Global Journal of Management and Business Research
Volume 12 Issue 10 Version 1.0 June 2012
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Financial Analysis Review and Performance of Paper and Board Industry in Pakistan Economy Since 2001 To 2010

By Yasir Hassan, Kashif-ud-din & Abdul Munam Jamil Paracha, Muhammad Waqas, Ali Raza Khan, Sohaib Ahmed, Umair Saddique, Asad Abbas, Muhammad Waqas Rehmani

University of Lahore, Pakistan.

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GJMBR-A Classification : *FOR Code: 150202 JEL Code: G32, D92*

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Financial Analysis Review and Performance of Paper and Board Industry in Pakistan Economy Since 2001 To 2010

Yasir Hassan[α], Kashif-ud-din[σ] & Abdul Munam Jamil Paracha[ρ], Muhammad Waqas[ρ], Ali Raza Khan[ρ], Sohaib Ahmed[ρ], Umair Saddique[ρ], Asad Abbas[ρ], Muhammad Waqas Rehmani[ρ]

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I. Introduction

The word "paper" is consequential from the name of the thin plant papyrus, which grows plentifully along the Nile River in Egypt. Muslims took the craft of Papermaking from Central Asia in 751, and by 793 there were many mills in operation in various Arab countries. Baghdad was considered to be the paper-making capital of the world from the 9th to 12th century AD, until the city was destroyed by Mongol invasion in the early 13th century, and by another invasion in the 15th Century. Attendance records of these paper mills still remain in existence.

Paper was initially disfavored by the Christian Church as a manifestation of Muslim efforts to dominate trade and culture. Efforts were made for hundreds of years to boycott its use. Finally, in 1221 AD, a decree by Holy Roman Emperor Frederick II declared all official documents written on paper to be invalid. Due to great demand paper the use of paper became fashionable in Europe by the late 13th Century, and by the 14th century there were paper mills in several parts of Europe. The invention of the printing press in 1450 greatly increased the demand for paper in Europe. Supplies continued to be imported from Islamic countries till the 16th Century, until Europe became self-sufficient in paper production. The advent of Industrial Revolution in Europe provided paper to the masses in sufficient quantity and low prices.

In china discovery of paper as we know it today is certified to Tsai Lun. He was respected as a patron saint of papermaking. It is said that Tsai Lun experiment with different resources and developed the art crushing the fiber of plants until each strand was divided. These separated fibers were mix with water and dipped into a huge vat. Then this layer of fiber was dried out and the product that was produced was paper. The paper was thin, flexible and strong and had a fine flat surface. The process of manufacture paper was kept a undisclosed within China till the 3rd century.

When the Moors of North Africa attacked Spain and Portugal they took the paper production method with them and paper making finally found its way to Europe in the 12th century. Charles Fenerty of Halifax finished the first paper from wood soft tissue (newsprint) in 1838. Charles Fenerty was serving a local paper mill maintain a sufficient supply of rags to create paper, when he succeed in making paper from timber pulp. He ignored to patent his invention and others did copyright papermaking process based on wood fiber.

In 1856, Englishmen, Healey and Allen, established a copyright for the first uneven paper. The paper was utilized to line men's tall hat. American, Robert Gear quickly made-up the corrugated cardboard box in 1870. On December 20, 1871, Albert Jones of New York NY original a stronger grooved paper (cardboard) applies as a ship material for bottles and glass lantern.

In 1874, G. Smyth builds the primary single sided uneven board-making instrument. Also in 1874, Oliver Long enhanced upon the Jones copyright and invented a lined corrugated cardboard.

(The first recorded historical place to grocery paper bags was completed in 1630. The use of paper sacks only really in progress to get off at some stage in the Industrial Revolution: between 1700 and 1800.)

With the passage of time there have been lots of changes in 'Paper Industry'. No doubt, in every country of the world it is a very important sector because today paper is used almost in each and every field of life

Author α : Lecturer: Lahore Business School, the University of Lahore, Pakistan. E-mail : Yasir.uol@hotmail.com

Author σ : Dean: Lahore Business School, the University of Lahore, Pakistan.

