

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

REIMAGINING ROSHAN

For a Changing World

ROSHAN
Packages Limited.

QUARTERLY REPORT
for the Quarter ended September 30, 2020

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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. Muhammad Naveed Tariq

Independent/Non-Executive Director

Mrs. Ayesha Musaddaque Hamid

Independent/Non-Executive Director

Chief Financial Officer (CFO)

Mr. Muhammad Adil

Company Secretary

Miss Rabia Sharif

Tax Consultant

A.F Ferguson & Co

Bankers

Askari Bank Limited

Dubai Islamic Bank Limited

Bank of Punjab

JS Bank Limited

Meezan Bank Limited

Allied 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

Miss Faiza Khalid

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

Website

www.roshanpackages.com.pk

Directors' Report

The Directors of the Company are pleased to present Directors' Report along with the unaudited Financial Statements of the Company for the period ended September 30, 2020.

As we release this report, the second wave of corona has started to emerge in Pakistan and around the world. While uncertainty regarding the future remains, we are hopeful that as a country we will be able to manage the onset of the virus. However, economic activities will no doubt, face challenges.

Financial Overview

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

	Quarter Ended	
	30-Sep-2020	30-Sep-2019
	Rupees in Million	
Sales-net	1,658	1,057
Cost of Sales	1,450	966
Gross Profit	208	91
Finance Cost	29	61
Net profit before tax	107	16
Net profit after tax	86	20

During the period under review, the Company has earned a profit after tax of Rs. 86 million as compared to Rs. 20 million in a comparable period last year. This shows an improvement of 325% and an increase in profit before tax by Rs. 92 million or 583%. The sales revenue stood at Rs. 1,658 million registering an increase by 57% compared to same period last year. We increased our revenue by penetrating market and complying with our policies of expanding market share keeping intact our gross and net profit margins.

Our Company's gross margins have improved as well, we achieved a gross profit of Rs. 208 million as compared to Rs. 91 million in 2019 and Rs. 77 million in 2018, in comparable periods. This shows an increase of Rs. 117 million and Rs. 131 million respectively, which is 128% and 169% more than comparable periods of 2019 and 2018. Gross profit margins increased to 12.55% as compared to 8.62% in the comparative period last year. The Company has lowered its cost of sales ratio to 87.45% as compared to 91.38% last year, which is 3.93% lower. This has been the result of re-engineering and optimization of our business processes and effective cost reduction initiatives.

Financial cost has been decreased by Rs. 31 million, due to the reduction in policy rate by The State Bank of Pakistan and efficient fund management by the Company. Utility cost remains a challenge, the constant spike in rates resulted in an increase of Rs. 2 million and the cost recorded at 57 million as compared to Rs 55 million in comparable period last year.

Future Outlook

Although we have dealt with first wave of pandemic successfully, there is a countrywide fear of second wave to emerge in coming winters and possibility of regional or smart lockdowns and supply chain disruptions can't be ruled out. As a company, we are bracing ourselves for upcoming pandemic wave and hope to learn from our experience thus far and keep our momentum going.

Moreover, the policy rate is stable which is crucial for a suitable economic and investment climate, however increasing inflation and utility cost will remain a challenge.

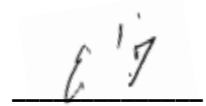
We at Roshan Packages are continually reviewing our business strategy to cope with the coming challenges and are ready to make rapid decisions in order to remain competitive and profitable.

Acknowledgment

The management avails this opportunity to thank its valued customers for their trust and confidence in the Company's products. Heartfelt gratitude is also extended to all other stakeholders including suppliers, bankers, shareholders, employees and the government at the frontlines for supporting us in this crisis.



Chief Executive



Chairman

ڈائریکٹرز رپورٹ

کنکنی کے ڈائریکٹران 30 ستمبر 2020 کو ختم ہونے والی سرمایہ رپورٹ اور طبعی آفات شدہ مالیاتی گوشوارے پیش کرتے ہوئے غوثی مسمیٰ کرتے ہیں۔

جب ہم یہ رپورٹ جاری کر رہے ہیں اس وقت پاکستان سمیت دنیا بھر میں کہہنا ہوا کہ اس کی دوسری لہر شروع ہو چکی ہے۔ جس کی وجہ سے مستحقین کے حوالے سے غیر یقینی صورتحال برقرار ہے۔ تاہم ہم مسمیٰ ہے کہ ہم کئی مہینے سے اس صورتحال سے بہتر طریقے سے نمٹ لیں گے۔ ہر حال معاشی سرگرمیوں کو تیز کرنا ہونا چاہیے۔

معاشی جائزہ

کنکنی کی معاشی صورتحال زیرہ جائزہ مدت کو ذیل میں بیان کیا گیا ہے:

30 ستمبر 2019	30 ستمبر 2020	
روپے بلین میں		
1057	1,658	معمومات کی کل فروخت
966	1,450	نٹز کی لاگت
91	208	جمومی منافع
61	29	ٹائٹس کی لاگت
16	107	تقدیم (منافع قبل از ٹیکس)
20	86	تقدیم (منافع بعد از ٹیکس)

موجودہ سرمایہ کے دوران کنکنی نے اعداد و اگلیں 86 بلین روپے کا منافع کیا جو پچھلے سال اسی مدت کے مقابلے میں اعداد و اگلیں 20 بلین روپے تھا۔ یہ 325 فیصد بہتری کی نشاندہی کرتا ہے اور ٹیکس سے قبل منافع میں 92 بلین روپے کا اضافہ ہے جو کہ 583 فیصد ہے۔ موجودہ سرمایہ میں ایشیا کی فروخت سے ہونے والی آمدن 1,658 بلین روپے رہی۔ جو پچھلے برس اسی مدت کے مقابلے سے 57 فیصد زیادہ ہے۔ ہم نے اپنے جمومی اور خالص شرح منافع کو مد نظر رکھتے ہوئے مارکیٹ میں اپنا دائرہ کار بڑھایا۔

