HOPE IS THE BIGGEST GROWTH PACKAGE

ANNUAL REPORT

2018

ROSHAN

Packages Limited.

ROSHAN

Packages Limited.

CONTENTS

VISION

We aspire to be the leader in providing innovative and aesthetically integrated packaging solutions to enable the key business of our customers.

CORE VALUES

- Ownership and Openness
- Service with Courtesy
- Honesty and Commitment
- Honesty Towards Employees
- Nurturing Continuous Growth
- Attention to Personal Development
- Attention to Learning

MISSION

Our mission is to delight our customers by providing innovative packaging products and solutions while upholding the principles of corporate governance and pursuing the creation of superior value for our stakeholders.

STRATEGIC **OBJECTIVES**

We are dedicated to be the consistent and preferred supplier for our clients by meeting their expectations through innovation, continuous advancement and by utilizing economic and human resources efficiently. We are heading to develop the long-term sustainability of the organization by constantly investing in technologies and human resources. We aim to be a market leader for quality products and to grow continuously by adding new products and new customers to our portfolio.

OUR LEGACY

1959

Dr. Aijaz Hassan Qureshi launches "Urdu Digest", inspired by the 'Reader's Digest' of the West.

1989

After the success of 'Urdu Digest', Roshan Group looked to expand and venture into other businesses, such as the fruit industry.

2000

'Roshan Enterprises', the fruit export venture of the Roshan Group becomes highly profitable, making it the key interest of the consortium.

2002

On August 13, 2002, Roshan Packages was established as a private limited company to not just provide backward integration for the fruit export, but in general to export fruits and vegetables for quality-conscious customers, taking special care of the quality of material being used in the box.

2018

Inauguration Ceremony of Flexible and Corrugation Plants by His Excellency Mr. Martin Kobler, Ambassador of Federal Republic of Germany.

2010

The All World Network ranks 'Roshan Packages' at No. 23 within its list of Pakistan's Top 25 Fastest Growing Companies.

2011

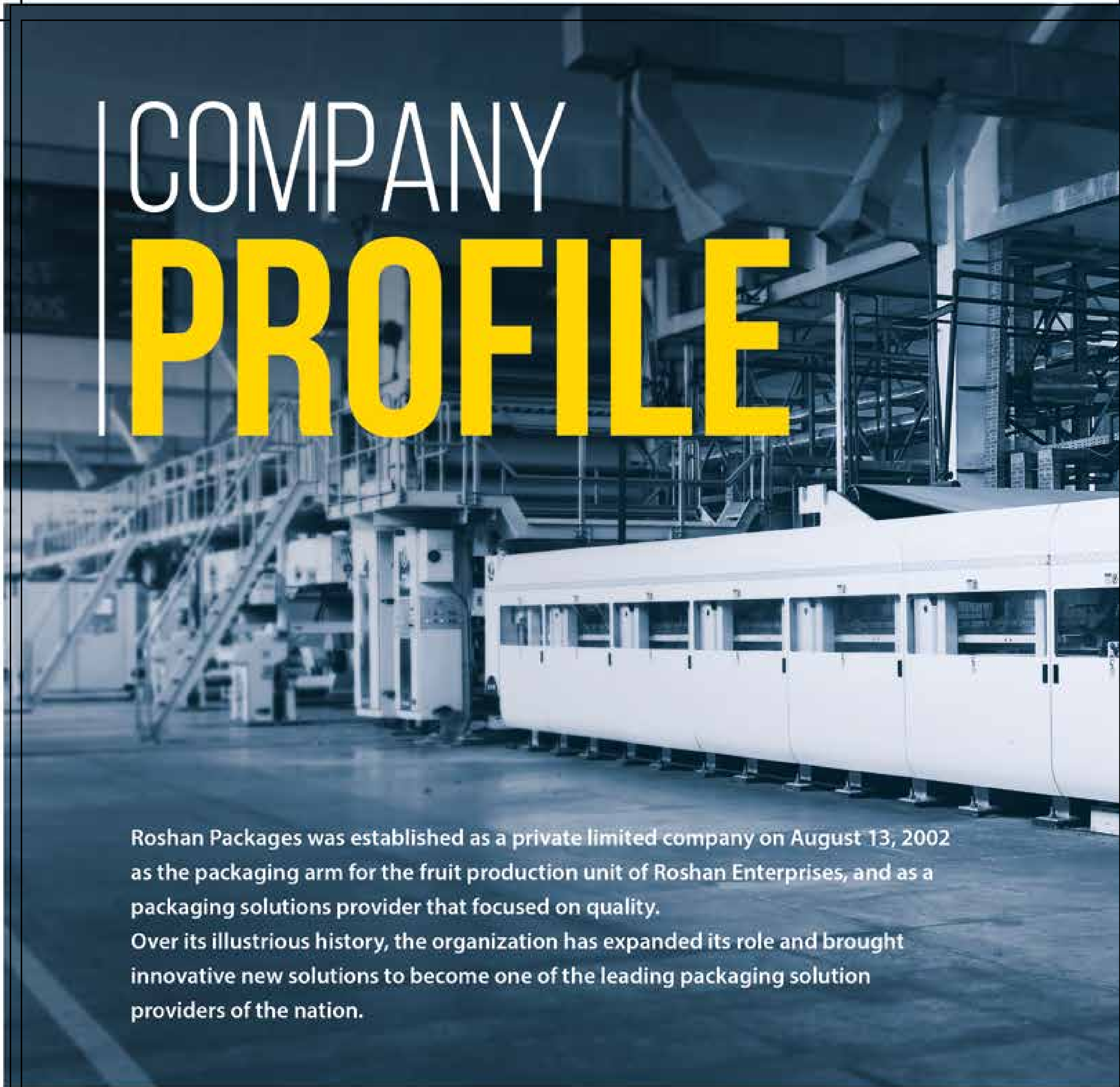
'Roshan Packages' reaches out further into the packaging industry by installing a state-of-the-art Flexible Plant to cater to various FMCG organizations.

2016

With a keen eye on quality and timely deliveries, 'Roshan Packages' steps out even further by installing a large-scale Extrusion Plant and a Rotogravure machine from Windmoller & Hölscher.

2017

Following a highly successful IPO, 'Roshan Packages Limited (RPL)' advances to the next phase of its development with the installation of the Corrugator machine from BHS, and plans to further expand on its packaging and printing business.



COMPANY PROFILE

Roshan Packages was established as a private limited company on August 13, 2002 as the packaging arm for the fruit production unit of Roshan Enterprises, and as a packaging solutions provider that focused on quality.
Over its illustrious history, the organization has expanded its role and brought innovative new solutions to become one of the leading packaging solution providers of the nation.

Our manufacturing facilities in Pakistan provide packaging solutions to fulfil a wide variety of purposes in industrial packaging with the latest innovations and world-class standards.

Our Corrugated Packaging Plant functions on European standards, providing plain and printed transit cartons and complex die-cut works of multiple sizes to our clients.

We also deal in flexible packaging utilizing a specialized rotogravure machine,creating solvent-less and solvent- based lamination, along with a co-extruded films plant created on German standards using appropriate polymer layers to offer a host of immaculate packaging solutions.

As a company, we have enjoyed great success since our formation in creating quality packaging for various local and multinational businesses within the country. Our clients hail from the Fast Moving Consumer Goods (FMCG), consumer electronics, dairy products, pharmaceutical and textile industry, and many others.

Roshan Packages Limited currently works with well-renowned corporations such as Unilever, Pepsi-Cola and Lotte Kolson in Pakistan, and continues to do business with some of Pakistan's largest organizations as it stands on a legacy of excellence, class and reliability.

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. Zaki Aijaz
Non-Executive Director

Mr. Quasim Aijaz
Non-Executive Director

Mr. Malik Asad Ali Khan
Independent/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 STOCK SYMBOL

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

FACTORY

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

SHARES REGISTRAR

Central Depositary 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 & Company

HEAD OF INTERNAL AUDIT

Mr. Ahmad Khan, ACCA

LEGAL ADVISOR

Zahid Irfan

STOCK SYMBOL

RPL

WEBSITE

www.roshanpackages.com.pk

GEOGRAPHICAL PRESENCE

HEAD OFFICE

325 G-III, M.A Johar Town Lahore

REGIONAL OFFICE

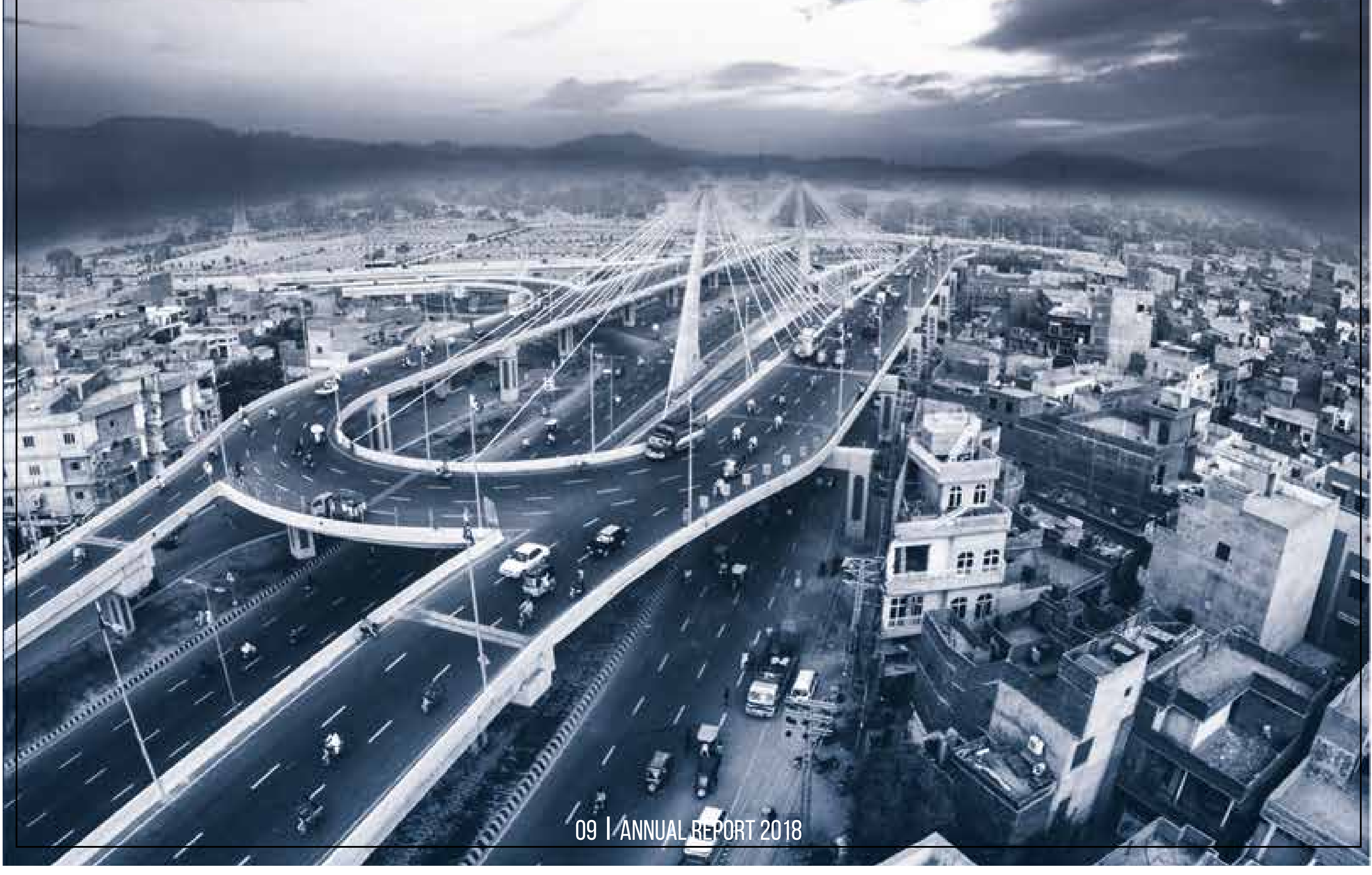
House No 192-L Ground Floor, Block II, P.E.C.H.S near Shahrah-e-Quaideen, Karachi

CORRUGATED MANUFACTURING PLANT

7-KM Sundar Raiwind Road, Opp. Gate No 1, Sundar Industrial Estate, Lahore

FLEXIBLE MANUFACTURING PLANT

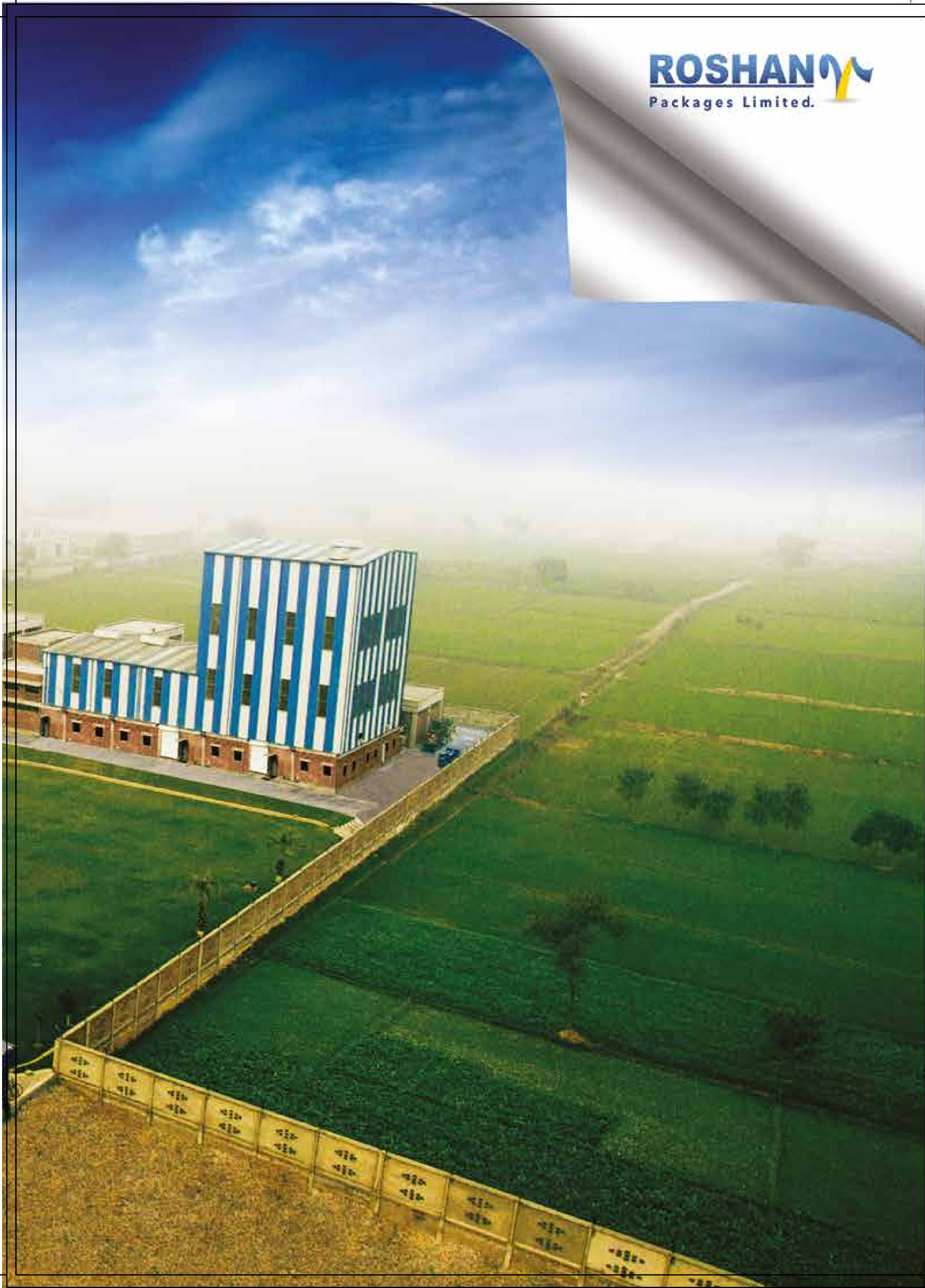
Plot 141, 142 and 142-B Sundar Industrial Estate, Lahore



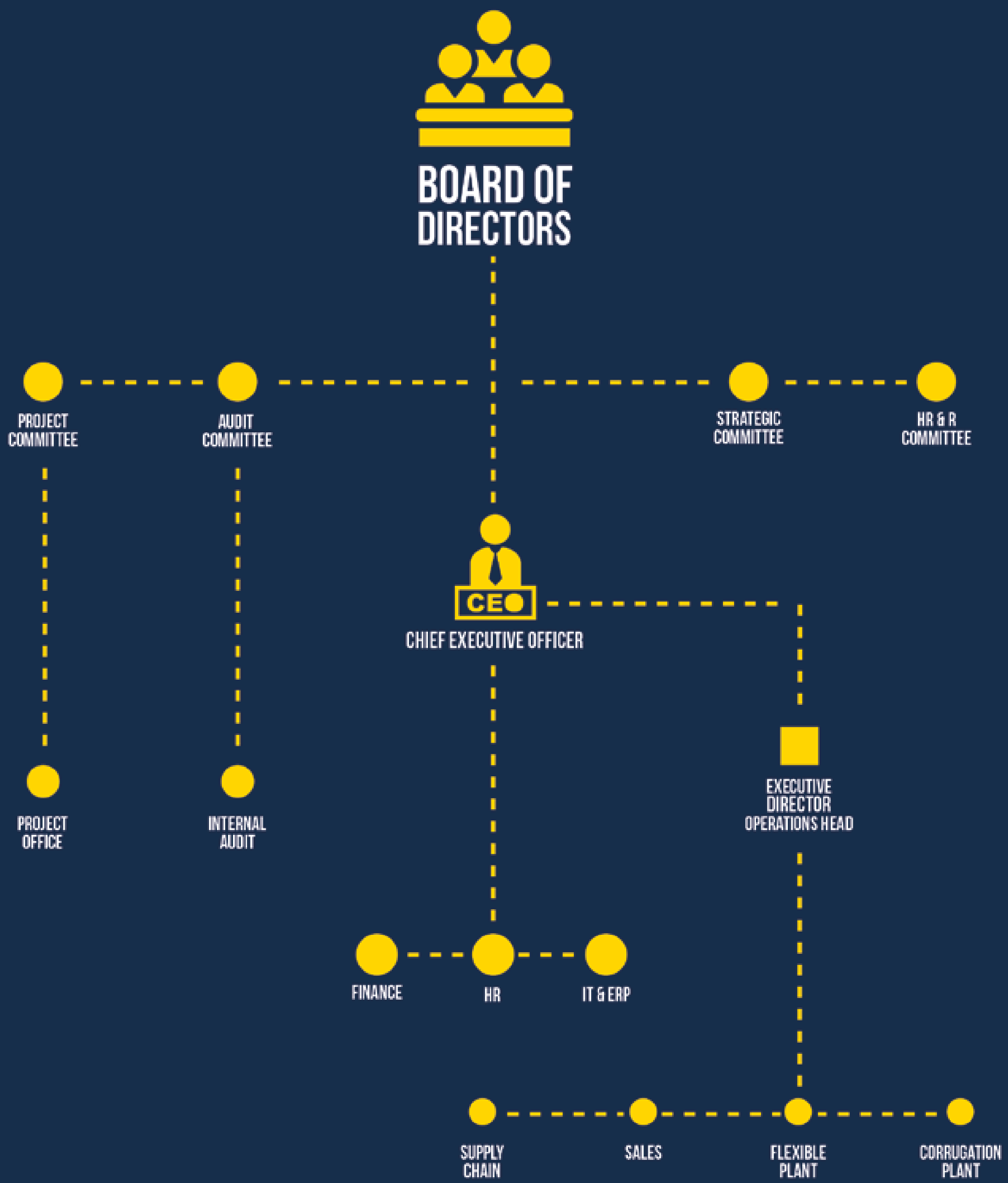
Roshan Packages Limited

Flexible Plant

ROSHAN
Packages Limited.



ORGANOGRAM


BOARD OF DIRECTORS
PROJECT COMMITTEE
AUDIT COMMITTEE
STRATEGIC COMMITTEE
HR & R COMMITTEE
CEO
CHIEF EXECUTIVE OFFICER
PROJECT OFFICE
INTERNAL AUDIT
EXECUTIVE DIRECTOR OPERATIONS HEAD
FINANCE
HR
IT & ERP
SUPPLY CHAIN
SALES
FLEXIBLE PLANT
CORRUGATION PLANT

CRITICAL PERFORMANCE INDICATORS

SALES REVENUE (RS. IN MILLION)
2017: 4,098
4,031
2018

EBIT (RS. IN MILLION)
2017: 361
47
2018

GROSS PROFIT (RS. IN MILLION)
2017: 552
308
2018

QUICK RATIO (RATIO)
2017: 1.98
1.39
2018

TOTAL ASSETS (RS. IN MILLION)
2017: 8,394
8,392
2018

SHARE HOLDERS EQUITY (RS. IN MILLION)
2017: 5309
5142
2018

NO.OF SHARES OUTSTANDING (000)
2017: 107500
118,250
2018

CURRENT RATIO (RATIO)
2017: 2.33
1.68
2018

PROFILE OF DIRECTORS

1 KHALID EIJAZ QURESHI

CHAIRMAN

Mr. Khalid Eijaz Qureshi currently serves as the Chairman of Roshan Enterprises, and also acts as the Convener of the Agro-Export Processing Zone in Karachi. His previous experience has been related to the fields of printing, publication, packaging, and import/export. He is a member of the Karachi Chamber of Commerce, the All-Pakistan Fruits and Vegetables Merchant Association, and various international NGOs.

2 TAYYAB AIJAZ

CHIEF EXECUTIVE OFFICER

Mr. Tayyab Aijaz is a business graduate whose professional career began with the Roshan Group in 2003. Currently holding the office of the Chief Executive of Roshan Packages, he is also a founding director of the Punjab Agri-Marketing Company (PAMCO), the Executive Editor of the Monthly Urdu Digest, the Chief Executive Officer and Director of Roshan Sun Tao Paper Mills, a founding member of the Organization of Pakistani Entrepreneurs (OPEN) Lahore Chapter and the Lahore Chamber of Commerce and Industry (LCCI), a lifetime member of the SAARC Chamber of Commerce and Industry, a board member of the Committee on Paper and Board by the engineering Development Board, and was an executive member of the Board of Management of Sundar Industrial Estate, Lahore.

3 SAADAT EIJAZ

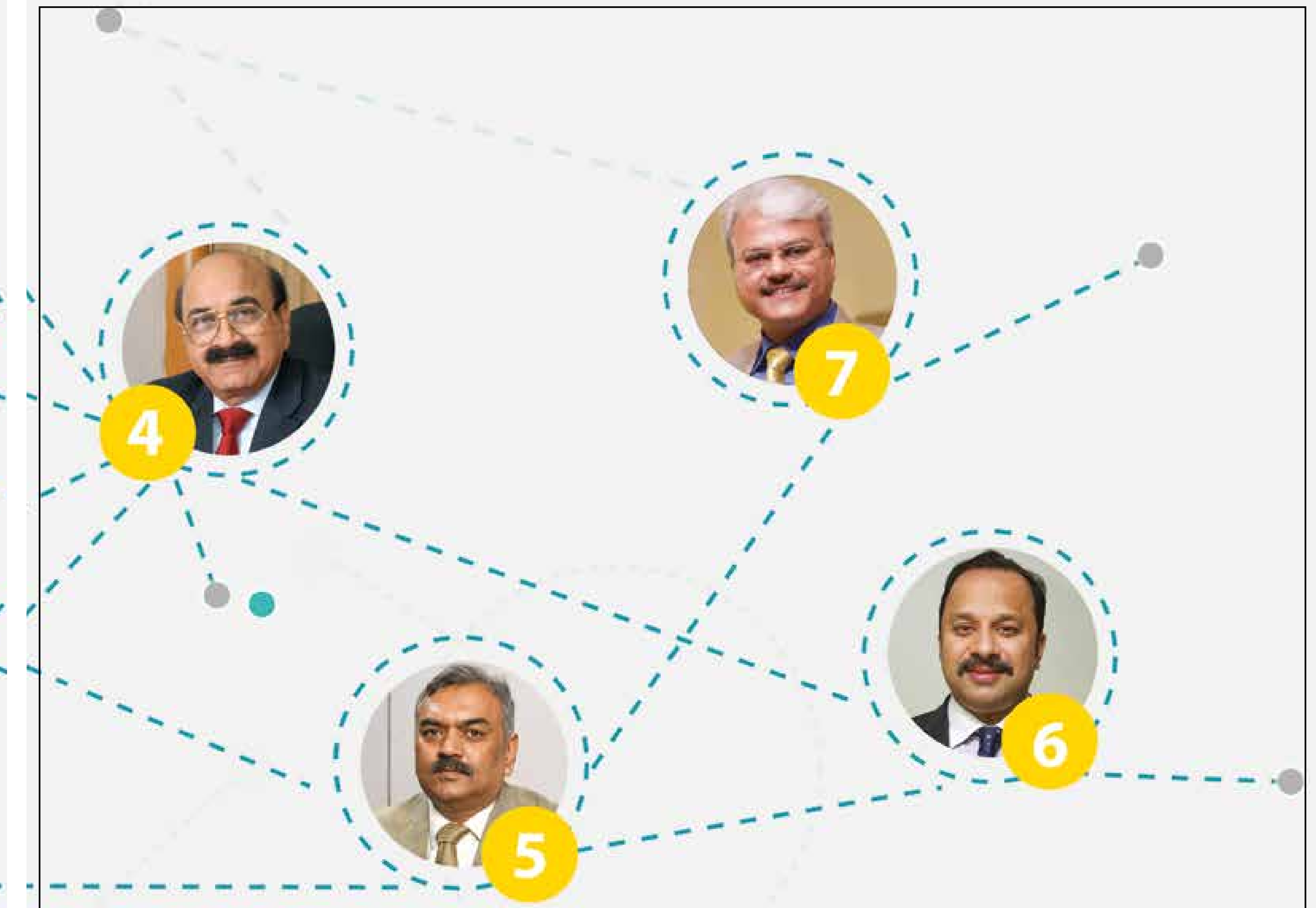
EXECUTIVE DIRECTOR

Mr. Saadat Aljaz is the Executive Director and the Director for Sales and Marketing of Roshan Packages. His professional experience also includes his role as the Chairman of the Pakistan Horticulture Development and Export Board (PHDEB), the Director of Roshan Enterprises, and a member of the Board of Directors of Roshan Sun Tao Paper Mills.

4 ASAD ALI KHAN

INDEPENDENT / NON-EXECUTIVE DIRECTOR

Mr. Asad Ali Khan is the President of Abacus Consulting and Chairman of its Board of Directors. Over his 30 years of work experience, he has also served as a Senior Partner at Pricewaterhouse Coopers Consulting in the Middle East and Pakistan, and as an advisor to professional board members on corporate boards of several multinational companies in the region.



5 QUASIM AIJAZ

NON-EXECUTIVE DIRECTOR

Mr. Quasim Aijaz is the acting Production Director of Roshan Enterprises. In office since 1988, his prolific history with the company dates back over 30 years. He is a graduate of Forman Christian College in the field of Economics and Political Sciences, and also serves as a member of the Sargodha Chamber of Commerce.

6 MUHAMMAD NAVEED TARIQ

NON-EXECUTIVE DIRECTOR

Mr. Muhammad Naveed Tariq is a Chartered Accountant by profession from the Institute of Chartered Accountants on Pakistan (ICAP) with more than 20 years of experience under his belt. He currently serves as the Director of Finance and is a Partner of Orbit Developers and Edge Marketing (Pvt.) Limited.

7 ZAKI AIJAZ

NON-EXECUTIVE DIRECTOR

Mr. Zaki Aijaz acts as the Non-Executive Director for Roshan Packages. His other engagements include serving as the General Secretary of the Sundar Industrial Welfare Association, a director of Roshan Enterprises and Roshan Sun Tao Paper Mills. He is also a member of Board of Sundar Industrial Estate, Lahore. Moreover, he holds a Diploma in Supply Chain and Advance Management from the Pakistan Institute of Management, and a Diploma in Managing Family Business from the Institute of Business Management (IBA).

BOARD COMMITTEES
AUDIT COMMITTEE

NAME:	DESIGNATION
Mr. Muhammad Naveed Tariq	Chairman
Mr. Khalid Eijaz Qureshi	Member
Mr. Quasim Aijaz	Member

AS PER LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2017

1. Determination of appropriate measures to safeguard the company's assets;
2. Review of interim and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:

- Major judgemental areas;
- Significant adjustments resulting from the audit;
- The going concern assumption;
- Any changes in accounting policies and practices;
- Compliance with applicable accounting standards;
- Compliance with these regulations and other statutory and regulatory requirements; and
- All related party transactions.

3. Review of preliminary announcements of results prior to external communication and publication;
4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditors and management's response thereto;
6. Ensuring coordination between the internal and external auditors of the company;
7. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
10. Review of the company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
11. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitoring compliance with these regulations and identification of significant violations thereof;
14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigation measures.
15. Recommend to the board of directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the company by external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to recommendations of audit committee and where it acts otherwise it shall record the reason thereof.
16. Consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

NAME:	DESIGNATION
Mr. Malik Asad Ali Khan	Chairman
Mr. Tayyab Aijaz	Member
Mr. Khalid Eijaz Qureshi	Member

The committee shall be responsible for:

1. Recommending to the Board for consideration and approval a policy framework for determining remuneration of directors (Both ED's and NED's and members of senior management). The definition of senior members will be determined by board which shall normally include first layer of management below the Chief Executive Officer level.
2. Undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant, and if so appointed, a statement to that effect shall be made in the Director's report disclosing name, qualifications and major terms of appointment.
3. Recommending human resource management policies to the board;
4. Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of the COO, CFO, CS, and Head of Internal Audit.
5. Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO.
6. Where Human Resource and remuneration consultants are appointed their credentials shall be known by committee and a statement shall be made by them as to whether they have any other connection with the company.

STRATEGIC COMMITTEE

NAME:	DESIGNATION
Mr. Tayyab Aijaz	Chairman
Mr. Saadat Eijaz	Member
Mr. Zaki Aijaz	Member

PROJECT COMMITTEE

NAME:	DESIGNATION
Mr. Zaki Aijaz	Chairman
Mr. Tayyab Aijaz	Member
Mr. Saadat Eijaz	Member

CODE OF CONDUCT

Roshan Packages Limited prides itself on its honesty, integrity and commitment to ethical practices and behaviors when conducting business. Our key focus is to carry out operations that are in compliance with all laws and regulations that govern our business and industry as a whole. It is through this robust foundation that we have created and preserved our corporate image, which we consider to be one of our most valuable assets, and place great importance on it being upheld by each employee of the organization.

Our Code of Conduct has been drafted to maintain our reputation as a fair and honest enterprise, and it covers a number of areas that detail our corporate policies in all circumstances. The adherence of this Code is mandatory and tantamount on all employees, affiliates and associates of Roshan Packages nationwide to preserve the integrity of the image that has been built by the organization, and to continue to act in a fair and just manner in its operations.

The Company places great importance on checking for compliance with the Code by providing suitable information, prevention and control systems and ensuring transparency in all transactions and behaviors by taking creative measures as needed.

GENERAL PRINCIPLES AND ETHICAL STANDARDS

Transparency, honesty and fair play are the tenets on which we operate, and the Company's business must always act in accordance with these pillars in good faith and full compliance. We aim to treat all our stakeholders, employees, customers and community members equally, and have no room for discrimination or corruption within our mandate. Consequently, we place the onus of respecting and following the principles, policies and contents of the Code, without any distinction or exception whatsoever, on all our employees. Any action that comes in direct conflict with the Code, regardless of the reasoning and stipulations behind said action, is and will always be unacceptable to the Company.

We expect all employees to place sincerity, honesty and decency at the forefront of all their interactions while under the employ of the Company. Conflicts of interest between private financial activities and Company business conduct must be avoided. The Company holds supreme the values of this Code, and any breach or deviation will be classified as misconduct, which may lead to disciplinary action in accordance with the Company's charter and any relevant laws, regulations or statutes.

WHISTLE BLOWING POLICY

Roshan Packages ensures that a high ethical standard is maintained in all its business activities, and an established Code of Conduct governs the management of its business across the organization. To that end, the Company has also established a whistle-blowing policy designed to safeguard its Code and ensures that any contraventions are swiftly adhered to. The Whistleblowing Policy provides a channel for the organization's employees and other relevant stakeholders to raise concerns about workplace malpractices in a confidential manner, and for the Organization to investigate alleged malpractices, taking steps to deal with such in a manner consistent with the organization's policies and procedures and relevant regulations. The Company encourages whistleblowers to raise their issues directly with the competent authority, their immediate superiors, the Human Resource Department, senior management, or the CEO. All concerns raised are assessed in an objective and independent manner with reasonable protection being ensured to the whistleblower.

INVESTOR RELATIONS

The Company maintains an 'Investor Information' section on its website for providing detailed information, along with an Investors' Grievance Form for properly addressing any concerns that its investors may have. Additionally, the Company operates a dedicated email address for investor complaints at corporate@roshanpackages.com.pk

A Corporate Officer is also designated to coordinate with investors and mitigate any issues that they may be facing, along with providing adequate guidance for their concerns.

CALENDAR OF NOTABLE EVENTS

Annual General Meeting	22nd Nov, 2017
Approval of Bonus Shares & Cash Dividend	22nd Nov, 2017
1st Quarter BOD Meeting	18th Oct, 2017
Utecho Wax Coating Machine	16th Jan, 2018
2nd Quarter BOD Meeting	26th Feb, 2018
3rd Quarter BOD Meeting	30th Apr, 2018
Inaugration Ceremony	3rd May, 2018
BOD Meeting for Annual Results	6th Oct, 2018

BHS CORRUGATOR

The pride of the RPL workflow, our BHS Corrugator machine is a fine piece of German engineering that makes it possible for us to deliver the absolute best quality corrugated packaging to our valued customers. The machine is a one of-a-kind model, with RPL owning the only known BHS Corrugator in Pakistan and the SAARC region.

MAJOR **PRODUCTS**

FLEXIBLE **PACKAGING**

Roshan Packages Limited is renowned for its supreme quality in the flexible and corrugated packaging market. We offer laminated rolls for shrink wrap, wrap around labels, bags, pouches, sachets and wrappers for flexible packaging in the following industries:

- Snacks
- Dairy
- Confectionery
- Personal Care
- Dry Milk
- Water and Beverage
- Oil and Ghee
- Pet Food
- Agriculture

CORRUGATED **PACKAGING**

The corrugated packaging division provides complex die-cut cartons for transit purposes for a number of different products on the market. We cater to a variety of industries, including fast moving consumer goods (FMCG), fruits and vegetables, electronics and many more.

OUR **PRODUCTS**

- 2 Ply single facer sheet roll in B/Flute, C/Flute & E/Flute
- 3 Ply sheets/boxes in B/Flute, C/Flute & E/Flute
- 5 Ply sheets/boxes in B+C, B+E, C+E Flutes
- 4 colour printing sheets & boxes
- 2 colour printed sheets, boxes in home appliances industry

MESSAGE FROM THE CEO

Dear Shareholders,
During our 15-year history as a company, we have experienced and successfully navigated through several periods of extreme market volatility. My confidence in our company and in all of you has never been greater. We are making a profound social impact in the community and will continue to write the success story of our company in future.

Our company has weathered many different types of storms. But things have never been stronger or more relevant. Our pipeline of new products and our intention to breakthrough with new customers has never been more robust, and our long-term commitment to delivering an elevated partner experience is unwavering. I can assure you that we will continue to lead and manage the company through the lens of humanity, doing everything we possibly can to continue to make you and your families proud of our company and all we stand for. This is a non-negotiable priority for me and for everybody in the company.

The volatility of today's market, combined with great political uncertainty both at home and abroad, will undoubtedly have an effect on Financials performance of the company. The unstoppable devaluation of Pak Rupee without any forward cover, increasing trends of interest rates and anxiety related to political situation and stability remain major challenges. These unexpected conditions are not only happening in our country, but around the globe things are rapidly changing like the devaluation of Lira and Indian rupee, Chinese economies facing challenges from USA embargoes. Economically the whole world is on the bank of change and facing unique challenges. The pressure on current account deficit and the new Govt. means that the Industry is likely to experience an increased level of anxiety and concern. Please recognize this and remember that our success is not an entitlement, but something we need to earn, every day. Let's be very sensitive to the pressures our economy may be feeling, and do everything we can do individually and collectively exceed their expectations.

I would like to congratulate you that even in this challenging weather your company has successfully completed it's expansion plans. The machine is in operations and we have been able to create the highest sales in flexible division from the past. The management is geared up to get back on track and taking appropriate and rational measure, like rationalizing of cost, cost efficiency revenue of non-cash expenses, hiring of good talent, understanding and actively using the power of social media, participation in international and national trade shows.

Our growth plans for the future of our company will not be impacted by the turmoil of the markets. We will positively manage through today's challenging environment just as we have always positively navigated through such moments in the past. The primary reason for our current and future success is your absolute trust in the company and our unyielding commitment to deliver the best products while meeting the most demanding standards. We have been fortunate to have such a wise, experienced and fully engaged board.

I would also like to thank the whole board and my team for supporting us and operating as a leadership partnership that is focused on driving long-term value creation. The tenure of the board is expiring and I believe the upcoming board will continue to keep the work in the right direction with even more resilience and motivation. Our commitment to constant innovation and growth energizes us and shapes our future. Over the past years, I have never been more optimistic about Roshan's prospects than I am now.

TRADE SHOWS AT **ROSHAN**

In the pursuit of expanding our horizons and in an effort to build our ever increasing hope, Roshan Packages has participated in the following trade shows this year:

- Sundar Industrial Estate Expo
- Punjab Food Authority Expo
- Punjab Agricultural Expo
- Printing Pack and Packaging Expo Karachi
- Multan Mango Festival
- Plasti and Pack Expo
- Complast Sri Lanka Expo

DIRECTORS' *REPORT*

The Directors of the Company have the pleasure in presenting their report along with the audited financial statements of the Company for the year ended June, 30 2018.

FINANCIAL OVERVIEW

The financial position of the Company has been summarized below:

	2018	
	Rupees in '000'	
Turnover	4,031,388	4,098,007
Gross Profit	308,157	552,801
Finance Cost	120,526	93,144
(Loss)/Profit before Tax	(73,224)	268,463
(Loss)/Profit After Tax	(90,547)	251,590

APPROPRIATION

Considering financial performance of the Company for year ended June 30, 2018, the Board of Directors of Company has not declared a cash dividend. However, the Board has recommended issuance of bonus shares @ 20% (i.e., two (2) bonus share for every 10 existing ordinary shares held by the shareholders on book closure date) out of share premium account, subject to the approval of shareholders in the Annual General Meeting. These financial statements do not include the effect of above proposal which will be accounted for in the period in which it is approved by the shareholders.

PRINCIPLE ACTIVITIES AND DEVELOPMENT AND PERFORMANCE OF BUSINESS BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS

During the year under review, your Company has faced unique challenges because of the turmoil in the economy – Depreciated of Pak Rupee by 16% approximately, increasing interest rates,rising energy and utility costs,placement of Pakistan on FATF grey list, political turmoil, mounting current account deficit and decrease in exports- which slows down the pace of our economy. In order to cut down imports,the Government has imposed additional duties and margin policies which led to increase in prices of local raw materials. Despite the challenging conditions, your Company has been successful to maintain its customer base and market share, however, its bottom line deteriorated. This translated into a loss of Rs. 90.5 million for the year ended June 30, 2018 as compared to profit of Rs. 251 million for the previous year. The major reason for this loss is the shrinking of margins due to lag of passing higher raw material and energy prices to the customers. In addition, the Company has also suffered loss due to exchange rate volatility of Rs.82 million and provision of bad debts of Rs.42 million.

The Company reported net sales of Rs. 4,031 million in 2018 against net sales of Rs. 4,098 million during last year representing a sales decline of 1.6%. In Volumetric terms, the Company sold a record 32,859 tons in 2018 as compared to 33,268 tons during 2017 showing decline of 1.2%. However, in value terms the sale growth remained lower owing to depressed sale prices.

Our margins were lower than last year due to adverse factors discussed above. The gross profit for the year was significantly lower at Rs.308 million as compared to Rs.552 million during last year, decrease of 44% against last year.

Selling costs also witnessed an increase of Rs. 68 million due to one off provision of bad debt amounting to Rs 42 million. Higher freight cost and expenditure incurred on advertisement and business promotion also increased as compared to last year.

Finance cost also increased from Rs 93 million in the year 2017 to Rs. 120 million during the year under review mainly due to increased working capital requirement and higher markup rates.

During the year, Pak rupee devaluation against major currencies and the Company suffered a foreign currency loss of Rs. 82 million. The major portion of the foreign currency loss related to supplier credit.

EARNING PER SHARE

The earnings per share for current and previous year are as follows:

LPS-2018: (0.77)/share
EPS-2017: 2.13/share

PRINCIPLE ACTIVITIES AND DEVELOPMENT AND PERFORMANCE OF BUSINESS BASED CONSOLIDATED FINANCIAL STATEMENTS

The operation of the subsidiary has not yet started.Further detail regarding subsidiary have been separately disclosed in the consolidated Directors Report.

BRIEF ON EXPANSION PROJECTS

We are pleased to announce that our both expansion projects have completed and successfully started commercial production. The Management is confident that the increased capacity will bring efficiencies and better results in future.

HUMAN RESOURCE DEVELOPMENT

We believe that our core strength are our employees, who strive every day to meet individual challenges and help the Company achieve its objectives. Nurturing their abilities has been the Company's priority. For this, the Company has arranged to hold different training programs aiming to develop the employees' leadership, strategic and managerial skills.

CORPORATE SOCIAL RESPONSIBILITY

The Company's Management continued its focus on environment protection and skill development during the year. The Company considers social, environmental and ethical matters as important elements of business activity. During the year under review, we have made donations of Rs. 362,839. The more detail related to CSR activities are given elsewhere in this report.

UTILIZATION OF IPO FUNDS

The fundraised through issue of prospectus, were utilized for completion of the expansion projects, to payoff short-term and long-term borrowing andincreased working capital requirement, as disclosed in the prospectus. The balance amount will be utilized in any other activity related to the Company's ongoing operations, as may be approved by the board of directors.

BOARD MEMBERS AND ATTENDANCE AT MEETINGS

During the year under review, four (04) Board meetings of the Board were held which were attended by the directors, as per following detail:

NAME	STATUS	MEETINGS ATTENDED
Mr. Khalid Eijaz Qureshi	Chairman/Non-Executive Director	04
Mr.Tayyab Aijaz	CEO/Executive Director	04
Mr. Saadat Eijaz	Executive Director	04
Mr. Zaki Aijaz	Non-Executive Director	04
Mr. Quasim Aijaz	Non-Executive Director	04
Mr. Muhammad Naveed Tariq	Independent Non-Executive Director	03
Mr. Malik Asad Ali Khan	Independent Non-Executive Director	02

Leave of absence was granted to members who could not attend the meeting.

BOARD AUDIT COMMITTEE

During the year under review, four (04) Board meetings of the Board were held which were attended by the directors, as per following detail:

NAME	STATUS	MEETINGS ATTENDED
Mr. Muhammad Naveed Tariq	Chairman	03
Mr. Quasim Aijaz	Member	04
Mr. Khalid Eijaz Qureshi	Member	04

HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year under review, one (01) Human Resource and Remuneration Committee meeting was held with the following attendance:

NAME	STATUS	MEETINGS ATTENDED
Mr. Malik Asad Ali Khan	Chairman	01
Mr. Tayyab Aijaz	Member	01
Mr. Khalid Eijaz Qureshi	Member	01

STRATEGIC COMMITTEE

During the year under review, three (03) Strategic Committee meetings were held with following attendance detail;

NAME	STATUS	MEETINGS ATTENDED
Mr.Tayyab Aijaz	Chairman	03
Mr. Saadat Eijaz	Member	03
Mr. Zaki Aijaz	Member	03

PROJECT COMMITTEE

During the year under review, twelve (12) Project Committee meetings were held which were attended by its members as per following detail:

NAME	STATUS	MEETINGS ATTENDED
Mr. Zaki Aijaz	Chairman	12
Mr. Saadat Eijaz	Member	12
Mr.Tayyab Aijaz	Member	12

DIRECTORS' TRAINING PROGRAMS

During the year under review, Mr.Saadat Eijaz and Mr. Zaki Aijaz attended the Directors' training program organized by the Institute of Cost and Management Accountants, Lahore.

APPOINTMENT OF AUDITORS

As recommended by Board of Directors and approved in last Annual General Meeting, M/S KPMG were appointed as auditors of the Company for year ended June 2017-2018.

The present auditors M/S KPMG Taseer Hadi & Company, Chartered Accountants, retired and offered themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending 30 June 2019.

PATTERN OF SHAREHOLDING

The pattern of shareholding is annexed to this Report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

There are some risk factors which may have an impact on the future performance of the Company which have been disclosed separately in the report.

CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES AND JOINT OPERATION

No changes have occurred during the financial year concerning nature of the business of the Company. However, matter related to subsidiary have been disclosed in detail in consolidated report.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS

Devaluation of Pak Rupee, increasing rates of Fuel and Powers, increasing interests' rates and Govt. policies and legislation are the major factors which can affects the business performances. In addition to that awareness of hygiene, urbanization and food safety regulations are the factors which will likely to increase the demand of packaging.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

The Company's production has no negative impact on the environment as our plant and operations are complying with international and national environmental standards.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board ensures adequacy of internal control activities either directly or through its committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information.

The Board has decided that any employee of RPL having monthly gross salary of Rs.500,000 or above should be considered as "Executives" for the purpose of Rule 5.19.11 and Rule 5.9.15 of the PSX Rule Book.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

Complying with Listed Companies Code of Corporate Governance, 2017, the Human Resource and Remuneration Committee has developed a mechanism for evaluation of performance of the Board of Directors and Board Committees. During the year a comprehensive questionnaire was circulated among all members for this purpose. On the basis of that feedback the average rating of the performance of the board was found satisfactory. Improvement is an ongoing process and the board has identified the areas of improvement in line with the global best practices.

