



# **PAKISTAN PAPER PRODUCTS LIMITED**

**QUARTERLY FINANCIAL STATEMENTS**

**THIRD QUARTER  
MARCH 31, 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
Abid Sayeed	- Chief Executive
Abbas Sayeed	
Mrs. Muleika Sayeed	
Dr. Asadullah Sayeed	
Zahid Dada	
Bashir Ahmed	- NIT Nominee

### AUDIT COMMITTEE

Abbas Sayeed	- Chairman
Zahid Dada	- Member
Dr. Asadullah Sayeed	- Member

### HR AND REMUNERATION COMMITTEE

Bashir Ahmed	- Chairman
Abbas Sayeed	- Member
Dr. Asadullah Sayeed	- Member

### 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](http://www.pakpaper.com)



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**PAKISTAN PAPER PRODUCTS LIMITED**

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## **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, 2014

Your company has progressed satisfactorily with turnover recorded at Rs 392.7 million compared to Rs 404 million which is a slight decline of 2.9%. The main reason behind this being a fall in Exercise Book sales by 8.9% which were caused by a severe shortage of paper from the local mills due to gas curtailment on their end. It is very unfortunate that we had to face this situation as we had a very healthy demand for our products this season which we could not fulfill fully due to this shortage. Anyway, we hope to make up some of the shortfall in sales in the final quarter as now supply from paper mills has resumed as normal. Other sectors of the company performed satisfactorily with Pro Label sales showing a minor decline of 1.5%, while Sensitized paper and Photo copy paper had healthy gains of 13.8% & 44.33% respectively.

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 are hopeful of continuing with the good performance and come out with better results at the end of the financial year. We extend our appreciation to 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

**MOHAMMAD ALI SAYEED**

*Chairman*

**ABID SAYEED**

*Chief Executive*

Karachi  
April 18, 2014





PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED  
BALANCE SHEET (Un-Audited)  
AS AT MARCH 31, 2014

	(Unaudited) March 2014 Rupees	(Audited) June 2013 Rupees
<b>CAPITAL AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised capital</b>		
8,000,000 Ordinary shares of Rs.10/= each	<u>80,000,000</u>	<u>80,000,000</u>
Issued,Subscribed and Paid-up 6,000,000 ordinary shares (June 2013:6,000,000) of Rs.10/= each	<u>60,000,000</u>	60,000,000
<b>Revenue reserves</b>	<u>229,815,868</u>	<u>197,057,009</u>
	<u>289,815,868</u>	<u>257,057,009</u>
Surplus on revaluation of fixed assets	145,573,962	145,885,275
<b>DEFERRED LIABILITIES</b>		
Deferred taxation	25,729,740	27,869,202
Provision for Gratuity	4,306,301	3,689,783
	<u>30,036,041</u>	<u>31,558,985</u>
Long Term Loan - Secured	21,106,350	28,704,636
<b>CURRENT LIABILITIES</b>		
Current maturities	10,131,048	12,707,048
Short term borrowings - secured	116,493	2,434,752
Creditors, accrued and other liabilities	40,662,029	44,108,266
	<u>50,909,570</u>	<u>59,250,066</u>
<b>Contingencies and commitments</b>	-	-
	<u>537,441,791</u>	<u>522,455,971</u>
<b>PROPERTY AND ASSETS</b>		
<b>TANGIBLE FIXED ASSETS</b>		
	305,609,522	308,739,943
<b>LONG TERM DEPOSITS</b>	525,090	525,090
<b>CURRENT ASSETS</b>		
Store and spares	3,260,634	2,029,334
Stock-in-trade	82,163,494	81,736,791
Trade debtors-Unsecured(Considered good)	116,986,029	70,345,979
Advances and Other Receivable	25,438,758	28,294,171
Deposits and Prepayments	1,307,427	1,060,265
Cash and bank balances	2,150,837	29,724,398
	<u>231,307,179</u>	<u>213,190,938</u>
	<u>537,441,791</u>	<u>522,455,971</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 MARCH 31, 2014

	FOR THE QUARTER		YEAR TO DATE	
	JANUARY -- MARCH 2014	2013	JULY-- MARCH 2014	2013
	Rupees	Rupees	Rupees	Rupees
<b>Turnover</b>	<b>205,901,562</b>	183,712,967	<b>392,764,447</b>	404,511,369
Sales tax, discounts and returns	<u>(10,792,484)</u>	<u>(10,285,675)</u>	<u>(33,517,763)</u>	<u>(31,140,048)</u>
Net sales	<b>195,109,078</b>	173,427,292	<b>359,246,684</b>	373,371,321
Cost of goods sold	<u>(152,471,797)</u>	<u>(135,398,947)</u>	<u>(281,230,642)</u>	<u>(293,409,014)</u>
<b>Gross profit</b>	<b>42,637,281</b>	38,028,345	<b>78,016,042</b>	79,962,307
<b>Other operating income/(loss)</b>	<b>75,279</b>	(20,709)	<b>532,006</b>	1,014,854
<b>Operating Expenses</b>				
Administrative expenses	<u>4,765,728</u>	4,801,509	<u>15,126,076</u>	14,059,001
Selling and distribution expense	<u>2,588,530</u>	2,044,697	<u>6,843,932</u>	6,318,699
Workers' profit participation fund	<u>1,658,341</u>	1,477,062	<u>2,660,566</u>	2,724,792
Workers' welfare fund	<u>573,990</u>	561,283	<u>1,011,015</u>	1,035,420
	<b>9,586,589</b>	8,884,551	<b>25,641,589</b>	24,137,912
<b>Operating profit</b>	<b>33,125,971</b>	29,123,085	<b>52,906,459</b>	56,839,249
Financial Charges	<u>1,170,056</u>	1,620,197	<u>3,366,721</u>	6,103,629
Net Profit before taxation	<b>31,955,915</b>	27,502,888	<b>49,539,738</b>	50,735,620
Taxation	<u>9,943,224</u>	9,682,199	<u>17,092,192</u>	22,618,187
<b>Profit after taxation</b>	<b>22,012,691</b>	17,820,689	<b>32,447,546</b>	28,117,433
<b>Earning per share</b>				
- Basic	<u>3.67</u>	2.97	<u>5.41</u>	4.69
- diluted	<u>3.67</u>	2.97	<u>5.41</u>	4.69

"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, 2014

	FOR THE QUARTER		YEAR TO DATE	
	JANUARY -- MARCH 2014	2013	JULY-- MARCH 2014	2013
Profit for the year	22,012,691	17,820,689	32,447,546	28,117,433
Other comprehensive income	-	-	-	-
Total comprehensive income for the quarter	<u>22,012,691</u>	<u>17,820,689</u>	<u>32,447,546</u>	<u>28,117,433</u>

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

MOHAMMAD ALI SAYEED  
*Chairman*

ABID SAYEED  
*Chief Executive*




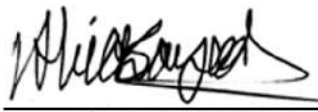
PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED  
CASH FLOW STATEMENT (Un-Audited)  
FOR THE QUARTER ENDED MARCH 31, 2014

	(Un-Audited) March 2014 (Rupees)	(Un-Audited) March 2013 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	49,539,738	50,735,620
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	12,981,513	13,689,678
Gratuity Provision	708,120	646,656
income from deposit account	(402,953)	(10,639)
Financial charges	3,366,721	6,103,629
(Gain) / Loss on disposal of assets	(43,653)	(992,380)
<b>Profit before working capital changes</b>	66,149,486	70,172,564
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase)/decrease in current assets</b>		
Store, spares and stock in trade	(1,658,003)	25,182,881
Trade debts	(46,640,050)	(48,679,354)
Advances, deposits, prepayments & other receivables	361,799	4,912,290
	(47,936,254)	(18,584,183)
<b>Increase/(decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	5,123,180	(23,305,759)
Net cash flow from working capital changes	(42,813,074)	(41,889,942)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	23,336,412	28,282,622
Income tax paid	(16,619,448)	(14,722,690)
Gratuity paid	(91,602)	(191,969)
Financial charges paid	(3,471,400)	(6,443,985)
<b>Net cash flow from operating activities</b>	3,153,962	6,923,978
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(9,940,439)	(3,882,101)
other income	488,353	22,474
income from deposit account	(402,953)	(10,639)
Disposal of fixed assets	45,694	2,889,880
<b>Net cash flow from investing activities</b>	(9,809,345)	(980,386)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing	(10,174,286)	(13,394,286)
Dividend Paid	(8,425,633)	-
Net increase / (decrease) in cash and cash equivalents	(25,255,302)	(7,450,694)
Cash and cash equivalent at the beginning of the period	27,289,646	3,957,077
<b>Cash and cash equivalent at the end of the period</b>	2,034,344	(3,493,617)

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

  
MOHAMMAD ALI SAYEED  
Chairman

  
ABID SAYEED  
Chief Executive




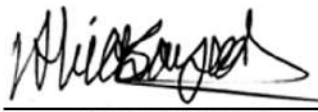
PAKISTAN PAPER PRODUCTS LIMITED

PAKISTAN PAPER PRODUCTS LIMITED  
STATEMENT OF CHANGES IN EQUITY (Un-Audited)  
FOR THE QUARTER ENDED MARCH 31, 2014

	Share Capital	Revenue reserve		Total
		Revenue Reserve	Unappropriated profit	
(Rupees)				
Balance as at July 01, 2012	50,000,000	93,900,000	90,899,880	234,799,880
Issuance of bonus shares	10,000,000		(10,000,000)	-
Transfer from surplus on revaluation of fixed assets (net of tax)	-	-	367,493	367,493
Transfer from surplus on revaluation of fixed assets on disposal (net of tax)			436,584	436,584
Profit for the nine months ended March 31, 2013	-	-	28,117,433	28,117,433
Balance as at March 31, 2013	<u>60,000,000</u>	<u>93,900,000</u>	<u>109,821,390</u>	<u>263,721,390</u>
Balance as at June 30, 2013	60,000,000	93,900,000	103,157,009	257,057,009
Transfer to Revenue Reserve		50,000,000	(50,000,000)	-
Transfer from surplus on revaluation of fixed assets (net of tax)			311,313	311,313
Profit for the nine months ended March 31, 2014			32,447,546	32,447,546
<b>Balance as at March 31, 2014</b>	<u><b>60,000,000</b></u>	<u><b>143,900,000</b></u>	<u><b>85,915,868</b></u>	<u><b>289,815,868</b></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 NOTES TO THE ACCOUNTS (Un-Audited) FOR THE QUARTER ENDED MARCH 31, 2014


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, 2013.

	Mar- 2014	Jun - 2013
<b>05. PROPERTY PLANT &amp; EQUIPMENT</b>		
Opening written down value	308,739,943	318,578,319
Additions	9,940,439	10,397,869
Book value of assets disposed-off during the period	(89,347)	(1,898,964)
Charge for the period	(12,981,513)	(18,337,281)
Closing written down value	<u>305,609,522</u>	<u>308,739,943</u>
<b>06. Contingent Liabilities in respect of guarantee issued by bank on behalf of the company aggregating to Rs.5,128,367 (March 2013: 4,307,543).</b>		
Commitments are outstanding in respect of letters of credit amounting to Rs.10,041,995 ( March 2013 : 33,441)		
	Mar- 2014	Mar- 2013
<b>07 Cash and cash equivalent</b>		
Cash and bank balance	2,150,837	1,421,095
Bank overdraft	(116,493)	(4,914,712)
	<u>2,034,344</u>	<u>(3,493,617)</u>

08. These financial statements have been authorized for issue by the Board of Directors of the Company on April 18, 2014

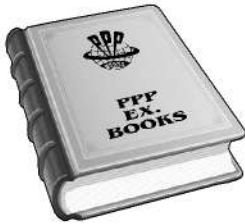
09. Figures in the accounts have been rounded off nearest to the rupee. Previous year figures have been re-arranged and regrouped for the purpose of comparison where necessary.

  
**MOHAMMAD ALI SAYEED**  
*Chairman*

  
**ABID SAYEED**  
*Chief Executive*



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



➤ **Exercise Books**



➤ **Ammonia Sensitised Paper**

**PRO LABELS**



➤ **Pro Labels - Self-Adhesive labels in roll form.**

Head Office & Factory:  
**Pakistan Paper Products Ltd.,**  
D/58, S.I.T.E. Estate Avenue, Karachi-75700