

QUARTERLY
FINANCIAL
REPORT **2018**

UN-AUDITED CONDENSED FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2017



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Company Information

Company Name: Roshan Packages Limited

Status: Public Listed Entity

CUIN: 0044226

NTN: 1436951-6

STRN: 03-01-4819-303-73

Board of Directors

Mr. Khalid Eijaz Qureshi
Chairman

Mr. Tayyab Aijaz
Chief Executive Officer

Mr. Saadat Eijaz
Executive Director

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

Mr. Quasim Aijaz
Non-Executive Director

Mr. Zaki Aijaz
Non-Executive Director

Mr. Muhammad Naveed Tariq
Independent / Non-Executive Director

Company Secretary

Mr. Muhammad Adil, FCMA

Chief Financial Officer (CFO)

Mr. Syed Hamza Gillani, ACA

Tax Consultant

A.F Ferguson & Co.

Bankers

Allied Bank Limited
Askari Bank Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
United Bank Limited

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

Directors Report

The Directors of the Company present their Directors' Report along with the Un Audited Financial Statements of the Company for the period ended September, 30 2017.

FINANCIAL OVERVIEW

Financial results:

The financial position of the Company has been summarized below:

	30 SEP-2017	30 SEP-2016
	Rupees in Million	
Turnover	1,086	1,050
Gross Profit	66	148
Finance Cost	28	15
Profit before Tax	4.67	83.74
Profit After Tax	4.67	83.74
EBITDA	90	147

The Company reported net sales of Rs. 1,086 million in first quarter of financial year 2018 against net sales of Rs. 1,050 million last year representing a sales growth of 3.4%. The operation able to record sale of 9,434 tons in first quarter as compare to 8,545 tons in comparable period last year, showing a volumetric growth of 10%. The net profit for the current quarter is Rs. 4.67 million as compared to Rs. 83.74 million last year. As the company is predicting tax credit due to expansions therefor, no tax provision has been made during the first quarter. Operations have achieved EBITDA of Rs. 90 million in first quarter of financial year 2018 as compared to Rs. 147 million last year, showing a decrease of 39%. Our profit during the current quarter has been reduced due to decrease in prices by 6% in comparison of the last year.

Keeping in view the current market conditions for the packaging industry, company is compelled to reduce its prices in order to maintain its customer base form the last quarter of financial year 2017.

Near Term Outlook

The Company is optimistic about the future of the packaging sector in Pakistan. Increasing awareness of hygiene, urbanization, strict enforcement of regulation by food authorities and expected double digit growth in FMCG sector will stimulate growth.

However, company is currently facing challenges due to uneven demand and supply, prices of final products are in range bound. In order to cope up with this challenge company is rationalizing its portfolio by adding value added products and new segments. In addition to that, we are taking steps to enhance market share and will continue to focus on targeted growth initiatives, innovation, brand building and cost saving programs.

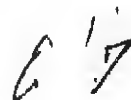
We believe that this would only be spread over a short-term and company will soon come back to its track.

Acknowledgment

We would like to thank our valued customers for their confidence and trust in the Company's products. We are also thankful to all other stakeholders including suppliers, bankers, shareholders and employees for providing continuous support.



Chief Executive Officer



Chairman

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2017 کو ختم ہونے والے دورانیہ کے لیے ڈائریکٹرز کی رپورٹ مع ادارے کے بغیر جانچ پڑتال کے (Un-Audited) مالیاتی گوشوارے پیش کرتے ہیں۔

مجموعی جائزہ

مالیاتی نتائج:

کمپنی کی مالیاتی صورت حال کو ذیل میں مختصر اُپیان کیا گیا ہے:

30 ستمبر 2016	30 ستمبر 2017	
روپے ملین میں		
1,050	1,086	آمدنی
148	66	خالص منافع
15	28	فنانس کی لاگت
83.74	4.67	منافع قبل از ٹیکس
83.74	4.67	منافع بعد از ٹیکس
147	90	EBITDA

کمپنی نے 2018 کی پہلی سہ ماہی میں 1,086 ملین روپے کی کل فروخت حاصل کی جبکہ گزشتہ سال کی پہلی سہ ماہی کی کل فروخت 1,050 ملین روپے تھی جو کہ فروخت کی نمو میں 3.4 فیصد اضافے کو ظاہر کرتی ہے۔ آپریشنز نے 2018 کی پہلی سہ ماہی میں 9,434 ٹن کی فروخت ریکارڈ کی جبکہ اس کے مقابلے میں 2017 کی پہلی سہ ماہی میں 8,545 ٹن کی فروخت ریکارڈ کی گئی جو کہ حجم میں 10 فیصد اضافے کو ظاہر کرتی ہے۔ اس سہ ماہی کے اختتام پر کمپنی نے 4.67 ملین روپے منافع بعد از ٹیکس حاصل کیا جو کہ گزشتہ سال پہلی سہ ماہی کے دوران 83.74 ملین روپے تھا۔ کمپنی کی پیش گوئی ہے کہ بیلنسنگ ماڈرنائزیشن اور فیکٹریوں میں ایکس پینشن کی وجہ سے ٹیکس میں چھوٹ حاصل کی جائے گی اسی وجہ سے پہلی سہ ماہی کے دوران ٹیکس منہا نہیں کیا گیا۔ آپریشنز نے 2018 کی پہلی سہ ماہی میں 90 ملین روپے کا EBITDA حاصل کیا جو کہ پچھلے سال اسی سہ ماہی میں 47 ملین روپے تھا۔ جو کہ گزشتہ سال کے لحاظ سے 39 فیصد کی کوٹا ہر کرتا ہے۔ موجودہ سہ ماہی کے دوران ہمارے منافع میں کمی واقع ہوئی جس کی وجہ اوسط فروخت قیمت میں گزشتہ سال کے مقابلے میں 6 فیصد کمی ہے۔

چیکنگ کی صنعت میں مارکیٹ کی موجودہ صورت حال کو مد نظر رکھتے ہوئے کمپنی کو اپنی کسٹمر بیس کو برقرار رکھنے کے لیے مالی سال 2017 کی آخری سہ ماہی کے دوران قیمتیں مجبوراً کم کرنا پڑیں۔

