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REPORT FOR THE QUARTER ENDED 30-SEPTEMBER-2019

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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 Aijaz

Executive Director

Mr. Zaki Aijaz

Non-Executive Director

Mr. Quasim Aijaz

Non-Executive Director

Mr. Malik Asad Ali Khan

Independent/Non-Executive Director

Mrs. Ayesha Musaddaque 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

Habib Bank Limited

MCB Bank Limited

United Bank Limited

Dubai Islamic Bank Limited

Meezan Bank Limited

Askari Bank Limited

Allied Bank Limited

Bank of Punjab

JS Bank Limited

Registered Office

325 G-III MA Johar Town, Lahore

Phone: +92-042-35290734-38

Fax: +92-042-35290731

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

CDC Share Registrar Services Limited

CDC House, 99-B, Block B, S.M.C.H.S.

Independent/Non-Executive Director

Main Shahrah-e-Faisal, Karachi – 74400

Statutory Auditor

EY Ford Rhodes, Chartered Accountants

Head of Internal Audit

Mrs. Faiza Khalid, ACA

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

Website

www.roshanpackages.com.pk

Director's Report

The Directors of the Company are pleased to present their Directors 'Report along with the unaudited Financial Statements of the Company for the period ended September 30, 2019.

Financial Overview

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

	Quarter Ended	
	30-Sep-2019	30-Sep-2018
	Rupees in Million	
Sales-net	1,057	1,296
Cost of Sales	985	1,235
Gross Profit	72	61
Finance Cost	61	38
Profit / (loss) before tax	16	(12)
Net profit / (loss) after tax	20	(12)

Despite all macroeconomic challenges and economic slowdown, by the Grace of Almighty your company is able to revert back to profits during the period under review and earned profit after tax of Rs 20 million as compared to loss after tax of Rs. 12 million in comparable period last year (showing improvement of 270% as compare to comparable period last year).

Your company has registered gross profit of Rs. 72 million as compared to Rs. 61 million showing an increase of Rs. 11 million as compared to last period, which is 18% more than comparable period. Gross profit ratio increased to 6.8% as compared to 4.7% in comparative period which shows an improvement of 45% from comparative quarter last year.

Finance cost for the quarter under review have been increased by Rs. 22.7 million as compared to last period mainly due to rise in policy rate by State Bank of Pakistan. However, due to efficient working capital management the short-term borrowings are gradually decreasing which will result in reduction in finance cost.

Further due to strengthening of Pak Rupee your company has gained Rs. 17 million during the period under review as compared to loss in comparative period last year.

Your company is returned to profit before tax of Rs. 16 million as compared to loss of Rs. 12 million in same quarter last year which shows an improvement of Rs. 28 million.

Future Outlook

The country is facing microeconomic challenges that needs to be addressed in order to avoid further economic turmoil. The continuity of the economic policies will remain critical to the sustained development of the economy. In order to control current account deficit measure like restriction on imports, will gradually trigger growth in local industries which ultimately beneficial for the country. The demand for local products will grow which ultimately raised the demand for the packaging products in upcoming quarters. On the other hand, exchange rates and policy rates are expected to be stabilized which will result in further improvement.

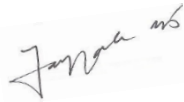
Your Company is geared to face the challenging times and is taking every possible step to strengthen the operations to improve sales and margins. The Company is constantly negotiating with its existing customers to pass on the higher raw material and energy costs. In addition to that, the Company is constantly reviewing its portfolio of customers and rationalizing it. Furthermore, the Company is continuously focusing on 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 increase our portfolio participating in national and international trade shows, actively using advance marketing tools along with traditional method of knocking customers. Our enthusiasm to broaden our products and customer portfolio will remain our priority going forward. We have a clear and focused strategy for our future and we hope to strengthen our position in the coming years.

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

Acknowledgment:

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



Chief Executive Officer



Chairman

ڈائریکٹران کی رپورٹ

آپ کی کھٹی کے ڈائریکٹران 30 ستمبر 2018 کو ختم ہونے والی مدت کے لئے اپنی رپورٹ کے ساتھ کھٹی کی تحریر آؤٹ ڈاؤنڈ فائلز (ٹینٹ ٹیبلز) کرتے ہیں۔ مالی جائزہ:

اس مدت کے دوران کھٹی کی کارکردگی درج ذیل ٹیبل میں دی گئی ہے:

سرمایہ مختصر		
30 ستمبر 2019	30 ستمبر 2018	
ملین روپے		
1,057	1,296	مصنوعات کی کل فروخت
985	1,235	فروخت کی لاگت
72	61	گموی منافع
61	38	فائلز لاگت
16	(12)	نفع (تقصان) قبل از ٹیکس
20	(12)	اصل نفع (تقصان) بعد از ٹیکس

تمام تر معاشی چیلنجوں اور معاشی سست روی کے باوجود، اعلیٰ معیار کے نفع و کم سے آپ کی کھٹی کی اس عرصہ کے دوران منافع میں اضافہ ہوئی اور 20 ملین روپے منافع بعد از ٹیکس حاصل کیا جو پچھلے سال اسی مدت کے دوران بعد از ٹیکس 12 ملین روپے نقصان تھا۔ (اس طرح گزشتہ سال کے مقابلے 270 فی صد بہتری ہوئی ہے)۔ آپ کی کھٹی نے اس سرمایہ میں 72 ملین روپے گموی منافع حاصل کیا جو پچھلے سال اسی مدت میں 61 ملین روپے تھا۔ اس طرح سے 11 ملین روپے زیادہ منافع رہا جو 18 فیصد زیادہ ہے۔ گموی منافع کا تناسب تقابلی مدت میں 8.8 فی صد بڑھا جو پچھلے سال 4.7 فیصد تھا۔ یہ پچھلے سال کی تقابلی سرمایہ سے 45 فیصد کی بہتری ظاہر کرتا ہے۔

زیر غور سرمایہ کے لئے فائلز لاگت میں 22.7 ملین روپے کا اضافہ ہوا جس کی وجہ اسٹیٹ بینک آف پاکستان کی پالیسی شرح میں اضافہ ہے۔ ۳۴ فیصد، میٹر ورکنگ کپٹل جھنڈ کی وجہ سے فائلز معنی قرعے آہستہ آہستہ کم ہو رہے ہیں جس کے نتیجے میں فائلز لاگت میں کمی واقع ہوگی۔ مزید یہ کہ روپیہ کی قیمت میں استحکام کی وجہ سے آپ کی کھٹی نے 17 ملین روپے حاصل کیے جو گزشتہ سال کے اس تقابلی عرصے میں نقصان تھا۔