DIRECTORS' REMUNERATION

The remuneration policy for Board of Directors, Executive, Non-Executive & Independent Directors, has been prepared. The policy has been designed on the basis of standards in the market, and reflects demands to competencies & efforts in light of scope of their work and increase in responsibilities of the directors. The remuneration of the Executive Directors is approved by the Board. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his own remuneration. For information on remuneration of Executive and Non-Executive Directors, please refer note to the attached financial statements.

FORWARD LOOKING STATEMENT

We look at the current financial year with cautious. On the political front, a new Government is in place after the general elections. The country faces micro economic challenges which needs to be addressed by the new Government on war footing. The continuity of the economic policies will remain critical to the sustained development of the economy. However, it is widely acknowledged that our country has immense economic potential and we hope that the new Government handle the serious economic and security issues faced by the country.

Your Company is geared to face the challenging times and is taking every possible step to strengthen the operations to improve sales and margins, however, we expect the raw material prices to go up and the sale prices will remain depressed. The Company is negotiating with its existing customers to pass on the higher raw material and energy costs, cost cutting through cost rationalizing, efficiency improvement steps to reduce wastages and inefficiencies, rationalizing non-cash base expenses, hiring and acquisition of new talent and in order to increased our portfolio participating in national and international trade shows, actively using advance marketing tools along with traditional method of knocking customers. Our enthusiasm for broadening our products and customer portfolio will remain our priority going forward. We have a clear and focused strategy for our future and hope to strengthen our position in the coming years.

While remaining cautious about the outlook for current fiscal, we are positive that being consumer-oriented society along with food safety regulation and increasing awareness of hygiene packaging needs, the Company will grow and post better performance, Insha Allah. We, therefore, remain optimistic and confident for the future of your company.

FINANCIAL COVENANT

During the year, your Company did not meet the financial caveat of Debts Service Coverge Ratio and interest coverage ratio as disclosed in the financial statement due to which long term loan from United Bank Limited and Dubai Islamic Bank Limited is classified under short term liabilities. The Management is confident that relaxation for meeting caveat will be obtained from the Banks. Furthermore Company have sufficient liquidity reserve to meet this short term liability.

SUBSEQUENT EVENTS

There have been no material changes since 30 June 2018 to the date of this report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

ACKNOWLEDGEMENT

We thank our employees who have worked diligently and delivered outstanding performance in a challenging economic and business environment. We also thank our valued shareholders, customers and the business partners for their support to the Company and its management and look forward to their continuing support in our efforts for enhancing the value for all stakeholders.

Chief Executive Officer

Chairman

ROLE OF THE CHAIRMAN

The Chairman shall be responsible for the leadership of the board and shall ensure that the board plays an effective role in fulfilling all its obligations. In particular, he shall:

1. Ensure effective functioning of the Board Room and committees of the Board in accordance with the highest standards of corporate governance;
2. Ensure that such an agenda for the Company is set which primarily focuses on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are regularly considered by the Board;
3. Ensure that the Board discussions promote constructive debate and effective decision-making;
4. Ensure that the Board determines the nature and extent of the significant risks to the Company, and that the Board reviews regularly the effectiveness of risk management and internal control systems;
5. Ensure that adequate time is allowed for discussion of all agenda items, and complex or contentious issues are dealt with effectively, making sure in particular that non-executive directors have sufficient time to consider them;
6. Ensure that the Board members receive accurate, timely and clear information relating to agenda items and, in particular, about the Company's performance;
7. Ensure that the Board delegate appropriate authority to the management;
8. Ensure that all Board committees, as required under the Code, are properly established, composed and effectively operated;
9. Ensure to build an effective Board with composition and balance, diversity (including gender), and succession planning for the Board and the appointment of senior executives;
10. Ensure that the Chairmen of the Board Committees properly brief the Board regarding proceedings of their Committees;
11. Ensure proper disclosure in the Annual Report as required under the Code of Corporate Governance and other requirements with regard to the Directors are complied with;
12. Ensure that the Directors continually update their skills, knowledge and familiarity with the Company to fulfill their role both on the Board of Directors and Board Committees, including the terms of the Code of Corporate Governance;
13. Communicate with the Chief Executive whenever need be;
14. Ensure that the performance and effectiveness of the Board, its committees and individual Directors is formally evaluated on an annual basis;
15. Establish a harmonious and open relationship with all Executive Directors, and the Chief Executive in particular, providing advice and support while respecting executive responsibilities; and
16. Ensure that conflict of interest issues are adequately addressed at the Board level.

ROLE OF THE CHIEF EXECUTIVE

The Chief Executive shall be responsible for the leadership of business and is subject to the control and direction of the authorities delegated to him by the Board of Directors, along with being responsible for the management of affairs of the Company.

In particular, he shall:

1. Develop strategies for the Company for approval from the Board, and ensure that the approved corporate strategy is duly reflected in the business;

2. In conjunction with the Chief Financial Officer, develop an annual budget and cash flow plan consistent with the approved corporate strategies for presentation to the Board for approval. This should include developing processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified, and appropriate steps are taken to manage the risk to business;

3. Be responsible to the Board for the performance of the business being consistent with the approved business plans, corporate strategies and policies,and keep the Board as a whole updated on progress made against such approved plans, corporate strategies and policies;

4. Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans, and ensure that robust management succession and managment development plans are in place and presented to the Board from time to time;

5. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources;

6. Ensure that financial results, business strategies and, where appropriate, targets and milestones are placed before the Board;

7. Develop and promote effective communication with shareholders and other stakeholders;

8. Ensure that business is conducted in accordance with the highest standards of corporate governance;

9. Ensure that the flow of information to the Board is accurate, timely and clear;

10 Ensure that the reporting lines within the Company are clearly established and are effective;

11. Ensure that proper procedures are in place to ensure compliance with all applicable laws, rules and regulations;

12. Ensure an effective framework of internal controls, including risk management in relation to all business activities;

13. Ensure that the Company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements; and

14. Ensure that conflict of interest issues are adequately addressed at the management level.

CHAIRMAN REVIEW REPORT

The Board of Directors ("The Board") of Roshan Packages Limited ("RPL") has performed their duties diligently and contributed effectively in guiding the company in all its affairs. The Board has played a key role in monitoring the performance of management and focused on major risk areas. The Board has exercised its powers and has performed its duties in line with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Regulations").

The Board during the year ended June 30 2018 played an effective role in managing the affairs of the company and achieving its objectives in the following manner.

a. The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Regulations and that the members of the Board and its respective committees have adequate skills, experience and knowledge to manage the affairs of the Company.

b. The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically.

c. The Board has ensured that the meetings of the Board and that of its committees were held with the requisite quorum, all the decision making were taken through Board resolutions and that the minutes of all the meetings (including committees) are appropriately recorded and maintained.

d. The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of reference. The Board has also assigned adequate resources so that the committees perform their responsibilities diligently.

e. The Board has actively participated in strategic planning, process enterprise risk management system, policy development and financial structure, monitoring and approval.

f. The Board has prepared and approved the Director's Report and has ensured that the Directors Report is published with quarterly and annual financial statement of the Company and that the contents of the Directors Report are in accordance with the requirement of applicable laws and regulations.

g. As for the conduct of Directors when exercising their decision-making power, the Board has always ensured compliance with the applicable laws and regulations

h. The Board has ensured that Directors are provided with orientation courses to ensure effective performance of their duties.

i. While four directors on the Board have already taken certification under the Directors Training Program, the Board ensured that the remaining Directors meet the qualification and experience criteria of the Regulations.

j. The Board has developed a code of conduct setting forth the professional standards and a corporate value adhered through the company as well as significant policies for smooth functioning.

k. The Board has ensured that the adequate information is shared amongst its members in a timely manner and the Board members are kept abreast of development between meetings.

l. All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process. Particularly all the related party transactions executed of the Company were approved by the Board on recommendation of Audit Committee.

m. The Board has ensured an adequate system of internal control and its regular assessment through self-assessment mechanism and/or internal audit activities.

n. The Board has ensured the hiring, evaluation, and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary and Head of Internal audit.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including strategic process, key business drivers and performing milestones. The performance of the Board was found most satisfactory.
Based on the global economic environment and competitive context in which the Company operates, the risk forced by the Company's businesses, Board dynamics, capability and information flows, it can reasonably be stated that the Board of RPL has played a key role in ensuring that the Companys' objectives are not only achieved but also exceed expectations through a joint effort of the Management along with guidance and oversight by the Board and its members.

The company is investing substantial resources to further improve its working conditions for its employees to provide safe, healthy and comfortable environment.

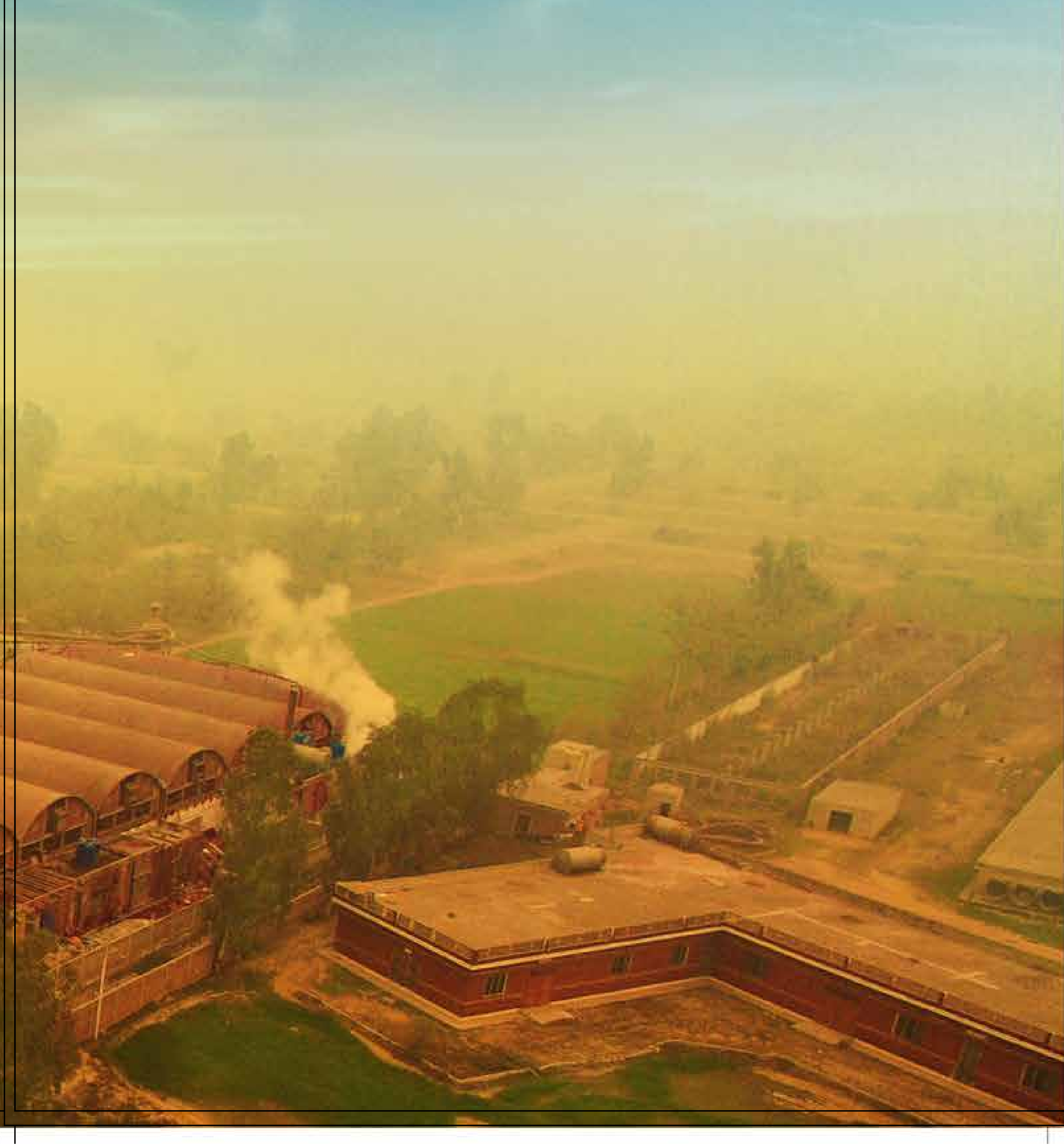
On the behalf of the Board, I wish to acknowledge the contributions of all our employees in the success of the Company. I also wish to thank our shareholders, customers, suppliers, bankers, business partners and other stakeholders for their confidence and support.

The Board looks forward to the next year with confidence in meeting the challenges ahead.

KHALID EIJAZ QURESHI
CHAIRMAN


Roshan Packages Limited
Corrugation Plant

The meaning of "Growth" is not just expansion from an economic point of view; we fully believe that progress relates to social, cultural & environmental development. Our company mission drives us to pursue progress ethically, to be agents of truly sustainable development with a human face.



CORPORATE SOCIAL RESPONSIBILITY

At Roshan Packages, we are first and foremost committed to acting with integrity in our everyday business.
We see CSR as an opportunity to instill hope and use our expertise, knowledge and relationships to make a positive impact to individuals, society, environment and the Motherland. The ethos & DNA of our nation is somewhere rooted in undying hope & we as a company recognize this about our social fabric. Hence, the Company believes in augmenting growth, creating value for all shareholders, while complying with responsible business ethics and adopting social values of goodness, because Hope is the Biggest Growth Package.

Striving for constant improvement, we have established various commitments across all CSR areas. Some of them are listed below:

1. Energy Conservation Program
2. Urdu Digest
3. Precious Perspective -as per last year book
4. Environmental Policy
5. Health and Safety

6. Gender Equality
7. Supporting Positive Initiatives
8. Donation New amount for this year 362,839
9. Fire Fighting Contract with Haseen Habib Ltd.
10. Training Programs for Farmers and Growers under Roshan Enterprises and not Roshan Packages

Environmental Policy

Roshan Group has a comprehensive policy that is in strict compliance with local and international environmental protocols, which aim to minimise the impact of our industrial processes on the environment. Roshan Packages Limited has put great thought in replacing wooden boxes with high-quality recycled corrugated cartons. We aspire to be a socially responsible corporation through preserving our natural resources and contributing to a sustainable environment.

Roshan Sun Tao Paper Mills (Private) Limited, a dedicated and eco-friendly corrugated paper mill is installing an international standard recycle-based paper manufac - turing plant. Also, the Roshan Sun Tao Paper Mills (Private) Limited will have a European standard effluent water treatment plant for efficient industrial waste management. This planning is in line with our environmental policy, and is based on the following parameters:

Encouraging reuse and recycling;

- Efficient use of materials and energy;
- Management of effluents, waste and by products
- Incorporating the principles of sustainable development
- Promoting awareness on environmental issues through research for developing eco-friendly products.

Fire Fighting Contract with Haseen Habib Ltd.
ROSHAN Packages Ltd. has signed an agreement with Haseen Habib to enhance the capacity of Fire Fighting and Industrial SafetyEquipment. ROSHAN Packages has always preferred and invested to increase the awareness of Fire Fighting and building a safer working zone for the workers and labour force.
This initiative will help ROSHAN Packages to maintain this goal and vision. Industrial Safety measures have always been on top of ROSHAN's priority to safeguard the investment of suppliers and clients.

Health & Safety
Roshan Group conforms to international practices to maintain an excellent work environment that ensures the health and safety of its employees and visitors through:

- Enforcing safe working practices, systems and procedures;
- Supplying appropriate information, instructions and training on work safety
- Maintaining updated emergency procedures and Regularly updating health & safety policy.

Gender Equality
Roshan Group is not only an equal opportunity employer, as we also have a comprehensive company policy that promotes gender equality and protects women's fundamental rights through:

- Providing equal employment opportunities;
- Offering equal on job training opportunities;
- Ensuring equal remuneration status;
- Implementing equal career growth based on performance and merit;
- Offering special maternity and medical leaves;
- Implementing workplace harassment measures.

Training Programs for Farmers and Growers
Roshan Enterprises, an authentic market leader with nationwide presence, has been reaching out to farmers and growers, particularly in conflict zones of Baluchistan and FATA.
Our programmes equip farmers with specially devised skill development training focused on modern faming and packaging techniques, helping them increase the life expectancy of their products and gain higher yields. Ultimately, our programme assists farmers in reaching optimum profitability and enjoying better living standards.

Supporting Positive Initiatives
Roshan Group is providing scholarships and financial assistance to high attaining and deserving students through the Karwani-Ilm Foundation. We support Akhuwat Foundation, a civil society organisation engaged in poverty alleviation through interest-free microfinance programmes. Therefore, we are making crucial contributions in improving the socio-economic dynamics of Pakistan.

Alongside supporting these initiatives, Urdu Digest remains Roshan Group's flagship contribution towards nurturing the moral and ethical values in society, which is integral in building a more peaceful, progressive and prosperous Pakistan.

Employee Initiative

Dam Funding of 1 Million

Thanks to the futuristic vision of the Honorable Chief Justice, Mian Saqib Nisar, the entire Nation, including Roshan Packages Limited, has come alive to the realization that conservation of water resources is a crying need of the day for Pakistan and construction of the Diamir Basha Dam is a major step in that direction.

This initiative of the Chief Justice not only received the full support of every member of Roshan Packages Limited, each willingly donated two days salary to this noble cause. The amount thus collected was further supplemented by the Management and a consolidated cheque worth Rs One Million was handed over to the Chief Justice by Chief Executive, Mr. Tayyab Aijaz Qureshi and Director Mr. Zaki Aijaz Qureshi.

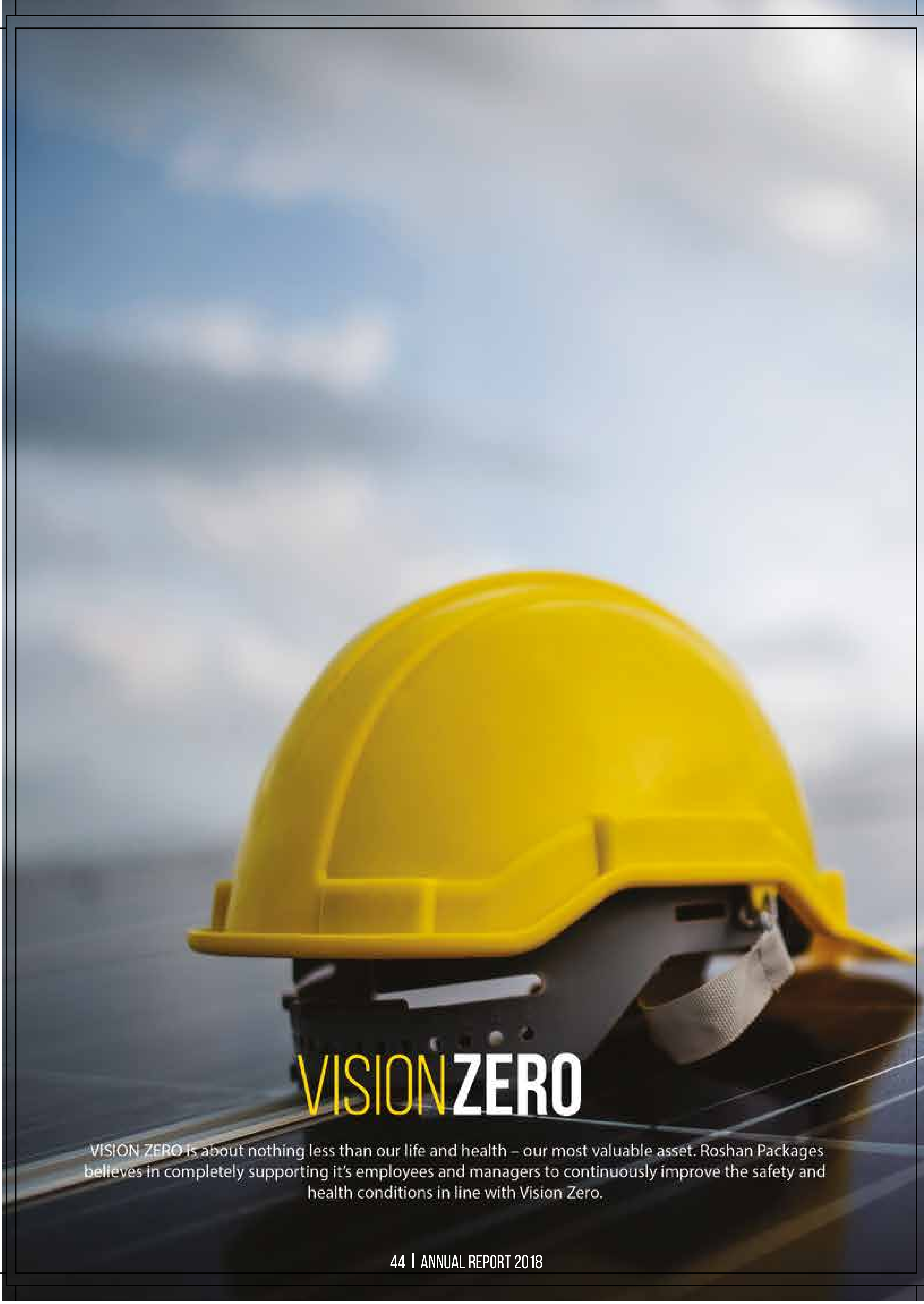
THE STORY BEHIND
URDU DIGEST

Beyond business, we are reaching out to create tangible impact in the lives of the people of Pakistan. Urdu Digest is one such products of ours that aims to keep the language alive, provides young writers with an approachable platform and encourages to read and write Urdu. In this day and age when the future of Urdu language seems uncertain and people are gradually distancing from their mother-tongue, the continuation of a project like Urdu Digest is a great feat that makes us proud. But this goes beyond the matter of language. Over the years we have all seen a declining trend in the culture of reading. The younger generation oscillates between lengthy textbooks and social media news and reading Urdu is not much of an option, especially with the decline of Urdu readership. Keeping this in mind, Roshan focuses on creating events, Urdu Mushairas and distributing free Urdu Digests to encourage the habbit of reading in people. The youth we feel will resonate with Urdu, if they are given the right exposure on write & read platforms.

VISION OF QUALITY AND INNOVATION

Roshan Packages is focused on providing you with a professional certification experience, innovative product ideas and a trustworthy environment.

At Roshan, we strongly believe that quality is what differentiates the value of a company from another. It is most important especially when it comes to food and packaging. Our constant focus on improving the way we serve our customers along with complete financial discipline, will enable us to create innovative opportunities, pursue growth and meet promising objectives.



VISION ZERO

VISION ZERO is about nothing less than our life and health – our most valuable asset. Roshan Packages believes in completely supporting it's employees and managers to continuously improve the safety and health conditions in line with Vision Zero.

VISION ZERO

The ISSA's revolutionary Vision Zero integrates the three dimensions of safety, health and well-being at all levels of work. It is based on the fact that we are human and make mistakes, but systems should be designed to protect us when we err. Vision Zero is both an attitude toward life and a strategy for designing a safe transportation system. It establishes that the loss of even one life or serious injury on our roads is unacceptable.

Together, we can achieve zero accidents and work related diseases, because every person in our Roshan Family matters.

7 GOLDEN RULES FOR VISION ZERO

1 Identify hazards control risks
2 Define targets develop programmes
3 Invest in people motivate by participation
4 Take leadership demonstrate commitment
5 Improve qualifications develop competence
6 Ensure a safe and healthy system be well organized
7 Ensure safety and health in machines, equipment and workplaces

VISION ZERO
Safety.Health.Wellbeing.

RISK AND *OPPORTUNITIES*

The objectives of the management are well aligned and harmonized with the overall strategic objectives of the Company. The following strategies were adopted by the management to achieve its objectives.

Risks	Mitigations
Technological Obsolescence	
Roshan Packages will need to maintain investment in expanding, modernizing and upgrading its manufacturing facilities and keep pace with advancements in technology in order to remain competitive in the future. A failure to do so may result in lower quality and efficiency relative to the industry, leading to diminishing sales and market share.	The Company is constantly investing in expanding, modernizing, and upgrading its manufacturing facilities and keeping pace with advancements in technology in order to remain competitive in the future. The Company has recently installed high-tech machinery from Europe to meet international standards.
Business Risk	
Decrease in demand for the Company's products in the wake of lower than expected market growth may lead to declining sales volume and profitability. The Consumer Goods industry has been a major driver of the economy and any uncertainty in consumer markets may directly affect demand for the products of Roshan Packages.	The Company is diversifying its portfolio and increasing its range of customers so that dependency on any particular industry or customer may not hamper its operations.
Foreign Exchange Risk	
Currency fluctuations and uncertainty in foreign exchange markets will affect the prices the Company pays for its raw materials and machinery and can potentially hamper operational and financial planning.	The Company has arrangements with its customers where any material increase in prices due to currency fluctuation or any other reason will be renegotiated. In addition to that, the Company uses a mix of its portfolio in sight and Usance LC so that any affect average out.
Liquidity Risk	
Roshan Packages utilized various financing facilities during the regular course of business operations, which opens it up to risk of not being able to meet its financial obligations on time using internal liquidity. Failure to pay dues on time may result in weakening creditability, higher costs of future financing, and damage to reputation.	The Company makes sure that it always has sufficient cash flows to meet its liabilities on time. The Company has an appropriate mix of equity, long term loans, supplier credits and working capital lines. The Company has strong vigilance to maintain its quick and current ratios. Additionally, the Company has sufficient funds available to meet this risk.
Credit Risk	
Roshan Packages is exposed to the financial risk of counter parties being unable to discharge an obligation, such as banks holding cash and cash equivalents and deposits and clients with outstanding receivables. Default by such parties would negatively affect the Company's financial standing.	The Company has a diversified portfolio of deposits having AA short term credit ratings. Additionally, the Company has strong controls on credit given to the customer based on their credit days and credit, whereas supplies immediately hold in order to reduce the magnitude of the exposure, while maintaining strong financial viability.
Regulatory Risk	
Imposition / enhancement of duties, taxes or any other policies which effect business operations.	The Govt. is currently working on better documentation of the economy, and any policies drafted as a result will be applicable across the Board so Roshan Packages will remain competitive in all aspects.
Human Resource	
Demand of skilled workers may lead towards high turnover, increased human resource cost and deterioration in service quality.	The Company will remain competitive according to the market. Furthermore, the human resource department will play an active role in maintaining a quality working environment with regular training and succession planning.
Pricing	
There is a likelihood that new entrants will increase price war which will erode margins.	The Company invests heavily in modern technologies, diversification of business and technical expertise to face these challenges. Furthermore, we are religiously working to improve operational efficiencies, and developing new vendor relations in order to get materials at competitive prices.

OPPORTUNITIES

Modern Technology

RPL is using state of the art and technologically upgraded machinery in its operations, giving it a leading edge in the market and helping it remain competitive.

Strong Relationships

RPL believes in maintaining long term business relationships with its customers, suppliers and business partners. A majority of the RPL clientele consists of blue chip companies, and have been working with RPL for more than five years.

Backward Integration

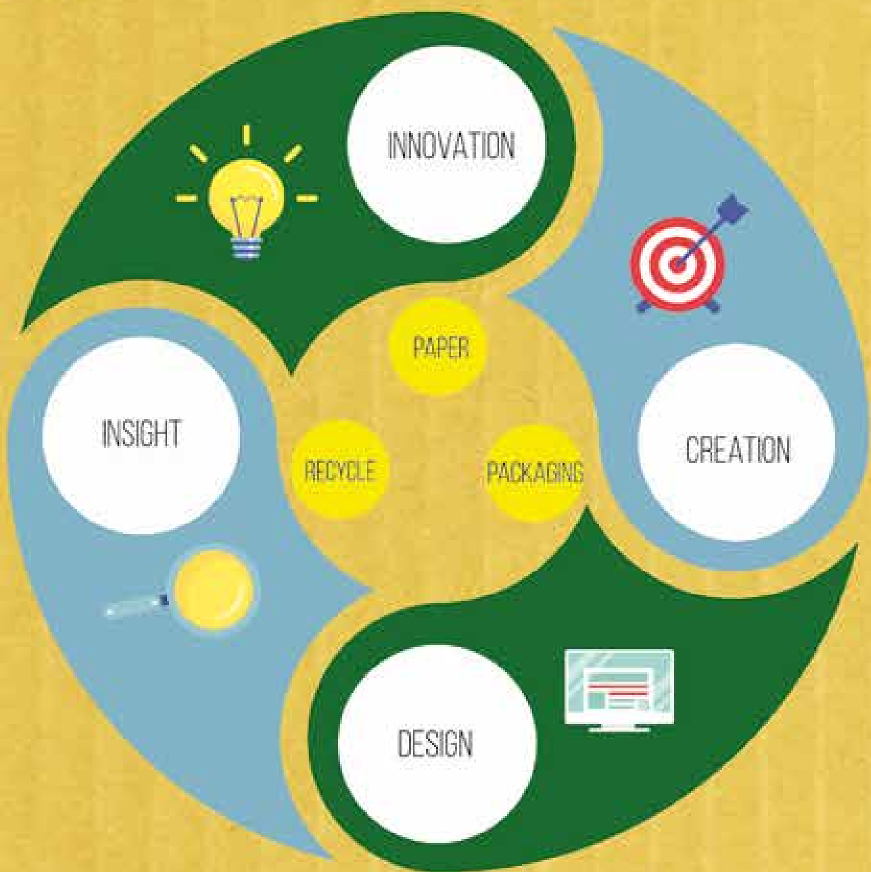
RPL is currently investing in a new paper mill project that directly ties into and supports our corrugated packaging business. This new venture will help RPL to solve its raw material constraints, reduce long term overheads, and will enable us to provide uninterrupted supplies to our customers.

LEADING THE WAY IN **SUSTAINABILITY**

Roshan aims at bringing strategic vision closer to the business processes to create a sustainable working model. Looking at a bigger canvas, we are embedding sustainability in our products and delivering innovative packaging solutions that satisfy the need of recycling in world.

These days public awareness and interest in recycled packaging is growing. The rapidly changing climate and concerns for environment is also adding to it, and people are especially promoting companies that follow a sustainable model. We believe that packaging has a strong influence on sustainable purchasing decisions and that packaging solutions need to constantly evolve with time. Growth is undoubtedly about balancing business interests with social and cultural benefits.

Innovating Packaging solutions is the soul of Roshan as a company. We completely believe in delivering leading edge products and the highest quality service to our customers. Our product portfolio includes consumer packaging, displays and promotional packaging, customised protective packaging and industrial packaging, providing state-of-the-art solutions for each market requirement. Our packaging, paper and recycling operations are closely integrated. Our resolute corporate values underpin our culture and behaviours and are central to how wider value is created for our business.



OUR AWARDS & ACHIEVEMENTS

Roshan Packages equips individuals and teams to consistently execute highimpact plans and goals with confidence and excellence. It is with our trust and the commitment of our team, that we have attained landmark achievements over the years.

These are not simple awards or certifications for us. They are a testament to the passion and hard work of Team Roshan and a promise that the pursuit to quality and perfection at Roshan will only grow every year. Each one of these milestones inspires us to optimize our efforts for continued growth in the days ahead. Some of these achievements are:

- Implementation of SAP-Enterprise Resource Planner (2015)
- ACCA Approved Employer Status (2016)
- Quality Management System ISO 9001 (2015)
- Food Safety Management System FSSC 22000
- Sedex Approved Organization – 4 Pillars Certification
  - Business Conduct
  - Environmental
  - Health and Safety
  - Labour Law

- Approved Employer by ICAEW
- Halal Management System Awarded by SANHA

The success of Roshan is not limited to Pakistan. We have also been the recipient of several awards from all World Network, in collaboration with Harvard Business School, for its outstanding growth achievements:

- Ranked 23rd in Pakistan under 25 Fastest Growing Companies of Pakistan (2010)
- Ranked 37th in 100 Fastest Growing Companies of Pakistan – 2011
- Ranked 25th in Pakistan under 500 Fastest Growing Companies of Arabia Region – 2011
- Ranked 23rd in Pakistan under 500 Fastest Growing Companies of Arabia Region (2012)
- Ranked 26th in 100 Fastest Growing Companies of Pakistan (2013)

Drive sustainable growth by setting standards for both innovation and process, and ensuring quality every step of the way.

ANALYSIS OF
FINANCIAL RATIOS

SIGNIFICANT RATIOS		2012	2013	2014	2015	2016	2017	2018
Other Information								
Sales growth	%age	60%	23%	12%	16%	1%	13%	-2%
Profitability Ratios								
Gross profit	%age	14%	13%	11%	11%	14%	13%	8%
Net profit	%age	6%	5%	3%	4%	7%	6%	-2%
Operating profit Margin	%age	8%	8%	6%	6%	9%	9%	1%
EBITDA to sales	%age	10%	9%	9%	8%	11.4%	13.3%	4.6%
Return on assets	%age	10.9%	7.3%	4.0%	4.6%	5.1%	3.0%	-1.1%
Return on equity - Excluding surplus	%age	26%	19%	11%	13%	20.3%	5.9%	-2.2%
Return on equity- Including surplus	%age	21.4%	14.6%	9.5%	11.2%	11%	5%	-2%
Return on capital employed excluding revaluation surplus	%age	30%	21%	18%	16%	14%	7%	1%
Return on capital employed including revaluation surplus	%age	24.7%	17.7%	15.7%	14.6%	9.6%	5.6%	0.8%
Liquidity Ratios								
Current ratio	times	1.48	1.32	1.20	1.25	1.19	2.33	1.68
Quick ratio	times	0.96	0.94	0.81	0.80	0.88	1.98	1.39
Cash to current liabilities	%age	15%	11%	8%	5%	8%	104%	65%
Activity Ratios								
Inventory turnover	times	8.53	9.24	8.03	6.48	6.22	6.95	6.17
Inventory days	days	42.77	39.51	45.44	56.36	58.71	52.53	59.16
Debtors turnover	times	6.65	5.96	5.17	5.02	4.26	3.80	3.33
Debtors days	days	54.87	61.28	70.61	72.74	85.69	95.98	109.69
Creditors turnover	times	5.09	4.83	4.71	4.06	3.42	3.81	4.40
Creditors days	days	71.66	75.62	77.45	89.91	106.75	95.72	82.98
Fixed assets turnover	times	4.69	2.92	3.06	3.01	1.22	1.14	1.11
Total assets turonver	times	1.71	1.43	1.24	1.25	0.71	0.49	0.48
Operating cycle	days	25.98	25.17	38.61	39.20	37.65	52.78	85.86
Investment/Market ratios								
Breakup value per share (excluding revaluation surplus)	Rs.	21.72	24.95	29.18	34.04	43.16	39.40	34.37
Breakup value per share (including revaluation surplus)	Rs.	26.72	31.89	35.24	39.67	79.97	49.39	43.49
Capital structure ratio								
Debt to Equity ratio	times	0.08	0.15	0.51	0.33	0.48	0.26	0.36
Interest cover ratio	times	8.39	14.51	4.28	3.96	7.54	3.88	0.39
Leaverage Ratios								
Long-Term Debt to EBITDA	times	0.02	0.07	0.08	0.10	1.31	1.17	
Long-Term Debt to Equity with surplus	times	0.01	0.02	0.02	0.03	0.23	0.12	
Long-Term Debt to Equity without surplus	times	0.01	0.02	0.02	0.03	0.42	0.15	
Longterm Debt to total Assets	times	0.00	0.01	0.01	0.01	0.11	0.08	
total debt to equity with surplus	times	0.08	0.15	0.51	0.33	0.48	0.26	
total debt to equity without surplus	times	0.10	0.19	0.61	0.38	0.89	0.33	
total debt to assets	times	0.04	0.08	0.22	0.14	0.22	0.17	
EBITDA / Interest	times	10.42	17.64	5.82	5.32	9.03	5.86	

FINANCIAL SUMMARY
OF LAST SIX YEARS

ROSHAN PACKAGES LIMITED Horizontal Analysis	2012	2013	2014	2015	2016	2017	2018
ROSHAN PACKAGES LIMITED							
Balance Sheet							
Paid up Capital	248,360,000	299,390,000	299,390,000	299,390,000	299,390,000	1,075,000,000	1,182,500,000
No. of Shares	24,836,000	29,939,000	29,939,000	29,939,000	29,939,000	107,500,000	118,250,000
Non-Current assets	487,021,033	948,585,846	1,014,414,638	1,203,695,223	3,183,888,712	3,835,297,145	3,843,406,166
Current assets	813,817,007	961,262,214	1,461,552,258	1,650,721,503	1,951,213,720	4,558,990,712	4,548,780,253
Stores and Spares	21,235,384	28,470,879	38,724,824	44,273,473	55,723,979	108,302,192	146,559,980
Stocks in trade	267,478,663	250,043,268	429,615,280	554,392,973	445,186,665	575,197,025	631,651,871
Debtors	419,171,904	501,038,701	685,286,253	737,001,616	963,552,761	1,191,625,522	1,231,373,541
Cash and bank balances	84,053,495	81,934,931	103,009,688	69,584,330	136,953,332	2,034,190,710	1,749,293,398
Property plant and equipment	473,032,755	937,279,805	1,001,649,298	1,183,670,997	2,964,999,035	3,610,358,536	3,625,358,018
Total assets	1,300,838,040	1,909,848,060	2,475,966,896	2,854,416,726	5,135,102,432	8,394,287,857	8,392,186,419
Long-term debt	3,834,956	18,167,361	20,090,486	30,540,402	541,552,109	637,127,961	532,059,323
Short-term debt	48,637,946	126,082,501	514,065,138	361,619,247	604,845,393	755,639,809	1,333,809,379
Total debt	52,472,902	144,249,862	534,155,624	392,159,649	1,146,397,502	1,392,767,770	1,865,868,702
Current liabilities	548,507,609	729,821,067	1,221,437,974	1,323,004,551	1,641,011,873	1,958,225,435	2,709,849,120
Creditors	466,532,042	524,032,365	634,294,554	935,360,865	882,121,078	977,407,259	715,501,683
Non-Current liabilities	88,755,214	225,411,016	199,544,889	343,777,872	1,099,997,635	1,127,036,110	539,656,304
Capital employed	752,330,431	1,180,026,993	1,254,528,922	1,531,412,175	3,494,090,559	6,436,062,422	5,682,337,299
Capital employed excluding revaluation surplus	628,169,220	972,426,883	1,073,037,662	1,362,775,741	2,392,278,732	5,362,171,626	4,603,818,016
Equity (excluding revaluation surplus)	539,414,006	747,015,867	873,492,772	1,018,997,869	1,292,281,097	4,235,135,517	4,064,161,712
Surplus on revaluation	124,161,211	207,600,110	181,491,260	168,636,434	1,101,811,827	1,073,890,796	1,078,519,283
Equity (including revaluation surplus)	663,575,217	954,615,977	1,054,984,032	1,187,634,303	2,394,092,924	5,309,026,313	5,142,680,995
Income Statement							
Revenue	2,219,520,503	2,740,421,360	3,066,080,697	3,568,368,904	3,621,881,861	4,098,007,176	4,031,387,574
Cost of Goods Sold	1,918,186,648	2,390,707,127	2,729,456,036	3,186,272,461	3,107,313,485	3,545,205,877	3,723,230,134
Gross Profit	301,333,855	349,714,233	336,624,661	382,096,443	514,568,376	552,801,299	308,157,440
Operating Expenses	116,346,559	142,417,064	140,854,591	163,161,152	190,617,910	233,968,359	375,940,634
EBIT	185,703,792	208,319,736	196,811,983	223,778,732	337,105,726	361,607,324	47,302,512
Finance Cost	22,140,459	14,356,607	45,968,316	56,498,321	44,738,276	93,144,227	120,526,837
Profit Before Taxation	163,563,333	193,963,129	150,843,667	167,280,411	281,367,450	268,463,097	(73,224,325)
Taxation	21,588,984	54,964,842	50,885,349	34,614,662	13,747,209	16,872,674	(17,323,672)
Profit after Taxation	141,974,349	138,998,287	99,958,318	132,665,749	267,620,241	251,590,423	(90,547,997)
EBITDA	230,604,926	253,294,830	267,687,256	300,775,572	413,214,633	545,595,335	185,942,520
Cash Flow Statement							
Cash flow from Operating Activites	101,260,860	127,788,954	(175,559,961)	224,582,146	77,552,164	(165,067,584)	(437,409,876)
Cash flow from Investing Activites	(30,044,305)	(214,535,125)	(127,981,372)	(54,105,058)	(720,522,593)	(802,838,378)	(90,673,336)
Cash flow from Financing Activites	71,258,924	84,627,607	237,845,444	(234,056,197)	696,308,267	2,715,087,870	52,637,611
Opening cash and cash equivalents	(107,059,930)	84,053,495	81,934,931	16,239,042	(47,340,066)	5,997,772	1,753,179,680
Closing cash and cash equivalents	84,053,495	81,934,931	16,239,042	(47,340,067)	5,997,772	1,753,179,680	1,277,734,079

HORIZONTAL
FINANCIAL ANALYSIS OF LAST SIX YEARS

ROSHAN PACKAGES LIMITED

Horizontal Analysis	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%
ROSHAN PACKAGES LIMITED														
Balance Sheet														
Non Current Assets														
Property plant and equipment	473,032,755	(2.52)	937,279,805	98.14	1,001,649,298	6.87	1,183,670,997	18.17	2,964,999,035	150.49	3,610,358,536	21.77	3,625,358,018	0.42
Asset Subject to finance lease	10,291,705	(7.96)	8,609,241	(16.35)	9,221,740	7.11	13,475,440	46.13	45,160,209	235.13	34,508,466	(23.59)	32,394,882	(6.12)
long term deposits	3,696,573	26.13	2,696,800	(27.05)	3,543,600	31.40	6,548,786	84.81	13,672,635	108.78	16,759,933	22.58	20,501,701	22.33
Intangible assets	–		–		–		–	–	4,654,042	–	4,615,676	(0.82)	3,197,979	(30.71)
Investment in subsidiary	–		–		–		–	–	200,563,000	–	203,563,000	1.50	111,376,130	(45.29)
Long term loan - unsecured, considered good									–		–		82,972,338	–
Current Assets:														
Stores and Spares	21,235,384	112.21	28,470,879	34.07	38,724,824	36.02	44,273,473	14.33	55,723,979	25.86	108,302,192	94.35	146,559,980	35.33
Stocks in trade	267,478,663	46.88	250,043,268	(6.52)	429,615,280	71.82	554,392,973	29.04	445,186,665	(19.70)	575,197,025	29.20	631,651,871	9.81
Debtors	419,171,904	68.94	501,038,701	19.53	685,286,253	36.77	737,001,616	7.55	963,552,761	30.74	1,191,625,522	23.67	1,231,373,541	3.34
Short term loan - unsecured, considered good											–		92,186,870	–
Advances,deposits and prepayments	21,877,561	0.27	99,774,435	356.06	204,916,213	105.38	245,469,111	19.79	349,796,983	42.50	649,675,263	85.73	697,714,593	7.39
Cash and bank balances	84,053,495	154.01	81,934,931	(2.52)	103,009,688	25.72	69,584,330	(32.45)	136,953,332	96.82	2,034,190,710	1,385.32	1,749,293,398	(14.01)
Total assets	1,300,838,040	30.80	1,909,848,060	46.82	2,475,966,896	29.64	2,854,416,726	15.28	5,135,102,432	79.90	8,394,287,857	63.47	8,392,186,419	(0.03)

	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%
Current portion of long term liabilities	4,801,353	36.17	65,918,213	1,272.91	58,279,637	(11.59)	20,809,906	(64.29)	143,692,223	590.50	213,226,896	48.39	638,365,183	199.38
Short-term debt	48,637,946	(65.30)	126,082,501	159.23	514,065,138	307.72	361,619,247	(29.65)	604,845,393	67.26	755,639,809	24.93	1,333,809,379	76.51
Creditors	466,532,042	62.73	524,032,365	12.33	634,294,554	21.04	935,360,865	47.46	882,121,078	(5.69)	977,407,259	10.80	715,501,683	(26.80)
Accured finance cost	11,027,080	14.38	13,787,988	25.04	14,798,645	7.33	5,214,533	(64.76)	10,353,180	98.54	11,951,473	15.44	21,289,992	78.14
provision for taxation	17,509,188	122.11	–	(100.00)	–	–	–	–	–	–	–	–	–	–
Unclaimed dividend									–		–		882,883	–
Non-Current liabilities	88,755,214	(15.98)	225,411,016	153.97	199,544,889	(11.48)	343,777,872	72.28	1,099,997,635	219.97	1,127,036,110	2.46	539,656,304	(52.12)
Total Liabilities	637,262,823	15.13	955,232,083	49.90	1,420,982,863	48.76	1,666,782,423	17.30	2,741,009,508	64.45	3,085,261,547	12.56	3,249,505,424	5.32
Paid up Capital	248,360,000	43.26	299,390,000	20.55	299,390,000	–	299,390,000	–	299,390,000	–	1,075,000,000	259.06	1,182,500,000	10.00
Share premium	–	–	–	–	–	–	–	–	–	–	2,339,165,370	–	2,231,665,370	(4.60)
un-appropriated profit	291,054,006	118.78	447,625,867	53.79	574,102,773	28.26	719,607,869	25.34	992,891,097	37.98	820,970,147	(17.32)	649,996,342	(20.83)
Surplus on revaluation of operating fixed assets	124,161,211	(7.75)	207,600,110	67.20	181,491,260	(12.58)	168,636,434	(7.08)	1,101,811,827	553.37	1,073,890,796	(2.53)	1,078,519,283	0.43
Equity	663,575,217	50.48	954,615,977	43.86	1,054,984,033	10.51	1,187,634,303	12.57	2,394,092,924	101.59	5,309,026,313	121.76	5,142,680,995	(3.13)
Total Equity+Liabilities	1,300,838,040	30.80	1,909,848,060	46.82	2,475,966,896	29.64	2,854,416,726	15.28	5,135,102,433	79.90	8,394,287,859	63.47	8,392,186,419	(0.03)