مستقبل کا نقطہ نظر

کمپنی پاکستان میں ٹیکسٹائل شعبے کے مستقبل کے بارے میں بہت پرامید ہے۔ حفظانِ صحت کے بارے میں بڑھتی ہوئی آگاہی، شہری رجحان کا عمل، 'فوڈ اتھارٹی کی طرف سے قانون کے سخت نفاذ، مزید برآں فاسٹ مووینگ کنزومر گڈز (FMCG) میں تیز رفتار بڑھوتری ہو گی جو ٹیکسٹائل کی طلب کو بڑھا دے گی۔

تاہم اس وقت کمپنی کو چیلنجوں کا سامنا ہے جس کی وجہ سے طلب اور رسد کی غیر یقینی صورت حال، حتیٰ مصنوعات کی قیمتیں ایک حد کی پابندی ہیں گی۔ اس چیلنج کا سامنا کرتے ہوئے کمپنی اپنے پورٹ فولیو کو مناسب رکھنے کے لیے اس میں قدر افزا دہ مصنوعات اور نئی اقسام کا اضافہ کر رہی ہے۔ اس کے ساتھ ساتھ ہم مارکیٹ میں اپنا حصہ بڑھانے کے لیے بھی اقدامات کر رہے ہیں اور ہدف بخش ترقی کے اقدامات، جدت، برانڈ کی ترویج اور لاگت بچانے والے پروگراموں پر توجہ مرکوز رکھے گی۔

ہمیں یقین ہے کہ یہ صورت حال صرف ایک مختصر عرصے کے لیے ہوگی اور کمپنی جلد ہی اپنے ٹریک پر واپس آ جائے گی۔

اظہارِ تشکر

کمپنی کی انتظامیہ اپنے قابلِ قدر شیئر ہولڈرز کے اعتماد اور یقین جو انھوں نے کمپنی کی ابتدائی عوامی پیشکش کے زبردست ردِ عمل کے صورت میں دکھایا ہے کے لیے ان کی توجہ سے مشکور ہے۔

ہم اپنے قابلِ قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں جنھوں نے کمپنی کی مصنوعات اور خدمات پر اعتماد کا اظہار کیا۔ ہم اپنے اسٹیک ہولڈرز بشمول فراہم کنندگان، میکرز، شیئر ہولڈرز اور ملازمین کے بھی شکریہ ادا کرتے ہیں جنھوں نے لگاؤ اور حمایت جاری رکھی۔

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چیرمین

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چیف ایگزیکٹو آفیسر

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2017

EQUITY AND LIABILITIES	Note	Sep-2017 Rupees	Jun-2017 Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2017: 150,000,000)			
ordinary shares of Rs 10 each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
107,500,000 ordinary shares of Rs. 10 each	5	1,075,000,000	1,075,000,000
Share Premium		2,339,165,370	2,339,165,370
Revenue reserve: Un-appropriated profit		820,873,292	808,472,559
		<u>4,235,038,662</u>	<u>4,222,637,929</u>
SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS		1,117,426,772	1,125,148,562
NON-CURRENT LIABILITIES			
Long term finance - secured	6	480,812,500	506,371,642
Supplier's credit - unsecured		202,718,743	226,792,598
Liabilities against assets subject to finance lease		14,721,551	17,200,990
Deferred taxation		297,754,400	297,754,400
Deferred liabilities		65,342,075	59,776,480
		<u>1,061,349,269</u>	<u>1,107,896,108</u>
CURRENT LIABILITIES			
Current portion of long term liabilities		197,530,129	197,746,140
Short term borrowings - secured	7	940,284,202	755,639,809
Trade and other payables	8	984,035,560	977,407,259
Accrued finance cost		24,979,708	11,951,473
		<u>2,146,829,599</u>	<u>1,942,744,681</u>
		<u><u>8,560,644,302</u></u>	<u><u>8,398,427,280</u></u>


Chief Financial Officer


Chief Executive


Director

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2017

ASSETS	Note	Sep-2017 Rupees	Jun-2017 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,550,884,688	3,579,989,493
Assets subject to finance lease		32,248,765	34,508,466
Intangibles		4,369,208	4,615,676
Investment in subsidiary		203,563,000	203,563,000
Long term deposits		17,952,133	16,759,933
		<u>3,809,017,794</u>	<u>3,839,436,568</u>
CURRENT ASSETS			
Stores and spares		117,528,160	108,302,192
Stock-in-trade	10	560,299,784	575,197,025
Trade debts - unsecured	11	1,265,237,886	1,191,625,522
Advances, deposits, prepayments and other receivables	12	745,121,015	649,675,263
Cash and bank balances		2,063,439,663	2,034,190,710
		<u>4,751,626,508</u>	<u>4,558,990,712</u>
		<u><u>8,560,644,302</u></u>	<u><u>8,398,427,280</u></u>


Chief Financial Officer


Chief Executive


Director

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (Un-audited)

		Quarter Ended September 2017	
	Note	2017 Rupees	2016 Rupees
Sales		1,086,837,005	1,050,849,572
Cost of sales	13	(1,019,951,685)	(903,150,549)
Gross profit		66,885,320	147,699,023
Administrative expenses		(30,462,018)	(25,093,885)
Selling and distribution expenses		(32,320,095)	(19,819,722)
Other operating Income		28,750,188	4,175,492
Finance cost		(28,174,453)	(15,264,598)
Profit before taxation		4,678,943	83,742,644
Taxation		-	-
Profit for the year		4,678,943	83,742,644
Earning Per Share-Basic & diluted		0.05	1.12

Items that will not be reclassified subsequently to profit or loss

Surplus on revaluation of operating fixed assets realised through incremental depreciation charged on related assets for the year - net of tax

7,721,790

9,505,848

Remeasurement of retirement benefits - net of tax

7,721,790

9,505,848

Total comprehensive Income for the period

12,400,733

93,248,292

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



Chief Financial Officer



Chief Executive



Director

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (Un-audited)