آپ کی کھٹی نے قبل از ٹیکس 16 ملین روپے کا نفع کیا جو پچھلے سال اس تقابلی عرصے میں 12 ملین نقصان تھا۔ اس طرح سے آپ کی کھٹی نے 28 ملین روپے کی بہتری دکھائی۔

مستقل کامیابی:

ہمارے ملک کو معاشی چیلنجوں کا سامنا ہے جس کا ازالہ کرنے کی ضرورت ہے تاکہ مزید معاشی افراتفری سے بچا جاسکے۔ معاشی پالیسیوں کا تسلسل معیشت کی مستقل ترقی کے لئے نہایت اہم رہے گا۔ کرنٹ اکاؤنٹ کے خسارے پر قابو پانے کے لیے درآمدات کی حوصلہ شکنی سے آہستہ آہستہ تقاضی منفعیٹیں منو پائی گئیں گی جو بالآخر ملک کے لئے فائدہ مند ہے۔ تقاضی مصنوعات کی طلب میں اضافہ ہوا جس نے بالآخر آمدنی کے معیار میں بھیچھ تک مصنوعات کی طلب کو بڑھا دیا۔ دوسری طرف، شرح تبادلہ اور شرح سود میں استحکام رونق ہے جس کے نتیجے میں مزید بہتری آئے گی۔

آپ کی کھٹی مشکلات کا مقابلہ کرنے کے لئے تیار ہے اور اپنی افیلیا کی فروخت اور نفع کا مارجن کو بڑھانے کے لئے ہر ممکن اقدام اٹھا رہی ہے۔ کھٹی غامض مال اور قوانین کے بڑھتے ہوئے اثرات کا مقابلہ کرنے کے لئے اپنے سروسز کو سیکور سے مستقل مذاکرات کر رہی ہے۔ اس کے علاوہ، کھٹی اپنے سیکور کے پورٹ فولیو کا مستقل جائزہ لے

دہی ہے اور اسے معقول بنا دہی ہے۔ مزید برآں، کمپنی اپنی مصنوعات کی لاگت کو کم کرنے کے لیے ملاکت میں کوئی مصنوعات کی جاری کے دوران خام مال کے ضیاع کو کم کرنے کے لیے کارکردگی میں بہتری کے اقدامات، غیر نقد بنیادوں کے اخراجات کو معقول بنانا، نئے ایڈٹ کی خدمات حاصل کرنے اور نئے ملازمین کے حصول اور قومی اور بین الاقوامی ٹرانزیکشن میں حصہ لے کر اپنے کسٹمرز کے پورٹ فولیو کو بڑھانے کے لیے مسلسل توجہ مرکوز کر رہی ہے۔ سارا لیکن تک کا پیچھے کے درجی طریقہ کے ساتھ ساتھ جدید مارکیٹنگ کے طریقے بھی استعمال کر رہے ہیں۔ اپنی مصنوعات کی درجہ اور کسٹمرز پورٹ فولیو کو وسیع کرنے کا ہمارا محزم آگے بڑھنے میں ہماری ترجیح رہے گا۔ ہمارے پاس اپنے مستقبل کے لیے ایک واضح اور مربوط حکمت عملی ہے اور ہمیں امید ہے کہ آنے والے سالوں میں ہم اپنی پوزیشن کو مستحکم کریں گے۔

موجود مالی سال کے نقطہ نظر کے بارے میں بتا رہے ہوتے ہیں امید ہے کہ صارفین پر مبنی کمپنی کے طور پر اور فوڈ سٹائل ریگولیشن اور حفاظت صحت سے متعلق حکمران کی ضروریات کے بارے میں بدھتی ہوئی آگاہی کی وجہ سے حکمران کی مصنوعات میں اضافہ ہوگا جس سے کمپنی ترقی کرے گی اور بہتر کارکردگی کا مظاہرہ کرے گی، انشاء اللہ۔ ہم آپ کی کمپنی کے مستقبل کے لیے پراسید اور پراسید ہیں۔

اعلیٰ تحفہ

کمپنی انتظامیہ اس موقع کا فائدہ اٹھاتے ہوئے اپنے قابل قدر کسٹمرز کا شکریہ ادا کرتی ہے کہ انہوں نے کمپنی کی مصنوعات پر اپنے اعتماد کا اظہار کیا۔ ہم اپنے تمام اہلکار ہائرڈ مشمول چلائرز، جنرل مینجمنٹ اور ملازمین کی جانب سے ان کی پوری دلی حمایت کے لیے بھی ان کا شکریہ ادا ہیں۔

جی

جنرل مینجمنٹ

جی

جنرل مینجمنٹ

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2019

	Note	Un-audited Sep-19 Rupees	Audited Jun-19 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property plant and equipment	5	4,624,210,832	4,635,533,011
Intangibles		1,425,858	1,780,282
Investment in subsidiary		111,376,130	111,376,130
Long term loan - unsecured - considered good	6	262,997,368	249,932,785
Long term deposits		17,755,493	16,253,723
		5,017,765,681	5,014,875,931
CURRENT ASSETS			
Stores and spares		176,903,471	172,865,543
Stock-in-trade		771,108,668	709,586,567
Contract assets		24,285,901	48,595,967
Trade debts - unsecured		1,151,332,166	1,269,505,348
Short term loan - unsecured, considered good		92,186,870	92,186,870
Advances, deposits, prepayments and other receivables		769,819,706	759,228,899
Cash and bank balances		977,851,504	1,138,630,069
		3,963,488,286	4,190,599,263
		8,981,253,967	9,205,475,194
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2019: 150,000,000)			
ordinary shares of Rs 10 each		1,500,000,000	1,500,000,000
141,900,000 ordinary shares of Rs 10 each	7	1,419,000,000	1,419,000,000
Share Premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		1,827,963,422	1,843,728,306
Un-appropriated profit		392,856,460	356,968,813
		5,634,608,939	5,614,486,176
NON-CURRENT LIABILITIES			
Supplier's credit - unsecured		30,969,229	96,356,613
Liabilities against assets subject to finance lease		6,675,149	9,505,865
Deferred taxation		544,995,511	561,296,117
Deferred liabilities		75,365,497	73,592,237
		658,005,386	740,750,832
CURRENT LIABILITIES			
Current portion of long-term liabilities		517,579,475	493,541,100
Short term borrowings - secured	8	1,343,353,251	1,353,114,322
Trade and other payables	9	766,250,603	964,258,994
Contract liabilities		11,209,846	4,091,995
Unclaimed dividend		792,688	800,169
Accrued finance cost		49,453,779	34,431,606
		2,688,639,642	2,850,238,186
Contingencies and commitments	10		
		8,981,253,967	9,205,475,194

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (Un-audited)

	Note	Quarter ended	
		Sep-19 Rupees	Sep-18 Rupees
Gross sales		1,233,504,021	1,521,509,711
Less:			
Sales tax		171,595,168	220,602,004
Discounts and commission		4,995,493	4,824,090
		176,590,661	225,426,094
Sales - net		1,056,913,360	1,296,083,617
Cost of sales	11	(984,986,158)	(1,235,470,089)
Gross profit		71,927,202	60,613,528
Administrative expenses		(32,013,989)	(28,909,304)
Selling and distribution expenses		(21,194,240)	(22,802,761)
Net of other operating income/(expense)		57,660,103	17,193,944
Finance cost		(60,666,643)	(37,929,311)
Profit/(Loss) before taxation for the period		15,712,433	(11,833,904)
Taxation		4,410,329	-
Profit/(Loss) after taxation for the period		20,122,762	(11,833,904)
Earnings per share-basic & diluted		0.14	(0.10)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of operating fixed assets realized through incremental depreciation charged on related assets for the period - net of tax		-	7,187,866
		-	7,187,866
Total comprehensive income for the period		20,122,762	(4,646,038)

The annexed notes from 1 to 16 form an integral part of these financial statements.


Chief Executive


Director

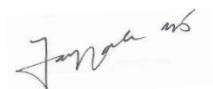

Chief Financial Officer

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2019 (Un-audited)

	Capital reserves			Revenue reserve	Total Rupees
	Issued, subscribed and paid-up capital Rupees	Share premium Rupees	Surplus on revaluation of property, plant and Equipment Rupees	Accumulated profit Rupees	
Balance as on 01 July 2018 - as previously reported	1,182,500,000	2,231,665,370	1,078,519,283	649,996,341	5,142,680,994
Adjustment on initial application of IFRS 9, net of tax	-	-	-	(293,451,902)	(293,451,902)
Adjustment on initial application of IFRS 15	-	-	-	(1,165,024)	(1,165,024)
Restated balance at 01 July 2018	1,182,500,000	2,231,665,370	1,078,519,283	355,379,415	4,848,064,068
Total comprehensive loss for the year					
Loss after taxation	-	-	-	(26,898,075)	(26,898,075)
<i>Other comprehensive income:</i>	-	-	-	-	-
- Remeasurement of retirement benefits - net of tax	-	-	-	1,719,907	1,719,907
- Revaluation surplus during the year - net of tax	-	-	786,981,936	-	786,981,936
- Effect of change in tax rate on balance of revaluation on property, plant and equipment	-	-	4,994,654	-	4,994,654
	-	-	791,976,590	(25,178,168)	766,798,422
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(26,767,567)	26,767,567	-
Transaction with owners of the Company					
Bonus shares issued	236,500,000	(236,500,000)	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,313)	-	-	(376,313)
	236,500,000	(236,876,313)	-	-	(376,313)
Balance as on 30 June 2019	1,419,000,000	1,994,789,057	1,843,728,306	356,968,814	5,614,486,177
Profit for the period	-	-	-	20,122,762	20,122,762
Other Comprehensive income for the period	-	-	-	-	-
	-	-	-	20,122,762	20,122,762
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(15,764,884)	15,764,884	-
Balance as on September 30, 2019	1,419,000,000	1,994,789,057	1,827,963,422	392,856,460	5,634,608,939

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Director




Chief Financial Officer

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2019 (Un-audited)

	Note	Sep-19 Rupees	Sep-18 Rupees
Cash flows from operating activities			
Cash used in operations	12	(56,778,719)	(36,741,402)
Finance cost paid		(45,644,470)	(24,727,471)
Taxes paid		(22,244,256)	(41,461,426)
Gratuity paid		(3,477,614)	(3,620,031)
Accumulated absences paid		(103,147)	(202,099)
Net increase in long term deposits		(1,501,770)	-
Net cash outflow from operating activities		(129,749,976)	(106,752,429)
Cash flows from investing activities			
Purchase of property, plant and equipment		(22,745,281)	(10,804,524)
Increase in long term loan		(8,947,608)	(5,292,821)
Purchase of intangibles		-	(708,848)
Profit on bank deposits received		38,263,568	23,894,444
Net cash inflow from investing activities		6,570,679	7,088,251
Cash flows from financing activities			
Repayment of long-term loans		(25,000,000)	(25,000,000)
Repayment of supplier's credit		-	-
(Repayment)/Proceeds from term finances acquired		(9,761,071)	124,307,875
Dividend paid		(7,481)	-
Repayment of finance lease liabilities		(2,830,716)	(3,811,935)
Net cash (outflow) / inflow from financing activities		(37,599,268)	95,495,940
Net decrease in cash and cash equivalents		(160,778,565)	(4,168,238)
Cash and cash equivalents at the beginning of the period		1,138,630,069	1,749,293,398
Cash and cash equivalents at the end of the period		977,851,504	1,745,125,160

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended 30 September 2019 (Un-Audited)

1 Legal status and nature of business

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

The registered office of the company is situated at 325 G-III, M.A. Johar Town, Lahore. The corrugation packaging facility is located at 7 km, Sundar Raiwind Road, Lahore and flexible packaging facility is located at Plot No. 141,142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore. Marketing office is located at 104, Parsa Tower, PECHS Block-6, Shahra-e-Faisal, Karachi.

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

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

2. Basis of preparation

2.1 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 30 September 2019 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

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

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

2.3 Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2019, whereas comparatives of condensed interim unconsolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the quarter ended 30 September 2018.

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

3 Use of judgements and estimates

The preparation of the unconsolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the unconsolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual unconsolidated financial statements of the Company for the year ended June 30, 2019.

4 New standards amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2019.

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 statements of the Company.

4.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2019:

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 July 2019:

- 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 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.

- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 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.

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

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.