ہماری کنکنی کا جمومی منافع بڑھا ہے۔ ہم نے 208 بلین روپے جمومی منافع کیا جو 2019 میں 91 بلین روپے اور 2018 میں 77 بلین روپے تھا۔ یہ 2018 اور 2019 میں اسی مدت کے دوران کمائے گئے جمومی منافع سے باقی رہتے 131 بلین روپے (169 فیصد) اور 117 بلین روپے (128 فیصد) زیادہ ہے۔ جمومی منافع کی شرح 12.55 فیصد بڑھی جو گزشتہ سال اسی مدت میں 8.62 فیصد تھی۔ کنکنی نے اپنی نٹز کی لاگت کی شرح کو کم کر کے 87.45 فیصد تک کیا جو گزشتہ سال 91.38 فیصد تھی۔ اس طرح یہ 3.93 فیصد کم ہے۔ اس کا سبب کاروباری طریقوں میں بہتری کے موثر اقدامات تھے۔

اسٹیٹ بینک کی شرح سود میں کمی اور ممبر فنڈز کے بہتر طریقے سے استعمال سے خالص لاگت میں 31 بلین روپے کی کمی واقع ہوئی۔ ایڈمنسٹریٹو اخراجات کی لاگت ہمارے لیے پختگی بنی رہی۔ ایڈمنسٹریٹو اخراجات میں مسلسل اضافے کی وجہ سے 2 بلین روپے لاگت میں اضافہ ہوا جس کی وجہ سے یہ 57 بلین روپے رہی جو پچھلے برس اسی مدت کے مقابلے میں 55 بلین روپے تھی۔

مستحقین کا خطرہ

اگرچہ ہم کہہ رہے ہیں کہ ہمارے عملیاتی نتائج میں بہتری کی توقع ہے لیکن سرمایہ کاروں کی دوسری لہر کا ملک گیر خوف موجود ہے جس کی وجہ سے علاقائی یا ادارتی اک ڈاؤن گئے سے ایشیا کی رسد متاثر ہو سکتی ہے۔ بطور کنکنی ہم وہاں کی دوسری لہر سے پیدا شدہ حالات سے نمٹنے کے لیے تیار ہیں اور اپنے تجربات سے سیکھتے ہوئے آگے بڑھتے رہیں گے۔

مزید برآں شرح سود مستحکم ہے جو معاشی سرگرمیوں اور سرمایہ کاری کے احول کے لیے بہت ضروری ہے تاہم افراط زر اور نقدیت لاگت میں اضافہ ایک چیلنج رہے گا۔

مستحقین کے پختگی سے نمٹنے کے لیے ہم روشن نگاہ میں اپنے کاروباری طریقوں کا مسلسل جائزہ لے کر رہیں گے۔ ہمارے ہر وقت فیصلہ سازی سے اپنے آپ کو منافع میں رکھیں گے۔

اعلماء و اہلکار

گروپ انکوائری میں منوج پرہا اپنے معزز کارکنوں کا شکریہ ادا کرتی ہے کہ انہوں نے کنکنی کی پروڈکٹ اور ہم پر اعتماد کا اظہار کیا۔ ہم اپنے فنڈوں، سپلائرز، مخلصانہ کارکنوں اور حکومت کا ان بحران کے دنوں میں سپورٹ کرنے کا شکریہ ادا کرتے ہیں۔

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ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

ASSETS	Note	Sep-20 Rupees	Jun-20 Rupees
Non-current assets			
Property, plant and equipment	5	4,501,818,333	4,524,161,130
Right of use assets	6	48,308,339	51,279,633
Intangible		-	362,586
Long term investment		111,376,130	111,376,130
Long term loan - unsecured	7	176,789,630	168,546,690
Long term deposits		14,902,194	14,902,194
		4,853,194,626	4,870,628,363
Current assets			
Stores, spares and other consumables		174,389,039	171,999,102
Stock-in-trade	8	732,247,536	708,935,191
Contract assets		73,368,430	80,878,738
Trade debts - unsecured		1,436,137,542	1,255,085,411
Current portion of long-term loan		152,372,573	149,249,281
Short term loan - unsecured		92,186,870	92,186,870
Advances, deposits, prepayments and other receivables		734,931,953	718,642,360
Short term investment		484,311,750	486,017,750
Cash and bank balances		395,835,071	328,562,905
		4,275,780,764	3,991,557,608
Total assets		9,128,975,390	8,862,185,971
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2019: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000,000</u>	1,500,000,000
Issued, subscribed and paid up share capital	9	1,419,000,000	1,419,000,000
Capital reserves			
Share premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		1,783,015,246	1,795,215,742
		3,777,804,303	3,790,004,799
Revenue reserve			
Un-appropriated profit		751,015,736	653,269,980
Total equity		5,947,820,039	5,862,274,779
Non-current liabilities			
Long term finances - secured		74,076,284	87,018,828
Lease liabilities		28,997,957	31,721,605
Deferred taxation		475,540,961	453,622,673
Deferred liabilities		125,556,039	122,088,352
		704,171,241	694,451,458
Current liabilities			
Current portion of long-term liabilities		259,160,948	248,834,807
Short term borrowings - secured	10	1,045,016,002	1,048,293,740
Trade and other payables	11	1,139,716,344	959,971,322
Contract liabilities		14,928,660	15,918,351
Accrued finance cost		17,374,100	31,653,458
Unclaimed dividend		788,056	788,056
		2,476,984,110	2,305,459,734
Total equity and liabilities		9,128,975,390	8,862,185,971
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.


Chief Executive

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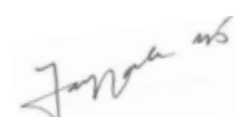
Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Sep-20 Rupees	Sep-19 Rupees
Revenue from contracts with customers		1,931,325,048	1,228,508,528
Less: Sales tax		(273,388,878)	(171,595,168)
Net revenue		1,657,936,170	1,056,913,360
Cost of revenue	13	(1,449,925,733)	(965,830,633)
Gross profit		208,010,437	91,082,727
Administrative expenses		(41,217,503)	(32,013,989)
Selling and distribution expenses		(41,438,958)	(40,349,765)
Other operating expenses		(13,245,918)	-
		(95,902,379)	(72,363,754)
Operating profit		112,108,058	18,718,973
Other income		24,614,403	57,660,103
Finance cost		(29,329,731)	(60,666,643)
Profit before taxation		107,392,730	15,712,433
Taxation		(21,847,470)	4,410,329
Profit for the period		85,545,260	20,122,762
Earnings per share - Basic and diluted		0.60	0.14

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.