Author ρ : Lahore Business School, the University of Lahore, Pakistan.

as educational and non-educational, formal and casual, personal and social. Paper is used at every inch of our daily life i.e. for books, notebooks, diaries, newspapers, magazines, letter pads, different types of cards, raping papers, binding sheets, envelopes, bags for carrying grocery etc.

Different industries are very important but mostly they are field bound or it can be said that their scope revolves around some specific area. But paper industry has a vast scope having the reason that it is involved in every walk of life. Paper industry is a very active sector that also plays a vital role in the economy of a country.

Being a new and separate state, at the time of independence Pakistan was under developed.
Because of this reason Pakistan had no paper and paper board industrialized unit. The needs regarding paper were met through imports.

In 1952, first paper unit was established. Its production capacity was 500 tons per annum. Then additional units were put up in Punjab, Khyber Pakhtunkhwa and Sindh, producing a range of grades of paper, using local and imported unrefined materials. But due to poorly deliberate growth in the 80's and 90's, many of the units are lying closed from that occasion.

At present, in Pakistan there are about 100 units in the planned and unorganized sectors. Collectively, these units have a set up capability of 650 thousand tons per annum. The units in planned sector have a capability of 20 to 300 tons per day. The organized sectors have 575 thousand tons production capability from 26 paper manufacturing units. These units manufacture Writing, Printing Paper, Wrapping, Packing Paper, White duplex coated, Un-coated board, Chip Board and other board.

In Punjab, about 70 percent of the paper mills are located, in Sindh 20 percent and 10 percent in Khyber Pakhtunkhwa. Punjab has a vast concentration due to availability of abundant underground water and wheat straw used as primary raw material. Only a few mills have a capacity of more than 100 tons per day. Whereas, majority of the mills have low production capacities. Production capacity of these units ranges between 1500-88000 tons on annual basis.

II. Literature Review

One of the serious problems facing the forest industry in coming decades will be the great demand for wood as raw material. In order to meet the increased demand for pulp, fiber and particle board, the supply of fiber raw material must be increased. One method of solving the problem would be to use the tree more effectively. Only 60-65 % of the total biomass of the tree is utilized today. Whole-tree utilization would mean an additional quantity of approximately 35 million solid cubic meters over bark. Short-term supply of wood in reserve is also available due to neglected thinning and cleaning. (Nilsson, Wernius, 1976)[1]

A number of investigations have been carried out (Nihlgard, 1972; Nykvist, 1971; Tamm, 1969)[2] [3] [4] on the distribution of the biomass of the tree. A Finnish investigation (Hakkila, 1972)[5] gives the following figures:

Stem wood, harvested, bark excl.	57 %
Bark from stem wood	6 %
Wood from logging residue, bark incl.	6 %
Branches, incl. bark and needles	19 %
Stumps and roots bark incl.	12%

In Sweden, (Nykvist, 1971)[3] among others has obtained approximately the same figures as a result of his investigations. This indicates that the following distribution of the bio mass of pine and spruce may be taken as an average:

Stem wood including bark	65 %
Branches and top incl. needles and bark	20 %
Stumps and roots	15 %

(Blosser, 1980)[6] Describe some of the problems and challenges facing the forest products industry as a result of environmental regulations and paying attention on in formational and personnel wants. (Gould, 1980)[7] Analyzed the environmental legislation of the past decade and noted that industry and government cooperation will streamline regulation in the 1980s. Early control efforts were reviewed and it was noted that an adversary approach was taken. The costs of compliance to consumers were discussed and the trends of future regulations were examined.

With steady development of pulping and papermaking processes, a larger proportion of mill effluents will become occasional or accidental discharges. Measures suggested by (Nilsson and Ahlgren, 1972)[8] to prevent these for both economic and cologne reasons included (a) the construction of comparatively large collection tanks (100 to 1,000 cu m) for gradual release of collected spillage not including disturbance to the overall operation; (b) collection and recirculation of leakage, spillage, and overruns; (c) installation of an alarm system to register high discharge levels; and (d) correct dimensioning of bottlenecks, such as screen room and evaporation plants.

The principal purpose of a study by (Myers,244)[9] were to establish the typical composition of wastepaper in household trash and to provide some insight into the ability and willingness of individuals to divide wastepaper from household trash. Every day wastepaper discards averaged 0.53 lb/person (0.24 kg/person) and consisted of 47 percent newspapers, 13 percent magazines, 12 percent tough papers, and 28 per cent all other papers mixed. Nearly all volunteers

were willing to participate in an identical 14-day household wastepaper partition in the future, but 13 percent were not willing to do so on a permanent basis, and 12 percent would contribute in a permanent separate collection .

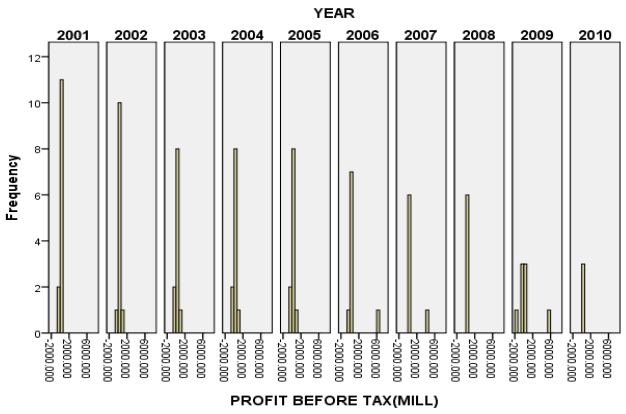
The weakened condition of book and the speed with which library collections are deteriorating concern all librarians. Many know that alum has been used by papermaker for many years to precipitate rosin sizes and that hydrogen ions derived from alum* are a major cause of paper deterioration. Most librarians may not appreciate that other sources provide a sufficient number of hydrogen ions to destroy paper and that alum was used intentionally for hundreds of years to preserve paper. Storage conditions, particularly excessive book stack temperatures, can destroy otherwise permanent papers (Smith 1969)[10].

III. Methodology

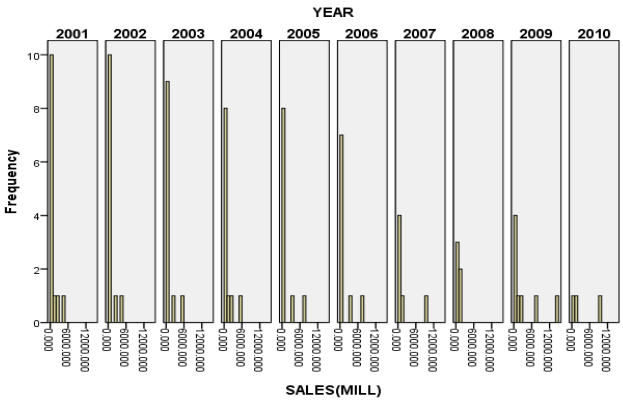
Two types of tests are applied; first one was for observing the performance of Paper and Board industry over the years and second method for considering that which variable is more contributing for increasing the sales and Total Assets. In this study ANOVA is used for comparing the means of different variable from year 2001 to 2010. Multiple linear regressions can be help for predicting sales (dependent variable) and profit after tax (dependent variable) by considering paid-up capital, no. Of share, equity, profit before tax and total assets (explanatory/independent) variables.

IV. Empirical Results

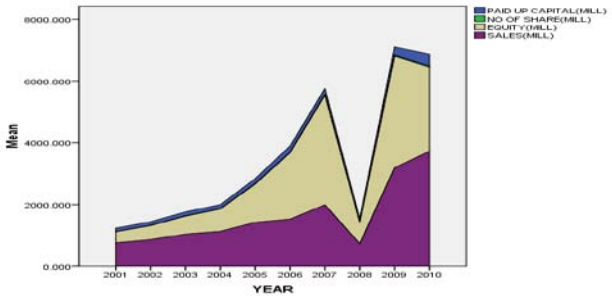
A histogram is one of the basic quality tools. It is used to graphically summarize and show the distribution and variation of a process data set.



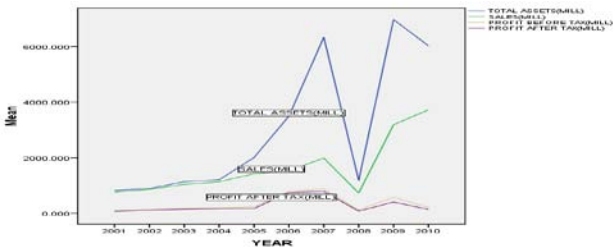
This graph clearly indicates that profit gain by companies before tax was maximum in year 2001 and year 2002 is on second number. Amazingly it is declining and in year 2009 and 2010 it has the minimum mean value.



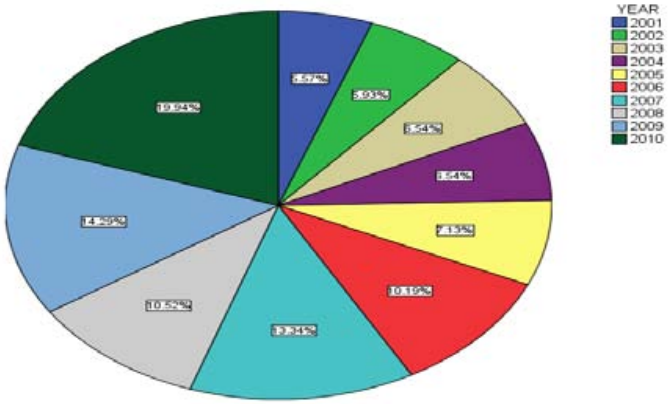
Sales graph is showing an interesting picture, as it is discussed before that profit before tax was minimum in 2001 but the average sales are maximum in 2001 and 2002. Now the point is this whether it is due to high financial bank charges other taxes or may be wrongly quoted Values.



The line chart shows sales is slightly increasing from 2001 to 2007 then 2008 it is less than 2001. Then suddenly it increase in 2009 and 2010 and reached at highest point. Paid-up-Capital, No. of Share and Equity also behave same as Sales.



In 2001 the mean value of Total Asset was nearly 100 million and from 2004 to 2007 it increase, suddenly in year 2008 it rapidly decline but in the year 2009 the story was same as like 2004 to 2007. Profit before tax and profit after tax almost have the same trends.



The pie chart show the paid-up capital is increasing from2001 to 2003 it remain constant in 2004 than it increase from2005 to 2010 and it would approx. 15% increase from 2001 to 2010.

	Year	Mean	S.D	CV
Paid-up-Capital(Rs. in millions)	2001	107.686	136.510	126.767
	2002	114.493	139.915	122.204
	2003	126.360	142.250	112.576
	2004	126.360	142.250	112.576
	2005	137.635	191.204	138.922
	2006	196.937	260.067	132.056
	2007	257.618	286.381	111.165
	2008	203.239	250.994	123.497
	2009	276.107	313.376	113.498
	2010	385.278	273.883	71.087
Total		1931.711	2136.830	1164.346
No. of Shares	2001	11.673	13.413	114.912
	2002	12.429	13.689	110.140
	2003	13.536	13.937	102.962
	2004	13.536	13.937	102.962
	2005	14.588	18.877	129.399
	2006	16.386	24.590	150.068
	2007	26.190	28.315	108.112
	2008	12.494	21.735	173.960
	2009	27.986	31.058	110.977
	2010	38.528	27.388	71.087
Total		187.345	206.939	1174.579
Equity(MILL)	2001	355.966	688.350	193.375
	2002	453.578	805.054	177.490
	2003	582.929	956.087	164.014
	2004	724.319	1218.237	168.191
	2005	1125.346	2185.503	194.207
	2006	2148.513	4200.306	195.498
	2007	3553.646	6595.070	185.586
	2008	696.593	1055.159	151.474
	2009	3615.946	7552.159	208.857
	2010	2728.469	1943.526	71.231