		Sep-19 Rupees	Jun-19 Rupees
5 Property, plant and equipment			
Operating fixed assets	5.1	4,534,502,265	4,545,885,536
Capital work-in-progress	5.2	89,708,567	89,647,475
		4,624,210,832	4,635,533,011
5.1 Movement during the year is as follows:			
Opening cost/revalued amount		6,164,758,720	4,498,529,873
Additions	5.1.1	22,684,189	181,541,442
Disposals		-	(11,652,972)
Revaluation during the year		-	1,496,340,377
Closing cost/revalued amount		6,187,442,909	6,164,758,720
Opening accumulated depreciation		1,618,873,184	1,046,062,216
Charge for the year		34,067,460	140,965,068
Disposals		-	(9,209,910)
Revaluation during the year		-	441,055,810
Closing accumulated depreciation		1,652,940,644	1,618,873,184
Carrying Value		4,534,502,265	4,545,885,536
5.1.1 During the period the detail of addition is as follows:			
Buildings on free hold land-own assets		-	41,804,962
Plant and machinery-own assets		21,962,955	84,319,687
Electric installations-own assets		146,999	36,548,109
Furniture & fixture - own assets		247,400	675,116
Office equipment - own assets		326,835	6,024,568
Vehicles-leased		-	12,169,000
		22,684,189	181,541,442
5.2 Capital work in progress			
Opening balance		89,647,475	172,890,360
Additions during the period		62,497	109,527,327
Transfers during the period		-	(192,770,212)
		89,709,972	89,647,475

				Sep-19 Rupees	Jun-19 Rupees
6	Long term loan - unsecured, considered good				
	Loan to associate undertaking -				
	Roshan Enterprises	6.1		136,955,375	132,838,400
	Loan to subsidiary - Roshan Sun				
	Tao Paper Mills (Private) Limited	6.2		126,041,993	117,094,385
				262,997,368	249,932,785
6.1	Movement during the year is as follows:				
	Opening balance			132,838,400	-
	Balance converted in to long term loan from				
	receivables - unsecured			-	122,722,688
	Accrued mark up			4,116,975	10,115,712
	Closing balance			136,955,375	132,838,400
6.2	Movement during the year is as follows:				
	Opening balance			117,094,385	82,972,338
	Balance converted in to long term loan from				
	advance due from subsidiary			-	-
	Loan disbursed during the year			-	26,868,547
	Expenses incurred on behalf of subsidiary			6,605,720	
	Accrued mark up			2,341,888	7,253,500
	Closing balance			126,041,993	117,094,385
7	Issued, subscribed and paid up share capital				
	Sep-19	Jun-19		Sep-19	Jun-19
	(Number of shares)			Rupees	Rupees
			Ordinary shares of Rs 10 each		
	57,336,000	57,336,000	fully paid in cash	573,360,000	573,360,000
	79,461,000	79,461,000	Ordinary shares of Rs 10 each	794,610,000	794,610,000
			issued as bonus shares		
	5,103,000	5,103,000	Ordinary shares of Rs 10 each	51,030,000	51,030,000
			fully paid for consideration other		
			than cash		
	141,900,000	141,900,000		1,419,000,000	1,419,000,000
7.1	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.				
8	Short term borrowings - secured			Sep-19 Rupees	Jun-19 Rupees
	Running finance - secured			373,962,016	441,881,617
	Term finances				
	- Import finance			792,067,649	112,267,606
	- Murabaha/Istisna			177,323,586	798,965,099
	Term finances - secured			969,391,235	911,232,705
				1,343,353,251	1,353,114,322
9	Trade and other payables				
	Trade creditors			585,035,677	691,504,695
	Bills payable			106,622,690	208,929,477
	Advances from customers			4,015,171	-
	Retention money			851,021	851,021
	Accrued liabilities			62,517,071	57,194,817
	Withholding tax payable			3,641,495	2,368,928
	Workers' profit participation fund			1,507,531	1,507,531
	Advances from employees			2,059,947	1,902,525
				766,250,603	964,258,994
10	Contingencies and commitments				

There is no significant change in the status of contingencies and commitments set out in note 28 to the Company's unconsolidated financial statements for the year ended 30 June 2019.

11 Cost of sales

	Sep-19 Rupees	Sep-18 Rupees
Raw materials consumed	766,782,358	1,066,917,494
Carriage inward expenses	516,116	466,480
Packing material consumed	3,747,752	7,008,998
Production supplies	14,825,499	9,085,930
Fuel and power	54,952,087	47,274,181
Salaries, wages and other benefits	53,389,088	55,047,427
Repairs and maintenance	10,879,781	16,459,173
Printing and stationery	142,283	198,463
Insurance	2,320,961	1,548,813
Rent	440,029	78,200
Travelling and conveyance	6,339,321	5,454,942
Freight and transportation	19,155,525	16,599,515
Communication expenses	178,231	210,499
Vehicle running expenses	629,885	755,848
Depreciation on operating fixed assets	32,090,596	29,975,451
Depreciation on assets subject to finance lease	960,193	387,498
Others	5,495,079	1,058,779
	972,844,784	1,258,527,691
Opening work-in-process	-	20,776,488
Closing work-in-process	-	(42,749,020)
	-	(21,972,532)
Cost of goods manufactured	972,844,784	1,236,555,159
Opening stock of finished goods	16,264,405	41,789,793
Closing stock of finished goods	(4,123,031)	(42,874,863)
	12,141,374	(1,085,070)
	984,986,158	1,235,470,089

12 Cash used in operations

	Sep-19 Rupees	Sep-18 Rupees
Profit before taxation	15,712,433	(11,833,904)
Adjustment for non-cash charges and other items:		
Amortization of intangibles	354,424	354,424
Depreciation on operating fixed assets	32,695,756	30,808,497
Depreciation on assets subject to finance lease	1,371,704	387,498
Profit on bank deposits	(32,325,547)	(25,893,868)
Profit on loan to related parties	(8,302,600)	
Exchange (gain)/loss	(17,048,456)	7,653,394
Finance cost	60,666,643	37,929,311
Provision for accumulating compensated absences	755,784	850,257
Provision for gratuity	4,528,236	4,809,813
Profit before working capital changes	58,408,377	45,065,422
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(4,037,928)	(3,463,181)
- (Increase)/decrease in stock-in-trade	(61,522,101)	7,721,328
- Decrease/(Increase) in trade debts	142,483,248	(332,141,960)
- Increase in advances, deposits, prepayments and other receivables	(2,492,342)	(77,994,117)
- (Decrease)/increase in trade and other payables	(189,617,973)	324,071,106
	(115,187,096)	(81,806,824)
	(56,778,719)	(36,741,402)

13 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 condensed interim unconsolidated financial statements other than the following:

Relationship with the Company	Name of related party	Nature of Transactions	Sep-19 Rupees	Sep-18 Rupees
Subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Markup accrued on long term loan	2,341,888	1,682,179
		Markup accrued on short term loan	1,843,737	1,894,992
Associated undertaking	Roshan Enterprises	Markup accrued on long term loan	4,116,975	-

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.

The company have measured its financial instruments at amortized cost and there is no significant change in the status of measurement set out in note 45 to the Company's unconsolidated financial statements for the year ended 30 June 2019.