Chief Executive



Director

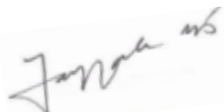


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Sep-20	Sep-19
	Rupees	Rupees
Profit for the period	85,545,260	20,122,762
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefits - net of tax	-	-
Revaluation surplus during the year - net of tax	-	-
Effect of change in tax rate on balance of revaluation surplus on property, plant and equipment	-	-
	-	-
Total comprehensive income for the period	<u>85,545,260</u>	<u>20,122,762</u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on 01 July 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
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(15,764,884)	15,764,884	-
Balance as on 30 September 2019	<u>1,419,000,000</u>	<u>1,994,789,057</u>	<u>1,827,963,422</u>	<u>392,856,460</u>	<u>5,634,608,939</u>
Balance as on 01 July 2020	1,419,000,000	1,994,789,057	1,795,215,742	653,269,980	5,862,274,779
Profit for the period	-	-	-	85,545,260	85,545,260
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(12,200,496)	12,200,496	-
Balance as on 30 September 2020	<u>1,419,000,000</u>	<u>1,994,789,057</u>	<u>1,783,015,246</u>	<u>751,015,736</u>	<u>5,947,820,039</u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.


 Chief Executive

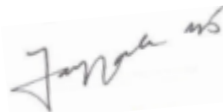

 Director


 Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Sep-20 Rupees	Sep-19 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	14	90,610,705	(56,778,719)
Finance costs paid		(42,734,301)	(45,644,470)
Taxes adjusted / (paid)		41,332,433	(22,244,256)
Gratuity paid		-	(3,477,614)
Accumulated absences paid		-	(103,147)
Net increase in long term deposits		-	(1,501,770)
		(1,401,868)	(72,971,257)
Net cash flows generated from / (used in) operating activities		89,208,837	(129,749,976)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,372,806)	(22,745,281)
Increase in long term loan		(4,183,935)	(8,947,608)
Profit on bank deposits received		9,646,359	38,263,568
Net cash flows (used in) / generated from investing activities		(7,910,382)	6,570,679
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment) of long-term loans		26,465,450	(25,000,000)
Repayment of supplier's credit		(34,561,092)	-
Dividend paid		-	(7,481)
Proceeds from short term borrowings - net		29,962,376	58,158,530
Repayment of lease liabilities		(4,358,909)	(2,830,716)
Net cash generated from financing activities		17,507,825	30,320,333
Net increase / (decrease) in cash and cash equivalents		98,806,280	(92,858,965)
Cash and cash equivalents at the beginning of the period		574,201,284	696,748,452
Cash and cash equivalents at the end of the period		673,007,564	603,889,487

The annexed notes from 1 to 18 form an integral part of these unconsolidated financial statements.



 Chief Executive



 Director



 Chief Financial Officer

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 THE COMPANY AND ITS OPERATIONS

1.1 Corporate and general information

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

These unconsolidated financials statements are the separate financials statements of the Company in which investment in the subsidiary namely Roshan Sun Tao Paper Mills (Private) Limited has been accounted for at cost less accumulated impairment losses, if any.

The consolidated financial statements of the Company are being issued separately.

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

- Head office and registered office: 325 G-III, M.A. Johar Town, Lahore.
- Marketing office: 104, Parsa Tower, PECHS Block-6, Shakra-e-Faisal, Karachi.
- Corrugation packaging plant: 7 km, Sundar Raiwind Road, Lahore.
- Flexible packaging plant: Plot No. 141, 142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

1.3 Impact of COVID-19 on the unconsolidated financial statements

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020. Accordingly, on 20 March 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts.

The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

Further, subsequent to year end, the situation is improved with the easing of lock down and re-opening of the businesses.

The management has assessed the impact of the COVID-19 on the unconsolidated financial statements and concluded that, as the Company is engaged in the business of packaging material related to food and other essential items, there is no material financial impact of COVID-19 on the carrying amounts of assets, liabilities, income or expenses which required specific disclosures.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2** This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 30 September 2020 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.
- 2.3** Comparative unconsolidated balance sheet numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2020, 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 2019.
- 2.4** This condensed interim unconsolidated financial information is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3 Use of judgments and estimates

The preparation of the unconsolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the unconsolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual unconsolidated financial statements of the Company for the year ended June 30, 2020.

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those of the previous financial year.

4.1 Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance Contracts and related amendments	01 January 2023
IAS 1 & IAS 8 - Presentation of Financial Statements Classification of liabilities (amendments)	01 January 2023
IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use (amendments)	01 January 2022
IAS 37 - Onerous Contracts — Cost of Fulfilling a Contract	01 January 2022
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
Annual Improvements to IFRS Standards 2018-2020	01 January 2023
IFRS - 4 Extension of the Temporary Exemption from Applying IFRS 9	01 January 2023
Amendments to IFRS 3 - Business Combinations - Update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	01 January 2022

The above amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

The International Accounting Standards Board (IASB) has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009
IFRS 17 - Insurance Contracts	01 January 2023

The Company expects that adoption of these standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

