bank Overdraft	(5,064,683)	(7,311,884)
	<u>(2,504,101)</u>	<u>26,031,276</u>

06. Contingent liabilities in respect of guarantees issued by bank on behalf of the company aggregating to Rs.5,696,410 (September 2013 : 320,000).
Commitments are outstanding in respect of letters of credit amounting to Rs.1,836,450 (September 2013 : 5,722,600).
07. These financial statements have been authorized for issue by the Board of Directors of the Company on October 24, 2014

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