	Share Capital Rupees	Revenue reserve: Un-appropriated profit Rupees	Share Premium Rupees	Total Rupees
Balance as on July 01, 2016	299,390,000	988,261,900		1,287,651,900
Issue of Bonus Shares	450,610,000	(450,610,000)	-	-
	-			
Profit for the 1st quarter 2016		83,742,644		83,742,644
Total comprehensive income for the 1st quarter 2016	-	9,505,648	-	9,505,648
	450,610,000	(357,361,708)	-	93,248,292
Total comprehensive income for the year				
Balance as on Sept 30, 2017	750,000,000	630,900,192	-	1,380,900,192
Profit for the period	-	239,628,704	-	239,628,704
Share premium			2,478,125,000	2,478,125,000
Expenses incurred on issuance of shares			(138,959,630)	(138,959,630)
Other comprehensive income for the period	-	31,191,955	-	31,191,955
	-	270,820,659	2,339,165,370	2,609,986,029
Issue of Share capital	325,000,000	-	-	325,000,000
		-	-	-
		-	-	-
	325,000,000	-	-	325,000,000
As at June 30, 2017	1,075,000,000	808,472,559	2,339,165,370	4,222,637,929
Profit for the period	-	12,400,733	-	12,400,733
	-	12,400,733	-	12,400,733
Balance as on September 30, 2017	1,075,000,000	820,873,292	2,339,165,370	4,235,038,662


Chief Financial Officer


Chief Executive

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Director

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (Un-audited)

	Note	30 Sept-2017 Rupees	30 Sept-2016 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	14	(90,661,073)	22,855,849
Finance cost paid		(15,146,218)	(16,535,765)
Taxes paid		(25,177,566)	-
Net increase in long term deposits		(1,192,200)	(1,229,463)
Net cash inflow from operating activities		(132,177,057)	5,090,621
Cash flows from investing activities			
Purchase of property, plant and equipment		(33,459,556)	(378,216,780)
Increase in long term deposits		(1,192,200)	-
Purchase of intangibles		(492,936)	(478,072)
Profit on bank deposits received		15,984,623	-
Net cash outflow from investing activities		(19,160,069)	(378,694,852)
Cash flows from financing activities			
Repayment of long term loans		(25,775,153)	-
Repayment of supplier's credit		(24,073,853)	-
Proceeds from term finances acquired		184,644,393	164,018,953
Proceeds from long term loans		-	270,904,326
Repayment of term finances		(283,859,842)	(162,323,280)
Repayment of finance lease liabilities		(2,479,439)	(3,002,512)
Proceeds from non-controlling interest			
Net cash inflow from financing activities		(151,543,894)	269,597,487
Net decrease in cash and cash equivalents		(302,881,020)	(104,006,744)
Cash and cash equivalents at the beginning of the year		2,034,190,710	5,997,772
Cash and cash equivalents at the end of the period	15	1,731,309,690	(98,008,972)



Chief Financial Officer



Chief Executive



Director

Notes to the Condensed Interim Unconsolidated Financial Information

For the quarter ended September 30, 2017 (Un-Audited)

1.The company and its activities

Roshan Packages Limited (the 'company') was incorporated in Pakistan as a private company limited by shares on August 13, 2002. The Company converted into public limited company on 23, September 2016 and got listed in Pakistan Stock Exchange Limited on February 24, 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

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

During the year, the company has made an Initial Public Offering ('IPO') of Rs. 2,803,125,000 through issuance of per share amounting to Rs. 2,478,125,000. On February 24 2017, Pakistan Stock Exchange Limited approved company's application for formal listing and quotation of shares.

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 2017 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.

On 30 May 2017 the Companies Act, 2017(the Act) was enacted which replaced and repealed the Companies Ordinance,1984 (the repealed ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 and The Institute of Chartered Accountants of Pakistan (ICAP) through its Circular No. 17 of 2017, dated 06 October 2017 have advised the Companies shall prepare their financial statements for financial period ending on or before 31 December 2017 in accordance with the provisions of the repealed Companies Ordinance 1984.

2.2. This condensed interim unconsolidated financial information of the Company for the quarter ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34- Interim Financial Reporting and provisions of and directives issued under the Companies ordinance 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance 1984 have been followed.

2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2017.

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

2.5. This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the repealed Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. Judgments and estimates.

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

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

4. Statement of consistency in accounting policies

4.1. The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2017.

4.2. There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

5. Issued, subscribed and paid up share capital

Sep-17	Jun-17		Sep-17	Jun-17
(Number of shares)			Rupees	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
45,061,000	45,061,000	Issue of bonus Shares	450,610,000	450,610,000
-	-	Issue of shares to general public	-	-
107,500,000	107,500,000		1,075,000,000	1,075,000,000

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

6. Long term finance - secured

This has been obtained from the following financial institution:

	Sep-17	Jun-17
	Rupees	Rupees
Dubai Islamic Bank Pakistan Limited	230,812,500	256,371,642
United Bank Limited	250,000,000	250,000,000
	480,812,500	506,371,642

7. Short term borrowings - secured		Sep-17	Jun-17
		Rupees	Rupees
Running finance - secured		332,129,973	281,011,030
Term finance			
- Import finance		52,542,344	53,837,284
- Murabaha/Istisna		555,611,885	420,791,495
Term finances - secured		608,154,229	474,628,779
		940,284,202	755,639,809
8. Trade and other payables			
Trade creditors		634,952,242	586,332,679
Bills payable		240,431,333	245,261,957
Advances from customers		12,731,604	28,317,658
Retention money		7,045,256	7,045,256
Accrued liabilities		42,929,650	59,094,935
Withholding tax payable		3,533,319	9,195,095
Workers' profit participation fund		37,345,945	37,345,954
Workers' welfare fund		1,678,561	1,678,561
Advances from employees		3,387,650	3,135,164
		984,035,560	977,407,259
9. Property, plant and equipment			
Operating fixed assets	9.1	3,402,922,923	3,452,078,571
Capital work in progress	9.2	147,961,765	127,910,922
		3,550,884,688	3,579,989,493
9.1. Operating fixed assets			
Opening written down value		3,452,078,571	2,800,546,724
Additions during the period		6,310,713	830,644,921
Less: Disposal during the period		-	(6,003,052)
Less: Depreciation charged for the period		(55,466,361)	(173,110,022)
Closing written down value		3,402,922,923	3,452,078,571
Plant & Machinery owned		6,406,081	631,240,588
Building on freehold land		-	184,194,111
Office equipments		398,503	5,157,469
Vehicles		645,000	7,412,241
Furniture & fixtures		497,040	144,213
Electric installations			2,496,299
Total		7,946,624	830,644,921
9.2. Capital work in progress			
Opening capital work in progress		127,910,922	119,292,102
Additions during the period		20,050,843	890,377,109
Borrowing cost capitalized		-	21,695,683
Transfer during the year		-	(903,453,972)
Closing balance		147,961,765	127,910,922