15 Date of authorization for issue

These condensed interim unconsolidated financial statements were approved and authorized for issue on _____ by the Board of Directors of the Company.

16 General

16.1 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per financial reporting framework however, no significant re-arrangements have been made other than those disclosed in the financial statements.

16.2 Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer

Director's Report

The Directors of the group are pleased to present their Directors 'Report along with the unaudited consolidated Financial Statements of the group for the period ended September 30, 2019.

Financial Overview

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

	Quarter Ended	
	30-Sep-2019	30-Sep-2018
	Rupees in Million	
Sales-net	1,057	1,296
Cost of Sales	985	1,235
Gross Profit	72	61
Finance Cost	61	38
Profit / (loss) before tax	11	(12)
Profit / (loss) after tax	15	(12)

Despite all macroeconomic challenges and economic slowdown, by the Grace of Almighty your group is able to revert back to profits during the period under review and earned profit after tax of Rs 15 million as compared to loss after tax of Rs. 12 million in comparable period last year (Showing improvement of 229% as compare to comparable period last year).

Your group is returned to profit before tax of Rs. 11 million as compared to loss of Rs. 12 million in same quarter last year which shows an accumulative improvement of Rs. 23 million.

Your group has registered gross profit of Rs. 72 million as compared to Rs. 61 million showing an increase of Rs. 11 million as compared to last period, which is 18% more than comparable period. Gross profit ratio increased to 6.8% as compared to 4.7% in comparative period which shows an improvement of 45% from comparative quarter last year.

Finance cost for the quarter under review have been increased by Rs. 22.7 million as compared to last period mainly due to rise in policy rate by State Bank of Pakistan. However, due to efficient working capital management the short-term borrowings are gradually decreasing which will result in reduction in finance cost.

Further, due to strengthening of Pak Rupee, your group has gained Rs. 17 million during the period under review as compared to loss in comparative period last year.

Roshan Sun Tao Papers Mills (Pvt.) Limited

The management is committed to the project of the subsidiary and strongly believes that the paper mill project on completion will bring significant benefits to the group and its shareholders. During the period under review no significant financial activity took place.

Future Outlook

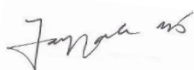
The country is facing microeconomic challenges that needs to be addressed in order to avoid further economic turmoil. The continuity of the economic policies will remain critical to the sustained development of the economy. In order to control current account deficit measure like restriction on imports, will gradually trigger growth in local industries which ultimately beneficial for the country. The demand for local products will grow which ultimately raised the demand for the packaging products in upcoming quarters. On the other hand, exchange rates and policy rates are expected to be stabilized which will result in further improvement.

Your Group is geared to face the challenging times and is taking every possible step to strengthen the operations to improve sales and margins. The Group is constantly negotiating with its existing customers to pass on the higher raw material and energy costs. In addition to that, the Group is constantly reviewing its portfolio of customers and rationalizing it. Furthermore, the Group is continuously focusing on 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 increase our portfolio participating in national and international trade shows, actively using advance marketing tools along with traditional method of knocking customers. Our enthusiasm to broaden our products and customer portfolio will remain our priority going forward. We have a clear and focused strategy for our future and we hope to strengthen our position in the coming years.

While remaining cautious about the outlook for current fiscal, we are positive that being a consumer-oriented organization, along with food safety regulation and increasing awareness of hygiene packaging needs, the Group will grow and perform even better, Insha'Allah. We, therefore, remain optimistic and confident for the future of your Group.

Acknowledgment:

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



Chief Executive Officer



Chairman

ڈائریکٹران کی رپورٹ

گروپ کے ڈائریکٹران 30 ستمبر 2019 کو ختم ہونے والی مدت کے لئے اپنی ڈائریکٹرز رپورٹ کے ساتھ گروپ کی غیر آڈٹڈ ڈیٹا کا خلاصہ پیش کر رہے ہیں۔
مالی جائزہ:

اس مدت کے دوران گروپ کی کارکردگی درج ذیل شکل میں دی گئی ہے:

سرمایہ منقسم		
30 ستمبر 2019	30 ستمبر 2018	
ملین روپے		
1,057	1,296	مصنوعات کی کل فروخت
985	1,235	فروخت کی لاگت
72	61	مجموعی منافع
61	38	خالص لاگت
11	(12)	نفع (تقصان) قبل از ٹیکس
15	(12)	اصل نفع (تقصان) بعد از ٹیکس

قوم تر معاشی قوتوں اور معاشی سست روی کے باوجود داخلہ قومی کے فضل و کرم سے آپ کا گروپ ٹھکانے کی اس طرح سے اس مدت کے دوران منافع میں ہے اور بعد از ٹیکس 15 ملین روپے منافع کمایا۔ جو کہ پچھلے سال اسی مدت کے دوران بعد از ٹیکس 12 ملین روپے نقصان تھا۔ (گزشتہ سال کے مقابلے 229 فی صد بہتری ہے)۔
آپ کے گروپ نے قبل از ٹیکس 11 ملین روپے نفع کمایا جو کہ پچھلے سال اسی سرمایہ مدت میں 12 ملین روپے منافع تھا۔ جو مجموعی طور پر 23 ملین روپے کی بہتری کو ظاہر کرتا ہے۔

آپ کے گروپ نے مجموعی منافع 72 ملین روپے دکھایا جو پچھلے سال اسی مدت میں 61 ملین روپے تھا۔ اس طرح سے 19 ملین روپے زیادہ منافع رہا۔ 18 فیصد زیادہ ہے۔
مجموعی منافع کا تناسب قومی مدت میں 8.5 فی صد رہا جو پچھلے سال 4.7 فیصد تھا۔ پچھلے سال کے قومی سرمایہ سے 48 فیصد کی بہتری ظاہر کرتا ہے۔
زیر غور سرمایہ کے لئے خالص لاگت میں 22.7 ملین روپے کا اضافہ کیا گیا ہے۔ جو بنیادی طور پر اسٹیٹ بینک آف پاکستان کی پالیسی شرح میں اضافے کی وجہ سے ہے۔ عام موڈرنگ کچھل شخصیت کی وجہ سے ٹیکس دہی قرضے آہستہ آہستہ کم ہو رہے ہیں جس کے نتیجے میں خالص لاگت میں کمی واقع ہوگی۔
مزید یہ کہ پاکستانی کرنسی روپیہ کی مضبوطی کی وجہ سے آپ کے گروپ نے 17 ملین روپے حاصل کیے جو گزشتہ سال کے قومی شرح سے ملے نقصان تھا۔
روشنی کا ذخیرہ (پراجیکٹ) لکھنؤ

گروپ کی انکسپنسی اپنی ذیلی کمپنی کے بھرپور رجسٹرڈ کونٹیکٹ کو لگانے کے لیے پرجہم ہے اور اس کا اس امر پر یقین ہے کہ بھرپور کامیابی حاصل ہونے سے گروپ انکسپنسی اور حصص داران کو قابل قدرہ کوہ پہنچے گا۔ موجودہ سرمایہ کے دوران اس حوالے سے کوئی مالی سرگرمی نہ ہوئی ہے۔
مستقبل کا نظریہ:

ہمارے ملک کو معاشی قوتوں کا سامنا ہے جس کا ازالہ کرنے کی ضرورت ہے تاکہ مزید معاشی افراتفری سے بچا جاسکے۔ معاشی پالیسیوں کا تسلسل معیشت کی مستقل ترقی کے لئے نہایت اہم رہے گا۔ کرنٹ اکاؤنٹ کے خسارے پر قابو پانے کے لیے درآمدات کی حوصلہ شکنی سے آہستہ آہستہ مقامی صنعتیں نمو پائیں گی جو بالآخر ملک کے لئے فائدہ مند ہے۔ مقامی مصنوعات کی طلب میں اضافہ ہوگا جس سے بالآخر آمدنی سرمایہ میں یکجہ رنگ مصنوعات میں اضافہ ہوگا۔ دوسری طرف، شرح تبادلہ اور شرح سود میں استحکام متوقع ہے جس کے نتیجے میں مزید بہتری آئے گی۔

آپ کا گروپ مشکلات کا مقابلہ کرنے کے لئے تیار ہے اور اپنی مصنوعات کی فروخت اور نفع کے بارے میں کو بہتر بنانے کے لئے ہر ممکن اقدام اٹھا رہا ہے۔ گروپ خام مال اور توانائی کے بڑھتے ہوئے اخراجات پورا کرنے کے لئے اپنے موجودہ سکمز سے مستقل ذخائرات کر رہا ہے۔ اس کے علاوہ، گروپ اپنے سکمز کے پورٹ فولیو کا مستقل جائزہ لے رہا ہے اور اسے معقول بنا رہا ہے۔ خرید برآں، گروپ اپنی مصنوعات کی لاگت کو کم کرنے کے لیے لاگت میں کمیوں کی مصنوعات کی تجارتی کے دوران خام مال کے صارف کو کم کرنے کے لئے کارکردگی میں بہتری کے اقدامات، غیر نقد فنڈوں کے اخراجات کو معقول بنانا، نئے ٹیکنالوجی کی خدمات حاصل کرنے اور نئے ملازمین کے حصول اور قومی اور بین الاقوامی مذاکروں میں حصہ لے کر اپنے سکمز کے پورٹ فولیو کو بڑھانے کے لئے مسلسل توجہ مرکوز کر رہا ہے۔ صارفین تک پہنچنے کے درجائی طریقہ کے ساتھ ساتھ جدید مارکیٹنگ کے طریقے بھی استعمال کر رہے ہیں۔ اپنی مصنوعات کی رینج اور سکمز پورٹ فولیو کو وسیع کرنے کا ہمارا حزمہ آگے بڑھنے میں ہماری ترجیح رہے گا۔ ہمارے پاس اپنے مستقبل کے لئے ایک واضح اور مربوط حکمت عملی ہے اور ہمیں امید ہے کہ آنے والے سالوں میں ہم اپنی پوزیشن کو مستحکم کریں گے۔

موجودہ مالی سال کے نقطہ نظر کے بارے میں غلط رہتے ہوئے، ہمیں امید ہے کہ صارفین پر مبنی آرگنائزیشن کے طور پر اور نوڈ سٹافٹ کی ریگولیشن اور حفظان و صحت سے متعلق حکمت عملی کی ضروریات کے بارے میں بڑھتی ہوئی آگاہی کی وجہ سے تکنیک کی مصنوعات میں اضافہ ہوگا اور کمپنی بہتر کارکردگی کا مظاہرہ کرے گی، ان شاء اللہ۔ لہذا، ہم آپ کی کمپنی کے مستقبل کے لئے پرامید اور پراعتماد ہیں۔

اعجاز الحق

گروپ کی انتظامیہ اس موقع کا فائدہ اٹھاتے ہوئے اپنے قابل قدر سکمز کا شکریہ ادا کرتی ہے کہ انہوں نے گروپ کی مصنوعات پر اپنے اعتماد کا اظہار کیا۔ ہم اپنے تمام تمام اسٹاک ہولڈرز بشمول سپائزز، انگریڈ شیئر ہولڈرز اور سٹازمین کی جانب سے ان کی دلی حمایت کے لئے بھی ان کا شکریہ ادا کرتے ہیں۔

ج' ا' ع

چائیرمین

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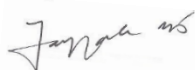
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ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2019

	Note	Un-audited Sep-19 Rupees	Audited Jun-19 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property plant and equipment	5	5,102,156,416	5,107,417,885
Intangibles		1,425,858	1,780,282
Long term loan - unsecured - considered good	6	136,955,375	132,838,400
Long term deposits		17,755,493	16,253,723
		5,258,293,142	5,258,290,290
CURRENT ASSETS			
Stores and spares		176,903,471	172,865,543
Stock-in-trade		771,108,668	709,586,567
Contract assets		24,285,901	48,595,967
Trade debts - unsecured		1,151,332,166	1,269,505,348
Advances, deposits, prepayments and other receivables		777,260,881	768,452,371
Cash and bank balances		977,896,892	1,138,675,457
		3,878,787,979	4,107,681,253
		9,137,081,121	9,365,971,543
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2019: 150,000,000)			
ordinary shares of Rs 10 each		1,500,000,000	1,500,000,000
141,900,000 ordinary shares of Rs 10 each	7	1,419,000,000	1,419,000,000
Share Premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		1,827,963,422	1,843,728,306
Un-appropriated profit		359,672,477	328,339,477
Attributable to owners of the Holding Company		5,601,424,956	5,585,856,840
Non-controlling interest		166,824,399	167,070,413
Total equity		5,768,249,355	5,752,927,253
NON-CURRENT LIABILITIES			
Supplier's credit - unsecured		30,969,229	96,356,613
Liabilities against assets subject to finance lease		6,675,149	9,505,865
Deferred taxation		544,995,511	561,296,117
Deferred liabilities		75,365,497	73,592,237
		658,005,386	740,750,832
CURRENT LIABILITIES			
Current portion of long-term liabilities		517,579,475	493,541,100
Short term borrowings - secured	8	1,343,353,251	1,353,114,322
Trade and other payables	9	788,437,341	986,314,266
Contract liabilities		11,209,846	4,091,995
Unclaimed dividend		792,688	800,169
Accrued finance cost		49,453,779	34,431,606
		2,710,826,380	2,872,293,458
Contingencies and commitments	10		
		9,137,081,121	9,365,971,543

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (Un-audited)

	Note	Quarter ended	
		Sep-19 Rupees	Sep-18 Rupees
Gross sales		1,233,504,021	1,521,509,711
Less:			
Sales tax		171,595,168	220,602,004
Discounts and commission		4,995,493	4,824,090
		176,590,661	225,426,094
Sales - net		1,056,913,360	1,296,083,617
Cost of sales	11	(984,986,158)	(1,235,470,089)
Gross profit		71,927,202	60,613,528
Administrative expenses		(32,629,024)	(28,909,304)
Selling and distribution expenses		(21,194,240)	(22,802,761)
Net of other operating income/(expense)		53,474,478	17,193,944
Finance cost		(60,666,643)	(37,929,311)
Profit/(Loss) before taxation for the period		10,911,773	(11,833,904)
Taxation		4,410,329	-
Profit/(Loss) after taxation for the period		15,322,102	(11,833,904)
Profit / (Loss) attributable to:			
Owners of the holding Company		15,568,116	-
Non-controlling interest		(246,014)	-
Profit attributable to group		15,322,102	(11,833,904)
Earnings per share-basic & diluted		0.11	(0.10)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of operating fixed assets realized through incremental depreciation charged on related assets for the period - net of tax		-	7,187,866
		-	7,187,866
Total comprehensive income for the period		15,322,102	(4,646,038)

The annexed notes from 1 to 16 form an integral part of these financial statements.


Chief Executive


Director

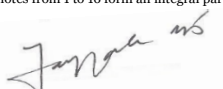

Chief Financial Officer

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2019 (Un-audited)

	Capital reserves			Revenue reserve	Total reserves	Non-controlling interest	Total equity
	Issued, subscribed and paid-up capital Rupees	Share Premium Rupees	Surplus on revaluation of property, plant and Equipment Rupees	Accumulated profit Rupees	Rupees	Rupees	Rupees
Balance as on 01 July 2018 - as previously reported	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
Adjustment on initial application of IFRS 9, net of tax	-	-	-	(293,451,902)	(293,451,902)	-	(293,451,902)
Adjustment on initial application of IFRS 15	-	-	-	(1,165,024)	(1,165,024)	-	(1,165,024)
Restated balance at 01 July 2018	1,182,500,000	2,231,665,370	1,078,519,283	342,812,158	4,835,496,811	168,026,167	5,003,522,978
Total comprehensive loss for the year							
Loss after taxation	-	-	-	(42,960,155)	(42,960,155)	(955,754)	(43,915,909)
Other comprehensive income:							
- Remeasurement of retirement benefits - net of tax	-	-	-	-	-	-	-
- Revaluation surplus during the year - net of tax	-	-	786,981,936	1,719,907	1,719,907	-	1,719,907
- Effect of change in tax rate on balance of revaluation on property, plant and equipment	-	-	4,994,654	-	4,994,654	-	4,994,654
	-	-	791,976,590	(41,240,248)	750,736,342	(955,754)	749,780,588
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(26,767,567)	26,767,567	-	-	-
Transaction with owners of the Company							
Bonus shares issued	236,500,000	(236,500,000)	-	-	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,313)	-	-	(376,313)	-	(376,313)
	236,500,000	(236,876,313)	-	-	(376,313)	-	(376,313)
Balance as on 30 June 2019	1,419,000,000	1,994,789,057	1,843,728,306	328,339,477	5,585,856,840	167,070,413	5,752,927,253
Profit/(loss) for the period	-	-	-	15,568,116	15,568,116	(246,014)	15,322,102
Other Comprehensive income for the period	-	-	-	-	-	-	-
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(15,764,884)	15,764,884	-	-	-
Balance as on September 30, 2019	1,419,000,000	1,994,789,057	1,827,963,422	359,672,477	5,601,424,956	166,824,399	5,768,249,355

The annexed notes from 1 to 16 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2019 (Un-audited)

	Note	Sep-19 Rupees	Sep-18 Rupees
Cash flows from operating activities			
Cash used in operations	12	(66,857,249)	(51,369,406)
Finance cost paid		(45,644,470)	(24,727,471)
Taxes paid		(21,230,617)	(41,461,426)
Gratuity paid		(3,477,614)	(3,620,031)
Accumulated absences paid		(103,147)	(202,099)
Net increase in long term deposits		(1,501,770)	-
Net cash outflow from operating activities		(138,814,867)	(121,380,433)
Cash flows from investing activities			
Purchase of property, plant and equipment		(22,627,998)	(1,650,266)
Increase in long term loan		-	-
Purchase of intangibles		-	(708,848)
Profit on bank deposits received		38,263,568	23,894,444
Net cash inflow from investing activities		15,635,570	21,535,330
Cash flows from financing activities			
Repayment of long-term loans		(25,000,000)	(25,000,000)
Repayment of supplier's credit		-	-
(Repayment)/Proceeds from term finances acquired		(9,761,071)	124,307,875
Dividend paid		(7,481)	-
Repayment of finance lease liabilities		(2,830,716)	(3,811,935)
Net cash (outflow) / inflow from financing activities		(37,599,268)	95,495,940
Net decrease in cash and cash equivalents		(160,778,565)	(4,349,163)
Cash and cash equivalents at the beginning of the period		1,138,675,457	1,749,470,913
Cash and cash equivalents at the end of the period		977,896,892	1,745,121,750

The annexed notes from 1 to 16 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Notes to the Condensed Interim consolidated financial information

For the quarter ended 30 September 2019 (Un-Audited)

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 Paper Mills (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 30 June. 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 addresses 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: 104, Parsa Tower, PECHS Block-6, Shahra-e-Faisal, 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 Sheikhpura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.

2. Basis of preparation

2.1 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 30 September 2019 and the related condensed interim consolidated profit and loss account, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

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

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

2.3 Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 30 June 2019, whereas comparatives of condensed interim consolidated profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim consolidated financial information of the Company for the quarter ended 30 September 2018.

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

3 Use of judgements and estimates

The preparation of the consolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the consolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual consolidated financial statements of the Company for the year ended June 30, 2019.

4 New standards amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2019.

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 statements of the Company.

4.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2019:

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 July 2019:

- 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 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.
- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 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.

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

- 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.

		Sep-19 Rupees	Jun-19 Rupees
5 Property, plant and equipment			
Operating fixed assets	5.1	4,708,608,647	4,719,991,918
Capital work-in-progress	5.2	393,547,769	387,425,967
		5,102,156,416	5,107,417,885
5.1 Movement during the year is as follows:			
Opening cost/revalued amount		6,338,865,102	4,672,636,255
Additions	5.1.1	22,684,189	181,541,442
Disposals		-	(11,652,972)
Revaluation during the year		-	1,496,340,377
Closing cost/revalued amount		6,361,549,291	6,338,865,102
Opening accumulated depreciation		1,618,873,184	1,046,062,216
Charge for the year		34,067,460	140,965,068
Disposals		-	(9,209,910)
Revaluation during the year		-	441,055,810
Closing accumulated depreciation		1,652,940,644	1,618,873,184
Carrying Value		4,708,608,647	4,719,991,918

5.1.1 During the period the detail of addition is as follows:

Buildings on free hold land-own assets
Plant and machinery-own assets
Electric installations-own assets
Furniture & fixture - own assets
Office equipment - own assets
Vehicles-leased

Sep-19	Jun-19
Rupees	Rupees
-	41,804,962
21,962,955	84,319,687
146,999	36,548,109
247,400	675,116
326,835	6,024,568
-	12,169,000
22,684,189	181,541,442

5.2 Capital work in progress

Opening balance
Additions during the period
Transfers during the period

387,425,967	440,158,727
6,121,802	140,037,452
-	(192,770,212)
393,547,769	387,425,967

6 Long term loan - unsecured, considered good

Loan to associate undertaking -
Roshan Enterprises

6.1

136,955,375	132,838,400
136,955,375	132,838,400

6.1 Movement during the year is as follows:

Opening balance
Balance converted in to long term loan from
receivables - unsecured
Accrued mark up
Closing balance

132,838,400	-
-	122,722,688
4,116,975	10,115,712
136,955,375	132,838,400

7 Issued, subscribed and paid up share capital

Sep-19 Jun-19
(Number of shares)

57,336,000	57,336,000	Ordinary shares of Rs 10 each fully paid in cash
79,461,000	79,461,000	Ordinary shares of Rs 10 each issued as bonus shares
5,103,000	5,103,000	Ordinary shares of Rs 10 each fully paid for consideration other than cash
141,900,000	141,900,000	

Sep-19 Jun-19
Rupees Rupees

573,360,000	573,360,000
794,610,000	794,610,000
51,030,000	51,030,000
1,419,000,000	1,419,000,000

7.1 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.

8 Short term borrowings - secured

Running finance - secured
Term finances
- Import finance
- Murabaha/Istisna
Term finances - secured

Sep-19	Jun-19
Rupees	Rupees
373,962,016	441,881,617
792,067,649	112,267,606
177,323,586	798,965,009
969,391,235	911,232,705
1,343,353,251	1,353,114,322

9 Trade and other payables

Trade creditors
Bills payable
Advances from customers
Retention money
Accrued liabilities
Withholding tax payable
Workers' profit participation fund
Advances from employees

606,799,415	713,068,944
106,622,690	208,929,477
4,015,171	-
851,021	851,021
62,880,071	57,557,816
3,701,495	2,496,952
1,507,531	1,507,531
2,059,947	1,902,525
788,437,341	986,314,266

10 Contingencies and commitments

There is no significant change in the status of contingencies and commitments set out in note 26 to the Company's consolidated financial statements for the year ended 30 June 2019.

	Sep-19 Rupees	Sep-18 Rupees
11 Cost of sales		
Raw materials consumed	766,782,358	1,066,917,494
Carriage inward expenses	516,116	466,480
Packing material consumed	3,747,752	7,008,998
Production supplies	14,825,499	9,085,930
Fuel and power	54,952,087	47,274,181
Salaries, wages and other benefits	53,389,088	55,047,427
Repairs and maintenance	10,879,781	16,459,173
Printing and stationery	142,283	198,463
Insurance	2,320,961	1,548,813
Rent	440,029	78,200
Travelling and conveyance	6,339,321	5,454,942
Freight and transportation	19,155,525	16,599,515
Communication expenses	178,231	210,499
Vehicle running expenses	629,885	755,848
Depreciation on operating fixed assets	32,090,596	29,975,451
Depreciation on assets subject to finance lease	960,193	387,498
Others	5,495,079	1,058,779
	972,844,784	1,258,527,691
Opening work-in-process	-	20,776,488
Closing work-in-process	-	(42,749,020)
	-	(21,972,532)
Cost of goods manufactured	972,844,784	1,236,555,159
Opening stock of finished goods	16,264,405	41,789,793
Closing stock of finished goods	(4,123,031)	(42,874,863)
	12,141,374	(1,085,070)
	984,986,158	1,235,470,089
12 Cash used in operations		
Profit before taxation	10,911,773	(11,833,904)
Adjustment for non-cash charges and other items:		
Amortization of intangibles	354,424	354,424
Depreciation on operating fixed assets	32,695,756	30,808,497
Depreciation on assets subject to finance lease	1,371,704	387,498
Profit on bank deposits	(32,325,547)	(25,893,868)
Profit on loan to related parties	(4,116,975)	
Exchange (gain)/loss	(17,048,456)	7,653,394
Finance cost	60,666,643	37,929,311
Provision for accumulating compensated absences	755,784	850,257
Provision for gratuity	4,528,236	4,809,813
Profit before working capital changes	57,793,342	45,065,422
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(4,037,928)	(3,463,181)
- (Increase)/decrease in stock-in-trade	(61,522,101)	7,721,328
- Decrease/(Increase) in trade debts	142,483,248	(332,141,960)
- Increase in advances, deposits, prepayments and other receivables	(2,492,342)	(77,994,117)
- (Decrease)/increase in trade and other payables	(199,081,468)	309,443,102
	(124,650,591)	(96,434,828)
	(66,857,249)	(51,369,406)

13 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 condensed interim financial statements other than the following:

Relationship with the Company	Name of related party	Nature of Transactions	Sep-19 Rupees	Sep-18 Rupees
Associated undertaking	Roshan Enterprises		4,116,975	-

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.

The company have measured its financial instruments at amortized cost and there is no significant change in the status of measurement set out in note 43 to the Company's consolidated financial statements for the year ended 30 June 2019.

15 Date of authorization for issue

These condensed interim unconsolidated financial statements were approved and authorized for issue on _____ by the Board of Directors of the group.

16 General

16.1 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per financial reporting framework however, no significant re-arrangements have been made other than those disclosed in the financial statements.

16.2 Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer