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ROSHAN
Packages Limited.

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Company Information

Company Name: Roshan Packages Limited

Status: Public Listed Entity

CUIN: 0044226

NTN: 1436951-6

STRN: 03-01-4819-303-73

Board of Directors

Mr. Khalid Eijaz Qureshi
Chairman

Mr. Tayyab Aijaz
Chief Executive Officer

Mr. Saadat Eijaz
Executive Director

Mr. Muhammad Naveed Tariq
Independent / Non-Executive Director

Mr. Quasim Aijaz
Non-Executive Director

Mr. Zaki Aijaz
Non-Executive Director

Mrs. Ayesha Mussadaque Hamid
Independent / Non-Executive Director

Company Secretary

Mr. Muhammad Adil, FCMA

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

Tax Consultant

A.F Ferguson & Co.

Bankers

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

Registered Office

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

Factory

Corrugation: 7-KM Sunder
Raiwind Road, Opposite Gate
No 1, Sunder Industrial Estate,
Lahore

Flexible: Plot No 141,142 and
142-B, Sunder Industrial Estate,
Lahore

Shares Registrar

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

Statutory Auditor

KPMG Taseer Hadi & Co.

Head of Internal Audit

Mr. Ahmad Khan, ACCA

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

Website

www.roshanpackages.com.pk

Director's Report

The Directors of the Company present their Directors 'Report along with the reviewed audited Financial Statements of the Company for the period ended December 31, 2018.

Financial Overview

The financial performance of the Company is summarized as follows:

	Half Year Ended		Quarter Ended	
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
	Rupees in Million		Rupees in Million	
Sales-net	2,747	2,005	1,451	919
Cost of Sales	2,577	1,857	1,368	850
Gross Profit	170	148	83	69
Finance Cost	82	59	42	28
Net (loss)/ profit	(58)	4.0	(23)	(20)

By the Grace of Almighty Allah, your company is returning towards its double-digit growth trajectory and has achieved all time highest sales resulting from the capacity enhancement during the last years. Your company has registered net sales during the half year at Rs. 2.74 billion, as compared to Rs. 2.00 billion in the same period last year, showing an increase of Rs. 742 million, which is 37% more than comparable period. Total tonnage dispatched in current six month is 21,351 ton against 16,454 ton, resulting in volumetric growth of 30% (4,897 Ton).

During the quarter under review your company has recorded revenue of Rs. 1.45b as against 0.92b in comparable period last year resulting an increase of 58% (0.53b). Total tonnage dispatched in current quarter is 10,581 Ton against 7,158 ton, resulting in volumetric growth of 48% (3,423 Ton).

Resultantly your company has registered during 6 months gross profit of Rs. 170 million as compare to 148 million showing an increase of 22 million which is 14% more than compare able period. The quarter under review shows increase in gross profit by 15 million which is 21.7% more than comparable period last year.

Financial cost for the half year under review has been increased by 39% as compared to last period mainly due to rise in policy rate by State Bank of Pakistan. The company operations shows significant increase of 48% for the quarter under review, however short-term borrowing in comparison only increased by 2.5%, which shows that company has taken positive measure to manage its working capital requirements.

Further, due to devaluation of Pak Rupee your company has suffered loss of Rs. 46.70 million during six months as compare to 42.7 million in comparable period last year.

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

Future Outlook

New Government is taking positive steps to cope up with microeconomic challenges. In order to control current account deficit measure like restriction on imports will trigger growth in local industries which is ultimately beneficial for the country. The demand for local products will grow which ultimately raised the demand for the packaging products in upcoming quarters. The increase in demand is evident from the handsome 48% volumetric growth discussed above. However, increasing trend in fuel prices, utility cost, policy rates and volatility in exchange rates will remain challenges for the economy.

Your company is trying hard to face these challenges. Since, this is unprecedented that all the cost factors are constantly increasing, there is no stability in it and situation of uncertainty persist, due to these challenges, the company is conscious in its approach and mainly focused to broadens its customer based and reach its capacity level.

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

Your company is not only meeting demands of large national and multinational companies but also strengthening its long-term association with them, by providing value added products and broaden its product range along with constant addition of new potential clients.

Furthermore, your company knows the importance of online sales which is the successful sales phenomena of this era and realised the demand from small and medium size business will rapidly grow. As part of its strategy to explore new avenues and use modern technology to increased its sales volumes. Your company have started online sales to meet demands of small and medium size customers. Your company is pioneer who has started first B to B online packaging sale in Pakistan. The company is optimistic that these unconventional channels will further boost the sales of your company and contribute in its bottom line.

Acknowledgment:

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



Chief Executive Officer



Chairman

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر 2018ء کو وضع ہونے والے دورانیہ کے لیے ڈائریکٹرز کی رپورٹ مع ادارے کے بغیر جانچ پڑتال کے (Un-Audited) مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی جائزہ

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

سرمایہ کے اختتام پر		نصف سال کے اختتام پر		
31 دسمبر 2017	31 دسمبر 2018	31 دسمبر 2017	31 دسمبر 2018	
روپے ملین میں		روپے ملین میں		
919	1,451	2,005	2,747	خالص فروخت
850	1,368	1,857	2,577	فروخت کی لاگت
69	83	148	170	مجموعی منافع
28	42	59	82	فنانس کی لاگت
(20)	(23)	4.0	(58)	خالص (نقصان) / منافع

انطلاق کے فضل و کرم سے آپ کی کمپنی تیز رفتار ترقی کے اپنے گراف کی طرف واپس آ رہی ہے اور گزشتہ سال کے دوران پیداواری صلاحیت میں اضافے کی وجہ سے سب سے زیادہ فروخت حاصل کرنے میں کامیاب رہی ہے۔ آپ کی کمپنی نے نصف سال کے دورانیہ میں 2.74 ملین روپے کی کل فروخت حاصل کی، جبکہ گزشتہ سال اسی دورانیہ کے لیے کل فروخت 2.00 ملین روپے تھی یعنی 742 ملین روپے زیادہ جو کہ زیر جائزہ دورانیہ کے لیے 37 فیصد زیادہ ہے۔ زیر جائزہ نصف سال کے دوران 16,454 ٹن کے مقابلے میں 21,351 ٹن کا تیار شدہ مال بھیجا گیا یعنی مقداری لحاظ سے 30% (4,897 ٹن) کا اضافہ ہوا۔

زیر جائزہ موجودہ سرمائی کے دوران آپ کی کمپنی نے 0.9 ملین روپے کے مقابلے میں 1.45 ملین روپے کی آمدنی حاصل کی یعنی گزشتہ سال اسی دورانیہ کے مقابلے میں 58 فیصد (0.53 ملین) کا اضافہ۔ موجودہ سرمائی کے دوران 7,158 ٹن کے مقابلے میں 10,581 ٹن کا کل مال بھیجا گیا یعنی مقداری لحاظ سے 48 فیصد (3,423 ٹن) کا اضافہ ہوا۔

اس کے نتیجے میں آپ کی کمپنی نے 148 ملین روپے کے مقابلے میں 170 ملین روپے کا مجموعی منافع حاصل کیا یعنی گزشتہ عرصہ کے مقابلے میں 22 ملین روپے کا اضافہ جو کہ زیر جائزہ عرصہ کے لیے 14 فیصد زیادہ ہے۔ زیر جائزہ موجودہ سرمائی میں مجموعی منافع میں 15 ملین روپے کا اضافہ ہوا جو کہ گزشتہ سال اسی عرصہ کے مقابلے میں 21.7 فیصد زیادہ ہے۔

زیر جائزہ موجودہ سرمائی کے دوران فنانس کی لاگت میں گزشتہ سال کی نسبت 39 فیصد کا اضافہ ہوا جس کی بڑی وجہ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں اضافہ ہے۔ زیر جائزہ سرمائی کے دوران کمپنی کے معاملات میں قابل ذکر یعنی 48 فیصد تک اضافہ دیکھنے میں آیا ہے، تاہم قلیل مدتی قرضوں میں گزشتہ سال کی اسی سرمائی کی نسبت صرف 2.5 فیصد اضافہ ہوا جو اس بات کا ثبوت ہے کہ کمپنی نے کام کے لیے درکار سرمائی کی دستیابی کے لیے مثبت اقدامات اٹھائے ہیں۔

مزید برآں پاکستانی روپے کی قدر میں کمی کی وجہ سے آپ کی کمپنی کو نصف سال کے دوران 46.70 ملین روپے کا نقصان اٹھانا پڑا ہے۔ جو کہ گزشتہ سال اسی عرصہ میں 42.7 ملین روپے تھا۔

نقصان کی بڑی وجہ منافع کی شرح کا سکڑنا ہے جو خام مال کی بڑھتی قیمتوں کے اثر کی گاہک کو عدم منتقلی، ایندھن کی قیمتوں میں اضافہ، فنانس کی بڑھتی لاگت اور پاکستانی روپے کی قدر میں بے تحاشا کمی کی وجہ سے فیگر فیگزرمبادلہ کا نقصان ہے۔

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

آپ کی کمپنی ان چیلنجز کا سامنا کرنے کے لیے سرگرمیوں کو پیش کر رہی ہے۔ تاہم یہ سب ابھی غیر حتمی ہے کیونکہ بے یقینی اور عدم استحکام کی وجہ سے سب عوامل کی لاگت میں مسلسل اضافہ ہو رہا ہے، ان چیلنجز کی وجہ سے کمپنی اپنے طرز عمل میں بہت محتاط ہے اور اپنی کسٹمرز اور صلاحیت میں اضافے پر زیادہ توجہ دے رہی۔ آپ کی کمپنی کی انتظامیہ پاکستان میں بجٹنگ کی صنعت کے مستقبل کے بارے میں بہت پر امید ہے۔ صورت حال سے پوری طرح آگاہ ہونے کی وجہ سے، انتظامیہ متفرق فروخت کے تمام مروجہ طریق کار اپنا رہی اور بڑھتی ہوئی صلاحیت کو استعمال کرتے ہوئے فروخت میں اضافے کے لیے تمام ممکنہ اقدامات اٹھا رہی ہے۔ انتظامیہ چیلنجز کا سامنا کرنے کے لیے کاروباری حکمت عملی کا مسلسل جائزہ لے رہی ہے اور خام مال کے تبادلات سے ذرائع ڈھونڈنے کے لیے نہ صرف متواتر کوشاں ہے بلکہ گاؤں تک لاگت کے اثرات پہنچانے کے ساتھ ساتھ دوسرے اخراجات کو کم کرنے پر بھی غور کر رہی ہے۔

آپ کی کمپنی نہ صرف بڑی بڑی بجلی اور غیر بجلی کمپنیوں کی طلب کو پورا کر رہی ہے بلکہ ان کے ساتھ اپنے تعلق کو طویل بنیادوں پر بھی استوار کر رہی ہے۔ اس کے لیے کمپنی قدر افزاء مصنوعات فراہم کر رہی ہے اور نئے ممکنہ گاؤں میں مسلسل اضافے سے بھی اپنی مصنوعات کو بڑھاتی رہی ہے۔

مزید برآں آپ کی کمپنی آن لائن فروخت کی اہمیت سے آگاہ ہے جو آج کے دور میں فروخت کا کامیاب طریقہ ہے اور اس بات کا ادراک رکھتی ہے کہ چھوٹے اور درمیانے درجے کا کاروبار تیزی سے بڑھ رہا ہے۔ اس لیے کمپنی کی یہ حکمت عملی ہے کہ کئی کئی نیا لوہی کو در یافت کیا جائے اور اپنی فروخت میں اضافے کے لیے نئے راستے تلاش کیے جائیں آپ کی کمپنی نے چھوٹے اور درمیانے درجے کے گاؤں کی طلب کو پورا کرنے کے لیے آن لائن فروخت کا آغاز کر دیا ہے۔ آپ کی کمپنی نے پاکستان میں سب سے پہلے بی ٹو بی (B to B) آن لائن بجٹنگ کی فروخت کا آغاز کیا ہے۔ کمپنی اس بارے میں پر امید ہے کہ یہ غیر روایتی طریقے آپ کی کمپنی کی فروخت میں اضافے کا باعث بنیں گے جس کے نتیجے میں مجموعی فروخت میں اضافہ ہوگا۔

اظہار تشکر

ہم اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے کمپنی کی مصنوعات اور خدمات پر اعتماد کا اظہار کیا۔ ہم اپنے اسٹیک ہولڈرز بشمول فراہم کنندگان، ڈسٹریبٹرز، حصہ داران اور ملازمین کے بھی تہ دل سے شکریہ ادا کرتے ہیں جنہوں نے لگاؤ کا حمایت جاری رکھی۔

Chaudhary

چیرمین

Janaly

چیف ایگزیکٹو آفیسر



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Roshan Packages Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Roshan Packages Limited** ("the Company") as at 31 December 2018 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended 31 December 2018 and 31 December 2017 in the condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

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

Lahore

Date: 01 March 2019

KPMG Taseer Hadi & Co.
Chartered Accountants

Roshan Packages Limited

Unconsolidated Condensed Interim Statement of Financial Position (Un-audited)

As at 31 December 2018

		(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
ASSETS	Note		
<u>Non-current assets</u>			
Property, plant and equipment	5	3,606,892,715	3,625,358,017
Intangible		2,803,630	3,197,979
Investment in subsidiary		111,376,130	111,376,130
Long term loan - unsecured, considered good	6	222,880,278	82,972,338
Long term deposits		20,501,701	20,501,701
		3,964,454,454	3,843,406,165
<u>Current assets</u>			
Stores, spares and other consumables		143,646,875	146,559,980
Stock-in-trade		718,355,483	631,651,871
Trade debtors - unsecured		1,583,602,891	1,231,373,541
Short term loan - unsecured, considered good		92,186,870	92,186,870
Advances, deposits, prepayments and other receivables		735,420,491	697,714,593
Cash and bank balances		1,473,317,941	1,749,293,398
		4,746,530,551	4,548,780,253
Total assets		8,710,985,005	8,392,186,418
<u>EQUITY AND LIABILITIES</u>			
<u>Share capital and reserves</u>			
Authorized share capital of Rs. 10 each 150,000,000 (June 2018: 150,000,000) Ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital	7	1,419,000,000	1,182,500,000
141,900,000 (June 2018: 118,250,000) Ordinary shares of Rs. 10 each			
Share premium		1,994,789,053	2,231,665,370
Surplus on revaluation of property, plant and equipment		1,068,561,973	1,078,519,283
Un-appropriated profit		601,385,835	649,996,341
Shareholders' equity		5,083,736,861	5,142,680,994
<u>Non-current liabilities</u>			
Supplier's credit - unsecured		136,363,670	186,145,423
Liabilities against assets subject to finance lease - secured		11,561,344	9,850,797
Deferred taxation		280,682,834	277,646,741
Deferred liabilities		70,716,153	66,013,343
		499,324,001	539,656,304
<u>Current liabilities</u>			
Current portion of long term liabilities		571,540,590	638,365,183
Short term borrowings - secured		1,368,256,431	1,333,809,379
Trade and other payables		1,160,936,153	715,501,683
Unclaimed dividend		874,387	882,883
Accrued markup		26,316,582	21,289,992
		3,127,924,143	2,709,849,120
Contingencies and commitments	8	8,710,985,005	8,392,186,418

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial statements.


Hamza Gillani
Chief Financial Officer


Tayyab Alijaz
Chief Executive


Saadat Eljaz
Director

Roshan Packages Limited

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the six months period ended 31 December 2018

	Note	Six months period ended		Three months period ended	
		(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees
Sales - net	9	2,747,403,878	2,005,452,964	1,451,320,261	918,615,959
Cost of sales	10	(2,577,823,064)	(1,857,216,755)	(1,367,661,167)	(849,765,070)
Gross profit		169,580,814	148,236,209	83,659,094	68,850,889
Administrative expenses	11	(57,785,431)	(45,823,774)	(28,370,055)	(22,861,756)
Selling and distribution expenses		(76,049,726)	(44,455,729)	(36,647,450)	(17,008,839)
Other income		71,670,950	54,375,950	51,344,176	28,327,783
Other expenses		(46,717,840)	(43,857,424)	(29,190,979)	(43,730,350)
		(108,882,047)	(79,760,977)	(42,864,308)	(55,273,162)
Operating profit		60,698,767	68,475,232	40,794,786	13,577,727
Finance cost		(81,887,942)	(58,807,630)	(41,663,609)	(27,804,081)
(Loss) / profit before taxation		(21,189,175)	9,667,602	(868,823)	(14,226,354)
Taxation		(37,378,641)	(6,092,678)	(22,408,762)	(6,092,678)
(Loss) / profit for the period		(58,567,816)	3,574,924	(23,277,585)	(20,319,032)
Earning per share - basic & diluted (Restated)		(0.41)	0.03	(0.16)	(0.14)

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial statements.


Hamza Gillani
 Chief Financial Officer


Tayyab Alijaz
 Chief Executive


Saadat Eljaz
 Director

Roshan Packages Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 31 December 2018

	Six months period ended		Three months period ended	
	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees
(Loss) / profit after taxation	(58,567,816)	3,574,924	(23,277,585)	(20,319,032)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(58,567,816)</u>	<u>3,574,924</u>	<u>(23,277,585)</u>	<u>(20,319,032)</u>

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial statements.



Hamza Gillani
Chief Financial Officer



Tayyab Aljaz
Chief Executive



Saadat Eljaz
Director

Roshan Packages Limited

Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended 31 December 2018

		Six months period ended	
		(Un-audited)	(Un-audited)
		31 December	31 December
		2018	2017
	Note	Rupees	Rupees
<u>Cash flows from operating activities</u>			
Cash generated from operations	12	(90,968,717)	13,087,342
Finance cost paid		(76,861,352)	(49,134,222)
Taxes paid		(36,818,780)	(32,726,454)
Accumulated absences paid		(526,749)	-
Gratuity paid		(5,394,881)	-
Net increase in long term deposits		-	(911,725)
		(119,601,762)	(82,772,401)
Net cash outflow from operating activities		(210,570,479)	(69,685,059)
<u>Cash flows from investing activities</u>			
Purchase of operating assets		(38,588,508)	(42,629,919)
Proceeds from disposal of property, plant and equipment		6,250,000	765,637
Profit on bank deposits received		58,647,675	49,152,067
Net cash outflow from investing activities		26,309,167	7,287,785
<u>Cash flows from financing activities</u>			
Repayment of long term loans		(80,500,046)	(50,559,142)
Payment of supplier's credit		(36,540,340)	(32,372,446)
Proceeds from short term finances acquired		824,791,923	738,729,189
Expenses incurred on issuance of bonus shares		(376,317)	-
Dividend paid		(8,496)	(89,315,844)
Repayment of short term finances		(762,669,724)	(549,300,986)
Payment of finance lease liabilities		(8,735,998)	(5,929,123)
Net cash inflow from financing activities		(64,038,998)	11,251,648
Net decrease in cash and cash equivalents		(248,300,311)	(51,145,626)
Cash and cash equivalents at the beginning of the period		1,277,734,079	1,753,179,680
Cash and cash equivalents at the end of the period		1,029,433,768	1,702,034,054

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial statements.



Hamza Gillani
Chief Financial Officer



Tayyab Aljaz
Chief Executive



Saadat Eljaz
Director

Roshan Packages Limited

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended 31 December 2018

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profit	
			Rupees -		
Balance as at 30 June 2017	1,075,000,000	2,339,165,370	1,073,890,796	820,970,146	5,309,026,312
<u>Total comprehensive income for the year</u>					
Profit after taxation	-	-	-	3,574,924	3,574,924
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	3,574,924	3,574,924
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(17,460,682)	17,460,682	-
<u>Transaction with owners of the Company</u>					
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)
Balance as at 31 December 2017	1,182,500,000	2,231,665,370	1,056,430,114	734,505,752	5,205,101,236
Balance as at 30 June 2018	1,182,500,000	2,231,665,370	1,078,519,283	649,996,341	5,142,680,994
<u>Total comprehensive loss for the period</u>					
Loss for the period	-	-	-	(58,567,816)	(58,567,816)
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	(58,567,816)	(58,567,816)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(9,957,310)	9,957,310	-
<u>Transaction with owners of the Company</u>					
Bonus shares issued	236,500,000	(236,500,000)	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,317)	-	-	(376,317)
	236,500,000	(236,876,317)	-	-	(376,317)
Balance as at 31 December 2018	1,419,000,000	1,994,789,053	1,068,561,973	601,385,835	5,083,736,861

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial statements.


Hamza Gillani
Chief Financial Officer


Tayyab Ali Jaz
Chief Executive


Saadat Eljaz
Director

1 Corporate and general information

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

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

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

2 Basis of preparation

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and are unaudited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

2.1.3 The Securities and Exchange Commission of Pakistan (SECP), vide its S.R.O. 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.

2.1.4 The unconsolidated comparative statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2018, whereas unconsolidated comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been extracted from the un-audited condensed interim financial statements for the six months period ended 31 December 2017.

2.1.5 These unconsolidated condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended 30 June 2018.

2.2 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency.

3 Use of judgments and estimates

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

4 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the annual audited unconsolidated financial statements for the year ended 30 June 2018 except for the following:

4.1 Change in significant accounting policy

During the period, the Company has adopted IFRS 15 'Revenue from Contracts with Customers'. The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

The Company manufactures and contracts with customers for the sale of goods which generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have a material impact on the amounts of revenue recognized in these unconsolidated condensed interim financial statements.

4.1.1 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12 and is effective for annual periods beginning on or after 01 January 2019.
- IFRS 16 'Leases' replaces existing leasing guidance IAS 17 'Leases' and is effective for annual period beginning on or after 01 January 2019.
- Associates and Joint Ventures are effective for annual period beginning on or after 01 January 2019.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement are effective for annual periods beginning on or after 01 January 2019.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business is effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020.

- Changes in Accounting Estimates and Errors are effective for annual periods beginning on or after 1 January 2020.
- Annual improvements to IFRS standards 2015-2017 cycle are effective for annual periods beginning on or after 01 January 2019.

	Note	(Un-audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
5 Property, plant and equipment			
Operating assets	5.1	3,438,567,104	3,452,467,657
Capital work in progress	5.2	<u>168,325,611</u>	<u>172,890,360</u>
		<u>3,606,892,715</u>	<u>3,625,358,017</u>

- 5.1** This includes the cost of operating assets that have been added during the six months period ended 31 December 2018. The Company disposed assets amounting to Rs. 954,749 during the period.

	(Un-audited) December 31, 2018 Rupees	(Un-audited) December 31 2017 Rupees
During the period the detail of additions is as follows:		
Building on freehold land	1,211,895	-
Plant and machinery	49,360,170	62,045,619
Electric installations	12,500	796,000
Furniture and fixtures	493,699	288,520
Office equipments	2,451,058	2,277,449
Vehicles	<u>9,838,000</u>	<u>3,276,345</u>
	<u>63,367,322</u>	<u>68,683,933</u>

5.2 Capital work in progress

Opening balance	172,890,308	127,910,922
Additions during the period	58,802,625	46,131,315
Transfers during the period	<u>(63,367,322)</u>	<u>(68,683,933)</u>
	<u>168,325,611</u>	<u>105,358,304</u>

6 Long term loan - unsecured, considered good

	Note	(Un-audited) 31 December 2018 Rupees	(Audited) June 30, 2018 Rupees
Loan to Associate Undertaking - Roshan Enterprises	6.1	125,365,160	-
Loan to Subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	6.2	<u>97,515,118</u>	<u>82,972,338</u>
		<u>222,880,278</u>	<u>82,972,338</u>

- 6.1** This represents trade receivables amounting to Rs. 122.72 million, converted to long term loan by a special resolution passed at the Annual General Meeting of the Company dated 29 October 2018. The loan including markup will be repaid by the associated company after two years from the date of conversion i.e. 29 October 2018. The loan carries markup at the rate of 1-Year KIBOR+2%. Markup is being charged from the date of conversion.

	(Un-audited) 31 December 2018 Rupees	(Audited) June 30, 2018 Rupees
<i>Movement during the year is as follows:</i>		
Balance converted in to long term loan from trade debtors - unsecured	122,722,688	-
Accrued mark up	2,642,472	-
Closing balance	<u>125,365,160</u>	<u>-</u>

- 6.2** 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% 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.

	(Un-audited) 31 December 2018 Rupees	(Audited) June 30, 2018 Rupees
<i>Movement during the year is as follows:</i>		
Opening balance	82,972,338	-
Balance converted in to long term loan from advance due from subsidiary (current assets)	-	42,020,690
Loan disbursed during the year	11,178,422	36,509,099
Accrued mark up	3,364,358	4,442,549
Closing balance	<u>97,515,118</u>	<u>82,972,338</u>

7 Issued, subscribed and paid up share capital

(Un-audited) 31 December 2018 (Number of shares)	(Audited) 30 June 2018	Note	(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
57,336,000	57,336,000	Ordinary shares of Rs. 10 each fully paid in cash	573,360,000	573,360,000
5,103,000	5,103,000	Ordinary shares of Rs. 10 each fully paid for consideration other than cash	51,030,000	51,030,000
79,461,000	55,811,000	Ordinary shares of Rs. 10 each issued as bonus shares	794,610,000	558,110,000
<u>141,900,000</u>	<u>118,250,000</u>		<u>1,419,000,000</u>	<u>1,182,500,000</u>

- 7.1** These right shares were issued against the fair value of land acquired measuring 48 kanals and 12 marlas and is situated opposite to Sundar Industrial Estate, Bhair Kot, Raiwind, Lahore.
- 7.2** The Company during the period issued 23.65 million bonus shares amounting to Rs. 236.50 million. The reconciliation of ordinary share capital during the period is as follows:

	(Un-audited) Number of shares	(Un-audited) Rupees
Issued share capital as at 01 July 2018	118,250,000	1,182,500,000
Issue of bonus shares during the period	23,650,000	236,500,000
Issued share capital as at 31 December 2018	<u>141,900,000</u>	<u>1,419,000,000</u>

8 Contingencies and commitments

8.1 Contingencies

There is no significant change in the status of contingencies set out in note 27 to the Company's annual unconsolidated financial statements for the year ended 30 June 2018.

(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
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8.2 Commitments

8.2.1 Commitments in respect of capital expenditure	-	9,250,980
8.2.2 Commitment in respect of purchase of raw material	<u>434,190,659</u>	<u>315,719,200</u>

9 Sales - net

	Six months period ended		Three months period ended	
	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees
Gross sales	3,212,905,278	2,352,471,229	1,683,401,639	1,075,981,145
Less: Sales tax	458,841,819	340,246,832	228,958,596	152,989,668
Discounts and sales returns	6,659,581	6,771,434	3,122,782	4,375,519
	<u>(465,501,400)</u>	<u>(347,018,266)</u>	<u>(232,081,378)</u>	<u>(157,365,187)</u>
	<u>2,747,403,878</u>	<u>2,005,452,964</u>	<u>1,451,320,261</u>	<u>918,615,959</u>

10 Cost of sales

Raw materials consumed	2,225,103,125	1,472,548,282	1,158,185,631	671,664,845
Packing material consumed	11,597,705	7,208,013	4,588,707	2,625,726
Production supplies	42,506,001	31,742,338	33,420,071	12,839,027
Other factory overhead costs	337,850,894	308,174,635	178,320,975	156,498,133
	<u>2,617,057,725</u>	<u>1,819,673,268</u>	<u>1,374,515,384</u>	<u>843,627,731</u>
Opening work-in-process	20,776,488	42,527,088	42,749,020	18,280,466
Closing work-in-process	<u>(65,443,612)</u>	<u>(28,683,131)</u>	<u>(65,443,612)</u>	<u>(28,683,131)</u>
	<u>(44,667,124)</u>	<u>13,843,957</u>	<u>(22,694,592)</u>	<u>(10,402,665)</u>
Cost of goods manufactured	<u>2,572,390,601</u>	<u>1,833,517,225</u>	<u>1,351,820,792</u>	<u>833,225,066</u>
Opening stock of finished goods	41,789,793	62,299,584	52,197,705	55,140,058
Closing stock of finished goods	<u>(36,357,330)</u>	<u>(38,600,054)</u>	<u>(36,357,330)</u>	<u>(38,600,054)</u>
	<u>5,432,463</u>	<u>23,699,530</u>	<u>15,840,375</u>	<u>16,540,004</u>
	<u>2,577,823,064</u>	<u>1,857,216,755</u>	<u>1,367,661,167</u>	<u>849,765,070</u>

11 Other income

(Un-audited)	(Un-audited)
31 December	31 December
2018	2017
Rupees	Rupees

Income from financial assets

Profit on bank deposits	56,658,988	53,911,400
<i>Interest income on loans to related parties:</i>		
- Roshan Sun Tao Paper Mills (Private) Limited	7,154,342	-
- Roshan Enterprises	2,642,472	-

Income from non-financial assets

Liabilities no longer payable written back	7,736	-
Gain on disposal of operating assets	5,207,412	464,550
	<u>71,670,950</u>	<u>54,375,950</u>

12 Cash (used in)/generated from operations

(Loss) / profit before taxation	(21,189,175)	3,574,924
<i>Adjustment for non-cash charges and other items:</i>		
Amortization of intangibles	394,349	492,936
Depreciation on operating assets	62,813,445	70,833,138
Depreciation on assets subject to finance lease	4,078,365	3,781,014
Profit on bank deposits	(56,658,988)	(53,911,400)
Finance cost	81,887,942	58,807,630
(Gain) / loss on disposal of property, plant and equipment	(5,207,412)	432,493
Provision for gratuity	8,417,172	9,619,622
Provision for accumulating compensated absences	2,207,268	1,511,568
Profit before working capital changes	<u>76,742,966</u>	<u>95,141,925</u>

Effect on cash flow due to working capital changes

- Decrease / (increase) in stores and spare parts	2,913,105	(26,990,875)
- Increase in stock-in-trade	(86,703,612)	(10,771,411)
- (Increase) / decrease in trade debts	(495,873,842)	68,666,373
- Decrease / (increase) in advances, deposits, prepayments and other receivables	(33,481,801)	(44,846,543)
- Increase / (decrease) in trade and other payables	445,434,467	(68,112,127)
	<u>(167,711,682)</u>	<u>(82,054,583)</u>
	<u>(90,968,717)</u>	<u>13,087,342</u>

13 Transactions with related parties

The related parties include the subsidiary (Roshan Sun Tao (Private) Limited), associated undertakings (Roshan Enterprises and Urdu Digest), directors of the Company, key management personnel and their associates. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements is as follows:

Relationship with the Company	Name of related party	Transaction	Percentage of shareholding 31 December 2018	Percentage of shareholding 31 December 2017	Six months period ended		Three months period ended	
					(Un-audited) 31 December 2018	(Un-audited) 31 December 2017	(Un-audited) 31 December 2018	(Un-audited) 31 December 2017
					Rupees	Rupees	Rupees	Rupees
Chief Executive	Tayyab Aijaz	Bonus shares issued	26.84%	26.84%	63,476,600	208,173,724	63,476,600	208,173,724
Director	Zaki Aijaz	Bonus shares issued	11.86%	11.86%	28,048,900	91,987,346	28,048,900	91,987,346
Director	Saadat Eijaz	Bonus shares issued	11.86%	11.86%	28,048,900	91,987,346	28,048,900	91,987,346
Director	Khalid Eijaz	Bonus shares issued	14.65%	14.65%	34,647,250	113,626,865	34,647,250	113,626,865
Director	Quassim Aijaz	Bonus shares issued	2.96%	2.96%	7,000,400	22,958,056	7,000,400	22,958,056
Key management personnel	-	Remuneration			43,005,834	54,832,530	22,072,315	27,416,265
Directors	-	Dividend			-	73,286,296	-	73,286,296
Subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Long term loan to subsidiary			11,178,422	10,446,844	5,885,601	4,476,635
		Markup accrued on long term loan			216,118	-	54,068	28,095
		Markup accrued on short term			3,737,988	-	1,858,891	-
Associated Company	Roshan Enterprises	Sales			5,753,828	4,515,960	5,753,828	4,515,960
		Trade debt converted to long term			122,722,688	-	122,722,688	-
		Markup accrued			2,642,472	-	2,642,472	-

14 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	Other financial liabilities	Total	Level 1	Level 2	Level 3
- Rupees -						
31 December 2018						
<i>Financial assets - not measured at fair value</i>						
Investment in subsidiary	111,376,130	-	111,376,130	-	-	-
Long term loan - unsecured, considered good	222,880,278	-	222,880,278	-	-	-
Long term deposits	20,501,701	-	20,501,701	-	-	-
Trade debtors - unsecured	1,583,602,891	-	1,583,602,891	-	-	-
Short term loan - unsecured, considered good	92,186,870	-	92,186,870	-	-	-
Advances, deposits and other receivables	26,226,363	-	26,226,363	-	-	-
Cash and bank balances	1,473,317,941	-	1,473,317,941	-	-	-
	3,530,092,174	-	3,530,092,174	-	-	-
<i>Financial liabilities not measured at fair value</i>						
Liabilities against assets - subject to finance lease	-	11,561,344	11,561,344	-	-	-
Long term finances - secured	-	425,312,454	425,312,454	-	-	-
Supplier's credit - unsecured	-	265,761,739	265,761,739	-	-	-
Short term borrowings - secured	-	1,368,256,431	1,368,256,431	-	-	-
Trade and other payables	-	1,144,723,880	1,144,723,880	-	-	-
Unclaimed dividend	-	874,387	874,387	-	-	-
Accrued markup	-	26,316,582	26,316,582	-	-	-
	-	3,242,806,817	3,242,806,817	-	-	-
30 June 2018						
<i>Financial assets - not measured at fair value</i>						
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	-	-	-
	3,315,177,023	-	3,315,177,023	-	-	-
<i>Financial liabilities not measured at fair value</i>						
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	-	-	-

15 Date of authorisation for issue

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 01 March 2019 .

16 General

- 16.1** Figures have been rounded off to the nearest thousand rupees except as stated otherwise.
- 16.2** Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangement or reclassification has been made during the six months period ended 31 December 2018.



Hamza Gillani
Chief Financial Officer



Tayyab Ali Jaz
Chief Executive



Saadat Eijaz
Director

Director's Report

The Directors of the group present their Directors 'Report along with the unaudited consolidated Financial Statements of the group for the half year ended December 31, 2018.

Financial Overview

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

	Half Year Ended		Quarter Ended	
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
	Rupees in Million		Rupees in Million	
Sales-net	2,747	2,005	1,451	919
Cost of Sales	2,577	1,857	1,368	850
Gross Profit	169	148	84	69
Finance Cost	82	59	42	28
Net (loss)/ profit	(67)	4.0	(23)	(23)

By the Grace of Almighty your company is returning towards its double-digit growth trajectory and has achieved all time highest sales resulting from the capacity enhancement during the last years. Your company has registered net sales during the half year at Rs. 2.74 billion, as compared to Rs. 2.00 billion in the same period last year, showing an increase of Rs. 742 million, which is 37% more than comparable period. Total tonnage dispatched in current six month is 21,351 ton against 16,454 ton, resulting in volumetric growth of 30% (4,897 Ton).

During the current quarter under review your company has recorded revenue of Rs. 1.45b as against 0.92b in comparable period last year resulting an increase of 58% (0.53b). Total tonnage dispatched in current quarter is 10,581 Ton against 7,158 ton, resulting in volumetric growth of 48% (3,423 Ton).

Resultantly your company has registered gross profit of Rs. 169 million as compare to 148 million showing an increase of 21 million as compared to last period, which is 14% more than compare able period.

The current quarter under review shows increased in gross profit by 15 million which is 21.7% more than comparable period last year.

Finance cost for the half year under review has been increased by 39% as compared to last period mainly due to rise in policy rate by State Bank of Pakistan and increased in working capital requirements. The company operations show significant increase of 48% for the quarter under review, however short-term borrowing in comparison only increase by 2.5%, which shows that company have taken positive measure to manage its working capital requirements.

Further due to devaluation of Pak Rupee your company has suffered loss of Rs. 46.70 million during six months as compare to 42.7 million in comparable period last year.

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

Roshan Sun Tao Papers Mills (Pvt.) Limited

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

Acknowledgment:

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



Chief Executive Officer



Chairman

ڈائریکٹرز رپورٹ

روشن گروپ کے ڈائریکٹرز 31 دسمبر 2018ء کو ختم ہونے والے نصف سال کے لیے اپنے ڈائریکٹرز کی رپورٹ مع ادارے کے بغیر جانچ پڑتال کے (Un-Audited) مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی جائزہ

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

نصف سال کے اختتام پر		نصف سال کے اختتام پر		سرمایہ کے اختتام پر
31 دسمبر 2017	31 دسمبر 2018	31 دسمبر 2017	31 دسمبر 2018	
روپے ملین میں		روپے ملین میں		
919	1,451	2,005	2,747	خالص فروخت
850	1,368	1,857	2,577	فروخت کی لاگت
69	84	148	169	مجموعی منافع
28	42	59	82	فنانس کی لاگت
(20)	(23)	3.6	(58)	خالص (نقصان) / منافع

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی تیز رفتاری سے اپنے گراف کی طرف واپس آ رہی ہے اور گزشتہ سال کے دوران پیداواری صلاحیت میں اضافے کی وجہ سے سب سے زیادہ فروخت حاصل کرنے کا کامیاب رہی ہے۔ آپ کی کمپنی نے نصف سال کے دوران میں 2,74 ملین روپے کی کل فروخت حاصل کی، جبکہ گزشتہ سال اسی دورانیہ کے لیے کل فروخت 2,00 ملین روپے تھی یعنی 742 ملین روپے زیادہ جو کہ زیر جائزہ دورانیہ کے لیے 37 فیصد زیادہ ہے۔ زیر جائزہ نصف سال کے دوران 16,454 ٹن کے مقابلے میں 21,351 ٹن کا تیار شدہ مال بھیجا گیا یعنی مقداری لحاظ سے 30% (4,897 ٹن) کا اضافہ ہوا۔

زیر جائزہ موجودہ سرمایہ کے دوران آپ کی کمپنی نے 0.92 ملین روپے کے مقابلے میں 1.45 ملین روپے کی آمدنی حاصل کی یعنی گزشتہ سال اسی دورانیہ کے مقابلے میں 58 فیصد (0.53 ملین) کا اضافہ۔ موجودہ سرمایہ کے دوران 7,158 ٹن کے مقابلے میں 10,581 ٹن کا کل مال بھیجا گیا یعنی مقداری لحاظ سے 48 فیصد (3,423 ٹن) کا اضافہ ہوا۔

اس کے نتیجے میں آپ کی کمپنی نے 148 ملین روپے کے مقابلے میں 169 ملین روپے کا مجموعی منافع حاصل کیا یعنی گزشتہ عرصہ کے مقابلے میں 21 ملین روپے کا اضافہ جو کہ زیر جائزہ عرصہ کے لیے 14 فیصد زیادہ ہے۔ زیر جائزہ موجودہ سرمایہ میں مجموعی منافع میں 15 ملین روپے کا اضافہ ہوا جو کہ گزشتہ سال اسی عرصہ کے مقابلے میں 21.7 فیصد زیادہ ہے۔

زیر جائزہ موجودہ سرمایہ کے دوران فنانس کی لاگت میں گزشتہ سال کی نسبت 39 فیصد کا اضافہ ہوا جس کی بڑی وجہ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ اور کام کے لیے درکار سرمایہ کی طلب میں اضافہ ہے۔ زیر جائزہ سرمایہ کے دوران کمپنی کے معاملات میں قائل ذکر یعنی 48 فیصد تک اضافہ دیکھنے میں آیا ہے، تاہم قبل مدتی قرضوں میں گزشتہ سال کی اسی سرمایہ کی نسبت صرف 2.5 فیصد اضافہ ہوا جو اس بات کا ثبوت ہے کہ کمپنی نے کام کے لیے درکار سرمایہ کی دستیابی کے لیے مثبت اقدامات اٹھائے ہیں۔ مزید برآں پاکستانی روپے کی قدر میں کمی کی وجہ سے آپ کی کمپنی کو نصف سال کے دوران 46.70 ملین روپے کا نقصان اٹھانا پڑا ہے۔ جو کہ گزشتہ سال اسی عرصہ میں 42.7 ملین روپے تھا۔