10. Stock-in-trade	Sep-17	Jun-17
	Rupees	Rupees
Raw materials	486,879,260	470,370,353
Work-in-process	18,280,466	42,527,088
Finished goods	55,140,058	62,299,584
	<u>560,299,784</u>	<u>575,197,025</u>
11. Trade debts - unsecured		
Considered good	1,265,237,886	1,191,625,522
Considered doubtful	6,038,446	6,038,445
	<u>1,271,276,332</u>	<u>1,197,663,967</u>
Less: Provision for doubtful debts	6,038,446	6,038,445
	<u>1,265,237,886</u>	<u>1,191,625,522</u>
12. Advances, deposits, prepayments and other receivables		
Advances - considered good		
- To directors against expenses	-	2,435,234
- To employees	5,705,151	14,181,581
- To suppliers	182,283,339	126,480,471
Sales tax receivable	158,733,965	142,938,490
Income tax receivable	317,762,200	296,970,071
Prepayments	8,785,143	2,303,567
Security deposits	4,396,355	4,396,355
Interest receivable	18,738,108	11,252,740
Due from subsidiary - considered good	42,020,694	42,020,694
Due from directors - considered good	6,186,163	6,186,163
Other receivables	509,897	509,897
	<u>745,121,015</u>	<u>649,675,263</u>
13. Cost of sales	Sep-17	Jun-17
	Rupees	Rupees
Raw materials consumed	800,883,437	766,531,390
Carriage inward expenses	541,257	413,288
Packing material consumed	4,582,287	3,944,425
Production supplies	18,903,311	9,059,580
Fuel and power	37,770,901	29,930,637
Salaries, wages and other benefits	52,094,770	53,291,288
Repairs and maintenance	5,150,803	9,478,507
Printing and stationery	181,775	153,269
Insurance	2,216,808	342,368
Rent	391,321	221,460
Travelling and conveyance	8,390,874	5,022,203
Communication expenses	169,666	323,390
Vehicle running expenses	318,038	70,500
Depreciation on operating fixed assets	55,350,060	40,959,967
Depreciation on assets subject to finance lease	110,757	290,279
Others	1,489,472	3,314,946
	<u>988,545,537</u>	<u>923,347,497</u>
Opening work-in-process	42,527,088	9,626,357
Closing work-in-process	(18,280,466)	(18,554,457)
	<u>24,246,622</u>	<u>(8,928,100)</u>

Cost of goods manufactured	1,012,792,159	914,419,397
Opening stock of finished goods	82,299,584	19,223,897
Closing stock of finished goods	(55,140,058)	(30,492,745)
	7,159,528	(11,288,848)
	<u>1,019,951,685</u>	<u>903,150,549</u>
14. Cash (used in) generated from operations	Sep-17	Jun-17
	Rupees	Rupees
Profit before taxation	4,678,943	83,742,644
Adjustment for non-cash charges and other items:		
Amortization of intangibles	246,468	232,702
Depreciation on operating fixed assets	55,466,361	41,465,501
Depreciation on assets subject to finance lease	1,635,911	2,258,010
Profit on bank deposits	(28,577,108)	-
Finance cost	28,174,453	15,264,598
Gain on disposal of operating fixed assets	-	-
Provision for gratuity	<u>4,472,442</u>	-
Profit before working capital changes	66,097,469	142,963,455
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(9,225,968)	(16,736,877)
- Decrease in stock-in-trade	14,897,241	(55,416,613)
- Increase in trade debts	(73,612,364)	(100,959,792)
- Increase in advances, deposits, prepayments and other receivables	(95,445,752)	(27,569,904)
- Increase in trade and other payables	6,628,301	80,575,580
	<u>(156,758,542)</u>	<u>(120,107,606)</u>
	<u>(90,661,073)</u>	<u>22,855,849</u>
15. Cash and cash equivalents		
Cash and bank balances	2,083,439,863	44,503,361
Short term borrowings - running finance	(332,129,973)	(142,512,333)
	<u>1,731,309,890</u>	<u>(98,008,972)</u>
16. Events after the balance sheet date		

The Board of Directors have proposed at their meeting held on October 18, 2017 and Shareholders approved at the meeting held on November 22, 2017 a bonus issue of 10,750,000 (2016: 45,061,000) shares i.e. 0.1 (2016: 1.505) share for every 1 share held of the existing issued, subscribed and paid up share capital of the company and a final cash dividend for the year ended June 30, 2017 of Rupee 1 (2016: Nil) per share, amounting to Rs 107.5 million (2016: Nil). These financial statements do not include the effect of the above dividends which will be accounted for in the period in which it is approved.


Chief Financial Officer


Chief Executive


Director

Directors Report

The Directors of the Company present their Directors' Report along with the Un Audited Financial Statements of the Company for the period ended September, 30 2017.

