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Company Information

Company Name: Roshan Packages Limited

Status: Public Listed Entity

CUIN: 0044226

NTN: 1436951-6

STRN: 03-01-4819-303-73

Board of Directors

Mr. Khalid Eijaz Qureshi
Chairman

Mr. Tayyab Aijaz
Chief Executive Officer

Mr. Saadat Eijaz
Executive Director

Mr. Malik Asad Ali Khan
Independent / Non-Executive Director

Mr. Quasim Aijaz
Non-Executive Director

Mr. Zaki Aijaz
Non-Executive Director

Mr. Muhammad Naveed Tariq
Independent / Non-Executive Director

Company Secretary
Mr. Muhammad Adil, FCMA

Chief Financial Officer (CFO)
Mr. Syed Hamza Gillani, ACA

Tax Consultant
A.F Ferguson & Co.

Bankers

Allied Bank Limited
Askari Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
United Bank Limited
Bank of Punjab
JS Bank Limited

Registered Office

325 G-III MA Johar Town, Lahore
Phone: +92-42-35290734-38
Fax: +92-42-35290731

Factory

Corrugation: 7-KM Sunder
Raiwind Road, Opposite Gate
No 1, Sunder Industrial Estate,
Lahore
Flexible: Plot No 141, 142 and
142-B, Sunder Industrial Estate,
Lahore

Shares Registrar

Central Depository Company of
Pakistan Limited
CDC House, 99-B, Block B,
S.M.C.H.S. Main Shahra-e-Faisal,
Karachi – 74400

Statutory Auditor

KPMG Taseer Hadi & Co.

Head of Internal Audit

Mr. Ahmad Khan, ACCA

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

Website

www.roshanpackages.com.pk

Director's Report

Financial Overview

The financial performance of the Company during the indicated period is as contained in the table below.

	Nine Months Ended		Quarter Ended	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
	Rupees in Million		Rupees in Million	
Sales-net	2,999	3,084	993	992
Cost of Sales	2,737	2,646	854	830
Gross Profit	262	438	139	162
Finance Cost	85	59	28.9	20
Profit before Tax	14.6	256	51.36	96
Profit After Tax	6.9	250	49.8	92

The sales have displayed a downward trend by 2.7% i.e. down to Rs. 2,999 million during the nine months period ending 31 March, 2018. This is slightly lesser to the similar period in 2017, once the sale proceeds peaked at Rs. 3,084 million. This tendency was in spite of the fact that in volumetric terms, the Company sales increased from 24,090 metric tons in 2017 to 24,107 metric tons in 2018.

During the period, the Company conducted an operational efficiency review of machinery, electric installation and buildings which were capitalized in recent past, this resulted in changes in the usage and the expected pattern of consumption of future economic benefits of these assets. The machinery, related buildings and electric installation which the Company had previously depreciated using reducing balance method are now depreciated using straight method. The Company has accounted for this as a change in accounting estimate. As a result of this change, the depreciation charge for the nine months period has decreased by Rs.70 Million.

During the period under review, local currency further lost its value against the US Dollar and the Euro. This led to an increase not only in the cost of raw material, but also the other supporting facilities and commodities. In figurative terms, due to non-availability of forward cover, the Company suffered a cumulative loss of Rs. 64 million to date. Of this a loss of Rs. 22 million was accrued in this quarter alone.

Finance cost increased by Rs.26 million as compare to comparable period last year due to increased working capital requirement which is financed by interest bearing facilities, in addition to that mark-up on long term facilities were not further capitalized due to capitalization of assets. Working capital requirement increased mainly for smooth sourcing of corrugated paper since market dynamics compelled us to soften its credit terms in order to keep its supply chain functional. Furthermore, in order to avoid currency risk company established letter of credit on sight basis as compare to delivery acceptance basis.

However, the Company foresaw the advent of these developments and took timely remedial measures as well as pre-emptive steps to cope with the changed economic scenario. This is evident from the fact that the Company able to report a net profit of Rs. 6.9 million over a nine months period, profits in the current quarter values at 49.8 million.

Even in difficult conditions, operations have achieved EBITDA of Rs. 198 million as compared to Rs. 446 million. The temporary fall in profits in recent months was however but an outfall of the Company's revised efforts to adjust to the foreseeable slumps arising in the overall market.

Future Outlook

The management is optimistic about the future of the packaging sector in Pakistan. However, the current market is highly volatile in nature. Not only is the nature of demand being subjected to constant change, increased competition and pressure to reduce prices is totally inconsistent with the increase in cost and overhead expenses. Furthermore, due to the uncertainty prevailing in the country, both on the political as well as financial front, economic activity has not kept pace with scale of production.

Despite the abovementioned challenges, management foresee absolute potential of growth in the packaging sector. Through the efforts and vary positive input by the Punjab Food Authority and other government agencies, awareness regarding food safety and hygiene has emerged as a dominant factor in the packaging sector. The company has taken due cognizance of this aspect and has taken concrete measure in this regard.

Constant appraisals of market trends and speedy adjustments to changing conditions are complemented by a purely futuristic approach. The future of packaging industry is very bright. At present, the Company is concentrating on facilitating its customers by working on "Just in Time" delivery and focusing on targeted growth initiatives, innovations, brand building and cost saving programs.

The Company is laying a lot of stress on value added products as well as providing a broader range of packaging solutions to the FMCGs. Resultantly, what may appear as a temporary loss of profit, will eventually results in the boost in sales and meet the demand in most dimensions of packaging.

The Company has embarked upon an ambitious program of setting up its own Paper Mill and thus providing its own raw material. The commissioning of this mill will not only add substantially to the company's output of packaging material, it will vastly increase revenues through its capacity to meet both domestic as well as international demand of quality paper.

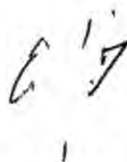
In the interim period between now, and the time the paper mills begins production, the company fully understands the importance of raw material's quality and availability. Hence, up keeping different types of stocks is given top priority. This is also one of the reasons that a substantial working capital is presently engaged but its long-term benefits cannot be undermined.

Acknowledgment

The management avails this opportunity to thank its valued customers for their trust and confidence in the Company's products. Heartfelt gratitude is also extended to all other stockholders including suppliers, bankers, shareholders and employees for their whole-hearted support.



Chief Executive Officer



Chairman

ڈائریکٹر رپورٹ

مالیاتی جائزہ

مجوزہ مدت کے لیے کمپنی کی مالیاتی کارکردگی مندرجہ ذیل جدول میں بیان کی گئی ہے۔

تین سہ ماہیوں کا مجموعی جائزہ		صرف تیسری سہ ماہی کا جائزہ		
31 مارچ 2018	31 مارچ 2017	31 مارچ 2018	31 مارچ 2017	
روپے ملین میں		روپے ملین میں		
2,999	3,084	993	992	فروخت سے ہونے والی آمدن
2,737	2,646	854	830	فروخت کی لاگت
262	438	139	162	مجموعی منافع
85	59	28.9	20	فنانس کی لاگت
14.6	256	51.36	96	منافع قبل از ٹیکس
6.9	250	49.8	92	منافع بعد از ٹیکس

کمپنی نے 31 مارچ 2018ء کو تیسری سہ ماہی کے اختتام پر فروخت سے 2,999 ملین روپے کی آمدن حاصل کی جبکہ 31 مارچ 2017 کی کل آمدن 3,084 ملین روپے تھی جو کہ فروخت میں 2.7 فیصد کمی کو ظاہر کرتی ہے۔ حجم کے لحاظ سے کمپنی نے اس سال 24,107 میٹرک ٹن کا مال فروخت کیا جو کہ گزشتہ سال 2017 کے اسی عرصے کے دوران 24,098 میٹرک ٹن تھا جو معمولی اضافے کو ظاہر کرتا ہے۔ تاہم مصنوعات کی قیمت فروخت میں کمی کی وجہ سے آمدنی میں 86 ملین روپے کمی واقع ہوئی۔

اس مدت کے دوران کمپنی نے مشینری، برقی تنصیب اور عمارتوں کی عملی کارکردگی کا جائزہ لیا جن میں ماضی قریب میں سرماہ کاری کی گئی تھی، اس کے نتیجے میں ان اثاثوں کے مستقبل کے اقتصادی فوائد کی گپٹ کے متوقع معیار اور استعمال میں تبدیلیاں آئی ہیں۔ کمپنی نے مشینری، متعلقہ عمارات اور برقی تنصیب کی فرسودگی کا عمل پیلر ایڈیوٹنگ ٹینکس کے طریقہ سے انجام دیا تھا اب براہ راست طریقہ سے فرسودگی کا عمل انجام دیا جا رہا ہے۔ کمپنی نے اس کا حساب اکاؤنٹنگ کے تخمینہ میں تبدیلی کے طور پر رکھا ہے۔ اس تبدیلی کے نتیجے میں، گزشتہ نو مہینوں کے دوران فرسودگی کی لاگت میں 70 ملین روپے کمی آئی ہے۔

زیر جائزہ مدت کے دوران، مقامی کرنسی کی قدر میں امریکی ڈالر اور یورو کے مقابلے میں مزید کمی واقع ہوئی۔ اس سے نہ صرف خام مال بلکہ دیگر معاون سہولیات اور اشیاء کی لاگت میں بھی اضافہ ہوا۔ علاقہ طور پر، فارورڈ گور کی عدم دستیابی کی وجہ سے، کمپنی کو 64 ملین روپے کا مجموعی نقصان ہوا۔ اس میں سے 22 ملین روپے کا نقصان صرف اس سہ ماہی میں ہوا۔

گزشتہ سال کے مقابلے میں اس سال فنانس کی لاگت میں 26 ملین روپے کا اضافہ ہوا جس کی وجہ کام کے لیے درکار سرمایہ کا بڑھنا تھا جو سود پر سرمایہ فراہم کرنے والے اداروں سے حاصل کیا گیا، اس کے ساتھ ساتھ اثاثوں کو اپنے تصرف میں لانے کی وجہ سے طویل مدتی قرضوں پر بھی سود ادا کرنا پڑا۔ کام کے لیے درکار سرمایے میں اضافے کی بنیادی وجہ کوریو گینڈ پیپر کے خام مال کی بلا تعلق فراہمی ہے کیونکہ کمپنی صورت حال کو اپنے حق میں رکھنے کے لیے چیلنجر کا سامنا کر رہی ہے، کیونکہ مارکیٹ کی غیر یقینی صورت حال ہمیں مجبور کرتی ہے کہ ہم اپنی سپلائی چین کو فعال رکھنے کے لیے فراہم کنندگان کے ساتھ کریڈٹ میں نرمی اختیار کریں۔ مزید برآں، کرنسی کے خطرے سے تحفظ کی خاطر کمپنی نے ڈیورمی ایکسیپ ٹینس کے بجائے لیٹر آف کریڈٹ آن سائٹ کا طریقہ اختیار کیا ہے۔

تاہم کمپنی نے اس صورت حال کی پہلے سے پیش بندی کر لی تھی اور تبدیل شدہ معاشی حالات سے نمٹنے کے لیے بروقت اسناد کے ساتھ ساتھ حفظ المقدم کے طور پر اقدامات کیے ہیں۔ یہ بات اس حقیقت سے عیاں ہے کہ کمپنی نے نو مہینوں کی مدت میں 6.9 ملین روپے کا خالص منافع کمائے میں کامیاب رہی، موجودہ سہ ماہی کے دوران منافع کی رقم 49.8 ملین روپے ہے۔

انتہائی نامساعد حالات کے باوجود، آپریشنز نے 446 ملین روپے کے مقابلے میں 198 ملین روپے کا EBITDA حاصل کیا۔ حالیہ مہینوں میں کمپنی کے منافع میں جو کمی ہوئی ہے وہ حقیقت میں مارکیٹ میں جلد ظاہر ہونے والے بحرانوں سے نمٹنے کے لیے کمپنی کی نظر ثانی شدہ کوششوں کا نتیجہ ہے۔

مستقبل کا نقطہ نظر

کمپنی پاکستان میں پیکجنگ شعبے کے مستقبل کے بارے میں بہت پر امید ہے۔ تاہم موجودہ مارکیٹ فطرنا انتہائی غیر یقینی ہے۔ نہ صرف طلب کی صورت حال بار بار تبدیل ہو رہی ہے بلکہ مقابلے کی بڑھتی ہوئی فضا اور قیمتوں کو کم رکھنے کے لیے دباؤ، لاگت اور اضافی اخراجات میں اضافہ انتہائی بے ربط ہیں۔ مزید برآں ملک میں سیاسی اور معاشی دونوں محاذوں پر جو غیر یقینی صورت حال ہے، اس کی وجہ سے اقتصادی سرگرمیاں متاثر ہوئی ہیں۔

اوپر بیان کیے گئے چیلنجز کے باوجود، انتظامیہ پیکجنگ کے شعبے میں بڑھوتری کا مکمل ادراک رکھتی ہے۔ پنجاب فوڈ اتھارٹی اور دیگر حکومتی اداروں کی غذا کے تحفظ اور صحت و صفائی کے بارے میں آگاہی کے لیے کوششیں اور مثبت معلومات پیکجنگ کے شعبے کی ترقی میں انتہائی معاون ثابت ہوں گی۔ کمپنی نے اس پہلو کا صحیح ادراک کیا اور اس سلسلے میں ٹھوس اقدامات اٹھائے ہیں۔

مارکیٹ کے رجحانات کی مسلسل تشخیص اور بدلتے ہوئے حالات کے مطابق فوری ہم آہنگی کی مکمل طور پر جدید ترین طریقوں سے تکمیل کی جاتی ہے۔ پیکجنگ کی صنعت کا مستقبل انتہائی روشن ہے۔ فی الحال کمپنی اپنے کابکوں کو ”بروقت“ ترسیل کو یقینی بنانے کے لیے شب و روز مصروف ہے اور ہدف بخش ترقی کے اقدامات، جدت، برانڈ کی ترویج اور کفایت شعاری کے پروگرامز پر اپنی توجہ مرکوز کیے ہوئے ہے۔

کمپنی ویلیو ایڈڈ مصنوعات پر زیادہ توجہ دے رہی ہے اس کے ساتھ ساتھ ایف ایم سی جی (فاست موڈنگ کنزیومر گڈز) کو پیکجنگ کی ایک وسیع رینج فراہم کر رہی ہے۔ نتیجتاً عارضی طور پر منافع میں کمی کا آخر فروخت کی نمو میں اضافے اور پیکجنگ کی تمام جہتوں کی طلب پورا کرے گی۔

کمپنی نے اپنی پیپر ملز کا قیام اور اس طرح اپنا خام مال فراہم کرنے کے جرأت مندانہ پروگرام کا آغاز کیا ہے۔ اس مل کی تکمیل نہ صرف پیکجنگ مواد کی کمپنی کی پیداوار میں خاطر خواہ اضافہ کرے گی بلکہ یہ معیاری کاغذ کی مقامی اور بین الاقوامی طلب کو پورا کرنے کی کمپنی کی اپنی صلاحیت میں اضافہ کر کے آمدنی میں خاطر خواہ اضافہ کرے گی۔

پیپر مل کی اپنی پیداوار کے آغاز سے پہلے کی عبوری مدت کے لیے کمپنی خام مال کے معیار اور دستیابی کی اہمیت سے پوری طرح باخبر ہے۔ لہذا، مختلف اقسام کے سٹاک میں اضافہ کو ترجیح دی جا رہی ہے۔ یہ بھی ان وجوہ میں سے ایک وجہ ہے کہ کام کے لیے درکار سرمایے کا ایک بڑا حصہ اس سٹاک میں لگا ہوا ہے لیکن اس کے طویل مدتی فوائد کو نظر انداز نہیں کیا جاسکتا۔

اظہار تشکر

ہم اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی کی مصنوعات اور خدمات پر اعتماد کا اظہار کیا۔ ہم اپنے اسٹیک ہولڈرز بشمول فراہم کنندگان، بینکرز، حصہ داران اور ملازمین کے بھی ہندول سے شکر گزار ہیں جنہوں نے پر خلوص حمایت جاری رکھی ہوئی ہے۔

17

چیزمین

Jonahs

چیف ایگزیکٹو آفیسر

ROSHAN PACKAGES LIMITED **CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018**

EQUITY AND LIABILITIES		SHARE CAPITAL AND RESERVES		ASSETS	
Authorized share capital	150,000,000 (2017: 150,000,000)	1,500,000,000	1,500,000,000	Property, plant and equipment	8
ordinary shares of Rs 10 each				Assets subject to finance lease	
				Intangibles	
				Investment in subsidiary	
				Long term deposits	
118,250,250 ordinary shares of Rs 10 each	5	1,182,500,000	1,075,000,000		
Share Premium		2,231,665,370	2,339,165,370		
Revenue reserve: Un-appropriated profit		731,216,178	808,472,559		
SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS		1,101,874,016	1,125,148,562		
		5,247,255,564	5,347,786,491		
NON-CURRENT LIABILITIES				NON-CURRENT ASSETS	
Long term finance - secured	6	400,312,454	506,371,642		
Supplier's credit - unsecured		106,936,667	226,792,596		
Liabilities against assets subject to finance lease		28,675,638	17,200,990		
Deferred taxation		305,372,573	297,754,400		
Deferred liabilities		75,052,366	59,776,480		
		916,349,698	1,107,896,108		
CURRENT LIABILITIES				CURRENT ASSETS	
Current portion of long term liabilities		253,155,637	197,746,140		
Short term borrowings - secured		1,011,040,674	755,639,809		
Trade and other payables	7	831,031,949	977,407,259		
Accrued finance cost		26,119,831	11,951,473		
		2,121,354,091	1,942,744,681		
		8,284,959,353	8,398,427,280		

CURRENT ASSETS

Stores and spares
 Stock-in-trade
 Trade debts - unsecured
 Advances, deposits, prepayments and other receivables
 Cash and bank balances

Director

Chief Financial Officer

Chief Executive

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2018 (Un-audited)

	Note	Nine Months Ended		Quarter ended March 2018	
		31 March 2018 Rupees	31 March 2017 Rupees	31 March 2018 Rupees	31 March 2017 Rupees
Sales		2,998,997,554	3,084,495,774	993,544,590	991,777,820
Cost of sales	9	(2,737,050,905)	(2,646,466,000)	(854,834,150)	(829,816,822)
Gross profit		261,946,649	438,029,774	138,710,440	161,960,998
Administrative expenses		(94,085,443)	(74,546,443)	(33,261,674)	(27,027,134)
Selling and distribution expenses		(88,115,043)	(69,381,561)	(33,912,904)	(28,229,121)
Other operating income/(expenses)		19,737,351	21,236,449	8,761,551	9,657,044
Finance cost		(84,806,263)	(59,379,574)	(28,928,426)	(20,174,125)
Profit before taxation		14,587,246	255,958,645	51,368,987	96,187,662
Taxation		7,618,173	6,146,108	1,525,495	4,141,783
Profit for the year		6,969,073	249,812,537	49,843,492	92,045,879
Other comprehensive income:					
Earning Per Share-Basic & diluted		0.06	3.14	0.42	1.16
Items that will not be reclassified subsequently to profit or loss					
Surplus on revaluation of operating fixed assets realised through incremental depreciation charged on related assets for the year - net of tax		23,274,546	28,516,944	5,813,864	28,516,944
Remeasurement of retirement benefits - net of tax		23,274,546	28,516,944	5,813,864	28,516,944
Total comprehensive income for the period		30,243,619	278,329,481	55,657,356	120,562,823

[Signature]

Chief Financial Officer

[Signature]

Chief Executive

[Signature]

Director

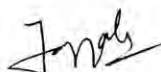
ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2018 (Un-audited)

	Share	Revenue reserve: Un-appropriated	Share Premium	
	capital Rupees	profit Rupees	Rupees	Total Rupees
Balance as on July 01, 2016	299,390,000	988,261,900		1,287,651,900
Issue of Bonus Shares	450,610,000	(450,610,000)		-
Profit for the year ended June 2017	-	239,628,704	-	239,628,704
Share premium			2,478,125,000	2,478,125,000
Expenses incurred on issuance of shares			(138,959,630)	(138,959,630)
Other Comprehensive income for the period	-	31,191,955	-	31,191,955
	-	270,820,659	2,339,165,370	2,609,986,029
Issue of Share capital	325,000,000	-	-	325,000,000
		-		-
	325,000,000	-	-	325,000,000
As at June 30 2017	1,075,000,000	808,472,559	2,339,165,370	4,222,637,929
Profit for the period		6,969,073	-	6,969,073
Other Comprehensive income for the period		23,274,546		23,274,546
Dividende paid during the period		(107,500,000)		(107,500,000)
Issue of bonus shares	107,500,000	-	(107,500,000)	-
	107,500,000	(77,256,381)	(107,500,000)	(77,256,381)
Balance as on March 31, 2018	1,182,500,000	731,216,178	2,231,665,370	4,145,381,548



Chief Financial Officer



Chief Executive



Director


ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED March 31, 2018 (Un-audited)

	Note	March-2018 Rupees	March-2017 Rupees
Cash flows from operating activities			
Cash (used in)/ generated from operations	10	(71,414,770)	156,939,999
Finance cost paid		(70,727,905)	(43,133,002)
Taxes paid		(54,672,577)	(49,777,901)
Net increase in long term deposits		(5,012,481)	(3,170,673)
Net cash inflow from operating activities		(201,827,733)	60,858,423
Cash flows from investing activities			
Purchase of property, plant and equipment		(58,917,856)	(778,027,398)
Purchase of intangibles		-	(478,072)
Proceeds from disposal of operating fixed assets		765,637	2,100,000
Increase in long term deposits		-	(3,170,673)
Increase in investment in associate		-	(3,000,000)
Profit on bank deposits received		81,927,305	461,734
Net cash outflow from investing activities		23,775,086	(782,114,409)
Cash flows from financing activities			
Repayment of long term loans		(75,559,142)	-
Proceeds from share premium		-	2,478,125,000
Proceeds from long term loans		-	177,964,166
Proceeds from issuance of share capital		-	325,000,000
Repayment of supplier's credit		(101,442,001)	11,667,440
Proceeds from term finances acquired		866,642,138	796,456,282
Proceeds from long term loan		-	-
Dividend paid		(106,491,011)	-
Zakat paid		(725,240)	-
Repayment of term finances		(764,776,949)	(815,317,544)
Repayment of finance lease liabilities		(9,609,502)	(9,575,171)
Proceeds from non-controlling interest		-	-
Net cash inflow from financing activities		(191,961,707)	2,964,320,173
Net decrease in cash and cash equivalents		(370,014,354)	2,243,064,187
Cash and cash equivalents at the beginning of the year		1,753,179,680	5,997,772
Cash and cash equivalents at the end of the period		1,383,165,326	2,249,061,959


Chief Financial Officer


Chief Executive


Director

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 31 March 2018 (Un-Audited)

1. The company and its activities

Roshan Packages Limited (the 'company') was incorporated in Pakistan as a private company limited by shares on August 13, 2002. The Company converted into public limited company on 23, September 2016 and got listed in Pakistan Stock Exchange Limited on February 28, 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

The registered office of the company is situated at 325 G-III, M.A. Johar Town, Lahore. The corrugation packaging facility is located at 7 km, Sundar Raiwind Road, Lahore and flexible packaging facility is located at Plot No. 141,142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

The Company is the parent company of Roshan Sun Tao Paper Mills (Private) Limited.

These financial statements are the separate financial statements of the company. Consolidated financial statements are prepared separately.

2. Basis of preparation

2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 31st March 2018 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of: International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017; and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2017, whereas comparatives of condensed interim unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the quarter ended 31 March 2018.

2.4 This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates.

In preparing this interim unconsolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2017.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2017. The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2018.

- IFRIC 22 'Foreign Currency Transactions and Advanced Consideration' is effective for annual periods beginning on or after January 01, 2018.
- IFRS 15 'Revenue from Contract with Customers' is effective for annual periods beginning on or after July 01, 2018.
- IFRS 9 'Financial Instruments' is effective for annual periods beginning on or after July 01, 2018.

- IFRIC 23 'Uncertainty over Income Tax Treatments' is effective for annual periods beginning on or after January 01, 2019.
- Amendments to IFRS 9 - Financial Instruments clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 01, 2019.
- Annual improvements to IFRS standards 2015-2017 cycle are effective for annual periods beginning on or after January 01,

In addition, the Companies Act, 2017 applicable from January 01, 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 - Property, plant and equipment. This amendment will result in reclassification of surplus on revaluation of fixed assets as part of shareholders' equity.

5. Issued, subscribed and paid up share capital

Mar-18 (Number of shares)	Jun-17	Note	Mar-18 Rupees	Jun-17 Rupees
Ordinary shares of Rs 10 each				
57,336,000	57,336,000	fully paid in cash	573,360,000	573,360,000
Ordinary shares of Rs 10 each				
5,103,000	5,103,000	5.1 fully paid for consideration other than cash	51,030,000	51,030,000
55,811,000	45,061,000	Issue of bonus Shares	558,110,000	450,610,000
-	-	Issue of shares to general public	-	-
<u>118,250,000</u>	<u>107,500,000</u>		<u>1,182,500,000</u>	<u>1,075,000,000</u>

5.1 These right shares were issued against the fair value of land acquired which measures 48 kanals and 12 marlas and is situated opposite to Sundar Industrial Estate, Bhai Kot, Raiwind, Lahore.

6. Long term finance - secured

	Mar-18 Rupees	Jun-17 Rupees
This has been obtained from the following financial institution:		
Dubai Islamic Bank Pakistan Limited	180,812,500	256,371,642
United Bank Limited	219,499,954	250,000,000
	<u>400,312,454</u>	<u>506,371,642</u>

7. Trade and other payables

Trade creditors	501,546,579	586,332,679
Bills payable	215,809,792	245,261,957
Advances from customers	24,644,399	28,317,658
Retention money	7,309,907	7,045,256
Accrued liabilities	51,382,127	59,094,935
Dividend payable	1,008,989	-
Withholding tax payable	3,260,833	9,195,095
Workers' profit participation fund	21,153,446	37,345,954
Workers' welfare fund	1,678,561	1,678,561
Advances from employees	3,237,316	3,135,164
	<u>831,031,949</u>	<u>977,407,259</u>

8.	Property, plant and equipment	Mar-18 Rupees	Jun-17 Rupees
	Operating fixed assets	3,429,061,669	3,452,078,571
	Capital work in progress	121,755,681	127,910,922
		<u>3,550,817,350</u>	<u>3,579,989,493</u>

8.1 This includes the cost of operating property, plant and equipment that have been added during the nine months period ended March 31, 2018. There were no disposals during the period. The detail of additions is as follows:

Plant & Machinery owned	62,053,519	631,240,588
Building on freehold land	24,228	184,194,111
Office equipments	2,816,766	5,157,469
Vehicles	3,276,345	202,138
Furniture & fixtures	1,311,874	144,213
Electric installations	825,000	2,496,299
	<u>70,307,732</u>	<u>823,434,818</u>

8.2 Capital work in progress

Opening capital work in progress	127,910,922	119,292,102
Additions during the period.	62,528,692	890,377,109
Borrowing cost capitalized	-	21,695,683
Transfer during the year	(68,683,933)	(903,453,972)
Closing balance	<u>121,755,681</u>	<u>127,910,922</u>

8.3

During the period, the Company conducted an operational efficiency review of these assets which resulted in changes in the usage and the expected pattern of consumption of future economic benefits of these assets. The machines which the Company had previously depreciated using reducing balance method are now depreciated using straight method. The related buildings and electric Installations which were also previously depreciated using reducing balance method are now depreciated using straight line method. The Company has accounted for this as a change in accounting estimate. As a result of this change, the depreciation charge for the period has decreased by Rs. 69,554,816.

9 Cost of sales

	Mar-18 Rupees	Mar-17 Rupees
Raw materials consumed	2,211,185,281	2,215,809,335
Carriage inward expenses	1,214,347	1,268,773
Packing material consumed	10,364,760	8,891,691
Production supplies	40,855,290	30,109,684
Fuel and power	118,572,660	88,858,302
Other factory overheads	309,356,286	343,100,512
	<u>2,691,548,624</u>	<u>2,688,038,297</u>
Opening work-in-process	42,527,088	10,285,840
Closing work-in-process	(19,393,962)	(43,858,147)
	<u>23,133,126</u>	<u>(33,572,307)</u>
Cost of goods manufactured	<u>2,714,681,750</u>	<u>2,654,465,990</u>
Opening stock of finished goods	62,299,584	22,897,521
Closing stock of finished goods	(39,930,429)	(30,897,511)
	<u>22,369,155</u>	<u>(7,999,990)</u>
	<u>2,737,050,905</u>	<u>2,646,466,000</u>

	Mar-18 Rupees	Mar-17 Rupees
10 Cash generated (used in) / from operations		
Profit before taxation	14,587,246	255,958,645
Adjustment for non-cash charges and other items:		
Amortization of intangibles	657,248	698,106
Depreciation on operating fixed assets	93,324,634	124,335,205
Depreciation on assets subject to finance lease	5,185,028	6,054,511
Profit on bank deposits	(84,304,102)	(11,643,659)
Finance cost	84,896,263	59,379,574
Gain on disposal of operating fixed assets	63,542	(355,574)
Provision for compensated absences	2,267,352	-
Provision for gratuity	14,429,432	4,472,442
	116,519,397	182,940,605
Profit before working capital changes	131,106,643	438,899,250
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(37,219,661)	(48,032,064)
- Decrease in stock-in-trade	2,407,243	(576,629)
- Increase/decrease in trade debts	16,157,414	(155,513,687)
- Increase in advances, deposits, prepayments and other receivables	(36,482,110)	(137,676,531)
- Increase in trade and other payables	(147,384,299)	59,839,660
	(202,521,413)	(281,959,251)
	(71,414,770)	156,939,999

11. Date of authorisation for issue

The unconsolidated condensed interim financial information was authorised for issue in the Board of Directors meeting held on April 30, 2018.

12. General

- 12.1** Figures have been rounded off to the nearest thousand rupees except as stated otherwise.
- 12.2** Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangement or reclassification has been made during the nine months ended March 31, 2018.
- 12.3** To bring it in line with the requirements of IAS 16 - Property, plant and equipment revaluation of fixed assets have been made part of shareholders' equity.


Chief Financial Officer


Chief Executive


Director

Director's Report

Financial Overview

The financial performance of the Company during the indicated period is as contained in the table below.

	Nine Months Ended		Quarter Ended	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
	Rupees in Million		Rupees in Million	
Sales-net	2,999	3,084	993	992
Cost of Sales	2,737	2,646	854	830
Gross Profit	262	438	139	162
Finance Cost	85	59	28.9	20
Profit before Tax	14.4	256	51.36	96
Profit After Tax	6.8	250	49.8	92

The sales have displayed a downward trend by 2.7% i.e. down to Rs. 2,999 million during the nine months period ending 31 March, 2018. This is slightly lesser to the similar period in 2017, once the sale proceeds peaked at Rs. 3,084 million. This tendency was in spite of the fact that in volumetric terms, the Company sales increased from 24,090 metric tons in 2017 to 24,107 metric tons in 2018.

During the period, the Company conducted an operational efficiency review of machinery, electric installation and buildings which were capitalized in recent past, this resulted in changes in the usage and the expected pattern of consumption of future economic benefits of these assets. The machinery, related buildings and electric installation which the Company had previously depreciated using reducing balance method are now depreciated using straight method. The Company has accounted for this as a change in accounting estimate. As a result of this change, the depreciation charge for the nine months period has decreased by Rs.70 Million.

During the period under review, local currency further lost its value against the US Dollar and the Euro. This led to an increase not only in the cost of raw material, but also the other supporting facilities and commodities. In figurative terms, due to non-availability of forward cover, the Company suffered a cumulative loss of Rs. 64 million to date. Of this a loss of Rs. 22 million was accrued in this quarter alone.

Finance cost increased by Rs.26 million as compare to comparable period last year due to increased working capital requirement which is financed by interest bearing facilities, in addition to that mark-up on long term facilities were not further capitalized due to capitalization of assets. Working capital requirement increased mainly for smooth sourcing of corrugated paper since market dynamics compelled us to soften its credit terms in order to keep its supply chain functional. Furthermore, in order to avoid currency risk company established letter of credit on sight basis as compare to delivery acceptance basis.

However, the Company foresaw the advent of these developments and took timely remedial measures as well as pre-emptive steps to cope with the changed economic scenario. This is evident from the fact that the Company able to report a net profit of Rs. 6.9 million over a nine months period, profits in the current quarter values at 49.8 million.

Even in difficult conditions, operations have achieved EBITDA of Rs. 198 million as compared to Rs. 446 million. The temporary fall in profits in recent months was however but an outfall of the Company's revised efforts to adjust to the foreseeable slumps arising in the overall market.

ROSHAN SUN TAO PAPER MILLS (PRIVATE) LIMITED

There was no significant financial activity during the quarter ended March 2018. Technical consultancy for the project in progress and management of the subsidiary has been making efforts to complete the project on fast pace.

Future Outlook

The management is optimistic about the future of the packaging sector in Pakistan. However, the current market is highly volatile in nature. Not only is the nature of demand being subjected to constant change, increased competition and pressure to reduce prices is totally inconsistent with the increase in cost and overhead expenses. Furthermore, due to the uncertainty prevailing in the country, both on the political as well as financial front, economic activity has not kept pace with scale of production.

Despite the above mentioned challenges, management foresee absolute potential of growth in the packaging sector. Through the efforts and vary positive input by the Punjab Food Authority and other government agencies, awareness regarding food safety and hygiene has emerged as a dominant factor in the packaging sector. The company has taken due cognizance of this aspect and has taken concrete measure in this regard.

Constant appraisals of market trends and speedy adjustments to changing conditions are complemented by a purely futuristic approach. The future of packaging industry is very bright. At present, the Company is concentrating on facilitating its customers by working on "Just in Time" delivery and focusing on targeted growth initiatives, innovations, brand building and cost saving programs.

The Company is laying a lot of stress on value added products as well as providing a broader range of packaging solutions to the FMCGs. Resultantly, what may appear as a temporary loss of profit, will eventually results in the boost in sales and meet the demand in most dimensions of packaging.

The Company has embarked upon an ambitious program of setting up its own Paper Mill and thus providing its own raw material. The commissioning of this mill will not only add substantially to the company's output of packaging material, it will vastly increase revenues through its capacity to meet both domestic as well as international demand of quality paper.

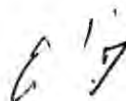
In the interim period between now, and the time the paper mills begins production, the company fully understands the importance of raw material's quality and availability. Hence, up keeping different types of stocks is given top priority. This is also one of the reasons that a substantial working capital is presently engaged but its long-term benefits cannot be undermined.

Acknowledgment

The management avails this opportunity to thank its valued customers for their trust and confidence in the Company's products. Heartfelt gratitude is also extended to all other stockholders including suppliers, bankers, shareholders and employees for their whole-hearted support.



Chief Executive Officer



Chairman

ڈائریکٹر ز رپورٹ

مالیاتی جائزہ

مجوزہ مدت کے لیے کمپنی کی مالیاتی کارکردگی مندرجہ ذیل جدول میں بیان کی گئی ہے۔

تین سہ ماہیوں کا مجموعی جائزہ		صرف تیسری سہ ماہی کا جائزہ		
31 مارچ 2018	31 مارچ 2017	31 مارچ 2018	31 مارچ 2017	
روپے ملین میں		روپے ملین میں		
2,999	3,084	993	992	فروخت سے ہونے والی آمدن
2,737	2,646	854	830	فروخت کی لاگت
262	438	139	162	مجموعی منافع
85	59	28.9	20	فنانس کی لاگت
14.4	256	51.36	96	منافع قبل از ٹیکس
6.8	250	49.8	92	منافع بعد از ٹیکس

کمپنی نے 31 مارچ 2018 کو تیسری سہ ماہی کے اختتام پر فروخت سے 2,999 ملین روپے کی آمدن حاصل کی جبکہ 31 مارچ 2017 کی کل آمدن 3,084 ملین روپے تھی جو کہ فروخت میں 2.7 فیصد کمی کو ظاہر کرتی ہے۔ حجم کے لحاظ سے کمپنی نے اس سال 24,107 میٹرک ٹن کا مال فروخت کیا جو کہ گزشتہ سال 2017 کے اسی عرصے کے دوران 24,098 میٹرک ٹن تھا جو معمولی اضافے کو ظاہر کرتا ہے۔ تاہم مصنوعات کی قیمت فروخت میں کمی کی وجہ سے آمدنی میں 86 ملین روپے کمی واقع ہوئی۔

اس مدت کے دوران کمپنی نے مشینری، برقی تنصیب اور عمارتوں کی عملی کارکردگی کا جائزہ لیا جن میں ماضی قریب میں سرمایہ کاری کی گئی تھی، اس کے نتیجے میں ان اثاثوں کے مستقبل کے اقتصادی فوائد کی کھپت کے متوقع معیار اور استعمال میں تبدیلیاں آئی ہیں۔ کمپنی نے مشینری، متعلقہ عمارات اور برقی تنصیب کی فرسودگی کا عمل پیلے ریڈیوسنگ بیلنس کے طریقہ سے انجام دیا تھا اب براہ راست طریقہ سے فرسودگی کا عمل انجام دیا جا رہا ہے۔ کمپنی نے اس کا حساب اکاؤنٹنگ کے تخمینہ میں تبدیلی کے طور پر رکھا ہے۔ اس تبدیلی کے نتیجے میں، گزشتہ نو مہینوں کے دوران فرسودگی کی لاگت میں 70 ملین روپے کمی آئی ہے۔

زیر جائزہ مدت کے دوران، مقامی کرنسی کی قدر میں اضمحلال اور یورو کے مقابلے میں مزید کمی واقع ہوئی۔ اس سے نہ صرف خام مال بلکہ دیگر معاون سہولیات اور اشیاء کی لاگت میں بھی اضافہ ہوا۔ علاقائی طور پر، فارورڈ کوری کی عدم دستیابی کی وجہ سے، کمپنی کو 64 ملین روپے کا مجموعی نقصان ہوا۔ اس میں سے 22 ملین روپے کا نقصان صرف اس سہ ماہی میں ہوا۔

گزشتہ سال کے مقابلے میں اس سال فنانس کی لاگت میں 26 ملین روپے کا اضافہ ہوا جس کی وجہ کام کے لیے درکار سرمایہ کا بڑھنا تھا جو سود پر سرمایہ فراہم کرنے والے اداروں سے حاصل کیا گیا، اس کے ساتھ ساتھ اثاثوں کو اپنے تصرف میں لانے کی وجہ سے طویل مدتی قرضوں پر بھی سود ادا کرنا پڑا۔ کام کے لیے درکار سرمایے میں اضافے کی بنیادی وجہ گورننگ لیڈر ہب کے خام مال کی باقطل فراہمی ہے کیونکہ کمپنی صورت حال کو اپنے حق میں رکھنے کے لیے چیلنجر کا سامنا کر رہی ہے، کیونکہ مارکیٹ کی غیر یقینی صورت حال ہمیں مجبور کرتی ہے کہ ہم اپنی پلائی چین کو فعال رکھنے کے لیے فراہم کنندگان کے ساتھ کریڈٹ میں نرمی اختیار کریں۔ مزید براں، کرنسی کے خطرے سے تحفظ کی خاطر کمپنی نے ڈیلوری ایکسیپٹینس کے بجائے لیڈ آف کریڈٹ آن سائٹ کا طریقہ اختیار کیا ہے۔

تاہم کمپنی نے اس صورت حال کی پہلے سے پیش بندی کرنی تھی اور تبدیل شدہ معاشی حالات سے نمٹنے کے لیے بروقت انسداد کے ساتھ ساتھ حفظ مالیت کے طور پر اقدامات کیے ہیں۔ یہ بات اس حقیقت سے عیاں ہے کہ کمپنی نے نو مہینوں کی مدت میں 6.9 ملین روپے کا خالص منافع کماتے میں کامیاب رہی، موجودہ سہ ماہی کے دوران منافع کی رقم 49.8 ملین روپے ہے۔

انتہائی نامساعد حالات کے باوجود، آپریشنز نے 446 ملین روپے کے مقابلے میں 198 ملین روپے کا EBITDA حاصل کیا۔ حالیہ مہینوں میں کمپنی کے منافع میں جو کمی ہوئی ہے وہ حقیقت میں مارکیٹ میں جلد ظاہر ہونے والے بحرانوں سے نمٹنے کے لیے کمپنی کی نظر ثانی شدہ کوششوں کا نتیجہ ہے۔

روشن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ

مارچ 2018 کو ختم ہونے والی سہ ماہی کے دوران کوئی قابل ذکر مالیاتی سرگرمی نہیں ہوئی۔ اس منصوبے کی تکنیکی مشاورت کے لیے بات چیت جاری ہے اور اس ذیلی ادارے کی انتظامیہ کوشش کر رہی ہے کہ اسے جلد از جلد مکمل کر لے۔

مستقبل کا نقطہ نظر

کمپنی پاکستان میں پیکینج شعبے کے مستقبل کے بارے میں بہت پُر امید ہے۔ تاہم موجودہ مارکیٹ فطرتاً انتہائی غیر یقینی ہے۔ نہ صرف طلب کی صورت حال بار بار تبدیل ہو رہی ہے بلکہ مقابلے کی بڑھتی ہوئی فضا اور قیمتوں کو کم رکھنے کے لیے دباؤ، لاگت اور اضافی اخراجات میں اضافہ انتہائی بے ربط ہیں۔ مزید برآں ملک میں سیاسی اور معاشی دونوں محاذوں پر جو غیر یقینی صورت حال ہے، اس وجہ سے اقتصادی سرگرمیاں متاثر ہوئی ہیں۔

اوپر بیان کیے گئے چیلنجز کے باوجود، انتظامیہ پیکینج کے شعبے میں بڑھوتری کا مکمل ادراک رکھتی ہے۔ پنجاب فوڈ اتھارٹی اور دیگر حکومتی اداروں کی غذا کے تحفظ اور صحت و صفائی کے بارے میں آگاہی کے لیے کوششیں اور مثبت معلومات پیکینج کے شعبے کی ترقی میں انتہائی معاون ثابت ہوں گی۔ کمپنی نے اس پہلو کا صحیح ادراک کیا اور اس سلسلے میں ٹھوس اقدامات اٹھائے ہیں۔

مارکیٹ کے رجحانات کی مسلسل تشخیص اور بدلتے ہوئے حالات کے مطابق فوری ہم آہنگی کی مکمل طور پر جدید ترین طریقوں سے تکمیل کی جاتی ہے۔ پیکینج کی صنعت کا مستقبل انتہائی روشن ہے۔ فی الحال کمپنی اپنے گاہکوں کو ”بروقت“ ترسیل کو یقینی بنانے کے لیے شب و روز مصروف ہے اور ہدف بخش ترقی کے اقدامات، جدت، براہد کی ترویج اور کفایت شعاری کے پروگرامز پر اپنی توجہ مرکوز کیے ہوئے ہے۔

کمپنی ویلیو ایڈڈ مصنوعات پر زیادہ توجہ دے رہی ہے اس کے ساتھ ساتھ ایف ایم سی جی (فاست مووونگ کنسرپٹوز) کو پیکینج کی ایک وسیع رینج فراہم کر رہی ہے۔ نتیجتاً عارضی طور پر منافع میں کمی بالآخر فروخت کی مجموعی اضافے اور پیکینج کی تمام جہتوں کی طلب پورا کرے گی۔

کمپنی نے اپنی پیپر ملز کا قیام اور اس طرح اپنا خام مال فراہم کرنے کے جرات مندانہ پروگرام کا آغاز کیا ہے۔ اس کی تکمیل نہ صرف پیکینج مواد کی کمپنی کی پیداوار میں خاطر خواہ اضافہ کرے گی بلکہ یہ معیاری کاغذ کی مقامی اور بین الاقوامی طلب کو پورا کرنے کی کمپنی کی اپنی صلاحیت میں اضافہ کر کے آمدنی میں خاطر خواہ اضافہ کرے گی۔

بہرحال کمپنی پیداوار کے آغاز سے پہلے کی عبوری مدت کے لیے کمپنی خام مال کے معیار اور دستیابی کی اہمیت سے پوری طرح باخبر ہے۔ لہذا، مختلف اقسام کے سٹاک میں اضافہ کو ترجیح دی جا رہی ہے۔ یہی ان وجوہ میں سے ایک وجہ ہے کہ کام کے لیے درکار سرمایے کا ایک بڑا حصہ سٹاک میں لگا ہوا ہے لیکن اس کے طویل مدتی فوائد کو نظر انداز نہیں کیا جاسکتا۔

اظہار تشکر

ہم اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی کی مصنوعات اور خدمات پر اعتماد کا اظہار کیا۔ ہم اپنے اسٹیک ہولڈرز بشمول فراہم کنندگان، بینکرز، حصہ داران اور ملازمین کے بھی تبدل سے شکرگزار ہیں جنہوں نے پر خلوص حمایت جاری رکھی ہوئی ہے۔

1

چیرمین

1

چیف ایگزیکٹو آفیسر

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

	Note	Mar-18 Rupees	Jun-17 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		1,500,000,000	1,500,000,000
150,000,000 (2017: 150,000,000) ordinary shares of Rs 10 each			
118,250,250 ordinary shares of Rs 10 each	5	1,182,500,000 2,231,665,370 790,584,940	1,075,000,000 2,339,165,370 808,065,553
Share Premium			
Revenue reserve: Un-appropriated profit			
SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS		1,101,874,016	1,125,148,562
Non-controlling interest		5,246,624,326	5,347,379,485
		168,338,758	168,254,671
NON-CURRENT LIABILITIES			
Long term finance - secured	6	400,312,454	506,371,642
Supplier's credit - unsecured		106,936,667	226,792,596
Liabilities against assets subject to finance lease		28,675,638	17,200,990
Deferred taxation		305,372,573	297,754,400
Deferred liabilities		75,052,366	59,776,480
		910,349,698	1,107,896,108
CURRENT LIABILITIES			
Current portion of long term liabilities		253,155,637	197,746,140
Short term borrowings - secured		1,011,046,674	755,639,809
Trade and other payables	7	916,614,465	990,730,275
Accrued finance cost		26,119,831	11,951,473
		2,206,936,607	1,956,067,697
		8,538,249,389	8,579,597,961

	Note	Mar-18 Rupees	Jun-17 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,982,537,752	3,981,774,327
Assets subject to finance lease		35,516,126	34,508,466
Intangibles		3,958,428	4,051,676
Long term deposits		21,772,414	16,759,933
		4,043,784,720	4,037,658,402
CURRENT ASSETS			
Stores and spares		145,321,853	108,302,192
Stock-in-trade		572,789,782	575,197,025
Trade debts - unsecured		1,175,468,108	1,191,625,522
Advances, deposits, prepayments and other receivables		768,193,846	632,463,724
Cash and bank balances		1,832,491,080	2,034,351,096
		4,494,464,669	4,541,939,539
		8,538,249,389	8,579,597,961

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Chief Financial Officer

John

Chief Executive

Direct

Director

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2018 (Un-audited)

	Note	Nine Months Ended			Quarter ended March 2018	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017	
		Rupees	Rupees	Rupees	Rupees	
Sales		2,998,997,554	3,084,495,774	993,544,590	991,777,820	
Cost of sales	9	(2,737,050,905)	(2,646,466,000)	(854,834,150)	(829,816,822)	
Gross profit		261,946,649	438,029,774	138,710,440	161,960,998	
Administrative expenses		(94,222,143)	(74,796,443)	(33,261,674)	(27,277,134)	
Selling and distribution expenses		(88,115,043)	(69,381,561)	(33,912,904)	(28,229,121)	
Other operating income/(expenses)		19,737,351	21,236,449	8,761,551	9,657,044	
Finance cost		(84,899,713)	(59,379,574)	(28,928,426)	(20,174,125)	
Profit before taxation		14,447,101	255,708,645	51,368,987	95,937,562	
Taxation		7,618,173	6,146,108	1,525,495	4,141,783	
Profit for the year		6,828,928	249,562,537	49,843,492	91,795,879	
Non-Controlling Interest		(84,087)	(100,000)	(83,159)	-	
Profit attributable to group		6,744,841	249,462,537	49,760,333	91,795,879	
Other comprehensive income:						
Earning Per Share-Basic & diluted		0.06	3.14	0.42	1.15	
Items that will not be reclassified subsequently to profit or loss						
Surplus on revaluation of operating fixed assets realised through incremental depreciation charged on related assets for the year - net of tax		23,274,546	-	5,813,864	28,516,944	
Remeasurement of retirement benefits - net of tax		23,274,546	28,516,944	5,813,864	28,516,944	
Total comprehensive income for the period		30,019,387	277,979,481	55,574,197	120,312,823	



Chief Financial Officer



Chief Executive



Director

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2018 (Un-audited)

	Share capital Rupees	Revenue reserve: Un-appropriated profit Rupees	Share Premium Rupees	Subtotal Rupees	Non-controlling Interest Rupees	Total Rupees
Balance as on July 01, 2016	299,390,000	988,073,315	-	1,287,463,315	135,967,323	1,423,430,638
Issue of Bonus Shares	450,610,000	(450,610,000)	-	-	-	-
Profit for the year ended June 2017	-	239,410,283	-	239,410,283	(145,611)	239,264,672
Share premium	-	-	2,478,125,000	2,478,125,000	-	2,478,125,000
Expenses incurred on issuance of shares	-	-	(138,959,630)	(138,959,630)	-	(138,959,630)
Other Comprehensive income for the period	-	31,191,955	-	31,191,955	-	31,191,955
	-	270,602,238	2,339,165,370	2,609,767,608	(145,611)	2,609,621,997
Share deposit money adjusted against issue of ordinary shares to non-controlling interest	-	-	-	-	(136,053,017)	(136,053,017)
Issue of Share capital	325,000,000	-	-	325,000,000	-	325,000,000
Ordinary shares issued against cash to non-controlling interest	-	-	-	-	136,053,017	136,053,017
	325,000,000	-	-	325,000,000	32,432,959	32,432,959
As at June 30 2017	1,075,000,000	808,065,553	2,339,165,370	4,222,230,923	168,254,671	4,390,485,594
Profit for the period	-	6,744,841	-	6,744,841	84,087	6,828,928
Other Comprehensive income for the period	-	23,274,546	-	23,274,546	-	23,274,546
Dividende paid during the period	-	(107,500,000)	-	(107,500,000)	-	(107,500,000)
Issue of bonus shares	107,500,000	-	(107,500,000)	-	-	-
	107,500,000	(77,480,613)	(107,500,000)	(77,480,613)	84,087	(77,396,526)
Balance as on March 31, 2018	1,182,500,000	730,584,940	2,231,665,370	4,144,750,310	168,338,758	4,313,089,068

[Signature]

Chief Financial Officer

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Chief Executive

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Director

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED March 31, 2018 (Un-audited)

	Note	March-2018 Rupees	March-2017 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	10	(111,071,918)	160,408,569
Finance cost paid		(70,731,355)	(43,133,002)
Taxes paid		(54,744,577)	(49,777,901)
Net increase in long term deposits		(5,012,481)	(3,170,673)
Net cash inflow from operating activities		(241,560,331)	64,326,993
Cash flows from investing activities			
Purchase of property, plant and equipment		(88,853,424)	(956,881,674)
Purchase of intangibles		-	(478,072)
Proceeds from disposal of operating fixed assets		765,637	2,100,000
Increase in long term deposits		-	(3,170,673)
Profit on bank deposits received		81,927,305	461,734
Net cash outflow from investing activities		(6,160,482)	(957,968,685)
Cash flows from financing activities			
Repayment of long term loans		(75,559,142)	-
Proceeds from share premium		-	2,478,125,000
Proceeds from long term loans		-	177,964,166
Proceeds from issuance of share capital		-	325,000,000
Repayment of supplier's credit		(101,442,001)	11,667,440
Proceeds from term finances acquired		866,642,144	796,456,282
Dividend paid		(36,677,316)	-
Zakat paid		(725,240)	-
Repayment of term finances		(764,776,949)	(815,317,544)
Repayment of finance lease liabilities		(9,609,502)	(9,575,171)
Proceeds from issuance of share capital of subsidiary		-	32,432,959
Net cash inflow from financing activities		(122,148,006)	2,996,753,132
Net decrease in cash and cash equivalents		(369,868,819)	2,103,111,440
Cash and cash equivalents at the beginning of the year		1,753,179,680	146,440,016
Cash and cash equivalents at the end of the period		1,383,310,861	2,249,551,456


Chief Financial Officer


Chief Executive


Director

Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 31 March 2018 (Un-Audited)

1.

The Group consists of Roshan Packages Limited and Roshan Sun Tao Paper Mills (Private) Limited, together "the Group"

Roshan Packages Limited (the 'parent and hereinafter also referred to as the 'packaging materials segment') was incorporated in Pakistan as a private company limited by shares on August 13, 2002. It converted into public limited company on September 23, 2016 and got listed on Pakistan Stock Exchange Limited on February 24, 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials. The registered office of the company is situated at 325 G-III, M.A. Johar Town, Lahore. The corrugation packaging facility is located at 7 km, Sundar Raiwind Road Lahore, and flexible packaging facility is located at Plot No. 141, 142 and 142-B Sundar Industrial Estate Raiwind, Lahore.

Roshan Sun Tao Paper Mills (Private) Limited (the 'subsidiary' and hereinafter also referred to as the 'corrugated papers segment') was incorporated in Pakistan as a private company limited by shares on January 08, 2016, and is a joint venture with Shandong Yongtai Paper Mill Company Limited, China. The principal activity of the subsidiary will be manufacturing, supplying and dealing in corrugated papers. The parent company holds 60% of voting securities in the subsidiary. The registered office of the subsidiary is situated at 325-GIII, M.A. Johar Town Lahore. The country of incorporation is also its principal place of business and subsidiary's financial year end is June 30. As of the reporting date, the subsidiary is in its set up phase and has not yet commenced its commercial operations.

These financial statements are the separate financial statements of the company. Consolidated financial statements are prepared separately.

2. Basis of preparation

2.1 This condensed interim Consolidated financial information comprises the condensed interim Consolidated balance sheet of the Company, as at 31 March 2018 and the related condensed interim Consolidated profit and loss account, condensed interim Consolidated cash flow statement and condensed interim Consolidated statement of changes in equity together with the notes forming part thereof.

2.2 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of: International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017; and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Comparative Consolidated balance sheet numbers are extracted from the annual audited Consolidated financial statements of the Company for the year ended 30 June 2017, whereas comparatives of condensed interim Consolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim Consolidated financial information of the Company for the quarter ended 31 March 2018.

2.4 This condensed interim Consolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the companies Act 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Judgments and estimates.

In preparing this interim Consolidated financial information, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated financial statements for the year ended 30 June 2017.

4 Statement of consistency in accounting policies

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2017. The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2018.

IFRIC 22 'Foreign Currency Transactions and Advanced Consideration' is effective for annual periods beginning on or after January

IFRS 15 'Revenue from Contract with Customers' is effective for annual periods beginning on or after July 01, 2018.

IFRS 9 'Financial Instruments' is effective for annual periods beginning on or after July 01, 2018.

IFRIC 23 'Uncertainty over Income Tax Treatments' is effective for annual periods beginning on or after January 01, 2019.

Amendments to IFRS 9 - Financial Instruments clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after January 01, 2019.

Annual improvements to IFRS standards 2015-2017 cycle are effective for annual periods beginning on or after January 01, 2019.

In addition, the Companies Act, 2017 applicable from January 01, 2018 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 - Property, plant and equipment. This amendment will result in reclassification of surplus on revaluation of fixed assets as part of shareholders' equity.

5. Issued, subscribed and paid up share capital

Mar-18 (Number of shares)	Jun-17	Note	Mar-18 Rupees	Jun-17 Rupees
		Ordinary shares of Rs 10 each		
57,336,000	57,336,000	fully paid in cash	573,360,000	573,360,000
		Ordinary shares of Rs 10 each		
		fully paid for consideration other		
5,103,000	5,103,000	than cash	51,030,000	51,030,000
55,811,000	45,061,000	Issue of bonus Shares	558,110,000	450,610,000
-	-	Issue of shares to general public	-	-
<u>118,250,000</u>	<u>107,500,000</u>		<u>1,182,500,000</u>	<u>1,075,000,000</u>

5.1 These right shares were issued against the fair value of land acquired which measures 48 kanals and 12 marlas and is situated opposite to Sundar Industrial Estate, Bhai Kot, Raiwind, Lahore.

6. Long term finance - secured

	Mar-18 Rupees	Jun-17 Rupees
This has been obtained from the following financial institution:		
Dubai Islamic Bank Pakistan Limited	180,812,500	256,371,642
United Bank Limited	219,499,954	250,000,000
	<u>400,312,454</u>	<u>506,371,642</u>

7. Trade and other payables

Trade creditors	517,095,835	586,332,679
Bills payable	215,809,792	245,261,957
Advances from customers	24,644,399	28,317,658
Retention money	7,309,907	7,045,256
Accrued liabilities	51,382,127	59,094,935
Dividend payable	70,822,684	-
Withholding tax payable	3,480,398	9,195,095
Workers' profit participation fund	21,153,446	37,345,954
Workers' welfare fund	1,678,561	1,678,561
Advances from employees	3,237,316	3,135,164
	<u>916,614,465</u>	<u>977,407,259</u>

8.	Property, plant and equipment	Mar-18 Rupees	Jun-17 Rupees
Operating fixed assets	8.1	3,611,194,459	3,626,184,953
Capital work in progress	8.2	371,343,293	355,589,374
		3,982,537,752	3,981,774,327

8.1 This includes the cost of operating property, plant and equipment that have been added during the nine months period ended March 31, 2018. There were no disposals during the period. The detail of additions is as follows:

Freehold land	-	174,106,382
Plant & Machinery owned	62,053,519	631,240,588
Building on freehold land	15,260,739	184,194,111
Office equipments	2,816,766	5,157,469
Vehicles	3,276,345	202,138
Furniture & fixtures	1,311,874	144,213
Electric installations	825,000	2,496,299
Total	85,544,243	997,541,200

8.2	Capital work in progress	Mar-18 Rupees	Jun-17 Rupees
	Opening capital work in progress	355,589,374	443,680,266
	Additions during the period.	84,437,852	967,773,779
	Borrowing cost capitalized	-	21,695,683
	Transfer during the year	(68,683,933)	(1,077,560,354)
	Closing balance	<u>371,343,293</u>	<u>355,589,374</u>

8.3

During the period, the Company conducted an operational efficiency review of these assets which resulted in changes in the usage and the expected pattern of consumption of future economic benefits of these assets. The machines which the Company had previously depreciated using reducing balance method are now depreciated using straight method. The related buildings and electric Installations which were also previously depreciated using reducing balance method are now depreciated using straight line method. The Company has accounted for this as a change in accounting estimate. As a result of this change, the depreciation charge for the period has decreased by Rs. 69,554,816.

9	Cost of sales	Mar-18 Rupees	Mar-17 Rupees
	Raw materials consumed	2,211,185,281	2,215,809,335
	Carriage inward expenses	1,214,347	1,268,773
	Packing material consumed	10,364,760	8,891,691
	Production supplies	40,855,290	30,109,684
	Fuel and power	118,572,660	88,858,302
	Other factory overheads	309,356,286	343,100,512
		<u>2,691,548,624</u>	<u>2,688,038,297</u>
	Opening work-in-process	42,527,088	10,285,840
	Closing work-in-process	(19,393,962)	(43,858,147)
		<u>23,133,126</u>	<u>(33,572,307)</u>
	Cost of goods manufactured	<u>2,714,681,750</u>	<u>2,654,465,990</u>
	Opening stock of finished goods	62,299,584	22,897,521
	Closing stock of finished goods	(39,930,429)	(30,897,511)
		<u>22,369,155</u>	<u>(7,999,990)</u>
		<u>2,737,050,905</u>	<u>2,646,466,000</u>

10	Cash generated (used in) / from operations	Mar-18 Rupees	Mar-17 Rupees
	Profit before taxation	14,447,101	255,708,645
	Adjustment for non-cash charges and other items:		
	Amortization of intangibles	657,248	698,106
	Depreciation on operating fixed assets	93,324,634	124,335,205
	Depreciation on assets subject to finance lease	5,185,028	6,054,511
	Profit on bank deposits	(84,304,102)	(11,643,659)
	Finance cost	84,899,713	59,379,574
	Gain on disposal of operating fixed assets	63,542	(355,574)
	Provision for compensated absences	2,267,352	-
	Provision for gratuity	14,429,432	4,472,442
		116,522,847	182,940,605
	Profit before working capital changes	130,969,948	438,649,250
	Effect on cash flow due to working capital changes:		
	- Increase in stores and spares	(37,219,661)	(48,032,064)
	- Decrease in stock-in-trade	2,407,243	(576,629)
	- Increase/decrease in trade debts	16,157,414	(141,091,375)
	- Increase in advances, deposits, prepayments and other receivables	(78,448,368)	(144,312,425)
	- Increase in trade and other payables	(144,938,494)	55,771,812
		(242,041,866)	(278,240,681)
		(111,071,918)	160,408,569

11. Date of authorisation for issue

The unconsolidated condensed interim financial information was authorised for issue in the Board of Directors meeting held on April 30, 2018.

12. General

- 12.1 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.
- 12.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangement or reclassification has been made during the nine months ended March 31, 2018.
- 12.3 To bring it in line with the requirements of IAS 16 - Property, plant and equipment revaluation of fixed assets have been made part of shareholders' equity.


Chief Financial Officer


Chief Executive


Director

ROSHAN

P a c k a g e s

A stylized graphic element consisting of two overlapping, curved shapes that resemble a stylized 'R' or a modern architectural form, rendered in a dark gray color.