نقصان کی بڑی وجہ منافع کی شرح کا کم ہونا ہے جو عام مال کی بڑھتی قیمتوں کی اثر کی گاہ کو عدم منتقلی، ایندھن کی قیمتوں میں اضافہ، فنانس کی بڑھتی لاگت اور پاکستانی روپے کی قدر میں بے تحاشا کمی کی وجہ سے غیر ملکی زرمبادلہ کا نقصان ہے۔

روشن بننا دیکھو (پرائیویٹ) لٹریچر

انتظامیہ اپنے ذیلی ادارے کے منصوبے کے بارے میں پر عزم ہے اور پختہ یقین رکھتی ہے کہ پچھلے سال کا منصوبہ اپنی تکمیل کے بعد کمپنی اور اس کے حصہ داران کے لیے سودمند ثابت ہوگا۔ انتظامیہ اس منصوبے پر کام کر رہی ہے اور فی الحال منصوبے کے نظر چنی شدہ ورکار سرماپے کے مطابق مالیاتی اداروں کی طرف سے سرمایے کی فراہمی اور فراہم کنندگان کے ساتھ معاملات طے کر رہی ہے۔ زیر جائزہ عرصہ کے دوران کوئی قابل ذکر مالیاتی سرگرمی نہیں ہوئی۔

انتہا تفکر

ہم اپنے قابل قدر صارفین کا شکریہ ادا کرتا چاہتے ہیں جنہوں نے کمپنی کی مصنوعات اور خدمات پر اعتماد کا اظہار کیا۔ ہم اپنے اسٹیک ہولڈرز بشمول فراہم کنندگان، مفکرین، حصہ داران اور ملازمین کے بھی توجہ سے شکر گزار ہیں جنہوں نے لگاؤ اور جماعت جاری رکھی۔

Ram Lal

چیرمین

Jamal

چیف ایگزیکٹو آفیسر

Roshan Packages Limited

Consolidated Condensed Interim Statement of Financial Position (Un-audited)

As at 31 December 2018

		(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
ASSETS	Note		
<u>Non-current assets</u>			
Property, plant and equipment	5	4,057,936,196	4,066,732,766
Intangible		2,803,630	3,197,979
Long term loan - unsecured, considered good	6	125,365,160	-
Long term deposits		20,501,701	20,501,701
		4,206,606,687	4,090,432,446
<u>Current assets</u>			
Stores, spares and other consumables		143,646,875	146,559,980
Stock-in-trade		718,355,483	631,651,871
Trade debtors - unsecured		1,583,602,891	1,231,373,541
Advances, deposits, prepayments and other receivables		749,462,910	715,436,958
Cash and bank balances		1,473,476,361	1,749,470,913
		4,668,544,520	4,474,493,263
Total assets		8,875,151,207	8,564,925,709
<u>EQUITY AND LIABILITIES</u>			
<u>Share capital and reserves</u>			
Authorized share capital of Rs. 10 each 150,000,000 (June 2018: 150,000,000) Ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital 141,900,000 (June 2018: 118,250,000) Ordinary shares of Rs. 10 each	7	1,419,000,000	1,182,500,000
Share premium		1,994,789,053	2,231,665,370
Surplus on revaluation of property, plant and equipment		1,068,561,973	1,078,519,283
Un-appropriated profit		580,904,240	637,429,084
Attributable to owners of the Holding Company		5,063,255,267	5,130,113,737
Non-controlling interest		167,519,504	168,026,167
Total Equity		5,230,774,770	5,298,139,904
<u>Non-current liabilities</u>			
Supplier's credit - unsecured		136,363,670	186,145,423
Liabilities against assets subject to finance lease - secured		11,561,344	9,850,797
Deferred taxation		280,682,834	277,646,741
Deferred liabilities		70,716,153	66,013,343
		499,324,001	539,656,304
<u>Current liabilities</u>			
Current portion of long term liabilities		571,540,590	638,365,183
Short term borrowings - secured		1,368,256,431	1,333,809,379
Trade and other payables		1,178,064,446	732,782,064
Unclaimed dividend		874,387	882,883
Accrued markup		26,316,582	21,289,992
		3,145,052,436	2,727,129,501
Contingencies and commitments	8	8,875,151,207	8,564,925,709

The annexed notes from 1 to 16 form an integral part of this consolidated condensed interim financial statement--


Hamza Gillani
Chief Financial Officer


Tayyab Aijaz
Chief Executive


Saadat Ejaz
Director

Roshan Packages Limited

Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the six months period ended 31 December 2018

	Note	Six months period ended		Three months period ended	
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		Rupees	Rupees	Rupees	Rupees
Sales - net	9	2,747,403,878	2,005,452,964	1,451,320,261	918,615,959
Cost of sales	10	<u>(2,577,823,064)</u>	<u>(1,857,216,755)</u>	<u>(1,367,661,167)</u>	<u>(849,765,070)</u>
Gross profit		169,580,814	148,236,209	83,659,094	68,850,889
Administrative expenses	11	(57,785,431)	(45,823,774)	(28,370,055)	(22,861,756)
Selling and distribution expenses		(76,049,726)	(44,455,729)	(36,647,450)	(17,008,839)
Other income		64,516,608	54,375,950	51,344,176	25,498,687
Other expenses		(47,984,500)	(43,400,150)	(29,190,979)	(43,273,076)
		<u>(117,303,049)</u>	<u>(79,303,704)</u>	<u>(42,864,308)</u>	<u>(57,644,985)</u>
Operating profit		52,277,765	68,932,505	40,794,786	11,205,904
Finance cost		<u>(81,887,942)</u>	<u>(58,807,630)</u>	<u>(41,663,609)</u>	<u>(27,804,081)</u>
(Loss) / profit before taxation		(29,610,178)	10,124,875	(868,823)	(16,598,177)
Taxation		(37,378,641)	(6,092,678)	(22,408,762)	(6,092,678)
(Loss) / profit for the period		<u>(66,988,819)</u>	<u>4,032,197</u>	<u>(23,277,585)</u>	<u>(22,690,855)</u>
(Loss) / profit attributable to:					
Owners of the Holding Company		(66,482,155)	4,033,125	(23,024,253)	(22,689,927)
Non-controlling interest		<u>(506,664)</u>	<u>(928)</u>	<u>(253,332)</u>	<u>(928)</u>
		<u>(66,988,819)</u>	<u>4,032,197</u>	<u>(23,277,585)</u>	<u>(22,690,855)</u>
Earning per share - basic & diluted (Restated)		<u>(0.47)</u>	<u>0.03</u>	<u>(0.16)</u>	<u>(0.16)</u>

The annexed notes from 1 to 16 form an integral part of this consolidated condensed interim financial statements.



Hamza Gillani
Chief Financial Officer



Tayyab Alijaz
Chief Executive



Saadat Eljaz
Director

Roshan Packages Limited

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 31 December 2018

	Six months period ended		Three months period ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit after taxation	(66,988,819)	4,032,197	(23,277,585)	(22,690,855)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(66,988,819)</u>	<u>4,032,197</u>	<u>(23,277,585)</u>	<u>(22,690,855)</u>
Attributable to:				
Owners of the parent company	(66,482,155)	4,033,125	(23,024,253)	(22,689,927)
Non-controlling interest	<u>(506,664)</u>	<u>(928)</u>	<u>(253,332)</u>	<u>(928)</u>
	<u>(66,988,819)</u>	<u>4,032,197</u>	<u>(23,277,585)</u>	<u>(22,690,855)</u>

The annexed notes from 1 to 16 form an integral part of this consolidated condensed interim financial statements.



Hamza Gillani
Chief Financial Officer



Tayyab Alijaz
Chief Executive



Saadat Ejaz
Director

Roshan Packages Limited

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended 31 December 2018

		Six months period ended	
		(Un-audited)	(Un-audited)
		31 December	31 December
		2018	2017
	Note	Rupees	Rupees
<u>Cash flows from operating activities</u>			
Cash generated from operations	12	(99,541,807)	22,853,228
Finance cost paid		(76,861,352)	(49,136,542)
Taxes paid		(36,818,780)	(32,834,169)
Accumulated absences paid		(526,749)	-
Gratuity paid		(5,394,881)	-
Net increase in long term deposits		-	(911,725)
		(119,601,762)	(82,882,436)
Net cash outflow from operating activities		(219,143,569)	(60,029,208)
<u>Cash flows from investing activities</u>			
Purchase of operating assets		(41,127,247)	(52,190,291)
Proceeds from disposal of property, plant and equipment		6,250,000	765,637
Profit on bank deposits received		69,740,408	49,152,067
Net cash outflow from investing activities		34,863,161	(2,272,587)
<u>Cash flows from financing activities</u>			
Repayment of long term loans		(80,500,046)	(50,559,142)
Payment of supplier's credit		(36,540,340)	(32,372,446)
Proceeds from short term finances acquired		824,791,923	738,729,189
Expenses incurred on issuance of bonus shares		(376,317)	-
Dividend paid		(8,496)	(89,315,844)
Repayment of short term finances		(762,669,724)	(549,300,986)
Payment of finance lease liabilities		(8,735,998)	(5,929,123)
Net cash inflow from financing activities		(64,038,998)	11,251,648
Net decrease in cash and cash equivalents		(248,319,406)	(51,050,147)
Cash and cash equivalents at the beginning of the period		1,277,911,594	1,753,340,066
Cash and cash equivalents at the end of the period		1,029,592,187	1,702,289,919

The annexed notes from 1 to 16 form an integral part of this consolidated condensed interim financial statements.



Hamza Gillani
Chief Financial Officer



Tayyab Aljaz
Chief Executive



Saadat Eljaz
Director

Roshan Packages Limited

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended 31 December 2018

	Capital reserves			Revenue			
	Issued, subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Accumulated profit	Sub total	Non- controlling Interest	Total
	Rupees						
Balance as at 30 June 2017	1,075,000,000	2,339,165,370	1,073,890,796	820,970,146	5,309,026,312	168,254,671	5,477,280,983
Total comprehensive income for the year							
Profit after taxation	-	-	-	4,032,197	4,032,197	(928)	4,031,269
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	4,032,197	4,032,197	(928)	4,031,269
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(17,460,682)	17,460,682	-	-	-
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)
Balance as at 31 December 2017	1,182,500,000	2,231,665,370	1,056,430,114	734,963,026	5,205,558,509	168,253,743	5,373,813,181
Balance 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
Total comprehensive loss for the period							
Loss for the period	-	-	-	(66,482,155)	(66,482,155)	(506,664)	(66,988,819)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	(66,482,155)	(66,482,155)	(506,664)	(66,988,819)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(9,957,310)	9,957,310	-	-	-
Transaction with owners of the Company							
Bonus shares issued	236,500,000	(236,500,000)	-	-	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,317)	-	-	(376,317)	-	(376,317)
	236,500,000	(236,876,317)	-	-	(376,317)	-	(376,317)
Balance as at 31 December 2018	1,419,000,000	1,994,789,053	1,068,561,973	580,984,240	5,063,255,266	167,519,504	5,230,774,778

The annexed notes from 1 to 16 form an integral part of this consolidated condensed interim financial statements.



Hamza Gillani
Chief Financial Officer



Tayyab Aliq
Chief Executive



Saadat Eliaz
Director

Roshan Packages Limited

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the six months period ended 31 December 2018

1 Corporate and general information

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

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.

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.

2 Basis of preparation

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and are unaudited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

- 2.1.3** The Securities and Exchange Commission of Pakistan (SECP), vide its S.R.O. 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.
- 2.1.4** The consolidated comparative statement of financial position presented in these consolidated condensed interim financial statements has been extracted from the audited annual consolidated financial statements of the Group for the year ended 30 June 2018, whereas consolidated comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been extracted from the un-audited condensed interim financial statements for the six months period ended 31 December 2017.
- 2.1.5** These consolidated condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended 30 June 2018.

2.2 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Group's functional currency.

3 Use of judgments and estimates

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

4 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the annual audited consolidated financial statements for the year ended 30 June 2018 except for the following:

4.1 Change in significant accounting policy

During the period, the Group has adopted IFRS 15 'Revenue from Contracts with Customers'. The details of new significant accounting policies adopted and the nature and effect of the changes from previous accounting policies are set out below:

The Group manufactures and contracts with customers for the sale of goods which generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have a material impact on the amounts of revenue recognized in these unconsolidated condensed interim financial statements.

- 4.1.1** The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12 and is effective for annual periods beginning on or after 01 January 2019.

- IFRS 16 'Leases' replaces existing leasing guidance IAS 17 'Leases' and is effective for annual period beginning on or after 01 January 2019.
- Associates and Joint Ventures are effective for annual period beginning on or after 01 January 2019.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement are effective for annual periods beginning on or after 01 January 2019.
- Amendment to IFRS 3 'Business Combinations' – Definition of a Business is effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020.
- Changes in Accounting Estimates and Errors are effective for annual periods beginning on or after 1 January 2020.
- Annual improvements to IFRS standards 2015-2017 cycle are effective for annual periods beginning on or after 01 January 2019.

	Note	(Un-audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
5 Property, plant and equipment			
Operating assets	5.1	3,612,673,486	3,626,574,039
Capital work in progress	5.2	445,262,710	440,158,727
		<u>4,057,936,196</u>	<u>4,066,732,766</u>

- 5.1** This includes the cost of operating assets that have been added during the six months period ended 31 December 2018. The Group disposed assets amounting to Rs. 954,749 during the period.

	(Un-audited) December 31, 2018 Rupees	(Un-audited) December 31 2017 Rupees
During the period the detail of additions is as follows:		
Building on freehold land	1,211,895	-
Plant and machinery	49,360,170	62,045,619
Electric installations	12,500	796,000
Furniture and fixtures	493,699	288,520
Office equipments	2,451,058	2,277,449
Vehicles	9,838,000	3,276,345
	<u>63,367,322</u>	<u>68,683,933</u>

5.2 Capital work in progress

Opening balance	440,158,727	529,695,756
Additions during the period	68,471,305	55,691,687
Transfers during the period	<u>(63,367,322)</u>	<u>(68,683,933)</u>
	<u>445,262,710</u>	<u>516,703,510</u>

6	Long term loan - unsecured, considered good	Note	(Un-audited) 31 December 2018 Rupees	(Audited) June 30, 2018 Rupees
	Loan to Associate Undertaking - Roshan Enterprises	6.1	125,365,160	-
			<u>125,365,160</u>	<u>-</u>

- 6.1** This represents trade receivables amounting to Rs. 122.72 million, converted to long term loan by a special resolution passed at the Annual General Meeting of the Company dated 29 October 2018. The loan including markup will be repaid by the associated company after two years from the date of conversion i.e. 29 October 2018. The loan carries markup at the rate of 1-Year KIBOR+2%. Markup is being charged from the date of conversion.

	(Un-audited) 31 December 2018 Rupees	(Audited) June 30, 2018 Rupees
<i>Movement during the year is as follows:</i>		
Balance converted in to long term loan from trade debtors - unsecured	122,722,688	-
Accrued mark up	2,642,472	-
Closing balance	<u>125,365,160</u>	<u>-</u>

7 Issued, subscribed and paid up share capital

(Un-audited) 31 December 2018 (Number of shares)	(Audited) 30 June 2018		Note	(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
57,336,000	57,336,000	Ordinary shares of Rs. 10 each fully paid in cash		573,360,000	573,360,000
5,103,000	5,103,000	Ordinary shares of Rs. 10 each fully paid for consideration other than cash	7.1	51,030,000	51,030,000
79,461,000	55,811,000	Ordinary shares of Rs. 10 each issued as bonus shares		794,610,000	558,110,000
<u>141,900,000</u>	<u>118,250,000</u>			<u>1,419,000,000</u>	<u>1,182,500,000</u>

- 7.1** These right shares were issued against the fair value of land acquired measuring 48 kanals and 12 marlas and is situated opposite to Sundar Industrial Estate, Bhai Kot, Raiwind, Lahore.
- 7.2** The Group during the period issued 23.65 million bonus shares amounting to Rs. 236.50 million. The reconciliation of ordinary share capital during the period is as follows:

	(Un-audited) Number of share	(Un-audited) Rupees
Issued share capital as at 01 July 2018	118,250,000	1,182,500,000
Issue of bonus shares during the period	23,650,000	236,500,000
Issued share capital as at 31 December 2018	<u>141,900,000</u>	<u>1,419,000,000</u>

8 Contingencies and commitments

8.1 Contingencies

There is no significant change in the status of contingencies set out in note 24 to the Group's annual consolidated financial statements for the year ended 30 June 2018.

(Un-audited) 31 December 2018 Rupees	(Audited) 30 June 2018 Rupees
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8.2 Commitments

8.2.1	Commitments in respect of capital expenditure	-	9,250,980
8.2.2	Commitment in respect of purchase of raw material	<u>434,190,659</u>	<u>315,719,200</u>

9 Sales - net

	Six months period ended		Three months period ended	
	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees
Gross sales	3,212,905,278	2,352,471,229	1,683,401,639	1,075,981,145
Less: Sales tax	458,841,819	340,246,832	228,958,596	152,989,668
Discounts and sales returns	6,659,581	6,771,434	3,122,782	4,375,519
	<u>(465,501,400)</u>	<u>(347,018,266)</u>	<u>(232,081,378)</u>	<u>(157,365,187)</u>
	<u>2,747,403,878</u>	<u>2,005,452,964</u>	<u>1,451,320,261</u>	<u>918,615,959</u>

10 Cost of sales

Raw materials consumed	2,225,103,125	1,472,548,282	1,158,185,631	671,664,845
Packing material consumed	11,597,705	7,208,013	4,588,707	2,625,726
Production supplies	42,506,001	31,742,338	33,420,071	12,839,027
Other factory overhead costs	337,850,894	308,174,635	178,320,975	156,498,133
	<u>2,617,057,725</u>	<u>1,819,673,268</u>	<u>1,374,515,384</u>	<u>843,627,731</u>
Opening work-in-process	20,776,488	42,527,088	42,749,020	18,280,466
Closing work-in-process	(65,443,612)	(28,683,131)	(65,443,612)	(28,683,131)
	<u>(44,667,124)</u>	<u>13,843,957</u>	<u>(22,694,592)</u>	<u>(10,402,665)</u>
Cost of goods manufactured	<u>2,572,390,601</u>	<u>1,833,517,225</u>	<u>1,351,820,792</u>	<u>833,225,066</u>
Opening stock of finished goods	41,789,793	62,299,584	52,197,705	55,140,058
Closing stock of finished goods	(36,357,330)	(38,600,054)	(36,357,330)	(38,600,054)
	<u>5,432,463</u>	<u>23,699,530</u>	<u>15,840,375</u>	<u>16,540,004</u>
	<u>2,577,823,064</u>	<u>1,857,216,755</u>	<u>1,367,661,167</u>	<u>849,765,070</u>

	(Un-audited) 31 December 2018 Rupees	(Un-audited) 31 December 2017 Rupees
11 Other income		
<u>Income from financial assets</u>		
Profit on bank deposits	56,658,988	53,911,400
<i>Interest income on loans to related parties:</i>		
- Roshan Enterprises	2,642,472	-
<u>Income from non-financial assets</u>		
Liabilities no longer payable written back	7,736	-
Gain on disposal of operating assets	5,207,412	464,550
	64,516,608	54,375,950
12 Cash (used in)/generated from operations		
(Loss) / profit before taxation	(29,610,178)	4,032,197
<i>Adjustment for non-cash charges and other items:</i>		
Amortization of intangibles	394,349	492,936
Depreciation on operating assets	62,813,445	70,833,138
Depreciation on assets subject to finance lease	4,078,365	3,781,014
Profit on bank deposits	(56,658,988)	(53,911,400)
Finance cost	81,887,942	58,350,356
(Gain) / loss on disposal of property, plant and equipment	(5,207,412)	432,493
Provision for gratuity	8,417,172	9,619,622
Provision for accumulating compensated absences	2,207,268	1,511,568
Profit before working capital changes	68,321,964	95,141,925
<i>Effect on cash flow due to working capital changes</i>		
- Decrease / (increase) in stores and spare parts	2,913,105	(26,990,875)
- Increase in stock-in-trade	(86,703,612)	(10,771,411)
- (Increase) / decrease in trade debts	(495,873,842)	68,666,373
- Decrease / (increase) in advances, deposits, prepayments and other receivables	(33,481,801)	(34,078,751)
- Increase / (decrease) in trade and other payables	445,282,380	(69,114,033)
	(167,863,770)	(72,288,697)
	(99,541,807)	22,853,228

13 Transactions with related parties

The related parties include the subsidiary (Roshan Sun Tao (Private) Limited), associated undertakings (Roshan Enterprises and Urdu Digest), directors of the Group, key management personnel and their associates. The Group in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements is as follows:

Relationship with the Group	Name of related party	Transaction	Percentage of shareholding 31 December 2018	Percentage of shareholding 31 December 2017	Six months period ended		Three months period ended	
					(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
					31 December 2018	31 December 2017	31 December 2018	31 December 2017
					Rupees	Rupees	Rupees	Rupees
Chief Executive	Tayyab Aijaz	Bonus shares issued	26.84%	26.84%	63,476,600	208,173,724	63,476,600	208,173,724
Director	Zaki Aijaz	Bonus shares issued	11.86%	11.86%	28,048,900	91,987,346	28,048,900	91,987,346
Director	Saadat Eijaz	Bonus shares issued	11.86%	11.86%	28,048,900	91,987,346	28,048,900	91,987,346
Director	Khalid Eijaz	Bonus shares issued	14.65%	14.65%	34,647,250	113,626,865	34,647,250	113,626,865
Director	Quasim Aijaz	Bonus shares issued	2.96%	2.96%	7,000,400	22,958,056	7,000,400	22,958,056
Key management personnel	-	Remuneration			43,005,834	54,832,530	22,072,315	27,416,265
Directors	-	Dividend			-	73,286,296	-	73,286,296
Associated Company	Roshan Enterprises	Sales			5,753,828	4,515,960	5,753,828	4,515,960
		Trade debt converted to long term			122,722,688	-	122,722,688	-
		Markup accrued			2,642,472	-	2,642,472	-

14 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.

31 Decemeber 2018*Financial assets - not measured at fair value*

	Carrying value			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
Rupees						
Long term loan - unsecured, considered good	125,365,160	-	125,365,160	-	-	-
Long term deposits	20,501,701	-	20,501,701	-	-	-
Trade debtors - unsecured	1,583,602,891	-	1,583,602,891	-	-	-
Advances, deposits and other receivables	15,133,630	-	15,133,630	-	-	-
Cash and bank balances	1,473,476,361	-	1,473,476,361	-	-	-
	3,218,079,743	-	3,218,079,743	-	-	-

Financial liabilities not measured at fair values

Liabilities against assets subject to finance lease	-	11,561,344	11,561,344	-	-	-
Long term finances - secured	-	425,312,454	425,312,454	-	-	-
Supplier's credit - unsecured	-	265,761,739	265,761,739	-	-	-
Short term borrowings - secured	-	1,368,256,431	1,368,256,431	-	-	-
Trade and other payables	-	1,161,189,082	1,161,189,082	-	-	-
Unclaimed dividend	-	874,387	874,387	-	-	-
Accrued markup	-	26,316,582	26,316,582	-	-	-
	-	3,259,272,020	3,259,272,020	-	-	-

30 June 2018*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 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	-	-	-

15 Date of authorisation for issue

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 01 March 2019.

16 General

- 16.1** Figures have been rounded off to the nearest thousand rupees except as stated otherwise.
- 16.2** Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangement or reclassification has been made during the six months period ended 31 December 2018.



Hamza Gillani
Chief Financial Officer



Tayyab Aljaz
Chief Executive



Saadat Eljaz
Director