ROSHAN PACKAGES LIMITED

5	PROPERTY, PLANT AND EQUIPMENT	Note	Sep-20 Rupees	Jun-20 Rupees
	Operating fixed assets	5.1	4,399,896,231	4,426,415,803
	Capital work-in-progress	5.2	101,922,102	97,745,327
			<u>4,501,818,333</u>	<u>4,524,161,130</u>
5.1	Movement during the year is as follows:			
	Opening cost/revalued amount		6,170,275,632	6,164,758,720
	Transfers to right of use asset		-	(42,360,000)
	Additions during the period / year	5.1.1	9,196,031	49,253,856
	Transfers from right of use asset		-	7,600,000
	Disposals during the period / year		-	(8,976,944)
	Closing cost / revalued amount		<u>6,179,471,663</u>	6,170,275,632
	Opening accumulated depreciation		1,743,859,829	1,618,873,184
	Transfers to right of use asset		-	(15,265,828)
	Charge for the period / year		35,715,603	141,052,819
	Transfers from right of use asset		-	3,773,653
	Disposals during the period / year		-	(4,573,999)
	Closing accumulated depreciation		<u>1,779,575,432</u>	1,743,859,829
	Carrying Value		<u>4,399,896,231</u>	<u>4,426,415,803</u>
5.1.1	During the period the detail of addition is as follows:			
	Buildings on free hold land-own assets		143,700	4,981,019
	Plant and machinery-own assets		6,275,362	39,344,576
	Electric installations-own assets		684,641	12,500
	Furniture & fixture - own assets		765,073	1,049,298
	Office equipment - own assets		1,327,255	3,866,463
			<u>9,196,031</u>	49,253,856
5.2	Capital work in progress			
	Opening balance		97,745,327	89,647,475
	Additions during the period / year		4,176,775	35,539,365
	Transfers during the period / year		-	(27,441,513)
			<u>101,922,102</u>	97,745,327
6	RIGHT OF USE ASSETS			
	Opening cost/revalued amount		76,370,671	80,840,671
	New leased assets		-	3,130,000
	Transfers to owned assets		-	(7,600,000)
	Closing cost / revalued amount		<u>76,370,671</u>	76,370,671
	Opening cost/revalued amount		25,091,038	15,265,828
	Charge for the period / year		2,971,294	13,598,863
	Transfers to owned assets		-	(3,773,653)
	Closing accumulated depreciation		<u>28,062,332</u>	25,091,038
	Carrying Value		<u>48,308,339</u>	<u>51,279,633</u>

		ROSHAN PACKAGES LIMITED		
7	LONG TERM LOAN - UNSECURED	Note	Sep-20 Rupees	Jun-20 Rupees
	At amortized cost:			
	Loan to associated undertaking - Roshan Enterprises	7.1	-	-
	Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	7.2	176,789,630	168,546,690
			<u>176,789,630</u>	<u>168,546,690</u>
7.1	Movement during the period / year is as follows:			
	Opening balance		149,249,281	132,838,400
	Markup accrued during the period / year		3,123,292	16,410,881
			<u>152,372,573</u>	<u>149,249,281</u>
	Less: Current portion shown under current assets		<u>(152,372,573)</u>	<u>(149,249,281)</u>
	Closing balance		<u>-</u>	<u>-</u>
7.2	Movement during the period / year is as follows:			
	Opening balance		168,546,690	117,094,385
	Loan disbursed during the period / year		4,183,935	30,704,997
	Markup accrued during the period / year		4,059,005	20,747,308
	Closing balance		<u>176,789,630</u>	<u>168,546,690</u>
8	STOCK-IN-TRADE			
	Raw materials	8.1	719,668,156	697,207,309
	Finished goods		12,579,380	11,727,882
			<u>732,247,536</u>	<u>708,935,191</u>

8.1 This includes stock in transit amounting to Rs. 69.83 million (2020: Rs. 42.16 million)

9 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Sep-20	Jun-20	Sep-20	Jun-20
	---- No. of shares ----		-----Rupees-----	
Ordinary shares of Rs. 10 each fully paid in cash	57,336,000	57,336,000	573,360,000	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	79,461,000	79,461,000	794,610,000	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 9.1)	5,103,000	5,103,000	51,030,000	51,030,000
	<u>141,900,000</u>	<u>141,900,000</u>	<u>1,419,000,000</u>	<u>1,419,000,000</u>

9.1 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.

		ROSHAN PACKAGES LIMITED	
		Sep-20	Jun-20
		Rupees	Rupees
10	SHORT TERM BORROWINGS - SECURED		
	Running finance	<u>207,139,257</u>	240,379,371
	Term finances:		
	- Import finance / Murabaha	<u>682,013,257</u>	686,528,050
	- Istisna / Wakala	<u>155,863,488</u>	121,386,319
		<u>837,876,745</u>	807,914,369
		<u>1,045,016,002</u>	<u>1,048,293,740</u>
11	TRADE AND OTHER PAYABLES		
	Trade creditors	1,039,636,209	890,828,679
	Accrued liabilities	72,333,602	51,442,284
	Withholding tax payable	5,414,806	3,727,427
	Workers' Profit Participation Fund payable	16,524,600	10,765,212
	Workers' Welfare Fund payable	3,086,407	630,643
	Advances from employees	2,634,519	2,490,876
	Retention money payable	86,201	86,201
		<u>1,139,716,344</u>	<u>959,971,322</u>
12	CONTINGENCIES AND COMMITMENTS		
12.1	There is no significant change in the status of contingencies and commitments set out in note 31 to the Company's unconsolidated financial statements for the year ended 30 June 2020.		
13	COST OF REVENUE	Sep-20	Sep-19
		Rupees	Rupees
	Raw materials consumed	1,239,471,992	766,782,358
	Carriage inward expenses	631,353	516,116
	Packing material consumed	5,231,663	3,747,752
	Production supplies	21,855,567	14,825,499
	Fuel and power	57,323,316	54,952,087
	Salaries, wages and other benefits	64,299,165	53,389,088
	Repairs and maintenance	15,369,744	10,879,781
	Printing and stationery	195,034	142,283
	Insurance	1,739,317	2,320,961
	Rent	539,377	440,029
	Travelling and conveyance	5,442,779	6,339,321
	Communication expenses	371,679	178,231
	Vehicle running expenses	864,858	629,885
	Depreciation on operating fixed assets	34,893,480	32,090,596
	Depreciation on right of use asset	532,070	960,193
	Others	2,015,837	5,495,079
	Cost of goods manufactured	<u>1,450,777,231</u>	953,689,259
	Opening stock of finished goods	<u>11,727,881</u>	16,264,405
	Closing stock of finished goods	<u>(12,579,379)</u>	(4,123,031)
		<u>(851,498)</u>	12,141,374
		<u>1,449,925,733</u>	<u>965,830,633</u>