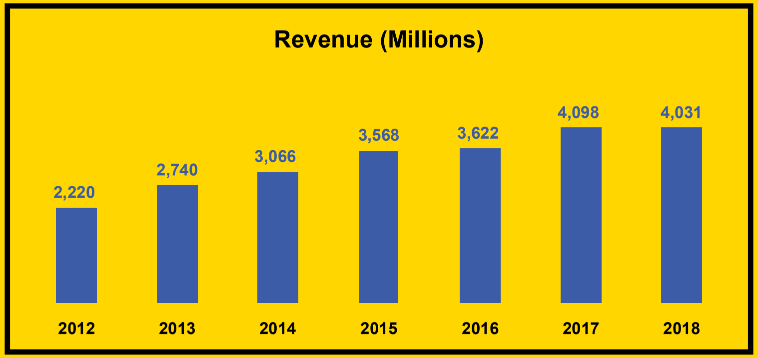
Income Statement	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%
Revenue	2,219,520,503	58.94	2,740,421,360	23.47	3,066,080,697	11.88	3,568,368,904	16.38	3,621,881,861	1.50	4,098,007,176	13.15	4,031,387,574	(1.63)
Cost of Goods Sold	1,918,186,648	63.78	2,390,707,127	24.63	2,729,456,036	14.17	3,186,272,461	16.74	3,107,313,485	(2.48)	3,545,205,877	14.09	3,723,230,134	5.02
Gross Profit	301,333,855	33.79	349,714,233	16.06	336,624,661	(3.74)	382,096,443	13.51	514,568,376	34.67	552,801,299	7.43	308,157,440	(44.26)
Operating Expenses	116,346,559	18.91	142,417,064	22.41	140,854,591	(1.10)	163,161,152	15.84	190,617,910	15.74	233,968,359	23.90	375,940,634	60.68
EBIT	185,703,792	29.56	208,319,736	12.18	196,811,983	(5.52)	223,778,732	13.70	337,105,726	46.52	361,607,324	10.28	47,302,512	(86.92)
Finance Cost	22,140,459	29.44	14,356,607	(35.16)	45,968,316	220.19	56,498,321	22.91	44,738,276	(19.19)	93,144,227	104.02	120,526,837	29.40
Profit Before Taxation	163,563,333	29.58	193,963,129	18.59	150,843,667	(22.23)	167,280,411	10.90	281,367,450	68.72	268,463,097	(4.88)	(73,224,325)	(127.28)
Taxation	21,588,984	(54.29)	54,964,842	154.60	50,885,349	(7.42)	34,614,662	(31.98)	13,747,209	(40.77)	16,872,674	(17.70)	17,323,672	2.67
Profit after Taxation	141,974,349	79.72	138,998,287	(2.10)	99,958,318	(28.09)	132,665,749	32.72	267,620,241	97.29	251,590,423	(3.88)	(90,547,997)	(135.99)
EBITDA	230,604,926	42.91	253,294,830	9.84	267,687,256	5.68	300,775,572	12.36	413,214,633	37.10	545,595,335	32.31	185,942,520	(65.92)

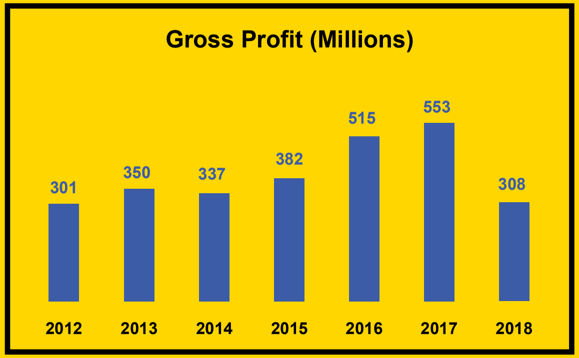
VERTICAL
FINANCIAL ANALYSIS OF LAST SIX YEARS

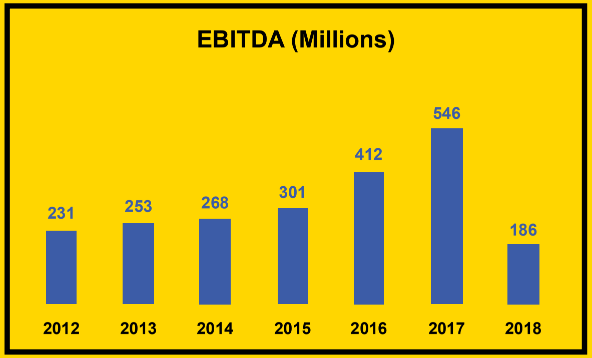
ROSHAN PACKAGES LIMITED

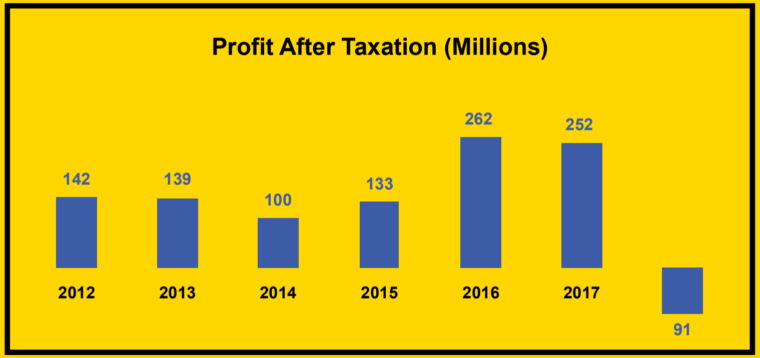
Vertical Analysis	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%
ROSHAN PACKAGES LIMITED														
Balance Sheet														
Non Current Assets														
Property plant and equipment	473,032,755	36.4	937,279,805	49.8	1,001,649,298	40.45	1,183,670,997	41.5	2,964,999,035	57.7	3,610,358,536	43.0	3,625,358,018	43.2
Asset Subject to finance lease	10,291,705	0.8	8,609,241	0.45	9,221,740	0.37	13,475,440	0.5	45,160,209	0.9	34,508,466	0.4	32,394,882	0.4
long term deposits	3,696,573	0.3	2,696,800	0.14	3,543,600	0.14	6,548,786	0.2	13,672,635	0.3	16,759,933	0.2	20,501,701	0.2
Intangible assets	–		–		–		–	–	4,654,042	0.1	4,615,676	0.1	3,197,979	-
Investment in subsidiary	–		–		–		–	–	200,563,000	3.9	203,563,000	2.4	111,376,130	1.3
Long term loan - unsecured, considered good									–		–		82,972,338	1
Current Assets:														
Stores and Spares	21,235,384	1.6	28,470,879	1.49	38,724,824	1.56	44,273,473	1.6	55,723,979	1.1	108,302,192	1.3	146,559,980	1.7
Stocks in trade	267,478,663	20.6	250,043,268	13.09	429,615,280	17.35	554,392,973	19.4	445,186,665	8.7	575,197,025	6.9	631,651,871	7.5
Debtors	419,171,904	32.2	501,038,701	26.23	685,286,253	27.68	737,001,616	25.8	963,552,761	18.8	1,191,625,522	14.2	1,231,373,541	14.7
Short term loan - unsecured, considered good											–		92,186,870	1.1
Advances,deposits and prepayments	21,877,561	1.7	99,774,435	5.22	204,916,213	8.28	245,469,111	8.6	349,796,983	6.8	649,675,263	7.7	697,714,593	8.3
Cash and bank balances	84,053,495	6.5	81,934,931	4.29	103,009,688	4.16	69,584,330	2.4	136,953,332	2.7	2,034,190,710	24.2	1,749,293,398	20.8
Total assets	1,300,838,040	100	1,909,848,060	100	2,475,966,896	100	2,854,416,726	100	5,135,102,432	100	8,394,287,857	100	8,392,186,419	100
Current portion of long term liabilities	4,801,353	0	65,918,213	3	58,279,637	2.35	20,809,906	0.7	143,692,223	2.8	213,226,896	2.5	638,365,183	7.6
Short-term debt	48,637,946	3.7	126,082,501	7	514,065,138	20.76	361,619,247	12.7	604,845,393	11.8	755,639,809	9.0	1,333,809,379	15.9
Creditors	466,532,042	35.9	524,032,365	27	634,294,554	25.62	935,360,865	32.8	882,121,078	17.2	977,407,259	11.6	715,501,683	8.5
Accured finance cost	11,027,080	0.8	13,787,988	1	14,798,645	0.6	5,214,533	0.2	10,353,180	0.2	11,951,473	0.1	21,289,992	0.3
Provision for taxation	17,509,188	1.3	–	-	–	–	–	–	–	–	–	–	–	–
Unclaimed dividend									–		–		882,883	–
Non-Current liabilities	88,755,214	6.8	225,411,016	12	199,544,889	8.06	343,777,872	12.0	1,099,997,635	21.4	1,127,036,110	13.4	539,656,304	6.4
Total Liabilities	637,262,823	49	955,232,083	50	1,420,982,863	57.39	1,666,782,423	58.4	2,741,009,508	53.4	3,085,261,547	36.8	3,249,505,424	38.7
Paid up Capital	248,360,000	19.1	299,390,000	16	299,390,000	12.09	299,390,000	10.5	299,390,000	5.8	1,075,000,000	12.8	1,182,500,000	14.1
Share premium	–	–	–	–	–	–	–	–	–	–	2,339,165,370	27.9	2,231,665,370	26.6
un-appropriated profit	291,054,006	22.4	447,625,867	23	574,102,773	23.19	719,607,869	25.2	992,891,097	19.3	820,970,147	9.8	649,996,342	7.7
Surplus on revaluation of operating fixed assets	124,161,211	9.5	207,600,110	11	181,491,260	7.33	168,636,434	5.9	1,101,811,827	21.5	1,073,890,796	12.8	1,078,519,283	12.9
Equity	663,575,217	51	954,615,977	50	1,054,984,033	43	1,187,634,303	42	2,394,092,924	47	5,309,026,313	63	5,142,680,995	61.3
Total Equity+Liabilities	1,300,838,040	100	1,909,848,060	100	2,475,966,896	100	2,854,416,726	100	5,135,102,433	100	8,394,287,859	100	8,392,186,419	100
Income Statement														
Revenue	2,219,520,503	100	2,740,421,360	100	3,066,080,697	100	3,568,368,904	100	3,621,881,861	100	4,098,007,176	100	4,031,387,574	100
Cost of Goods Sold	1,918,186,648	86	2,390,707,127	87	2,729,456,036	89	3,186,272,461	89	3,107,313,485	86	3,545,205,877	87	3,723,230,134	-
Gross Profit	301,333,855	14	349,714,233	13	336,624,661	11	382,096,443	11	514,568,376	14	552,801,299	13	308,157,440	8
Operating Expenses	116,346,559	5	142,417,064	5	140,854,591	5	163,161,152	5	190,617,910	5	233,968,359	6	375,940,634	9
EBIT	185,703,792	8	208,319,736	8	196,811,983	6	223,778,732	6	337,105,726	9	361,607,324	9	47,302,512	1
Finance Cost	22,140,459	1	14,356,607	1	45,968,316	1	56,498,321	2	44,738,276	1	93,144,227	2	120,526,837	3
Profit Before Taxation	163,563,333	7	193,963,129	7	150,843,667	5	167,280,411	5	281,367,450	8	268,463,097	7	(73,224,325)	-2
Taxation	21,588,984	1	54,964,842	2	50,885,349	2	34,614,662	1	13,747,209	1	16,872,674	-	17,323,672	-
Profit after Taxation	141,974,349	6	138,998,287	5	99,958,318	3	132,665,749	4	267,620,241	7	251,590,423	6	(90,547,997)	-2
EBITDA	230,604,926	10	253,294,830	9	267,687,256	9	300,775,572	8	413,214,633	11	545,595,335	13	185,942,520	5

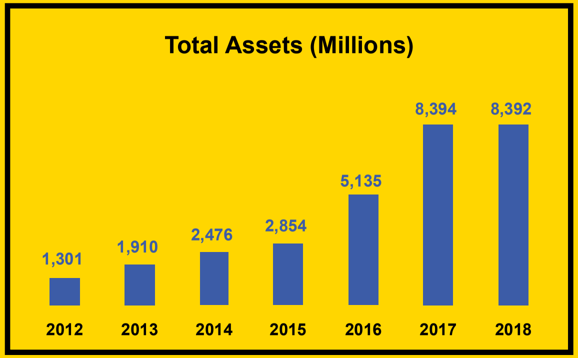
GRAPHICAL ANALYSIS

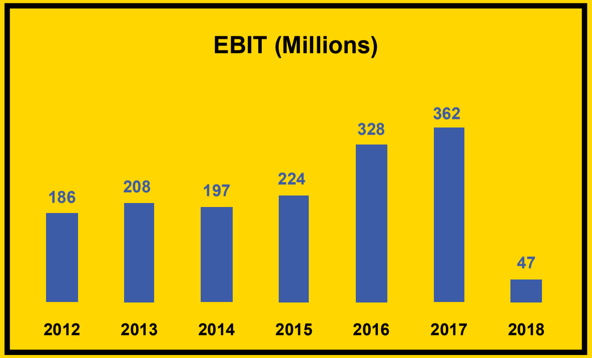


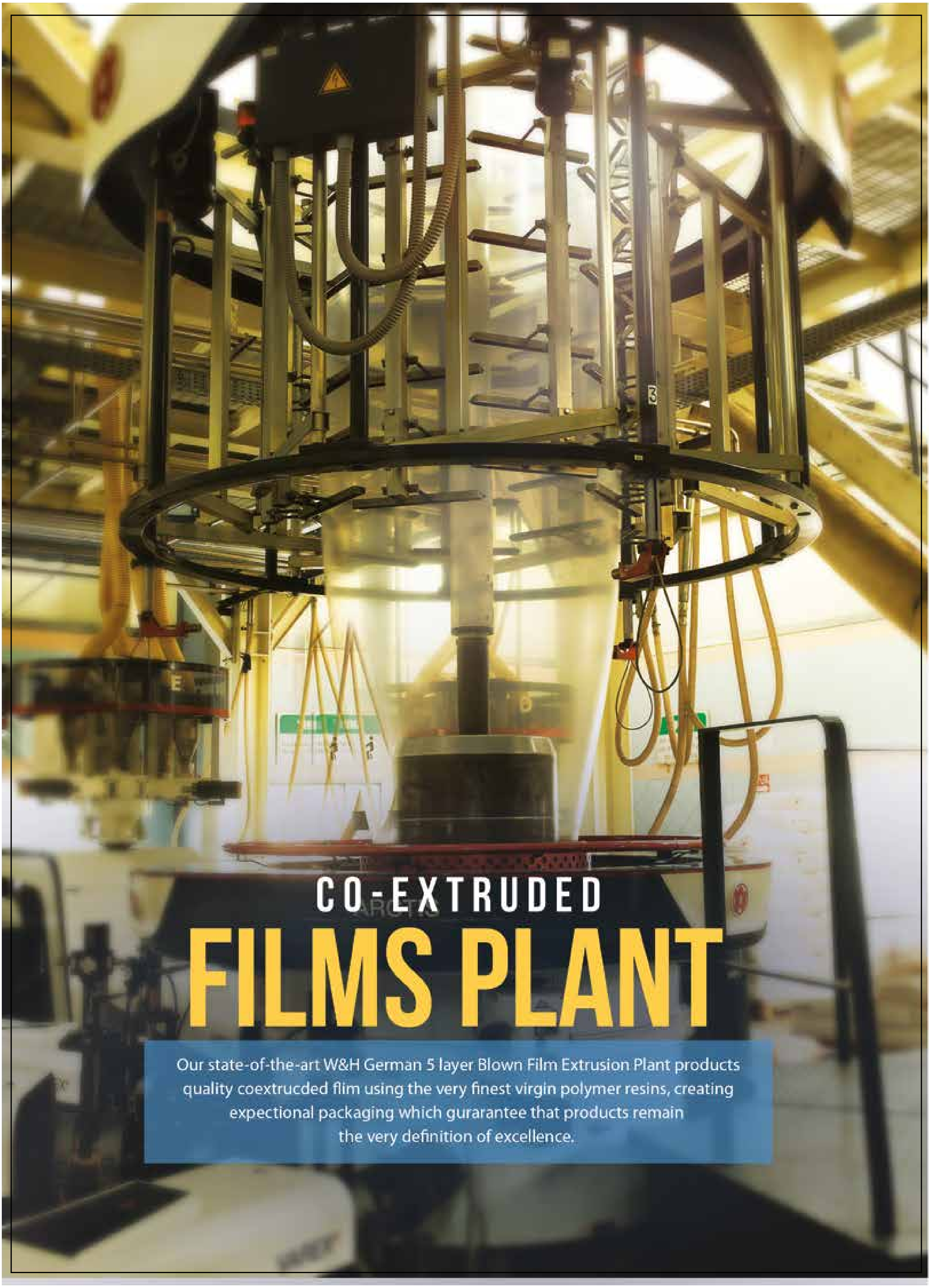












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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2017

Roshan Packages Limited
Year Ending June 30, 2018

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following
   a. Male: 7
   b. Female: Not required for current year

2. The composition of Board is as follows:

a)	**Independent Directors**	Mr. Asad Ali Khan
		Mr. Muhammad Naveed Tariq
b)	**Other Non-Executive Directors**	Mr. Zaki Aijaz
		Mr. Quasim Aijaz
		Mr. Khalid Eijaz Qureshi
c)	**Executive Directors**	Mr. Saadat Aijaz
		Mr. Tayyab Aijaz

   Further, as per the proviso to regulation 6 of the Regulations, grace period has been prescribed in respect of transition phase for the composition of the Board with respect to minimum number of independent directors as specified in the Regulations. Accordingly, requirements of minimum number of directors including female director will be complied in next elections of directors, which are due in November 2018.

3. The Directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable.)

4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by Board/ shareholder as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and in his absence by a Director elected by Board for this purpose. The Board has complied with the requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of Directors has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors Training Program during the year, for the following:
   a. Mr. Saadat Eijaz
   b. Mr. Zaki Aijaz

   In term of timeline given under the regulation 20 of the Regulation, the Company will ensure that at least 50% of the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2019. Further where exemptions from training is applicable, approval from Security and Exchange Commission of Pakistan will be obtained within the prescribed time.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the Financial Statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a. Audit Committee:

Name	Status
Mr.Muhamad Naveed Tariq	Chairman-Independent Director
Mr. Quasim Aijaz	Member-Non-executive Director
Mr.Khaild Eijaz Qureshi	Member-Non-executive Director

b. Human Resource and Remuneration Committee:

Name	Status
Mr. Malik Asad Ali Khan	Chairman-Independent Director
Mr. Tayyab Aijaz	Member-Executive Director
Mr.Khaild Eijaz Qureshi	Member-Non-executive Director

The terms of reference of aforesaid Committees have been formed, documented and advised to the committee for compliance.

13. The frequency of meetings of the committees were as follow:

    a. Audit Committee: 4 (with once every quarter of the financial year)
    b. HR and Remuneration Committee: 1

14. The Board has setup an effective internal audit function supervised by persons who are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Company.

15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with the audit oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with international federation of accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

17. We confirm that all other requirements of the Regulations have been complied with.

KHALID EIJAZ QURESHI
CHAIRMAN

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Roshan Packages Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Roshan Packages Limited for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.

KPMG Taseer Hadi & Co.
Chartered Accountants

Lahore

Date: 06 October 2018

UNCONSOLIDATED FINANCIAL STATEMENTS

KPMG Taseer Hadi & Co.

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of Roshan Packages Limited

Report on the audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Roshan Packages Limited** ("the Company"), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for *Accountants' Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Revenue recognition**	
	Refer to note 28 to the financial statements and the accounting policy in note 3.14 to the financial statements. The Company recognized revenue of Rs. 4,031.4 million from the sale of goods to domestic customers during the year ended 30 June 2018. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards.	Our audit procedures included the following: • Obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls: • Assessing the appropriateness of the Company's accounting policy for recording of sales and compliance of those policies with applicable accounting standards; • Comparing, on a sample basis, sales transactions recorded during the year and around the year end with the sales orders, sales invoices, delivery challans, bill of ladings and other relevant underlying documents including contracts with customers to assess whether sales were recorded in appropriate financial reporting period • Inspecting, on a sample basis, credit notes issued around the year end to evaluate whether the adjustments to sales had been accurately recorded in the appropriate financial reporting period; and • Scanning for any manual journal entries relating to sales recorded during the year and at the year-end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2.	**Valuation of Trade debtors**	
	Refer to notes 11 and 42.2 to the financial statements and the accounting policy in note 3.7 to the financial statements. As at 30 June 2018, the Company's gross trade debtors were Rs. 1,279.5 million against which provision for doubtful debts of Rs. 48.1 million were recorded We identified the recoverability of trade debtors as a key audit matter because it involves significant management judgment in determining the recoverable amount of trade debts.	Our audit procedures included the following: • Obtaining an understanding of and testing the design and implementation of management's key internal controls relating to credit control, debt collection and making allowances for doubtful debts; • Assessing, on a sample basis, whether items in the trade debtors' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation;

S. No.	Key audit matter(s)	How the matter was addressed in our audit
		• Assessing the assumptions and estimates made by the management for the allowances of doubtful debts with reference to our understanding, through inspecting the underlying documentation and post year end cash receipts from long past due debtors; and • Assessing the historical accuracy of management's process for making allowances for doubtful debts by evaluating the historical utilization or release of allowances recorded in prior years.
3.	**Useful life and depreciation method of certain plant and equipment**	
	Refer to notes 6.1 to the financial statements and the accounting policy in note 3.1 to the financial statements. During the year, the management reviewed the usage and expected pattern of consumption of certain operating assets mentioned in note 6.1 to the financial statements and resultantly changed the estimate of remaining useful life and depreciation method of the said assets. We identified the change in useful life and depreciation methodof the said operating assets as a key audit matter because it involves significant management judgment in determining the remaining useful life and consumption pattern of the operating assets.	Our audit procedures included the following: • obtaining an understanding of the process relating to annual review of useful life and depreciation method of operating assets and testing the design and implementation of the relevant controls; • inquiring from the management to assess whether the management's decision on the useful life and depreciation method of the operating assets is appropriate; • comparing the revised useful life and depreciation method of the said operating assets with the average useful life and depreciation methods of operating assets of other entities in the same industry; • inspecting the underlying documents supporting the basis on which the management has revised the useful life and depreciation method for the said operating assets; • testing whether the approved useful life and depreciation method are appropriately applied prospectively to the said operating assets; and • Assessing the adequacy of the disclosure in Company's financial statements with regard to the change in useful life and depreciation method of the said operating assets.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended **30 June 2018**, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and board of directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

Prior year financial statements audited by predecessor auditor:

The financial statements of the Company for the year ended 30 June 2017 were audited by another firm of auditors whose audit report, dated 18 October 2017, expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Kamran Iqbal Yousafi.

Lahore

Date: 06 October 2018

KPMG Taseer Hadi & Co.
Chartered Accountants

Roshan Packages Limited
Unconsolidated Statement of Financial Position
As at 30 June 2018

ASSETS	Note	2018 Rupees	2017 Rupees (Restated)	2016 Rupees (Restated)
Non-current assets				
Property, plant and equipment	6	**3,625,358,017**	3,610,358,535	2,964,999,035
Intangible	7	**3,197,979**	4,615,676	4,654,042
Investment in subsidiary	8	**111,376,130**	203,563,000	200,563,000
Long term loan - unsecured, considered good	9	**82,972,338**	-	-
Long term deposits		**20,501,701**	16,759,933	13,672,635
		3,843,406,165	3,835,297,144	3,183,888,712
Current assets				
Stores, spares and other consumables		**146,559,980**	108,302,192	55,723,979
Stock-in-trade	10	**631,651,871**	575,197,025	445,186,665
Trade debtors - unsecured	11	**1,231,373,541**	1,191,625,522	963,552,761
Short term loan - unsecured, considered good	12	**92,186,870**	-	-
Advances, deposits, prepayments and other receivables	13	**697,714,593**	649,675,263	349,796,983
Cash and bank balances	14	**1,749,293,398**	2,034,190,710	136,953,332
		4,548,780,253	4,558,990,712	1,951,213,720
Total assets		**8,392,186,418**	8,394,287,856	5,135,102,432
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital of Rs. 10 each				
150,000,000 (2017: 150,000,000) Ordinary shares of Rs. 10 each		**1,500,000,000**	1,500,000,000	500,000,000
Issued, subscribed and paid up share capital	15	**1,182,500,000**	1,075,000,000	299,390,000
Share premium	16	**2,231,665,370**	2,339,165,370	-
Surplus on revaluation of property, plant and equipment	17	**1,078,519,283**	1,073,890,796	1,101,811,827
Un-appropriated profit		**649,996,341**	820,970,146	992,891,097
Shareholders' equity		**5,142,680,994**	5,309,026,312	2,394,092,924
Non-current liabilities				
Supplier's credit - unsecured	18	**186,145,423**	255,596,203	302,767,930
Loans from directors - unsecured		**-**	-	18,133,163
Long term finance - secured	19	**-**	506,371,642	436,108,100
Liabilities against assets subject to finance lease - secured	20	**9,850,797**	17,200,990	29,411,603
Deferred taxation	21	**277,646,741**	288,090,792	271,565,534
Deferred liabilities	22	**66,013,343**	59,776,480	42,011,304
		539,656,304	1,127,036,107	1,099,997,634
Current liabilities				
Current portion of long term liabilities	23	**638,365,183**	213,226,896	143,692,223
Short term borrowings - secured	24	**1,333,809,379**	755,639,809	604,845,393
Trade and other payables	25	**715,501,683**	977,407,259	882,121,078
Unclaimed dividend		**882,883**	-	-
Accrued markup	26	**21,289,992**	11,951,473	10,353,180
		2,709,849,120	1,958,225,437	1,641,011,874
Contingencies and commitments	27			
		8,392,186,418	8,394,287,856	5,135,102,432

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Unconsolidated Statement of Profit or Loss
For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees (Restated)
Sales - *net*	28	**4,031,387,574**	4,098,007,176
Cost of sales	29	**(3,723,230,134)**	(3,545,205,877)
Gross profit		**308,157,440**	552,801,299
Administrative expenses	30	**(124,637,530)**	(99,417,279)
Selling and distribution expenses	31	**(168,677,538)**	(100,549,316)
Other expenses	32	**(82,625,566)**	(34,001,765)
Other income	33	**115,085,706**	42,774,384
		(260,854,928)	(191,193,976)
Operating profit		**47,302,512**	361,607,323
Finance cost	34	**(120,526,837)**	(93,144,227)
(Loss) / profit before taxation		**(73,224,325)**	268,463,096
Taxation	35	**(17,323,672)**	(16,872,674)
(Loss) / profit after taxation		**(90,547,997)**	251,590,422
			(Restated)
(Loss) / earnings per share - basic and diluted	36	(0.77)	2.13

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Unconsolidated Statement of Comprehensive Income
For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees (Restated)
(Loss) / profit after taxation		**(90,547,997)**	251,590,422
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
- Remeasurement of retirement benefits - net of tax		**2,951,215**	(822,404)
- Effect of change in tax rate on balance of revaluation on property, plant and equipment	17	**28,751,464**	-
Total comprehensive (loss) / income for the year		**(58,845,318)**	250,768,018

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Unconsolidated Statement of Cash Flows
For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees
Cash flows from operating activities			
Cash used in operations	37	**(249,672,972)**	(18,944,868)
Finance cost paid		**(105,883,668)**	(85,789,998)
Income taxes paid		**(72,586,154)**	(69,315,539)
Income tax refunded		**-**	12,070,119
Net increase in long term deposits		**(3,741,768)**	(3,087,298)
Accumulated absences paid		**(938,058)**	-
Gratuity paid		**(4,587,257)**	-
Net cash outflow from operating activities		**(437,409,876)**	(165,067,584)
Cash flows from investing activities			
Purchase of operating assets		**(143,464,468)**	(832,053,638)
Purchase of intangibles		**-**	(1,360,572)
Investment in subsidiary		**-**	(3,000,000)
Loan to subsidiary		**(36,509,099)**	-
Proceeds from disposal of property, plant and equipment		**2,033,143**	3,260,303
Profit on bank deposits received		**87,267,089**	30,315,529
Net cash outflow from investing activities		**(90,673,335)**	(802,838,378)
Cash flows from financing activities			
Repayment of loans from directors		**-**	(18,133,163)
Payment of supplier's credit		**(112,882,915)**	(42,966,294)
Proceeds from shares issued (includes share premium)		**-**	2,803,125,000
Expenses incurred on issuance of shares		**-**	(138,959,630)
Proceeds from short term finances acquired		**387,621,281**	1,242,300,517
(Payments) / proceeds from long term finances		**(100,559,142)**	126,076,038
Dividend paid		**(106,617,117)**	-
Repayment of short term finances		**-**	(1,241,561,571)
Payment of finance lease liabilities		**(14,924,496)**	(14,793,027)
Net cash inflow from financing activities		**52,637,611**	2,715,087,870
Net (decrease) / increase in cash and cash equivalents		**(475,445,601)**	1,747,181,908
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 year		**1,277,734,079**	1,753,179,680

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Unconsolidated Statement of Changes in Equity
For the year ended 30 June 2018

		Capital reserves		Revenue reserve	
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profit	Total
	------ Rupees ------				
Balance as at 30 June 2016 - as previously reported	299,390,000	-	-	988,261,900	1,287,651,900
Impact of change in accounting policy - *net of tax - note 5*	-	-	1,142,934,176	-	1,142,934,176
Impact of correction of error	-	-	(41,122,349)	4,629,197	(36,493,152)
Balance as at 30 June 2016, *restated*	299,390,000	-	1,101,811,827	992,891,097	2,394,092,924
Total comprehensive income for the year					
Profit after taxation - *restated*	-	-	-	251,590,422	251,590,422
Other comprehensive income:					
Remeasurement of retirement benefits - net of tax	-	-	-	(822,404)	(822,404)
	-	-	-	250,768,018	250,768,018
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax - *restated*	-	-	(27,921,031)	27,921,031	-
Transactions with owners of the Company					
Bonus shares issued during the year	450,610,000	-	-	(450,610,000)	-
Shares issued under initial public offering	325,000,000	-	-	-	325,000,000
Premium on issue of shares under initial public offering	-	2,478,125,000	-	-	2,478,125,000
Expenses incurred on issuance of shares under initial public offering	-	(138,959,630)	-	-	(138,959,630)
	775,610,000	2,339,165,370	-	(450,610,000)	2,664,165,370
As at 30 June 2017, *restated*	1,075,000,000	2,339,165,370	1,073,890,796	820,970,146	5,309,026,312
Total comprehensive loss for the year					
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
	-	-	28,751,464	(87,596,782)	(58,845,318)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(24,122,977)	24,122,977	-
Transaction with owners of the Company					
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)	-	(107,500,000)	(107,500,000)
As at 30 June 2018	**1,182,500,000**	**2,231,665,370**	**1,078,519,283**	**649,996,341**	**5,142,680,994**

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

1 Corporate and general information

1.1 Legal status and nature of business

Roshan Packages Limited ("the Company") was incorporated in Pakistan as a private company limited by shares on 13 August 2002 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company was converted into a public limited company on 23 September 2016 and got listed on Pakistan Stock Exchange Limited on 28 February 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

- Head office and registered office: 325 G-III, M.A. Johar Town, Lahore.
- Marketing office: House No. 192-L Block-2, PECHS, Karachi.
- Corrugation plant: 7 km, Sundar Raiwind Road, Lahore
- Flexible plant: Plot No. 141, 142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Issued 10,750,000 ordinary shares as bonus amounting to Rs. 107,500,000 during the year.
- Disbursed long-term loan to Roshan Sun Tao Paper Mills (Pvt.) ("the Subsidiary") Limited.
- Arranged new short-term running finance facilities from JS Bank and Bank of Punjab with the sanctioned limits of Rs. 50 million and Rs. 100 million respectively.
- The accounting policy for surplus on revaluation of property, plant and equipment changed during the year as detailed in note 5 to these unconsolidated financial statements.
- The Company has paid final dividend of 10% (i.e. Rs. 1.00 per share) for the year ended 30 June 2017.
- Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified.

- Restatement of prior period figures in the unconsolidated statement of financial position, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in equity, unconsolidated statement of cash flows and respective notes to the financial statements as reported in note 18.2 of the unconsolidated financial statements.

2 Basis of preparation

2.1 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest other than on the basis of reported results and net assets of the subsidiary. Consolidated financial statements of the Company are prepared and presented separately.

Name of Company	2018	2017
	(Direct percentage of holding)	
Subsidiary		
Roshan Sun Tao Paper Mills (Private) Limited	60	60

2.2 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentation currency

These unconsolidated financial statements have been presented in Pakistani Rupees which is also the Company's functional currency, unless otherwise indicated.

2.4 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for:

- certain foreign currency translation adjustments;
- recognition of employee retirement benefits at present value;
- certain operating fixed assets at revalued amounts; and
- certain financial liabilities recognised at present value.

2.5 Use of estimates and judgements

The preparation of these unconsolidated financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
• Depreciation method, rates and useful lives of depreciable assets	*3.1*
• Useful life of intangibles	*3.3*
• Provision against stock-in-trade	*3.6*
• Provision for doubtful trade debts	*3.7*
• Employee retirement benefits	*3.10*
• Provisions	*3.12*
• Contingencies	*3.13*
• Taxation	*3.17*

3 Significant accounting policies

The significant accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all years presented, except as disclosed in note 5 to these unconsolidated financial statements.

3.1 Property, plant and equipment

Operating assets and depreciation

Operating assets except freehold land, buildings on freehold land, plant and machinery and electric installations are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss while buildings on freehold land, plant and machinery and electric installations are stated at revalued amount less accumulated depreciation.

Cost of property, plant and equipment comprises of historical cost, exchange differences recognized, for the acquisition of assets up to the commencement of commercial production and the cost of borrowings during construction period in respect of loans taken, if any, for specific projects.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Revalued amounts have been determined by an independent professional valuer on the basis of present market value. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Increases in the carrying amounts arising on revaluation of property, plant and equipment is recognised, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the profit or loss) and depreciation based on the assets original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit. All transfers to / from surplus on revaluation are net of applicable deferred taxation.

During the year the Company changed its accounting policy in respect of the accounting and presentation of revaluation of property, plant and equipment. Previously, the Company's accounting policy was in accordance with the provisions of the repealed Companies Ordinance 1984. Those provisions and resultant previous policy of the Company was not in alignment with the accounting treatment and presentation of revaluation of property, plant and equipment as prescribed in IAS 16 'Property, plant and Equipment'. However, the Companies Act, 2017 has not specified any accounting treatment for revaluation of property, plant and equipment, accordingly the Company has changed the accounting policy to bring it in conformity with the accounting treatment and presentation of revaluation of property, plant and equipment as specified in IAS 16 'Property, Plant and Equipment'. The detailed information and impact of this change in policy is provided in note 5 to these unconsolidated financial statements.

Depreciation on operating assets is charged to profit or loss account, on the reducing balance method so as to write off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 6.1 after taking into account their residual values, except for certain buildings on freehold land, plant and machinery and related electric installations which are depreciated using straight line method as explained in note 6.1.

Depreciation on additions to operating assets is charged from the month in which the item becomes available for use whereas it is discontinued from the month in which the asset is disposed or classified as held for disposal.

The residual value, depreciation method and the useful lives of each part of operating assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date. During the year the depreciation method and useful lives of certain items of operating assets has been changed, as explained in note 6.

Maintenance and normal repairs are charged to profit or loss account as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in profit or loss account.

Capital work-in-progress

Capital work in progress and stores held for capital expenditure are stated at cost less any identified impairment loss and represents expenditure incurred on operating assets during the construction and installation. Cost also includes applicable borrowing costs, if any. Transfers are made to relevant operating assets category as and when assets are available for use.

3.2 Leases

The Company is a lessee:

3.2.1 Finance leases

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognized at lower of present value of minimum lease payments under the lease arrangements and the fair value of assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

Each minimum lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. These liabilities are classified as current and non-current depending upon the timing of the payment.

Assets acquired under a finance lease are depreciated over the useful life of the asset on a reducing balance or straight line basis, depending on the type of asset at the rate given in note 6.1. Depreciation of leased assets is charged to profit or loss.

Depreciation on additions to leased assets is charged from the month in an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual and estimated useful lives of leased assets are reviewed, at each financial year end and adjusted if impact on depreciation is significant.

3.2.2 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

3.3 Intangibles

Intangibles are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangibles having finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Amortization is based on the cost of an asset less its residual value, if any. Amortization is recognized in profit or loss on a straight-line basis over a period of five years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

3.4 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

3.4.1 Investment in equity instruments of the subsidiary

Investment in subsidiary company is measured at cost as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognised as an expense in the profit or loss account. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised recoverable amount.

The Company is required to issue consolidated financial statements along with its separate financial statements in accordance with the requirements of approved accounting standards.

3.5 Stores, spares and other consumables

These are valued at lower of cost, which is calculated according to moving average method, and net realizable value. Stores in transit are valued at invoice value including other charges, if any, incurred thereon. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

3.6 Stock-in-trade

These are stated at the lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, and valuation has been determined as follows:

Raw materials	Weighted average cost
Work-in-process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads.

Stock in transit is valued at a cost, comprising invoice value plus other charges invoiced there on.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale (selling expenses). Provision is made in the unconsolidated financial statements for obsolete and slow moving stock in trade based on management estimate.

3.7 Trade debts, recoverable advances and other receivables

Trade debts, recoverable advances and other receivables are recognised initially at fair value and subsequently measured at amortised cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written-off.

3.8 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and liabilities are included in unconsolidated profit or loss account for the year.

3.8.1 Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit and loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories:

- Financial assets at fair value through profit and loss
- Held-to-maturity financial assets
- Loans and receivables; and
- Available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables includes deposits, long term and short term loans, trade debtors, advances to employees, other receivables including accrued interest and cash and bank balances of the Company.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of statement of cash flows, Cash and cash equivalents comprise of cash in hand, deposits held at call with banks, term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments and bank overdrafts of the Company. Bank overdrafts are shown within borrowings in current liabilities on the reporting date.

As at 30 June 2018 no financial assets of the Company are classified under following categories:

- Financial assets at fair value through profit and loss;
- Held-to-maturity financial assets; and
- Available-for-sale financial assets.

3.8.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities, if any, on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost, using the effective interest rate method. Finance costs are accounted for on an accrual basis and are reported under accrued finance cost to the extent of the amount remaining unpaid.

Financial liabilities comprise of supplier's credit, loan from directors, long term finances, liabilities on assets subject to finance lease, short term borrowings, trade and other payables, unclaimed dividend and accrued finance cost.

Share capital (Ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.8.3 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously

3.9 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

Individually significant financial assets are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit,or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Employee retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

Defined benefit plan - Gratuity

The Company operates an un-funded gratuity scheme for all employees. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for the gratuity scheme was carried out as at 30 June 2018. Projected unit credit method was used for valuation of the scheme.

All actuarial gains and losses are recognised in 'other comprehensive income' as they occur. Past service costs are recognized immediately in the profit and loss account.

The Company uses the valuation performed by an independent actuary as the present value of its obligations under the gratuity scheme. The valuation is based on the assumptions as mentioned above. The obligations under accumulating compensated absences are recognised on the basis of accumulated leaves and the last drawn salary.

Accumulating compensated absences

Accruals are made annualy to cover the obligation for accumulating compensated absences on the basis c accumulated leaves and the last drawn salary and are charged to profit.
Retirement benefits are payable to employees on completion of prescribed qualifying period of service under these schemes.

3.11 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.12 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

3.13 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.14 Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and sales tax.

Interest

Income from bank deposits and loans is recognized using the effective interest rate method.

3.15 Borrowings and their cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the profit or loss account.

3.17 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

The company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature are in accordance with the law, the amounts are shown as contingent liabilities.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except in the case of items credited or charged directly to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.18 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

3.19 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

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 Change in accounting policy

Effective 30 May 2017, the Companies Act, 2017 ("the Act") was enacted which replaced and repealed the previous Companies Ordinance, 1984 (the repealed Ordinance). Section 235 of the repealed Ordinance relating to treatment of surplus arising on revaluation of property, plant and equipment has not been carried forward in the Act. The said section of the repealed Ordinance specified the presentation and accounting treatment relating to the revaluation of property, plant and equipment which was not in accordance with the requirement of IAS 16 'Property, Plant and Equipment' as applicable in Pakistan. Consequently, the Company changed its accounting policy for the revaluation of property, plant and equipment in accordance with the requirement of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for revaluation of property, plant and equipment was in accordance with the provision of Section 235 of the repealed Ordinance. Further, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Ordinance. The accounting policy and presentation requirement relating to revaluation of property, plant and equipment have been changed to bring it in conformity with the requirement of IAS 16 "Property, Plant and Equipment" as explained in note 3.1 to these financial statements. Further, the revaluation surplus on property, plant and equipment is now presented in the statement of financial position and statement of changes in equity as a capital reserve i.e. part of equity.

In accordance with the requirements of IAS 8 'Accounting policies, estimates and errors', the above explained changes in accounting policy has been accounted for retrospectively, with the restatement of the comparative information. As a result, a third statement of financial position as at the beginning of the preceding period is presented (i.e. 30 June 2016).

Statement of Financial Position

Retrospective impact of change in accounting policy

	As at 30 June 2016			As at 30 June 2017		
	As previously reported on 30 June 2016	Adjustments increase / (decrease)	As restated on 01 July 2016	As previously reported on 30 June 2017	Adjustments increase / (decrease)	As restated on 01 July 2017
	---------- Rupees ----------					
Revaluation of surplus on property, plant and equipment (within equity)	-	1,142,934,176	1,142,934,176	-	1,125,148,562	1,125,148,562
Revaluation of surplus on property, plant and equipment (below equity)	1,142,934,176	(1,142,934,176)	-	1,125,148,562	(1,125,148,562)	-

There was no change in the reported amount of profit and loss account and other comprehensive income due to the change in accounting policy, as there was no decrease in the carrying amount of asset as a result of revolution except the retrospective effect stated above. There was no cash flow impact as a result of the retrospective application of change in accounting policy and no impact on basic and diluted earnings per share for the year ended 30 June 2016 and 30 June 2017.

6 Property, plant and equipment	*Note*	**2018 Rupees**	2017 Rupees *(Restated)*
Operating assets	*6.1*	**3,452,467,657**	3,491,447,615
Capital work-in-progress	*6.2*	**172,890,360**	118,910,920
		3,625,358,017	3,610,358,535

6.1 Operating assets

	Owned							Leased	
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture and fixtures	Office equipment	Vehicles	Vehicles	Total
	Rupees								
Cost / revalued amount									
Balance as at 01 July 2016 - *restated*	814,125,000	790,740,656	1,771,281,313	73,290,627	6,890,654	33,717,210	36,095,437	52,451,000	3,578,591,897
Additions / transfers	-	184,194,111	636,142,011	2,496,299	144,213	5,157,469	202,138	2,426,000	830,762,241
Transfers to owned assets	-	-	-	-	-	-	7,096,000	(7,096,000)	-
Disposals	-	-	-	-	-	-	(6,003,052)	-	(6,003,052)
Balance as at 30 June 2017 - *restated*	814,125,000	974,934,767	2,407,423,324	75,786,926	7,034,867	38,874,679	37,390,523	47,781,000	4,403,351,086
Balance as at 01 July 2017 - *restated*	**814,125,000**	**974,934,767**	**2,407,423,324**	**75,786,926**	**7,034,867**	**38,874,679**	**37,390,523**	**47,781,000**	**4,403,351,086**
Additions / transfers	**-**	**2,047,950**	**75,200,758**	**3,960,810**	**1,310,173**	**6,108,337**	**857,000**	**10,415,000**	**99,900,028**
Transfers to owned assets	**-**	**-**	**-**	**-**	**-**	**-**	**7,837,500**	**(7,837,500)**	**-**
Disposals	**-**	**-**	**-**	**(57,673)**	**-**	**(414,612)**	**(3,149,956)**	**(1,099,000)**	**(4,721,241)**
Balance as at 30 June 2018	**814,125,000**	**976,982,717**	**2,482,624,082**	**79,690,063**	**8,345,040**	**44,568,404**	**42,935,067**	**49,259,500**	**4,498,529,873**
Accumulated depreciation									
Balance as at 01 July 2016 - *restated*	-	111,579,658	561,538,751	14,527,928	2,780,828	10,376,578	24,790,429	7,290,791	732,884,963
Charge for the year	-	34,726,804	127,006,824	5,954,700	418,805	2,573,569	2,470,164	9,438,206	182,589,072
Transfers to owned assets	-	-	-	-	-	-	3,456,463	(3,456,463)	-
Disposals	-	-	-	-	-	-	(3,570,564)	-	(3,570,564)
Balance as at 30 June 2017 - *restated*	-	146,306,462	688,545,575	20,482,628	3,199,633	12,950,147	27,146,492	13,272,534	911,903,471
Balance as at 01 July 2017 - *restated*	**-**	**146,306,462**	**688,545,575**	**20,482,628**	**3,199,633**	**12,950,147**	**27,146,492**	**13,272,534**	**911,903,471**
Charge for the year	**-**	**34,077,851**	**85,843,030**	**3,596,151**	**441,289**	**2,894,062**	**2,636,650**	**7,733,278**	**137,222,311**
Transfers to owned assets	**-**	**-**	**-**	**-**	**-**	**-**	**3,807,831**	**(3,807,831)**	**-**
Disposals	**-**	**-**	**-**	**(42,937)**	**-**	**(133,296)**	**(2,553,970)**	**(333,363)**	**(3,063,566)**
Balance as at 30 June 2018	**-**	**180,384,313**	**774,388,605**	**24,035,842**	**3,640,922**	**15,710,913**	**31,037,003**	**16,864,618**	**1,046,062,216**
Carrying amount as at 30 June 2017 - *restated*	814,125,000	828,628,305	1,718,877,749	55,304,298	3,835,234	25,924,532	10,244,031	34,508,466	3,491,447,615
Carrying amount as at 30 June 2018	**814,125,000**	**796,598,404**	**1,708,235,477**	**55,654,221**	**4,704,118**	**28,857,491**	**11,898,064**	**32,394,882**	**3,452,467,657**
Annual depreciation rate - %age	**-**	**2.5%-10%**	**3%-10%**	**10%**	**10%**	**10%**	**20%**	**20%**	

Plant and machinery has been restated due to correction of error as explained in note 18.2 of the unconsolidated financial statements.