FINANCIAL OVERVIEW

Financial results:

The financial position of the Company has been summarized below:

	30 SEP-2017	30 SEP-2016
	Rupees in Million	
Turnover	1,086	1,050
Gross Profit	66	148
Finance Cost	28	15
Profit before Tax	4.67	83.74
Profit After Tax	4.67	83.74
EBITDA	90	147

The Company reported net sales of Rs. 1,086 million in first quarter of financial year 2018 against net sales of Rs. 1,050 million last year representing a sales growth of 3.4%. The operation able to record sale of 9,434 tons in first quarter as compare to 8,545 tons in comparable period last year, showing a volumetric growth of 10%. The net profit for the current quarter is Rs. 4.67 million as compared to Rs. 83.74 million last year. As the company is predicting tax credit due to expansions therefor, no tax provision has been made during the first quarter. Operations have achieved EBITDA of Rs. 90 million in first quarter of financial year 2018 as compared to Rs. 147 million last year, showing a decrease of 39%. Our profit during the current quarter has been reduced due to decrease in prices by 6% in comparison of the last year.

Keeping in view the current market conditions for the packaging industry, company is compelled to reduce its prices in order to maintain its customer base form the last quarter of financial year 2017.

ROSHAN SUN TAO PAPER MILLS(PRIVATE) LIMITED

Since the company is seeking certain statutory approvals which will be completed soon to kick off its civil work therefore, no major financial activity incurred during the quarter ended September 2017. Technical consultancy is going on with already hired consultants & management of the company is encompassing its optimal efforts to speed up the project pace.

Near Term Outlook

The Company is optimistic about the future of the packaging sector in Pakistan. Increasing awareness of hygiene, urbanization, strict enforcement of regulation by food authorities and expected double digit growth in FMCG sector will stimulate growth.

However, company is currently facing challenges due to uneven demand and supply, prices of final products are in range bound. In order to cope up with this challenge company is rationalizing its portfolio by adding value added products and new segments. In addition to that, we are taking steps to enhance market share and will continue to focus on targeted growth initiatives, innovation, brand building and cost saving programs.

We believe that this would only be spread over a short-term and company will soon come back to its track.

Acknowledgment

We would like to thank our valued customers for their confidence and trust in the Company's products. We are also thankful to all other stakeholders including suppliers, bankers, shareholders and employees for providing continuous support.



Chief Executive Officer



Chairman

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2017 کو ختم ہونے والے دورانیہ کے لیے ڈائریکٹرز کی رپورٹ مع ادارے کے بغیر جانچ پڑتال کے (Un-Audited) مالیاتی گوشوارے پیش کرتے ہیں۔

مجموعی جائزہ

مالیاتی نتائج:

کمپنی کی مالیاتی صورت حال کو ذیل میں مختصر بیان کیا گیا ہے:

30 ستمبر 2016	30 ستمبر 2017	
روپے ملین میں		
1,050	1,086	آمدنی
148	66	خالص منافع
15	28	فنانس کی لاگت
83.74	4.67	منافع قبل از ٹیکس
83.74	4.67	منافع بعد از ٹیکس
147	90	EBITDA

کمپنی نے 2018 کی پہلی سہ ماہی میں 1,086 ملین روپے کی کل فروخت حاصل کی جبکہ گزشتہ سال کی پہلی سہ ماہی کی کل فروخت 1,050 ملین روپے تھی جو کہ فروخت کی نمو میں 3.4 فیصد اضافے کو ظاہر کرتی ہے۔ آپریشنز نے 2018 کی پہلی سہ ماہی میں 9,434 ٹن کی فروخت ریکارڈ کی جبکہ اس کے مقابلے میں 2017 کی پہلی سہ ماہی میں 8,545 ٹن کی فروخت ریکارڈ کی گئی جو کہ حجم میں 10 فیصد اضافے کو ظاہر کرتی ہے۔ اس سہ ماہی کے اختتام پر کمپنی نے 4.67 ملین روپے منافع بعد از ٹیکس حاصل کیا جو کہ گزشتہ سال پہلی سہ ماہی کے دوران 83.74 ملین روپے تھا۔ کمپنی کی پیش گوئی ہے کہ ہیلسنگ، ماڈرنائزیشن اور فیکٹریوں میں ایکسٹینشن کی وجہ سے ٹیکس میں چھوٹ حاصل کی جائے گی اسی وجہ سے پہلی سہ ماہی کے دوران ٹیکس منہا نہیں کیا گیا۔ آپریشنز نے 2018 کی پہلی سہ ماہی میں 90 ملین روپے کا EBITDA حاصل کیا جو کہ پچھلے سال اسی سہ ماہی میں 47 ملین روپے تھا۔ جو کہ گزشتہ سال کے لحاظ سے 39 فیصد کی کو ظاہر کرتا ہے۔ موجودہ سہ ماہی کے دوران ہمارے منافع میں کمی واقع ہوئی جس کی وجہ اوسط فروخت قیمت میں گزشتہ سال کے مقابلے میں 6 فیصد کمی ہے۔

ہیڈنگ کی صنعت میں مارکیٹ کی موجودہ صورت حال کو مد نظر رکھتے ہوئے کمپنی کو اپنی کسٹمرز میں کو برقرار رکھنے کے لیے مالی سال 2017 کی آخری سہ ماہی کے دوران قیمتیں مجبوراً کم کرنا پڑیں۔

روشن سن تاؤ بیچر ملو سیٹ

جیسا کہ کمپنی مختلف قانونی منظوریوں کی منتظر ہے جو کہ جلد ہی مل جائیں گی تاکہ ہم تعمیراتی کام کا آغاز کر سکیں۔ اس لیے ستمبر 2017 کی سہ ماہی کے اختتام پر کوئی مالی سرگرمی نہیں ہوئی۔ پہلے سے ہی تعینات کیے گئے کنسلٹنٹ اور کمپنی کی انتظامیہ کے درمیان مشاورت جاری ہے اور منصوبے کی رفتار کو تیز کرنے کے لیے بہترین کاوشیں بروئے کار لائی جا رہی ہیں۔

مستقبل کا نقطہ نظر

کمپنی پاکستان میں ہیکچنگ شعبے کے مستقبل کے بارے میں بہت پر امید ہے۔ حفظان صحت کے بارے میں بڑھتی ہوئی آگاہی، شہری رجحان کا عمل، فوڈ اتھارٹی کی طرف سے قانون کے سخت نفاذ مزید برآں فاسٹ موڈنگ کنزرویٹو مینجمنٹ (FMCG) میں تیز رفتار بڑھوتری ہو گی جو ہیکچنگ کی طلب کو بڑھا دے گی۔


تاہم اس وقت کمپنی کو چیلنجوں کا سامنا ہے جس کی وجہ طلب اور رسد کی غیر یقینی صورت حال، حتمی مصنوعات کی قیمتیں ایک حد کی پابندی ہیں گی۔ اس چیلنج کا سامنا کرتے ہوئے کمپنی اپنے پورٹ فولیو کو مناسب رکھنے کے لیے اس میں قدر افزودہ مصنوعات اور نئی اقسام کا اضافہ کر رہی ہے۔ اس کے ساتھ ساتھ ہم مارکیٹ میں اپنا حصہ بڑھانے کے لیے بھی اقدامات کر رہے ہیں اور ہدف بخش ترقی کے اقدامات، جدت، برانڈ کی ترویج اور لاگت بچانے والے پروگراموں پر توجہ مرکوز رکھے گی۔

ہمیں یقین ہے کہ یہ صورت حال صرف ایک مختصر عرصے کے لیے ہوگی اور کمپنی جلد ہی اپنے ٹریک پر واپس آ جائے گی۔

اظہار تشکر

کمپنی کی انتظامیہ اپنے قابل قدر شیئر ہولڈرز کے اعتماد اور یقین جو انھوں نے کمپنی کی ابتدائی عوامی پیشکش کے زبردست رد عمل کے صورت میں دکھایا ہے کے لیے ان کی توجہ سے شکور ہے۔

ہم اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں جنھوں نے کمپنی کی مصنوعات اور خدمات پر اعتماد کا اظہار کیا۔ ہم اپنے اسٹیک ہولڈرز بشمول فراہم کنندگان، بینکرز، شیئر ہولڈرز اور ملازمین کے بھی شکریہ گزار ہیں جنھوں نے لگاؤ اور حمایت جاری رکھی۔



.....
چیرمین



.....
چیف ایگزیکٹو آفیسر

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2017

EQUITY AND LIABILITIES	Note	Sep-2017 Rupees	June 2017 Rupees
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2017: 150,000,000)			
ordinary shares of Rs 10 each		1,500,000,000	1,500,000,000
107,500,000 ordinary shares of Rs. 10 each	5	1,075,000,000	1,075,000,000
Share Premium		2,339,165,370	2,339,165,370
Revenue reserve: Un-appropriated profit		820,466,286	808,065,553
		4,234,631,656	4,222,230,923
Non-controlling Interest		168,254,671	168,254,671
		4,402,886,327	4,390,485,594
SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS		1,117,426,772	1,125,148,562
NON-CURRENT LIABILITIES			
Long term finance - secured	6	480,812,500	506,371,642
Supplier's credit - unsecured		202,718,743	226,792,596
Liabilities against assets subject to finance lease		14,721,551	17,200,990
Deferred taxation		297,754,400	297,754,400
Deferred liabilities		65,342,075	59,776,480
		1,061,349,269	1,107,896,108
CURRENT LIABILITIES			
Current portion of long term liabilities		197,530,129	197,746,140
Short term borrowings - secured	7	940,284,202	755,639,809
Trade and other payables	8	997,358,575	990,730,275
Accrued finance cost		24,979,708	11,951,473
		2,160,152,614	1,956,067,697
		8,741,814,982	8,579,597,961


Chief Financial Officer


Chief Executive


Director

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2017

ASSETS	Note	Sep-2017 Rupees	June-2017 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,952,669,521	3,981,774,327
Assets subject to finance lease		32,248,765	34,508,466
Intangibles		4,369,208	4,615,676
Long term deposits		17,952,133	16,759,933
		<u>4,007,239,627</u>	<u>4,037,658,402</u>
CURRENT ASSETS			
Stores and spares		117,528,160	108,302,192
Stock-in-trade	10	560,299,784	575,197,025
Trade debts - unsecured	11	1,265,237,886	1,191,625,522
Advances, deposits, prepayments and other receivables	12	727,909,476	632,463,724
Cash and bank balances		2,063,600,049	2,034,351,096
		<u>4,734,575,355</u>	<u>4,541,939,559</u>
		<u>8,741,814,982</u>	<u>8,579,597,961</u>


Chief Financial Officer


Chief Executive


Director

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2017 (Un-audited)

		Quarter Ended September 2017	
	Nota	2017 Rupees	2016 Rupees
Sales		1,086,837,005	1,050,849,572
Cost of sales	13	(1,019,951,885)	(903,150,549)
Gross profit		66,885,320	147,699,023
Administrative expenses		(30,462,017)	(25,093,865)
Selling and distribution expenses		(32,320,095)	(19,819,722)
Other operating income		28,750,189	4,175,492
Finance cost		(28,174,454)	(15,264,598)
Profit before taxation		4,678,943	83,742,644
Taxation		-	-
Profit for the year		4,678,943	83,742,644
Earning Per Share-Basic & diluted		0.05	1.12

Items that will not be reclassified subsequently to profit or loss

Surplus on revaluation of operating fixed assets realised through incremental depreciation charged on related assets for the year - net of tax

7,721,790

9,505,648

Remeasurement of retirement benefits - net of tax

7,721,790

9,505,648

Total comprehensive income for the period

12,400,733

93,248,292

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



Chief Financial Officer



Chief Executive



Director

ROSHAN PACKAGES LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (Un-audited)

	Share Capital Rupees	Revenue reserve: Un-appropriated profit Rupees	Share Premium Rupees	Sub Total Rupees	Non-controlling Interest Rupees	Total Rupees
Balance as on July 01, 2016	299,390,000	988,073,315		1,287,463,315	135,967,323	1,423,430,638
Issue of Bonus Shares	450,610,000 -	(450,610,000)		-	-	-
	450,610,000	-	-	-	-	-
Profit for the 1st quarter 2016		83,742,644		83,742,644		83,742,644
Total comprehensive income for the 1st quarter 2016	-	6,921,018	-	6,921,018		6,921,018
	750,000,000	90,663,662	-	90,663,662		90,663,662
Total comprehensive income for the year						
Balance as on Sept 30, 2017	750,000,000	628,126,977	-	1,378,126,977	135,967,323	1,514,094,300
Profit for the period	-	155,667,639	-	155,667,639	(145,611)	155,522,028
Share premium			2,478,125,000	2,478,125,000		2,478,125,000
Expenses incurred on issuance of shares			(138,959,630)	(138,959,630)		(138,959,630)
Other comprehensive income for the period	-	24,270,937	-	24,270,937		24,270,937
	-	179,938,576	2,339,165,370	2,519,103,946	(145,611)	2,518,958,335
Shares issued under initial public offer	325,000,000	-	-	325,000,000		325,000,000
Shares deposit money received from non-controlling interest					32,432,959	32,432,959
Ordinary shares issued against cash to non controlling interest					136,053,017	136,053,017
Share deposit money adjusted against issue of ordinary shares to non-controlling interest					(136,053,017)	(136,053,017)
	325,000,000	-	-	325,000,000	32,432,959	357,432,959
As at June 30, 2017	1,075,000,000	808,065,553	2,339,165,370	4,222,230,923	168,254,671	4,390,485,594
Profit for the period	-	12,400,733	-	12,400,733	-	12,400,733
	-	12,400,733	-	12,400,733	-	12,400,733
Balance as on September 30, 2017	1,075,000,000	820,466,286	2,339,165,370	4,234,631,656	168,254,671	4,402,886,327


Chief Financial Officer


Chief Executive 24


Director

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (Un-audited)

	Note	30 Sept-2017 Rupees	30 Sept-2016 Rupees
Cash flows from operating activities			
Cash (used in) / generated from operations	14	(90,661,073)	22,855,849
Finance cost paid		(15,146,219)	(16,535,765)
Taxes paid		(25,177,566)	-
Net increase in long term deposits		(1,192,200)	(1,229,463)
Net cash inflow from operating activities		(132,177,058)	5,090,621
Cash flows from investing activities			
Purchase of property, plant and equipment		(33,459,555)	(378,216,780)
Increase in long term deposits		1,192,200	-
Purchase of intangibles		(492,936)	(478,072)
Profit on bank deposits received		15,984,623	-
Net cash outflow from investing activities		(19,160,068)	(378,694,852)
Cash flows from financing activities			
Repayment of long term loans		(25,775,153)	-
Repayment of supplier's credit		(24,073,853)	-
Proceeds from term finances acquired		184,644,393	164,018,953
Proceeds from long term loans		-	270,904,326
Repayment of term finances		(283,699,456)	(162,323,280)
Repayment of finance lease liabilities		(2,479,439)	(3,002,512)
Proceeds from non-controlling interest			
Net cash inflow from financing activities		(151,383,508)	269,597,487
Net decrease in cash and cash equivalents		(302,720,634)	(104,006,744)
Cash and cash equivalents at the beginning of the year		2,034,190,710	5,997,772
Cash and cash equivalents at the end of the period	15	1,731,470,076	(98,006,972)



Chief Financial Officer



Chief Executive



Director

Notes to the Condensed Interim consolidated Financial Information

For the quarter ended September 30, 2017 (Un-Audited)

1.The company and its activities

Roshan Packages Limited (the 'company') was incorporated in Pakistan as a private company limited by shares on August 13, 2002. The Company converted into public limited company on 23, September 2016 and got listed in Pakistan Stock Exchange Limited on February 24, 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

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

During the year, the company has made an Initial Public Offering ('IPO') of Rs. 2,803,125,000 through issuance of per share amounting to Rs. 2,478,125,000. On February 24 2017, Pakistan Stock Exchange Limited approved company's application for formal listing and quotation of shares.

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

2.Basis of preparation

2.1. This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Company, as at 30 September 2017 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.

On 30 May 2017 the Companies Act, 2017(the Act) was enacted which replaced and repealed the Companies Ordinance,1984 (the repealed ordinance). However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 23 of 2017 dated 04 October 2017 and The Institute of Chartered Accountants of Pakistan (ICAP) through its Circular No. 17 of 2017, dated 06 October 2017 have advised the Companies shall prepare their financial statements for financial period ending on or before 31 December 2017 in accordance with the provisions of the repealed Companies Ordinance 1984.

2.2. This condensed interim unconsolidated financial information of the Company for the quarter ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34- Interim Financial Reporting and provisions of and directives issued under the Companies ordinance 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance 1984 have been followed.

2.3 This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual unconsolidated financial statements for the year ended 30 June 2017.

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

2.5. This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 245 of the repealed Companies Ordinance, 1984 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. Judgments and estimates.

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

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

4. Statement of consistency in accounting policies

4.1. The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2017.

4.2. There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

5. Issued, subscribed and paid up share capital

Sep-17	Jun-17		Sep-17	Jun-17
(Number of shares)			Rupees	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 note: 5.1	51,030,000	51,030,000
45,061,000	45,061,000	Issue of bonus Shares	450,610,000	450,610,000
-	-	Issue of shares to general public	-	-
107,500,000	107,500,000		1,075,000,000	1,075,000,000

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

6. Long term finance - secured

This has been obtained from the following financial institution:

	Sep-17	Jun-17
	Rupees	Rupees
Dubai Islamic Bank Pakistan Limited	230,812,500	256,371,642
United Bank Limited	250,000,000	250,000,000
	480,812,500	506,371,642

7. Short term borrowings - secured		Sep-17	Jun-17
		Rupees	Rupees
Running finance - secured		332,129,973	281,011,030
Term finances			
- Import finance		52,542,344	53,837,284
- Murabaha/Istisna		555,811,885	420,791,495
Term finances - secured		608,154,229	474,628,779
		940,284,202	755,639,809
8. Trade and other payables			
Trade creditors		645,033,677	586,332,679
Bills payable		240,431,333	245,261,957
Advances from customers		12,731,604	28,317,658
Retention money		7,045,256	7,045,256
Accrued liabilities		43,229,650	59,394,935
Withholding tax payable		6,474,899	12,136,676
Workers' profit participation fund		37,345,945	37,345,954
Workers' welfare fund		1,678,561	1,678,561
Other payables		-	10,081,435
Advances from employees		3,387,650	3,135,164
		997,358,575	990,730,275
9. Property, plant and equipment			
Operating fixed assets	9.1	3,577,029,305	3,626,184,953
Capital work in progress	9.2	375,640,216	355,589,374
		3,952,669,521	3,981,774,327
9.1. Operating fixed assets			
Opening written down value		3,626,184,953	2,800,564,724
Additions during the period		6,310,713	1,004,751,303
Less: Disposal during the period		-	(6,003,052)
Less: Depreciation charged for the period		(55,466,361)	(173,110,022)
Closing written down value		3,577,029,305	3,626,184,953
Plant & Machinery owned		6,406,081	805,346,970
Building on freehold land		-	184,194,111
Office equipments		398,503	5,157,469
Vehicles		645,000	7,412,241
Furniture & fixtures		497,040	144,213
Electric installations			2,496,299
Total		7,946,624	1,004,751,303
9.2. Capital work in progress			
Opening capital work in progress		127,910,922	119,292,102
Additions during the period		20,050,842	890,377,109
Borrowing cost capitalized		-	21,695,683
Transfer during the year		-	(903,453,972)
Closing balance		147,961,764	127,910,922

10. Stock-in-trade	Sep-17	Jun-17
	Rupees	Rupees
Raw materials	486,879,260	470,370,353
Work-in-process	18,280,466	42,527,088
Finished goods	55,140,058	62,299,584
	<u>560,299,784</u>	<u>575,197,025</u>
11. Trade debts - unsecured	Sep-17	Jun-17
	Rupees	Rupees
Considered good	1,265,237,886	1,191,625,522
Considered doubtful	6,038,446	6,038,445
	<u>1,271,276,332</u>	<u>1,197,663,967</u>
Less: Provision for doubtful debts	6,038,446	6,038,445
	<u>1,265,237,886</u>	<u>1,191,625,522</u>
12. Advances, deposits, prepayments and other receivables	Sep-17	Jun-17
	Rupees	Rupees
Advances - considered good	-	2,435,234
- To directors against expenses	-	14,181,581
- To employees	5,705,151	14,181,581
- To suppliers	182,283,339	126,480,471
Sales tax receivable	174,205,831	158,410,356
Income tax receivable	327,099,489	306,307,360
Prepayments	8,785,143	2,303,567
Security deposits	4,396,355	4,396,355
Interest receivable	18,738,108	11,252,740
Due from directors - considered good	6,186,163	6,186,163
Other receivables	509,897	509,897
	<u>727,909,476</u>	<u>632,463,724</u>
13. Cost of sales	Sep-17	Jun-17
	Rupees	Rupees
Raw materials consumed	800,883,437	766,531,390
Carriage inward expenses	541,257	413,288
Packing material consumed	4,582,287	3,944,425
Production supplies	18,903,311	9,059,580
Fuel and power	37,770,901	29,930,637
Salaries, wages and other benefits	52,094,770	53,291,288
Repairs and maintenance	5,150,803	9,478,507
Printing and stationery	181,775	153,269
Insurance	2,216,808	342,368
Rent	391,321	221,460
Travelling and conveyance	8,390,874	5,022,203
Communication expenses	169,666	323,390
Vehicle running expenses	318,038	70,500
Depreciation on operating fixed assets	55,350,060	40,959,967
Depreciation on assets subject to finance lease	110,757	290,279
Others	1,489,472	3,314,946
	<u>988,545,537</u>	<u>923,347,497</u>
Opening work-in-process	42,527,088	9,626,357
Closing work-in-process	(18,280,466)	(18,554,457)
	<u>24,246,622</u>	<u>(8,928,100)</u>

Cost of goods manufactured	1,012,792,159	914,419,397
Opening stock of finished goods	82,299,584	19,223,897
Closing stock of finished goods	(55,140,058)	(30,492,745)
	7,159,528	(11,288,848)
	1,019,951,685	903,150,549

14. Cash (used in) / generated from operations

	Sep-17 Rupees	Jun-17 Rupees
Profit before taxation	4,678,943	83,742,644
Adjustment for non-cash charges and other items:		
Amortization of intangibles	246,468	232,702
Depreciation on operating fixed assets	55,466,361	41,465,501
Depreciation on assets subject to finance lease	1,635,911	2,258,010
Profit on bank deposits	(28,577,108)	
Finance cost	28,174,454	15,264,598
Gain on disposal of operating fixed assets	-	
Provision for gratuity	4,472,442	
Profit before working capital changes	66,097,470	142,963,455
Effect on cash flow due to working capital changes:		
- Increase in stores and spares	(9,225,968)	(16,736,877)
- Decrease in stock-in-trade	14,897,241	(55,416,613)
- Increase in trade debts	(73,612,364)	(100,959,792)
- Increase in advances, deposits, prepayments and other receivables	(95,445,752)	(27,569,904)
- Increase in trade and other payables	6,628,300	80,575,580
	(156,758,543)	(120,107,606)
	(90,661,073)	22,855,849

15. Cash and cash equivalents

Cash and bank balances	2,083,800,049	44,503,361
Short term borrowings - running finance	(332,129,973.00)	(142,512,333)
	1,731,470,076	(98,008,972)

16. Events after the balance sheet date

The Board of Directors have proposed at their meeting held on October 18, 2017 and Shareholders approved at the meeting held on November 22, 2017 a bonus issue of 10,750,000 (2016: 45,081,000) shares i.e. 0.1 (2016: 1.505) share for every 1 share held of the existing issued, subscribed and paid up share capital of the company and a final cash dividend for the year ended June 30, 2017 of Rupee 1 (2016: Nil) per share, amounting to Rs 107.5 million (2016: Nil). These financial statements do not include the effect of the above dividends which will be accounted for in the period in which it is approved.

Chief Financial Officer

Chief Executive

Director

ROSHAN 
P a c k a g e s




Head Office

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