ROSHAN PACKAGES LIMITED

14 CASH GENERATED FROM / (USED IN) OPERATIONS	Sep-20 Rupees	Sep-19 Rupees
Profit before taxation	107,392,730	15,712,433
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	35,715,603	32,695,756
Depreciation on right of use assets	2,971,294	1,371,704
Markup on loans	(9,899,890)	(8,302,600)
Finance costs	29,329,731	60,666,643
Provision for gratuity	3,567,173	4,528,236
Profit on bank deposits	(14,092,793)	(32,325,547)
Amortization of intangibles	362,586	354,424
Worker's Profit Participation Fund	5,759,388	-
Worker's Welfare Fund	2,455,764	-
Exchange loss unrealized	5,030,766	(17,048,456)
Provision for accumulating compensated absences	742,977	755,784
Cashflow before working capital changes	169,335,329	58,408,377
Effect on cash flow due to working capital changes:		
Decrease / (increase) in current assets:		
Stores and spare parts	(2,389,937)	(4,037,928)
Stock-in-trade	(23,312,345)	(61,522,101)
Trade debts	(181,052,131)	118,173,182
Contract assets	7,510,308	24,310,066
Advances, deposits, prepayments and other receivables	(48,770,620)	(2,492,342)
	(248,014,725)	74,430,877
Increase / (decrease) in current liabilities:		
Contract liabilities	(989,691)	7,117,851
Trade and other payables	170,279,792	(196,735,824)
	169,290,101	(189,617,973)
	(78,724,624)	(115,187,096)
	90,610,705	(56,778,719)

15 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-20	Sep-19
			Rupees	Rupees
Subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Long term loan to subsidiary	4,183,935	6,605,720
		Markup accrued on long term loan	4,059,005	2,341,888
		Markup accrued on short term loan	2,717,593	1,843,737
Associated undertaking	Roshan Enterprises	Markup accrued on long term loan	3,123,292	4,116,975

16 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 47 to the Company's unconsolidated financial statements for the year ended 30 June 2020.

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were approved and authorized for issue on 29-Oct-2020 by the Board of Directors of the Company.

18 GENERAL

18.1 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.

18.2 Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer

Directors' Report

The Directors of the Group are pleased to present Directors' Report along with the unaudited Financial Statements of the Group for the period ended September 30, 2020.

As we release this report, the second wave of corona has started to emerge in Pakistan and around the world. While uncertainty regarding the future remains, we are hopeful that as a country we will be able to manage the onset of the virus. However, economic activities will no doubt, face challenges.

Financial Overview

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

	Quarter Ended	
	30-Sep-2020	30-Sep-2019
	Rupees in Million	
Sales-net	1,658	1,057
Cost of Sales	1,450	966
Gross Profit	208	91
Finance Cost	29	61
Net profit before tax	95	11
Net profit after tax	74	15

During the period under review, the Group has earned a profit after tax of Rs. 74 million as compared to Rs. 15 million in a comparable period last year. This shows an improvement of 380% and an increase in profit before tax by Rs. 84 million or 774%. The sales revenue stood at Rs. 1,658 million registering increase by 57% compared to same period last year. We increased our revenue by penetrating market and complying with our policies of expanding market share keeping intact our gross and net profit margins.

Our Group's gross margins have improved, we achieved a gross profit of Rs. 208 million as compared to Rs. 91 million in 2019 and Rs. 77 million in 2018, in comparable periods. This shows an increase of Rs. 117 million and Rs. 131 million respectively, which is 128% and 169% more than comparable periods of 2019 and 2018. Gross profit margins increased to 12.55% as compared to 8.62% in the comparative period last year. The Group has lowered its cost of sales ratio to 87.45% as compared to 91.38% last year, which is 3.93% lower. This has been the result of re-engineering and optimization of our business processes and effective cost reduction initiatives.

Financial cost has been decreased by Rs. 31 million, due to the reduction in policy rate by The State Bank of Pakistan and efficient fund management by the Group. Utility cost remains a challenge, the constant spike in rates resulted in an increase of Rs. 2 million and the cost recorded at 57 million as compared to Rs 55 million in comparable period last year.

Roshan Sun Tao Papers Mills (Pvt.) Limited

Roshan Sun Tao Paper Mills (Private) Limited was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a subsidiary of the Company (the "Subsidiary"). The Subsidiary was established for manufacturing, supplying & dealing in corrugated recycled paper.

The Project was a joint venture of the Company with a Chinese partner; however, the joint venture agreement was terminated by the Company and a case was filed before the Court for specific performance and the Chinese partner has filed a winding up petition before the Court for winding up of the Subsidiary. Recently the Honorable Lahore High Court dismissed the winding up petition filed by Chinese partner.

The Company's operations were hindered due to delayed approvals from regulatory authorities, delays in infrastructural development from Government of Punjab, litigation and financial close.

The management is fully committed to complete the project of our subsidiary and strongly believes that the Paper Mill Project will bring prolific benefits to the group and its shareholders. The management is resolutely working on the execution of the project and right now is in process of negotiation with financial institutions for financial closure. RPL, the Parent Company, is focusing on various initiatives to ensure the timely completion of the Project. The Parent Company has arranged required funds for equity contribution. The Project is expected to achieve financial close in Q2 2020-21, subject to requisite approvals. The Project shall achieve Commercial Operations in 24 months after financial close.

During the period under review no significant financial activity took place.

Future Outlook

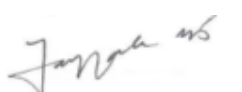
Although we have dealt with first wave of pandemic successfully, there is a countrywide fear of second wave to emerge in coming winters and possibility of regional or smart lockdowns and supply chain disruptions can't be ruled out. As a group, we are bracing ourselves for upcoming pandemic wave and hope to learn from our experience thus far and keep our momentum going.