6.1.1 Freehold land, buildings on freehold land, plant and machinery and electric installations were revalued by an independent professional valuer, Unicorn International Surveyors, on 30 June 2016, on present market value basis. The revaluation surplus net of deferred tax was credited to surplus on revaluation of property, plant and equipment. Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Freehold land	**147,714,453**	147,714,453
Buildings on freehold land	**511,174,304**	529,051,663
Plant and machinery	**1,442,939,035**	1,433,835,969
Electric installations	**49,200,916**	48,272,742
	2,151,028,708	2,158,874,827

6.1.2 The forced sale values of the revalued assets are as follows:

	2018 Rupees	2017 Rupees
Freehold land	**692,006,250**	692,006,250
Buildings on freehold land	**562,768,106**	562,768,106
Plant and machinery	**964,620,713**	964,620,713
Electric installations	**49,948,293**	49,948,293
	2,269,343,362	2,269,343,362

6.1.3 Depreciation charge for the year has been allocated as follows:

		(Restated)
Cost of sales	**128,378,696**	163,964,484
Administrative expenses	**3,090,064**	11,207,470
Selling and distribution expenses	**5,753,551**	7,417,119
	137,222,311	182,589,073

6.1.4 Freehold lands of the Company are located at 7 K.M. Sundar Raiwind Road, opposite Sundar Industrial Estate, Mauza Bhai Kot, District Lahore, measuring 8.22 acres and Plot No. 141, 142 & 142-B, Sundar Industrial Estate, Sundar Raiwind Road, Lahore, measuring 7.73 acres.

The buildings on freehold land and other immovable assets of the Company are constructed / located at above mentioned freehold land.

6.1.5 Operating assets include Varex II 5-Layer Co-Extrusion Line, Gravure Printing Press Heliostar SH machine, BHS corrugator, Paper Board Handling System machine, Emba Machine and Lamination Machine including the related buildings and electric installations. 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 line method and are expected to remain in use for 33.33 years.The related buildings and electric installations which were also previously depreciated using reducing balance method are now depreciated using straight line method and have an estimated useful life of 40 years and 33.33 years respectively.
The Company has accounted for this as a change in accounting estimate. The effect of these changes on actual and expected depreciation expense are as follows.

	2018 Rupees	2019 Rupees
Decrease in depreciation expense	**100,979,801**	**86,608,382**

6.1.6 Fair value estimation

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is determined on the basis of objective evidence at each reporting date.

The tables below analyze the non-financial assets carried at fair value as at 30 June 2018 and 30 June 2017.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Company’s freehold land, buildings on freehold land, plant and machinery and electric installations that are measured at fair value.

Recurring fair value measurements of following items of operating assets:

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	--- Rupees ---			
Freehold land	**-**	**814,125,000**	**-**	**814,125,000**
Buildings on freehold land	**-**	**-**	**796,598,404**	**796,598,404**
Plant and machinery	**-**	**-**	**1,708,235,477**	**1,708,235,477**
Electric installations	**-**	**-**	**55,654,221**	**55,654,221**
	-	**814,125,000**	**2,560,488,102**	**3,374,613,102**

	2017			
	Level 1	Level 2	Level 3	Total
	--- Rupees ---			
Freehold land	-	814,125,000	-	814,125,000
Buildings on freehold land	-	-	828,628,305	828,628,305
Plant and machinery	-	-	1,718,877,749	1,718,877,749
Electric installations	-	-	55,304,298	55,304,298
	-	814,125,000	2,602,810,352	3,416,935,352

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in note 6.1 and note 17 respectively to these unconsolidated financial statements. There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

6.1.7 Valuation techniques used to derive level 2 and level 3 fair values

The Company obtains independent valuations for its freehold land, building on freehold land, plant and machinery and electric installations at least every three years. At the end of each reporting period, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of freehold land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery, and electric installations have been determined using a depreciated replacement cost approach, whereby, the current replacement cost of plant and machinery, and electric installations of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

6.1.8 Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair value at 30 June 2018 Rupees	Fair value at 30 June 2017 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	**796,598,404**	828,628,305	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	**1,708,235,477**	1,718,877,749	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	**55,654,221**	55,304,298	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

6.1.9 Disposal of operating assets

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (loss)	Mode of disposa	Particulars of buyer	Relationship ith Company
	2018							
	-----Rupees-----							
Vehicles- Owned assets								
Fork Lifter Truck-3Mt	1,867,024	1,715,624	151,400	247,242	95,842	Tender	Power Point System	-
Suzuki Cultus LEE-13-3128	1,014,000	721,846	292,154	825,000	532,846	Insurance	Atlas Insuranc	
Honda Cd 100cc LER-16B-8375	73,932	9,858	64,074	-	(64,074)	Theft	-	-
Paper Roll Clamp Lifter 66"	195,000	106,642	88,358	144,292	55,934	Tender	Power Point System	-
	3,149,956	**2,553,970**	**595,986**	**1,216,534**	**620,548**			
Vehicles- Leased								
Suzuki Cultus LEC-3814	**1,099,000**	**333,363**	**765,637**	**333,144**	**(432,493)**	Insurance	Askari Bank Limited	-
Electric Installations								
Air Conditioner	34,085	25,625	8,460	13,815	5,355	Tender	Power Point System	-
Air Conditioner	23,588	17,312	6,276	10,249	3,973	Tender	Power Point System	-
	57,673	**42,937**	**14,736**	**24,064**	**9,328**			
Office Equipment								
Bread Conveyor Oven	235,125	64,750	170,375	278,229	107,854	Tender	Power Point System	-
Floor Mounted Air Condition 4 Ton	179,487	68,546	110,941	181,172	70,231	Tender	Power Point System	-
	414,612	**133,296**	**281,316**	**459,401**	**178,085**			
2018	**4,721,241**	**3,063,566**	**1,657,675**	**2,033,143**	**375,468**			

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (Loss)	Mode of disposa	Particulars of buyer	Relationship ith Company
	2017							
	-----Rupees-----							
Vehicles- Owned assets								
Suzuki Alto Le-10-7897	679,000	503,971	175,029	558,540	383,511	Terms of employment	Muhammad Hanif Qadri	Employee
Mercedese-Benz-C-200 Leb-13-7727	4,305,052	2,560,626	1,744,426	2,100,000	355,574	Negotiation	Nasir Al	
Suzuki Cultus Lee-13-3127	1,019,000	505,967	513,033	601,763	88,730	Insurance	Pak Qatar Family Takaful Ltd	-
2017	6,003,052	3,570,564	2,432,488	3,260,303	827,815			

6.2 Capital work-in-progress

	2018			
	As at 01 July 2017	**Additions during the year**	**Transfers / deletions during the year**	**As at 30 June 2018**
	---Rupees---			
Plant and machinery	**64,940,013**	**70,810,126**	**(75,200,758)**	**60,549,381**
Civil works	**130,397**	**30,213,950**	**(2,047,950)**	**28,296,397**
Electrical installations	**18,611,765**	**21,801,334**	**(3,960,810)**	**36,452,289**
Others	**-**	**8,275,510**	**(8,275,510)**	**-**
Machinery in transit	**-**	**9,265,578**	**-**	**9,265,578**
	83,682,175	**140,366,498**	**(89,485,028)**	**134,563,645**
Advances to suppliers	**35,228,745**	**12,310,317**	**(9,212,347)**	**38,326,715**
	118,910,920	**152,676,815**	**(98,697,375)**	**172,890,360**

	2017 - *restated*			
	As at 01 July 2016	Additions during the year	Transfers / deletions during the year	As at 30 June 2017
	---Rupees---			
Plant and machinery	958,267	700,123,757	(636,142,011)	64,940,013
Civil works	10,833,931	173,490,577	(184,194,111)	130,397
Electrical installations	3,759,721	17,348,343	(2,496,299)	18,611,765
Others	-	12,599,820	(12,599,820)	-
	15,551,919	903,562,497	(835,432,241)	83,682,175
Advances to suppliers	103,740,183	35,228,747	(103,740,185)	35,228,745
	119,292,102	938,791,244	(939,172,426)	118,910,920

7 Intangible

	Note	**2018 Rupees**	2017 Rupees
Cost			
Balance as at 01 July		**7,088,486**	5,727,914
Additions during the year		**-**	1,360,572
Balance as at 30 June		**7,088,486**	7,088,486
Accumulated amortization			
Balance as at 01 July		**2,472,810**	1,073,872
Charge for the year	*30*	**1,417,697**	1,398,938
Balance as at 30 June		**3,890,507**	2,472,810
Net book value as at 30 June		**3,197,979**	4,615,676
		- - - - - - Percentage - - - - - -	
Annual amortization rate (%)		**20%**	20%

7.1 Intangible represents ERP software and amortization on intangible is charged to administrative expenses.

8 Investment in subsidiary

Unquoted: ***Roshan Sun Tao Paper Mills (Private) Limited***	*Note*	2017 Rupees	Transfers during the year Rupees	**2018** **Rupees**
11,137,613 (2017: 11,137,613) fully paid ordinary shares of Rs. 10 each [Equity held 60% (2017: 60%)] - Cost	*8.1*	111,376,130	-	**111,376,130**
Share deposit money	*12*	92,186,870	(92,186,870)	**-**
		203,563,000	(92,186,870)	**111,376,130**

8.1 The Company directly holds 60% shares in its subsidiary, Roshan Sun Tao Paper Mills (Private) Limited. The principal activity of the subsidiary will be manufacturing, supplying and dealing in corrugated papers. The investment in subsidiary is accounted for at cost.

9 Long term loan - unsecured, considered good

This represents loan disbursed to finance capital expenditure, for setting up of the subsidiary's production facility, up to a maximum of Rs. 260 million. The loan carries interest at the rate of 8% (2017: Nil) per annum. The mark up shall be received on a quarterly basis from the date of commencement of commercial operations of the subsidiary, which is expected in June 2020. The principal will be received in 2 equal installments commencing from June 2021.

Movement during the year is as follows:	**Rupees**
Opening balance as at 01 July 2017	**-**
Balance converted in to long term loan from advance due from subsidiary (current assets)	**42,020,690**
Loan disbursed during the year	**36,509,099**
Accrued mark up	**4,442,549**
Closing balance as at 30 June 2018	**82,972,338**

9.1 The maximum aggregate amount outstanding during the year was Rs. 82.972 million (2017: Nil).

	Note	**2018** **Rupees**	2017 Rupees
10 Stock-in-trade			
Raw materials [In transit Rs. 24.456 million (2017: Rs. 60.426 million)]		**569,085,590**	470,370,353
Work-in-process		**20,776,488**	42,527,088
Finished goods		**41,789,793**	62,299,584
		631,651,871	575,197,025
11 Trade debtors - unsecured			
Considered good	*11.1*	**1,231,373,541**	1,191,625,522
Considered doubtful		**48,135,576**	6,038,445
		1,279,509,117	1,197,663,967
Less: Provision for doubtful debts		**48,135,576**	6,038,445
		1,231,373,541	1,191,625,522

11.1 This includes an amount of Rs. 122.722 million (2017: Rs. 116.476 million) receivable from Roshan Enterprises ("an Associated Undertaking"). The maximum aggregate amount outstanding during the year was Rs. 122.722 million (2017: Rs. 118.963 million). The age analysis is as follows:

	2018 **Rupees**	2017 Rupees
Neither past due nor impaired	**-**	-
Past due but not impaired:		
- 01 to 30 days	**2,735,160**	5,022,265
- 31 to 60 days	**4,441,077**	68,257,438
- 61 to 90 days	**3,974,400**	43,196,389
- 91 to 120 days	**3,717,960**	-
- 121 to 365 days	**1,479,455**	-
- 365 days above	**106,374,636**	-
	122,722,688	116,476,092

12 Short term loan - unsecured, considered good

This represents the payment of share deposit money paid by the Company to the subsidiary for further issuance of share capital. However, since the shares were not issued by the subsidiary within ninety days of receipt of subscription money, the said subscription money is now recognised as a loan in accordance with the requirements of "Investment in Associated Companies and Associated Undertakings, Regulations, 2017". The loan carries interest at the rate of 8% (2017: Nil) per annum.

13 Advances, deposits, prepayments and other receivables	Note	2018 Rupees	2017 Rupees
Non-interest bearing			
Advances - considered good:			
- To directors against expenses	13.2	-	2,435,234
- To employees	13.1	12,813,298	14,181,581
- To suppliers		101,950,842	126,480,471
		114,764,140	143,097,286
Balances with statutory authorities:			
- Sales tax receivable		183,636,382	142,938,490
- Income tax receivable		369,556,236	296,970,071
		553,192,618	439,908,561
Prepayments		2,284,790	2,303,567
Security deposits		5,934,505	4,396,355
Interest receivable		21,538,540	11,252,740
Due from subsidiary - considered good		-	42,020,694
Due from directors - considered good	13.2	-	6,186,163
Other receivable		-	509,897
		697,714,593	649,675,263

13.1 It include advances against expenses paid to executives amounting to Rs. 3.102 million (2017: Rs. 2.462 million).

13.2 This represents advance amounting to Nil (2017: 8.621 million) due from the directors of the Company. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 8.621 million. Breakup of the balances due from directors of the Company is as follows:

Directors	Percentage of shareholding	2018 Rupees	2017 Rupees
Zaki Aijaz	11.86%	-	1,009,034
Saadat Eijaz	11.86%	-	1,925,901
Khalid Eijaz	14.65%	-	4,731,405
Quasim Aijaz	2.96%	-	955,057
		-	8,621,397
The age analysis is as follows:			
Outstanding between:			
- 01 to 30 days		-	7,074,856
- 31 to 60 days		-	1,546,541
		-	8,621,397

14 Cash and bank balances	Note	2018 Rupees	2017 Rupees
Cash in hand			
- local currency		268,767	235,874
Cash at banks			
- saving accounts	14.1	306,937,893	1,021,061,704
- current accounts		192,086,738	62,893,132
- term deposits	14.2	1,250,000,000	950,000,000
		1,749,024,631	2,033,954,836
		1,749,293,398	2,034,190,710

14.1 Profit on the balances in saving accounts ranges from 5.7% to 6.3% (2017: 5.6% to 6.5%) per annum.

14.2 Profit on term deposits ranges from 5.6% to 6.25% (2017: 5.6% to 6.25%) per annum.

15 Issued, subscribed and paid up share capital

	2018	2017	2018	2017
	(Number of shares)		Rupees	Rupees
Ordinary shares of Rs. 10 each fully paid in cash	**57,336,000**	57,336,000	**573,360,000**	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	**55,811,000**	45,061,000	**558,110,000**	450,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash - (Note 15.1)	**5,103,000**	5,103,000	**51,030,000**	51,030,000
	118,250,000	107,500,000	**1,182,500,000**	1,075,000,000

15.1 These 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.

15.2 The reconciliation of ordinary shares is as follows:

	2018	2017
	(Number of shares)	
Opening number of shares	**107,500,000**	29,939,000
Bonus shares issued during the year	**10,750,000**	45,061,000
Shares issued under initial public offering	**-**	32,500,000
Closing number of shares	**118,250,000**	107,500,000

16 Share premium

This share premium reserve can be utilized by the Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

17 Surplus on revaluation of property, plant and equipment

This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations, adjusted by incremental depreciation arising out of revaluation of abovementioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2016, on present market value basis.

The revaluation surplus relating to abovementioned operating assets, excluding freehold land, is net of applicable deferred taxes. Incremental depreciation represents the difference between the actual depreciation on the above mentioned assets excluding freehold land and the equivalent depreciation based on the historical cost of these assets. The movement in revaluation surplus is as follows:

	2018	2017
	Rupees	Rupees *(Restated)*
Opening balance - net of tax	**1,073,890,796**	1,101,811,827
Effect of change in tax rate on balance of revaluation on property, plant and equipment	**28,751,464**	-
Surplus transferred to accumulated profit for the year on account of incremental depreciation - net of tax	**(24,122,977)**	(27,921,031)
Closing balance - net of tax	**1,078,519,283**	1,073,890,796

	Note	2018 Rupees	2017 Rupees (Restated)
18 Supplier's credit - unsecured			
Supplier's credit	*18.1*	**302,302,080**	355,267,770
Current portion shown under current liabilities	*23*	**(116,156,657)**	(99,671,567)
		186,145,423	255,596,203

18.1 This comprises of payable to Windmoller & Holscher, Germany and Taiwan Endurance, Taiwan in respect of the following assets:

	Note	2018 Rupees	2017 Rupees (Restated)
Varex II 5-Layer Co-Extrusion Line machine	*18.1.1*	**148,029,230**	168,106,397
Gravure Printing Press Heliostar SH machine	*18.1.2*	**122,926,110**	146,574,227
Paper Board Handling System machine	*18.1.3*	**31,346,740**	40,587,146
		302,302,080	355,267,770

18.1.1 This represents interest free amount payable to Windmoller & Holscher, Germany, against purchase of Varex II 5-Layer Co-Extrusion Line machine on deferred payment basis in ten half yearly unequal installments ending on 03 February 2021. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2018 Rupees	2017 Rupees (Restated)
Supplier's credit	**210,369,804**	210,369,804
Discounting adjustment	**(9,565,283)**	(9,565,283)
	200,804,521	200,804,521
Unwinding of discount on liability	**7,300,090**	4,507,788
	208,104,611	205,312,309
Exchange loss	**34,378,940**	7,883,355
	242,483,551	213,195,664
Payments	**(94,454,321)**	(45,089,267)
	148,029,230	168,106,397
Current maturity	**(50,368,322)**	(43,348,695)
	97,660,908	124,757,702

18.1.2 This represents interest free amount payable to Windmoller & Holscher, Germany, against purchase of Gravure Printing Press Heliostar SH machine on deferred payment basis in ten half yearly unequal installments ending on 13 September 2020. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Supplier's credit	**210,406,544**	210,406,544
Discounting adjustment	**(9,566,953)**	(9,566,953)
	200,839,591	200,839,591
Unwinding of discount on liability	**7,908,397**	5,489,994
	208,747,988	206,329,585
Exchange loss	**29,472,498**	6,325,387
	238,220,486	212,654,972
Payments	**(115,294,376)**	(66,080,745)
	122,926,110	146,574,227
Current maturity	**(50,153,746)**	(42,790,671)
	72,772,364	103,783,556

18.1.3 This represents interest free amount payable to Taiwan Endurance Company Limited, Taiwan, against purchase of Paper Board Handling System machine on deferred payment basis in 3 equal annual installments starting from 15 December 2017. The interest free payable amount has been discounted at a rate of 0.26% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Supplier's credit	**40,584,800**	40,584,800
Discounting adjustment	**(209,200)**	(209,200)
	40,375,600	40,375,600
Unwinding of discount on liability	**151,091**	57,146
	40,526,691	40,432,746
Exchange loss	**5,124,279**	154,400
	45,650,970	40,587,146
Payments	**(14,304,230)**	-
	31,346,740	40,587,146
Current maturity	**(15,634,589)**	(13,532,201)
	15,712,151	27,054,945

18.2 During the year the Company has adjusted the carrying amounts of supplier's credit, property, plant and equipment and surplus on revaluation of property, plant and equipment in accordance with the principles of deferred payments under IAS 16 'Property, plant and equipment' which were previously measured under the requirements of IAS 39 'Financial instruments : Recognition and measurement'. To account for the effect, the amounts have been restated in accordance with IAS 8'Accounting policies, changes in accounting estimates and errors' due to which there has been an increase in supplier's credit in 2017 by Rs. 60.6 million (2016: Rs. 44.28 million), decrease in surplus on revaluation of property, plant and equipment in 2017 by Rs. 51.257 million (2016: Rs. 41.122 million) and decrease in deferred taxation in 2017 by Rs. 9.663 million (2016: Rs. 24.107 million).

The effect on the statement of profit or loss is tabulated below:

	2017 Rupees	2016 Rupees
Increase in depreciation expense	40,846	424,416
Decrease in finance cost	(13,406,146)	(916,960)
Increase in exchange loss	1,188,756	1,358,724
Increase / (decrease) in taxation	214,827	(6,753,408)
Increase in earnings per share	0.14	0.08

19 Long term finance - secured

These have been obtained from the following financial institutions:

	Note	2018 Rupees	2017 Rupees
Dubai Islamic Bank Limited	*19.1*	-	256,371,642
United Bank Limited	*19.2*	-	250,000,000
		-	506,371,642

		Note	2018 Rupees	2017 Rupees (Restated)
19.1	**Dubai Islamic Bank Limited**			
	Opening balance		**356,371,642**	400,000,000
	Payments		**(100,559,142)**	(43,628,358)
			255,812,500	356,371,642
	Current maturity	*19.1.2*	**(255,812,500)**	(100,000,000)
			-	256,371,642

19.1.1 This represents Shirkat Ul Melk facility of Rs. 400 million for financing the expansion of flexible packaging facility. The principal portion of Rs. 191.875 million (2017: Rs. 268.625 million) is repayable in ten equal quarterly instalments of Rs. 19.188 million beginning on 16 September 2017, and remaining principal portion of Rs. 63.938 million (2017: Rs 87.746 million) is repayable in eleven equal quarterly instalments of Rs. 5.813 million beginning on 22 August 2017. Mark up is payable quarterly at the rate of three months Karachi Inter Bank Offered Rate ('KIBOR') plus 0.9 percent per annum. The mark-up rate charged during the year on the outstanding balance ranged from 7.05% to 7.79% (2017: 6.94% to 7.02%) per annum. It is secured by a first exclusive charge over fixed assets of the Company's flexible packaging facility located at Sundar Industrial Estate, Lahore, first hypothecation charge over plant & machinery of the corrugation packaging facility of the Company located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 directors of the Company.

19.1.2 The outstanding term finance liability has become payable on demand due to the fact that the Company has made defaults in complying covenants associated by the lender with the said term loan.

		Note	2018 Rupees	2017 Rupees
19.2	**United Bank Limited**			
	Opening balance		**250,000,000**	80,295,600
	Receipts		**-**	270,904,326
	Payments		**-**	(101,199,926)
			250,000,000	250,000,000
	Current maturity	*19.2.2*	**(250,000,000)**	-
			-	250,000,000

19.2.1 This represents term finance facility to finance corrugator unit capacity expansion project. The aggregate amount of the facility is Rs. 400 million out of which Rs. 351.2 million (2017: Rs 351.2 million) has been availed as of the reporting date. The outstanding principal of Rs. 199.815 million is repayable in six equal half yearly installments and remaining outstanding principal amounting to Rs. 50.185 million is repayable in five equal half yearly installments beginning on 03 November 2018. Mark up is payable semi annually at the rate of three months KIBOR plus net spread (Lending rate - Deposit rate) secured up to 0.6% per annum (2017: six months KIBOR plus 0.9%). The mark-up rate charged during the year on the outstanding balance ranged from 6.74% to 7.90% (2017: 6.75% to 7.05%) per annum. The facility is secured by first exclusive charge over present and future land, building and plant and machinery of the corrugation packaging facility of the Company located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 directors of the Company.

19.2.2 The outstanding term finance liability has become payable on demand due to the fact that the Company has made defaults in complying covenants associated by the lender with the said term loan.

		Note	2018 Rupees	2017 Rupees
20	**Liabilities against assets subject to finance lease - secured**			
	Present value of minimum lease payments		**26,246,823**	30,756,319
	Less: Current portion shown under current liabilities	23	**(16,396,026)**	(13,555,329)
			9,850,797	17,200,990

The minimum lease payments have been discounted at an implicit interest rate of KIBOR plus 1% to 1.5% per annum reset every six months. The implicit interest rate used during the year to arrive at the present value of minimum lease payments ranges from 9.66% to 18.43% (2017: 9.66% to 20.13%) per annum. Since the implicit interest rate is linked with KIBOR, the amount of minimum lease payments and finance charge may vary from period to period.

Rentals are paid monthly in advance. Taxes, repairs, replacements and insurance costs are to be born by lessee.

The lease is secured against personal guarantees of 3 directors of the Company. In case of early termination of lease, the lessee shall pay entire amount of rentals for unexpired period of lease agreement.

The amount of future minimum lease payments along with their present value and the periods during which they fall due are:

	2018		
	Upto one year	**From one to five years**	**Total**
Liabilities against assets subject to finance lease - secured	----------	**Rupees**	----------
Minimum lease payments	**18,271,055**	**10,441,140**	**28,712,195**
Less: finance costs allocated to future periods	**(1,875,029)**	**(590,343)**	**(2,465,372)**
Present value of minimum lease payments	**16,396,026**	**9,850,797**	**26,246,823**

	2017		
	Upto one year	From one to five years	Total
Liabilities against assets subject to finance lease - secured	----------	Rupees	----------
Minimum lease payments	16,152,091	18,476,885	34,628,976
Less: finance costs allocated to future periods	(2,596,762)	(1,275,895)	(3,872,657)
Present value of minimum lease payments	13,555,329	17,200,990	30,756,319

		Note	2018 Rupees	2017 Rupees (Restated)
21	**Deferred taxation**			
	Deferred tax liability comprises temporary differences relating to:			
	Accelerated tax depreciation		**215,887,872**	224,686,225
	Revaluation surplus		**166,072,325**	175,708,417
	Assets subject to finance lease		**1,832,502**	1,114,314
	Deferred liabilities		**(25,122,190)**	(23,178,714)
	Provision for doubtful debts		**(1,799,831)**	(1,793,300)
	Intangible assets		**-**	-
	Minimum tax available for carry forward		**(40,238,993)**	(40,238,993)
	Alternate corporate tax available for carry forward		**(12,186,950)**	(12,186,950)
	Tax credit under section 65B available for carry forward		**-**	(36,020,207)
	Tax losses due to tax depreciation		**(26,797,994)**	-
			277,646,741	288,090,792
	The gross movement in deferred tax liability during the year is as follows:			
	Opening balance		**288,090,792**	271,565,534
	Charged / (credited) to other comprehensive income		**(27,767,723)**	(347,416)
	Charged to profit or loss account	35	**17,323,672**	16,872,674
	Closing balance		**277,646,741**	288,090,792

22 Deferred liabilities

	Note	2018 Rupees	2017 Rupees
Accumulating compensated absences	*22.1*	**5,024,731**	4,525,917
Provision for gratuity	*22.2*	**60,988,612**	55,250,563
		66,013,343	59,776,480

22.1 Accumulating compensated absences

	2018 Rupees	2017 Rupees
Opening liability	**4,525,917**	1,963,830
Provision for the year	**1,436,872**	3,023,139
	5,962,789	4,986,969
Transferred to trade and other payables for former employees	**(938,058)**	(461,052)
Liability as at year end	**5,024,731**	4,525,917

22.2 Provision for gratuity

	2018 Rupees	2017 Rupees
Opening liability	**55,250,563**	40,047,474
Provision for the year	**10,325,306**	19,239,246
	65,575,869	59,286,720
Paid during the year	**(4,587,257)**	-
Transferred to trade and other payables for former employees	**-**	(4,036,157)
Liability as at year end	**60,988,612**	55,250,563

22.2.1 Movement in present value of defined benefit obligation

	2018 Rupees	2017 Rupees
Opening liability	**55,250,563**	40,047,474
Current service cost	**10,420,881**	15,312,299
Interest cost	**3,839,378**	2,757,131
Remeasurements - actuarial (gain)/loss	**(3,934,953)**	1,169,816
Paid during the year	**(4,587,257)**	-
Transferred to trade and other payables for former employees	**-**	(4,036,157)
Liability as at year end	**60,988,612**	55,250,563

22.2.2 Comparison of present value of defined benefit obligation for five years is as follows:

	2018	2017	2016	2015	2014
	-----	-----	Rupees	-----	-----
As at June 30					
Present value of defined benefit obligation	**60,988,612**	55,250,563	40,047,474	36,078,371	25,896,798
Remeasurments - actuarial (gain) / loss	**(3,934,953)**	1,169,816	(474,225)	21,968	(625,486)

22.2.3 Assumptions used for valuation of the defined benefit scheme for employees are as under:

		2018	2017
Discount rate	*Per annum*	**8%**	7.25%
Expected rate of increase in salary	*Per annum*	**7%**	6.25%
Average duration of liability	*Number of years*	**7**	6

Mortality rates are assumed to be based on the SLIC (2001-2005) mortality table.

22.2.4 Year end sensitivity analysis (±100 bps) on defined benefit obligation is as follows:

	Discount rate + 100 bps	Discount rate - 100 bps	Salary increase rate + 100 bps	Salary increase rate - 100 bps
	-----	Rupees	Rupees	-----
Present value of defined benefit obligation	**54,817,677**	**68,179,142**	**68,179,142**	**54,709,939**

23 Current portion of long term liabilities

	Note	2018 Rupees	2017 Rupees (Restated)
Supplier's credit - unsecured	18	**116,156,657**	99,671,567
Liabilities against assets subject to finance lease - *secured*	19	**505,812,500**	100,000,000
Long term finances - secured	20	**16,396,026**	13,555,329
		638,365,183	213,226,896

24 Short term borrowings - secured

	Note	2018 Rupees	2017 Rupees
Running finance	24.1	**471,559,319**	281,011,030
Term finances:			
- Import finance	24.2	**185,983,794**	53,837,284
- Murabaha / Istisna	24.3	**676,266,266**	420,791,495
		862,250,060	474,628,779
		1,333,809,379	755,639,809

24.1 Running finance

Short term running finance facilities available from various commercial banks under mark-up arrangements amounting to Rs. 550 million (2017: Rs. 325 million) at mark-up rates ranging from one month to three months KIBOR plus 1% per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 6.64% to 7.42% (2017: 6.79% to 7.40%) per annum.

24.2 Import finance

Import finance facilities available from various commercial banks under profit arrangements amounting to Rs. 1,770 million (2017: Rs. 650 million) at mark-up rates ranging from one to three month KIBOR plus 1% per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 6.70% to 7.53% (2017: 6.87% to 7.28%) per annum.

24.3 Murabaha / Istisna

Murabaha / Istisna facilities available from various commercial banks under profit arrangements amounting to Rs. 1,050 million (2017: Rs. 450 million) at mark-up rates ranging from six month KIBOR plus 0.50% to 1.0% per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 6.61% to 8.53% (2017: 6.61% to 7.40%) per annum.

24.4 Letters of credit and guarantee

Of the aggregate facility of Rs. 2,220 million (2017: Rs. 1,420 million) for opening letters of credit and Rs. 130 million (2017: Rs. 220 million) for guarantees, the amount utilized at 30 June 2018, was Rs. 307.5 million (2017: Rs. 504.3 million) and 7.42 million (2017: Rs. 14.4 million) respectively. The aggregate facilities for opening letters of credit and guarantees are secured by a first pari passu charge over current assets of the Company and lien over import documents.

25 Trade and other payables	Note	2018 Rupees	2017 Rupees
Trade creditors		**593,313,561**	586,332,679
Bills payable		**52,795,524**	245,261,957
Advances from customers		**3,861,527**	28,317,658
Retention money		**4,167,040**	7,045,256
Accrued liabilities		**52,556,138**	59,094,935
Withholding tax payable		**3,601,722**	9,195,095
Workers' profit participation fund	*25.1*	**-**	37,345,954
Workers' welfare fund		**1,678,561**	1,678,561
Advances from employees		**3,527,610**	3,135,164
		715,501,683	977,407,259

25.1 Workers' profit participation fund

	Note	2018 Rupees	2017 Rupees
Opening balance		**37,345,954**	53,575,839
Provision for the year	*32*	**-**	13,580,341
Interest for the year	*34*	**-**	1,840,018
		37,345,954	68,996,198
Less: Payments made during the year		**(37,345,954)**	(31,650,244)
Closing balance		**-**	37,345,954

26 Accrued markup

		2018 Rupees	2017 Rupees
Accrued markup / interest on:			
- Long term finance - secured		**3,869,432**	5,223,121
- Short term borrowings - secured		**17,420,560**	6,728,352
		21,289,992	11,951,473

27 Contingencies and commitments

27.1 Contingencies

27.1.1 The banks have issued the following guaranties on behalf of the Company:

(a) Letter of guarantee issued in favour of Sui Northern Gas Pipelines Limited for Rs 6.2 million (2017: Rs 6.2 million).

(b) Letter of guarantee issued in favour of Office of Excise and Taxation for Rs 0.22 million (2017: Rs 0.22 million).

(c) Letter of guarantee issued in favour of Total Parco Pakistan Limited for Rs 8 million (2017: Rs 8 million).

27.1.2 Additional Commissioner Inland Revenue ('ACIR'), through an order dated May 22, 2012 disallowed the Company's claim of tax credit of Rs 11.112 million against minimum tax liability for Tax Year 2011. Against the subject order, the Company's management preferred an appeal before the Commissioner of Inland Revenue (Appeals), who upheld the ACIR's order. The Company's management has preferred a second appeal before the Appellate Tribunal Inland Revenue ('ATIR') which is pending adjudication. The Company's management considers that reasonable grounds exist to support its stance in the appeal and is of the view that the decision would be in its favour. Consequently, no provision has been made in these unconsolidated financial statements on this account.

27.2 Commitments in respect of

(a) Letters of credit and contracts for capital expenditure amounting to Rs 9.25 million (2017: Rs 5.95 million).

(b) Letters of credit and contracts other than for capital expenditure amounting to Rs 315.72 million (2017: Rs 428.55 million).

28 Sales - *net*

		Note	2018 Rupees	2017 Rupees
Gross sales		*28.1*	**4,705,465,946**	4,782,522,142
Less:	Sales tax		**663,393,503**	666,736,087
	Discounts and sales returns		**10,684,869**	17,778,879
			674,078,372	684,514,966
			4,031,387,574	4,098,007,176

28.1 This includes sales of Rs. 16.348 million (2017: Rs. 23.181 million) to Roshan Enterprises, a related party (associated undertaking).

29 Cost of sales

	Note	2018 Rupees	2017 Rupees *(Restated)*
Raw materials consumed		**3,029,823,613**	2,964,714,608
Carriage inward expenses		**1,590,873**	1,933,525
Packing material consumed		**15,263,171**	13,644,564
Production supplies		**66,604,651**	56,507,517
Fuel and power	*29.1*	**159,441,841**	121,226,025
Salaries, wages and other benefits	*29.2*	**185,572,969**	195,828,701
Repairs and maintenance		**52,013,508**	34,718,198
Printing and stationery		**1,057,911**	1,052,204
Insurance		**7,357,263**	7,049,662
Lease rentals - operating		**1,033,721**	598,713
Security charges		**-**	7,296,009
Travelling and conveyance		**20,162,395**	30,310,692
Communication expenses		**1,117,230**	1,345,522
Vehicle running expenses		**2,302,667**	598,882
Depreciation	*6.1.3*	**128,378,696**	163,964,484
Others		**9,249,234**	16,059,882
		3,680,969,743	3,616,849,188
Opening work-in-process	*10*	**42,527,088**	10,285,840
Closing work-in-process	*10*	**(20,776,488)**	(42,527,088)
		21,750,600	(32,241,248)
Cost of goods manufactured		**3,702,720,343**	3,584,607,940
Opening stock of finished goods	*10*	**62,299,584**	22,897,521
Closing stock of finished goods	*10*	**(41,789,793)**	(62,299,584)
		20,509,791	(39,402,063)
		3,723,230,134	3,545,205,877

29.1 This includes operating lease rentals of generator and fork lifter amounting to Rs. 16.8 million (2017: Rs. 14.9 million) and Rs. 14.3 million (2017: Rs. 2.4 million) respectively.

29.2 Salaries, wages and other benefits

Salaries, wages and other benefits include the following in respect of retirement benefits:

	2018 Rupees	2017 Rupees
Gratuity:		
Current service cost	**6,037,990**	8,872,140
Interest cost for the year	**2,224,585**	1,597,517
	8,262,575	10,469,657
Accumulating compensated absences:		
Charge for the year	**832,542**	1,751,645
	9,095,117	12,221,302

30 Administrative expenses

	Note	2018 Rupees	2017 Rupees (Restated)
Salaries, wages and other benefits	*30.1*	**71,338,410**	52,361,258
Legal and professional charges		**5,843,585**	351,500
Fees and subscription		**6,661,312**	2,974,904
Travelling and conveyance		**6,350,801**	5,335,288
Insurance		**2,787,016**	2,280,395
Printing and stationery		**736,712**	1,030,642
Repairs and maintenance		**2,276,161**	1,312,318
Vehicle running and maintenance		**4,060,457**	4,119,096
Utilities		**1,640,206**	1,338,565
Lease rentals - operating		**5,364,708**	5,115,396
Auditors remuneration	*30.2*	**2,346,000**	2,126,998
Security charges		**-**	569,917
Communication		**3,705,382**	3,543,422
Depreciation	*6.1.3*	**3,090,064**	11,207,470
Amortization	*7*	**1,417,697**	1,398,938
Entertainment		**3,633,773**	1,106,496
Others		**3,385,246**	3,244,676
		124,637,530	99,417,279

30.1 Salaries, wages and other benefits

Salaries, wages and other benefits include following in respect of retirement benefits:

	2018 Rupees	2017 Rupees
Gratuity:		
Current service cost	**3,153,284**	4,633,392
Interest cost for the year	**1,161,768**	834,288
	4,315,052	5,467,680
Accumulating compensated absences:		
Charge for the year	**434,787**	914,780
	4,749,839	6,382,460

30.2 Auditors remuneration	2018 Rupees	2017 Rupees
Audit services:		
Statutory audit	**1,500,000**	1,470,000
Half year review	**500,000**	-
Out of pocket expenses	**196,000**	163,498
Non-audit services:		
Other certifications	**150,000**	262,500
Tax service		231,000
	2,346,000	2,126,998

31 Selling and distribution expenses	Note	2018 Rupees	2017 Rupees (Restated)
Salaries, wages and other benefits	31.1	**33,281,936**	29,214,044
Travelling and conveyance		**4,875,336**	7,014,303
Freight and transportation		**59,452,033**	48,993,740
Vehicle running and maintenance		**1,173,879**	367,243
Postage and telephone		**504,362**	731,781
Provision against doubtful debts		**42,097,130**	-
Printing and stationery		**9,800**	20,646
Advertisement and business promotion		**16,966,751**	1,363,030
Entertainment		**1,048,003**	2,170,713
Depreciation	6.1.3	**5,753,551**	7,417,119
Others		**3,514,757**	3,256,697
		168,677,538	100,549,316

31.1 Salaries, wages and other benefits

Salaries, wages and other benefits include following in respect of retirement benefits:

	Note	2018 Rupees	2017 Rupees
Gratuity:			
Current service cost		**1,229,607**	1,806,767
Interest cost for the year		**453,025**	325,326
		1,682,632	2,132,093
Accumulating compensated absences:			
Charge for the year		**169,543**	356,714
		1,852,175	2,488,807

32 Other expenses	Note	2018 Rupees	2017 Rupees (Restated)
Exchange loss - *net*		**82,262,727**	17,822,034
Donations	32.1	**362,839**	859,458
Workers' profit participation fund	25.1	**-**	13,580,341
Workers' welfare fund		**-**	1,739,932
		82,625,566	34,001,765

32.1 None of the directors or their spouses had any interest in the donees.

33 Other income

	Note	2018 Rupees	2017 Rupees (Restated)
Income from financial assets:			
- Profit on bank deposits		**34,375,886**	30,315,529
- Profit on term deposits		**67,619,552**	11,252,740
- Markup on long term loan	*9*	**4,442,549**	-
- Markup on short term loan	*12*	**7,374,950**	
		113,812,937	41,568,269
Income from non-financial assets:			
- Gain on sale of property, plant and equipment		**375,468**	827,815
- Liabilities no longer payable written back		**593,862**	-
- Others		**303,439**	378,300
		1,272,769	1,206,115
		115,085,706	42,774,384

34 Finance cost

	Note	2018 Rupees	2017 Rupees
Interest / mark up on:			
- Long term finance - secured		**38,637,177**	29,313,557
- Finance leases		**3,163,416**	4,207,759
- Short term borrowings - secured		**67,294,699**	45,145,958
- Loan from directors		**-**	435,320
- Workers' profit participation fund	*25.1*	**-**	1,840,018
Bank charges and others		**6,126,895**	6,445,679
Unwinding of discount on supplier's credit		**5,304,650**	5,755,936
		120,526,837	93,144,227

35 Taxation

	2018 Rupees	2017 Rupees
Income tax:		
- Current year	**-**	-
- Prior year	**-**	-
Deferred tax:		
- Current year	**51,345,531**	16,872,674
- Prior year	**(34,021,859)**	-
	17,323,672	16,872,674

35.1 Tax charge reconciliation

	2018 %age	2017 %age
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate as per Income Tax Ordinance, 2001	**30.00**	31.00
Effect of temporary differences	**-66.23**	1.77
Effect of change in prior years' tax	**-**	5.09
Effect of tax calculated at the rate of 1.25% of turnover	**-36.93**	-
Effect of difference in rate	**24.90**	-0.85
Benefit in respect of certain income taxed at different rate	**-**	-4.93
Allowable as tax credit	**35.58**	-25.80
	-42.68	-24.72
Average effective tax rate charged to profit and loss account	**-12.68**	6.28

35.2 The provision for current year tax represents tax on taxable income at the rate of 30%, net of tax credits. As per management's assessment, the provision for tax made in the unconsolidated financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

	Tax provision as per financial statements	Tax as per assessment / return
Tax Years		
2015	**59,580,400**	58,788,228
2016	**-**	-
2017	**-**	-

36 Earnings per share - basic and diluted

		2018	2017 (Restated)
(Loss) / profit attributable to owners of the Company	*Rupees*	**(90,547,997)**	251,590,422
Weighted-average number of ordinary shares	*Number*	**118,250,000**	118,250,000
Basic earnings per share	*Rupees*	**(0.77)**	2.13

36.1 Weighted average number of shares for 2017 have been restated due to the impact of issuance of bonus shares, as detailed in note 15.

36.2 There is no dilution effect on basic earning per share, as the Company has no such commitments.

37 Cash (used in)/generated from operations

	Note	2018 Rupees	2017 Rupees (Restated)
(Loss) / profit before taxation		**(73,224,325)**	268,463,096
Adjustment for non-cash charges and other items:			
Depreciation on operating assets		**137,222,311**	182,589,073
Amortization of intangibles		**1,417,697**	1,398,939
Profit on bank deposits		**(101,995,438)**	(41,568,269)
Exchange loss		**58,822,472**	17,822,034
Finance cost		**120,526,837**	93,144,227
Provision against doubtful debts		**42,097,130**	-
Gain on disposal of property, plant and equipment		**(375,468)**	(827,815)
Provision for accumulating compensated absences		**1,436,872**	3,023,139
Provision for gratuity		**14,260,259**	18,069,430
Profit before working capital changes		**200,188,347**	542,113,854
Effect on cash flow due to working capital changes:			
- Increase in stores and spare parts		**(38,257,788)**	(52,578,213)
- Increase in stock-in-trade		**(56,454,846)**	(130,010,360)
- Increase in trade debts		**(81,845,149)**	(228,072,761)
- Increase in advances, deposits, prepayments and other receivables		**(7,188,059)**	(232,555,062)
- (Decrease) / increase in trade and other payables		**(266,115,477)**	82,157,674
		(449,861,319)	(561,058,722)
		(249,672,972)	(18,944,868)

38 Cash and cash equivalents

	Note	2018 Rupees	2017 Rupees (Restated)
Cash and bank balances	*14*	**1,749,293,398**	2,034,190,710
Short term borrowings - running finance	*24.1*	**(471,559,319)**	(281,011,030)
		1,277,734,079	1,753,179,680

39 The credit facilities available to the Company at year ended 30 June are as follows:

	2018		2017	
	Available limit	Utilised credit	Available limit	Utilised credit
	Rupees in million		Rupees in million	
Running finance	550	472	325	281
Istisna	1,050	676	450	421
Musharika	600	-	600	-
FATR/FAPC	1,770	186	650	54
	3,970	1,334	2,025	756
Letter of credits / guarantees	2,350	315	1,640	519

40 Remuneration of Chief Executive, Directors and Executives

40.1 The aggregate amount charged in the unconsolidated financial statements for the year for remuneration, including certain benefits to the Chief Executive, directors and executives of the Company is as follows:

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2018	2017	2018	2017	2018	2017	2018	2017
	Rupees							
Short term employee benefits								
Managerial remuneration	3,279,540	3,279,540	2,727,276	4,556,760	-	-	36,275,901	49,524,533
House rent allowance	1,472,823	1,472,823	1,227,276	2,045,592	-	-	16,324,156	22,119,720
Medical expenses	327,294	327,294	272,724	454,576	-	-	3,627,590	4,915,494
Utilities	327,294	327,294	272,724	454,576	-	-	3,627,590	4,915,494
Advisory fee	-	-	-	-	4,914,788	2,061,633	-	-
Meeting fee	-	-	-	-	795,000	-	-	-
Bonus	272,745	-	227,288	-	-	-	1,853,042	182,858
	5,679,696	5,406,951	4,727,288	7,511,504	5,709,788	2,061,633	61,708,279	81,658,099
Post employment benefits								
Gratuity	-	-	-	-	-	-	3,103,011	7,820,726
Accumulated compensated absences	225,000	225,000	187,500	312,500	-	-	459,930	953,929
	5,904,696	5,631,951	4,914,788	7,824,004	5,709,788	2,061,633	65,271,220	90,432,754
Number of persons	1	1	1	2	5	5	27	56

40.2 The chief executive, executive directors, non executive director and certain executives are provided with company maintained vehicles, mobile phones for official use and medical facility.

40.3 Comparative figures reflect executives' remuneration and number based on enacted provisions of repealed Companies Ordinance, 1984 for the year ended 30 June 2017.

41 Transactions with related parties

The related parties include the subsidiary, associated undertakings, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties have been disclosed in the respective notes to these financial statements other than the following:

Relationship with the Company	Name of related party	Transaction	Percentage of shareholding 2018	Percentage of shareholding 2017	2018 Rupees	2017 Rupees
Chief Executive	Tayyab Aijaz	Bonus shares issued	26.84%	26.84%	**2,885,440**	173,361,090
Director	Zaki Aijaz	Bonus shares issued	11.86%	11.86%	**4,443,190**	266,952,770
Director	Saadat Eijaz	Bonus shares issued	11.86%	11.86%	-	-
Director	Khalid Eijaz	Bonus shares issued	14.65%	14.65%	-	-
Director	Quasim Aijaz	Bonus shares issued	2.96%	2.96%	-	-
Subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Payments made on behalf of the subsidiary			-	26,651,929
		Common costs allocated to the subsidiary			-	10,889,842
		Shares issued by the subsidiary			-	111,316,130
		Share deposit money paid to the subsidiary			-	3,000,000
		Long term loans to subsidiary			**36,509,099**	-
		Markup accrued			**11,817,499**	-

42 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

42.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

42.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from long term loan, long term deposits, trade debts, short term loan, advances, deposits and other receivables and balances with banks. Out of the total financial assets of Rs. 3,269.082 million (2017: Rs. 3,510.505 million), the financial assets which are subject to credit risk amounted to Rs. 3,203.532 million (2017: Rs. 3,306.706 million).

To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. The management has set a maximum credit period of 07 to 90 days to reduce the credit risk. Limits are reviewed periodically and the customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or has similar economic features that would cause their abilities to meet the contractual obligation to be similarly affected by the changes in economic, political or other conditions.

42.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

Loans and receivables	*Note*	**2018 Rupees**	2017 Rupees
Long term loan - unsecured, considered good	*9*	**82,972,338**	-
Long term deposits		**20,501,701**	16,759,933
Trade debtors - unsecured	*11*	**1,231,373,541**	1,191,625,522
Short term loan - unsecured, considered good		**92,186,870**	-
Advances, deposits and other receivables	*13*	**27,473,045**	64,365,849
Bank balances	*14*	**1,749,024,631**	2,033,954,836
		3,203,532,126	3,306,706,140
Secured		**-**	-
Unsecured		**3,203,532,126**	3,306,706,140
		3,203,532,126	3,306,706,140

42.2.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical default rates and present ages.

The Company identified cancellation of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counter party is as follows:

	2018 Rupees	2017 Rupees
Customers	**1,231,373,541**	1,191,625,522
Banking companies and financial institutions	**1,754,876,680**	2,041,524,604
Others	**217,281,905**	73,556,014
	3,203,532,126	3,306,706,140

42.2.2(a) Counterparties without external credit ratings

These mainly include customers which are counter parties to trade debtors. The Company is exposed to credit risk in respect of trade debtors. The trade debts as at the balance sheet date are classified as follows:

	2018 Rupees	2017 Rupees
Trade debtors - domestic	**1,279,509,116**	1,197,663,967
Provision for doubtful debts	**(48,135,575)**	(6,038,445)
	1,231,373,541	1,191,625,522

The aging of trade debts at the reporting date is:	2018 Gross	2018 Impaired	2017 Gross	2017 Impaired
Not past due	**668,173,416**	**-**	584,077,806	-
1 to 30 days	**120,975,091**	**-**	160,537,783	-
31 to 60 days	**22,770,730**	**-**	214,081,448	-
61 to 90 days	**14,214,293**	**-**	226,698,156	-
91 to 365 days	**184,919,580**	**-**	6,230,329	-
Past due above one year	**268,456,007**	**(48,135,575)**	6,038,446	(6,038,446)
	1,279,509,117	**(48,135,575)**	1,197,663,968	(6,038,446)

Based on past experience the management believes that no further impairment allowance is necessary except for the allowance provided in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

42.2.2(b) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits and investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating Short term	Rating Long term	Rating Agency	2018 Rupees	2017 Rupees
Albaraka Bank (Pakistan) Ltd	A1	A	PACRA	**-**	107,544
Allied Bank Limited	A1+	AAA	PACRA	**250,000,000**	701,815,883
Askari Bank Limited.	A1+	AA+	PACRA	**15,089,873**	1,448,539
Bank Alfalah Limited	A1+	AA+	PACRA	**1,420,591**	1,555,076
Bank Al-Habib Limited	A1+	AA+	PACRA	**-**	240,501
Dubai Islamic Bank Pakistan Ltd	A-1	AA-	JCR-VIS	**1,024,619,976**	1,036,389,055
Habib Bank Limited	A-1+	AAA	JCR-VIS	**14,186,619**	1,679,135
Habib Metropolitan Bank Ltd	A1+	AA+	PACRA	**177,045**	68,241
MCB Bank Limited	A1+	AAA	PACRA	**14,916,768**	32,857,548
Meezan Bank Limited	A-1+	AA+	JCR-VIS	**6,383,944**	1,948,737
National Bank of Pakistan	A1+	AAA	PACRA	**122,925**	122,925
Soneri Bank Limited	A1+	AA-	PACRA	**507,618**	507,618
Standard Chartered Bank (Pakistan) Ltd	A1+	AAA	PACRA	**12,376,578**	199,694
The Bank of Punjab	A1+	AA	PACRA	**434,021**	4,580,315
United Bank Limited	A-1+	AAA	JCR-VIS	**8,788,673**	250,434,025
JS Bank Limited	A1+	AA-	PACRA	**400,000,000**	-
				1,749,024,631	2,033,954,836

42.3 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets, or that such obligation will have to be settled in a manner unfavourable to Company.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Exposure to liquidity risk

Following is the maturity analysis of financial liabilities:	Carrying amount	Up to one year	One to five years	More than five years
	--------------------------	Rupees	----------------------------	
Liabilities against assets subject to finance lease	**26,246,823**	**18,271,055**	**10,441,140**	**-**
Long term finances - secured	**505,812,500**	**545,496,688**	**-**	**-**
Supplier's credit - unsecured	**302,302,080**	**120,518,051**	**189,595,815**	**-**
Short term borrowings - secured	**1,333,809,379**	**1,440,489,173**	**-**	**-**
Trade and other payables	**702,192,833**	**702,192,833**	**-**	**-**
Unclaimed dividend	**882,883**	**882,883**	**-**	**-**
Accrued markup	**21,289,992**	**21,289,992**	**-**	**-**
2018	**2,892,536,490**	**2,849,140,675**	**200,036,955**	**-**

	Carrying amount	Less than one year	One to five years	More than five years
	--------------------------	Rupees	----------------------------	
Liabilities against assets subject to finance lease	30,756,319	16,152,091	18,476,885	-
Long term finance - secured	606,371,642	139,991,031	563,621,261	-
Supplier's credit - unsecured	355,267,770	104,976,217	263,407,989	-
Short term borrowings - secured	755,639,809	800,502,942	-	-
Trade and other payables	897,734,827	897,734,827	-	-
Accrued markup	11,951,473	11,951,473	-	-
2017	2,657,721,840	1,971,308,581	845,506,135	-

42.3.2 Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is limited to certain sectors, however all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

	2018 Rupees	2017 Rupees
Banking companies	1,754,876,680	2,041,524,604
Others	1,448,655,446	1,265,181,536
	3,203,532,126	3,306,706,140

42.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

42.4.1 Currency risk

The Company is exposed to currency risk on supplier credit and trade and other payables that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD), Euro and Swedish krona.

42.4.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	2018 USD	2017 USD
On balance sheet:		
Supplier credit	(258,667)	(388,000)
Trade and other payables	(391,440)	(718,062)
Net exposure	(650,107)	(1,106,062)

	2018 Euro	2017 Euro
On balance sheet:		
Supplier credit	(1,957,070)	(2,699,919)
Trade and other payables	(112,806)	(169,209)
Net exposure	(2,069,876)	(2,869,128)

	2018 Swedish krona	2017 Swedish krona
On balance sheet:		
Trade and other payables	(16,970)	-
Net exposure	(16,970)	-

42.4.1(b) Exchange rate applies during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2018	2017	2018	2017
USD to PKR	109.96	104.80	121.40	104.75
Euro to PKR	131.29	114.14	141.58	119.61
Swedish krona to PKR	13.01	-	13.60	-

42.4.1(c) Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, pre-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of supplier credit and trade and other payables.

Effect on profit and loss	2018 Rupees	2017 Rupees
US Dollar	(7,892,299)	(11,586,000)
Euro	(29,305,449)	(34,317,468)
Swedish krona	(23,078)	-
	(37,220,826)	(45,903,468)

42.4.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

Interest / mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2018	2017	2018	2017
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Financial assets				
Fixed rate instruments:				
Long term loan	**8.00**	-	**82,972,338**	**-**
Short term loan	**8.00**	-	**92,186,870**	-
Bank balances - Term deposits	**5.60 - 6.25**	5.60 - 6.25	**1,250,000,000**	950,000,000
Bank balances - saving accounts	**5.70 - 6.30**	5.60 - 6.50	**306,937,893**	1,021,061,704
			1,732,097,101	1,971,061,704
Financial liabilities				
Fixed rate instruments:				
Supplier's credit - unsecured	**0.26 - 0.87**	0.26 - 0.87	**302,302,080**	355,267,770
Variable rate instruments:				
Long term finances	**3 months KIBOR plus 0.60 - 0.90**	3 - 6 months KIBOR plus 0.6 - 0.90	**505,812,500**	606,371,642
Liabilities against assets subject to finance lease	**6 months KIBOR plus 1 - 2**	6 months KIBOR plus 1 - 2	**26,246,823**	30,756,319
Short term borrowings - secured	**3 - 6 months KIBOR plus 0.50 - 1**	3 - 6 months KIBOR plus 0.50 - 1	**1,333,809,379**	755,639,809
			2,168,170,782	1,748,035,540

42.4.2(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	100 bps	
	Increase	**Decrease**
	----------Rupees----------	
Effect on profit - 30 June 2018	**1,090,953**	**(1,090,953)**
Effect on profit - 30 June 2017	**786,673**	(786,673)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

42.4.2(c) Interest rate risk management

The Company manages the risk through risk management strategies where significant changes in gap position can be adjusted. The Company's significant financing is based on variable rate pricing that depends on Karachi Inter Bank Offer Rate (KIBOR) on as indicated in respective notes.

42.4.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. Whether those factors are caused by factors specific to individual financial instruments or its issuer, or all factors effecting all similar financial instruments trading in the market.

42.5 Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

43 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

	Carrying amount	
	2018	2017
	Rupees	Rupees
Borrowings	**1,368,062,560**	1,081,000,421
Less : Cash and cash equivalents	**(1,277,734,079)**	(1,753,179,680)
Net debt	**90,328,481**	(672,179,259)
Total equity	**5,142,680,995**	5,309,026,312
Gearing ratio	**2%**	-

44 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (i.e. derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying value				Fair value		
	Loans and receivables	Investment in subsidiary	Other financial liabilities	Total	Level 1	Level 2	Level 3
30 June 2018							
Financial assets - not measured at fair value							
Investment in subsidiary	-	111,376,130	-	111,376,130			
Long term loan - unsecured, considered good	82,972,338	-	-	82,972,338	-	-	-
Long term deposits	20,501,701	-	-	20,501,701	-	-	-
Trade debtors - unsecured	1,231,373,541	-	-	1,231,373,541	-	-	-
Short term loan - unsecured, considered good	92,186,870	-	-	92,186,870	-	-	-
Advances, deposits and other receivables	27,473,045	-	-	27,473,045	-	-	-
Cash and bank balances	1,749,293,398	-	-	1,749,293,398	-	-	-
	3,203,800,893	**111,376,130**	**-**	**3,315,177,023**	**-**	**-**	**-**
Financial liabilities - measured at fair value	-	-	-	-	-	-	-
Financial liabilities not measured at fair values							
Liabilities against assets subject to finance lease	-	-	26,246,823	26,246,823	-	-	-
Long term finances - secured	-	-	505,812,500	505,812,500	-	-	-
Supplier's credit - unsecured	-	-	302,302,080	302,302,080	-	-	-
Short term borrowings - secured	-	-	1,333,809,379	1,333,809,379	-	-	-
Trade and other payables	-	-	702,192,833	702,192,833	-	-	-
Unclaimed dividend	-	-	882,883	882,883	-	-	-
Accrued markup	-	-	21,289,992	21,289,992	-	-	-
	-	**-**	**2,892,536,490**	**2,892,536,490**	**-**	**-**	**-**

	Carrying valu				air value		
	Loans and receivables	Investment in subsidiary	Other financial liabilities	Total	Level 1	Level 2	Level 3
	- Rupees -						
30 June 2017							
Financial assets - not measured at fair value							
Investment in subsidiary	-	203,563,000	-	203,563,000			
Long term deposits	16,759,933	-	-	16,759,933	-	-	-
Trade debtors - unsecured	1,191,625,522	-	-	1,191,625,522	-	-	-
Advances, deposits and other receivables	64,365,849	-	-	64,365,849	-	-	-
Cash and bank balances	2,034,190,710	-	-	2,034,190,710	-	-	-
	3,306,942,014	203,563,000	-	3,510,505,014	-	-	-
Financial liabilities - measured at fair value	-	-	-	-	-	-	-
Financial liabilities not measured at fair values							
Liabilities against assets subject to finance lease	-	-	30,756,319	30,756,319	-	-	-
Long term finances - secured	-	-	606,371,642	606,371,642	-	-	-
Supplier's credit - unsecured	-	-	355,267,770	355,267,770	-	-	-
Short term borrowings - secured	-	-	755,639,809	755,639,809	-	-	-
Trade and other payables	-	-	897,734,827	897,734,827	-	-	-
Accrued markup	-	-	11,951,473	11,951,473	-	-	-
	-	-	2,657,721,840	2,657,721,840	-	-	-

45 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	Liabilities					Equity	
	Supplier's credit	Long term finances	Liabilities against assets subject to finance lease	Short term finance	Unclaimed Dividend	Un-appropriated profit	Total
	Rupees						
Balance as at 01 July 2017	355,267,770	606,371,642	30,756,319	474,628,779	-	820,970,146	**820,970,146**
Changes from financing activities							
Dividend paid	-	-	-	-	(106,617,117)	-	**(106,617,117)**
Payment of supplier's credit	(112,882,915)	-	-	-	-	-	**(112,882,915)**
Payment of short term finance	-	-	-	(1,383,272,029)	-	-	**(1,383,272,029)**
Proceeds from short term finance acquired	-	-	-	1,770,893,310	-	-	**1,770,893,310**
Payments from long term finances	-	(100,559,142)	-	-	-	-	**(100,559,142)**
Payment of finance lease liabilities	-	-	(14,924,496)	-	-	-	**(14,924,496)**
Total changes from financing cash flows	**(112,882,915)**	**(100,559,142)**	**(14,924,496)**	**387,621,281**	**(106,617,117)**	**-**	**52,637,611**
Other changes							
Dividend declared	-	-	-	-	107,500,000	(107,500,000)	-
Unwinding of discount	5,304,650	-	-	-	-	-	5,304,650
Unrealised exchange loss on remeasurement of liability	54,612,575	-	-	-	-	-	54,612,575
Liability against asset subject to finance lease	-	-	10,415,000	-	-	-	10,415,000
Total liability related other changes	59,917,225	-	10,415,000	-	107,500,000	(107,500,000)	70,332,225
Total equity related other charges	-	-	-	-	**-**	**(63,473,805)**	**(63,473,805)**
Closing as at 30 June 2018	**302,302,080**	**505,812,500**	**26,246,823**	**862,250,060**	**882,883**	**649,996,341**	**880,466,177**

46 Number of employees

The average and total number of permanent and contractual employees during the year as at 30 June 2018 and as at 30 June 2017 are as follows:

	No of employees	
	2018	2017
Number of employees as at 30 June	**467**	493
Number of factory employees as at 30 June	**381**	403
Average number of employees during the year	**484**	465
Average number of factory employees during the year	**400**	380

47 Plant capacity and annual production

	Corrugation (Metric Tonnes)		Flexible (Metric Tonnes)	
	2018	2017	**2018**	2017
Installed capacity	**60,000**	60,000	**10,800**	10,800
Actual production	**26,652**	27,680	**6,163**	6,228

Lower capacity utilization of plant is due to gap between demand and supply of products.

48 Date of authorization for issue

These financial statements were approved and authorized for issue on 6 October, 2018 by the Board of Directors of the Company.

49 Subsequent event

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 6 October 2018 for approval of the members at the Annual General Meeting to be held on 29 October 2018.

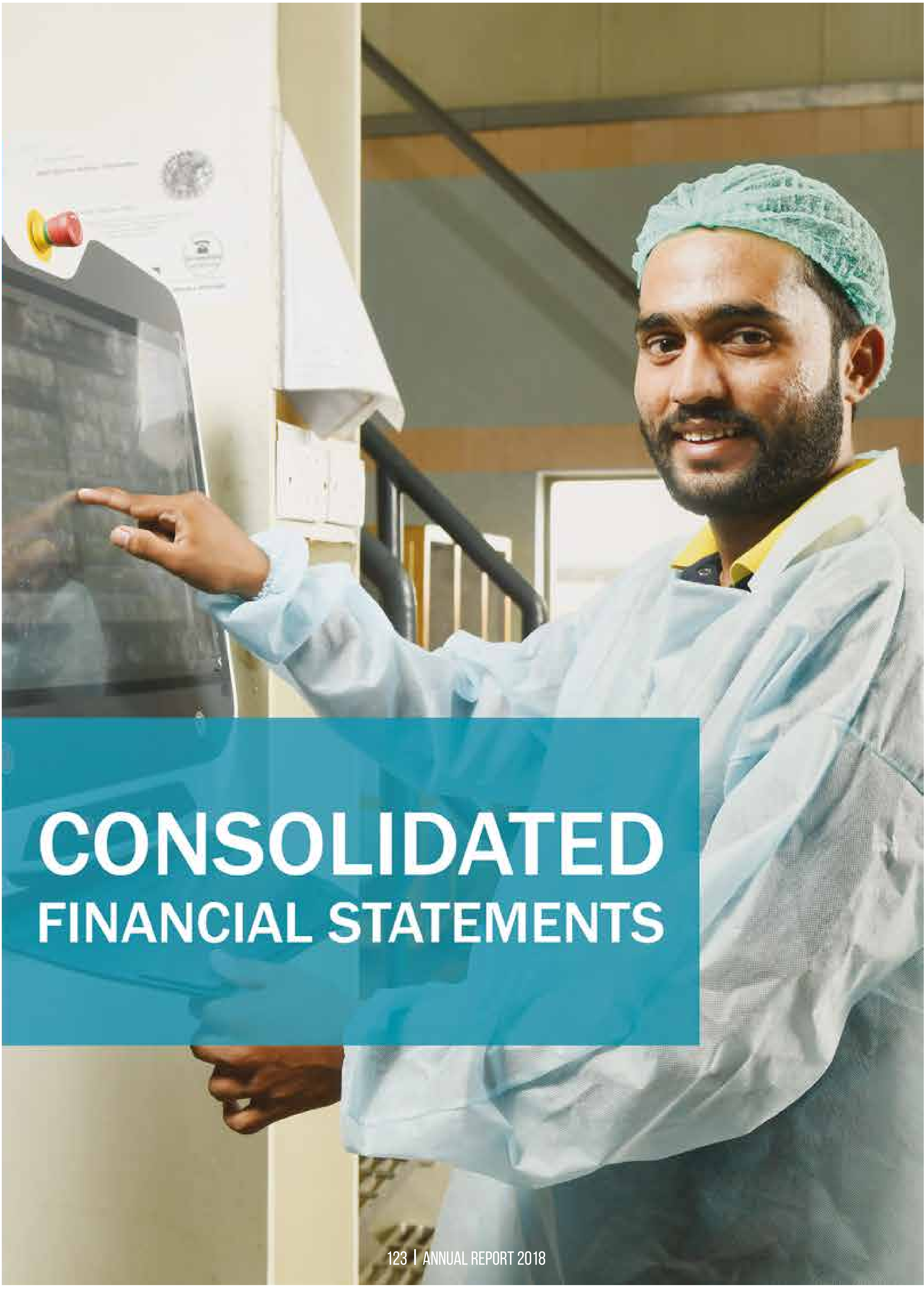
50 Reclassification

Corresponding figures have been re-classified and re-arranged, wherever necessary, for the purpose of comparison and fair presentation.

51 General

Figures have been rounded off to nearest rupee.

Chief Financial Officer **Chief Executive** **Director**



CONSOLIDATED
FINANCIAL STATEMENTS

Directors Report

The directors of the Roshan Packages Limited present their Directors Report along with audited consolidated Financial Statements of the company for the year ended June, 30 2018.

Financial Overview:

Financial results:

Summarized financial performance of the company is as follows

	2018	2017
	Rupees in Million (000)	
Turnover	4,031,387	4,098,007
Gross Profit	308,157	552,801
Finance Cost	120,530	93,168
(Loss)/Profit before Tax	(85,613)	268,099
(Loss)/Profit After Tax	(102,936)	251,226

PRINCIPLE ACTIVITIES AND DEVELOPMENT AND PERFORMANCE OF BUSINESS BASED ON UNCONSOLIDATED FINANCIAL STATEMENTS

During the year under review, your Company has faced unique challenges because of the turmoil in the economy – Depreciated of Pak Rupee by 16% approximately, increasing interest rates, rising energy and utility costs, placement of Pakistan on FATF grey list, political turmoil, mounting current account deficit and decrease in exports - which slow down the pace of our economy. In order to cut down imports, the Government has imposed additional duties and margin policies which led to increase in prices of local raw materials. Despite the challenging conditions, your Company has been successful to maintain its customer base and market share, however, its bottom line deteriorated. This translated into a loss of Rs. 102 million for the year ended June 30, 2018 as compared to profit of Rs. 251 million for the previous year. The major reason for this loss is the shrinking of margins due to lag of passing higher raw material and energy prices to the customers. In addition, the Company has also suffered loss due to exchange rate volatility of Rs.82 million and provision of bad debts of Rs.42 million.

The Company reported net sales of Rs. 4,031 million in 2018 against net sales of Rs. 4,098 million during last year representing a sales decline of 1.6%. In Volumetric terms The Company sold a record 32,859 tons in 2018 as compared to 33,268 tons during 2017 showing decline of 1.2%. However, in value terms the sale growth remained lower owing to depressed sale prices.

Our margins were lower than last year due to adverse factors discussed above. The gross profit for the year was significantly lower at Rs.308 million as compared to Rs.552 million during last year, decrease of 44% against last year.

Selling costs also witnessed an increase of Rs 68 million due to one off provision of bad debt amounting to Rs 42 million. Higher freight cost and expenditure incurred on advertisement and business promotion also increased as compared to last year.

Finance cost also increased from Rs 93 million in the year 2017 to Rs. 120 million during the year under review mainly due to increased working capital requirement and higher markup rates.

During the year, Pak rupee devaluation against major currencies and the Company suffered a foreign currency loss of Rs. 82 million. The major portion of the foreign currency loss related to supplier credit.

EARNING PER SHARE

The earnings per share for current and previous year are as follows:

LPS-2018: (0.87)/share

EPS-2017: 2.12/share

Roshan Sun Tao Paper Mills (Private) Limited

M/s Shangdong Youngati Paper Mills Limited (SYPML), a shareholder of M/s Roshan Sun Tao Paper Mills Limited, a subsidiary of the Company, has filed a petition in the Lahore High Court, Lahore for winding up of Roshan Sun Tao Paper Mills Limited. The Company has also been made a respondent in the petition. The Company has filed a specific performance suit against Ms. Shangdong Yongtai Paper Mills Limited (hereinafter'SYPML' in order to enforce provisions of the shareholder agreement entered into between the Company and SYPML requiring transfer of shareholding held by SYPML in Roshan Sun Tao Paper Mills (Private) Limited (subsidiary company) to the Company as a result of SYPML's breach of substantial terms of the shareholder agreement. The management is confident that the petition in high court for winding up will be dismissed as the Company being majority shareholder is fully committed to the investment plan of the subsidiary for its paper mill project. Further, the Company is also taking all remedies available to it to protect its interests in the subsidiary. SYPML has made only partial investment which is not significant in relation to envisaged total equity of the subsidiary. Further, SYPML do not intend to make any further investment. Therefore, the exit of SYPML from the subsidiary will not have any adverse impact on the project of the subsidiary. 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 year company Incurred further capital expenditure amounting to Rs. 39,589,915 on capital work-in-progress for setting up the manufacturing facility. Furthermore, the management is very hopeful that this project will be declared by the Govt of Pakistan the status of Special Economic Zone, since it meets the criteria as per special economic zone rules. On governing the status of SEZ this project will be able to enjoy tax holiday for up to 10 years along with one-time relaxation on payment of advance income tax and sale tax at the time of import of machinery along with other benefits.

Acknowledgement

The management of the company wishes to express its sincere gratitude to its valued shareholder for their trust and confidence. The management would also like to thank its customers and vendors for their continuing support and confidence in its products and services. The Management sincerely appreciates the efforts of all the company's employees who have worked diligently and delivered outstanding performance in challenging economic and business environment.

Chief Executive Officer

Chairman

KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of Roshan Packages Limited

Opinion

We have audited the annexed consolidated financial statements of Roshan Packages Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan ("the Code") , and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters.

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	**Revenue recognition**	
	Refer to note 25 to the financial statements and the accounting policy in note 3.13 to the financial statements. The Group recognized revenue of Rs. 4,031.4 million from the sale of goods to domestic customers during the year ended 30 June 2018. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to a risk that revenue is recognized without transferring the risk and rewards.	Our audit procedures included the following: • Obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls: • assessing the appropriateness of the Group's accounting policy for recording of sales and compliance of those policies with applicable accounting standards; • comparing, on a sample basis, sales transactions recorded during the year and around the year end with the sales orders, sales invoices, delivery challans, bill of ladings and other relevant underlying documents including contracts with customers to assess whether sales were recorded in appropriate financial reporting period • inspecting, on a sample basis, credit notes issued around the year end to evaluate whether the adjustments to sales had been accurately recorded in the appropriate financial reporting period; and • scanning for any manual journal entries relating to sales recorded during the year and at the year-end which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.
2.	**Valuation of Trade debtors**	
	Refer to notes 9 and 39.2 to the financial statements and the accounting policy in note 3.6 to the financial statements. As at 30 June 2018, the Group's gross trade debtors were Rs. 1,279.5 million against which provision for doubtful debts of Rs. 48.1 million were recorded We identified the recoverability of trade	Our audit procedures included the following: • obtaining an understanding of and testing the design and implementation of management's key internal controls relating to credit control, debt collection and making allowances for doubtful debts; • assessing, on a sample basis, whether items in the trade debtors' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation;

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S. No.	Key audit matter(s)	How the matter was addressed in our audit
	debtors as a key audit matter because it involves significant management judgment in determining the recoverable amount of trade debts.	• assessing the assumptions and estimates made by the management for the allowances of doubtful debts with reference to our understanding, through inspecting the underlying documentation and post year end cash receipts from long past due debtors; and • assessing the historical accuracy of management's process for making allowances for doubtful debts by evaluating the historical utilization or release of allowances recorded in prior years.
3.	**Useful life and depreciation method of certain plant and equipment**	
	Refer to notes 6.1 to the financial statements and the accounting policy in note 3.1 to the financial statements. During the year, the management reviewed the usage and expected pattern of consumption of certain operating assets mentioned in note 6.1 to the financial statements and resultantly changed the estimate of remaining useful life and depreciation method of the said assets. We identified the change in useful life and depreciation methodof the said operating assets as a key audit matter because it involves significant management judgment in determining the remaining useful life and consumption pattern of the operating assets.	Our audit procedures included the following: • obtaining an understanding of the process relating to annual review of useful life and depreciation method of operating assets and testing the design and implementation of the relevant controls; • inquiring from the management to assess whether the management's decision on the useful life and depreciation method of the operating assets is appropriate; • comparing the revised useful life and depreciation method of the said operating assets with the average useful life and depreciation methods of operating assets of other entities in the same industry; • inspecting the underlying documents supporting the basis on which the management has revised the useful life and depreciation method for the said operating assets; • testing whether the approved useful life and depreciation method are appropriately applied prospectively to the said operating assets; and • Assessing the adequacy of the disclosure in Group's financial statements with regard to the change in useful life and depreciation method of the said operating assets.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements of the Group for the year ended 30 June 2017 were audited by another firm of auditors whose audit report, dated 18 October 2017, expressed an unmodified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Kamran Iqbal Yousafi.

Lahore
Date: 06-October 2018

KPMG Taseer Hadi & Co.
Chartered Accountants

Roshan Packages Limited
Consolidated Statement of Financial Position
As at 30 June 2018

ASSETS	Note	2018 Rupees	2017 Rupees (Restated)	2016 Rupees (Restated)
Non-current assets				
Property, plant and equipment	6	**4,066,732,766**	4,012,143,369	3,289,387,199
Intangible	7	**3,197,979**	4,615,676	4,654,042
Long term deposits		**20,501,701**	16,759,933	13,672,635
		4,090,432,446	4,033,518,978	3,307,713,876
Current assets				
Stores, spares and other consumables		**146,559,980**	108,302,192	55,723,979
Stock-in-trade	8	**631,651,871**	575,197,025	445,186,665
Trade debtors - unsecured	9	**1,231,373,541**	1,191,625,522	963,552,761
Advances, deposits, prepayments and other receiveables	10	**715,436,958**	632,463,724	368,416,098
Cash and bank balances	11	**1,749,470,913**	2,034,351,096	277,395,576
		4,474,493,263	4,541,939,559	2,110,275,079
Total assets		**8,564,925,709**	8,575,458,537	5,417,988,955
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital of Rs. 10 each				
150,000,000 (2017: 150,000,000) Ordinary shares of Rs. 10 each		**1,500,000,000**	1,500,000,000	500,000,000
Issued, subscribed and paid up share capital	12	**1,182,500,000**	1,075,000,000	299,390,000
Share premium	13	**2,231,665,370**	2,339,165,370	-
Surplus on revaluation of property, plant and equipment	14	**1,078,519,283**	1,073,890,796	1,101,811,827
Un-appropriated profit		**637,429,084**	820,563,141	992,702,512
Attributable to owners of the Holding Company		**5,130,113,737**	5,308,619,307	2,393,904,339
Non-controlling interest		**168,026,167**	168,254,671	135,967,323
Total Equity		**5,298,139,904**	5,476,873,978	2,529,871,662
Non-current liabilities				
Supplier's credit - unsecured	15	**186,145,423**	255,596,203	302,767,930
Loans from directors - unsecured		**-**	-	18,133,163
Long term finance - secured	16	**-**	506,371,642	436,108,100
Liabilities against assets subject to finance lease - secured	17	**9,850,797**	17,200,990	29,411,603
Deferred taxation	18	**277,646,741**	288,090,792	271,565,534
Deferred liabilities	19	**66,013,343**	59,776,480	42,011,304
		539,656,304	1,127,036,107	1,099,997,634
Current liabilities				
Current portion of long term liabilities	20	**638,365,183**	213,226,896	143,692,223
Short term borrowings - secured	21	**1,333,809,379**	755,639,809	604,845,393
Trade and other payables	22	**732,782,064**	990,730,275	1,029,228,863
Unclaimed dividend		**882,883**	-	-
Accrued markup	23	**21,289,992**	11,951,473	10,353,180
		2,727,129,501	1,971,548,452	1,788,119,659
Contingencies and commitments	24			
		8,564,925,709	8,575,458,537	5,417,988,955

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer | **Chief Executive** | **Director**

Roshan Packages Limited
Consolidated Statement of Profit or Loss
For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees (Restated)
Sales - *net*	25	**4,031,387,574**	4,098,007,176
Cost of sales	26	**(3,723,230,134)**	(3,545,205,877)
Gross profit		**308,157,440**	552,801,299
Administrative expenses	27	**(125,205,222)**	(99,717,282)
Selling and distribution expenses	28	**(168,677,538)**	(100,589,316)
Other expenses	29	**(82,625,566)**	(34,001,765)
Other income	30	**103,268,207**	42,774,384
		(273,240,119)	(191,533,979)
Operating (loss) / profit		**34,917,321**	361,267,320
Finance cost	31	**(120,530,402)**	(93,168,255)
(Loss) / profit before taxation		**(85,613,081)**	268,099,065
Taxation	32	**(17,323,672)**	(16,872,674)
(Loss) / profit after taxation		**(102,936,753)**	251,226,391
(Loss) / profit attributable to:			
Owners of the Holding Company		**(102,708,249)**	251,372,002
Non-controlling interest		**(228,504)**	(145,611)
		(102,936,753)	251,226,391
			(Restated)
(Loss) / earnings per share - basic and diluted	33	(0.87)	2.12

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees *(Restated)*
(Loss) / profit after taxation		**(102,936,753)**	251,226,391
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss:			
• Remeasurement of retirement benefits - net of tax		**2,951,215**	(822,404)
• Effect of change in tax rate on balance of revaluation on property, plant and equipment	*14*	**28,751,464**	-
Total comprehensive (loss) / income for the year		**(71,234,074)**	250,403,987
(Loss) / profit attributable to:			
Owners of the Holding Company		**(71,005,570)**	250,549,598
Non-controlling interest		**(228,504)**	(145,611)
		(71,234,074)	250,403,987

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees
Cash flows from operating activities			
Cash used in operations	*34*	**(258,316,958)**	(116,670,894)
Finance cost paid		**(105,887,236)**	(85,814,027)
Income taxes paid		**(72,658,154)**	(69,883,631)
Income tax refunded		**-**	12,070,119
Net increase in long term deposits		**(3,741,768)**	(3,087,298)
Accumulated absences paid		**(938,058)**	-
Gratuity paid		**(4,587,257)**	-
Net cash outflow from operating activities		**(446,129,431)**	(263,385,731)
Cash flows from investing activities			
Purchase of operating assets		**(183,054,383)**	(909,450,308)
Purchase of intangibles		**-**	(1,360,572)
Loan to subsidiary		**-**	-
Proceeds from disposal of property, plant and equipment		**2,033,143**	3,260,303
Profit on bank deposits received		**99,084,588**	30,315,529
Net cash outflow from investing activities		**(81,936,652)**	(877,235,048)
Cash flows from financing activities			
Repayment of loans from directors		**-**	(18,133,163)
Payment of supplier's credit		**(112,882,915)**	(42,966,294)
Proceeds from shares issued (includes share premium)		**-**	2,803,125,000
Expenses incurred on issuance of shares		**-**	(138,959,630)
Proceeds from short term finances acquired		**387,621,281**	1,242,300,517
(Payments) / proceeds from long term finances		**(100,559,142)**	126,076,038
Dividend paid		**(106,617,117)**	-
Repayment of short term finances		**-**	(1,241,561,571)
Payment of finance lease liabilities		**(14,924,496)**	(14,793,027)
Proceeds from share deposit money received from non-controlling interest		**-**	32,432,959
Net cash inflow from financing activities		**52,637,611**	2,747,520,829
Net (decrease) / increase in cash and cash equivalents		**(475,428,472)**	1,606,900,050
Cash and cash equivalents at the beginning of the year		**1,753,340,066**	146,440,016
Cash and cash equivalents at the end of the year		**1,277,911,594**	1,753,340,066

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

Roshan Packages Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

	Attributable to the owners of the Holding Company						
		Capital reserves		Revenue reserve			
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profit	Total reserves	Non-controlling interest	Total equity
	----------	----------	----------	Rupees	----------	----------	----------
Balance as at 30 June 2016 - as previously reported	299,390,000	-	-	988,073,315	1,287,463,315	135,967,323	1,423,430,638
Impact of change in accounting policy - *net of tax - note 5*	-	-	1,142,934,176	-	1,142,934,176	-	1,142,934,176
Impact of correction of error	-	-	(41,122,349)	4,629,197	(36,493,152)	-	(36,493,152)
Balance as at 30 June 2016, restated	299,390,000	-	1,101,811,827	992,702,512	2,393,904,339	135,967,323	2,529,871,662
Total comprehensive income for the year							
Profit / (loss) after taxation - *restated*	-	-	-	251,372,002	251,372,002	(145,611)	251,226,391
Other comprehensive income / (loss):							
Remeasurement of retirement benefits - net of tax	-	-	-	(822,404)	(822,404)	-	(822,404)
	-	-	-	250,549,598	250,549,598	(145,611)	250,403,987
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax - *restated*	-	-	(27,921,031)	27,921,031	-		-
Transactions with owners of the Company							
Bonus shares issued during the year	450,610,000	-	-	(450,610,000)	-	-	-
Shares issued under initial public offering	325,000,000	-	-	-	325,000,000	-	325,000,000
Premium on issue of shares under initial public offering	-	2,478,125,000	-	-	2,478,125,000	-	2,478,125,000
Expenses incurred on issuance of shares under initial public offering	-	(138,959,630)	-	-	(138,959,630)	-	(138,959,630)
Share deposit money adjusted against issue of ordinary shares to non-controlling interest	-	-	-	-	-	(136,053,017)	(136,053,017)
Ordinary shares issued against cash to non-controlling interest	-	-	-	-	-	136,053,017	136,053,017
Share deposit money received from non-controlling interest	-	-	-	-	-	32,432,959	32,432,959
	775,610,000	2,339,165,370	-	(450,610,000)	2,664,165,370	32,432,959	2,696,598,329
Total comprehensive loss for the year							
Loss after taxation	-	-	-	(102,708,249)	(102,708,249)	(228,504)	(102,936,753)
Other comprehensive income:							
Remeasurement of retirement benefits - net of tax	-	-	-	2,951,215	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	-	28,751,464
	-	-	28,751,464	(99,757,034)	(71,005,570)	(228,504)	(71,234,074)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(24,122,977)	24,122,977	-	-	-
Transaction with owners of the Company							
Final cash dividend for the year ended 30 June 2017 @ Rs. 1 per share	-	-	-	(107,500,000)	(107,500,000)	-	(107,500,000)
Bonus shares issued	107,500,000	(107,500,000)	-	-	-	-	-
	107,500,000	(107,500,000)	-	(107,500,000)	(107,500,000)	-	(107,500,000)
As at 30 June 2018	**1,182,500,000**	**2,231,665,370**	**1,078,519,283**	**637,429,084**	**5,130,113,737**	**168,026,167**	**5,298,139,904**

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Financial Officer **Chief Executive** **Director**

1 Corporate and general information

1.1 Legal status and operations

The Group comprises of Roshan Packages Limited ("the Holding Company") and Roshan Sun Tao Paper Mills (Private) Limited ("the Subsidiary"), together "the Group".

1.2 Roshan Packages Limited

The Holding Company (hereinafter also referred to as the 'Packaging material segment') was incorporated in Pakistan as a private company limited by shares on 13 August 2002 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Holding Company was converted into a public limited company on 23 September 2016 and got listed on Pakistan Stock Exchange Limited on 28 February 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

1.3 Roshan Sun Tao (Private) Limited

The Subsidiary (hereinafter also referred to as the 'corrugated papers segment') was incorporated in Pakistan as a private company limited by shares on 08 January 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 Holding Company holds 60% of voting securities in the Subsidiary. 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.

Shandong Yongtai Paper Mills (Private) Limited , shareholder having 40% of share capital of the Subsidiary has filed a petition in the Honorable Lahore High Court under sections 301 and 306 of the Companies Act, 2017, for winding up of the Subsidiary.The Subsidiary's legal counsel is of the opinion that winding up of the corrugated paper segment is not likely to happen as the Holding Company is the main shareholder and the main concern of the investor is to return its investment for which a mutually beneficial mechanism would be established.

1.4 Geographical locations and addressess of business units of the Group are as under:

Holding Company

- Head office and registered office: 325 G-III, M.A. Johar Town, Lahore.
- Marketing office: House No. 192-L Block-2, PECHS, Karachi.
- Corrugation plant: 7 km, Sundar Raiwind Road, Lahore
- Flexible plant: Plot No. 141, 142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

Subsidiary

- Head office and registered office: 325-G-III, Johar Town, Lahore, Punjab.
- The land purchased for setting up the manufacturing facility is situated at M-2 Lahore-Islamabad motorway, district Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.

1.5 Summary of significant events and transactions in the current reporting period

The Group's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Issued 10,750,000 ordinary shares of the Holding Company as bonus amounting to Rs. 107,500,000 during the year.

- Winding up petition filed by Shandong Yongtai Paper Mill Company Limited as explained in note 2.3 of the consolidated financial statements, resulting in a material uncertainty relating to going concern of the Subsidiary.
- The Holding Company arranged new short-term running finance facilities from JS Bank and Bank of Punjab with the sanctioned limits of Rs. 50 million and Rs. 100 million respectively.
- The accounting policy for surplus on revaluation of property, plant and equipment of the Holding Company changed during the year as detailed in note 5 to these consolidated financial statements.

- The Holding Company has paid final dividend of 10% (i.e. Rs. 1.00 per share) for the year ended 30 June 2017.
- Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified.

- Restatement of prior period figures in the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and respective notes to the consolidated financial statements as reported in note 15.2 of the consolidated financial statements.

2 Basis of preparation

2.1 Basis of consolidation

The consolidated financial statement have been prepared from the information available in the audited separate financial statements of the Holding Company for the year ended 30 June 2018 and the audited financial statements of the Subsidiary for the year ended 30 June 2018.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The Subsidiary has same reporting period as that of the Holding Company, however, the accounting policies of subsidiary have been changed to confirm with accounting policies of the Group, wherever needed.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

Non-controlling interests in the results and equity of subsidaries are shown separately in the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

The assets, liabilities, income and expenses of the Subsidiary are consolidated on a line by line basis and carrying value of investment held by the Holding Company is eliminated against the Subsidiary company's shareholders' equity in these consolidated financial statements.

As of reporting date, the Holding Company has the following subsidiary;

	2018	2017
	Direct percentage of holding	
Roshan Sun Tao Paper Mills (Private) Limited	60	60

2.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentation currency

These consolidated financial statements have been presented in Pakistani Rupees which is also the Group's functional currency, unless otherwise indicated.

2.4 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for:

- certain foreign currency translation adjustments;
- recognition of employee retirement benefits at present value;
- certain operating assets at revalued amounts; and
- certain financial liabilities recognised at present value.

2.5 Use of estimates and judgements

The preparation of these consolidated financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if revision affects both current and future periods. The areas where various assumptions and estimates are significant to Group's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
● Depreciation method, rates and useful lives of depreciable assets	*3.1*
● Useful life of intangibles	*3.3*
● Provision against stock-in-trade	*3.5*
● Provision for doubtful trade debts	*3.6*
● Employee retirement benefits	*3.9*
● Provisions	*3.11*
● Contingencies	*3.12*
● Taxation	*3.16*

3 Significant accounting policies

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, except as disclosed in note 5 to these consolidated financial statements.

3.1 Property, plant and equipment

Operating assets and depreciation

Operating assets except freehold land, buildings on freehold land, plant and machinery and electric installations are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land of the packaging materials segment is stated at revalued amount less any identified impairment loss while buildings on freehold land, plant and machinery and electric installations are stated at revalued amount less accumulated depreciation.

Cost of property, plant and equipment comprises of historical cost, exchange differences recognized, for the acquisition of assets up to the commencement of commercial production and the cost of borrowings during construction period in respect of loans taken, if any, for specific projects.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Revalued amounts have been determined by an independent professional valuer on the basis of present market value. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Increases in the carrying amounts arising on revaluation of property, plant and equipment is recognised, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the profit or loss) and depreciation based on the assets original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit. All transfers to / from surplus on revaluation are net of applicable deferred taxation.

During the year the Group changed its accounting policy in respect of the accounting and presentation of revaluation of property, plant and equipment. Previously, the Group's accounting policy was in accordance with the provisions of the repealed Companies Ordinance 1984. Those provisions and resultant previous policy of the Group was not in alignment with the accounting treatment and presentation of revaluation of property, plant and equipment as prescribed in IAS 16 'Property, plant and Equipment'. However, the Companies Act, 2017 has not specified any accounting treatment for revaluation of property, plant and equipment, accordingly the Group has changed the accounting policy to bring it in conformity with the accounting treatment and presentation of revaluation of property, plant and equipment as specified in IAS 16 'Property, Plant and Equipment'. The detailed information and impact of this change in policy is provided in note 5 to these consolidated financial statements.

Depreciation on operating assets is charged to profit or loss account, on the reducing balance method so as to write off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 6.1 after taking into account their residual values, except for certain buildings on freehold land, plant and machinery and related electric installations which are depreciated using straight line method as explained in note 6.1.

Depreciation on additions to operating assets is charged from the month in which the item becomes available for use whereas it is discontinued from the month in which the asset is disposed or classified as held for disposal.

The residual value, depreciation method and the useful lives of each part of operating assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date. During the year the depreciation method and useful lives of certain items of operating assets has been changed, as explained in note 6.

Maintenance and normal repairs are charged to profit or loss account as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in profit or loss account.

Capital work-in-progress

Capital work in progress and stores held for capital expenditure are stated at cost less any identified impairment loss and represents expenditure incurred on operating assets during the construction and installation. Cost also includes applicable borrowing costs, if any. Transfers are made to relevant operating assets category as and when assets are available for use.

3.2 Leases

The Group is a lessee:

3.2.1 Finance leases

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognized at lower of present value of minimum lease payments under the lease arrangements and the fair value of assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

Each minimum lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. These liabilities are classified as current and non-current depending upon the timing of the payment.

Assets acquired under a finance lease are depreciated over the useful life of the asset on a reducing balance or straight line basis, depending on the type of asset at the rate given in note 6.1. Depreciation of leased assets is charged to profit or loss.

Depreciation on additions to leased assets is charged from the month in an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual and estimated useful lives of leased assets are reviewed, at each financial year end and adjusted if impact on depreciation is significant.

3.2.2 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

3.3 Intangibles

Intangibles are recognized when it is probable that the expected future economic benefits will flow to the Group and the cost of the asset can be measured reliably. Intangibles having finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Amortization is based on the cost of an asset less its residual value, if any. Amortization is recognized in profit or loss on a straight-line basis over a period of five years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

3.4 Stores, spares and other consumables

These are valued at lower of cost, which is calculated according to moving average method, and net realizable value. Stores in transit are valued at invoice value including other charges, if any, incurred thereon. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

3.5 Stock-in-trade

These are stated at the lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, and valuation has been determined as follows:

Raw materials	Weighted average cost
Work-in-process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads.

Stock in transit is valued at a cost, comprising invoice value plus other charges invoiced there on.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale (selling expenses). Provision is made in the consolidated financial statements for obsolete and slow moving stock in trade based on management estimate.

3.6 Trade debts, recoverable advances and other receivables

Trade debts, recoverable advances and other receivables are recognised initially at fair value and subsequently measured at amortised cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written-off.

3.7 Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to contractual provisions of the instrument and de-recognized when the Group loses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and liabilities are included in consolidated profit or loss account for the year.

3.7.1 Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit and loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group classifies non-derivative financial assets into the following categories:

- Financial assets at fair value through profit and loss
- Held-to-maturity financial assets
- Loans and receivables; and
- Available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables includes deposits, trade debtors, other receivables including accrued interest and cash and bank balances of the Group.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of statement of cash flows, Cash and cash equivalents comprise of cash in hand, deposits held at call with banks, term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments and bank overdrafts of the Group. Bank overdrafts are shown within borrowings in current liabilities on the reporting date.

As at 30 June 2018 no financial assets of the Group are classified under following categories:

- Financial assets at fair value through profit and loss;
- Held-to-maturity financial assets; and
- Available-for-sale financial assets.

3.7.2 Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities, if any, on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost, using the effective interest rate method. Finance costs are accounted for on an accrual basis and are reported under accrued markup to the extent of the amount remaining unpaid.

Financial liabilities comprise of supplier's credit, loan from directors, long term finances, liabilities on asset subject to finance lease, short term borrowings, trade and other payables, unclaimed dividend and accrued markup.

Share capital (Ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.7.3 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously

3.8 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

Individually significant financial assets are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.9 Employee retirement benefits

The main features of the schemes operated by the Group for its employees are as follows:

Defined benefit plan - Gratuity

The Group operates an un-funded gratuity scheme for all employees. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for the gratuity scheme was carried out as at 30 June 2018. Projected unit credit method was used for valuation of the scheme.

All actuarial gains and losses are recognised in 'other comprehensive income' as they occur. Past service costs are recognized immediately in the profit and loss account.

The Group uses the valuation performed by an independent actuary as the present value of its obligations under the gratuity scheme. The valuation is based on the assumptions as mentioned above. The obligations under accumulating compensated absences are recognised on the basis of accumulated leaves and the last drawn salary.

Accumulating compensated absences

Accruals are made annually to cover the obligation for accumulating compensated absences on the basis of accumulated leaves and the last drawn salary and are charged to profit.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under these schemes.

3.10 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.11 Provisions

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

3.12 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and sales tax.

Interest

Income from bank deposits and loans is recognized using the effective interest rate method.

3.14 Borrowings and their cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the profit or loss account.

3.16 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss account, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its views on items of material nature are in accordance with the law, the amounts are shown as contingent liabilities.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except in the case of items credited or charged directly to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.17 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

3.18 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.19 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors that make strategic decisions. The Group has two operating segments, namely, packaging materials segment and corrugated papers segment.

The identification of operating segments was based on internal organisational and reporting structure, built on the different products and services within the Group. Allocation of the individual organisational entities to the operating segments was exclusively based on economic criteria, irrespective of the participation structure under the Companies Act,2017.

The majority of the sales of the Group is domestic and relates to Pakistan only, further all segments and non-current assets of the Group are based in Pakistan only.

No reportable segments have been identified and therefore, these consolidated financial statements have been prepared on the basis of a single reportable segment.

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 Group.

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 consolidated financial statements. Accordingly, the Group has presented the required disclosures in these consolidated financial statements and represented certain comparatives. However there was no change in the reported amounts of consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 1 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 these 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 Group'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 1 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 these consolidated financial statements.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 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 these consolidated financial statements.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 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 these consolidated financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 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 Group 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 Group 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 1 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-consolidated statement of financial position 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 Group is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption 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 1 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 amendments are not likely to have an impact on these consolidated financial statements.

- Amendments to IAS 19 ‘Employee Benefits’- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a Group 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 consolidated statement of comprehensive income. The application of amendments is not likely to have an impact on these consolidated 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 Group increases its interest in a joint operation that meets the definition of a business. The amendment, is not likely to have an impact on the Group's financial statements.

    - 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.

    - IFRIC 23 ‘Uncertainty over Income Tax Treatments’ (effective for annual periods beginning on or after 1 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 above amendments are effective from annual period beginning on or after 01 January 2019 and are not likely to have an impact on Group’s financial statements.

5 Change in accounting policy

Effective 30 May 2017, the Companies Act, 2017 ("the Act") was enacted which replaced and repealed the previous Companies Ordinance, 1984 (the repealed Ordinance). Section 235 of the repealed Ordinance relating to treatment of surplus arising on revaluation of property, plant and equipment has not been carried forward in the Act. The said section of the repealed Ordinance specified the presentation and accounting treatment relating to the revaluation of property, plant and equipment which was not in accordance with the requirement of IAS 16 'Property, Plant and Equipment' as applicable in Pakistan. Consequently, the Group changed its accounting policy for the revaluation of property, plant and equipment in accordance with the requirement of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Group's accounting policy for revaluation of property, plant and equipment was in accordance with the provision of Section 235 of the repealed Ordinance. Further, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Ordinance. The accounting policy and presentation requirement relating to revaluation of property, plant and equipment have been changed to bring it in conformity with the requirement of IAS 16 "Property, Plant and Equipment" as explained in note 3.1 to these consolidated financial statements. Further, the revaluation surplus on property, plant and equipment is now presented in the consolidated statement of financial position and consolidated statement of changes in equity as a capital reserve i.e. part of equity.

In accordance with the requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors', the above explained changes in accounting policy has been accounted for retrospectively, with the restatement of the comparative information. As a result, a third consolidated statement of financial position as at the beginning of the preceding period is presented (i.e. 30 June 2016).

Statement of Financial Position

Retrospective impact of change in accounting policy

	As at 30 June 2016			As at 30 June 2017		
	As previously reported on 30 June 2016	Adjustments increase / (decrease)	As restated on 01 July 2016	As previously reported on 30 June 2017	Adjustments increase / (decrease)	As restated on 01 July 2017
	---------- Rupees ----------					
Revaluation of surplus on property, plant and equipment (within equity)	-	1,142,934,176	1,142,934,176	-	1,125,148,562	1,125,148,562
Revaluation of surplus on property, plant and equipment (below equity)	1,142,934,176	(1,142,934,176)	-	1,125,148,562	(1,125,148,562)	-

There was no change in the reported amount of profit or loss account and other comprehensive income due to the change in accounting policy, as there was no decrease in the carrying amount of asset as a result of revolution except the retrospective effect stated above. There was no cash flow impact as a result of the retrospective application of change in accounting policy and no impact on basic and diluted earnings per share for the year ended 30 June 2016 and 30 June 2017.

6 Property, plant and equipment

	Note	2018 Rupees	2017 Rupees *(Restated)*
Operating assets	*6.1*	**3,626,574,039**	3,665,553,997
Capital work-in-progress	*6.2*	**440,158,727**	346,589,372
		4,066,732,766	4,012,143,369

	Owned							Leased	
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture and fixtures	Office equipment	Vehicles	Vehicles	Total
	Rupees								
Cost / revalued amount									
Balance as at 01 July 2016 - *restated*	814,125,000	790,740,656	1,771,281,313	73,290,627	6,890,654	33,717,210	36,095,437	52,451,000	3,578,591,897
Additions / transfers	174,106,382	184,194,111	636,142,011	2,496,299	144,213	5,157,469	202,138	2,426,000	1,004,868,623
Transfers to owned assets	-	-	-	-	-	-	7,096,000	(7,096,000)	-
Disposals	-	-	-	-	-	-	(6,003,052)	-	(6,003,052)
Balance as at 30 June 2017 - *restated*	988,231,382	974,934,767	2,407,423,324	75,786,926	7,034,867	38,874,679	37,390,523	47,781,000	4,577,457,468
Balance as at 01 July 2017 - *restated*	**988,231,382**	**974,934,767**	**2,407,423,324**	**75,786,926**	**7,034,867**	**38,874,679**	**37,390,523**	**47,781,000**	**4,577,457,468**
Additions / transfers	**-**	**2,047,950**	**75,200,758**	**3,960,810**	**1,310,173**	**6,108,337**	**857,000**	**10,415,000**	**99,900,028**
Transfers to owned assets	**-**	**-**	**-**	**-**	**-**	**-**	**7,837,500**	**(7,837,500)**	**-**
Disposals	**-**	**-**	**-**	**(57,673)**	**-**	**(414,612)**	**(3,149,956)**	**(1,099,000)**	**(4,721,241)**
Balance as at 30 June 2018	**988,231,382**	**976,982,717**	**2,482,624,082**	**79,690,063**	**8,345,040**	**44,568,404**	**42,935,067**	**49,259,500**	**4,672,636,255**
Accumulated depreciation									
Balance as at 01 July 2016 - *restated*	-	111,579,658	561,538,751	14,527,928	2,780,828	10,376,578	24,790,429	7,290,791	732,884,963
Charge for the year	-	34,726,804	127,006,824	5,954,700	418,805	2,573,569	2,470,164	9,438,206	182,589,072
Transfers to owned assets	-	-	-	-	-	-	3,456,463	(3,456,463)	-
Disposals	-	-	-	-	-	-	(3,570,564)	-	(3,570,564)
Balance as at 30 June 2017 - *restated*	-	146,306,462	688,545,575	20,482,628	3,199,633	12,950,147	27,146,492	13,272,534	911,903,471
Balance as at 01 July 2017 - *restated*	**-**	**146,306,462**	**688,545,575**	**20,482,628**	**3,199,633**	**12,950,147**	**27,146,492**	**13,272,534**	**911,903,471**
Charge for the year	**-**	**34,077,851**	**85,843,030**	**3,596,151**	**441,289**	**2,894,062**	**2,636,650**	**7,733,278**	**137,222,311**
Transfers to owned assets	**-**	**-**	**-**	**-**	**-**	**-**	**3,807,831**	**(3,807,831)**	**-**
Disposals	**-**	**-**	**-**	**(42,937)**	**-**	**(133,296)**	**(2,553,970)**	**(333,363)**	**(3,063,566)**
Balance as at 30 June 2018	**-**	**180,384,313**	**774,388,605**	**24,035,842**	**3,640,922**	**15,710,913**	**31,037,003**	**16,864,618**	**1,046,062,216**
Carrying amount as at 30 June 2017 - *restated*	988,231,382	828,628,305	1,718,877,749	55,304,298	3,835,234	25,924,532	10,244,031	34,508,466	3,665,553,997
Carrying amount as at 30 June 2018	**988,231,382**	**796,598,404**	**1,708,235,477**	**55,654,221**	**4,704,118**	**28,857,491**	**11,898,064**	**32,394,882**	**3,626,574,039**
Annual depreciation rate - %age	**-**	**2.5%-10%**	**3%-10%**	**10%**	**10%**	**10%**	**20%**	**20%**	

Plant and machinery has been restated due to correction of error as explained in note 15.2 of the consolidated financial statements.

6.1.1 Freehold land, buildings on freehold land, plant and machinery and electric installations were revalued by an independent professional valuer, Unicorn International Surveyors, on 30 June 2016, on present market value basis. The revaluation surplus net of deferred tax was credited to surplus on revaluation of property, plant and equipment. Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Freehold land	**321,820,835**	321,820,835
Buildings on freehold land	**511,174,304**	529,051,663
Plant and machinery	**1,442,939,035**	1,433,835,969
Electric installations	**49,200,916**	48,272,742
	2,325,135,090	2,332,981,209

6.1.2 The forced sale values of the revalued assets are as follows:

	2018 Rupees	2017 Rupees
Freehold land	**692,006,250**	692,006,250
Buildings on freehold land	**562,768,106**	562,768,106
Plant and machinery	**964,620,713**	964,620,713
Electric installations	**49,948,293**	49,948,293
	2,269,343,362	2,269,343,362

6.1.3 Depreciation charge for the year has been allocated as follows:

	2018 Rupees	*2017 Rupees (Restated)*
Cost of sales	**128,378,696**	163,964,484
Administrative expenses	**3,090,064**	11,207,470
Selling and distribution expenses	**5,753,551**	7,417,119
	137,222,311	182,589,073

6.1.4 Freehold lands of the Holding Company are located at 7 K.M. Sundar Raiwind Road, opposite Sundar Industrial Estate, Mauza Bhai Kot, District Lahore, measuring 8.22 acres and Plot No. 141, 142 & 142-B, Sundar Industrial Estate, Sundar Raiwind Road, Lahore, measuring 7.73 acres.

Freehold land of the Subsidiary is located in adjoining areas of village Mandialla (84 kanals and 10 marlas) and Qaimpur (371 kanals and 4 marlas) of tehsil Sheikhupura.

The buildings on freehold land and other immovable assets of the Holding Company and Subsidiary are constructed / located at respective above mentioned freehold lands.

6.1.5 Operating assets include Varex II 5-Layer Co-Extrusion Line, Gravure Printing Press Heliostar SH machine, BHS corrugator, Paper Board Handling System machine, Emba Machine and Lamination Machine including the related buildings and electric installations. During the period, the Group 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 Group had previously depreciated using reducing balance method are now depreciated using straight line method and are expected to remain in use for 33.33 years.The related buildings and electric installations which were also previously depreciated using reducing balance method are now depreciated using straight line method and have an estimated useful life of 40 years and 33.33 years.
The Group has accounted for this as a change in accounting estimate. The effect of these changes on actual and expected depreciation expense are as follows.

	2018 Rupees	2019 Rupees
Decrease in depreciation expense	**100,979,801**	**86,608,382**

6.1.6 Fair value estimation

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is determined on the basis of objective evidence at each reporting date.

The tables below analyze the non-financial assets carried at fair value as at 30 June 2018 and 30 June 2017.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's freehold land, buildings on freehold land, plant and machinery and electric installations that are measured at fair value.

Recurring fair value measurements of following items of operating assets:

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
		Rupees		
Freehold land	**-**	**988,231,382**	**-**	**988,231,382**
Buildings on freehold land	**-**	**-**	**796,598,404**	**796,598,404**
Plant and machinery	**-**	**-**	**1,708,235,477**	**1,708,235,477**
Electric installations	**-**	**-**	**55,654,221**	**55,654,221**
	-	**988,231,382**	**2,560,488,102**	**3,548,719,484**

	2017			
	Level 1	Level 2	Level 3	Total
		Rupees		
Freehold land	-	988,231,382	-	988,231,382
Buildings on freehold land	-	-	828,628,305	828,628,305
Plant and machinery	-	-	1,718,877,749	1,718,877,749
Electric installations	-	-	55,304,298	55,304,298
	-	988,231,382	2,602,810,352	3,591,041,734

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in note 6.1 and note 14 respectively to these consolidated financial statements. There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

6.1.7 Valuation techniques used to derive level 2 and level 3 fair values

The Group obtains independent valuations for its freehold land, building on freehold land, plant and machinery and electric installations at least every three years. At the end of each reporting period, the management updates its assessment of the fair value of each asset mentioned above, taking into account the most recent independent valuation. The management determines an asset's value within a range of reasonable fair value estimates. Level 2 fair value of freehold land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot. Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate to arrive at present market value. Level 3 fair value of plant and machinery, and electric installations have been determined using a depreciated replacement cost approach, whereby, the current replacement cost of plant and machinery, and electric installations of similar make/origin, capacity and level of technology has been adjusted using a suitable depreciation rate on account of normal wear and tear.

6.1.8 Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See paragraph above for the valuation techniques adopted.

Description	Fair value at 30 June 2018 Rupees	Fair value at 30 June 2017 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	**796,598,404**	828,628,305	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	**1,708,235,477**	1,718,877,749	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	**55,654,221**	55,304,298	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (loss)	Mode of disposa	Particulars of buyer	Relationship ith Group
				2018				
	--------	--------	Rupees	--------	--------			
Vehicles- Owned assets								
Fork Lifter Truck-3Mt	1,867,024	1,715,624	151,400	247,242	95,842	Tender	Power Point System	-
Suzuki Cultus LEE-13-3128	1,014,000	721,846	292,154	825,000	532,846	Insurance	Atlas Insuranc	
Honda Cd 100cc LER-16B-8375	73,932	9,858	64,074	-	(64,074)	Theft	-	-
Paper Roll Clamp Lifter 66"	195,000	106,642	88,358	144,292	55,934	Tender	Power Point System	-
	3,149,956	**2,553,970**	**595,986**	**1,216,534**	**620,548**			
Vehicles- Leased								
Suzuki Cultus LEC-3814	**1,099,000**	**333,363**	**765,637**	**333,144**	**(432,493)**	Insurance	Askari Bank Limited	-
Electric Installations								
Air Conditioner	34,085	25,625	8,460	13,815	5,355	Tender	Power Point System	-
Air Conditioner	23,588	17,312	6,276	10,249	3,973	Tender	Power Point System	-
	57,673	**42,937**	**14,736**	**24,064**	**9,328**			
Office Equipment								
Bread Conveyor Oven	235,125	64,750	170,375	278,229	107,854	Tender	Power Point System	-
Floor Mounted Air Condition 4 Ton	179,487	68,546	110,941	181,172	70,231	Tender	Power Point System	-
	414,612	**133,296**	**281,316**	**459,401**	**178,085**			
2018	**4,721,241**	**3,063,566**	**1,657,675**	**2,033,143**	**375,468**			

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (Loss)	Mode of disposa	Particulars of buyer	Relationship ith Group
				2017				
	--------	--------	Rupees	--------	--------			
Vehicles- Owned assets								
Suzuki Alto Le-10-7897	679,000	503,971	175,029	558,540	383,511	Terms of employment	Muhammad Hanif Qadri	Employee
Mercedese-Benz-C-200 Leb-13-7727	4,305,052	2,560,626	1,744,426	2,100,000	355,574	Negotiation	Nasir Al	
Suzuki Cultus Lee-13-3127	1,019,000	505,967	513,033	601,763	88,730	Insurance	Pak Qatar Family Takaful Ltd	-
2017	6,003,052	3,570,564	2,432,488	3,260,303	827,815			

6.2 Capital work-in-progress

	2018			
	As at 01 July 2017	**Additions during the year**	**Transfers / deletions during the year**	**As at 30 June 2018**
	------Rupees------			
Plant and machinery	**235,590,785**	**83,116,984**	**(75,200,758)**	**243,507,011**
Civil works	**28,469,257**	**57,427,294**	**(2,047,950)**	**83,848,601**
Electrical installations	**18,611,765**	**21,801,334**	**(3,960,810)**	**36,452,289**
Others	**-**	**8,275,510**	**(8,275,510)**	**-**
Machinery in transit	**-**	**9,265,578**	**-**	**9,265,578**
	282,671,807	**179,886,700**	**(89,485,028)**	**373,073,479**
Advances to suppliers	**63,917,565**	**12,380,030**	**(9,212,347)**	**67,085,248**
	346,589,372	**192,266,730**	**(98,697,375)**	**440,158,727**

	2017 - *restated*			
	As at 01 July 2016	Additions during the year	Transfers / deletions during the year	As at 30 June 2017
	------Rupees------			
Plant and machinery	149,880,008	721,852,788	(636,142,011)	235,590,785
Civil works	10,833,931	201,829,437	(184,194,111)	28,469,257
Electrical installations	3,759,721	17,348,343	(2,496,299)	18,611,765
Others	-	12,599,820	(12,599,820)	-
	164,473,660	953,630,388	(835,432,241)	282,671,807
Advances to suppliers	279,206,606	35,228,747	(250,517,788)	63,917,565
	443,680,266	988,859,135	(1,085,950,029)	346,589,372

7 Intangible

	Note	**2018 Rupees**	2017 Rupees
Cost			
Balance as at 01 July		**7,088,486**	5,727,914
Additions during the year		**-**	1,360,572
Balance as at 30 June		**7,088,486**	7,088,486
Accumulated amortization			
Balance as at 01 July		**2,472,810**	1,073,872
Charge for the year	*27*	**1,417,697**	1,398,938
Balance as at 30 June		**3,890,507**	2,472,810
Net book value as at 30 June		**3,197,979**	4,615,676
		- - - - - - Percentage - - - - - -	
Annual amortization rate (%)		**20%**	20%

7.1 Intangible represents ERP software and amortization on intangible is charged to administrative expenses.

	Note	2018 Rupees	2017 Rupees
8 Stock-in-trade			
Raw materials [In transit Rs. 24.456 million (2017: Rs. 60.426 million)]		**569,085,590**	470,370,353
Work-in-process		**20,776,488**	42,527,088
Finished goods		**41,789,793**	62,299,584
		631,651,871	575,197,025
9 Trade debtors - unsecured			
Considered good	*9.1*	**1,231,373,541**	1,191,625,522
Considered doubtful		**48,135,575**	6,038,445
		1,279,509,116	1,197,663,967
Less: Provision for doubtful debts		**48,135,575**	6,038,445
		1,231,373,541	1,191,625,522

9.1 This includes an amount of Rs. 122.722 million (2017: Rs. 116.476 million) receivable from Roshan Enterprises ("an Associated Undertaking"). The maximum aggregate amount outstanding during the year was Rs. 122.722 million (2017: Rs. 118.963 million). The age analysis is as follows:

	2018 Rupees	2017 Rupees
Neither past due nor impaired	**-**	-
Past due but not impaired:		
• 01 to 30 days	**2,735,160**	5,022,265
• 31 to 60 days	**4,441,077**	68,257,438
• 61 to 90 days	**3,974,400**	43,196,389
• 91 to 120 days	**3,717,960**	-
• 121 to 365 days	**1,479,455**	-
• 365 days above	**106,374,636**	-
	122,722,688	116,476,092

		Note	2018 Rupees	2017 Rupees
10	**Advances, deposits, prepayments and other receivables**			
	Non-interest bearing			
	Advances - considered good:			
	• To directors against expenses	*10.2*	**-**	2,435,234
	• To employees	*10.1*	**12,813,298**	14,181,581
	• To suppliers		**101,950,842**	126,480,471
			114,764,140	143,097,286
	Balances with statutory authorities:			
	• Sales tax receivable		**199,324,409**	158,410,356
	• Income tax receivable		**378,965,524**	306,307,360
			578,289,933	464,717,716
	Prepayments		**2,284,790**	2,303,567
	Security deposits		**5,934,505**	4,396,355
	Interest receivable		**14,163,590**	11,252,740
	Due from directors - considered good	*10.2*	**-**	6,186,163
	Other receivable		**-**	509,897
			715,436,958	632,463,724

10.1 It include advances against expenses paid to executives amounting to Rs. 3.102 million (2017: Rs. 2.462 million).

10.2 This represents advance amounting to Nil (2017: 8.621 million) due from the directors of the Group. The maximum aggregate amount outstanding during the year with respect to month end balances amounts to Rs. 8.621 million. Breakup of the balances due from directors of the Group is as follows:

Directors	**Percentage of shareholding**	**2018 Rupees**	2017 Rupees
Zaki Aijaz	11.86%	-	1,009,034
Saadat Eijaz	11.86%	-	1,925,901
Khalid Eijaz	14.65%	-	4,731,405
Quasim Aijaz	2.96%	-	955,057
		-	8,621,397

The age analysis is as follows:

	2018	2017
Outstanding between:		
• 01 to 30 days	-	7,074,856
• 31 to 60 days	-	1,546,541
	-	8,621,397

11 Cash and bank balances

	Note	2018 Rupees	2017 Rupees
Cash in hand			
● Local currency		**268,767**	236,874
Cash at banks			
● Saving accounts	*11.1*	**306,937,893**	1,021,061,704
● Current accounts		**192,264,253**	63,052,518
● Term deposits	*11.2*	**1,250,000,000**	950,000,000
		1,749,202,146	2,034,114,222
		1,749,470,913	2,034,351,096

11.1 Profit on the balances in saving accounts ranges from 5.7% to 6.3% (2017: 5.6% to 6.5%) per annum.

11.2 Profit on term deposits ranges from 5.6% to 6.25% (2017: 5.6% to 6.25%) per annum.

12 Issued, subscribed and paid up share capital

	2018 (Number of shares)	2017 (Number of shares)	2018 Rupees	2017 Rupees
Ordinary shares of Rs. 10 each fully paid in cash	**57,336,000**	57,336,000	**573,360,000**	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	**55,811,000**	45,061,000	**558,110,000**	450,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash - (Note 12.1)	**5,103,000**	5,103,000	**51,030,000**	51,030,000
	118,250,000	107,500,000	**1,182,500,000**	1,075,000,000

12.1 These 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.

12.2 The reconciliation of ordinary shares is as follows:

	2018 (Number of shares)	2017 (Number of shares)
Opening number of shares	**107,500,000**	29,939,000
Bonus shares issued during the year	**10,750,000**	45,061,000
Shares issued under initial public offering	**-**	32,500,000
Closing number of shares	**118,250,000**	107,500,000

13 Share premium

This share premium reserve can be utilized by the Group only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

14 Surplus on revaluation of property, plant and equipment

This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations, adjusted by incremental depreciation arising out of revaluation of abovementioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2016, on present market value basis.

The revaluation surplus relating to abovementioned operating assets, excluding freehold land, is net of applicable deferred taxes. Incremental depreciation represents the difference between the actual depreciation on the above mentioned assets excluding freehold land and the equivalent depreciation based on the historical cost of these assets. The movement in revaluation surplus is as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Opening balance - net of tax	**1,073,890,796**	1,101,811,827
Effect of change in tax rate on balance of revaluation on property, plant and equipment	**28,751,464**	-
Surplus transferred to accumulated profit for the year on account of incremental depreciation - net of tax	**(24,122,977)**	(27,921,031)
Closing balance - net of tax	**1,078,519,283**	1,073,890,796

15 Supplier's credit - unsecured

	Note	**2018 Rupees**	2017 Rupees *(Restated)*
Supplier's credit	*15.1*	**302,302,080**	355,267,770
Current portion shown under current liabilities	*20*	**(116,156,657)**	(99,671,567)
		186,145,423	255,596,203

15.1 This comprises of payable to Windmoller & Holscher, Germany and Taiwan Endurance, Taiwan in respect of the following assets:

	Note	**2018 Rupees**	2017 Rupees *(Restated)*
Varex II 5-Layer Co-Extrusion Line machine	*15.1.1*	**148,029,230**	168,106,397
Gravure Printing Press Heliostar SH machine	*15.1.2*	**122,926,110**	146,574,227
Paper Board Handling System machine	*15.1.3*	**31,346,740**	40,587,146
		302,302,080	355,267,770

15.1.1 This represents interest free amount payable to Windmoller & Holscher, Germany, against purchase of Varex II 5-Layer Co-Extrusion Line machine on deferred payment basis in ten half yearly unequal installments ending on 03 February 2021. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Supplier's credit	**210,369,804**	210,369,804
Discounting adjustment	**(9,565,283)**	(9,565,283)
	200,804,521	200,804,521
Unwinding of discount on liability	**7,300,090**	4,507,788
	208,104,611	205,312,309
Exchange loss	**34,378,940**	7,883,355
	242,483,551	213,195,664
Payments	**(94,454,321)**	(45,089,267)
	148,029,230	168,106,397
Current maturity	**(50,368,322)**	(43,348,695)
	97,660,908	124,757,702

15.1.2 This represents interest free amount payable to Windmoller & Holscher, Germany, against purchase of Gravure Printing Press Heliostar SH machine on deferred payment basis in ten half yearly unequal installments ending on 13 September 2020. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Supplier's credit	**210,406,544**	210,406,544
Discounting adjustment	**(9,566,953)**	(9,566,953)
	200,839,591	200,839,591
Unwinding of discount on liability	**7,908,397**	5,489,994
	208,747,988	206,329,585
Exchange loss	**29,472,498**	6,325,387
	238,220,486	212,654,972
Payments	**(115,294,376)**	(66,080,745)
	122,926,110	146,574,227
Current maturity	**(50,153,746)**	(42,790,671)
	72,772,364	103,783,556

15.1.3 This represents interest free amount payable to Taiwan Endurance Company Limited, Taiwan, against purchase of Paper Board Handling System machine on deferred payment basis in 3 equal annual installments starting from 15 December 2017. The interest free payable amount has been discounted at a rate of 0.26% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2018 Rupees	2017 Rupees *(Restated)*
Supplier's credit	**40,584,800**	40,584,800
Discounting adjustment	**(209,200)**	(209,200)
	40,375,600	40,375,600
Unwinding of discount on liability	**151,091**	57,146
	40,526,691	40,432,746
Exchange loss	**5,124,279**	154,400
	45,650,970	40,587,146
Payments	**(14,304,230)**	-
	31,346,740	40,587,146
Current maturity	**(15,634,589)**	(13,532,201)
	15,712,151	27,054,945

15.2 During the year the Group has adjusted the carrying amounts of supplier's credit, property, plant and equipment and surplus on revaluation of property, plant and equipment in accordance with the principles of deferred payments under IAS 16 'Property, plant and equipment' which were previously measured under the requirements of IAS 39 ' Financial instruments : recognition and measurement'. To account for the effect, the amounts have been restated in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors' due to which there has been an increase in supplier's credit in 2017 by Rs. 60.6 million (2016: Rs. 44.28 million), decrease in surplus on revaluation of property, plant and equipment in 2017 by Rs. 51.257 million (2016: Rs. 41.122 million) and decrease in deferred taxation in 2017 by Rs. 9.663 million (2016: Rs. 24.107 million).

The effect on the statement of profit or loss is tabulated below:

	2017 Rupees	2016 Rupees
Increase in depreciation expense	40,846	424,416
Decrease in finance cost	(13,406,146)	(916,960)
Increase in exchange loss	1,188,756	1,358,724
Increase / (decrease) in taxation	214,827	(6,753,408)
Increase in earnings per share	0.14	0.08

16 Long term finance - secured

These have been obtained from the following financial institutions:

	Note	**2018 Rupees**	2017 Rupees
Dubai Islamic Bank Limited	*16.1*	**-**	256,371,642
United Bank Limited	*16.2*	**-**	250,000,000
		-	506,371,642

	Note	2018 Rupees	2017 Rupees (Restated)
16.1 Dubai Islamic Bank Limited			
Opening balance		**356,371,642**	400,000,000
Payments		**(100,559,142)**	(43,628,358)
		255,812,500	356,371,642
Current maturity	*16.1.2*	**(255,812,500)**	(100,000,000)
		-	256,371,642

16.1.1 This represents Shirkat Ul Melk facility of Rs. 400 million for financing the expansion of flexible packaging facility. The principal portion of Rs. 191.875 million (2017: Rs. 268.625 million) is repayable in ten equal quarterly instalments of Rs. 19.188 million beginning on 16 September 2017, and remaining principal portion of Rs. 63.938 million (2017: Rs 87.746 million) is repayable in eleven equal quarterly instalments of Rs. 5.813 million beginning on 22 August 2017. Mark up is payable quarterly at the rate of three months Karachi Inter Bank Offered Rate ('KIBOR') plus 0.9 percent per annum. The mark-up rate charged during the year on the outstanding balance ranged from 7.05% to 7.79% (2017: 6.94% to 7.02%) per annum. It is secured by a first exclusive charge over fixed assets of the flexible packaging facility located at Sundar Industrial Estate, Lahore, first hypothecation charge over plant & machinery of the corrugation packaging facility at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 directors.

16.1.2 The outstanding term finance liability has become payable on demand due to the fact that the Group has made defaults in complying covenants associated by the lender with the said term loan.

	Note	2018 Rupees	2017 Rupees
16.2 United Bank Limited			
Opening balance		**250,000,000**	80,295,600
Receipts		**-**	270,904,326
Payments		**-**	(101,199,926)
		250,000,000	250,000,000
Current maturity	*16.2.2*	**(250,000,000)**	-
		-	250,000,000

16.2.1 This represents term finance facility to finance corrugator unit capacity expansion project. The aggregate amount of the facility is Rs. 400 million out of which Rs. 351.2 million (2017: Rs 351.2 million) has been availed as of the reporting date. The outstanding principal of Rs. 199.815 million is repayable in six equal half yearly installments and remaining outstanding principal amounting to Rs. 50.185 million is repayable in five equal half yearly installments beginning on 03 November 2018. Mark up is payable semi annually at the rate of three months KIBOR plus net spread (Lending rate - Deposit rate) secured up to 0.6% per annum (2017: six months KIBOR plus 0.9%). The mark-up rate charged during the year on the outstanding balance ranged from 6.74% to 7.90% (2017: 6.75% to 7.05%) per annum. The facility is secured by first exclusive charge over present and future land, building and plant and machinery of the corrugation packaging facility is located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 directors.

16.2.2 The outstanding term finance liability has become payable on demand due to the fact that the Group has made defaults in complying covenants associated by the lender with the said term loan.

17 Liabilities against assets subject to finance lease - secured

	Note	2018 Rupees	2017 Rupees
Present value of minimum lease payments		**26,246,823**	30,756,319
Less: Current portion shown under current liabilities	20	**(16,396,026)**	(13,555,329)
		9,850,797	17,200,990

The minimum lease payments have been discounted at an implicit interest rate of KIBOR plus 1% to 1.5% per annum reset every six months. The implicit interest rate used during the year to arrive at the present value of minimum lease payments ranges from 9.66% to 18.43% (2017: 9.66% to 20.13%) per annum. Since the implicit interest rate is linked with KIBOR, the amount of minimum lease payments and finance charge may vary from period to period.

Rentals are paid monthly in advance. Taxes, repairs, replacements and insurance costs are to be born by lessee.

The lease is secured against personal guarantees of 3 directors of the Group. In case of early termination of lease, the lessee shall pay entire amount of rentals for unexpired period of lease agreement.

The amount of future minimum lease payments along with their present value and the periods during which they fall due are:

Liabilities against assets subject to finance lease - secured	**2018** Upto one year	**2018** From one to five years	**2018** Total
	--------Rupees--------		
Minimum lease payments	**18,271,055**	**10,441,140**	**28,712,195**
Less: finance costs allocated to future periods	**(1,875,029)**	**(590,343)**	**(2,465,372)**
Present value of minimum lease payments	**16,396,026**	**9,850,797**	**26,246,823**

Liabilities against assets subject to finance lease - secured	2017 Upto one year	2017 From one to five years	2017 Total
	--------Rupees--------		
Minimum lease payments	16,152,091	18,476,885	34,628,976
Less: finance costs allocated to future periods	(2,596,762)	(1,275,895)	(3,872,657)
Present value of minimum lease payments	13,555,329	17,200,990	30,756,319

18 *Deferred taxation*

	Note	2018 Rupees	2017 Rupees (Restated)
Deferred tax liability comprises temporary differences relating to:			
Accelerated tax depreciation		**215,887,872**	224,686,225
Revaluation surplus		**166,072,325**	175,708,417
Assets subject to finance lease		**1,832,502**	1,114,314
Deferred liabilities		**(25,122,190)**	(23,178,714)
Provision for doubtful debts		**(1,799,831)**	(1,793,300)
Intangible assets		**-**	-
Minimum tax available for carry forward		**(40,238,993)**	(40,238,993)
Alternate corporate tax available for carry forward		**(12,186,950)**	(12,186,950)
Tax credit under section 65B available for carry forward		**-**	(36,020,207)
Tax losses due to tax depreciation		**(26,797,994)**	-
		277,646,741	288,090,792
The gross movement in deferred tax liability during the year is as follows:			
Opening balance		**288,090,792**	271,565,534
Charged / (credited) to other comprehensive income		**(27,767,723)**	(347,416)
Charged to profit or loss account	32	**17,323,672**	16,872,674
Closing balance		**277,646,741**	288,090,792

		Note	2018 Rupees	2017 Rupees
19	**Deferred liabilities**			
	Accumulating compensated absences	*19.1*	**5,024,731**	4,525,917
	Provision for gratuity	*19.2*	**60,988,612**	55,250,563
			66,013,343	59,776,480

19.1 Accumulating compensated absences

	2018	2017
Opening liability	**4,525,917**	1,963,830
Provision for the year	**1,436,872**	3,023,139
	5,962,789	4,986,969
Transferred to trade and other payables for former employees	**(938,058)**	(461,052)
Liability as at year end	**5,024,731**	4,525,917

19.2 Provision for gratuity

	2018	2017
Opening liability	**55,250,563**	40,047,474
Provision for the year	**10,325,306**	19,239,246
	65,575,869	59,286,720
Paid during the year	**(4,587,257)**	-
Transferred to trade and other payables for former employees	**-**	(4,036,157)
Liability as at year end	**60,988,612**	55,250,563

19.2.1 Movement in present value of defined benefit obligation

	2018	2017
Opening liability	**55,250,563**	40,047,474
Current service cost	**10,420,881**	15,312,299
Interest cost	**3,839,378**	2,757,131
Remeasurements - actuarial (gain)/loss	**(3,934,953)**	1,169,816
Paid during the year	**(4,587,257)**	-
Transferred to trade and other payables for former employees	**-**	(4,036,157)
Liability as at year end	**60,988,612**	55,250,563

19.2.2 Comparison of present value of defined benefit obligation for five years is as follows:

	2018	2017	2016	2015	2014
			------------------------- Rupees -------------------------		
As at June 30 Present value of defined benefit obligation	**60,988,612**	55,250,563	40,047,474	36,078,371	25,896,798
Remeasurments - actuarial (gain) / loss	**(3,934,953)**	1,169,816	(474,225)	21,968	(625,486)

19.2.3 Assumptions used for valuation of the defined benefit scheme for employees are as under:

		2018	2017
Discount rate	*Per annum*	**8%**	7.25%
Expected rate of increase in salary	*Per annum*	**7%**	6.25%
Average duration of liability	*Number of years*	**7**	6

Mortality rates are assumed to be based on the SLIC (2001-2005) mortality table.

19.2.4 Year end sensitivity analysis (±100 bps) on defined benefit obligation is as follows:

	Discount rate + 100 bps	Discount rate - 100 bps	Salary increase rate + 100 bps	Salary increase rate - 100 bps
		---------------------- Rupees ----------------------		
Present value of defined benefit obligation	**54,817,677**	**68,179,142**	**68,179,142**	**54,709,939**

20 Current portion of long term liabilities

	Note	2018 Rupees	2017 Rupees (Restated)
Supplier's credit - unsecured	*15*	**116,156,657**	99,671,567
Long term finances - secured	*16*	**505,812,500**	100,000,000
Liabilities against assets subject to finance lease - *secured*	*17*	**16,396,026**	13,555,329
		638,365,183	213,226,896

21 Short term borrowings - secured

	Note	2018 Rupees	2017 Rupees
Running finance	*21.1*	**471,559,319**	281,011,030
Term finances:			
● Import finance	*21.2*	**185,983,794**	53,837,284
● Murabaha / Istisna	*21.3*	**676,266,266**	420,791,495
		862,250,060	474,628,779
		1,333,809,379	755,639,809

21.1 Running finance

Short term running finance facilities available from various commercial banks under mark-up arrangements amounting to Rs. 550 million (2017: Rs. 325 million) at mark-up rates ranging from one month to three months KIBOR plus 1% per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the packaging material segment. The mark-up rate charged during the year on the outstanding balance ranged from 6.64% to 7.42% (2017: 6.79% to 7.40%) per annum.

21.2 Import finance

Import finance facilities available from various commercial banks under profit arrangements amounting to Rs. 1,770 million (2017: Rs. 650 million) at mark-up rates ranging from one to three month KIBOR plus 1% per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the packaging material segment. The mark-up rate charged during the year on the outstanding balance ranged from 6.70% to 7.53% (2017: 6.87% to 7.28%) per annum.

21.3 Murabaha / Istisna

Murabaha / Istisna facilities available from various commercial banks under profit arrangements amounting to Rs. 1,050 million (2017: Rs. 450 million) at mark-up rates ranging from six month KIBOR plus 0.50% to 1.0% per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the packaging material segement. The mark-up rate charged during the year on the outstanding balance ranged from 6.61% to 8.53% (2017: 6.61% to 7.40%) per annum.

21.4 Letters of credit and guarantee

Of the aggregate facility of Rs. 2,220 million (2017: Rs. 1,420 million) for opening letters of credit and Rs. 130 million (2017: Rs. 220 million) for guarantees, the amount utilized at 30 June 2018, was Rs. 307.5 million (2017: Rs. 504.3 million) and 7.42 million (2017: Rs. 14.4 million) respectively. The aggregate facilities for opening letters of credit and guarantees are secured by a first pari passu charge over current assets of the packaging material segment and lien over import documents.

22 Trade and other payables

	Note	2018 Rupees	2017 Rupees
Trade creditors		**593,313,561**	586,332,679
Bills payable		**52,795,524**	245,261,957
Advances from customers		**3,861,527**	28,317,658
Retention money		**4,167,040**	7,045,256
Accrued liabilities		**52,886,138**	59,394,935
Withholding tax payable		**3,965,860**	12,136,676
Workers' profit participation fund	*22.1*	**-**	37,345,954
Workers' welfare fund		**1,678,561**	1,678,561
Other payables		**16,586,243**	10,081,435
Advances from employees		**3,527,610**	3,135,164
		732,782,064	990,730,275

22.1 Workers' profit participation fund

	Note	2018 Rupees	2017 Rupees
Opening balance		**37,345,954**	53,575,839
Provision for the year	*29*	**-**	13,580,341
Interest for the year	*31*	**-**	1,840,018
		37,345,954	68,996,198
Less: Payments made during the year		**(37,345,954)**	(31,650,244)
Closing balance		**-**	37,345,954

23 Accrued markup

	2018 Rupees	2017 Rupees
Accrued markup / interest on:		
Long term finance - secured	**3,869,432**	5,223,121
Short term borrowings - secured	**17,420,560**	6,728,352
	21,289,992	11,951,473

24 Contingencies and commitments

24.1 Contingencies

24.1.1 The banks have issued the following guaranties on behalf of the Group:

(a) Letter of guarantee issued in favour of Sui Northern Gas Pipelines Limited for Rs 6.2 million (2017: Rs 6.2 million).

(b) Letter of guarantee issued in favour of Office of Excise and Taxation for Rs 0.22 million (2017: Rs 0.22 million).

(c) Letter of guarantee issued in favour of Total Parco Pakistan Limited for Rs 8 million (2017: Rs 8 million).

24.1.2 Additional Commissioner Inland Revenue ('ACIR'), through an order dated May 22, 2012 disallowed the Group's claim of tax credit of Rs 11.112 million against minimum tax liability for Tax Year 2011. Against the subject order, the Group's management preferred an appeal before the Commissioner of Inland Revenue (Appeals), who upheld the ACIR's order. The Group's management has preferred a second appeal before the Appellate Tribunal Inland Revenue ('ATIR') which is pending adjudication. The Group's management considers that reasonable grounds exist to support its stance in the appeal and is of the view that the decision would be in its favour. Consequently, no provision has been made in these consolidated financial statements on this account.

24.2 Commitments in respect of

(a) Letters of credit and contracts for capital expenditure amounting to Rs 9.25 million (2017: Rs 5.95 million).

(b) Letters of credit and contracts other than for capital expenditure amounting to Rs 315.72 million (2017: Rs 428.55 million).

25 Sales - *net*

	Note	2018 Rupees	2017 Rupees
Gross sales	*25.1*	**4,705,465,946**	4,782,522,142
Less: Sales tax		**663,393,503**	666,736,087
Discounts and sales returns		**10,684,869**	17,778,879
		674,078,372	684,514,966
		4,031,387,574	4,098,007,176

25.1 This includes sales of Rs. 16.348 million (2017: Rs. 23.181 million) to Roshan Enterprises, a related party (associated undertaking).

26 Cost of sales

	Note	2018 Rupees	2017 Rupees *(Restated)*
Raw materials consumed		**3,029,823,613**	2,964,714,608
Carriage inward expenses		**1,590,873**	1,933,525
Packing material consumed		**15,263,171**	13,644,564
Production supplies		**66,604,651**	56,507,517
Fuel and power	*26.1*	**159,441,841**	121,226,025
Salaries, wages and other benefits	*26.2*	**185,572,969**	195,828,701
Repairs and maintenance		**52,013,508**	34,718,198
Printing and stationery		**1,057,911**	1,052,204
Insurance		**7,357,263**	7,049,662
Lease rentals - operating		**1,033,721**	598,713
Security charges		**-**	7,296,009
Travelling and conveyance		**20,162,395**	30,310,692
Communication expenses		**1,117,230**	1,345,522
Vehicle running expenses		**2,302,667**	598,882
Depreciation	*6.1.3*	**128,378,696**	163,964,484
Others		**9,249,234**	16,059,882
		3,680,969,743	3,616,849,188
Opening work-in-process	*8*	**42,527,088**	10,285,840
Closing work-in-process	*8*	**(20,776,488)**	(42,527,088)
		21,750,600	(32,241,248)
Cost of goods manufactured		**3,702,720,343**	3,584,607,940
Opening stock of finished goods	*8*	**62,299,584**	22,897,521
Closing stock of finished goods	*8*	**(41,789,793)**	(62,299,584)
		20,509,791	(39,402,063)
		3,723,230,134	3,545,205,877

26.1 This includes operating lease rentals of generator and fork lifter amounting to Rs. 16.8 million (2017: Rs. 14.9 million) and Rs. 14.3 million (2017: Rs. 2.4 million) respectively.

26.2 Salaries, wages and other benefits

Salaries, wages and other benefits include the following in respect of retirement benefits:

	2018 Rupees	2017 Rupees
Gratuity:		
Current service cost	**6,037,990**	8,872,140
Interest cost for the year	**2,224,585**	1,597,517
	8,262,575	10,469,657
Accumulating compensated absences:		
Charge for the year	**832,542**	1,751,645
	9,095,117	12,221,302

27 Administrative expenses

	Note	2018 Rupees	2017 Rupees (Restated)
Salaries, wages and other benefits	*27.1*	**71,338,410**	52,361,258
Legal and professional charges		**5,843,585**	351,500
Fees and subscription		**6,661,312**	2,974,904
Travelling and conveyance		**6,350,801**	5,335,288
Insurance		**2,787,016**	2,280,395
Printing and stationery		**736,712**	1,030,642
Repairs and maintenance		**2,276,161**	1,312,318
Vehicle running and maintenance		**4,060,457**	4,119,096
Utilities		**1,640,206**	1,338,565
Lease rentals - operating		**5,364,708**	5,115,396
Auditors remuneration	*27.2*	**2,676,000**	2,426,998
Security charges		**-**	569,916
Communication		**3,705,382**	3,543,422
Depreciation	*6.1.3*	**3,090,064**	11,207,470
Amortization	*7*	**1,417,697**	1,398,938
Entertainment		**3,633,773**	1,106,496
Others		**3,622,938**	3,244,680
		125,205,222	99,717,282

27.1 Salaries, wages and other benefits

Salaries, wages and other benefits include following in respect of retirement benefits:

	2018 Rupees	2017 Rupees
Gratuity:		
Current service cost	**3,153,284**	4,633,392
Interest cost for the year	**1,161,768**	834,288
	4,315,052	5,467,680
Accumulating compensated absences:		
Charge for the year	**434,787**	914,780
	4,749,839	6,382,460

27.2 Auditors remuneration

	2018 Rupees	2017 Rupees
Audit services:		
Statutory audit	**1,830,000**	1,770,000
Half year review	**500,000**	-
Out of pocket expenses	**196,000**	163,498
Non-audit services:		
Other certifications	**150,000**	262,500
Tax services	**-**	231,000
	2,676,000	2,426,998

28 Selling and distribution expenses

	Note	2018 Rupees	2017 Rupees (Restated)
Salaries, wages and other benefits	28.1	**33,281,936**	29,214,044
Travelling and conveyance		**4,875,336**	7,014,303
Freight and transportation		**59,452,033**	48,993,740
Vehicle running and maintenance		**1,173,879**	367,243
Postage and telephone		**504,362**	731,781
Provision against doubtful debts		**42,097,130**	-
Printing and stationery		**9,800**	20,646
Advertisement and business promotion		**16,966,751**	1,363,030
Entertainment		**1,048,003**	2,170,713
Depreciation	6.1.3	**5,753,551**	7,417,119
Others		**3,514,757**	3,296,697
		168,677,538	100,589,316

28.1 Salaries, wages and other benefits

Salaries, wages and other benefits include following in respect of retirement benefits:

	Note	2018 Rupees	2017 Rupees
Gratuity:			
Current service cost		**1,229,607**	1,806,767
Interest cost for the year		**453,025**	325,326
		1,682,632	2,132,093
Accumulating compensated absences:			
Charge for the year		**169,543**	356,714
		1,852,175	2,488,807

29 Other expenses

	Note	2018 Rupees	2017 Rupees (Restated)
Exchange loss - *net*		**82,262,727**	17,822,034
Donations	29.1	**362,839**	859,458
Workers' profit participation fund	22.1	**-**	13,580,341
Workers' welfare fund		**-**	1,739,932
		82,625,566	34,001,765

29.1 None of the directors or their spouses had any interest in the donees.

30 Other income

	Note	2018 Rupees	2017 Rupees (Restated)
Income from financial assets:			
- Profit on bank deposits		**34,375,886**	30,315,529
- Profit on term deposits		**67,619,552**	11,252,740
		101,995,438	41,568,269
Income from non-financial assets:			
- Gain on sale of property, plant and equipment		**375,468**	827,815
- Liabilities no longer payable written back		**593,862**	-
- Others		**303,439**	378,300
		1,272,769	1,206,115
		103,268,207	42,774,384

31 Finance cost

	Note	2018 Rupees	2017 Rupees (Restated)
Interest / mark up on:			
- Long term finance - secured		**38,637,177**	29,313,557
- Finance leases		**3,163,416**	4,207,759
- Short term borrowings - secured		**67,294,699**	45,145,958
- Loan from directors		**-**	435,320
- Workers' profit participation fund	*22.1*	**-**	1,840,018
Bank charges and others		**6,130,460**	6,469,707
Unwinding of discount on supplier's credit		**5,304,650**	5,755,936
		120,530,402	93,168,255

32 Taxation

	2018 Rupees	2017 Rupees (Restated)
Income tax:		
- Current year	**-**	-
- Prior year	**-**	-
Deferred tax:		
- Current year	**51,345,531**	16,872,674
- Prior year	**(34,021,859)**	-
	17,323,672	16,872,674

32.1 Tax charge reconciliation

	2018 *%age*	2017 *%age*
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate as per Income Tax Ordinance, 2001	**30.00**	31.00
Effect of temporary differences	**-66.23**	1.77
Effect of change in prior years' tax	**-**	5.09
Effect of tax calculated at the rate of 1.25% of turnover	**-36.93**	-
Effect of difference in rate	**24.90**	-0.85
Benefit in respect of certain income taxed at different rate	**-**	-4.93
Allowable as tax credit	**35.58**	-25.80
	-42.68	-24.72
Average effective tax rate charged to profit and loss account	**-12.68**	6.28

32.2 The provision for current year tax represents tax on taxable income at the rate of 30%, net of tax credits. As per management's assessment, the provision for tax made in the consolidated financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

Tax Years	Tax provision as per financial statements	Tax as per assessment / return
2015	**59,580,400**	58,788,228
2016	**-**	-
2017	**-**	-

33 Earnings per share - basic and diluted

		2018	2017 (Restated)
(Loss) / profit attributable to owners of the Group	*Rupees*	**(102,936,753)**	251,226,391
Weighted-average number of ordinary shares	*Number*	**118,250,000**	118,250,000
Basic earnings per share	*Rupees*	**(0.87)**	2.12

33.1 Weighted average number of shares for 2017 have been restated due to the impact of issuance of bonus shares, as detailed in note 12.

33.2 There is no dilution effect on basic earning per share, as the Group has no such commitments.

34 Cash (used in)/generated from operations

	Note	2018 Rupees	2017 Rupees (Restated)
(Loss) / profit before taxation		**(85,613,081)**	268,099,065
Adjustment for non-cash charges and other items:			
Depreciation on operating assets		**137,222,311**	182,589,073
Amortization of intangibles		**1,417,697**	1,398,938
Profit on bank deposits		**(101,995,438)**	(41,568,269)
Exchange loss		**58,822,472**	17,822,034
Finance cost		**120,530,402**	93,168,255
Provision against doubtful debts		**42,097,130**	-
Gain on disposal of property, plant and equipment		**(375,468)**	(827,815)
Provision for accumulating compensated absences		**1,436,872**	3,023,139
Provision for gratuity		**14,260,259**	18,069,430
Profit before working capital changes		**187,803,156**	541,773,850
Effect on cash flow due to working capital changes:			
- Increase in stores and spare parts		**(38,257,788)**	(52,578,213)
- Increase in stock-in-trade		**(56,454,846)**	(130,010,360)
- Increase in trade debts		**(81,845,149)**	(228,072,761)
- Increase in advances, deposits, prepayments and other receivables		**(7,404,220)**	(196,156,315)
- Decrease in trade and other payables		**(262,158,111)**	(51,627,095)
		(446,120,114)	(658,444,744)
		(258,316,958)	(116,670,894)

35 Cash and cash equivalents

Cash and bank balances	*11*	**1,749,470,913**	2,034,351,096
Short term borrowings - running finance	*21.1*	**(471,559,319)**	(281,011,030)
		1,277,911,594	1,753,340,066

36 The credit facilities available to the Group at year ended 30 June are as follows:

	2018		2017	
	Available limit	**Utilised credit**	Available limit	Utilised credit
	Rupees in million		Rupees in million	
Running finance	**550**	**472**	325	281
Istisna	**1,050**	**676**	450	421
Musharika	**600**	**-**	600	-
FATR/FAPC	**1,770**	**186**	650	54
	3,970	**1,334**	2,025	756
Letter of credits / guarantees	**2,350**	**315**	1,640	519

37 Remuneration of Chief Executive, Directors and Executives

37.1 The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits to the Chief Executive, directors and executives of the Group is as follows:

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	Rupees							
Short term employee benefits								
Managerial remuneration	**3,279,540**	3,279,540	**2,727,276**	4,556,760	**-**	-	**45,876,369**	49,524,533
House rent allowance	**1,472,823**	1,472,823	**1,227,276**	2,045,592	**-**	-	**16,324,156**	22,119,720
Medical expenses	**327,294**	327,294	**272,724**	454,576	**-**	-	**3,627,590**	4,915,494
Utilities	**327,294**	327,294	**272,724**	454,576	**-**	-	**3,627,590**	4,915,494
Advisory fee	**-**	-	**-**	-	**4,914,788**	2,061,633	**-**	-
Meeting fee	**-**	-	**-**	-	**795,000**	-	**-**	-
Bonus	**272,745**	-	**227,288**	-	**-**	-	**1,853,042**	182,858
	5,679,696	5,406,951	**4,727,288**	7,511,504	**5,709,788**	2,061,633	**71,308,747**	81,658,099
Post employment benefits								
Gratuity	**-**	-	**-**	-	**-**	-	**3,103,011**	7,820,726
Accumulated compensated absences	**225,000**	225,000	**187,500**	312,500	**-**		**459,930**	953,929
	5,904,696	5,631,951	**4,914,788**	7,824,004	**5,709,788**	2,061,633	**74,871,688**	90,432,754
Number of persons	**1**	**1**	**1**	**2**	**5**	**5**	**30**	**56**

37.2 The chief executive, executive directors, non executive director and certain executives are provided with Group maintained vehicles, mobile phones for official use and medical facility.

37.3 Comparative figures reflect executives' remuneration and number based on enacted provisions of repealed Companies Ordinance, 1984 for the year ended 30 June 2017.

38 Transactions with related parties

The related parties includes associated undertakings, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Significant transactions with related parties have been disclosed in the respective notes to these consolidated financial statements other than the following:

Relationship with the Company	Name of related party	Transaction	Percentage of shareholding 2018	Percentage of shareholding 2017	2018 Rupees	2017 Rupees
Chief Executive	Tayyab Aijaz	Bonus shares issued	26.84%	26.84%	**2,885,440**	173,361,090
Director	Zaki Aijaz	Bonus shares issued	11.86%	11.86%	**4,443,190**	266,952,770
Director	Saadat Eijaz	Bonus shares issued	11.86%	11.86%	-	-
Director	Khalid Eijaz	Bonus shares issued	14.65%	14.65%	-	-
Director	Quasim Aijaz	Bonus shares issued	2.96%	2.96%	-	-

39 Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

39.1 Risk management framework

The Holding Company's Board of Directors "the Board" has overall responsibility for establishment and over sight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board through the audit committee.

The Group's audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

39.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from long term deposits, trade debts, advances, deposits and other receivables and balances with banks. Out of the total financial assets of Rs. 3,021.353 million (2017: Rs. 3,265.004 million), the financial assets which are subject to credit risk amounted to Rs. 3,021.175 million (2017: Rs. 3,264.845 million).

To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. The management has set a maximum credit period of 07 to 365 days to reduce the credit risk. Limits are reviewed periodically and the customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or has similar economic features that would cause their abilities to meet the contractual obligation to be similarly affected by the changes in economic, political or other conditions.

39.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

Loans and receivables	Note	2018 Rupees	2017 Rupees
Long term deposits		**20,501,701**	16,759,933
Trade debtors - unsecured	9	**1,231,373,541**	1,191,625,522
Advances, deposits and other receivables	10	**20,098,095**	22,345,155
Bank balances	11	**1,749,202,146**	2,034,114,222
		3,021,175,483	3,264,844,832
Secured		**-**	-
Unsecured		**3,021,175,483**	3,264,844,832
		3,021,175,483	3,264,844,832

39.2.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical default rates and present ages.

The Group identified cancellation of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counter party is as follows:

	2018 Rupees	2017 Rupees
Customers	**1,231,373,541**	1,191,625,522
Banking companies and financial institutions	**1,755,054,195**	2,041,683,990
Others	**34,747,747**	31,535,320
	3,021,175,483	3,264,844,832

39.2.2(a) Counterparties without external credit ratings

These mainly include customers which are counter parties to trade debtors. The Group is exposed to credit risk in respect of trade debtors. The trade debts as at the balance sheet date are classified as follows:

	2018 Rupees	2017 Rupees
Trade debtors - domestic	**1,279,509,116**	1,197,663,967
Provision for doubtful debts	**(48,135,575)**	(6,038,445)
	1,231,373,541	1,191,625,522

The aging of trade debts at the reporting date is:	2018 Gross	2018 Impaired	2017 Gross	2017 Impaired
Not past due	**668,173,416**	**-**	584,077,806	-
1 to 30 days	**120,975,091**	**-**	160,537,783	-
31 to 60 days	**22,770,730**	**-**	214,081,448	-
61 to 90 days	**14,214,293**	**-**	226,698,156	-
91 to 365 days	**184,919,580**	**-**	6,230,329	-
Past due above one year	**268,456,007**	**(48,135,575)**	6,038,446	(6,038,446)
	1,279,509,117	**(48,135,575)**	1,197,663,968	(6,038,446)

Based on past experience the management believes that no further impairment allowance is necessary except for the allowance provided in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

39.2.2(b) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits and investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating Short term	Rating Long term	Rating Agency	2018 Rupees	2017 Rupees
Albaraka Bank (Pakistan) Ltd	A1	A	PACRA	**-**	107,544
Allied Bank Limited	A1+	AAA	PACRA	**250,000,000**	701,815,883
Askari Bank Limited.	A1+	AA+	PACRA	**15,089,873**	1,448,539
Bank Alfalah Limited	A1+	AA+	PACRA	**1,420,591**	1,555,076
Bank Al-Habib Limited	A1+	AA+	PACRA	**-**	240,501
Dubai Islamic Bank Pakistan Ltd	A-1	AA-	JCR-VIS	**1,024,685,134**	1,036,436,084
Habib Bank Limited	A-1+	AAA	JCR-VIS	**14,186,619**	1,679,135
Habib Metropolitan Bank Ltd	A1+	AA+	PACRA	**177,045**	68,241
MCB Bank Limited	A1+	AAA	PACRA	**15,029,568**	32,970,348
Meezan Bank Limited	A-1+	AA+	JCR-VIS	**6,386,911**	1,951,704
National Bank of Pakistan	A1+	AAA	PACRA	**122,925**	122,925
Soneri Bank Limited	A1+	AA-	PACRA	**507,618**	507,618
Standard Chartered Bank (Pakistan) Ltd	A1+	AAA	PACRA	**12,376,578**	199,694
The Bank of Punjab	A1+	AA	PACRA	**434,021**	4,580,315
United Bank Limited	A-1+	AAA	JCR-VIS	**8,785,263**	250,430,615
JS Bank Limited	A1+	AA-	PACRA	**400,000,000**	-
				1,749,202,146	2,034,114,222

39.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets, or that such obligation will have to be settled in a manner unfavourable to Group.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Group has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Group is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

39.3.1 Exposure to liquidity risk

Following is the maturity analysis of financial liabilities:	**Carrying amount**	**Up to one year**	**One to five years**	**More than five years**
	--------------------------- Rupees -----------------------------			
Liabilities against assets subject to finance lease	**26,246,823**	**18,271,055**	**10,441,140**	**-**
Long term finances - secured	**505,812,500**	**545,496,688**	**-**	**-**
Supplier's credit - unsecured	**302,302,080**	**120,518,051**	**189,595,815**	**-**
Short term borrowings - secured	**1,333,809,379**	**1,440,489,173**	**-**	**-**
Trade and other payables	**719,109,076**	**719,109,076**	**-**	**-**
Unclaimed dividend	**882,883**	**882,883**	**-**	**-**
Accrued markup	**21,289,992**	**21,289,992**	**-**	**-**
2018	**2,909,452,733**	**2,866,056,918**	**200,036,955**	**-**

	Carrying amount	Less than one year	One to five years	More than five years
	-------------------------- Rupees ----------------------------			
Liabilities against assets subject to finance lease	30,756,319	16,152,091	18,476,885	-
Long term finance - secured	606,371,642	139,991,031	563,621,261	-
Supplier's credit - unsecured	355,267,770	104,976,217	263,407,989	-
Short term borrowings - secured	755,639,809	800,502,942	-	-
Trade and other payables	908,116,262	908,116,262	-	-
Accrued markup	11,951,473	11,951,473	-	-
2017	2,668,103,275	1,981,690,016	845,506,135	-

39.3.2 Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial assets is limited to certain sectors, however all transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

	2018 Rupees	2017 Rupees
Banking companies	**1,755,054,195**	2,041,683,990
Others	**1,266,121,288**	1,223,160,842
	3,021,175,483	3,264,844,832

39.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

39.4.1 Currency risk

The Group is exposed to currency risk on supplier credit and trade and other payables that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD), Euro and Swedish krona.

39.4.1(a) Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	2018 USD	2017 USD
On balance sheet:		
Supplier credit	**(258,667)**	(388,000)
Trade and other payables	**(487,440)**	(814,062)
Net exposure	**(746,107)**	(1,202,062)

	2018 Euro	2017 Euro
On balance sheet:		
Supplier credit	**(1,957,070)**	(2,699,919)
Trade and other payables	**(112,806)**	(169,209)
Net exposure	**(2,069,876)**	(2,869,128)

	2018 Swedish krona	2017 Swedish krona
On balance sheet:		
Trade and other payables	**(16,970)**	-
Net exposure	**(16,970)**	-

39.4.1(b) Exchange rate applies during the year

The following significant exchange rates have been applied:

	Average rate		**Reporting date rate**	
	2018	2017	**2018**	2017
USD to PKR	**109.96**	104.80	**121.40**	104.75
Euro to PKR	**131.29**	114.14	**141.58**	119.61
Swedish krona to PKR	**13.01**	-	**13.60**	-

39.4.1(c) Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, pre-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of supplier credit and trade and other payables.

Effect on profit and loss	**2018 Rupees**	2017 Rupees
US Dollar	**(9,057,739)**	(12,591,600)
Euro	**(29,305,449)**	(34,317,468)
Swedish krona	**(23,078)**	-
	(38,386,266)	(46,909,068)

39.4.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

39.4.2(a) Interest / mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the consolidated financial statements. The Group's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2018	2017	2018	2017
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Financial assets				
Fixed rate instruments:				
Bank balances - Term deposits	**5.60 - 6.25**	5.60 - 6.25	**1,250,000,000**	950,000,000
Bank balances - saving accounts	**5.70 - 6.30**	5.60 - 6.50	**306,937,893**	1,021,061,704
			1,556,937,893	1,971,061,704
Financial liabilities				
Fixed rate instruments:				
Supplier's credit - unsecured	**0.26 - 0.87**	0.26 - 0.87	**302,302,080**	355,267,770
Variable rate instruments:				
Long term finances	**3 months KIBOR plus 0.60 - 0.90**	3 - 6 months KIBOR plus 0.6 - 0.90	**505,812,500**	606,371,642
Liabilities against assets subject to finance lease	**6 months KIBOR plus 1 - 2**	6 months KIBOR plus 1 - 2	**26,246,823**	30,756,319
Short term borrowings - secured	**3 - 6 months KIBOR plus 0.50 - 1**	3 - 6 months KIBOR plus 0.50 - 1	**1,333,809,379**	755,639,809
			2,168,170,782	1,748,035,540

39.4.2(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	100 bps	
	Increase	Decrease
	----------Rupees----------	
Effect on profit - 30 June 2018	**1,090,953**	**(1,090,953)**
Effect on profit - 30 June 2017	**786,673**	(786,673)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Group.

39.4.2(c) Interest rate risk management

The Group manages the risk through risk management strategies where significant changes in gap position can be adjusted. The Group's significant financing is based on variable rate pricing that depends on Karachi Inter Bank Offer Rate (KIBOR) on as indicated in respective notes.

39.4.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. Whether those factors are caused by factors specific to individual financial instruments or its issuer, or all factors effecting all similar financial instruments trading in the market.

39.5 Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

40 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Group defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Group's approach to capital management during the year nor the Group is subject to externally imposed capital requirements.

	Carrying amount	
	2018	2017
	Rupees	Rupees
Borrowings	**1,368,062,560**	1,081,000,421
Less : Cash and cash equivalents	**(1,277,911,594)**	(1,753,340,066)
Net debt	**90,150,966**	(672,339,645)
Total equity	**5,130,113,737**	5,308,619,307
Gearing ratio	**2%**	-

41 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Group to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (i.e. derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying value			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
30 June 2018	------------	------------	Rupees	------------	------------	------------
Financial assets - not measured at fair value						
Long term deposits	20,501,701	-	20,501,701	-	-	-
Trade debtors - unsecured	1,231,373,541	-	1,231,373,541	-	-	-
Advances, deposits and other receivables	20,098,095	-	20,098,095	-	-	-
Cash and bank balances	1,749,470,913	-	1,749,470,913	-	-	-
	3,021,444,250	**-**	**3,021,444,250**	**-**	**-**	**-**
Financial liabilities - measured at fair value	-	-	-	-	-	-
Financial liabilities not measured at fair values						
Liabilities against assets subject to finance lease	-	26,246,823	26,246,823	-	-	-
Long term finances - secured	-	505,812,500	505,812,500	-	-	-
Supplier's credit - unsecured	-	302,302,080	302,302,080	-	-	-
Short term borrowings - secured	-	1,333,809,379	1,333,809,379	-	-	-
Trade and other payables	-	719,109,076	719,109,076	-	-	-
Unclaimed dividend	-	882,883	882,883	-	-	-
Accrued markup	-	21,289,992	21,289,992	-	-	-
	-	**2,909,452,733**	**2,909,452,733**	**-**	**-**	**-**

	Carrying value			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
	----------------	----------------	Rupees	----------------	----------------	----------------
30 June 2017						
Financial assets - not measured at fair value						
Long term deposits	16,759,933	-	16,759,933	-	-	-
Trade debtors - unsecured	1,191,625,522	-	1,191,625,522	-	-	-
Advances, deposits and other receivables	22,345,155	-	22,345,155	-	-	-
Cash and bank balances	2,034,351,096	-	2,034,351,096	-	-	-
	3,265,081,706	-	3,265,081,706	-	-	-
Financial liabilities - measured at fair value	-	-	-	-	-	-
Financial liabilities not measured at fair values						
Liabilities against assets subject to finance lease	-	30,756,319	30,756,319	-	-	-
Long term finances - secured	-	606,371,642	606,371,642	-	-	-
Supplier's credit - unsecured	-	355,267,770	355,267,770	-	-	-
Short term borrowings - secured	-	755,639,809	755,639,809	-	-	-
Trade and other payables	-	908,116,262	908,116,262	-	-	-
Accrued markup	-	11,951,473	11,951,473	-	-	-
	-	2,668,103,275	2,668,103,275	-	-	-

42 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	Liabilities					Equity	
	Supplier's credit	Long term finances	Liabilities against assets subject to finance lease	Short term finance	Unclaimed dividend	Un-appropriated profit	Total
	----------	----------	----------	Rupees	----------	----------	----------
Balance as at 01 July 2017	355,267,770	606,371,642	30,756,319	474,628,779	-	820,563,141	**820,563,141**
Changes from financing activities							
Dividend paid	-	-	-	-	(106,617,117)	-	**(106,617,117)**
Payment of supplier's credit	(112,882,915)	-	-	-	-	-	**(112,882,915)**
Payment of short term finance	-	-	-	(1,383,272,029)	-	-	**(1,383,272,029)**
Proceeds from short term finance acquired	-	-	-	1,770,893,310	-	-	**1,770,893,310**
Payments from long term finances	-	(100,559,142)	-	-	-	-	**(100,559,142)**
Payment of finance lease liabilities	-	-	(14,924,496)	-	-	-	**(14,924,496)**
Total changes from financing cash flows	**(112,882,915)**	**(100,559,142)**	**(14,924,496)**	**387,621,281**	**(106,617,117)**	**-**	**52,637,611**
Other changes							
Dividend declared	-	-	-	-	107,500,000	(107,500,000)	-
Unwinding of discount	5,304,650	-	-	-	-	-	5,304,650
Unrealised exchange loss on remeasurement of liability	54,612,575	-	-	-	-	-	54,612,575
Liability against asset subject to finance lease	-	-	10,415,000	-	-	-	10,415,000
Total liability related other changes	59,917,225	-	10,415,000	-	107,500,000	(107,500,000)	70,332,225
Total equity related other charges	-	-	-	-	**-**	**(75,634,057)**	**(75,634,057)**
Closing as at 30 June 2018	**302,302,080**	**505,812,500**	**26,246,823**	**862,250,060**	**882,883**	**637,429,084**	**867,898,921**

43 Number of employees

The average and total number of permanent and contractual employees during the year as at 30 June 2018 and as at 30 June 2017 are as follows:

	No of employees	
	2018	2017
Number of employees as at 30 June	**471**	495
Number of factory employees as at 30 June	**381**	403
Average number of employees during the year	**484**	465
Average number of factory employees during the year	**400**	380

44 Plant capacity and annual production

	Corrugation (Metric Tonnes)		Flexible (Metric Tonnes)	
	2018	2017	**2018**	2017
Installed capacity	**60,000**	60,000	**10,800**	10,800
Actual production	**26,652**	27,680	**6,163**	6,228

Lower capacity utilization of plant is due to gap between demand and supply of products.

45 Date of authorization for issue

These consolidated financial statements were approved and authorized for issue on 6th October 2018 by the Board of Directors.

46 Subsequent event

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 October 6, 2018 for approval of the members at the Annual General Meeting to be held on October 29, 2018.

47 Reclassification

Corresponding figures have been re-classified and re-arranged, wherever necessary, for the purpose of comparison and fair presentation.

48 General

Figures have been rounded off to nearest rupee.

Chief Financial Officer **Chief Executive** **Director**

ROSHAN PACKAGES LIMITED
Pattern of Shareholding
as at June 30, 2018

S.No.	CDS Account #	Name of shareholder		Number of shares	Per %
	Directors and their spouse(s) and minor children				
1	1	TAYYAB AIJAZ		31,739,841	26.84
2	2	SADDAT AIJAZ		14,025,000	11.86
3	3	ZAKI AIJAZ		14,027,949	11.86
4	4	KHALID EIJAZ QURESHI		17,325,000	14.65
5	5	QUASIM AIJAZ		3,497,135	2.96
6	7	MUHAMMAD NAVEED TARIQ		2	0.00
7	8	MALIK ASAD ALI KHAN		2	0.00
			7	**80,614,929**	**68.17**
8	**Associated companies, undertakings and related parties**				
			NIL		-
			-	-	-
9	**Sponsors**				
	6	MUHAMMAD JAMEEL		1,885,070	1.59
			1	**1,885,070**	**1.59**
10	**Executives**				
			3	**17,571**	**0.01**
11	**Public sector companies and corporations**				
					-
	04705-87224	FEDERAL BOARD OF REVENUE		121,632	0.10
12	**Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds**				
	09944-24	AL BARAKA BANK (PAKISTAN) LIMITED		906,584	0.77
	02113-21	FIRST EQUITY MODARABA		49,500	0.04
	03277-90405	DAWOOD FAMILY TAKAFUL LIMITED		66,247	0.06
	03277-90406	DAWOOD FAMILY TAKAFUL LIMITED		54,750	0.05
	07450-521	B.R.R. GUARDIAN MODARABA		101,568	0.09
			5	**1,178,649**	**1.00**
13	**Mutual Funds**				
			0	**-**	**-**
14	**General Public Foreign**				
	05405-16565	MUHAMMAD BASHARAT ABBASI		547	0.00
			1	**547**	**0.00**
15	**Foreign Companies**				
			0	**-**	**-**
16	**Local Companies**				
			49	**5,240,700**	**4.43**
17	**General Public Local**				
			6481	**29,190,902**	**24.69**
Total				**118,250,000**	**100**

ROSHAN PACKAGES LIMITED
Pattern of Shareholding
as at June 30, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
TAYYAB AIJAZ	1	31,739,841	26.84
SAADAT EIJAZ	1	14,025,000	11.86
ZAKI AIJAZ	1	14,027,949	11.86
KHALID EIJAZ QURESHI	1	17,325,000	14.65
QUASIM AIJAZ	1	3,497,135	2.96
MUHAMMAD NAVEED TARIQ	1	2	0.00
MALIK ASAD ALI KHAN	1	2	0.00
Associated Companies, undertakings and related parties	-	-	-
Sponsors	1	1,885,070	1.59
Executives	3	17,571	0.01
Public Sector Companies and Corporations	-	-	-
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	5	1,178,649	1.00
Mutual Funds	-	-	-
General Public			
a. Local	6481	29,190,902	24.69
b. Foreign	1	547	0.00
Foreign Companies	0	-	-
Others	50	5,362,332	4.53
Totals	6548	118,250,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
TAYYAB AIJAZ	31,739,841	26.84
KHALID EIJAZ QURESHI	17,325,000	14.65
ZAKI AIJAZ	14,027,949	11.86
SAADAT EIJAZ	14,025,000	11.86

ROSHAN PACKAGES LIMITED
Pattern of Shareholding
as at June 30, 2018

# Of Shareholders	Shareholdings'Slab			Total Shares Held
392	1	to	100	14,747
379	101	to	500	153,278
2636	501	to	1000	1,563,559
2177	1001	to	5000	4,138,995
333	5001	to	10000	2,369,688
255	10001	to	15000	3,079,289
89	15001	to	20000	1,533,304
78	20001	to	25000	1,776,641
31	25001	to	30000	855,305
27	30001	to	35000	875,330
23	35001	to	40000	863,865
12	40001	to	45000	515,501
12	45001	to	50000	585,144
13	50001	to	55000	700,963
6	55001	to	60000	349,007
7	60001	to	65000	434,901
7	65001	to	70000	468,492
10	70001	to	75000	722,331
5	75001	to	80000	384,130
3	80001	to	85000	249,112
3	85001	to	90000	255,985
1	90001	to	95000	90,994
3	95001	to	100000	297,126
2	100001	to	105000	202,216
3	105001	to	110000	326,525
4	120001	to	125000	489,831
1	125001	to	130000	125,925
1	130001	to	135000	132,089
2	145001	to	150000	294,283
1	150001	to	155000	151,000
3	155001	to	160000	474,100
1	165001	to	170000	170,000
2	185001	to	190000	375,265
2	200001	to	205000	403,835
1	225001	to	230000	230,000
1	245001	to	250000	247,000
1	250001	to	255000	254,658
1	260001	to	265000	262,000
1	265001	to	270000	267,880
1	280001	to	285000	280,275
1	310001	to	315000	313,500

ROSHAN PACKAGES LIMITED
Pattern of Shareholding
as at June 30, 2018

1	320001	to	325000	322,000
1	330001	to	335000	332,880
1	350001	to	355000	354,000
1	395001	to	400000	400,000
1	505001	to	510000	505,342
1	565001	to	570000	567,807
1	605001	to	610000	607,725
1	720001	to	725000	724,745
1	905001	to	910000	906,584
1	1810001	to	1815000	1,814,853
1	1885001	to	1890000	1,885,070
1	1935001	to	1940000	1,936,000
1	3495001	to	3500000	3,497,135
1	14020001	to	14025000	14,025,000
1	14025001	to	14030000	14,027,949
1	17320001	to	17325000	17,325,000
1	31735001	to	31740000	31,739,841
6548				118,250,000

Notice of Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of **Roshan Packages Limited** (the "Company") will be held on Monday October 29, 2018 at 3 p.m. at Zainab Hall Nadia catering Company 6 Km Raiwand Road, Lahore to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018.

2. To appoint Company's auditors and to fix their remuneration The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants as auditors of the Company.

3. To elect seven (07) Directors of the Company as fixed by the Board of Directors, for a term of three (3) years commencing from November 03, 2018 in accordance with the Section 159 of the Companies Act 2017. The following Directors are retiring and are eligible for re-election

    a. Mr. Khalid Eijaz Qureshi
    b. Mr. Tayyab Aijaz
    c. Mr. Saadat Eijaz
    d. Mr. Zaki Aijaz
    e. Mr. Quasim Aijaz
    f. Mr. Muhammad Naveed Tariq
    g. Mr. Malik Asad Ali Khan

Special Business:

4. To approve, as recommended by the Directors, issue of bonus shares in proportion of two (2) Ordinary Share for every ten (10) Ordinary shares held by the members (i.e., @20%) by capitalization of a sum of Rs. 236,500,000 out of the share premium account.

5. To consider and approve the transactions carried out with related party during financial year ended 30 June, 2018 and to authorize the Chief Executive to approve the related parties' transactions to be carried out till the next Annual General Meeting.

6. To consider and approve the conversion of trade receivable from related party, Roshan Enterprises, into loan and advances in terms of Section 199 of the Companies Act, 2017.

A statement of material facts under Section 134 (3) and Section 166 (3) of the Companies Act, 2017 is annexed to the notice of meeting sent to the members.

BY ORDER OF THE BOARD

Lahore

Muhammad Adil
Company Secretary

8 October 2018

Notes:

1. **Book Closure:**

   The Share Transfer Books of the Company will remain closed from October 22, 2018 to October 29, 2018 (both days inclusive). Transfers received in order at the office of our Share Registrar, Central Depositary Company, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi by the close of business on Friday, October 19, 2018 will be treated in time for the entitlement of bonus shares to the transferees and to attend, speak and vote at the annual general meeting (AGM).

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting. Form of proxy in English and Urdu languages are attached to the notice of meeting sent to the shareholders.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

   A. For Attending the Meeting

   a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

   b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   B. For Appointing Proxies

   a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

   b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

   c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

6. Zakat Declarations

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

7. Circulations of Annual Reports through CD/DVD/USB/ Email

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in its last annual general meeting had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request form provided in the annual report and also available on the Company's website:
www.roshanpackages.com.pk

8. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s Central Depositary Company, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend or pending shares, if any.

9. **Video Conference Facility**

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website.

10. **Placement of Financial Statements**

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.roshanpackages.com.pk

Statement of Material Facts under Section 134(3) & SECTION 166 (3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on October 29, 2018.

Item 3 of the Agenda – Election of Directors

The term of office of the present Board of Directors of the Bank will expire on 03 November, 2018. In terms of Section 159 (1) of the Companies Act, 2017, the Board of Directors has fixed the number of elected directors at seven (7) to be elected in the Annual General Meeting ("AGM") for the period of next three years.

The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

Any person who seeks to contest the election to the office of a Director, whether he is retiring director or otherwise, shall file the following documents with the Company Secretary at the Registered Office of the company located at 325 GIII MA Johar Town, Lahore, not later than fourteen days before the date of AGM:

a) Notice of his/her intention to offer him/herself for the election of directors in terms of Section 159(3) of the Act together with the consent to act as a director of the Company in Form 28 prescribed under the Act;
b) A detailed profile along with office address as required under SECP's SRO 634 (I)/2014 dated July 10, 2014.
c) Declaration under Clause 3 of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("Regulations") issued by the Securities and Exchange Commission of Pakistan ("SECP");
d) Declaration by Independent Director under Clause 6(2) of the Regulations;
e) Declaration that he/she is not ineligible to become a director in terms of Section 153 of the Act;
f) The candidate must be member of the company at the time of filing of his/her consent to act as director.
g) A valid copy of CNIC/Passport.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166 (2) of the Act. The Board of Directors have proposed the name of Mr. Naveed Tariq and Miss. Ayesha Musaddaque Hamid as independent directors on the basis of their experience and they meet the laid down criteria.

In case of election of directors, the right to vote through postal ballot shall be provided in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.

Item 4 of the Agenda: Issue of Bonus Shares to Members.

The Board of Directors have recommended issue of bonus shares in proportion of two (02) ordinary share for every ten (10) ordinary shares held by the Members (i.e. 20%) out of share premium account in terms of the provisions of the Companies Act, 2017. The Directors are of the opinion that the Company has adequate balance in share premium account for capitalization of a sum of Rs 236,500,000 for issue of 20% bonus shares. After the issue of bonus shares, the paid-up share capital of the company will increase to PKR 1,419,000,000.

The directors have also proposed that the fractional entitlements shall be combined in the name of company secretary and the same shall be disposed of in the stock market and the proceeds thereof shall be paid to a recognized charitable institution as may be decided by the Chief Executive of the company.

The new ordinary shares when issued shall rank *pari passu* with the exiting ordinary shares of the Company.

The Directors are not directly or indirectly interested in this special business except to the extent of entitlements of bonus shares to be allotted to them and their spouses as shareholders of the company.

The following resolution is proposed to be passed as Ordinary resolution, with or without modification:

Resolved that:

(i) A sum of Rs. 236, 500,000 be capitalized out of the share premium account of the Company and applied towards issue of 23,650,000 ordinary shares of Rs. 10 each to be allotted as fully paid bonus shares in the proportion of two (2) ordinary shares for every ten (10) held by the Members of the Company whose names appear on the Members' Register at the close of the business on 19 October, 2018

(ii) The bonus shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company.

(iii) In the case of members' entitlement to a fraction of a share, the Chief Executive be and is hereby authorized to consolidated the fractions into whole shares in the name of the company secretary and sell the same on the Pakistan Stock Exchange Limited and the proceeds so realized shall be paid to any recognized charitable institution, as may be decided by the Chief Executive of the Company.

(iv) The Chief Executive Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and payment of the sale proceeds of the fractional shares.

Item 5 of the Agenda: Approval & Authorization of Related Party Transactions

Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2018 with the following related party due to their common directorship and shareholding in the associated undertaking, therefore, these transactions have been placed before the members of the Company for their approval in the General Meeting.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

"Resolved that following transactions carried out in the ordinary course of business with the Related Party during the financial year ended June 30, 2018 be and are hereby ratified, approved and confirmed.

Name of Related Party	Nature of Transaction	Rupees
Roshan Enterprises	Sale of Boxes	16.34 Million

Mr.Khaild Eijaz, Mr. Quasim Aijaz, Mr.Sadaat Aijaz, Mr.Zaki Aijaz directors are interested in transactions with Roshan Enterprises as they are partners in the related party. The shareholding of these directors in the company and extent of interests in Roshan Enterprises is detailed hereinafter.

The transaction referred to above were executed on arm's length basis in ordinary course of business at prices prevailing on the date of transaction. The transaction was duly approved by the board audit committee.

The Company shall continue to carry out transactions with the related party in its ordinary course of business during the year ending June 30, 2019 and till the date of next annual general meeting. The majority of the Directors are interested in these transactions, therefore these transactions with related party have to be approved by the shareholders.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with related party during the financial year ending June 30, 2019 and till the date of next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

"**Resolved** that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2019 and till the next annual general meeting.

Resolved further that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval."

Mr.Khaild Eijaz, Mr. Quasim Aijaz, Mr.Saadat Aijaz, Mr.Zaki Aijaz directors are interested in transactions with Roshan Enterprises as they are partners in the related party.

Agenda 6: Investment in Roshan Enterprises by loan and advance

Roshan Enterprises is a associated company of Roshan Packages Limited (the"Company") by virtue of common directorship/partnership interest. Mr. Khalid Aijaz Qureshi, Mr. Quasim Aijaz, Mr. Saadat Eijaz and Mr. Zaki Aijaz are common directors/partners in both the company/undertaking. A sum of PKR 122.722 million is due from the related party on account of normal trade credit. Roshan Enterprise now needs some time for payment of the outstanding amount and requested the Company to convert the outstanding into a long term financing for a period of two years and treat them as loans.

The Directors, sponsors and majority shareholders of the Company and their relatives have no interest, directly or indirectly, in Roshan Enterprises and the proposed investment except to the extent of their partnership interest that is as under:

Name	**% ofinterest in Roshan Enterprises**
Partners	
Khalid Eijaz	36
Saadat Eijaz	27
Zaki Aijaz	10
Quasim Aijaz	27

The Directors certify that they have carried out necessary due diligence for the proposed investment in Roshan Enterprises and duly signed recommendation of the due diligence report shall be available for inspection of members in the general meeting and health of the subsidiary is such that it will have the ability to repay the loan as per agreement.

Roshan Enterprises and its sponsors/partners have no interest in the Company or transaction except for their respective shareholdings in the Company, which is as under:

Name	**# of shares held in Roshan Packages Limited**
Directors	
Khalid Eijaz	17,325,000
Saadat Eijaz	14,025,000
Zaki Aijaz	14,027,949
Quasim Aijaz	3,497,135

Latest audited accounts of Roshan Enterprises shall be made available for inspection of members in the general meeting.

Information under regulation 3 of the companies (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2017.

Ref. No.	Requirement	Information
I	Name of associated undertaking	Roshan Enterprises
	Basis of relationship	Common directors/partners
	EPS/Profit (PAT) of last three years	Not Applicable being AOP no share capital. Profit (PAT) for last 3 years 2017 :20,183,444 2016:32,322,534 2015: 29,023,178
	Breakup Value	Not Applicable being AOP no share capital
	Maximum Amount	Rs. 122,722,688 (Rupees one hundred twenty-two million seven hundred twenty two thousand and six hundred eighty-eight)
Ii	Amount of loans and advances	Rs. 122,722,688 (Rupees one hundred twenty-two million seven hundred twenty-two thousand and six hundred eighty-eight)
Ii	Purpose	To convert the trade receivable into long term loan and to earn return thereon.
	Benefits	The Company will earn return on investment.
iv	Details of existing loans and advances, receivable	PKR 122,722,688/-
v	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements as on June 30, 2017.	

Equity And Liabilities	**Rupees**	**Assets**	**Rupees**
Equity	217,973,186	Non-Current Assets	194,084,934
Non Current Liabilities	1,760,000	Current Assets	224,689,784
Current Liabilities	199,041,533		
Total	418,774,718	Total	418,774,718

	Rupees
Sales	627,323,190
COGS	(580,273,951)
Gross Profit	47,049,239
Admin expenses	(16,798,744)
Financial Expenses	(3,845,672)
Profit before tax	26,404,823
Taxation	(6,221,379)
Profit after tax	20,183,444

vi	Average borrowing cost of the investing company	Average borrowing cost 6.8% as on June 30, 2018. Kibor for 1 year: 9.42
vii	Rate of interest, mark up, profit, fees or commission etc. to be charged	1-year Kibor + 2% per annum. The markup shall be paid annually. It shall not be less than borrowing cost of the Company or Karachi Inter Bank Offered Rate (KIBOR) for the relevant period.
viii	Sources of funds from where loans or advances will be given	Company's own funds
ix	Where loans or advances are being granted using borrowed funds; justification for granting loan or advance out of borrowed funds; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company.	N/A
x	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.	Being associated, collateral security is required.
xi	If the loans or advances carry conversion feature:	No

xii	Repayment schedule and terms of loans or advances to be given to the investee company.	Repayment of loan shall be made within 2 years of the approval by members. Mark-up shall be paid annually. Early Payment is allowed.
xiii	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement will be executed once the shareholders approve the arrangement as per the terms and conditions disclosed to the members.
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associate's company or associated undertaking or the transaction under consideration:	The interest of directors etc., has been detailed herein above.
xv	Any other important details necessary for the members to understand the transaction:	The amount receivable from the associated is being converted into loan so no cash outflow will be made

The following resolution is proposed to be passed, with or without modification:

"Resolved that approval of the members of Roshan Packages Limited (the "**Company**") be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017, and the Company be and is hereby authorized to convert the trade receivable of PKR 122,722,688 (one hundred twenty two seven hundred twenty two thousand and six hundred eighty eight) from Roshan Enterprises, an associated company, by way of loan and advance for a period of two years starting from the date of approval by the members at markup rate of 1-year KIBOR plus 2% per annum (which shall not be less than borrowing cost of the Company or Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, and as per terms and conditions disclosed to the members.

Resolved Further that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.

Statement Under Rule 4(2) of the Companies′ (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Roshan Sun Tao Paper Mills (Pvt) Limited
Total Investment Approved:	For Equity: up to 506.4 Million For Loan and advances: 260 Million
Amount of Investment Made to date:	For Equity: Nil For Loan and advances: 82.97 Million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	The said approval was taken for five years. So, there is no such deviation.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	M/s Shang Dong Youngati Paper Mills Limited (SDYPL), a shareholder of M/s Roshan Sun Tao Paper Mills Limited, a subsidiary of the Company, has filed a petition in the Lahore High Court, Lahore for winding up of Roshan Sun Tao Paper Mills Limited. The Company has also been made a respondent in the petition. The Company has filed a specific performance suit against Ms. Shangdong Yongtai Paper Mills Limited (hereinafter 'SYPML') in order to enforce provisions of the shareholder agreement entered into between the Company and SYPML requiring transfer of shareholding held by SYPML in Roshan Sun Tao Paper Mills (Private) Limited (subsidiary company) to the Company as a result of SYPML's breach of substantial terms of the shareholder agreement. The management is confident that the petition in high court for winding up will be dismissed as the Company being majority shareholder is fully committed to the investment plan of the subsidiary for its paper mill project. There is no material changes in the financial statement of the subsidiary since the date of resolution passed by the shareholders.

انتظامیہ پرامید ہے کہ عدالت عالیہ میں وائنڈنگ اپ کا دعویٰ خارج کردیا جائے گا کیونکہ کمپنی اس ذیلی ادارے میں اکثریتی شراکت دار ہے اور وہ پیپر ملز کے پراجیکٹ میں سرمایہ داری کے لیے پرعزم ہے۔ اس کے علاوہ کمپنی اپنے مفادات کے تحفظ کے لیے تمام اقدامات کر رہی ہے۔شندونگ یونگ تائی پیپر ملز لمیٹڈ نے جزوی سرمایہ کاری کی تھی جو کہ مجموعی سرمایہ کاری کے مقابلے میں بہت معمولی ہے۔شندونگ یونگ تائی پیپر ملز لمیٹڈ مزید سرمایہ کاری نہیں کرنا چاہتی اسی وجہ سے اس ذیلی ادارے میں سے شندونگ یونگ تائی پیپر ملز لمیٹڈ کے نکلنے سے کوئی فرق نہیں پڑے گا۔انتظامیہ اس ذیلی ادارے کے پراجیکٹ کو مکمل کرنے کے لیے پرعزم ہے کیونکہ وہ یقین رکھتے ہیں کہ اس پراجیکٹ کے مکمل ہونے پر کمپنی اور اس کے حصہ داران کو قابل ذکر منافع حاصل ہوگا۔انتظامیہ اس پراجیکٹ کے اوپر کام کر رہی ہے اور فی الوقت سپلائرز اور بینکوں سے بات چیت جاری ہے۔موجودہ مالی سال میں مینوفیکچرنگ کی سہولت کی تنصیب کے لیے کیپٹل ورک ان پراگریس پر 39.5 ملین روپے کے کیپٹل اخراجات کیے گئے۔

مزید براں انتظامیہ اس بات پر بہت پرامید ہے کہ حکومت پاکستان اس پراجیکٹ کو سپیشل اکنامک زون کا درجہ دے دے گی کیونکہ یہ سپیشل اکنامک زون کے معیار پر پورا اترتا ہے۔سپیشل اکنامک زون کا درجہ ملنے پر پراجیکٹ کو دس سال کے لیے ٹیکس سے استثنیٰ مل جائے گا اور اس کے علاوہ مشینری کی درآمد پر سیلز ٹیکس اور ایڈوانس انکم ٹیکس سے بھی استثنیٰ مل جائے گا۔

اظہار تشکر

کمپنی کی انتظامیہ اپنے قابل قدر حصہ داران کے اعتماد اور یقین جو انھوں نے کمپنی کی ابتدائی عوامی پیشکش کے زبردست ردعمل کے صورت میں دکھایا ہے کے لیے ان کی تہ دل سے مشکور ہے۔

انتظامیہ اپنے صارفین اور فروخت کنندگان کا بھی شکریہ ادا کرنا چاہتی ہے جنھوں نے اس کی مصنوعات اور خدمات کی مسلسل حمایت کی اور ان پر اعتماد کا اظہار کیا۔

انتظامیہ کمپنی کے تمام ملازمین کی کوششوں کو بھی تہ دل سے سراہتی ہے جنھوں نے جانفشانی سے کام کیا اور مشکل اقتصادی اور کاروباری ماحول میں نمایاں کارکردگی کا مظاہرہ کیا۔

چیف ایگزیکٹو آفیسر	چیئرمین

کنسولیڈیٹڈ ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز سال مختتمہ 30 جون 2018ء کے لیے ڈائریکٹرز رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی جائزہ

کمپنی کے آپریٹنگ نتائج کو ذیل میں مختصراً بیان کیا گیا ہے:

	2018	2017
	روپے ملین میں	
آمدنی	4,031	4,098
خالص منافع	308	552
فنانس کی لاگت	120	93
نقصان/منافع قبل از ٹیکس	(85)	268
نقصان/منافع بعد از ٹیکس	(102)	251

انضمامی مالیاتی گوشواروں کی بنیاد پر کاروبار کی اہم سرگرمیاں، ترقی و کارکردگی

موجودہ مالی سال کے دوران کمپنی کو منفرد چیلنجز کا سامنا تھا جس کی وجہ معیشت کا زوال - پاکستانی روپے کی قدر میں 16 فیصد تک کمی، بلند شرح سود، توانائی اور یوٹیلیٹی کے بڑھتے اخراجات۔ پاکستان کی ایف اے ٹی ایف گرے فہرست میں شمولیت، سیاسی افراتفری، روزافزوں بڑھتا کرنٹ اکاؤنٹ خسارا اور برآمدات میں کمی - جنھوں نے ہماری معیشت کی رفتار کو سست کر دیا۔ درآمدات میں کمی کرنے کے لیے حکومت نے اضافی ٹیکسوں اور سخت پالیسیوں کا نفاذ کیا جس کی وجہ سے مقامی خام مال کی قیمتوں میں اضافہ ہوا۔ ناموافق حالات کے باوجود آپ کی کمپنی اپنی کسٹمر بیس اور مارکیٹ میں اپنے حصے کو برقرار رکھنے میں کامیاب رہی ہے، تاہم اس کی بنیاد کمزور ہوئی ہے۔ اس کی وجہ سے سال مختتمہ 30 جون 2018ء کے دوران 102 ملین روپے کا نقصان ہوا ہے جبکہ پچھلے سال 251 ملین روپے کا منافع ہوا تھا۔ اس نقصان کی اصل وجہ گاہکوں کو اعلیٰ خام مال اور توانائی کی قیمتوں کے اثر کی عدم منتقلی کے باعث شرح منافع کا سکڑنا ہے۔ اس کے علاوہ کمپنی کو روپے کی قدر کے اتار چڑھاؤ کی وجہ سے 82 ملین روپے کا اور قرض نہ ملنے کی وجہ سے 42 ملین روپے کا نقصان بھی ہوا ہے۔

کمپنی نے 2018ء میں 4,031 ملین روپے کی کل فروخت کی جبکہ گزشتہ سال کی کل فروخت 4,115 ملین روپے تھی جو کہ 1.7 فیصد کمی ظاہر کرتی ہے۔ کمپنی نے 2018ء میں 32,859 ٹن کی فروخت ریکارڈ کی جبکہ اس کے مقابلے میں 2017ء میں 33,268 ٹن کی فروخت ریکارڈ کی گئی جو کہ حجم میں 1.2 فیصد کمی ظاہر کرتی ہے۔ تاہم مصنوعات کی قیمتوں میں کمی کی وجہ سے قدر کے لحاظ سے فروخت کی نمو کم رہی۔

اوپر بیان کیے گئے منفی اثرات کی وجہ سے گزشتہ سال ہمارے منافع کی شرح پہلے کی نسبت کم رہی۔ اس سال کا خالص منافع قابل ذکر حد تک کم یعنی 308 ملین روپے رہا جو کہ پچھلے سال 552 ملین روپے تھا اس طرح پچھلے سال کے مقابلے میں خالص منافع میں 44 فیصد کمی ہوئی۔

فروخت کے لیے درکار اخراجات میں بھی 68 ملین روپے کا اضافہ دیکھنے میں آیا جس کی وجہ 42 ملین روپے کی ایک دفعہ کی پروویژن فار بیڈ ڈیبٹ ہے۔ اس کے علاوہ کاروبار کے فروغ کے لیے اشتہارات، مارکیٹنگ اور ترسیلی اخراجات میں اضافہ ہے۔

فنانس کی لاگت جو کہ 2017ء میں 93 ملین روپے تھی موجودہ سال میں 120 ملین روپے تک پہنچ گئی ہے۔ جس کی وجہ شرح سود میں اضافہ اور اضافی ورکنگ کیپٹل ہے۔

موجودہ سال میں پاکستانی روپے بڑی کرنسیوں کے مقابلے میں کمزور ہوا ہے جس کی وجہ سے کمپنی کو 82 ملین روپے کا نقصان ہوا۔ اس میں سے زیادہ تر حصہ فراہم کنندہ قرضے کی وجہ سے ہے۔

فی حصص آمدنی:

موجودہ اور پچھلے سال کی فی حصص آمدنی

ایل پی ایس (0.87) فی حصص

ای پی ایس 2.12 فی حصص

روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ

میسرز شندونگ یونگ تائی پیپر ملز لمیٹڈ جو کہ روشن سن تاؤ پیپر ملز لمیٹڈ ''ذیلی ادارہ'' کا شیئر ہولڈر ہے اس نے لاہور ہائی کورٹ میں روشن سن تاؤ پیپر ملز لمیٹڈ کی وائنڈنگ اپ کا دعویٰ دائر کیا ہے۔ روشن پیکجز نے میسرز شندونگ یونگ تائی پیپر ملز لمیٹڈ پر سپیسیفک پرفارمنس کا دعویٰ دائر کیا ہے تاکہ وہ شیئر ہولڈنگ اگریمنٹ کی اصلاحات کو نافذ کروا سکے اور شندونگ یونگ تائی پیپر ملز لمیٹڈ، روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ کے حصص کو شیئر ہولڈنگ ایگریمنٹ کی خلاف ورزی کی بنا پر روشن پیکجز کو منتقل کرے۔

اضافے اوران کے کام کے دائرہ کار کو مدنظر رکھتے ہوئے ان کی کوششوں اوران کی صلاحیت پر مبنی ہے۔ ایگزیکٹوڈائریکٹر کی مراعات کو بورڈ نے منظور کیا ہے تاہم بورڈ آف کارپوریٹ گورننس کے مطابق اس بات کو یقینی بنایا گیا ہے کہ ڈائریکٹر اپنی مراعات کے فیصلوں میں دخل انداز نہ ہوں۔ ایگزیکٹواور نان ایگزیکٹوڈائریکٹر کی مراعات کی مزید تفصیلات سالانہ گوشواروں میں دی گئی ہیں۔

مستقبل کا منظرنامہ

ہم اس مالی سال کو بہت سنجیدگی سے دیکھتے ہیں۔ سیاسی میدان میں عام انتخابات کے بعد نئی حکومت قائم ہوچکی ہے۔ ملک کو کئی مائیکرو اکنامک چیلنجز کا سامنا ہے جو نئی حکومت نے جنگی بنیادوں پر حل کرنے ہیں۔ اقتصادی پالیسیوں کا تسلسل معیشت کی پائیدار بڑھوتری کے لیے انتہائی اہم ہے۔ تاہم وسیع پیمانے پر یہ تسلیم کیا گیا ہے کہ پاکستان میں بے تحاشا اقتصادی صلاحیت موجود ہے اور ہم امید رکھتے ہیں کہ نئی حکومت اہم اقتصادی اور سیکورٹی مسائل پر کام کرے گی۔

آپ کی کمپنی مسائل سے نبرد آزما ہونے کے لیے تیار ہے اور وہ ہر ممکن کوشش کررہی ہے کہ اپنی فروخت اور شرح منافع میں اضافہ کرے۔ تاہم ہمیں لگتا ہے کہ خام مال کی قیمتیں ہماری پراڈکٹ کی سیل پرائس کی نسبت زیادہ بڑھیں گی۔ کمپنی خام مال کی قیمتوں اور توانائی کی لاگت میں اضافے کو اپنے موجودہ کسٹمرز کے ساتھ بانٹنے کے لیے بات چیت کررہی ہے۔ اخراجات میں کمی، کارکردگی میں اضافے کے لیے اقدامات، ضیاع اور نااہلی میں کمی، غیرنقدی اخراجات میں کمی، نئے ٹیلنٹ کا حصول اور اپنے پورٹ فولیو میں اضافے کے لیے بین الاقوامی اور قومی تجارتی نمائشوں میں حصہ، مارکیٹنگ کے جدید طریقہ کار کا عمدگی سے استعمال کے ساتھ ساتھ روایتی طریقوں سے اپنے گاہکوں کو متوجہ کرنا ایسے اقدامات ہیں جن سے کمپنی کے کاروبار میں اضافہ ہوگا۔ کمپنی کی حکمت عملی یہ ہے کہ وہ اپنے پورٹ فولیو کے لیے قدر افزودہ مصنوعات اور نئی مصنوعات کے اضافے کے لیے بھرپور توجہ دے۔ مستقبل کے لیے ہماری حکمت عملی بڑی واضع اور مرکوز ہے اور ہم امید رکھتے ہیں کہ آئندہ آنے والے سالوں میں ہمارے حالات بہتر ہوں گے۔

موجودہ مالی سال کے بارے میں محتاط رہتے ہوئے ہم اس بارے میں پرامید ہیں کہ حفظان صحت کے بارے میں بڑھتی ہوئی آگاہی اور فوڈ سیفٹی ریگولیشنز کے ساتھ ہمارے اس صارف پر انحصار کرنے والے معاشرے میں پیکجنگ کی مانگ بڑھے گی، کمپنی ترقی کرے گی اور بہتر کارکردگی دکھائے گی، انشاءاللہ۔ ہم اسی لیے آپ کی کمپنی کے مستقبل کے بارے میں بہت پرامید ہیں۔

فنانشیل کاوینٹنٹ

موجودہ سال کے دوران آپ کی کمپنی اس سال کے ڈیبٹ کوریج ریشو اور انٹرسٹ کوریج ریشو کے ہدف کو عبور نہیں کرسکی جس کی بنا پر یونائیٹڈ بینک لمیٹڈ اور دبئی اسلامک بینک لمیٹڈ کے طویل المدتی قرضے کو قلیل المدتی قرضوں میں تبدیل کرکے دکھایا گیا ہے۔ پھر بھی ہم پرامید ہیں کہ بینکس ان اہداف کو پورا نہ کرسکنے پر چھوٹ دے گا۔

موجودہ مالی سال کے بعد کے معاملات:

30 جون 2018ء کے بعد کوئی اہم معاملات درپیش نہیں آئے جو کہ کمپنی کی مالی صورت حال پر اثرانداز ہوں۔

اظہار تشکر

کمپنی کی انتظامیہ اپنے قابل قدر حصہ داران کے اعتماد اور یقین جوانھوں نے کمپنی کی ابتدائی عوامی پیشکش کے زبردست ردعمل کے صورت میں دکھایا ہے کے لیے ان کی تہ دل سے مشکور ہے۔

انتظامیہ اپنے صارفین اور فروخت کنندگان کا بھی شکریہ ادا کرنا چاہتی ہے جنھوں نے اس کی مصنوعات اور خدمات کی مسلسل حمایت کی اور ان پر اعتماد کا اظہار کیا۔

انتظامیہ کمپنی کے تمام ملازمین کی کوششوں کو بھی تہ دل سے سراہتی ہے جنھوں نے جانفشانی سے کام کیا اور مشکل اقتصادی اور کاروباری ماحول میں نمایاں کارکردگی کا مظاہرہ کیا۔

چیف ایگزیکٹو آفیسر	چیئرمین

سرمایہ کاری کمیٹی:

زیر جائزہ سال کے دوران سرمایہ کاری کمیٹی کے تین (03) اجلاس منعقد ہوئے اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب طیب اعجاز	چیئرمین	03
جناب سعادت اعجاز	رکن	03
جناب ذکی اعجاز	رکن	03

پراجیکٹ کمیٹی:

زیر جائزہ سال کے دوران پراجیکٹ کمیٹی کے بارہ (12) اجلاس منعقد ہوئے اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب ذکی اعجاز	چیئرمین	12
جناب سعادت اعجاز	رکن	12
جناب طیب اعجاز	رکن	12

ڈائریکٹرز کی تربیت:

زیر جائزہ سال کے دوران' جناب سعادت اعجاز اور جناب ذکی اعجاز نے انسٹیٹیوٹ آف کاسٹ اینڈ منیجمنٹ اکاؤنٹنٹ (ICMAP) کی طرف سے تشکیل دیے گئے ڈائریکٹرز ٹریننگ پروگرام میں شرکت کی۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس سبکدوش ہو رہے ہیں۔ اورانھوں نے اپنے آپ کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے جون 2018-2019 کو ختم ہونے والے سال کے لیے میسرز کے پی ایم جی کی باہمی متفقہ مشاہرہ پر کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ:

شیئر ہولڈنگ کا نمونہ اس جائزے کے ساتھ لف ہے۔

کمپنی کو پیش آنے والے اہم خطرات اور غیر یقینی حالات

کمپنی کو کچھ خطرات اور غیر یقینی حالات کا سامنا ہے جو کہ سالانہ رپورٹ میں علیحدہ سے شائع کیے گئے ہیں۔

موجودہ مالی سال کے دوران تبدیلیاں جو کہ کمپنی اور اس کے ذیلی اداروں میں کاروبار کے طریقہ کار پر اثر انداز ہوئیں:

موجودہ سال میں کوئی ایسی تبدیلی واقع نہیں ہوئی جو کہ کاروبار کے طریقہ کار پر اثر انداز ہوئی ہو۔ تاہم ذیلی اداروں پر اثر انداز ہونے والے معاملات انضمامی گوشوارے کی رپورٹ میں دیے گئے ہیں۔

اہم حالات وواقعات جو مستقبل میں کمپنی کے مالی حالات پر اثر انداز ہو سکتے ہیں:

پاکستانی روپے کی قدر میں کمی، بجلی اور ایندھن کی قیمتوں میں اضافہ، شرح سود میں اضافہ اور حکومت کی پالیسیاں اور قانون سازی وہ اہم معاملات ہیں جو کہ کمپنی کے مالی حالات پر اثر انداز ہو سکتے ہیں۔ اس کے علاوہ صحت وصفائی کے بارے میں آگاہی، شہری آبادی میں اضافہ اور فوڈ سیفٹی ریگولیشنز وہ عوامل ہیں جو کہ پیکجنگ کی طلب میں اضافہ کر سکتے ہیں۔

کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کی پیداوار کے طریقہ کار کا ماحولیات پر کوئی منفی اثر نہیں۔ کیونکہ پلانٹ اور آپریشنز ماحولیات کے بین الاقوامی اور قومی معیار کے عین مطابق ہیں۔

اندرونی مالیاتی کنٹرول کی مناسبت

یہ بورڈ کی ذمے داری ہے کہ وہ اندرونی مالیاتی کنٹرول کی مناسبت کو خود یا اپنی سب کمیٹی کے ذریعے جانچے۔ بورڈ انٹیرم اکاؤنٹس، رپورٹس، شرح منافع کے جائزے اور دیگر مالیاتی اور شماریاتی معلومات کے ذریعے کمپنی کے مالیاتی آپریشنز اور صورت حال کا بھی مناسب وقفوں سے جائزہ لیتا ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس 2017ء کے مطابق انسانی وسائل کی ترقی کی کمیٹی نے بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک طریقہ کار وضع کیا اور موجودہ سال میں ایک جامع سوالنامہ تمام ڈائریکٹران کو بھیجا گیا جس کی بنیاد پر بورڈ کی کارکردگی اطمینان بخش رہی۔ بہتری ایک ہمیشہ جاری رہنے والا عمل ہے اور بورڈ نے گلوبل بیسٹ پریکٹسز کو دیکھتے ہوئے ان چیزوں کی نشاندہی کی ہے جن میں مزید بہتری کی گنجائش ہے۔

ڈائریکٹروں کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹروں کے لیے مشاہرہ کی پالیسی تیار کی ہے۔ یہ پالیسی مارکیٹ کے رجحان کی بنیاد پر تیار کی گئی ہے اور ڈائریکٹروں کی ذمے داریوں میں

انضمامی مالیاتی گوشواروں کی بنیاد پر کاروبار کی اہم سرگرمیاں، ترقی وکارکردگی

ذیلی ادارے کے آپریشن کی شروعات ابھی نہیں ہوئیں اور اسی وجہ سے اس کے معاملات علیحدہ سے انضمامی ڈائریکٹر رپورٹ کے اندر شائع کیے گئے ہیں۔

توسیعی منصوبوں کا مختصر جائزہ

ہم مسرت سے یہ اعلان کرتے ہیں کہ توسیعی منصوبے کامیابی سے مکمل ہو چکے ہیں اور کمرشل پیداوار کا آغاز ہو چکا ہے۔ انتظامیہ پر اعتماد ہے کہ یہ توسیعی منصوبے مستقبل میں بہتر کارکردگی اور بہترین نتائج دیں گے۔

انسانی وسائل کی ترقی:

ہمارا یقین ہے کہ ہماری بنیادی طاقت ہمارے انسانی وسائل ہیں جو انفرادی چیلنجوں کو پورا کرنے کی ہر روز کوشش کرتے اور کمپنی کو اس کے مقاصد حاصل کرنے میں مدد دیتے ہیں۔ ان کی ذاتی مہارتوں کا نکھار کمپنی کی ترجیح رہا ہے۔ اس کوشش کے حصول کے لیے کمپنی نے مختلف تربیتی پروگرام ترتیب دیئے ہیں جن کا مقصد ملازمین کی قائدانہ، اسٹریٹیجک اور انتظامی مہارتوں کو بہتر بنانا ہے۔

ادارے کی سماجی ذمے داری:

ادارے کی اپنی سماجی ذمے داری کے سلسلے میں انتظامیہ نے سال کے دوران ماحولیاتی تحفظ اور مہارت کے نکھار پر اپنی توجہ مرکوز رکھی۔ کمپنی سماجی، ماحولیاتی اور اخلاقی معاملات کو کاروباری سرگرمی کا اہم ایک عنصر سمجھتی ہے۔ زیر جائزہ سال کے دوران، ہم نے مختلف تنظیموں کو 362,839 روپے کے عطیات دیے ہیں۔ سماجی ذمے داریوں کی مزید تفصیلات سالانہ رپورٹ میں علیحدہ سے بھی دی گئی ہیں۔

بورڈ کے اجلاس اور حاضری:

زیر جائزہ سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی طرف سے حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب خالد اعجاز قریشی	چیئر مین/ نان ایگزیکٹو ڈائریکٹر	04
جناب طیب اعجاز	سی ای او/ ایگزیکٹو ڈائریکٹر	04
جناب سعادت اعجاز	ایگزیکٹو ڈائریکٹر	04
جناب ذکی اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب قاسم اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب محمد نوید طارق	انڈیپنڈنٹ نان ایگزیکٹو ڈائریکٹر	03
جناب ملک اسد علی خان	انڈیپنڈنٹ نان ایگزیکٹو ڈائریکٹر	02

اُن ارکان کو غیر حاضری کی رخصت دی گئی جو اجلاس میں شرکت نہیں کر سکتے تھے۔

بورڈ آڈٹ کمیٹی:

زیر جائزہ سال کے دوران بورڈ آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب محمد نوید طارق	چیئر مین	03
جناب قاسم اعجاز	رکن	04
جناب خالد اعجاز قریشی	رکن	04

اُن ارکان کو غیر حاضری کی رخصت دی گئی جو اجلاس میں شرکت نہیں کر سکتے تھے۔

انسانی وسائل اور معاوضہ کمیٹی:

زیر جائزہ سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کا ایک (01) اجلاس منعقد ہوا اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب ملک اسد علی خان	چیئر مین	01
جناب طیب اعجاز	رکن	01
جناب خالد اعجاز قریشی	رکن	01

انکنسولیڈیٹڈ ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز سال مختتمہ 30 جون 2018ء کے لیے ڈائریکٹرز رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی جائزہ

کمپنی کے آپریٹنگ نتائج کو ذیل میں مختصراً بیان کیا گیا ہے:

	2018	2017
	روپے ملین میں	
آمدنی	4,031	4,098
خالص منافع	308	552
فنانس کی لاگت	120	93
نقصان/منافع قبل از ٹیکس	(73)	268
نقصان/منافع بعد از ٹیکس	(90.5)	251

تصرف:

برائے سال مختتمہ 30 جون 2018ء کے دوران کمپنی کی مالیاتی کارکردگی کو دیکھتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے نقد منافع منقسمہ کا علان نہیں کیا۔ تاہم بورڈ نے شیئر پریمیم اکاؤنٹ میں سے 20 فیصد بونس حصص (یعنی کتاب کی بندش کے دن تک حصہ داران کے پاس ہر دس عام حصص کے بدلے 2 بونس حصص) کے اجرا کی سفارش کی ہے ان بونس حصص کا اجرا سالانہ اجلاس عام میں حصہ داران کی حتمی منظوری سے مشروط ہے۔۔ یہ مالیاتی گوشوارے اوپر دی گئی تجویز کے اثر سے پاک ہیں اس کا حساب اس عرصہ میں کیا جائے گا جس کے دوران حصہ داران اس کی منظوری دیتے ہیں۔

غیر انضمامی مالیاتی گوشواروں کی بنیاد پر کاروبار کی اہم سرگرمیاں، ترقی وکارکردگی

موجودہ مالی سال کے دوران کمپنی کو منفرد چیلنجز کا سامنا تھا جس کی وجہ معیشت کا زوال- پاکستانی روپے کی قدر میں 16 فیصد تک کمی، بلند شرح سود، توانائی اور یوٹیلٹی کے بڑھتے اخراجات۔ پاکستان کی ایف اے ٹی ایف گرے فہرست میں شمولیت، سیاسی افراتفری، روزافزوں بڑھتا کرنٹ اکاؤنٹ خسارا اور برآمدات میں کمی-جنھوں نے ہماری معیشت کی رفتار کو سست کر دیا۔ درآمدات میں کمی کرنے کے لیے حکومت نے اضافی ٹیکسوں اور سخت پالیسیوں کا نفاذ کیا جس کی وجہ سے مقامی خام مال کی قیمتوں میں اضافہ ہوا۔ ناموافق حالات کے باوجود آپ کی کمپنی اپنی کسٹمر بیس اور مارکیٹ میں اپنے حصے کو برقرار رکھنے میں کامیاب رہی ہے، تاہم اس کی بنیاد کمزور ہوئی ہے۔ اس کی وجہ سے سال مختتمہ 30 جون 2018ء کے دوران 90.5 ملین روپے کا نقصان ہوا ہے جبکہ پچھلے سال 251 ملین روپے کا منافع ہوا تھا۔ اس نقصان کی اصل وجہ گاہکوں کو اعلیٰ خام مال اور توانائی کی قیمتوں کے اثر کی عدم منتقلی کے باعث شرح منافع کا سکڑنا ہے۔ اس کے علاوہ کمپنی کو روپے کی قدر کے اتار چڑھاؤ کی وجہ سے 82 ملین روپے کا اور قرض نہ ملنے کی وجہ سے 42 ملین روپے کا نقصان بھی ہوا ہے۔

کمپنی نے 2018ء میں 4,031 ملین روپے کی کل فروخت کی جبکہ گزشتہ سال کی کل فروخت 4,098 ملین روپے تھی جو کہ 1.6 فیصد کمی ظاہر کرتی ہے۔ کمپنی نے 2018ء میں 32,859 ٹن کی فروخت ریکارڈ کی جبکہ اس کے مقابلے میں 2017ء میں 33,268 ٹن کی فروخت ریکارڈ کی گئی جو کہ حجم میں 1.2 فیصد کمی ظاہر کرتی ہے۔ تاہم مصنوعات کی قیمتوں میں کمی کی وجہ سے قدر کے لحاظ سے فروخت کی نمو کم رہی۔

اوپر بیان کیے گئے منفی اثرات کی وجہ سے گزشتہ سال ہمارے منافع کی شرح پہلے کی نسبت کم رہی۔ اس سال کا خالص منافع قابل ذکر حد تک کم یعنی 308 ملین روپے رہا جو کہ پچھلے سال 552 ملین روپے تھا اس طرح پچھلے سال کے مقابلے میں خالص منافع میں 44 فیصد کمی ہوئی۔

فروخت کے لیے درکار اخراجات میں بھی 68 ملین روپے کا اضافہ دیکھنے میں آیا جس کی وجہ 42 ملین روپے کی ایک دفعہ کی پروویژن فار بیڈ ڈیبٹ ہے۔ اس کے علاوہ کاروبار کے فروغ کے لیے اشتہارات، مارکیٹنگ اور ترسیلی اخراجات میں اضافہ ہے۔

فنانس کی لاگت جو کہ 2017ء میں 93 ملین روپے تھی موجودہ سال میں 120 ملین روپے تک پہنچ گئی ہے۔ جس کی وجہ شرح سود میں اضافہ اور اضافی ورکنگ کیپٹل ہے۔

موجودہ سال میں پاکستانی روپے بڑی کرنسیوں کے مقابلے میں کمزور ہوا ہے جس کی وجہ سے کمپنی کو 82 ملین روپے کا نقصان ہوا۔ اس میں سے زیادہ تر حصہ فراہم کنندہ قرضے کی وجہ سے ہے۔

فی حصص آمدنی:

موجودہ اور پچھلے سال کی فی حصص آمدنی

ایل پی ایس (0.77) فی حصص

ای پی ایس 2.13 فی حصص

سالانہ اجلاسِ عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ روشن پیکجز لمیٹڈ (''کمپنی'') کا پندرھواں سالانہ اجلاسِ عام بروز پیر 29 نومبر 2018 بمقام زینب ہال نادیہ کیٹرنگ کمپنی 6 کلومیٹر رائے ونڈ لاہور میں بوقت 3 بجے سہ پہر درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

عمومی امور

1۔ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ مع 30 جون 2018ء کو مکمل ہونے والے سال کے آڈٹ شدہ سالانہ جداگانہ اور مجموعی مالیاتی گوشواروں کی وصولی، غور وخوص اور منظوری دینا۔

2۔ کمپنی کے آڈیٹرز کا دوبارہ تقرر اور ان کا مشاہرہ مقرر کرنا۔ ارکان کو مطلع کیا جاتا ہے کہ بورڈ اور آڈٹ کمیٹی نے میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی کمپنی کے بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

3۔ بورڈ آف ڈائریکٹرز کی جانب سے تجویز کردہ کمپنی کے 07 سات ڈائریکٹرز کا انتخاب۔ کمپنیز ایکٹ 2017ء کی شق 159 کی رو سے یہ انتخاب 3 تین سال کی مدت کے لیے ہوگا جو کہ 29 اکتوبر 2018ء کو شروع ہوگی۔

مندرجہ ذیل ڈائریکٹرز سبکدوش ہو رہے ہیں اور دوبارہ انتخاب کے اہل ہیں۔

(الف) جناب خالد اعجاز قریشی
(ب) جناب طیب اعجاز قریشی
(ج) جناب سعادت اعجاز قریشی
(د) جناب ذکی اعجاز قریشی
(ر) جناب قاسم اعجاز قریشی
(س) جناب محمد نوید طارق
(ص) جناب ملک اسد علی خان

خصوصی امور

4۔ ڈائریکٹرز کی سفارش کے مطابق، شیئر پریمیم اکاؤنٹ میں سے 236,500,000 روپے کی سرمایہ بندی کے بعد ارکان کے پاس موجود ہر دس عام حصص کے لیے دو عام حصص (یعنی 20 فیصد) کے تناسب سے بونس حصص کے اجرا کی منظوری دینا۔

5۔ غور کرنا اور سال مختتمہ 30 جون 2018ء کے دوران متعلقہ اداروں کے ساتھ کاروباری امور کی انجام دہی کی منظوری دینا اور اگلے اجلاسِ عام تک متعلقہ اداروں کے ساتھ کاروباری امور کی انجام دہی کے لیے چیف ایگزیکٹو کو بااختیار بنانے کی منظوری دینا۔

6۔ کمپنیز ایکٹ 2017ء کی شق 199 کے مطابق روشن انٹر پرائزز سے وصول کردہ رقم کو قرضے میں تبدیل کرنے پر غور کرنا اور اس کی منظوری دینا۔

کمپنیز ایکٹ 2017ء کی شق (3) 134 کے تحت ٹھوس حقائق کا ایک بیان ارکان کو بھیجی جانے والی اجلاس کی اطلاع کے ساتھ منسلک ہوگا۔

بحکم بورڈ

محمد عادل
کمپنی سیکرٹری

لاہور
8 اکتوبر 2018ء

ضروری گزارشات:

1۔ **شیئرز بک کی بندش**

کمپنی کی شیئرز منتقلی کی کتابیں 22 اکتوبر 2018ء سے 29 اکتوبر 2018ء تک بند رہیں گی (بشمول دونوں دن)۔ اس سلسلہ میں جو منتقلی ہمارے شیئرز رجسٹرار کے دفتر سینٹرل ڈیپازٹری کمپنی، سی ڈی سی ہاؤس، 99-B، بلاک بی، مین شاہراہ فیصل کراچی میں بروز جمعہ 19 اکتوبر 2018ء کے کاروباری دن کے اختتام تک وصول ہو جائے گی وہ منقول الیہ کو حتمی نقد منافع منقسمہ اور سالانہ اجلاسِ عام (اے جی ایم) میں شرکت، خطاب اور ووٹ کے استحقاق کے لیے بروقت تصور کی جائے گی۔

2۔ اس اجلاس میں شرکت اور رائے دہی کا استحقاق رکھنے والا رکن اپنی جانب سے شرکت اور رائے دہی کے لیے اپنا نائب مقرر کر سکتا ہے۔ نائب کے لیے ضروری ہے کہ وہ کمپنی کا رکن ہو۔ اس طریقہ کار سے منتخب ہونے والا نائب ان تمام حقوق جیسا کہ اجلاس میں شرکت، بولنے اور رائے دہی جو کسی رکن کو حاصل ہیں کا مستحق ہے۔ نائب اپنی شناخت کے ثبوت کے طور پر اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ دکھائے گا۔

3۔ نائب کے تقرر کی دستاویز اور پاور آف اٹارنی یا دیگر دستاویز جب کے تحت تقرری ہوئی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں جمع کروانے ہوں گے۔ نائب کے تقرر کے لیے فارم انگریزی اور اردو دونوں زبانوں میں حصہ داران کو بھیجی گئی اجلاس کی اطلاع کے ساتھ منسلک ہے۔

4۔ ایسے ارکان جنھوں نے اپنے حصص سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (''سی ڈی سی'') میں جمع کروائے ہیں انھیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(الف) اجلاس میں شرکت کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر اور/ یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں کو اجلاس میں شرکت کے موقع پر اپنی شناخت کے لیے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنے ہوں گے۔

(ii) کارپوریٹ اینٹٹی کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔

(ب) نائب کی تقرری کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر اور/ یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں، نائب کے تقرر کا فارم اوپر دی گئی شرائط کے مطابق جمع کرانا ہوگا۔

(ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی جن کے نام، پتے اور شناختی کارڈ نمبر فارم میں درج ہونے چاہئیں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنی ہوں گی۔

(iv) نائب کو اجلاس کے موقع پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(v) کارپوریٹ اینٹٹی کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی معہ دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوگا۔

5۔ **الیکٹرانک منافع منقسمہ کی ادائیگی کے لیے سی این آئی سی/ آئی بی اے این:**

کمپنیز ایکٹ 2017ء کی شق 242 کے مطابق مندرجہ کمپنی کے لیے یہ لازم ہے کہ وہ اپنے مستحق حصہ داران کو نقد منافع منقسمہ کی ادائیگی ان کے بینک اکاؤنٹ میں براہ راست صرف اور صرف بذریعہ الیکٹرانک موڈ ہی کرے گی۔ اس کے مطابق مادی حصص رکھنے والے حصہ داران سے درخواست کی جاتی ہے کہ کمپنی کے شیئرز رجسٹرار کے دفتر کے اوپر دیے گئے پتا پر الیکٹرانک منافع منقسمہ کے فارم پر الیکٹرانک منافع منقسمہ مینڈیٹ فراہم کریں یہ فارم سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب ہے۔ سی ڈی سی حصص یافتگان کی صورت میں یہی معلومات متعلقہ بروکر/ سی ڈی سی کو فراہم کریں۔ بینک مینڈیٹ کی معلومات جمع نہ کرانے کی صورت میں منافع منقسمہ کی ادائیگی روک لی جائے گی۔

6۔ **زکوٰۃ کا تحریری بیان:**

زکوٰۃ اور عُشر آرڈیننس مجریہ 1980ء کی رو سے کمپنی کے ارکان کو زکوٰۃ سے استثنیٰ کے لیے تحریری بیان جمع کرانا ہوگا۔

7۔ **سالانہ رپورٹ کی بذریعہ سی ڈی/ ڈی وی ڈی/ یو ایس بی/ ای میل ترسیل:**

سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن ایس آر او 2016(I)470 مجریہ 31 مئی 2016 کے مطابق، کمپنی کے حصہ داران نے کمپنی کے گزشتہ سالانہ اجلاس عام میں سالانہ رپورٹ مع سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کی اطلاع اور کمپنی کی کوئی بھی دوسری معلومات ہارڈ کاپی کے بجائے بذریعہ سی ڈی، ڈی وی ڈی یا یو ایس بی ترسیل کے لیے رضامندی دی تھی۔ ایسے تمام حصہ داران جو پہلے بیان کی گئی تمام دستاویزات کو ہارڈ کاپی کی صورت میں وصول کرنا چاہتے ہیں سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دیا گیا اسٹینڈرڈ ریکوسٹ فارم کمپنی سیکرٹری یا شیئرز رجسٹرار کو بھیج سکتے ہیں اور کمپنی پہلے بیان کی گئی تمام دستاویزات کی ہارڈ کاپی حصہ داران کو ان کے مطالبہ پر بغیر کسی معاوضے کے ایسے کسی بھی مطالبے کے ایک ہفتے کے اندر اندر مہیا کرے گی۔ وہ تمام حصہ داران جو سالانہ رپورٹ مع اجلاس عام کی اطلاع بذریعہ ای میل وصول کرنا چاہتے ہیں سے درخواست کی جاتی ہے کہ وہ اپنی تحریری رضامندی اسٹینڈرڈ ریکوسٹ فارم کے ذریعے فراہم کریں۔ یہ فارم سالانہ رپورٹ اور کمپنی کی ویب سائٹ www.roshanpackages.com.pk پر دستیاب ہے۔

8۔ **بے نامی منافع منقسمہ اور بونس شیئرز:**

ایسے حصہ داران جو کسی بھی وجہ سے اپنا منافع منقسمہ یا بونس حصص کا مطالبہ نہیں کر سکے یا اپنے کوئی بھی مادی حصص وصول نہیں کر سکے تھے سے درخواست کی جاتی ہے کہ وہ زیر التواء حصص اور اپنے بے نامی منافع منقسمہ کو وصول یا اس کے بارے میں شکایت کے لیے ہمارے شیئر رجسٹرار میسرز سینٹرل ڈیپازٹری کمپنی، سی ڈی سی ہاؤس 99-بی بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی سے رابطہ کریں۔

9۔ **ویڈیو کانفرنس کی سہولت:**

کمپنیز ایکٹ، 2017ء کی دفعات کے مطابق ایسے حصہ داران جو کسی شہر میں رہتے ہیں اور کل ادا شدہ شیئر کیپیٹل کا کم از کم 10 فیصد رکھتے ہیں، سالانہ اجلاس عام میں شرکت کے لیے کمپنی سے ویڈیو لنک کی سہولت مانگ سکتے ہیں۔ ویڈیو لنک سہولت کی ڈیمانڈ اسٹینڈرڈ فارم پر سالانہ اجلاس سے کم از کم سات (07) دن پہلے شیئرز رجسٹرار کے اوپر دیے گئے پتا پر پہنچ جانی چاہیے۔ یہ فارم سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب ہے۔

10۔ **مالیاتی گوشواروں کی دستیابی:**

کمپنی نے سالانہ اجلاس عام کی اطلاع کی کاپی، آڈٹ شدہ سالانہ علیحدہ اور مجموعی مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2018 مع آڈیٹرز اور ڈائریکٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ (www.roshanpackages.com.pk) پر فراہم کر دیے ہیں۔

FORM OF **PROXY**

I __________________ of __________________ being a member of Roshan Packages Limited, hereby appoint __________________ of __________________ (or failing him __________________ of __________________) as my proxy in absence to attend and vote for me and on my behalf at the Annual General Meeting of the company to be held on the day of __________________ and at any adjournment thereof.

As Witnessed my hand this __________________ day of __________________

1. Name ____

C.N.I.C ____

Address ____

____

____
Signed by the said
In the presence of

2. Name ____

C.N.I.C ____

Address ____

____

AFFix
Revenue
Stamp of Rs. 5

____
Member Signature

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Share Registrar Office of the Company, Central depositary Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 74400 not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular# 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for appointing Proxies:

i) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

نائب کی تقرری کا فارم

میں ______________ بحیثیت رکن روشن پیکجز لمیٹڈ، جناب ______________ (یا ان کی عدم دستیابی کی صورت میں جناب

______________ کو کمپنی کے سالانہ اجلاس عام جو ______________ دن منعقد ہو رہا ہے یا کسی ابھی التوا کی صورت میں شرکت کرنے اور حق رائے

دہی استعمال کرنے اپنا بطور نائب مقرر کرتا ہوں۔

میں ______________ مورخہ ______________ بطور گواہ اس امر کی تصدیق کرتا ہوں۔

______________ کی موجودگی میں دستخط کیے گئے۔

1. نام ______________

کمپیوٹرائزڈ شناختی کارڈ نمبر ______________

پتہ ______________

____

2. نام ______________

کمپیوٹرائزڈ شناختی کارڈ نمبر ______________

پتہ ______________

____

5 روپے کی رسیدی ٹکٹ یہاں چسپاں کریں

____

رکن کے دستخط

ضروری بیان:

1. ایک رکن جو اجلاسِ عام میں شرکت اور ووٹ دینے کا مجاز ہو، اپنی جگہ کسی کو بطور نائب مقرر کرسکتا ہے۔
2. نائب کی تقرری کی دستاویز مع پاور آف اٹارنی اگر کوئی ہو، جس کے تحت تقرری ہوئی یا پاور آف اٹارنی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار کے دفتر، سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی، مین شاہراہ فیصل کراچی-74400 میں جمع کروانے ہوں گے۔
3. ایسے ارکان جنھوں نے اپنے شیئرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کروائے ہیں انھیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 1 مورخہ 26 جنوری 2000ء کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات اور سیکورٹیز سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں نائب کی تقرری کا فارم درج بالا ہدایات کی روشنی میں جمع کروائیں۔

(ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوں گی۔

(iv) نائب کو اجلاس کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(v) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع نائب کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ہمراہ منسلک کرنا ہوگا۔

ROSHAN PACKAGES LIMITED
FORM FOR VIDEO CONFERENCE FACILITY

In this regard, please fill the following form and submit to registered address of the Company 07 days before holding of the Annual General Meeting.

Annual General Meeting along with complete information necessary to enable them to access the facility.

If the Comany receives consent from memebers holding in aggregate 10% or more shareholding residing at a geographical location,to participate in the meeting through video conference at least 07 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

The Company Secretary/Share Registrar,

I/we,____________________________, of ______________________, being the registered shareholder(s) of the company under Folio No(s). ___________________/ CDC Participant ID No.___ and Sub Account No.___ CDC Investor Account ID No., and holder of ___________ Ordinary Shares, hereby request for video conference facility at __________________ for the Annual General Meeting of the Company to be held on October 29, 2018.

Date:______________

____
Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

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

Company Secretary
325 GIII MA Johar Town Lahore

روشن پیکیجز لمیٹڈ

ای- فارم برائے ویڈیو کانفرنس سہولت

اس سلسلے میں برائے مہربانی مندرجہ ذیل فارم بھر کر اسے کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 07 دن قبل جمع کر دیں۔ اگر کمپنی کو اجلاس سے 07 دن قبل کسی جغرافیائی جگہ پر رہائش پزیر ممبران جو 10 فیصد یا اس سے زائد حصص کے حامل ہوں کی جانب سے رضامندی موصول ہوتی ہے کہ وہ اجلاس میں بذریعہ وڈیو کانفرنس کا انتظام کر دیا جائے گا جس کا انحصار اس شہر میں مذکورہ سہولت کی دستیابی پر ہوگا۔

کمپنی سالانہ اجلاس عام کے انعقاد سے 5 دن قبل ممبران کو وڈیو کانفرنس کے مقام سے مطلع کر دے گی بمعہ ان تمام مکمل معلومات کے جو انہیں مذکورہ سہولت تک رسائی کے قابل کر سکیں۔

دی کمپنی سیکرٹری / شیئر رجسٹرار،

میں / ہم ______________ حامل ______________ عام حصص فولیو نمبر (نمبرز) ______________ / سی ڈی سی پارٹیسپینٹ ID نمبر ______________ اور سب اکاونٹ نمبر ______________

سی ڈی سی انویسٹر اکاؤنٹ ID نمبر ______________ رہائش ______________

کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے 29-10-2018 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام کے لیے ______________ میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں / کرتے ہیں۔

تاریخ: ______________

____
ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپینڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جا سکتا ہے۔

شیئر رجسٹرار آفس

سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ
سی ڈی سی ہاؤس، B-99، بلاک بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس
مین شاہراہ فیصل، کراچی 74400

کمپنی سیکرٹری

325 جی تھری، ایم اے جوہر ٹاؤن، لاہور

سالانہ رپورٹ اوراے جی ایم نوٹس کی
الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

سیکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 2014(1)787 مورخہ 8 ستمبر 2014 کے بموجب سہولت مہیا کی گئی ہے کہ کمپنی اپنی سالانہ بیلنس شیٹ اور نفع ونقصان کے گوشوارے محاسب وناظمہ کی مرتب کردہ اطلاعی معلومات (پڑتال شدہ مالیاتی حسابات) بشمول سالانہ اجلاس عام کی اطلاع اپنے حصص یافتگان کو بذریعہ ای میل ارسال کرسکتی ہے۔ وہ تمام حصص داران جو کمپنی کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنے کے خواہشمند ہیں ان سے التماس ہے کہ تکمیل شدہ رضامندی کے فارم کمپنی کے شیئر رجسٹرار روشن پیکجز لمیٹڈ کو مہیا کریں۔

یاد رہے کہ سالانہ رپورٹ کی بذریعہ ای میل وصولی اختیاری ہے لازمی نہیں ہے۔

عنوان: سالانہ رپورٹ اوراے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جناب عالی،

میں/ہم، بذریعہ ہذا روشن پیکجز لمیٹڈ ("کمپنی") کا/کے شیئر ہولڈر (ہولڈرز) ہونے کے ناتے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمینٹس بمع سالانہ اجلاس عام کے نوٹس کی، ذیل میں دیئے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمینٹس بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا کمپنیز ایکٹ، 2017 کی دفعات کے تحت ذکر کیا گیا ہے۔

1. شیئر ہولڈر (ہولڈرز) کا نام: ____________________
2. والد/شوہر کا نام: ____________________
3. سی این آئی سی: ____________________
4. این ٹی این: ____________________
5. پارٹیسپینٹ آئی ڈی/فولیو نمبر: ____________________
6. ای میل ایڈریس: ____________________
7. فون نمبر: ____________________
8. میلنگ ایڈریس: ____________________

____
دستخط:
(کارپوریٹ شیئر ہولڈرز کی صورت میں،
مجاز دستخط کنندہ لازمی دستخط کرے)

تاریخ: ____________________

شیئر رجسٹرار آفس

سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ
سی ڈی سی ہاؤس، B-99، بلاک بی، ایس۔ایم۔سی۔ایچ۔ایس
مین شاہراہ فیصل، کراچی 74400

CONSENT FORM FOR ELECTRONIC TRANSMISSION **OF ANNUAL REPORT AND NOTICE OF AGM**

Pursuant to the allowance granted through SRO 787(1)/2014 of September 8, 2014 by the Securities Exchange Commission of Pakistan, the Company can circulate it's balance sheet and profit and loss accounts, auditors report and Director's report etc. ("Audited Financial Statement") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a complete consent form to the Company's Share Registrar, Roshan Packages Limited.

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of Roshan Packages Limited. ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

1. Name of Shareholder(s): ________________
2. Fathers / Husband Name: ________________
3. CNIC: ________________
4. NTN: ________________
5. Participant ID / Folio No: ________________
6. E-mail address: ________________
7. Telephone: ________________
8. Mailing address: ________________

____

Date: ________________

____
Signature:
(In case of corporate shareholders, the authorized signatory must sign)

ROSHAN
Packages Limited

325 G-III, M. A JOHAR TOWN, LAHORE PAKISTAN.
+92 42 35290734-8
INFO@ROSHANPACKAGES.COM.PK
WWW.ROSHANPACKAGES.COM.PK