Total		15985.306	27199.452	1709.924
Total Assets(MILL)	2001	827.892	1594.325	192.576
	2002	893.368	1608.133	180.008
	2003	1139.186	1729.145	151.788
	2004	1206.428	1818.712	150.752
	2005	1827.088	3212.619	175.833
	2006	3497.792	6918.704	197.802
	2007	6337.890	12153.732	191.763
	2008	1188.206	1127.138	94.860
	2009	6970.821	11641.955	167.010
	2010	6027.939	5839.149	96.868
Total		29916.611	47643.612	1599.260

As we know that coefficient of variation is applied for checking the consistency, the table show that PAID-UP CAPITAL, NO. OF SHARE, EQUITY is showing consistency in 2010 While TOTAL ASSET is consistence in 2008.

	Year	Mean	S.D	CV
Sales(MILL)	2001	762.411	1210.009	158.708
	2002	866.072	1291.447	149.115
	2003	1042.674	1527.230	146.472
	2004	1133.743	1693.022	149.330
	2005	1424.354	2059.147	144.567
	2006	1529.419	2441.252	159.620
	2007	1989.853	3173.641	159.491
	2008	730.802	658.202	90.066
	2009	3188.778	4654.403	145.962
	2010	3725.616	4239.740	113.800
Total		16393.724	22948.091	1417.131
Profit Before Tax	2001	92.386	165.224	178.841
	2002	1745.927	505.580	28.958
	2003	195.834	308.411	157.486
	2004	198.035	343.679	173.545
	2005	217.915	380.108	174.429
	2006	798.813	1967.557	246.310
	2007	773.785	1581.685	204.409
	2008	111.650	166.891	149.477
	2009	574.558	2044.560	355.849
	2010	214.304	216.475	101.013
Total		4923.207	7680.171	1770.318
Profit After Tax	2001	72.980	137.251	188.067
	2002	115.354	201.640	174.802
	2003	151.168	248.979	164.704
	2004	169.206	277.222	163.837
	2005	157.965	286.456	181.342
	2006	751.498	1895.512	252.231

	2007	691.969	1486.383	214.805
	2008	71.344	103.594	145.204
	2009	411.735	1431.105	347.579
	2010	142.146	145.648	102.464
Total		2735.363	6213.790	1935.034

SALES showing consistency in year 2008 because the value of CV=90.066 which is minimum value as compare to other. While the 2002 and 2010 are the years in which the PROFIT BEFORE TAX and PROFIT AFTER TAX respectively showing consistency.

Model		Sum of Squares	df	Mean Square	F	Sig.
Sales	Regression	509347450.6	6	84891241.8	229.718	.000[a]
	Residual	29933182.09	81	369545.458		
	Total	539280632.7	87			
Paid-up-Capital(MILL)	Regression	3782034.564	6	630339.094	1927.678	.000[b]
	Residual	26486.515	81	326.994		
	Total	3808521.08	87			
No. of Shares(MILL)	Regression	3782034.564	6	630339.094	1927.678	.000[c]
	Residual	26486.515	81	326.994		
	Total	3808521.08	87			
Equity(MILL)	Regression	1062476062	6	177079344	367.274	.000[d]
	Residual	39053799.79	81	482145.676		
	Total	1101529862	87			
Total Assets(MILL)	Regression	3103080927	6	517180155	678.149	.000[e]
	Residual	61773394.51	81	762634.5		
	Total	3164854322	87			
Bank Financial Charges(MILL)	Regression	4129288.851	6	688214.809	122.571	.000[f]
	Residual	454801.545	81	5614.834		
	Total	4584090.396	87			
Profit After Tax(MILL)	Regression	66194172.81	6	11032362.1	146.738	.000[g]
	Residual	6089912.465	81	75184.105		
	Total	72284085.28	87			

V. Hypothesis

i. *Sales*

H_0: $\mu 2001 = \mu 2002 = \mu 2003 = \mu 2004 = \mu 2005 = \mu 2006 = \mu 2007 = \mu 2008 = \mu 2009 = \mu 2010$

H_1: At least one mean is significantly different

ii. *Profit After Tax*

H_0: $\mu 2001 = \mu 2002 = \mu 2003 = \mu 2004 = \mu 2005 = \mu 2006 = \mu 2007 = \mu 2008 = \mu 2009 = \mu 2010$

H_1: At least one mean is significantly different

Since the p-value is less than 0.05 for sales, it means the null hypothesis will be rejected in the favor of alternative hypothesis. Similarly No. Of Share, Total Asset, Bamk/Financial Charges, Profit After Tax And Paid-Up Capital and Equity showing no differences in their means since 2001 to 2010.

ANOVA[d]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	66194172.814	6	11032362.136	146.738	.000[a]
	Residual	6089912.465	81	75184.105		
	Total	72284085.279	87			
2	Regression	66190799.602	5	13238159.920	178.152	.000[b]
	Residual	6093285.677	82	74308.362		
	Total	72284085.279	87			
3	Regression	66058616.646	4	16514654.161	220.179	.000[c]
	Residual	6225468.633	83	75005.646		
	Total	72284085.279	87			

Pat $=b_o+ b_1$ Bank)/Financial Charges $+ b_2$ Equity $+ b_3$ Sales $+ b_4$ Total Asset$+b_5$ Paid-Up Capital$+ b_6$ No. Of Share

Profit After Tax (PAT) is considered as a dependent variable while Bank) / Financial Charges, Equity, Sales, Total Asset, Paid-Up Capital and No. of Share are independent/explanatory variables.

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-10.813	38.616		-.280	.780
BANK/FINANCIAL CHARGES(MILL)	-2.880	.224	-.725	-12.851	.000
SALES(MILL)	.122	.048	.332	2.536	.013
TOTAL ASSETS(MILL)	.186	.012	1.232	15.006	.000
PAID UP CAPITAL(MILL)	-.969	.343	-.222	-2.825	.006

Profit after Tax (dependent) and Bank/Financial Charges, Equity, Sales, Total Asset, Paid-Up Capital and No. of Share are independent/explanatory variables but with the help of backward method Profit After Tax is best described by (Bank) / Financial Charges and Paid-Up Capital

Now the modal can be written as:

PAT $=b_o+ b_1$ (Bank)/Financial Charges $+ b_2$ Paid-up Capital

PAT =-10.813+ -2.880(Bank)/Financial Charges + -.969Paid-up Capital

Model shows that Bank) / Financial Charges and Paid-up Capital has positive impact on Profit after Tax.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	510.352	99.954		5.106	0.000
	EQUITY(MILL)	0.414	0.032	0.592	12.76	0.000
	BANK/FINANCIAL CHARGES(MILL)	4.975	0.503	0.459	9.884	0.000

Sales (dependent variable) and Paid-Up Capital, No. Of Share, Equity, Total Asset and (Bank)/Financial Charges are consider as explanatory variables again backward method is applied and it shows that Equity and (BANK)/Financial Charges is best described the total Sales.

Modal can be written as:

Sales $= b_0 + b_1$ EQUITY $+ b_2$ (Bank)/Financial Charges

Sales $= 510.352 + 0.414$Equity $+ 4.975$ (Bank)/Financial Charges

Auto correlation is also finding between profit after tax and bank/financial charges

x	y	$\hat{Y}$	$y - \hat{Y}$	e^2	e	et-et-1
-14.968	0.000	-10.813	10.813	116.92097		
0.301	2.084	-16.81492	18.899	357.16918	10.813	346.356
-7.254	0.000	-10.813	10.813	116.92097	18.899	98.022
11.393	0.007	-10.83316	10.840	117.50907	10.813	106.696
144.522	54.352	-167.34676	221.699	49150.34	10.840	49139.500
16.128	9.835	-39.1378	48.973	2398.3351	221.699	2176.636
2.749	69.334	-210.49492	279.829	78304.224	48.973	78255.252
0.243	0.298	-11.67124	11.969	143.26271	279.829	-136.566
10.236	8.088	-34.10644	42.194	1780.3708	11.969	1768.402
424.879	267.049	-779.91412	1046.963	1096131.8	42.194	1096089.580
6.547	0.296	-11.66548	11.961	143.077	1046.963	-903.886
20.049	20.619	-70.19572	90.815	8247.3134	11.961	8235.352
333.912	0.300	-11.677	11.977	143.44853	90.815	52.634
0.859	1.838	-16.10644	17.944	322.00293	11.977	310.026
0.217	0.023	-10.87924	10.902	118.85884	17.944	100.914
-5.767	0.525	-12.325	12.850	165.1225	10.902	154.220
215.737	34.613	-110.49844	145.111	21057.33	12.850	21044.480
10.136	9.961	-39.50068	49.462	2446.4578	145.111	2301.346
17.439	49.596	-153.64948	203.245	41308.725	49.462	41259.263
-1.657	0.658	-12.70804	13.366	178.65103	203.245	-24.594
13.989	6.766	-30.29908	37.065	1373.8202	13.366	1360.454
655.372	176.800	-519.997	696.797	485526.06	37.065	485488.994
13.227	1.548	-15.27124	16.819	282.88683	696.797	-413.910
55.222	8.170	-34.3426	42.513	1807.3212	16.819	1790.502
409.468	3.508	-20.91604	24.424	596.53373	42.513	554.021
0.143	0.000	-10.813	10.813	116.92097	24.424	92.497
-10.334	4.436	-23.58868	28.025	785.38269	10.813	774.570
270.822	31.189	-100.63732	131.826	17378.179	28.025	17350.154
75.224	0.397	-11.95636	12.353	152.6055	131.826	20.779
-20.592	54.906	-168.94228	223.848	50108.052	12.353	50095.699
-13.622	0.944	-13.53172	14.476	209.54647	223.848	-14.302
22.450	9.106	-37.03828	46.144	2129.2946	14.476	2114.819
813.513	151.308	-446.58004	597.888	357470.11	46.144	357423.964
79.025	2.998	-19.44724	22.445	503.7888	597.888	-94.099
16.424	1.057	-13.85716	14.914	222.43217	22.445	199.987

429.791	41.791	-131.17108	172.962	29915.881	14.914	29900.967
-1.016	0.116	-11.14708	11.263	126.85697	172.962	-46.105
-6.345	3.592	-21.15796	24.750	612.56052	11.263	601.297
255.621	22.586	-75.86068	98.447	9691.7488	24.750	9666.999
42.477	0.526	-12.32788	12.854	165.22223	98.447	66.776
98.994	45.511	-141.88324	187.394	35116.414	12.854	35103.560
14.619	0.440	-12.0802	12.520	156.75541	187.394	-30.638
21.566	3.536	-20.99668	24.533	601.85239	12.520	589.332
963.202	139.008	-411.15604	550.164	302680.47	24.533	302655.938
18.708	1.240	-14.3842	15.624	244.11563	550.164	-306.048
65.896	2.678	-18.52564	21.204	449.59435	15.624	433.970
387.546	2.332	-17.52916	19.861	394.46568	21.204	373.262
-0.273	0.112	-11.13556	11.248	126.50761	19.861	106.646
-6.206	3.758	-21.6346	25.392	644.75874	11.248	633.511
237.309	22.016	-74.21908	96.235	9261.1906	25.392	9235.799
32.705	1.171	-14.18548	15.356	235.82148	96.235	139.586
69.346	13.863	-50.738728	64.602	4173.3962	15.356	4158.040
3.899	0.486	-12.21124	12.697	161.20721	64.602	96.605
20.096	11.186	-43.029544	54.216	2939.3577	12.697	2926.661
1015.364	185.529	-545.13652	730.666	533872.1	54.216	533817.886
24.205	0.491	-12.22708	12.718	161.74956	730.666	-568.916
59.429	4.296	-23.18548	27.481	755.23174	12.718	742.514
281.742	0.107	-11.12116	11.228	126.07158	27.481	98.590
0.226	0.000	-10.813	10.813	116.92097	11.228	105.693
-4.877	3.325	-20.388136	23.713	562.29859	10.813	551.486
203.859	78.071	-235.65748	313.728	98425.559	23.713	98401.846
8.306	15.203	-54.59764	69.801	4872.1293	313.728	4558.401
0.747	1.200	-14.268136	15.468	239.25395	69.801	169.453
27.526	24.005	-79.9474	103.952	10806.101	15.468	10790.634
6100.780	78.909	-238.07092	316.980	100476.27	103.952	100372.317
31.297	0.289	-11.645032	11.934	142.41873	316.980	-174.561
395.618	0.170	-11.3026	11.473	131.62055	11.934	119.687
0.484	0.098	-11.09524	11.193	125.28862	11.473	113.816
83.458	27.808	-90.90004	118.708	14091.599	11.193	14080.406
79.576	25.962	-85.584424	111.547	12442.672	118.708	12323.964
29.358	367.378	-1068.8616	1436.240	2062784.3	111.547	2062672.757
4325.948	2.252	-17.299624	19.552	382.27773	1436.240	-1053.962
27.735	0.126	-11.17588	11.302	127.73249	19.552	108.181
297.223	0.000	-10.813	10.813	116.92097	11.302	105.619
0.613	0.000	-10.813	10.813	116.92097	10.813	106.108
28.151	0.000	-10.813	10.813	116.92097	10.813	106.108
71.166	48.391	-150.17908	198.570	39430.077	10.813	39419.264
6.952	29.395	-95.471752	124.867	15591.806	198.570	15393.236
23.760	2.510	-18.04036	20.550	422.29675	124.867	297.430

297.421	0.527	-12.33076	12.858	165.32199	20.550	144.772
0.528	0.026	-10.88788	10.914	119.11278	12.858	106.255
-1054.144	1300.208	-3755.412	5055.620	25559294	10.914	25559283.075
-35.211	176.748	-519.84724	696.595	485244.93	5055.620	480189.308
-7.390	0.000	-10.813	10.813	116.92097	696.595	-579.674
-37.346	67.605	-205.5154	273.120	74594.753	10.813	74583.940
4063.924	1278.433	-3692.7	4971.133	24712164	273.120	24711890.581
31.362	3.048	-19.59124	22.639	512.53519	4971.133	-4458.598
332.155	1.787	-15.95956	17.747	314.94039	22.639	292.301
42.316	1141.099	-3297.1781	4438.277	19698304	17.747	19698286.047
36.030	2.632	-18.393736	21.026	442.08998	4438.277	-3996.187
348.091	1.875	-16.213	18.088	327.17574	21.026	306.150
Sum				76047145		76022129.844

$$d = \frac{\sum(et - et-1)2}{\sum(et)2}$$

d=0.999671

So according to Durbin-Watson table Ho is accepted which means there is no correlation between Profit after tax and Bank Financial Charges.

VI. Conclusion

This study show that their sales is decreasing so Profit before tax and profit after tax slightly decrease from 2001 to 2010 this is because huge quantity of paper and paperboard was coming illegally into Pakistan from Afghanistan and other border countries that affect the Pakistan industry. For that purpose immediately remedial action must have to take to save the paper and paperboard industry of Pakistan. Following steps take to save paper and board industry:

- The government should boost competitiveness by bringing the prices low down International prices.
- Duty should be reduced on the imported raw material (including wood pulp, chem. waste paper, plant and machinery).
- Due to current flood many mills face very losses so government has to announce interest free loans for them for rehabilitation.
- Withdrawal of 15 per cent Excise Duty on locally produced paper and board.

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