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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

**Bankers**  
Allied Bank Limited  
Askari Bank Limited  
Dubai Islamic Bank Limited  
Standard Chartered Bank  
Habib Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
United Bank Limited  
Bank of Punjab  
JS Bank Limited

### 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.

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](http://www.roshanpackages.com.pk)

## **Director's Report**

The Directors of the Company present their Director's Report along with the Un Audited Financial Statements of the Company for the period ended September 30, 2018.

### **Financial Overview**

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

	Quarter Ended	
	30-Sep-2018	30-Sep-2017
	Rupees in Million	
<b>Sales-net</b>	1,296	1,086
<b>Cost of Sales</b>	1,219	1,020
<b>Gross Profit</b>	77	67
<b>Finance Cost</b>	38	28
<b>Net (loss)/ profit</b>	(11)	4.6

By the Grace of Almighty your company is returning towards its double-digit growth trajectory and has achieved all time highest sales resulting from the capacity enhancement during the last years. Your company has registered net sales during the quarter at Rs. 1.296 billion, as compared to Rs. 1.086 billion in the same quarter last year, showing an increase of Rs. 210 million, which is 19% more than comparable period.

Resultantly your company have registered gross profit of Rs. 77 million as compare to 67 million showing an increased of 10 million as compare to last period, which is 15% more than compare able period.

Finance cost for the quarter under review have been increased by 35% as compare to last period mainly due to rise in policy rate by State Bank of Pakistan and increased in working capital requirements. The increased in working capital requirement is part of strategy to avoid foreign currency exposure by converting usance letter of credit to sight term and subsequently retiring it through term financing.

Further due to devaluation of Pak Rupee your company has suffered loss of Rs. 8 million during the period under review.



The major reason of loss is shrinking of margins due to lag of passing increasing prices of raw material, fuel prices, increased in finance cost and foreign exchange loss due to high volatility of Pak Rupee.

### **Future Outlook**

New government is taking positive steps to cope up with microeconomic challenges. In order to control current account deficit measure like restriction on imports will trigger growth in local industries which ultimately beneficial for the country. The demand for local products will grow which ultimately raised the demand for the packaging products in upcoming quarters. However, increasing trend in fuel prices, policy rates and volatility in exchange rates will remain challenges for the economy.

Management of your company is very optimistic about future of the packaging industry in Pakistan. Being fully aware of the situation management is focusing on deploying most feasible sales mix and taking all possible measures to increase sales by maximizing capacity utilization. Management is continually reviewing the business strategy to cope with the challenges and has been incessantly endeavouring not only to tap alternative inexpensive sources of raw material but also focusing on rationalization of other costs as well as passing its cost to customers.

The future of packaging industry is very bright. Currently, the Company is aggressive in increasing its customer base and concentrating on facilitating its customers by trying to work on Just in Time delivery and focusing on targeted growth initiatives, innovations, brand building and cost saving programs. The Company is giving a lot of importance on value added products and trying to find a broader range of packaging solutions to the FMCGs.

### **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, sharcholders and employees for their whole-hearted support.



**Chief Executive Officer**



**Chairman**

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2018ء کو ختم ہونے والے دورانیہ کے لیے ڈائریکٹرز کی رپورٹ مع ادارے کے بغیر جانچ پڑتال کے (Un-Audited) مالیاتی گوشوارے پیش کرتے ہیں۔

مجموعی جائزہ

مجوزہ دورانیہ کے لیے کمپنی کی مالیاتی کارکردگی کو درج ذیل جدول میں بیان کیا گیا ہے:

30 ستمبر 2017	30 ستمبر 2018	
روپے ملین میں		
1,086	1,296	کل فروخت
1,020	1,219	فروخت کی لاگت
67	77	مجموعی منافع
28	38	فنانس کی لاگت
4.6	(11)	خالص (نقصان)/منافع

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی تیز رفتار ترقی کے گراف کی طرف واپس آ رہی ہے اور گزشتہ سال کے دوران پیداواری صلاحیت میں اضافہ کی وجہ سے سب سے زیادہ فروخت حاصل کرنے میں کامیاب رہی ہے۔ آپ کی کمپنی نے اس سہ ماہی کے دوران 1,296 ملین روپے کی کل فروخت حاصل کی، جبکہ گزشتہ سال اسی سہ ماہی کے دوران کل فروخت 1,086 ملین روپے تھی یعنی 210 ملین روپے زیادہ جو کہ اس عرصہ کے لیے 19 فیصد زیادہ ہے۔

اس کے نتیجے میں آپ کی کمپنی نے 67 ملین روپے کے مقابلے میں 77 ملین روپے کا مجموعی منافع حاصل کیا یعنی گزشتہ عرصہ کے مقابلے میں 10 ملین روپے کا اضافہ جو کہ اس عرصہ کے لیے 15 فیصد زیادہ ہے۔

زیر جائزہ سہ ماہی کے دوران، گزشتہ عرصہ کے مقابلے میں فنانس کی لاگت میں 35 فیصد اضافہ ہوا جس کی بڑی وجہ اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ اور کام کے لیے درکار سرمایہ کی طلب میں اضافہ ہے۔ کام کے لیے درکار سرمایہ کی طلب میں اضافہ اس حکمت عملی کا نتیجہ ہے جس میں غیر ملکی کرنسی کے اتار چڑھاؤ سے بچنے کے لیے لیئر آف کریڈٹ کو سائٹ ٹرم میں تبدیل کرنا اور بعد ازاں اسے ٹرم فنانسنگ کے ذریعے ختم کرنا ہے۔

مزید برآں پاکستانی روپے کی قدر میں کمی کی وجہ سے آپ کی کمپنی کو زیر جائزہ عرصہ کے دوران 8 ملین روپے کا نقصان اٹھانا پڑا ہے۔ نقصان کی بڑی وجہ منافع کی شرح کا سبوتاہ جو خام مال کی بڑھتی قیمتوں کے اثر کی گاہک کو عدم منتقلی، ایندھن کی قیمتوں میں اضافہ، فنانس کی بڑھتی لاگت اور پاکستانی روپے کی قدر میں بے تحاشا کمی کی وجہ سے غیر ملکی زرمبادلہ کے نقصان کی بدولت ہوا۔

## مستقبل کا نقطہ نظر

نئی حکومت مائیکرو انکناک چیلنجز سے نمبر آ رہا ہونے کے لیے مثبت اقدامات اٹھا رہی ہے۔ کرنٹ اکاؤنٹ خسارے پر قابو پانے کے لیے مختلف اقدامات جیسا کہ درآمدات پر پابندیاں مقامی صنعتوں کی پیداوار میں اضافے کا باعث بنیں گی نتیجتاً ملک کو فائدہ ہوگا۔ مقامی مصنوعات کی طلب میں اضافہ ہوگا جس کی وجہ سے آنے والی سہ ماہیوں میں ٹیکسٹائل کی مصنوعات کی طلب میں بھی اضافہ ہوگا۔ تاہم ایندھن کی قیمتوں میں اضافے، پالیسی ریٹ اور شرح تبادلہ میں اتار چڑھاؤ کی وجہ سے معیشت کو چیلنجز کا سامنا ہوگا۔

آپ کی کمپنی کی انتظامیہ پاکستان میں ٹیکسٹائل کی صنعت کے مستقبل کے بارے میں بہت پر امید ہے۔ صورت حال سے پوری طرح آگاہ ہونے کی وجہ سے، انتظامیہ متفرق فروخت کے تمام مروجہ طریق کار اپنا رہی اور بڑھتی ہوئی صلاحیت کو استعمال کرتے ہوئے فروخت میں اضافے کے لیے تمام ممکنہ اقدامات اٹھا رہی ہے۔ انتظامیہ چیلنجز کا سامنا کرنے کے لیے کاروباری حکمت عملی کا مسلسل جائزہ لے رہی ہے اور خام مال کے متبادل سستے ذرائع ڈھونڈنے کے لیے نہ صرف متواتر کوشاں ہے بلکہ گاہکوں تک لاگت کے اثرات پہنچانے کے ساتھ ساتھ دوسرے اخراجات کو کم کرنے پر بھی غور کر رہی ہے۔

ٹیکسٹائل کی صنعت کا مستقبل بہت روشن ہے۔ فی الحال کمپنی اپنی کسٹمر بیس کو بڑھانے کے لیے کافی تیزی سے کام کر رہی ہے اور اپنے گاہکوں کی سہولت کے لیے مصنوعات کی بروقت ترسیل کے لیے کوشاں ہے اور ٹارگٹڈ نمونے کے لیے اقدامات، جدت، اپنی مصنوعات کے وقار اور کم خرچ پروگراموں پر غور کر رہی ہے۔ کمپنی قدر افزوں مصنوعات کو بہت اہمیت دے رہی ہے اور ایف ایم جی کے لیے ٹیکسٹائل کے وسیع امکانات کی تلاش کی کوشش کر رہی ہے۔

اظہار شکریہ

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 شکرگزار ہیں جنہوں نے لگاتار حمایت جاری رکھی۔

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چیرمین

Junaid

چیف ایگزیکٹو آفیسر

# ROSHAN PACKAGES LIMITED

## CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2018

	Sep-18 Rupees	Jun-18 Rupees	Note	Sep-18 Rupees	Jun-18 Rupees
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
Authorized share capital		1,500,000,000			
150,000,000 (2018: 150,000,000)					
ordinary shares of Rs 10 each					
	1,500,000,000	1,500,000,000			
107,500,000 ordinary shares of Rs 10 each	5				
Share Premium		1,182,500,000			
		2,231,665,370			
<b>SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS</b>					
Revenue reserve: Un-appropriated profit		1,071,331,417			
		645,350,303			
	5,130,847,090	5,142,680,994			
<b>NON-CURRENT LIABILITIES</b>					
Supplier's credit - unsecured		186,145,423			
Liabilities against assets subject to finance lease		9,850,797			
Deferred taxation		277,646,741			
Deferred liabilities		67,713,855			
	543,552,169	539,656,304			
<b>CURRENT LIABILITIES</b>					
Current portion of long term liabilities		611,856,954			
Short term borrowings - secured	6	1,458,117,256			
Trade and other payables	7	1,035,962,913			
Unclaimed dividend		878,046			
Accrued finance cost		34,491,832			
		3,141,307,001			
		8,815,706,260			
		8,392,186,418			
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	8	3,604,966,546			
Intangibles		2,843,555			
Investment in subsidiary		111,376,130			
Long term loan - unsecured, considered good		88,205,159			
Long term deposits		20,501,701			
		3,827,953,091			
		3,843,406,165			
<b>CURRENT ASSETS</b>					
Stores and spares	9	150,023,161			
Stock-in-trade		623,930,543			
Trade debts - unsecured	10	1,569,515,501			
Short term loan - unsecured, considered good		92,186,870			
Advances, deposits, prepayments and other receivables	11	812,971,934			
Cash and bank balances	12	1,745,125,160			
		4,987,753,169			
		8,815,706,260			
		8,392,186,418			

The annexed notes from 1 to 15 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive

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Director

**ROSHAN PACKAGES LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-audited)**

<b>Quarter ended September 2018</b>			
	<b>Note</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Sales		1,296,083,617	1,086,837,005
Cost of sales	13	<u>(1,218,870,574)</u>	<u>(1,019,951,685)</u>
<b>Gross profit</b>		77,213,043	66,885,320
Administrative expenses		(28,909,304)	(30,462,018)
Selling and distribution expenses		(39,402,276)	(32,320,095)
Net of other operating income		17,193,944	28,750,189
Finance cost		<u>(37,929,311)</u>	<u>(28,174,453)</u>
<b>(Loss)/Profit before taxation for the period</b>		(11,833,904)	4,678,943
Taxation		-	-
<b>(Loss)/Profit after taxation for the period</b>		<u>(11,833,904)</u>	<u>4,678,943</u>
<b>Earning Per Share-Basic &amp; diluted</b>		(0.10)	0.05
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Surplus on revaluation of operating fixed assets realised through incremental depreciation charged on related assets for the period - net of tax		7,187,866	7,721,790
		7,187,866	7,721,790
<b>Total comprehensive income for the period</b>		<u><u>(4,646,038)</u></u>	<u><u>12,400,733</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
**Chief Financial Officer**

  
**Chief Executive**

  
**Director**

# ROSHAN PACKAGES LIMITED

## CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2018 (Un-audited)

	Share capital Rupees	Revenue reserve: Un-appropriated profit Rupees	Surplus on revaluation of property, plant and equipment	Share Premium Rupees	Total Rupees
<b>Balance as on July 01, 2017-Restated</b>	1,075,000,000	820,970,146	1,073,890,796	2,339,165,370	5,309,026,312
Loss after taxation		(90,547,997)	-		(90,547,997)
Other comprehensive income:					
Remeasurement of retirement benefits - net of tax		2,951,215	-	-	2,951,215
Effect of change in tax rate on balance of revaluation on property, plant and equipment	-	-	28,751,464	-	28,751,464
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	(87,596,782)	28,751,464	-	(58,845,318)
Transaction with owners of the Company		24,122,977	(24,122,977)		-
Final cash dividend for the year ended 30 June 2017 @ Rs. 1 per share	-	(107,500,000)	-	-	(107,500,000)
Bonus shares issued	107,500,000	-	-	(107,500,000)	-
<b>As at 30 June 2018</b>	1,182,500,000	649,996,341	1,078,519,283	2,231,665,370	5,142,680,994
Loss for the period					
Other Comprehensive income for the period		(11,833,904)	(7,187,866)	-	(11,833,904)
<b>Balance as on September 30, 2018</b>	1,182,500,000	645,350,303	1,071,331,417	2,231,665,370	5,130,847,090

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
Chief Financial Officer

  
Director

# ROSHAN PACKAGES LIMITED

## CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30, 2018 (Un-audited)

	Note	30 Sept-2018 Rupees	30 Sept-2017 Rupees
<b>Cash flows from operating activities</b>			
Cash used in operations	14	(36,741,402)	(90,661,073)
Finance cost paid		(24,727,471)	(15,146,218)
Taxes paid		(41,461,426)	(25,177,566)
Gratuity paid		(3,620,031)	-
Accumulated absences paid		(202,099)	-
Net increase in long term deposits		-	(1,192,200)
<b>Net cash inflow from operating activities</b>		<u>(106,752,429)</u>	<u>(132,177,057)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(10,804,524)	(33,459,556)
Increase in long term loan		(5,292,821)	(1,192,200)
Purchase of intangibles		(708,848)	(492,936)
Profit on bank deposits received		23,894,444	15,984,623
<b>Net cash / inflow (outflow) from investing activities</b>		<u>7,088,251</u>	<u>(19,160,069)</u>
<b>Cash flows from financing activities</b>			
Repayment of long term loans		(25,000,000)	(25,775,153)
Repayment of supplier's credit		-	(24,073,853)
Proceeds / (Repayments) from term finances acquired		124,307,875	(99,215,449)
Repayment of finance lease liabilities		(3,811,935)	(2,479,439)
<b>Net cash inflow from financing activities</b>		<u>95,495,940</u>	<u>(151,543,894)</u>
<b>Net decrease in cash and cash equivalents</b>		(4,168,238)	(302,881,020)
<b>Cash and cash equivalents at the beginning of the year</b>		1,749,293,398	2,034,190,710
<b>Cash and cash equivalents at the end of the period</b>		<u><u>1,745,125,160</u></u>	<u><u>1,731,309,690</u></u>

  
Chief Financial Officer

  
Chief Executive

  
Director

## Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2018 (Un-Audited)

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 30 September 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 directive 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 2018, 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 30 September 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 Use of judgments and estimates

The preparation of the unconsolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the unconsolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual unconsolidated financial statements of the Company for the year ended June 30, 2018.

**4** New standards amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2018

**4.1** During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the unconsolidated financial statement of the Company

IAS 7, 'Statement of Cash Flows' amendments introduced an additional disclosure that will enable users of unconsolidated financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided. The relevant disclosure have been made in these unconsolidated financial statements.

#### **4.2 Application of Companies Act, 2017**

The Companies Act, 2017 became applicable for accounting period ending on or after 30 June 2018. The new Act specified certain additional disclosures to be included in the financial statements. Accordingly, the Company has presented the required disclosures in these financial statements and represented certain comparatives. However there was no change in the reported amounts of statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows, due to these re-presentations.

#### **4.3 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2018:**

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's unconsolidated financial statements.



- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 01 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 July 2018 and 01 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification, measurement of financial instruments and the disclosure requirements of the standard.
- IFRS 16 'Leases' (effective for annual period beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of the standard is likely to have a material impact on the on the Company's financial statements. The Company is currently in the process of analyzing the potential impact of changes required in classification, measurement of financial instruments and the disclosure requirements of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment is not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of the amendments is not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a Company increases its interest in a joint operation that meets the definition of a business. A Company remeasures its previously held interest in a joint operation when it obtains control of the business. A Company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a Company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 01 January 2019 and are not likely to have an impact on Company's financial statements.

#### 5. Issued, subscribed and paid up share capital

Sep-18	Jun-18		Sep-18	Jun-18
(Number of shares)			Rupees	Rupees
		Ordinary shares of Rs 10 each		
57,336,000	57,336,000	fully paid in cash	573,360,000	573,360,000
55,811,000	55,811,000	Ordinary shares of Rs 10 each fully paid in cash	558,110,000	558,110,000
5,103,000	5,103,000	Ordinary shares of Rs 10 each fully paid for consideration other than cash	51,030,000	51,030,000
<u>118,250,000</u>	<u>118,250,000</u>		<u>1,182,500,000</u>	<u>1,182,500,000</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, Bhair Kot, Raiwind, Lahore.

#### 6 Short term borrowings - secured

Running finance - secured	389,856,708	471,559,319
Term finances		
- Import finance	775,847,634	185,983,794
- Murabaha/Istisna	292,412,914	676,266,266
Term finances - secured	1,068,260,548	862,250,060
	<u>1,458,117,256</u>	<u>1,333,809,379</u>

#### 7. Trade and other payables

Trade creditors	897,859,019	593,313,561
Bills payable	60,598,539	52,795,524
Advances from customers	10,483,972	3,861,527
Retention money	851,021	4,167,040
Accrued liabilities	53,567,256	52,556,138
Withholding tax payable	7,211,598	3,601,722
Workers' welfare fund	1,678,561	1,678,561
Advances from employees	3,712,947	3,527,610
	<u>1,035,962,913</u>	<u>715,501,683</u>

#### 8. Property, plant and equipment

Operating fixed assets	3,423,578,947	3,452,467,657
Capital work-in-progress	181,387,599	172,890,360
	<u>3,604,966,546</u>	<u>3,625,358,017</u>

	Sep-18 Rupees	Jun-18 Rupees
<b>9. Stock-in-trade</b>		
Raw materials	538,306,660	569,085,590
Work-in-process	42,749,020	20,776,488
Finished goods	42,874,863	41,789,793
	<u>623,930,543</u>	<u>631,651,871</u>
<b>10. Trade debts - unsecured</b>		
Considered good	1,563,515,501	1,231,373,541
Considered doubtful	48,135,576	48,135,575
	<u>1,611,651,077</u>	<u>1,279,509,116</u>
Less: Provision for doubtful debts	48,135,576	48,135,575
	<u>1,563,515,501</u>	<u>1,231,373,541</u>
<b>11. Advances, deposits, prepayments and other receivables</b>		
Advances - considered good:		
- To employees	13,715,069	12,813,298
- To suppliers	165,153,652	101,950,842
Sales tax receivable	194,617,394	183,636,382
Income tax receivable	393,789,521	369,556,236
Prepayments	13,706,716	2,284,790
Security deposits	8,402,115	5,934,505
Interest receivable	23,587,467	21,538,540
	<u>812,971,934</u>	<u>697,714,593</u>
<b>12. Cash and bank balances</b>	<b>30 Sep-18</b>	<b>30 Sep-17</b>
At banks on:		
- Savings accounts	292,350,520	306,937,893
- Current accounts	202,501,789	192,086,738
- Term deposits	1,250,000,000	1,250,000,000
	<u>1,744,852,309</u>	<u>1,749,024,631</u>
Cash in hand	272,851	268,767
	<u>1,745,125,160</u>	<u>1,749,293,398</u>
<b>13 Cost of sales</b>		
Raw materials consumed	1,066,917,494	800,883,437
Carriage inward expenses	466,480	541,257
Packing material consumed	7,008,998	4,582,287
Production supplies	9,085,930	18,903,311
Fuel and power	47,274,181	37,770,901
Salaries, wages and other benefits	55,047,427	52,094,770
Repairs and maintenance	16,459,173	5,150,803
Printing and stationery	198,463	181,775
Insurance	1,548,813	2,216,808
Rent	78,200	391,321
Travelling and conveyance	5,454,942	8,390,874
Communication expenses	210,499	169,666
Vehicle running expenses	755,848	318,038
Depreciation on operating fixed assets	29,975,451	55,350,060
Depreciation on assets subject to finance lease	387,498	110,757
Others	1,058,779	1,489,472
	<u>1,241,928,176</u>	<u>988,545,537</u>
Opening work-in-process	20,776,488	42,527,088
Closing work-in-process	(42,749,020)	(18,280,466)
	<u>(21,972,532)</u>	<u>24,246,622</u>
Cost of goods manufactured	<u>1,219,955,644</u>	<u>1,012,792,159</u>

	30 Sep-18 Rupees	30 Sep-17 Rupees
Opening stock of finished goods	41,789,793	62,299,584
Closing stock of finished goods	(42,874,863)	(55,140,058)
	(1,085,070)	7,159,526
	<u>1,218,870,574</u>	<u>1,019,951,685</u>
<b>14 Cash used in operations</b>		
Profit before taxation	(11,833,904)	4,678,943
Adjustment for non-cash charges and other items:		
Amortization of intangibles	354,424	246,468
Depreciation on operating fixed assets	30,808,497	55,466,361
Depreciation on assets subject to finance lease	387,498	1,635,911
Profit on bank deposits	(25,893,868)	(28,577,109)
Exchange loss	7,653,394	-
Finance cost	37,929,311	28,174,453
Provision for accumulating compensated absences	850,257	-
Provision for gratuity	4,809,813	4,472,442
<b>Profit before working capital changes</b>	<u>45,065,422</u>	<u>66,097,469</u>
<b>Effect on cash flow due to working capital changes:</b>		
- Increase in stores and spares	(3,463,181)	(9,225,968)
- Decrease in stock-in-trade	7,721,328	14,897,241
- Increase in trade debts	(332,141,960)	(73,612,364)
- Increase in advances, deposits, prepayments and other receivables	(77,994,117)	(95,445,752)
- Increase in trade and other payables	324,071,106	6,628,301
	(81,806,824)	(156,758,542)
	<u>(36,741,402)</u>	<u>(90,661,073)</u>

**15.**

**Events after the balance sheet date**

The Board of Directors have proposed a bonus issue of 23,650,000 (2017:10,750,000) shares i.e. 0.2 (2017:0.1) share for every one share held of the existing issued, subscribed and paid up share capital of the company at their meeting held on 06 October 2018 for approval of the members at the annual general meeting to be held on 29, October 2018.

  
Chief Financial Officer

  
Chief Executive

  
Director

## **Director's Report**

The Directors of the group present their Directors 'Report along with the unaudited consolidated Financial Statements of the group for the period ended September 30, 2018.

### **Financial Overview**

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

	Quarter Ended	
	30-Sep-2018	30-Sep-2017
	Rupees in Million	
<b>Sales-net</b>	1,296	1,086
<b>Cost of Sales</b>	1,219	1,020
<b>Gross Profit</b>	77	67
<b>Finance Cost</b>	38	28
<b>Net (loss)/ profit</b>	(11)	4.6

By the Grace of Almighty your company is returning towards its double-digit growth trajectory and has achieved all time highest sales resulting from the capacity enhancement during the last years. Your company has registered net sales during the quarter at Rs. 1.296 billion, as compared to Rs. 1.086 billion in the same quarter last year, showing an increase of Rs. 210 million, which is 19% more than comparable period.

Resultantly your company have registered gross profit of Rs. 77 million as compare to 67 million showing an increased of 10 million as compare to last period, which is 15% more than compare able period.

Finance cost for the quarter under review have been increased by 35% as compare to last period mainly due to rise in policy rate by State Bank of Pakistan and increased in working capital requirements. The increased in working capital requirement is part of strategy to avoid foreign currency exposure by converting usance letter of credit to sight term and subsequently retiring it through term financing.

Further due to devaluation of Pak Rupee your company has suffered loss of Rs. 8 million during the period under review.

The major reason of loss is shrinking of margins due to lag of passing increasing prices of raw material, fuel prices, increased in finance cost and foreign exchange loss due to high volatility of Pak Rupee.

### **Roshan Sun Tao Papers Mills (Pvt.) Limited**

The management is fully committed to the project of the subsidiary and strongly believes that the paper mill project on completion will bring significant benefits to the company and its shareholders. The management is working on the project and right now in process of negotiation with suppliers and financial institution for financial close of the project according to revised capital mix. During the period under review no significant financial activity took place.

### **Future Outlook**

New government is taking positive steps to cope up with microeconomic challenges. In order to control current account deficit measure like restriction on imports will trigger growth in local industries which ultimately beneficial for the country. The demand for local products will grow which ultimately raised the demand for the packaging products in upcoming quarters. However, increasing trend in fuel prices, policy rates and volatility in exchange rates will remain challenges for the economy.

Management of your company is very optimistic about future of the packaging industry in Pakistan. Being fully aware of the situation management is focusing on deploying most feasible sales mix and taking all possible measures to increase sales by maximizing capacity utilization. Management is continually reviewing the business strategy to cope with the challenges and has been incessantly endeavouring not only to tap alternative inexpensive sources of raw material but also focusing on rationalization of other costs as well as passing its cost to customers.

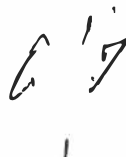
The future of packaging industry is very bright. Currently, the Company is aggressive in increasing its customer base and concentrating on facilitating its customers by trying to work on Just in Time delivery and focusing on targeted growth initiatives, innovations, brand building and cost saving programs. The Company is giving a lot of importance on value added products and trying to find a broader range of packaging solutions to the FMCGs.

### **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**

## ڈائریکٹرز رپورٹ

گروپ کے ڈائریکٹرز 30 ستمبر 2018ء کو ختم ہونے والے دورانیہ کے لیے ڈائریکٹرز کی رپورٹ مع گروپ کے بغیر جانچ پڑتال کے (Un-Audited) مالیاتی گوشوارے پیش کرتے ہیں۔

مجموعی جائزہ

مجوزہ دورانیہ کے لیے گروپ کی مالیاتی کارکردگی کو درج ذیل جدول میں بیان کیا گیا ہے:

30 ستمبر 2017	30 ستمبر 2018	
روپے ملین میں		
1,086	1,296	کل فروخت
1,020	1,219	فروخت کی لاگت
67	77	مجموعی منافع
28	38	فنانس کی لاگت
4.6	(11)	خالص (نقصان)/منافع

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی تیز رفتار ترقی کے گراف کی طرف واپس آ رہی ہے اور گزشتہ سال کے دوران پیداواری صلاحیت میں اضافہ کی وجہ سے سب سے زیادہ فروخت حاصل کرنے میں کامیاب رہی ہے۔ آپ کی کمپنی نے اس سہ ماہی کے دوران 1,296 ملین روپے کی کل فروخت حاصل کی، جبکہ گزشتہ سال اسی سہ ماہی کے دوران کل فروخت 1,086 ملین روپے تھی یعنی 210 ملین روپے زیادہ جو کہ اس عرصہ کے لیے 19 فیصد زیادہ ہے۔

اس کے نتیجے میں آپ کی کمپنی نے 67 ملین روپے کے مقابلے میں 77 ملین روپے کا مجموعی منافع حاصل کیا یعنی گزشتہ عرصہ کے مقابلے میں 10 ملین روپے کا اضافہ جو کہ اس عرصہ کے لیے 15 فیصد زیادہ ہے۔

زیر جائزہ سہ ماہی کے دوران، گزشتہ عرصہ کے مقابلے میں فنانس کی لاگت میں 35 فیصد اضافہ ہوا جس کی بڑی وجہ اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ اور کام کے لیے درکار سرمایہ کی طلب میں اضافہ ہے۔ کام کے لیے درکار سرمایہ کی طلب میں اضافہ اس حکمت عملی کا نتیجہ ہے جس میں غیر ملکی کرنسی کے اتار چڑھاؤ سے بچنے کے لیے لیٹر آف کریڈٹ کو سائبر ٹرم میں تبدیل کرنا اور بعد ازاں اسے ٹرم فنانسنگ کے ذریعے ختم کرنا ہے۔

مزید براں پاکستانی روپے کی قدر میں کمی کی وجہ سے آپ کی کمپنی کو زیر جائزہ عرصہ کے دوران 8 ملین روپے کا نقصان اٹھانا پڑا ہے۔ نقصان کی بڑی وجہ منافع کی شرح کا سکڑنا ہے جو خام مال کی بڑھتی قیمتوں کے اثر کی گاہک کو عدم منتقلی، ایندھن کی قیمتوں میں اضافہ، فنانس کی بڑھتی لاگت اور پاکستانی روپے کی قدر میں بے تحاشی کمی کی وجہ سے غیر ملکی زرمبادلہ کے نقصان کی بدولت ہوا۔

روشن سن تاؤ پیپر ملز لمیٹڈ  
انتظامیہ اپنے ذیلی ادارے کے منصوبے کے سلسلے میں پوری طرح پرعزم ہے اور پختہ یقین رکھتی ہے کہ پیپر مل کا منصوبہ اپنی تکمیل کے بعد کمپنی اور اس

کے حصہ داران کے لیے سودمند ثابت ہوگا۔ انتظامیہ اس منصوبے پر کام کر رہی ہے اور منصوبے کے نظر ثانی شدہ سرمایے کے مطابق مالیاتی اداروں کی طرف سے سرمایے کی فراہمی اور فراہم کنندگان کے ساتھ معاملات طے کر رہی ہے۔ زیر جائزہ عرصہ کے دوران کوئی قابل ذکر مالیاتی سرگرمی نہیں ہوئی۔

### مستقبل کا نقطہ نظر

نئی حکومت مائیکرو اکنامک چیلنجز سے نبرد آزما ہونے کے لیے مثبت اقدامات اٹھا رہی ہے۔ کرنٹ اکاؤنٹ خسارے پر قابو پانے کے لیے مختلف اقدامات جیسا کہ درآمدات پر پابندیاں مقامی صنعتوں کی پیداوار میں اضافے کا باعث بنیں گی نتیجتاً ملک کو فائدہ ہوگا۔ مقامی مصنوعات کی طلب میں اضافہ ہوگا جس کی وجہ سے آنے والی سہ ماہیوں میں پیکیجنگ کی مصنوعات کی طلب میں بھی اضافہ ہوگا۔ تاہم ایندھن کی قیمتوں میں اضافے، پالیسی ریٹ اور شرح تبادلہ میں اتار چڑھاؤ کی وجہ سے معیشت کو چیلنجز کا سامنا ہوگا۔

آپ کی کمپنی کی انتظامیہ پاکستان میں پیکیجنگ کی صنعت کے مستقبل کے بارے میں بہت پر امید ہے۔ صورت حال سے پوری طرح آگاہ ہونے کی وجہ سے، انتظامیہ متفرق فروخت کے تمام مروجہ طریق کار اپنا رہی اور بڑھتی ہوئی صلاحیت کو استعمال کرتے ہوئے فروخت میں اضافے کے لیے تمام ممکنہ اقدامات اٹھا رہی ہے۔ انتظامیہ چیلنجز کا سامنا کرنے کے لیے کاروباری حکمت عملی کا مسلسل جائزہ لے رہی ہے اور خام مال کے متبادل سستے ذرائع ڈھونڈنے کے لیے نہ صرف متواتر کوشاں ہے بلکہ گاہکوں تک لاگت کے اثرات پہنچانے کے ساتھ ساتھ دوسرے اخراجات کو کم کرنے پر بھی غور کر رہی ہے۔

پیکیجنگ کی صنعت کا مستقبل بہت روشن ہے۔ فی الحال کمپنی اپنی کسٹمر میں کو بڑھانے کے لیے کافی تیزی سے کام کر رہی ہے اور اپنے گاہکوں کی سہولت کے لیے مصنوعات کی بروقت ترسیل کے لیے کوشاں ہے اور نارگیٹڈ نمو کے لیے اقدامات، جدت، اپنی مصنوعات کے وقار اور کم خرچ پروگراموں پر غور کر رہی ہے۔ کمپنی قدر افزوں مصنوعات کو بہت اہمیت دے رہی ہے اور ایف ایم سی جی کے لیے پیکیجنگ کے وسیع امکانات کی تلاش کی کوشش کر رہی ہے۔

### 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 شکر گزار ہیں جنہوں نے لگاتار حمایت جاری رکھی۔

.....

چیرمین

.....

چیف ایگزیکٹو آفیسر





# ROSHAN PACKAGES LIMITED

## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2018 (Un-audited)

Quarter ended September 2018			
	Note	2018 Rupees	2017 Rupees
Sales		1,296,083,617	1,086,837,005
Cost of sales	13	<u>(1,218,870,574)</u>	<u>(1,019,951,685)</u>
<b>Gross profit</b>		77,213,043	66,885,320
Administrative expenses		(28,909,304)	(30,462,018)
Selling and distribution expenses		(39,402,276)	(32,320,095)
Net of other operating income		17,193,944	28,750,189
Finance cost		<u>(37,929,311)</u>	<u>(28,174,453)</u>
<b>(Loss)/Profit before taxation for the period</b>		(11,833,904)	4,678,943
Taxation		-	-
<b>(Loss)/Profit after taxation for the period</b>		<u>(11,833,904)</u>	<u>4,678,943</u>
<b>Earning Per Share-Basic &amp; diluted</b>		(0.10)	0.05
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Surplus on revaluation of operating fixed assets realised through incremental depreciation charged on related assets for the period - net of tax		<div style="border: 1px solid black; padding: 2px;">7,187,866</div>	<div style="border: 1px solid black; padding: 2px;">7,721,790</div>
		7,187,866	7,721,790
<b>Total comprehensive income for the period</b>		<u><u>(4,646,038)</u></u>	<u><u>12,400,733</u></u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

  
**Chief Financial Officer**

  
**Chief Executive**

  
**Director**

**ROSHAN PACKAGES LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2018 (Un-audited)**

**Balance as on July 01, 2017-Restated**

	Share capital Rupees	Revenue reserve: Un-appropriated profit Rupees	Surplus on revaluation of property, plant and equipment	Share Premium Rupees	Non- controlling interest Rupees	Total Rupees
Balance as on July 01, 2017-Restated	1,075,000,000	820,563,141	1,073,890,796	2,339,165,370	168,254,671	5,476,873,978
Loss after taxation		(102,708,249)	-		(228,504)	(102,936,753)
Other comprehensive income:						
Remeasurement of retirement benefits - net of tax		2,951,215	-	-	-	2,951,215
Effect of change in tax rate on balance of revaluation on property, plant and equipment	-	-	28,751,464	-	-	28,751,464
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	(99,757,034)	28,751,464	-	(228,504)	(71,234,074)
Transaction with owners of the Company		24,122,977	(24,122,977)			-
Final cash dividend for the year ended 30 June 2017 @ Rs. 1 per share	-	(107,500,000)	-	-	-	(107,500,000)
Bonus shares issued	107,500,000	(107,500,000)	-	(107,500,000)	-	(107,500,000)
<b>As at 30 June 2018</b>	1,182,500,000	637,429,084	1,078,519,283	2,231,665,370	168,026,167	5,298,139,904
Loss for the period						
Other Comprehensive income for the period		(11,833,904)	(7,187,866)	-	-	(11,833,904)
<b>Balance as on September 30, 2018</b>	1,182,500,000	632,783,046	1,071,331,417	2,231,665,370	168,026,167	5,286,306,000

The annexed notes from 1 to 15 form an integral part of these financial statements.



**Chief Financial Officer**



**Chief Executive**



**Director**

# ROSHAN PACKAGES LIMITED

## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30, 2018 (Un-audited)

	Note	30 Sept-2018 Rupees	30 Sept-2017 Rupees
<b>Cash flows from operating activities</b>			
Cash used in operations	14	(51,369,406)	(90,661,073)
Finance cost paid		(24,727,471)	(15,146,218)
Taxes paid		(41,461,426)	(25,177,566)
Gratuity paid		(3,620,031)	-
Accumulated absences paid		(202,099)	-
Net increase in long term deposits		-	(1,192,200)
<b>Net cash inflow from operating activities</b>		<u>(121,380,433)</u>	<u>(132,177,057)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,650,266)	(33,459,556)
Increase in long term loan		-	(1,192,200)
Purchase of intangibles		(708,848)	(492,936)
Profit on bank deposits received		23,894,444	15,984,623
<b>Net cash / inflow (outflow) from investing activities</b>		<u>21,535,330</u>	<u>(19,160,069)</u>
<b>Cash flows from financing activities</b>			
Repayment of long term loans		(25,000,000)	(25,775,153)
Repayment of supplier's credit		-	(24,073,853)
Proceeds / (Repayments) from term finances acquired		124,307,875	(99,215,449)
Repayment of finance lease liabilities		(3,811,935)	(2,479,439)
<b>Net cash inflow from financing activities</b>		<u>95,495,940</u>	<u>(151,543,894)</u>
<b>Net decrease in cash and cash equivalents</b>		(4,349,163)	(302,881,020)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>1,749,470,913</u>	<u>2,034,190,710</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>1,745,121,750</u></u>	<u><u>1,731,309,690</u></u>

  
Chief Financial Officer

  
Chief Executive

  
Director

## Notes to the Condensed Interim Consolidated Financial Information

For the quarter ended 30 September 2018 (Un-Audited)

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 Consolidated financial information comprises the condensed interim Consolidated balance sheet of the Company, as at 30 September 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 directive 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 2018, 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 30 September 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 Use of judgments and estimates

The preparation of the Consolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the Consolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual Consolidated financial statements of the Company for the year ended June 30, 2018.

### 4 New standards amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2018

4.1 During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the Consolidated financial statement of the Company

IAS 7, 'Statement of Cash Flows' amendments introduced an additional disclosure that will enable users of Consolidated financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided. The relevant disclosure have been made in these Consolidated financial statements.

#### 4.2 Application of Companies Act, 2017

The Companies Act, 2017 became applicable for accounting period ending on or after 30 June 2018. The new Act specified certain additional disclosures to be included in the financial statements. Accordingly, the Company has presented the required disclosures in these financial statements and represented certain comparatives. However there was no change in the reported amounts of statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows, due to these re-presentations.

#### 4.3 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's Consolidated financial statements.

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 01 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:

- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 01 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 July 2018 and 01 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification, measurement of financial instruments and the disclosure requirements of the standard.
- IFRS 16 'Leases' (effective for annual period beginning on or after 01 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of the standard is likely to have a material impact on the on the Company's financial statements. The Company is currently in the process of analyzing the potential impact of changes required in classification, measurement of financial instruments and the disclosure requirements of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 01 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendment is not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of the amendments is not likely to have an impact on Company's financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a Company increases its interest in a joint operation that meets the definition of a business. A Company remeasures its previously held interest in a joint operation when it obtains control of the business. A Company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a Company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 01 January 2019 and are not likely to have an impact on Company's financial statements.

#### 5. Issued, subscribed and paid up share capital

Sep-18 (Number of shares)	Jun-18		Sep-18 Rupees	Jun-18 Rupees
		Ordinary shares of Rs 10 each		
57,336,000	57,336,000	fully paid in cash	573,360,000	573,360,000
55,811,000	55,811,000	Ordinary shares of Rs 10 each fully paid in cash	558,110,000	558,110,000
5,103,000	5,103,000	Ordinary shares of Rs 10 each fully paid for consideration other than cash	51,030,000	51,030,000
<u>118,250,000</u>	<u>118,250,000</u>		<u>1,182,500,000</u>	<u>1,182,500,000</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 Short term borrowings - secured

Running finance - secured	389,856,708	471,559,319
Term finances		
- Import finance	775,847,634	185,983,794
- Murabaha/Istisna	292,412,914	676,266,266
Term finances - secured	1,068,260,548	862,250,060
	<u>1,458,117,256</u>	<u>1,333,809,379</u>

#### 7. Trade and other payables

Trade creditors	887,467,884	593,313,561
Bills payable	71,291,524	52,795,524
Advances from customers	10,483,972	3,861,527
Retention money	851,021	4,167,040
Accrued liabilities	53,567,256	52,556,138
Withholding tax payable	7,568,107	3,601,722
Workers' welfare fund	1,678,561	1,678,561
Advances from employees	3,712,947	3,527,610
	<u>1,036,621,272</u>	<u>715,501,683</u>

#### 8. Property, plant and equipment

Operating fixed assets	3,597,685,329	3,452,467,657
Capital work-in-progress	439,501,708	172,890,360
	<u>4,037,187,037</u>	<u>3,625,358,017</u>

	Sep-18 Rupees	Jun-18 Rupees
<b>9. Stock-in-trade</b>		
Raw materials	538,306,660	569,085,590
Work-in-process	42,749,020	20,776,488
Finished goods	42,874,863	41,789,793
	<u>623,930,543</u>	<u>631,651,871</u>
<b>10. Trade debts - unsecured</b>		
Considered good	1,563,515,501	1,231,373,541
Considered doubtful	48,135,576	48,135,575
	<u>1,611,651,077</u>	<u>1,279,509,116</u>
Less: Provision for doubtful debts	48,135,576	48,135,575
	<u>1,563,515,501</u>	<u>1,231,373,541</u>
<b>11. Advances, deposits, prepayments and other receivables</b>		
Advances - considered good:		
- To employees	13,715,069	12,813,298
- To suppliers	165,153,652	101,950,842
Sales tax receivable	210,345,741	183,636,382
Income tax receivable	393,789,521	369,556,236
Prepayments	13,706,716	2,284,790
Security deposits	8,402,115	5,934,505
Interest receivable	23,587,467	21,538,540
	<u>828,700,281</u>	<u>697,714,593</u>
<b>12. Cash and bank balances</b>		
At banks on:		
- Savings accounts	292,350,520	306,937,893
- Current accounts	202,498,379	192,086,738
- Term deposits	1,250,000,000	1,250,000,000
	<u>1,744,848,899</u>	<u>1,749,024,631</u>
Cash in hand	272,851	268,767
	<u>1,745,121,750</u>	<u>1,749,293,398</u>
<b>13 Cost of sales</b>	<b>30 Sep-18</b>	<b>30 Sep-17</b>
Raw materials consumed	1,066,917,494	800,883,437
Carriage inward expenses	466,480	541,257
Packing material consumed	7,008,998	4,582,287
Production supplies	9,085,930	18,903,311
Fuel and power	47,274,181	37,770,901
Salaries, wages and other benefits	55,047,427	52,094,770
Repairs and maintenance	16,459,173	5,150,803
Printing and stationery	198,463	181,775
Insurance	1,548,813	2,216,808
Rent	78,200	391,321
Travelling and conveyance	5,454,942	8,390,874
Communication expenses	210,499	169,666
Vehicle running expenses	755,848	318,038
Depreciation on operating fixed assets	29,975,451	55,350,060
Depreciation on assets subject to finance lease	387,498	110,757
Others	1,058,779	1,489,472
	<u>1,241,928,176</u>	<u>988,545,537</u>
Opening work-in-process	20,776,488	42,527,088
Closing work-in-process	(42,749,020)	(18,280,466)
	<u>(21,972,532)</u>	<u>24,246,622</u>
Cost of goods manufactured	<u>1,219,955,644</u>	<u>1,012,792,159</u>



	30 Sep-18 Rupees	30 Sep-17 Rupees
Opening stock of finished goods	41,789,793	62,299,584
Closing stock of finished goods	(42,874,863)	(55,140,058)
	(1,085,070)	7,159,526
	<u>1,218,870,574</u>	<u>1,019,951,685</u>
<b>14 Cash used in operations</b>		
Profit before taxation	(11,833,904)	4,678,943
Adjustment for non-cash charges and other items:		
Amortization of intangibles	354,424	246,468
Depreciation on operating fixed assets	30,808,497	55,466,361
Depreciation on assets subject to finance lease	387,498	1,635,911
Profit on bank deposits	(25,893,868)	(28,577,109)
Exchange loss	7,653,394	-
Finance cost	37,929,311	28,174,453
Provision for accumulating compensated absences	850,257	-
Provision for gratuity	4,809,813	4,472,442
<b>Profit before working capital changes</b>	<u>45,065,422</u>	<u>66,097,469</u>
<b>Effect on cash flow due to working capital changes:</b>		
- Increase in stores and spares	(3,463,181)	(9,225,968)
- Decrease in stock-in-trade	7,721,328	14,897,241
- Increase in trade debts	(332,141,960)	(73,612,364)
- Increase in advances, deposits, prepayments and other receivables	(77,994,117)	(95,445,752)
- Increase in trade and other payables	309,443,102	6,628,301
	<u>(96,434,828)</u>	<u>(156,758,542)</u>
	<u>(51,369,406)</u>	<u>(90,661,073)</u>

**15. Events after the balance sheet date**

The Board of Directors have proposed a bonus issue of 23,650,000 (2017:10,750,000) shares i.e. 0.2 (2017:0.1) share for every one share held of the existing issued, subscribed and paid up share capital of the company at their meeting held on 06 October 2018 for approval of the members at the annual general meeting to be held on 29, October 2018.

  
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. The front shape is dark grey and the back shape is light grey, creating a sense of depth and movement.