Moreover, the policy rate is stable which is crucial for a suitable economic and investment climate, however increasing inflation and utility cost will remain a challenge.

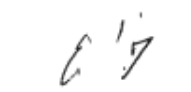
The group is continually reviewing business strategy to cope with the coming challenges and is ready to make rapid decisions in order to remain competitive and profitable.

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 stakeholders including suppliers, bankers, shareholders, employees and the government at the frontlines for supporting us in this crisis.



Chief Executive




Chairman

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

ASSETS	Note	Sep-20 Rupees	Jun-20 Rupees
Non-current assets			
Property, plant and equipment	5	4,991,728,330	5,014,071,127
Right of use assets	6	48,308,339	51,279,633
Intangible		-	362,586
Long term loan - unsecured	7	-	-
Long term deposits		14,902,194	14,902,194
		5,054,938,863	5,080,615,540
Current assets			
Stores, spares and other consumables		174,389,039	171,999,102
Stock-in-trade	8	732,247,536	708,935,191
Contract assets		73,368,430	80,878,738
Trade debts - unsecured		1,436,137,542	1,255,085,411
Current portion of long term loan		152,372,573	149,249,281
Advances, deposits, prepayments and other receivables		725,008,134	711,378,087
Short term investment		484,311,750	486,017,750
Cash and bank balances		396,664,725	328,608,293
		4,174,499,729	3,892,151,853
Total assets		<u>9,229,438,592</u>	<u>8,972,767,393</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2019: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000,000</u>	1,500,000,000
Issued, subscribed and paid up share capital	9	1,419,000,000	1,419,000,000
Capital reserves			
Share premium		2,031,894,417	2,031,894,417
Surplus on revaluation of property, plant and equipment		1,783,015,246	1,795,215,742
		3,814,909,663	3,827,110,159
Revenue reserve			
Un-appropriated profit		697,541,248	607,015,886
Equity attributable to equity holders of the Holding Company		5,931,450,911	5,853,126,045
Non-controlling interest		95,770,851	100,584,447
Total equity		6,027,221,762	5,953,710,492
Non-current liabilities			
Long term finances - secured		74,076,284	87,018,828
Lease liabilities		28,997,957	31,721,605
Deferred taxation		475,540,961	453,622,673
Deferred liabilities		125,556,039	122,088,352
		704,171,241	694,451,458
Current liabilities			
Current portion of long term liabilities		259,160,948	248,834,807
Short term borrowings - secured	10	1,045,016,002	1,048,293,740
Trade and other payables	11	1,160,777,823	979,117,031
Contract liabilities		14,928,660	15,918,351
Accrued finance cost		17,374,100	31,653,458
Unclaimed dividend		788,056	788,056
		2,498,045,589	2,324,605,443
Total equity and liabilities		<u>9,229,438,592</u>	<u>8,972,767,393</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



Chief Executive

23



Director

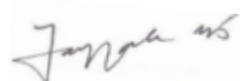


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Sep-20 Rupees	Sep-19 Rupees
Revenue from contracts with customers		1,931,325,048	1,228,508,528
Less: Sales tax		(273,388,878)	(171,595,168)
Net revenue		1,657,936,170	1,056,913,360
Cost of revenue	13	(1,449,925,733)	(965,830,633)
Gross profit		208,010,437	91,082,727
Administrative expenses		(46,474,431)	(32,629,024)
Selling and distribution expenses		(41,438,958)	(40,349,765)
Other operating expenses		(13,245,918)	-
		(101,159,307)	(72,978,789)
Operating profit		106,851,130	18,103,938
Other income		17,837,805	53,474,478
Finance cost		(29,330,195)	(60,666,643)
Profit before taxation		95,358,740	10,911,773
Taxation		(21,847,470)	4,410,329
Profit for the period		73,511,270	15,322,102
Profit / (loss) attributable to:			
Equity holders of the Holding Company		78,324,866	15,568,116
Non-controlling interest		(4,813,596)	(246,014)
		73,511,270	15,322,102
Earnings per share - Basic and diluted		0.55	0.11

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



Chief Executive



Director

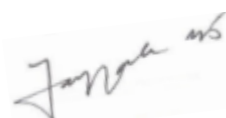


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Sep-20	Sep-19
	Rupees	Rupees
Profit for the period	73,511,270	15,322,102
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefits - net of tax	-	-
Revaluation surplus during the year - net of tax	-	-
Effect of change in tax rate on balance of revaluation surplus on property, plant and equipment	-	-
	-	-
Total comprehensive income for the period	<u>73,511,270</u>	<u>15,322,102</u>
Total comprehensive income attributable to:		
Equity holders of the Holding Company	78,324,866	15,568,116
Non-controlling interest	<u>(4,813,596)</u>	<u>(246,014)</u>
	<u>73,511,270</u>	<u>15,322,102</u>

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

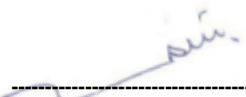
ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Capital reserves		Revenue reserve	Total	Non-controlling interest	Total equity	
	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit				
	Rupees	Rupees	Rupees	Rupees			
Balance as on 01 July 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 for the period	-	-	-	15,568,116	15,568,116	(246,014)	15,322,102
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(15,764,884)	15,764,884	-	-	-
Balance as on 30 September 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
Balance as on 01 July 2020	1,419,000,000	2,031,894,417	1,795,215,742	607,015,886	5,853,126,045	100,584,447	5,953,710,492
Profit for the period	-	-	-	78,324,866	78,324,866	(4,813,596)	73,511,270
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(12,200,496)	12,200,496	-	-	-
Balance as on 30 September 2020	1,419,000,000	2,031,894,417	1,783,015,246	697,541,248	5,931,450,911	95,770,851	6,027,221,762

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



 Chief Executive



 Director

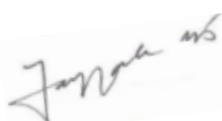


 Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

CASH FLOWS FROM OPERATING ACTIVITIES	Note	Sep-20 Rupees	Sep-19 Rupees
Cash generated from / (used in) operations	14	86,593,255	(66,857,249)
Finance costs paid		(42,734,765)	(45,644,470)
Taxes adjusted / (paid)		41,950,678	(21,230,617)
Gratuity paid		-	(3,477,614)
Accumulated absences paid		-	(103,147)
Net increase in long term deposits		-	(1,501,770)
		(784,087)	(71,957,618)
Net cash flows generated from / (used in) operating activities		85,809,168	(138,814,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,372,806)	(22,627,998)
Profit on bank deposits received		9,646,359	38,263,568
Net cash flows (used in) / generated from investing activities		(3,726,447)	15,635,570
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from / (Repayment) of long-term loans		26,465,450	(25,000,000)
Repayment of supplier's credit		(34,561,092)	-
Dividend paid		-	(7,481)
Proceeds from short term borrowings - net		29,962,376	58,158,530
Repayment of lease liabilities		(4,358,909)	(2,830,716)
Net cash generated from financing activities		17,507,825	30,320,333
Net increase / (decrease) in cash and cash equivalents		99,590,546	(92,858,964)
Cash and cash equivalents at the beginning of the period		574,246,672	696,793,840
Cash and cash equivalents at the end of the period		673,837,218	603,934,876

The annexed notes from 1 to 18 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 THE GROUP AND ITS OPERATIONS

1.1 Corporate and general information

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

Holding Company

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

Subsidiary Company

Roshan Sun Tao Paper Mills (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private company limited by shares on 08 January 2016 under the Companies Act, 2017, and is a joint venture with Shandong Yongtai Paper Mill Company Limited, China. The principal activity of the Subsidiary Company will be manufacturing, supplying and dealing in corrugated papers. The Holding Company holds 60% of voting securities in the Subsidiary Company. 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 Company is in its set up phase and has not yet commenced its commercial operations.

1.2 The geographical locations and addresses of the Company's business units, including production facilities 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, Shakra-e-Faisal, Karachi.
- Corrugation packaging plant: 7 km, Sundar Raiwind Road, Lahore.
- Flexible packaging plant: Plot No. 141, 142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

Subsidiary Company

- Head office and registered office: 325 G-III, M.A. Johar Town, Lahore.
- 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.

1.3 Impact of COVID-19 on the consolidated financial statements

The World Health Organization declared COVID-19 a global pandemic on 11 March 2020. Accordingly, on 20 March 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts.

The Group's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Group's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

Further, subsequent to year end, the situation is improved with the easing of lock down and re-opening of the businesses.

The management has assessed the impact of the COVID-19 on the consolidated financial statements and concluded that, as the Group is engaged in the business of packaging material related to food and other essential items, there is no material financial impact of COVID-19 on the carrying amounts of assets, liabilities, income or expenses which required specific disclosures.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Group, as at 30 September 2020 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.

2.3 Comparative consolidated balance sheet numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2020, 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 Group for the quarter ended 30 September 2019.

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

3 Use of judgments and estimates

The preparation of the consolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the consolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual consolidated financial statements of the Group for the year ended June 30, 2020.

4 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year.

4.1 Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance Contracts and related amendments	01 January 2023
IAS 1 & IAS 8 - Presentation of Financial Statements Classification of liabilities (amendments)	01 January 2023
IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use (amendments)	01 January 2022
IAS 37 - Onerous Contracts — Cost of Fulfilling a Contract	01 January 2022
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
Annual Improvements to IFRS Standards 2018-2020	01 January 2023
IFRS - 4 Extension of the Temporary Exemption from Applying IFRS 9	01 January 2023
Amendments to IFRS 3 - Business Combinations - Update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	01 January 2022

The above amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

The International Accounting Standards Board (IASB) has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009
IFRS 17 - Insurance Contracts	01 January 2023

The Group expects that adoption of these standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

5	PROPERTY, PLANT AND EQUIPMENT	Note	Sep-20	Jun-20
			Rupees	Rupees
	Operating fixed assets	5.1	4,399,896,231	4,426,415,803
	Capital work-in-progress	5.2	591,832,099	587,655,324
			<u>4,991,728,330</u>	<u>5,014,071,127</u>

		ROSHAN PACKAGES LIMITED	
		Sep-20	Jun-20
		Rupees	Rupees
5.1	Movement during the year is as follows:	Note	
	Opening cost/revalued amount		6,170,275,632
	Transfers to right of use asset		6,164,758,720
	Additions during the period / year	5.1.1	-
	Transfers from right of use asset		(42,360,000)
	Disposals during the period / year		9,196,031
	Closing cost / revalued amount		49,253,856
			7,600,000
			-
			(8,976,944)
			<u>6,179,471,663</u>
			6,170,275,632
	Opening accumulated depreciation		1,743,859,829
	Transfers to right of use asset		1,618,873,184
	Charge for the period / year		-
	Transfers from right of use asset		(15,265,828)
	Disposals during the period / year		35,715,603
	Closing accumulated depreciation		141,052,819
			-
			3,773,653
			-
			(4,573,999)
			<u>1,779,575,432</u>
			1,743,859,829
	Carrying Value		<u>4,399,896,231</u>
			<u>4,426,415,803</u>
5.1.1	During the period the detail of addition is as follows:		
	Buildings on free hold land-own assets		143,700
	Plant and machinery-own assets		4,981,019
	Electric installations-own assets		6,275,362
	Furniture & fixture - own assets		39,344,576
	Office equipment - own assets		684,641
			12,500
			765,073
			1,049,298
			<u>1,327,255</u>
			3,866,463
			<u>9,196,031</u>
			49,253,856
5.2	Capital work in progress		
	Opening balance		587,655,324
	Additions during the period / year		561,532,349
	Transfers during the period / year		4,176,775
			53,564,488
			-
			(27,441,513)
			<u>591,832,099</u>
			587,655,324
6	RIGHT OF USE ASSETS		
	Opening cost/revalued amount		76,370,671
	New leased assets		80,840,671
	Transfers to owned assets		-
	Closing cost / revalued amount		3,130,000
			-
			(7,600,000)
			<u>76,370,671</u>
			76,370,671
	Opening cost/revalued amount		25,091,038
	Charge for the period / year		15,265,828
	Transfers to owned assets		2,971,294
	Closing accumulated depreciation		13,598,863
			-
			(3,773,653)
			<u>28,062,332</u>
			25,091,038
	Carrying Value		<u>48,308,339</u>
			<u>51,279,633</u>

		ROSHAN PACKAGES LIMITED		
7	LONG TERM LOAN - UNSECURED	Note	Sep-20 Rupees	Jun-20 Rupees
At amortized cost:				
	Loan to associated undertaking - Roshan Enterprises	7.1	-	-
7.1	Movement during the period / year is as follows:			
	Opening balance		149,249,281	132,838,400
	Markup accrued during the period / year		3,123,292	16,410,881
			152,372,573	149,249,281
	Less: Current portion shown under current assets		(152,372,573)	(149,249,281)
	Closing balance		<u>-</u>	<u>-</u>
8	STOCK-IN-TRADE			
	Raw materials	8.1	719,668,156	697,207,309
	Finished goods		12,579,380	11,727,882
			732,247,536	708,935,191

8.1 This includes stock in transit amounting to Rs. 69.83 million (2020: Rs. 42.16 million)

9 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Sep-20	Jun-20	Sep-20	Jun-20
	---- No. of shares ----		----- Rupees -----	
Ordinary shares of Rs. 10 each fully paid in cash	57,336,000	57,336,000	573,360,000	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	79,461,000	79,461,000	794,610,000	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 9.1)	5,103,000	5,103,000	51,030,000	51,030,000
	141,900,000	141,900,000	1,419,000,000	1,419,000,000

9.1 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.

		ROSHAN PACKAGES LIMITED	
		Sep-20	Jun-20
		Rupees	Rupees
10	SHORT TERM BORROWINGS - SECURED		
	Running finance	207,139,257	240,379,371
	Term finances:		
	- Import finance / Murabaha	682,013,257	686,528,050
	- Istisna / Wakala	155,863,488	121,386,319
		837,876,745	807,914,369
		1,045,016,002	1,048,293,740
11	TRADE AND OTHER PAYABLES		
	Trade creditors	1,059,490,473	909,451,004
	Accrued liabilities	72,773,602	51,882,284
	Withholding tax payable	6,182,021	3,810,811
	Workers' Profit Participation Fund payable	16,524,600	10,765,212
	Workers' Welfare Fund payable	3,086,407	630,643
	Advances from employees	2,634,519	2,490,876
	Retention money payable	86,201	86,201
		1,160,777,823	979,117,031
12	CONTINGENCIES AND COMMITMENTS		
12.1	There is no significant change in the status of contingencies and commitments set out in note 29 to the Group's consolidated financial statements for the year ended 30 June 2020.		
13	COST OF REVENUE	Sep-20	Sep-19
		Rupees	Rupees
	Raw materials consumed	1,239,471,992	766,782,358
	Carriage inward expenses	631,353	516,116
	Packing material consumed	5,231,663	3,747,752
	Production supplies	21,855,567	14,825,499
	Fuel and power	57,323,316	54,952,087
	Salaries, wages and other benefits	64,299,165	53,389,088
	Repairs and maintenance	15,369,744	10,879,781
	Printing and stationery	195,034	142,283
	Insurance	1,739,317	2,320,961
	Rent	539,377	440,029
	Travelling and conveyance	5,442,779	6,339,321
	Communication expenses	371,679	178,231
	Vehicle running expenses	864,858	629,885
	Depreciation on operating fixed assets	34,893,480	32,090,596
	Depreciation on right of use asset	532,070	960,193
	Others	2,015,837	5,495,079
	Cost of goods manufactured	1,450,777,231	953,689,259
	Opening stock of finished goods	11,727,881	16,264,405
	Closing stock of finished goods	(12,579,379)	(4,123,031)
		(851,498)	12,141,374
		1,449,925,733	965,830,633

ROSHAN PACKAGES LIMITED

14 CASH GENERATED FROM / (USED IN) OPERATIONS	Sep-20	Sep-19
	Rupees	Rupees
Profit before taxation	95,358,740	10,911,773
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	35,715,603	32,695,756
Depreciation on right of use assets	2,971,294	1,371,704
Markup on loans	(3,123,292)	(4,116,975)
Finance costs	29,330,195	60,666,643
Provision for gratuity	3,567,173	4,528,236
Profit on bank deposits	(14,092,793)	(32,325,547)
Amortization of intangibles	362,586	354,424
Worker's Profit Participation Fund	5,759,388	-
Worker's Welfare Fund	2,455,764	-
Exchange loss / (gain) unrealized	5,030,766	(17,048,456)
Provision for accumulating compensated absences	742,977	755,784
Cashflow before working capital changes	164,078,401	57,793,342
Effect on cash flow due to working capital changes:		
Decrease / (increase) in current assets:		
Stores and spare parts	(2,389,937)	(4,037,928)
Stock-in-trade	(23,312,345)	(61,522,101)
Trade debts	(181,052,131)	118,173,182
Contract assets	7,510,308	24,310,066
Advances, deposits, prepayments and other receivables	(48,763,081)	(2,492,342)
	(248,007,186)	74,430,877
Increase / (decrease) in current assets:		
Contract liabilities	(989,691)	7,117,851
Trade and other payables	171,511,731	(206,199,319)
	170,522,040	(199,081,468)
	(77,485,146)	(124,650,591)
	86,593,255	(66,857,249)

15 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Company	Name of related party	Nature of Transactions	Sep-20	Sep-19
			Rupees	Rupees
Associated undertaking	Roshan Enterprises	Markup accrued on long term loan	3,123,292	4,116,975

16 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 Group 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 Group's consolidated financial statements for the year ended 30 June 2020.

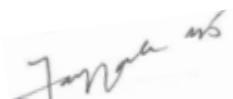
17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were approved and authorized for issue on 29-Oct-2020 by the Board of Directors of the Group.

18 GENERAL

18.1 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.

18.2 Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer