

REIMAGINING ROSHAN

For a Changing World



ROSHAN
Packages Limited.

ANNUAL REPORT 2020

Reimagining Roshan

2020 has been the year of disruption for businesses everywhere.

More than ever, the pandemic and climate crisis have made us- as individuals and a company more resilient and aware of our environmental impact. The cycle on our cover represents the small steps that culminate into a larger difference that we as a company are taking towards sustainability. Sustainability is at the center of our business plans and as we reimagine ourselves for a changing world.

Some of the changes effecting our industry will be:

Growth of E-commerce

Businesses and consumers are shifting online which increases and changes their packaging requirements.

Changing Consumer Preferences

End consumers want clean, green and innovative packaging whilst companies must mitigate their costs.

Disruptive Technologies

Artificial intelligence, machine learning, autonomous driving and block chain are just some of the technological disruptions that companies must prepare themselves for.

Shift Towards Sustainable Materials

Governments, end consumers and companies alike are reevaluating their impact on the environment effecting their packaging preferences.

We are tracking and analyzing changes in business as they happen and are committed to adapting and improving ourselves in order to remain Pakistan's Preferred Packaging Partner. Some of our initiatives include:

Digitalization

We are digitalizing our processes to increase efficiency as well as to reach more customers.

Exploring New Markets

We are using digital marketing, e-commerce and our sales executives in order to explore new markets in Pakistan and abroad.

Improving Customer Experience

Our customers are our priority and we are researching innovative ways to make packaging convenient for all customers.

Strengthening Our Team

Our employees are our greatest asset and we believe in investing in them and their talent to remain an industry leader.

Strategic Objectives

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



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Section 1: Corporate Profile



CORRUGATION PLANT

Roshan's Corrugation Packaging Plant is the only facility in Pakistan and the SAARC region to use European technology and machinery to produce high quality plain and printed cartons according to our clients' needs.

At a Glance

■ NET REVENUE

RS. IN MILLION

2020 : 5,233

2019 : 5,397

■ GROSS PROFIT

RS. IN MILLION

2020 : 547

2019 : 370

■ PBT

RS. IN MILLION

2020 : 175

2019 : 41

■ PAT

RS. IN MILLION

2020 : 248

2019 : (27)

■ EBIT

RS. IN MILLION

2020 : 398

2019 : 228

■ EBITDA

RS. IN MILLION

2020 : 554

2019 : 370

■ EPS

RS. PER SHARE

2020 : 1.75

2019 : (0.19)

■ TOTAL EQUITY

RS. IN MILLION

2020 : 5,862

2019 : 5,614

■ CURRENT RATIO

RATIO

2020 : 1.73

2019 : 1.47

■ QUICK RATIO

RATIO

2020 : 1.31

2019 : 1.14

Our Story



“In 2002, Roshan Packages installed the first of its kind corrugated box plant in Lahore. Our founders who were exporting fresh fruits and vegetables through Roshan Enterprises, observed that fruit was being wasted and damaged in the supply chain due to unhygienic wooden packaging. This was also the major factor behind limited export of Pakistani fruits globally and compelled farmers and exporters to accept low prices.”

Our aim was to provide the farmers and growers of Pakistan and the surrounding regions with a trusted packaging partner who understood their needs. We worked to ensure the safety of the produce through quality and innovation and designed our boxes to attract consumers. Our corrugated boxes are specifically made to preserve the freshness of fruits and vegetables and increase their shelf life.

Roshan continued its journey of excellence by offering international standard packaging and continued to innovate and expand to become one of the leading packaging solution providers in Pakistan. Our state of the art corrugation and flexible manufacturing facilities cater to a wide array of packaging needs across industries.

Roshan's Corrugation Packaging Plant is the only facility in Pakistan and the SAARC region to use European technology and machinery to produce high quality plain and printed cartons according to our clients' needs. Additionally, the Flexible Packaging Plant utilizes an Eight Color

Rotogravure Printing Machine, a Solvent Less Laminator, a Solvent Base Laminator and Slitting Machine to create customised wrappers, sachets and pouches. The plant is based on German standards and uses appropriate polymer mixes to offer a host of immaculate packaging solutions.

Since its inception, Roshan has enjoyed great success by creating quality packaging for local and multinational businesses. Our clients hail from a wide range of industries, including but not limited to: Fast Moving Consumer Goods (FMCG), Fruits and Vegetables, Technology, Dairy, Pharmaceutical and Textile.

Last year Roshan developed its E-commerce platform, Roshpack.com. It is the first online packaging solution in Pakistan and offers generic and customised solutions to small and medium enterprises at the click of a button. Roshpack has allowed Roshan Packages to increase its customer base and propelled it into a digital future.

Let's reimagine the future together!

Geographical Presence

**Head Office:**

325 G-III, Johar Town,
Lahore

Regional Office:

104-Parsa Tower,
P.E.C.H.S, Block 6, Karachi

Flexiable Plant:

Plot # 141, 142, 142-B Sunder
Industrial Estate Lahore.

Corrugated Manufacturing Plant:

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

CPEC

China Pakistan
Economic Corridor

SALES PERSON PRESENCE : Lahore, Islamabad, Karachi, Faisalabad, Jhung, Multan, Sargodha, Sahiwal
Our Customer Support Number is +92 347 6747225 +92 34 ROSHPACK

OUR LEGACY



- 1960** Urdu Digest Publications specialised in offset printing by procuring state of the art German technology. The company printed and published newspapers, weekly & monthly magazines and books in order to achieve its vision of promoting the Urdu language.
- 1970** Our founders successfully introduced fresh Pakistani fruits to the Middle East despite significant limitations on export from Pakistan.
- 1989** Roshan Enterprises set up a first of its kind Spanish Citrus Processing Plant in Bhalwal Sarghoda. The plant along with new cold storage facilities increased the shelf life of local citrus and allowed the company to increase its exports.
- 2000** Roshan Enterprises became a market leader in the fruit export business by continuously increasing fruit exports and won Best Export Performance Award from FPCCI.
- 2002** Roshan Packages Limited (RPL) established itself as a private limited company by installing a corrugation plant with in Lahore. The plant sought to replace traditional wooden crates with international standard corrugated boxes by educating farmers and exporters to their benefits.
- 2010** All World Network named Roshan Packages in its list of Pakistan's top 25 fastest growing companies.
- 2011** RPL expanded into the packaging industry by investing in a European Flexible plant that caters to the FMCG sector.
- 2016** RPL inaugurated a large-scale Extrusion Plant and a Rotogravure machine from Windmoller and Holscher.
- 2017** After a highly successful IPO, Roshan Packages advanced to the next phase of its development by investing in a BHS Corrugator.
- 2018** Expansion of corrugation and flexible plant celebrated by a keynote speech by His Excellency Mr.Martin Kobler, Ambassador to Pakistan of the Federal Republic of Germany.
- 2019** RPL installed a Slitting Machine and Doctor Rewinder from BIMEC Italy along with successfully completing upgradation of Fire Fighting Equipment and safety standards at both plants.
- 2020** Roshpack, the e-commerce arm of Roshan Packages, cements itself as an industry leader by serving more than 1400 businesses, restaurants and retailers in a year.

OUR STRATEGY

Vision

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



Mission

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

Core Values

- | | |
|--------------------------|-------------------------------------|
| • Ownership and openness | • Nurturing continuous growth |
| • Service with courtesy | • Attention to personal development |
| • Honesty and commitment | • Attention to learning |

OUR DIFFERENTIATION

Quality

Roshan Packages started its journey by becoming one of the first producers of high quality fresh fruit and vegetable packaging in Pakistan. As we expanded into different sector, we have always put quality before anything else. Read more about our promise of quality on page 19.

Access

Our E-commerce arm, Roshpack (page 14) focuses on providing high quality packaging solutions to customers who require smaller quantities. Our website, social media and sales executives ensure that we reach all parts of Pakistan and expand our footprint abroad.

Innovation

At Roshan, we proactively research and develop packaging solutions according to the needs of the various industries we cater to. Some of our products can be viewed on page 17.

Customer Service

Our sales team aims to provide the best service to our large volume customers while Roshpack executives focus on bringing the same professionalism and service to SMEs.

Sustainability

Sustainability is a part of our DNA. Our operations comply with international environmental protection standards and our processes focus on recycling. Read more about our sustainability efforts on page 57.



Preserving the Precious

PRL aims to provide the best packaging solutions to all industries.

After all, packaging is the mother of all industries.



Major Products

FLEXIBLE PACKAGING

We use advanced European technology to convert plastic films into flexible packaging laminate, pouches, wrappers and sachets.

Our Flexible Packaging product range includes:

- Snacks, Biscuits & Confectionery Laminate
- Ketchup & Mayonnaise Laminate
- Pickles & Spices Laminate
- Soap & Detergents Laminate
- Tea & Beverages Laminate
- Oil & Ghee Film
- Dry milk Sachet & Pouches
- Instant drinks & ORS Sachet
- Cosmetics & Shampoo Laminate
- Diaper Bag Sheet
- Bubble Gum Wrapper
- Pharmaceutical & Herbal Products Laminate

Roshan Packages' German film extrusion plant has the technical expertise to develop top-quality Coextruded Film using appropriate Polymer Layer to offer immaculate packaging solutions for different applications and

provides impeccable chemical resistance, liquid containment, barriers, hermetic/peelable seals and perforations.

Our Blown Films, produced from the finest quality Virgin Polymer Resins including, PE, HDPE, LLDPE, PP, Metallocene, PP, Polyamide, EVOH, and EVA, can be used for various industries mainly for converters for Printing, Lamination, and different barrier lamination.

Our Co-extruded product range includes:

- High oxygen Barrier transparent film with Nylon for Edible oil, Cheese, Yeast
- White opaque films for Detergent powder with high moisture barrier
- Transparent film for the laminate of Rice, Flour, Powder, Spices
- White Opaque Film for Diaper back sheet
- Transparent and white opaque Film for the Laminates of hot filling liquid and past
- High oxygen and moisture barrier film with EVOH for UHT milk, processed Meat



Major Products

CORRUGATED PACKAGING

Our European corrugated plant caters to all kinds of corrugated packaging needs. Our experts help our customers choose the right design, color, size and paper mix for their business needs. We offer RSC, HSC, Die Cut, Regular Slotted and Half Slotted and Master cartons composed of 2,3 or 5 ply sheets in B, C and E flutes. We also offer in house design services and can print up to 4 different colours on our boxes.

Our boxes are not only eco-friendly but rather sustainable, our corrugation plant uses recycled paper and recycles its own waste. We offer truly sustainable solutions for your packaging needs.

We offer:

- **2 Ply** single facer sheet roll in B/Flute, C/Flute & E/Flute
- **3 Ply** sheets/boxes in B/Flute, C/Flute & E/Flute
- **5 Ply** sheets/boxes in B+C, B+E, C+E Flutes
- **4 colour** printing sheets & boxes
- **2 colour** printed sheets, boxes in home appliances industry
- Dividers, pads, corners and edge protectors.



THE CHANGING CONSUMER WORLD ROSHPACK



Packaging is now just a click away.

Our experts at Roshan are always cognizant of changing consumer behaviors regarding packaging. We work with you to find the best solution for your needs. In a post-pandemic landscape, companies will need to reevaluate their packaging strategies in order to remain competitive.



Scan the QR Code to
visit our website

About **Roshpack**

No order is too small. No customization is impossible

At Roshpack, we've combined the best of both worlds: a startup culture backed by the resources of one of Pakistan's leading packaging companies. It is the first online packaging platform in Pakistan that provides customers with high quality and convenient packaging at their doorsteps.

Roshpack provides high quality packaging to SMEs, startups, restaurants, home businesses and retailers in Pakistan and abroad.

Roshpack aims to expand its horizons by focusing on the following factors:

- Sharing expertise
- Customer support
- On time deliveries
- Research and development
- Creative design
- Personalized services
- Digital marketing



Our products fall into 3 main categories:

Generic

These are products we've researched, designed and perfected. We keep an inventory of them at all times and there are no minimum order quantities. Order as much as you want, any time.



Semi-customised

We offer logo printing and branding on our generic products for customers who want to brand their products for less.



Fully customised

Our fully customised products are made just for you! Our experts will help you decide the right formula, design and size of your packaging. We will then share a sample with you and upon your approval, send your order off to production.



OUR PRODUCTS

Packaging Made **Convenient**



RESOLVED TO FORGE AHEAD

The Covid-19 Pandemic brought forth a unique set of challenges to all stakeholders and in particular to our dedicated workforce. Not only did the pandemic impact supply chains, it affected our customers accessibility. However we were quick to learn and adapt to new normal by making informed, decisive, and timely operational decisions. Roshpack was particularly instrumental in allowing us to reformulate our sales strategy and allowed us to continue catering to customers around the world through our e-commerce platform.



Vision of Quality and Innovation

At Roshan, quality is our main differentiator. We focus on quality in order to provide you with strong, innovative and eco-friendly packaging products.

We work with some of the world's most visible and iconic brands. Our job is to add value to their products by making them attractive to customers thus allowing them to be sold at a premium price.

Corrugation

We source the best quality paper from around the world and use our state of the art corrugator (one of a kind in Pakistan) to produce exceptional boxes. Our researchers then test the boxes to ensure their toughness. It is only then and with a promise of quality that we deliver our boxes to you. Some of the testing we conduct:

- Bursting Strength Test
- Edge Crush Test 2 Single
- Water Resistance of the Gluing
- Cobb Sizing Tester
- Paper Grammage and Thickness
- Box Compression Test

Flexible

Our Flexible Plant uses 15 different quality testing machines from around the world, to ensure the specifications of our products. At Roshan we take our job as your Preferred Packaging Partner seriously and only deliver products that are tested and retested by our Quality Control department.



Awards and Achievements

Roshan Packages equips individuals and teams to consistently execute high impact plans and goals with confidence and excellence. It is due to the commitment of our team that we attain international awards and certifications every year.

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

- Implemented of SAP-Enterprise Resource Planner (2015)
- ACCA Approved Employer Status (2016)
- Quality Management System ISO 9001 (2015)
- Food Safety Management System FSSC 22000
- SEDEX Approved Organization - 4 Pillars Certification
 - i. Business Conduct
 - ii. Environmental
 - iii. Health and Safety
 - v. Labour Law
- Approved Employer ICAEW
- Halal Management System Awarded by SANHA
- Environmental Management System ISO 14001:2015
- Occupational Health and Safety Management System ISO 45001:2018
- Avery Dennison Liner Recycling Program

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

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





SURVIVAL AND REBIRTH

Our Covid-19 management is based on reflection, analysis and thoughtful leadership. We have communicated clearly and constantly to ensure all associates are given direction and support in a time of unprecedented uncertainty. RPL was deemed an essential business during the economic lockdown and we have remained operational since then, working hard to ensure the satisfaction of our customers. Our employees went above and beyond to secure the supply chain for other essential businesses such as pharmaceuticals and the food industry.

We are happy to report that we have preserved and are ready to start reimagining ourselves for a changing world.

Section 2: Corporate Governance and Management

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

Mrs. Ayesha Musaddaque Hamid
Independent/Non-Executive Director

Mr. Muhammad Naveed Tariq
Independent/Non-Executive Director

Company Secretary

Miss. Rabia Sharif

Chief Financial Officer (CFO)

Mr. Muhammad Adil

Tax Consultant

A.F Ferguson & Co

COMPANY NAME

ROSHAN PACKAGES LIMITED

Banks

Askari Bank Limited
Dubai Islamic Bank Limited
Bank of Punjab
JS Bank Limited
Meezan Bank Limited
Allied Bank Limited

Factory

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

Share Registrar

CDC Share Registrar Services Limited
Limited CDC House, 99-B, Block
B, S.M.C.H.S. Main Shahra-e-Faisal,
Karachi – 74400

Statutory Auditor

EY Ford Rhodes, Chartered Accountant

Head of Internal Audit

Miss Faiza Khalid

Legal Advisor

Zahid Irfan

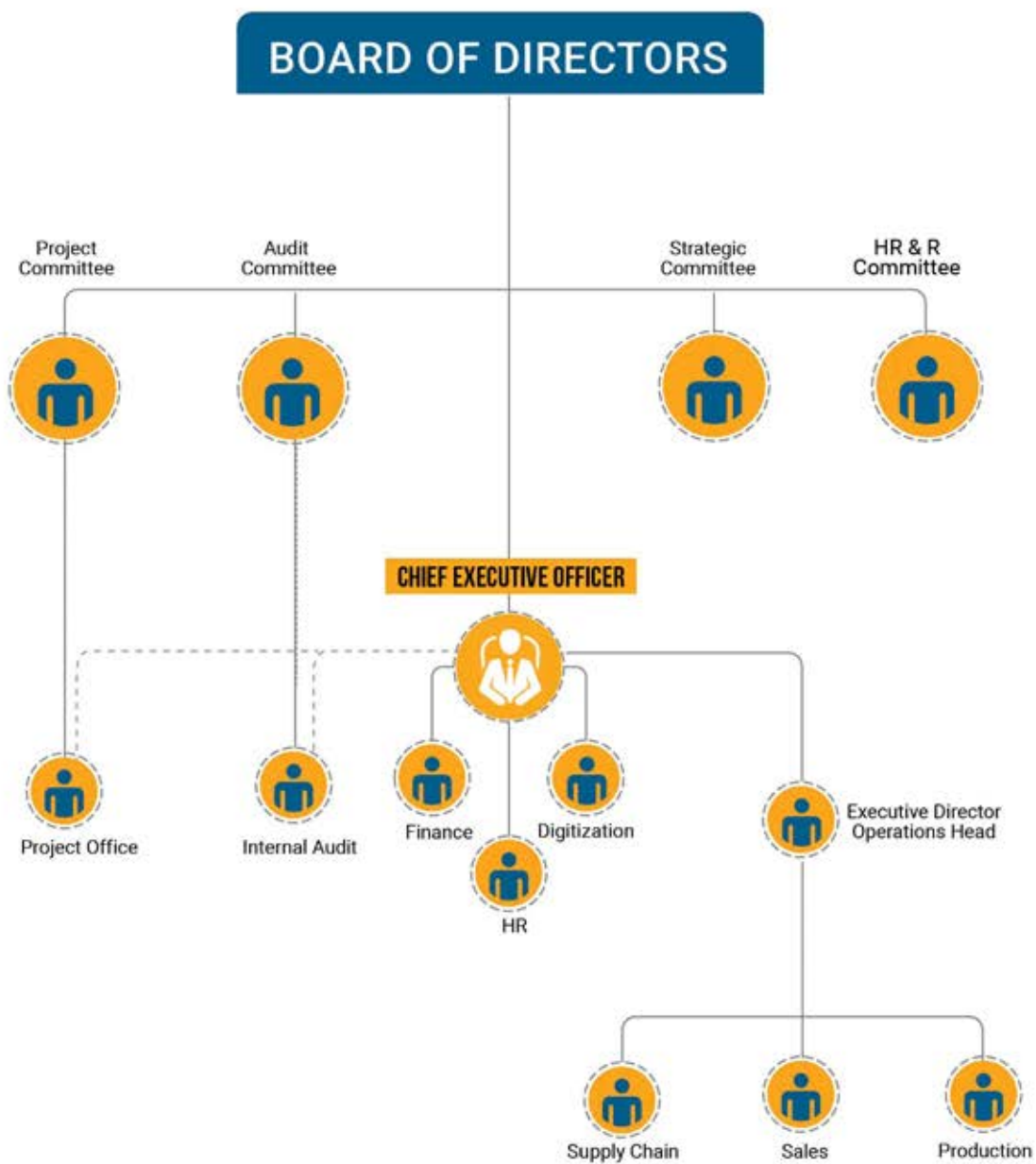
Stock Symbol

RPL

WEBSITE

www.roshanpackages.com.pk

ORGANOGRAM



Directors' Profile



Khalid Eijaz Qureshi

Chairman

Mr. Khalid Eijaz Qureshi is a business graduate who started his professional career with Publishing. He has also acquired international certifications in various fields like Supply Chain Management, International Marketing & International Food Safety Management. Currently, he is the Chairman of Roshan Packages Limited, Director of Roshan Sun Tao Paper Mills & Chief Executive Officer of Roshan Enterprises. He is also a member of different organizations i.e. Karachi Chamber of Commerce, All Pakistan Fruits & Vegetables Merchant Association, Rotary International and Convener for the Agro Export Processing Zone. He inspired the Fresh Produce Industry to adapt technology, discover upcoming marketing trends and invest in R&D. He has deep understanding of the packaging industry and Fruit Export industry. Under his visionary, principle centered and dynamic leadership, Roshan Group has secured a significant position among the fastest growing companies of Pakistan.



Tayyab Aijaz

Chief Executive Office

Mr. Tayyab Aijaz is a business graduate whose professional career began with the Roshan Group in 2000. He currently holds the offices of Chief Executive of Roshan Packages, Executive Editor of the Monthly Urdu Digest, and the Chief Executive Officer and Director of Roshan Sun Tao Paper Mills. He is also a founding director of the Punjab Agri-Marketing Company (PAMCO), and a founding member of the organization of Pakistani Entrepreneurs (OPEN), Lahore Chapter and the Lahore Chamber of Commerce and Industry (LCCI). He is a life time member of the SAARC Chamber of Commerce and Industry, a board member of the committee on Paper and Board by the engineering Development Board, a member of the Young Presidents' Organization (YPO) and served as an executive member of the Board of Management of Sundar Industrial Estate, Lahore.



Saadat Eijaz

Executive Director

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

Directors' Profile



Muhammad Naveed Tariq

Independent
Non Executive Director

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



Ayesha Musaddaque Hamid

Independent
Non Executive Director

Mrs. Ayesha Hamid hails from one of the strongest educated business families of Lahore. She serves as the President, Chartered member, General secretary, Board member etc on numerous forums like OPEN-Lahore, TIE-Islamabad, APBF, GACA, ABF, ETPB, LCCI-TTD, MAP, Baba Guru Nanak University, Gandhara International University, Millennium Welfare Society, KWS and ACSC. Moreover, she is the owner of American School of International Academics Accredited in the USA.



Quasim Aijaz

Non Executive Director

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



Zaki Aijaz

Non Executive Director

Mr. Zaki Aijaz acts as the Non-Executive Director for Roshan Packages. His other engagements include serving as the Executive member of STIA and Pak China Chamber of Commerce, and a director of Roshan Enterprises and Roshan Sun Tao Paper Mills. Moreover, he holds a Diploma in Supply Chain and Advance Management from the Pakistan Institute of Management, and a Diploma in Managing Family Business from the institute of Business Management (IBA).

Board Committees

Audit Committee

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

Human Resource Committee

Name:	Designation
Mrs. Ayesha Musaddaque Hamid	Chairman
Mr. Tayyab Aijaz	Member
Mr. Khalid Eijaz Qureshi	Member

Project Committee

Name:	Designation
Mr. Zaki Aijaz	Chairman
Mr. Tayyab Aijaz	Member
Mr. Saadat Eijaz	Member

Strategic Committee

Name:	Designation
Mr. Tayyab Aijaz	Chairman
Mr. Saadat Eijaz	Member
Mr. Zaki Aijaz	Member

AUDIT COMMITTEE

The committee shall be responsible for:

- (1) Determination of appropriate measures to safeguard the company's assets.
- (2) Review of annual and interim financial statements of the company, prior to their approval by the board, focusing on, -
 - (a) Major judgement areas;
 - (b) Significant adjustment resulting for the audit;
 - (c) Going concern assumption;
 - (d) Any changes in the accounting policies and practices;
 - (e) Compliance with applicable accounting standards;
 - (f) Compliance with these regulation and other statutory and regulatory requirement; and
 - (g) All related party transaction;
- (3) Review of preliminary announcements of the results prior to external communication and publication;
- (4) Facilitation the external audit and discussion with external auditors of major observation arising from interim and final audit and any matter that auditors may wish to highlight (in the absence of management, where necessary);
- (5) Review of management letter issued by external auditors and management response thereto;
- (6) Ensuring coordination between external and internal authors of the company;
- (7) Review the scope and extent of internal audit, audit plan, reporting framework and procedure and ensuring that the internal auditors function has adequate resources and in appropriately placed within the company;
- (8) Consideration of major finding of internal investigation of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- (9) Ascertaining that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchase and sales, receipt and payments, asset and liabilities and the reporting structure are adequate and effective;

- (10) Review of the company's statement on internal control system prior to endorsement by the Board and internal audit reports;
- (11) Instituting special projects, value of the money studies or other investigations on any matter specified by the board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditor and to consider external body;
- (12) Determination of compliance with relevant statutory requirements;
- (13) Monitor compliance with these Regulation and identification of significant violations thereof;



- (14) Review of arrangement of staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended Instituting remedial and mitigating measures;
- (15) Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any services permissible to be rendered to the company by the external auditors in additions to audit of its financial statements, measures for redressal and rectification of non-compliance with the regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
- (16) Consideration of any other issue or matter as may be assigned by the Board;

Human Resource and Remuneration Committee



The committee shall be responsible for:

- 1 Recommendation to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive director's member of senior management). The definition of senior management will be determining by the board which shall normally include the first layer of management below the chief executive officer level;
- 2 Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committee either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the director's report disclosing therein name and qualification of such consultant and major terms of his / its appointment;
- 3 Recommending human resource management policies to the board;
- 4 Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- 5 Consideration and approval on recommendation of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and Where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

Message From The **CHEIF EXECUTIVE OFFICER**



Dear Shareholders,

The world has changed immensely over the last year. Not many foresaw the disruption that COVID-19 would bring into our lives and businesses, or the way the pandemic has changed the economic landscape. However, our company has come out of the pandemic stronger than ever. Where many have seen their fault lines exposed, we stand tall and proud.

For the past few years, we have been engaged in streamlining and digitalising our processes and building our capacity. Our large volume customers remain our utmost priority and our vision is to allow seamless packaging production according to their changing needs. When a company chooses us as their packaging partner, we take the designation seriously and assist them in finding the right solution for their business. Our e-commerce platform, roshpack.com, was formed in 2018 and focused on providing packaging solutions to small and medium businesses. It now provides packaging to businesses across the country, at their convenience.

During the lockdown, the packaging industry was declared an essential business, along with the health, food and transportation sectors, proving our importance in supply chains across the country. Our employees took this responsibility seriously and, while following SOPs, went above and beyond to provide the best quality and services to our customers. When our suppliers faced difficulty in sourcing raw materials, our Supply Chain Team stepped up to facilitate sourcing locally and abroad.

Similarly, we ensured that the supply chain for our essential business customers remained intact no matter what. When pharmaceutical and FMCG orders saw an exponential increase, we were there to fulfil the needs of the time.

Even though there was uncertainty at the beginning of the lockdown, our orders have actually seen an increase over the last quarter. This is because of our focus on customer service, quality, and innovation which allowed us to meet the changing demands of our customers. Roshpack particularly saw an increase in demand for restaurant packaging as eateries shifted to takeout and deliveries.

2020 has changed the way businesses operate and we plan on being at the forefront of innovation and transformation. We will work with our customers to provide end-consumers with clean, green and innovative packaging and our aim is to become Pakistan's Preferred Packaging Partner no matter what industry.

Our plan for the year moving forward will be a continuous focus on value addition to our customers' products, excellent customer service, and increased accessibility. We will be particularly focusing on e-commerce and digitalisation as a way to expand our presence across the globe and to provide businesses with the best packaging solutions at their doorsteps. We are ready to reimagine ourselves for a changing world in order to strengthen our position as a company.

Chairman Review Report



“

It gives me immense pleasure to present this report to shareholders of Roshan Packages Limited (“RPL”) pertaining to overall performance of the Board. The Company has implemented a strong governance framework supportive of an effective and prudent management of business matters, which is regarded as instrumental in achieving long-term success of the Company.

During the year, the Board Committees continued to work with a great measure of proficiency. The Board as a whole has reviewed the Annual Report and Financial Statements, and is pleased to confirm that in its view the report and financial statements, taken as a whole, are fair, balanced, and understandable.

Based on the global economic environment and competitive context in which the company operates; the risk forced by the company’s businesses, Board dynamics, capability and information flows, it can reasonably be stated that the board of RPL has played a key role in ensuring that the companies objectives are not only achieved but also exceed expectations through a joint effort of the management team along with guidance and oversight by the Board and its members.

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

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

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

”

Khalid Eijaz Qureshi
Chairman



Role of Chairman

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

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

Role of Chief Executive Officer

The Chief Executive shall be responsible for the leadership of business and subject to the control and direction of and the authorities delegated to him by the Board of Directors, be responsible for the management of affairs of the company. In particular, he shall:

1. Develop strategy for the Company for Board approval and ensure that approved corporate strategy is duly reflected in the business.
2. In conjunction with the Chief Financial Officer, develop an annual budget and the cash flow plan consistent with approved corporate strategies, for presentation to the Board for approval. This should include developing processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps are taken to manage the risk to business.
3. Be responsible to the Board for performance of the Business consistent with approved business plans, corporate strategies and policies and keep the Board as a whole update on progress made against such approved plans, corporate strategies and policies.
4. Plan human resourcing to ensure that the company has the capabilities and resources required to achieve its plans and ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
5. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
6. Ensure those financial results, business strategies and, where appropriate, targets and milestones are placed before the Board.
7. Develop and promote effective communication with shareholders and other stakeholders.
8. Ensure that business is conducted in accordance with the highest standards of corporate governance.
9. Ensure that the flow of information to the Board is accurate, timely and clear.
10. Ensure that the reporting lines within the Company are clearly established and are effective.
11. Ensure that proper procedures are in place to ensure compliance with all applicable laws, rules and regulations.
12. Ensure an effective framework of internal controls including risk management in relation to all business activities.
13. Ensure that the company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.
14. Ensure that conflict of interest issues are adequately addressed at management level

Calender of Notable Events



Code of Conduct



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

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

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

GENERAL PRINCIPLES AND ETHICAL STANDARDS

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

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

disciplinary action in accordance with the Company's charter and any relevant laws, regulations or statutes.

WHISTLE BLOWING POLICY

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

INVESTOR RELATIONS

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

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

Shareholders' Engagement



At Roshan Packages we believe that regular communications with shareholders is an important part of creating an open and constructive dialogue.

The Company encourages participation at Annual General Meetings and Annual Corporate Briefings sessions with shareholders and investors and endeavours to provide sound disclosures through its Quarterly and Annual Reports. We also have a dedicated Shares Department to facilitate our shareholders, operated by a well experienced team of professionals.

This year, we held our corporate briefing session for analysts in the PSX Auditorium, Pakistan Stock Exchange Karachi. Our CEO spoke about the potential in the packaging industry globally and locally, went over the company's key performance indicators and finance and answered questions posed by the audience.

We have also maintained our website (www.roshanpackages.com.pk) to include all necessary financial and non-financial information for our investors. You can scan the QR code above to view our reports. The website is updated on frequent basis to ensure all relevant developments are communicated to our stakeholders on timely basis.



Section 3: Financial Overview



FLEXIBLE PLANT

The Flexible Packaging Plant utilizes an Eight Color Rotogravure Printing Machine, a Solvent Less Illustrator, a Solvent Base Laminator and Slitting Machine to create customised wrappers, sachets and pouches. The plant is based on German standards and uses appropriate polymer mixes to offer a host of immaculate packaging solutions.

SIGNIFICANT RATIOS

			2015	2016	2017	2018	2019	2020
ROSHAN PACKAGES LIMITED								
Other Information								
Sales growth		%age	16%	1%	13%	-2%	34%	-3%
Profitability Ratios								
Gross profit	(Grossprofit/sales)	%age	10.7%	14.2%	13.5%	7.6%	6.9%	10.5%
Net profit	(PAT/sales)	%age	3.7%	7.2%	6.1%	-2.2%	-0.5%	4.7%
Operating profit Margin	(EBIT/sales)	%age	6.3%	9.1%	8.8%	1.2%	4.2%	7.6%
EBITDA to sales	(EBITDA/sales)	%age	8.4%	11.4%	13.3%	4.6%	6.9%	10.6%
Return on assets	(PBT/sales)	%age	4.6%	5.1%	3.0%	-1.1%	-0.3%	2.8%
Return on equity - Excluding surplus	(PAT/equity excluding surplus)	%age	13.0%	20.3%	5.9%	-2.2%	-0.7%	6.1%
Return on equity- Including surplus	(PAT/equity including surplus)	%age	11.2%	10.9%	4.7%	-1.8%	-0.5%	4.2%
Return on capital employed excluding surplus	(PBIT/capital employed excluding surplus)	%age	16.5%	13.7%	6.7%	1.0%	5.1%	8.4%
Return on capital employed including surplus	(PBIT/capital employed including surplus)	%age	14.7%	9.4%	5.6%	0.8%	3.6%	6.1%
Liquidity Ratios								
Current ratio	(Current assets/current liabilities)	times	1.24	1.19	2.33	1.68	1.47	1.73
Quick ratio	(Current assets-stocks)/ current liabilities	times	0.79	0.88	1.98	1.39	1.14	1.31
Cash to current liabilities	(Cash/current liabilities)	%age	5.2%	8.3%	103.9%	64.6%	39.9%	35.3%
Cash flow from operations to sales	(Cash flow from operations/sales)	%age	6.29%	2.14%	-4.03%	-10.96%	-6.05%	4.80%
Activity Ratios								
Inventory turnover	(COS/stock)	times	6.48	6.22	6.95	6.17	7.23	6.05
Inventory days	(stock/COS)*365	days	56.36	58.71	52.53	59.16	50.46	60.29
Debtors turnover	(sales/debtors)	times	5.02	4.26	3.80	3.33	4.32	4.15
Debtors days	(debtors/sales)*365	days	72.74	85.69	95.98	109.69	84.57	88.05
Creditors turnover	(COS/creditors)	times	4.06	3.42	3.81	4.40	5.97	4.82
Creditors days	(creditors/COS)*365	days	89.91	106.75	95.72	82.98	61.13	75.72
Fixed assets turnover	(sales/ non current assets)	times	2.98	1.22	1.14	1.11	1.16	1.14
Total assets turonver	(sales/ total assets)	times	1.25	0.71	0.49	0.48	0.59	0.59
Operating cycle	inventory days+debtors days-inventory days	days	39.20	37.65	52.78	85.86	73.89	72.61
Investment/Market ratios								
Breakup value per share (excluding revaluation surplus)	(equity-rev surplus/shares)	Rs.	34.04	43.16	39.40	34.37	26.57	28.66
Breakup value per share (including revaluation surplus)	(equity/shares)	Rs.	39.67	79.97	49.39	43.49	39.57	41.31
EPS (Earning Per Share)	(PAT/shares)	Rs.	4.43	8.74	2.34	-0.77	-0.19	1.75
Market value per share		Rs.	N/A	N/A	56.17	28.17	13.36	22.42
Capital structure ratio								
Debt to Equity ratio	(debt/equity)	times	0.33	0.48	0.26	0.36	0.30	0.21
Interest cover ratio	(PBIT/finance cost)	times	3.96	7.18	3.88	0.39	1.22	1.78

SIX YEARS FINANCIAL SUMMARY

Rupees in '000'

	2015	2016	2017	2018	2019	2020
ROSHAN PACKAGES LIMITED						
Balance Sheet						
Paid up Capital	299,390	299,390	1,075,000	1,182,500	1,419,000	1,419,000
No. of Shares	29,939	29,939	107,500	118,250	141,900	141,900
Non-Current assets	1,203,695	3,183,889	3,835,297	3,843,406	5,014,876	4,870,628
Current assets	1,650,722	1,951,214	4,558,991	4,548,780	4,190,599	3,991,558
Stores and Spares	44,273	55,724	108,302	146,560	172,866	171,999
Stocks in trade	554,393	445,187	575,197	631,652	758,183	789,814
Debtors	737,002	963,553	1,191,626	1,231,374	1,269,505	1,255,085
Cash and bank balances	69,584	136,953	2,034,191	1,749,293	1,138,630	814,581
Property plant and equipment	1,197,146	2,964,999	3,610,359	3,625,358	4,635,533	4,575,441
Total assets	2,854,417	5,135,102	8,394,288	8,392,186	9,205,475	8,862,186
Long-term debt	30,540	541,552	637,128	532,059	351,177	168,238
Short-term debt	361,619	604,845	755,640	1,333,809	1,353,114	1,048,294
Total debt	392,160	1,146,398	1,392,768	1,865,869	1,704,291	1,216,532
Current liabilities	1,330,311	1,641,012	1,958,225	2,709,849	2,850,238	2,305,460
Creditors	935,361	882,121	977,407	715,502	968,351	975,890
Non-Current liabilities	336,472	1,099,998	1,127,036	539,656	740,751	694,451
Capital employed	1,524,106	3,494,091	6,436,062	5,682,337	6,355,237	6,556,726
Capital employed excluding revaluation surplus	1,355,469	2,392,279	5,362,172	4,603,818	4,511,509	4,761,510
Equity (excluding revaluation surplus)	1,018,998	1,292,281	4,235,136	4,064,162	3,770,758	4,067,059
Surplus on revaluation	168,636	1,101,812	1,073,891	1,078,519	1,843,728	1,795,216
Equity (including revaluation surplus)	1,187,634	2,394,093	5,309,026	5,142,681	5,614,486	5,862,275
Income Statement						
Revenue	3,568,369	3,621,882	4,098,007	4,031,388	5,397,124	5,232,971
Cost of Goods Sold	3,186,272	3,107,313	3,545,206	3,723,230	5,026,766	4,686,045
Gross Profit	382,096	514,568	552,801	308,157	370,358	546,926
Operating Expenses	163,161	188,835	233,968	375,941	299,439	304,722
Other Income	4,843	2,155	42,774	115,086	156,932	155,911
EBIT	223,779	327,889	361,607	47,303	227,850	398,115
Finance Cost	56,498	45,655	93,144	120,527	186,633	223,124
Profit Before Taxation	167,280	282,234	268,463	(73,224)	41,217	174,991
Taxation	34,615	20,501	16,873	17,324	68,115	(72,971)
Profit after Taxation	132,666	261,733	251,590	(90,548)	(26,898)	247,962
EBITDA	300,776	412,348	545,595	185,943	370,233	554,184
Cash Flow Statement						
Cash flow from Operating Activities	224,582	77,552	(165,068)	(441,852)	(326,648)	251,319
Cash flow from Investing Activities	(54,105)	(720,523)	(802,838)	(86,231)	22,372	3,097
Cash flow from Financing Activities	(234,056)	696,308	2,715,088	52,638	(276,710)	(376,963)
Opening cash and cash equivalents	16,239	(47,340)	5,998	1,753,180	1,277,734	696,748
Closing cash and cash equivalents	(47,340)	5,998	1,753,180	1,277,734	696,748	574,201

VERTICAL ANALYSIS

Amounts in Rupees '000

ROSHAN PACKAGES LIMITED

Balance Sheet

	2015	%	2016	%	2017	%	2018	%	2019	%	2020	%
Non Current Assets												
Property plant and equipment	1,197,146	41.9%	2,964,999	57.7%	3,610,359	43.0%	3,625,358	43.2%	4,635,533	50.4%	4,575,441	51.6%
Asset Subject to finance lease	13,475	0.5%	45,160	0.9%	34,508	0.4%	32,395	0.4%	27,094	0.3%	51,280	0.6%
long term deposits	6,549	0.2%	13,673	0.3%	16,760	0.2%	20,502	0.2%	16,254	0.2%	14,902	0.2%
Intangible assets	-	-	4,654	0.1%	4,616	0.1%	3,198	0.0%	1,780	0.0%	363	0.0%
Investment in subsidiary	-	-	200,563	3.9%	203,563	2.4%	111,376	1.3%	111,376	1.2%	111,376	1.3%
Long term loan - unsecured, considered good	-	-	-	-	-	-	82,972	1.0%	249,933	2.7%	168,547	1.9%
Current Assets:												
Stores and Spares	44,273	1.6%	55,724	1.1%	108,302	1.3%	146,560	1.7%	172,866	1.9%	171,999	1.9%
Stocks in Trade	554,393	19.4%	445,187	8.7%	575,197	6.9%	631,652	7.5%	758,183	8.2%	789,814	8.9%
Debtors	737,002	25.8%	963,553	18.8%	1,191,626	14.2%	1,231,374	14.7%	1,269,505	13.8%	1,255,085	14.2%
Short term loan - unsecured, considered good	-	-	-	-	-	-	92,187	1.1%	92,187	1.0%	241,436	2.7%
Advances,deposits and prepayments	245,469	8.6%	349,797	6.8%	649,675	7.7%	697,715	8.3%	759,229	8.2%	718,642	8.1%
Cash and bank balances	69,584	2.4%	136,953	2.7%	2,034,191	24.2%	1,749,293	20.8%	1,138,630	12.4%	814,581	9.2%
Total assets	2,854,417	100.0%	5,135,102	100.0%	8,394,288	100.0%	8,392,186	100.0%	9,205,475	100.0%	8,862,186	100.0%

Current portion of long term liabilities	28,116	1.0%	143,692	2.8%	213,227	2.5%	638,365	7.6%	493,541	5.4%	248,835	2.8%
Short-term debt	361,619	12.7%	604,845	11.8%	755,640	9.0%	1,333,809	15.9%	1,353,114	14.7%	1,048,294	11.8%
Creditors	935,361	32.8%	882,121	17.2%	977,407	11.6%	715,502	8.5%	968,351	10.5%	975,890	11.0%
Accured finance cost	5,215	0.2%	10,353	0.2%	11,951	0.1%	21,290	0.3%	34,432	0.4%	31,653	0.4%
provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	-	-	-	883	-	800	-	788	-
Non-Current liabilities	336,472	11.8%	1,099,998	21.4%	1,127,036	13.4%	539,656	6.4%	740,751	8.0%	694,451	7.8%
Total Liabilities	1,666,782	58.4%	2,741,010	53.4%	3,085,262	36.8%	3,249,505	38.7%	3,590,989	39.0%	2,999,911	33.9%
Paid up Capital	299,390	10.5%	299,390	5.8%	1,075,000	12.8%	1,182,500	14.1%	1,419,000	15.4%	1,419,000	16.0%
Share Pernium	-	-	-	0.0%	2,339,165	27.9%	2,231,665	26.6%	1,994,789	21.7%	1,994,789	22.5%
un appropriated profit	719,608	25.2%	992,891	19.3%	820,970	9.8%	649,996	7.7%	356,969	3.9%	653,270	7.4%
Surplus on revaluation of operating fixed assets	168,636	5.9%	1,101,812	21.5%	1,073,891	12.8%	1,078,519	12.9%	1,843,728	20.0%	1,795,216	20.3%
Equity	1,187,634	41.6%	2,394,093	46.6%	5,309,026	63.2%	5,142,681	61.3%	5,614,486	61.0%	5,862,275	66.1%
Total Equity+Liabilities	2,854,417	100.0%	5,135,102	100.0%	8,394,288	100.0%	8,392,186	100.0%	9,205,475	100.0%	8,862,186	100.0%

Income Statement

Revenue	3,568,369	100.0%	3,621,882	100.0%	4,098,007	100.0%	4,031,388	100.0%	5,397,124	100.0%	5,232,971	100.0%
Cost of Goods Sold	3,186,272	89.3%	3,107,313	85.8%	3,545,206	86.5%	3,723,230	92.4%	5,026,766	93.1%	4,686,045	89.5%
Gross Profit	382,096	10.7%	514,568	14.2%	552,801	13.5%	308,157	7.6%	370,358	6.9%	546,926	10.5%
Operating Expenses	163,161	4.6%	188,835	5.2%	233,968	5.7%	375,941	9.3%	299,439	5.5%	304,722	5.8%
Other Income	4,843	0.2%	2,155	0.1%	42,774	1.2%	115,086	2.9%	156,932	2.9%	155,911	3.0%
EBIT	223,779	6.3%	327,889	9.1%	361,607	8.8%	47,303	1.2%	227,850	4.2%	398,115	7.6%
Finance Cost	56,498	1.6%	45,655	1.3%	93,144	2.3%	120,527	3.0%	186,633	3.5%	223,124	4.3%
Profit Before Taxation	167,280	4.7%	282,234	7.8%	268,463	6.6%	(73,224)	-1.8%	41,217	0.8%	174,991	3.3%
Taxation	34,615	1.0%	20,501	0.6%	16,873	0.4%	17,324	0.4%	68,115	1.3%	(72,971)	-1.4%
Profit after Taxation	132,666	3.7%	261,733	7.2%	251,590	6.1%	(90,548)	-2.2%	(26,898)	-0.5%	247,962	4.7%
EBITDA	300,776	8.4%	412,348	11.4%	545,595	13.3%	185,943	4.6%	370,233	6.9%	554,184	10.6%

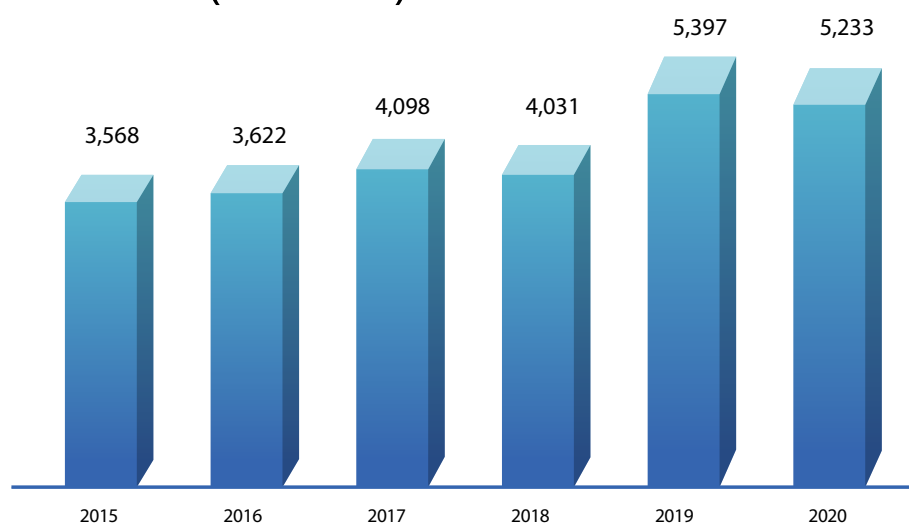
HORIZONTAL ANALYSIS

Amounts in Rupees '000

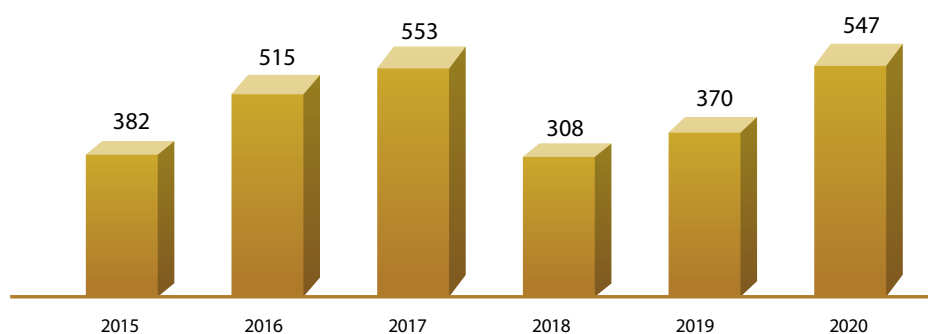
ROSHAN PACKAGES LIMITED												
Balance Sheet												
Non Current Assets												
Property plant and equipment	1,197,146	18.43	2,964,999	147.67	3,610,359	21.77	3,625,358	0.42	4,635,533	27.86	4,575,441	(1.30)
Asset Subject to finance lease	13,475	46.13	45,160	235.13	34,508	(23.59)	32,395	(6.12)	27,094	(16.36)	51,280	89.26
long term deposits	6,549	84.81	13,673	108.78	16,760	22.58	20,502	22.33	16,254	(20.72)	14,902	(8.32)
Intangible assets	-	-	4,654	-	4,616	(0.82)	3,198	(30.71)	1,780	(44.33)	363	(79.63)
Investment in subsidiary	-	-	200,563	-	203,563	1.50	111,376	(45.29)	111,376	-	111,376	-
Long term loan - unsecured, considered good	-	-	-	-	-	-	82,972	100.00	249,933	201.22	168,547	(32.56)
Current Assets:												
Stores and Spares	44,273	14.33	55,724	25.86	108,302	94.35	146,560	35.33	172,866	17.95	171,999	(0.50)
Stocks in Trade	554,393	29.04	445,187	(19.70)	575,197	29.20	631,652	9.81	758,183	20.03	789,814	4.17
Debtors	737,002	7.55	963,553	30.74	1,191,626	23.67	1,231,374	3.34	1,269,505	3.10	1,255,085	(1.14)
Short term loan - unsecured, considered good	-	-	-	-	-	-	92,187	-	92,187	-	241,436	-
Advances, deposits and prepayments	245,469	19.79	349,797	42.50	649,675	85.73	697,715	7.39	759,229	8.82	718,642	(5.35)
Cash and bank balances	69,584	(32.45)	136,953	96.82	2,034,191	1,385.32	1,749,293	(14.01)	1,138,630	(34.91)	814,581	(28.46)
Total assets	2,854,417	15.28	5,135,102	79.90	8,394,288	63.47	8,392,186	(0.03)	9,205,475	9.69	8,862,186	(3.73)
Current portion of long term liabilities	28,116	(51.76)	143,692	411.06	213,227	48.39	638,365	199.38	493,541	(22.69)	248,835	(49.58)
Short-term debt	361,619	(29.65)	604,845	67.26	755,640	24.93	1,333,809	76.51	1,353,114	1.45	1,048,294	(22.53)
Creditors	935,361	47.46	882,121	(5.69)	977,407	10.80	715,502	(26.80)	968,351	35.34	975,890	0.78
Accured finance cost	5,215	(64.76)	10,353	98.54	11,951	15.44	21,290	78.14	34,432	61.73	31,653	(8.07)
provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	-	-	-	883	-	800	-	788	(1.51)
Non-Current liabilities	336,472	68.62	1,099,998	226.92	1,127,036	2.46	539,656	(52.12)	740,751	37.26	694,451	(6.25)
Total Liabilities	1,666,782	17.30	2,741,010	64.45	3,085,262	12.56	3,249,505	5.32	3,590,989	10.51	2,999,911	(16.46)
Paid up Capital	299,390	-	299,390	-	1,075,000	259.06	1,182,500	10.00	1,419,000	20.00	1,419,000	-
Share premium	-	-	-	-	2,339,165	-	2,231,665	(4.60)	1,994,789	(10.61)	1,994,789	-
un appropriated profit	719,608	25.34	992,891	37.98	820,970	(17.32)	649,996	(20.83)	356,969	(45.08)	653,270	83.00
Surplus on revaluation of operating fixed assets	168,636	(7.08)	1,101,812	553.37	1,073,891	(2.53)	1,078,519	0.43	1,843,728	70.95	1,795,216	(2.63)
Equity	1,187,634	12.57	2,394,093	101.59	5,309,026	121.76	5,142,681	(3.13)	5,614,486	9.17	5,862,275	4.41
Total Equity+Liabilities	2,854,417	15.28	5,135,102	79.90	8,394,288	63.47	8,392,186	(0.03)	9,205,475	9.69	8,862,186	(3.73)
Income Statement												
Revenue	3,568,369	16.38	3,621,882	1.50	4,098,007	13.15	4,031,388	(1.63)	5,397,124	33.88	5,232,971	(3.04)
Cost of Goods Sold	3,186,272	16.74	3,107,313	(2.48)	3,545,206	14.09	3,723,230	5.02	5,026,766	35.01	4,686,045	(6.78)
Gross Profit	382,096	13.51	514,568	34.67	552,801	7.43	308,157	(44.26)	370,358	20.18	546,926	47.67
Operating Expenses	163,161	15.84	188,835	15.74	233,968	23.90	375,941	60.68	299,439	(20.35)	304,722	1.76
Other Income	4,843	364.86	2,155	(55.50)	42,774	1,884.65	115,086	169.05	156,932	36.36	155,911	(0.65)
EBIT	223,779	13.70	327,889	46.52	361,607	10.28	47,303	(86.92)	227,850	381.69	398,115	74.73
Finance Cost	56,498	22.91	45,655	(19.19)	93,144	104.02	120,527	29.40	186,633	54.85	223,124	19.55
Profit Before Taxation	167,280	10.90	282,234	68.72	268,463	(4.88)	(73,224)	(127.28)	41,217	(156.29)	174,991	324.56
Taxation	34,615	(31.98)	20,501	(40.77)	16,873	(17.70)	17,324	2.67	68,115	293.19	(72,971)	(207.13)
Profit after Taxation	132,666	32.72	261,733	97.29	251,590	(3.88)	(90,548)	(135.99)	(26,898)	(70.29)	247,962	(1,021.86)
EBITDA	300,776	12.36	412,348	37.10	545,595	32.31	185,943	(65.92)	370,233	99.11	554,184	49.69

YEARS	REVENUE	GROSS PROFIT	PROFIT/(LOSS) AFTER TAX	TOTAL ASSETS	EBIT	EBITDA
2012	2,220	301	142	1,301	186	231
2013	2,740	350	139	1,910	208	253
2014	3,066	337	100	2,476	197	268
2015	3,568	382	133	2,854	224	301
2016	3,622	515	262	5,135	328	412
2017	4,098	553	252	8,394	362	546
2018	4,031	308	(91)	8,392	47	186
2019	5,397	370	(27)	9,205	228	370
2020	5,233	547	248	8,862	398	554

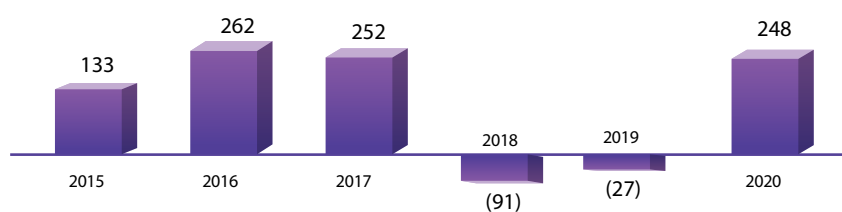
Revenue (Millions)



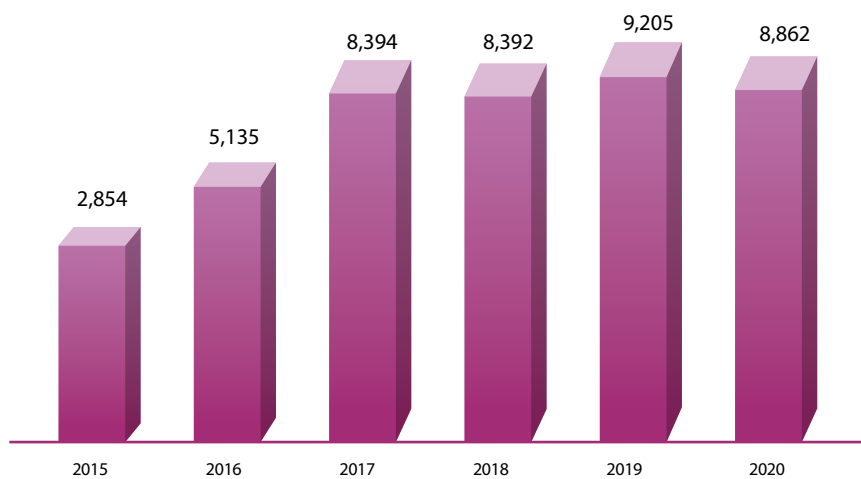
Gross Profit (Millions)



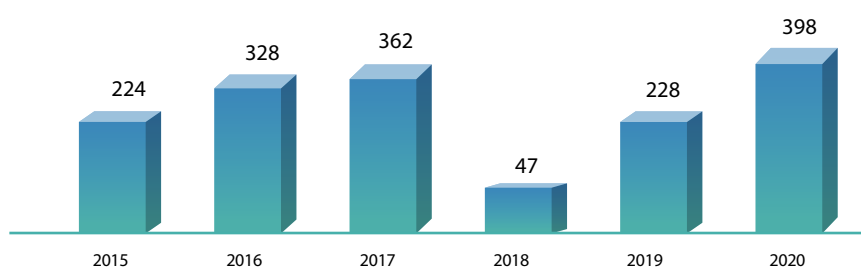
Profit/(Loss) After Tax (Millions)



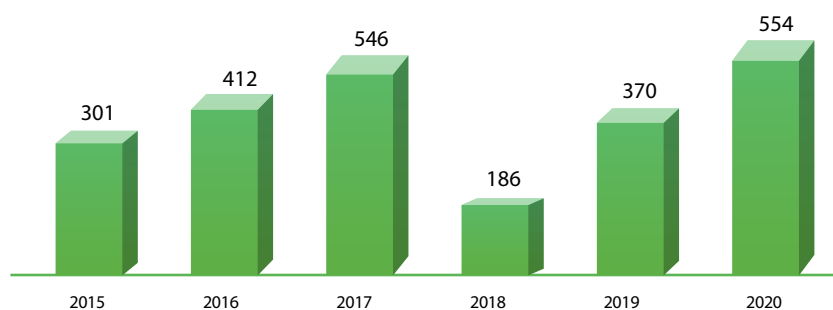
Total Assets (Millions)



EBIT (Millions)

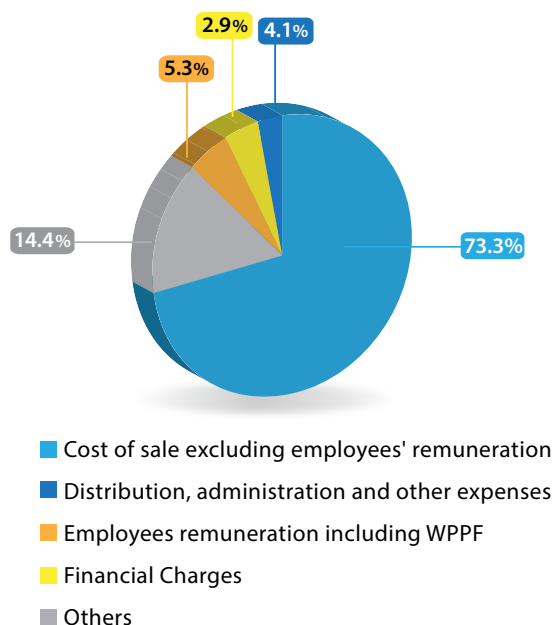
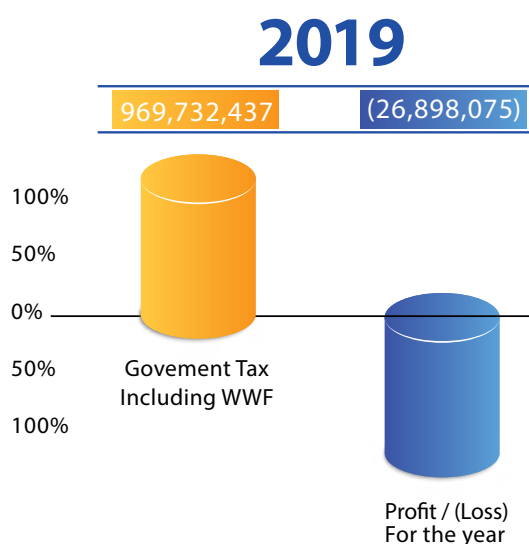
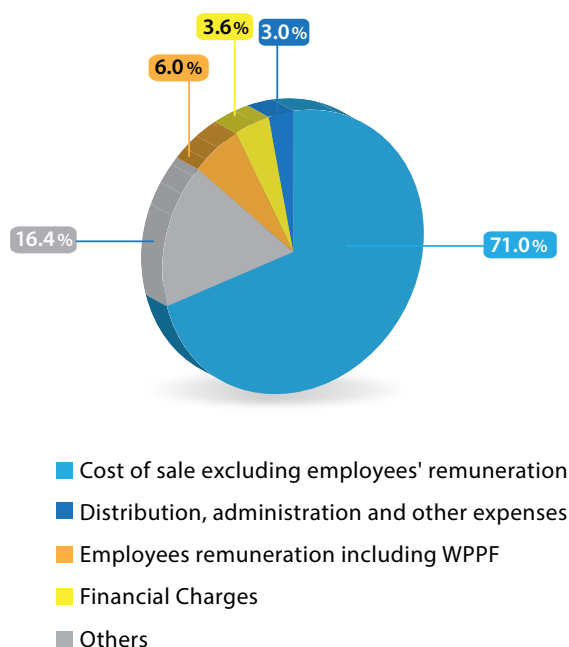
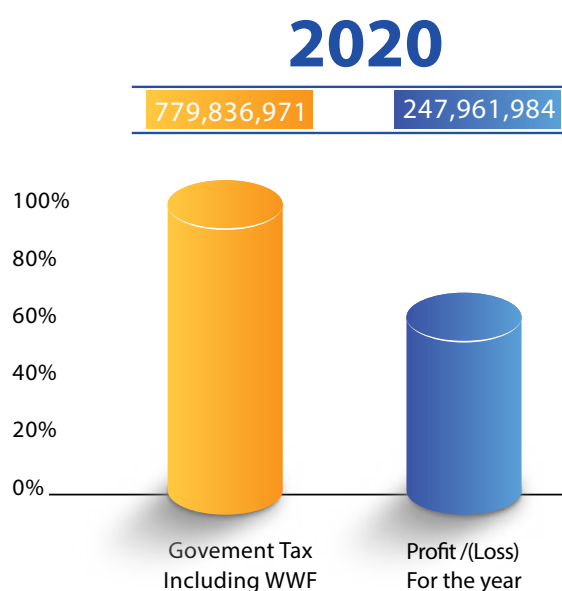


EBITDA (Millions)



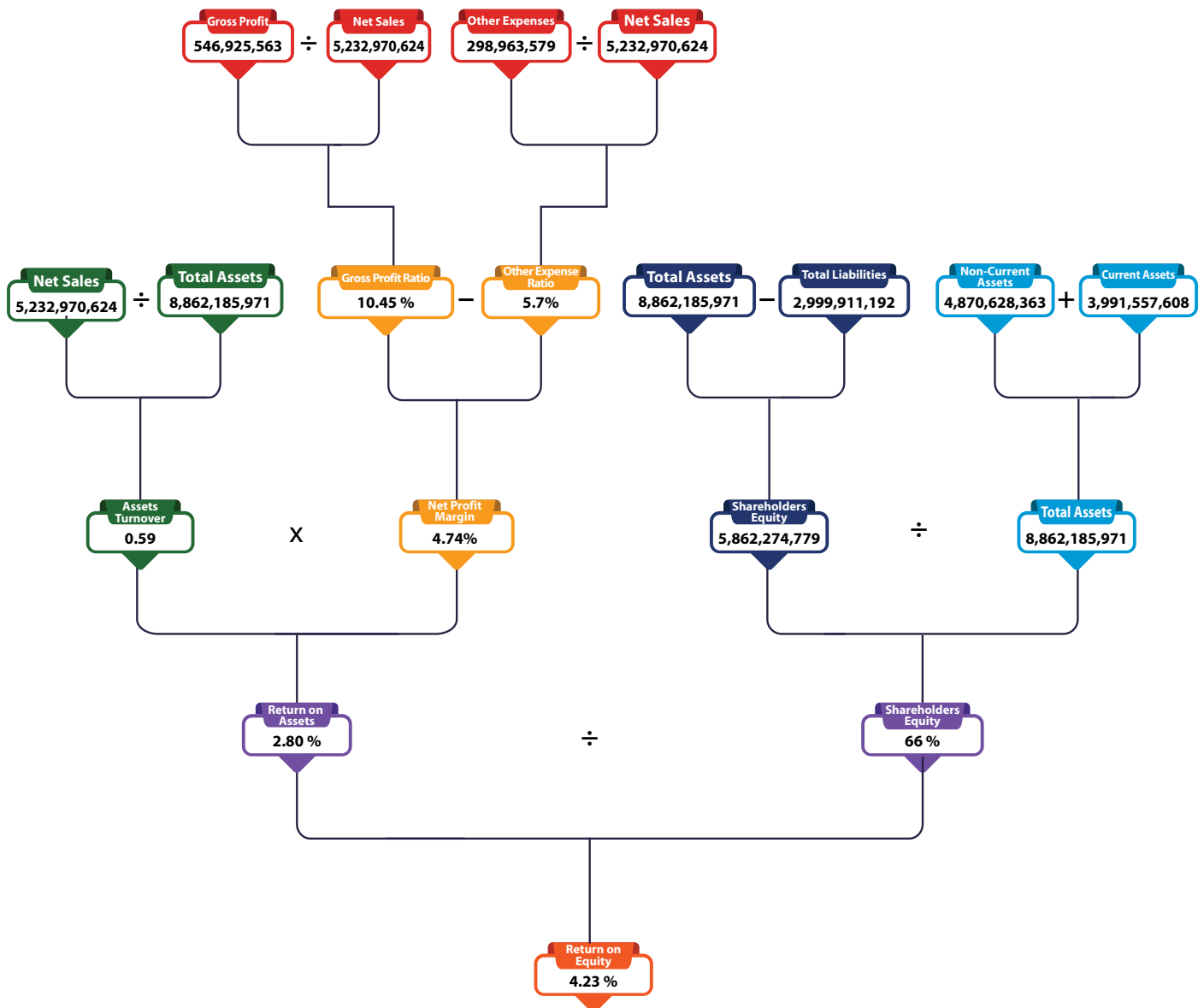
Statement Of Wealth Generated And Distributed

	2020		2019	
	Rs	%	Rs	%
Total revenue inclusive of sales tax	6,085,148,294	97.1%	6,298,741,129	96.3%
Reversal / (charge) of exoected credit loss on trade debtors	24,866,683	0.4%	82,855,890	1.3%
Other income	155,910,647	2.5%	156,931,746	2.4%
	6,265,925,624	100.0%	6,538,528,765	100.0%
WEALTH DISTRIBUTION				
Cost of sales excluding employees' remuneration	4,450,600,870	71.0%	4,794,696,464	73.3%
Distribution, administration and other expenses	186,122,607	3.0%	266,908,562	4.1%
Employees remuneration including WPPF	378,279,194	6.0%	347,456,620	5.3%
Financial charges	223,123,998	3.6%	186,632,757	2.9%
Government tax including WWF	779,836,971	12.4%	969,732,437	14.8%
Profit / (loss) for the Year	247,961,984	4.0%	(26,898,075)	(0.4%)
	6,265,925,624	100.0%	6,538,528,765	100.0%



DUPONT CHART

AS AT 30 JUNE 2020

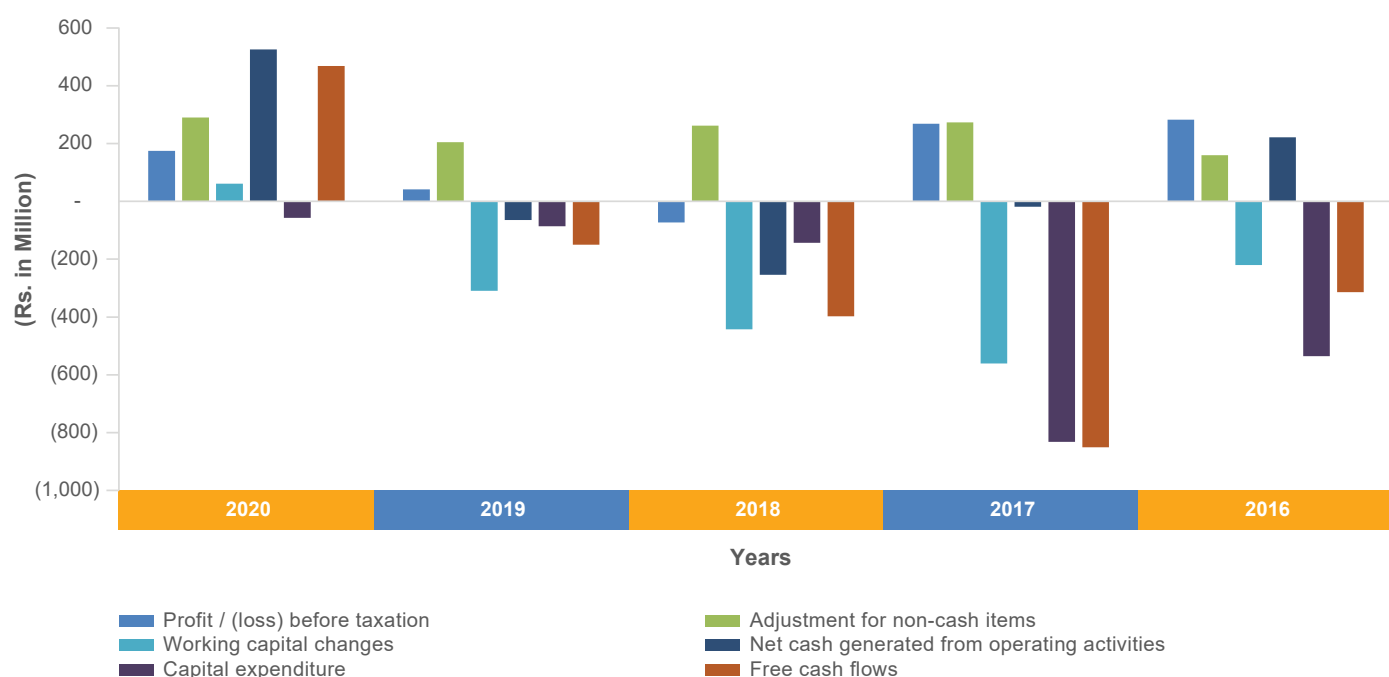


Free Cash Flows

	2020	2019	2018	2017	2016
	Rupees				
Profit / (loss) before taxation	174,990,642	41,217,174	(73,224,325)	268,463,096	282,233,630
Adjustment for non-cash items	289,630,513	204,238,336	261,595,173	273,650,758	159,663,789
Working capital changes	61,057,412	(309,676,658)	(442,486,369)	(561,058,722)	(220,508,357)
Net cash generated from operating activities	525,678,567	(64,221,148)	(254,115,521)	(18,944,868)	221,389,062
Capital expenditure	(57,351,711)	(86,129,557)	(143,464,468)	(832,053,638)	(535,842,666)
Free cash flows	468,326,856	(150,350,705)	(397,579,989)	(850,998,506)	(314,453,604)

Comments

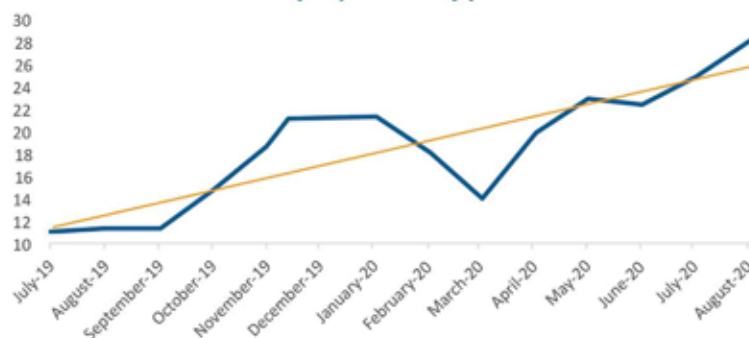
Free cash flows are improved due to profitability and better working capital management during the year. Moreover, major expansion projects have already been completed.



Share Price Sensitivity Analysis

The share price of a company is driven by its performance, which in turn is dependent upon a number of internal and external factors associated with the products and markets in which it operates. In line with better profitability during the year compared to last year, the share price levels were higher. During the current year RPL closed at a high of Rs 23.25.

RPL Equity Value Appreciation



Following are some of the identified factors that influence performance of the Company and henceforth, share price.

- **Energy Crisis:** Energy crisis directly impacts the operations of the Company. Hike in energy rates and continuous appreciation of fuel prices effects the financial performance of the Company.
- **Law & Order:** Company's performance is influenced by the political disturbances inside and outside the country. Uncertainty in political conditions and law and order situation have a quick effect on Company's performance and ultimately on share prices.
- **Exchange rate fluctuation:** The Company is directly exposed to exchange rate fluctuations since the major raw materials are imported by Company. During the current year, exchange rate fluctuation did not materially impact the Company results but lately, the rates have shown an upward trend which may affect the cost of production and hence the Company's results.
- **Plant Operations:** The Company has state-of-the-art production facilities which lead to higher production and better production efficiency. The Company

believes in providing optimum job satisfaction to workers and staff which minimizes issues at production facilities.

- **Material Price Sensitivity:** The Company's performance is directly influenced by sensitivity in material prices. There are various raw materials which are used in the production which are locally procured or few are imported by the Company such as resin. Major raw materials are directly influenced by international crude oil and pulp prices and hence affect the financial performance of the Company.
- **Interest Rates:** The Company uses debt financing to finance its increased working capital requirements due to expanded operations; moreover, recent installations were financed by long-term loans. Due to these reasons, the Company is directly affected by any change in interest rates. Any increase in base points by SBP will negatively impact the financial performance of the Company and vice versa.

Section 4: Stand Alone Financial Statements



ROSHAN SUN TAO
PAPER MILLS (PVT) LIMITED

RPL is investing in Roshan Sun Tao Paper Mills (Pvt) Limited, Subsidiary of RPL, allowing backward integration. It will help RPL solve its raw material constraints and provide uninterrupted supplies to its customers.

Economic Overview

DEAR SHAREHOLDERS,

We are pleased to present our Directors' Report along with financial statements for the year ended 30th June, 2020.

Our economy has witnessed difficulties throughout the year under review and is still passing through the challenging circumstances. The increasing current account deficit, rising inflation and declining foreign exchange reserves were major issues faced by the government apart from the pandemic fallout which caused a major slowdown in economic activity. However, declining policy rates and stimulus packages by the government are fuelling growth in many sectors, including packaging.

Currently, the Packaging industry in Pakistan and around the world is highly fragmented. Packaging SMEs and the informal sector cater to a larger market share. Worldwide, the largest 25-30 packaging companies only account for about 25% of the global market while SMEs and the informal sector serve the rest of the 75% market.

We are of the view that Pakistan will see an increase in demand for packaging. Currently, per capita consumption for packaging in Pakistan is very low at around 7kg, lower than Africa which is 8kg per capita. As Pakistan's



population is currently equivalent to 2.83% of total world population and is set to grow, there will be steady growth in demand for packaging as localization and development in other industries continues. CPEC in particular is expected to speed up growth in Pakistan and the region, thus increasing the demand for our products.

As the pandemic recedes and domestic demand gradually rebounds, we believe that there is great opportunity for packaging companies to increase their market share by adapting to new ways of doing business, re-evaluating packaging strategies, reaching end-customers through e-commerce and delivering hygienic, eco-friendly and better-quality products. Our company in particular is ready to cater to a growing and flourishing local economy.

We hope you will support us in this journey of Reimagining Roshan.

Financial Overview

The operating results of the Company are summarized as under:

	2020	2019
	Rupees in '000'	
Turnover	5,232,971	5,397,124
Gross Profit	546,926	370,358
Operating profit	242,204	70,918
Finance Cost	223,124	186,633
Profit / (Loss) before Tax	174,991	41,217
Profit / (Loss) After Tax	247,962	(26,898)

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

2019/2020 has been a year of progress for the business, strategically and operationally, despite of nationwide lockdowns and supply chain disruptions towards end of financial year due to pandemic. Company's sites remained fully operational and we continually served essential manufacturers throughout the period.

During the period under review, the company has earned a profit after tax of Rs. 248 million as compared to a loss after tax of Rs. 27 million in last year. This shows an improvement of 1,022% and an increase in profit before tax by 325% (i.e. Rs. 134 million). The operations generated Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs. 554 million during current FY 2020 against Rs. 370 million in last FY 2019. The EBITDA is 49.69 % higher in the current year as compared to that of last year.

Our company achieved gross profit of Rs. 547 million for the period as compared to Rs. 370 million in 2019 and Rs 308 million in 2018. This shows an increase of Rs. 177 million and Rs. 239 million respectively, which is 48 % and 77 % more than comparable periods of 2019 and 2018. Gross profit margins increased to 10.5% as compared to 6.9% in the comparative period last year. The Company has lowered its cost of sales ratio to 89.5% as compared to 93.1% last year, which is 3.6% lower. This has been the result of comparatively low increase in the input cost of material, variable cost of sales and effective cost reduction initiatives. Despite high inflation, the Company has managed to control its cost.

The sales revenue stood at Rs. 5,233 million in current year against 5,397 million and 4,031 million in comparable periods of 2019 and 2018 respectively. In volumetric terms, we have successfully dispatched 36,261 metric tons in comparison to the 39,536 metric tons and 32,815 metric tons in FY 2019 and FY 2018 respectively. However, despite this decrease, the company has evidently improved its gross margins by rationalizing product's and customers' portfolio and increased its profitability by introducing cost reduction reforms throughout the company.

DIRECTORS' REPORT

The devaluation of local currency due to instability and uncertainty owing to pandemic had an unfavorable impact on our bottom line, coupled with an increase in financial charges by Rs. 36 million due to the rise in policy rate by The State Bank of Pakistan until last quarter of financial year where this has been considerably reduced and mitigated its substantial impact on our profitability. Utility cost remains a challenge which has resulted in an increase of expense of Rs. 42 million with the cost recorded at Rs. 216 million as compared to Rs. 174 million in comparable period last year.

No changes have occurred during the financial year concerning the nature of the business of the company or its subsidiary. Further, there are no material changes or commitments affecting financial position of the company between the end of the financial year and the date of this report

EARNING PER SHARE:

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

EPS-2020: 1.75/share

LPS-2019: (0.19)/share

DIVIDEND:

The board of directors has recommended to pay final cash dividend of Rs. 1.00 per share i.e. @ 10 % for year ended 30 June, 2020.

ADOPTION OF IFRS 16:

During the year company have adopted IFRS 16 as applicable. The complete disclosure of effect of these standards have been disclosed in the financial statements of the company.

ROSHAN SUN TAO PAPER MILLS (PRIVATE) LIMITED (SUBSIDIARY) AND CONSOLIDATED FINANCIAL STATEMENTS:

Roshan Sun Tao Paper Mills (Private) Limited was incorporated on 8th 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 Chinese partner; however, the joint venture agreement was terminated by the Company and a case was filed before the Court for specific performance while the Chinese partner has filed a winding up petition before the Court for winding up

of the Company. Both the cases are still pending before the Courts. The Company's operations were hindered due to delayed approvals from regulatory authorities, delays in infrastructural development from government of Punjab, litigation and financial closure. The Company is hopeful of positive outcome of litigation.

The Company is in its set up phase and has purchased land which is situated at M-2 Lahore-Islamabad motorway, district Sheikhpura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Business Park. The project, in its first phase, will have annual capacity of 66,000 metric tons and project cost is estimated to be PKR 2.4 Billion.

Roshan Packages Limited, the Parent Company, is investing in Roshan Sun Tao Paper Mills (Pvt) Limited, Subsidiary of RPL, allowing backward integration. It will help RPL solve its raw material constraints and provide uninterrupted supplies to its customers. RPL is focusing on various initiatives ensuring timely completion of the Project. The Company has entered into an agreement with a foreign supplier / contractor for supply and installation of plant & machinery. Our application for special economic zone (SEZ) status has been approved by SEZA Punjab, and final approval by Board of Investment, Islamabad is

DIRECTORS' REPORT

being awaited. Further, the Company has also approached banks to avail project financing. The parent company has arranged required funds for equity contribution in the project, approval of which is being sought in the upcoming Annual General Meeting. The project is expected to achieve financial closure in FY 2020-21, subject to requisite approvals. The project shall achieve commercial operations in 24 months after financial closure.

PRINCIPLE ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF BUSINESS BASED ON CONSOLIDATED FINANCIAL STATEMENTS:

The operation of the subsidiary has not yet started so the matter related to the subsidiary has been separately disclosed in the consolidated Directors' Report.

HUMAN RESOURCE DEVELOPMENT :

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

CORPORATE SOCIAL RESPONSIBILITY:

The company's management continued its focus on environment protection and skill development during the year. The company considers social, environmental and ethical matters as important elements of any business activity. A more detailed review of the CSR activities has been illustrated in this report.

BOARD OF DIRECTORS:

Names of Directors during the year:

Mr. Khalid Eijaz Qureshi

Mr. Tayyab Aijaz

Mr. Saadat Eijaz

Mr. Zaki Aijaz

Mr. Quasim Aijaz

Mr. Muhammad Naveed Tariq

Mrs. Ayesha Musaddaque Hamid

TOTAL NUMBER OF DIRECTORS:

Male: 06

Female: 01

COMPOSITION:

Independent Directors (including Female Director): 02

Non-Executive Directors: 03

Executive Directors: 02

DIRECTORS' REPORT

BOARD MEMBERS AND ATTENDANCE AT MEETINGS:

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

Name	Status	Meetings Attended
Mr. Khaild Eijaz Qureshi	Chairman/Non-Executive Director	04
Mr. Tayyab Aijaz	CEO/Executive Director	04
Mr. Saadat Eijaz	Executive Director	03
Mr. Zaki Aijaz	Non-Executive Director	04
Mr. Quasim Aijaz Non-Executive	Director	04
Mr. Muhamad Naveed Tariq	Independent Non-Executive Director	04
Mrs. Ayesha Musaddaque Hamid	Independent Non-Executive Director	04

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

AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS:

During the year under review, four (04) Audit Committee meetings were held and attendance by its members was as follows:

Name	Status	Meetings Attended
Mr. Muhamad Naveed Tariq	Chairman	04
Mr. Quasim Aijaz	Member	04
Mr. Khaild Eijaz Qureshi	Member	04

HUMAN RESOURCE AND REMUNERATION COMMITTEE AND ATTENDANCE AT MEETINGS:

During the year under review, two (02) Human Resource and Remuneration Committee meetings were held with the following attendance detail:

Name	Status	Meetings Attended
Mrs. Ayesha Musaddaque Hamid	Chairman	02
Mr. Tayyab Aijaz	Member	02
Mr. Khaild Eijaz Qureshi	Member	02

DIRECTORS' REPORT

STRATEGIC COMMITTEE:

During the year under review, one (01) Strategic Committee meeting was held with following attendance detail:

Name	Status	Meetings Attended
Mr. Tayyab Aijaz	Chairman	01
Mr. Saadat Eijaz	Member	01
Mr. Zaki Aijaz	Member	01

PROJECT COMMITTEE:

During the year under review, one (01) Project Committee meeting was held as per following attendance detail:

Name	Status	Meetings Attended
Mr. Zaki Aijaz	Chairman	01
Mr. Saadat Eijaz	Member	01
Mr. Tayyab Aijaz	Member	01

APPOINTMENT OF AUDITORS:

As recommended by the Board of Directors and approved in last Annual General Meeting, M/s. EY Ford Rhodes., Chartered Accountants were appointed as auditors of the Company for year ended June 30, 2020. The present auditor's M/s. EY Ford Rhodes, Chartered Accountants, are retiring and have offered themselves for re-appointment. The Audit Committee and the Board of Directors have recommended appointment of M/s. EY Ford Rhodes, Chartered Accountants as auditors of the Company by the shareholders in the upcoming annual general meeting.

PATTERN OF SHAREHOLDING:

The pattern of shareholding is annexed to this Report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY:

There are some risk factors which may have an impact on the future performance of the Company. These have been annexured to the report.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT:

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

DIRECTORS' REPORT

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES:

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

DIRECTORS' REMUNERATION:

The remuneration policy for Board of Directors, Executive, Non-Executive & Independent Directors, has been prepared. The policy has been designed on the basis of market standards, and reflects demands to competencies & efforts in light of scope of their work and increase in responsibilities of the directors. As per the Articles of Association of the Company, the Board is authorized to determine the remuneration of Directors.

Independent Directors and Non-Executive Directors shall be entitled to receive a meeting fee for attending the meetings of the Board or any of its Committee as per the scale approved by the Board from time to time. However, the Directors who are entitled to remuneration shall not be entitled to receive any meeting fee. If any Non-Executive Director performs extra services, he/she shall be entitled to remuneration.

The remuneration of the Executive Directors is approved by the Board. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his own remuneration.

In order to keep transparency, the Board shall observe the following principles while determining the remuneration of any Director:

- The remuneration package shall encourage value creation within the company.
- The remuneration package shall be appropriate to attract and retain directors needed to govern the company successfully.
- Levels of remuneration shall not be at a level that could be perceived to compromise their independence.
- The Board shall give due consideration to the recommendations of the HR & Remuneration Committee.
- No Director shall participate in a part of the meeting in which his/her own remuneration is to be determined.
- The details of the aggregate remuneration of executive and non- executive directors, including salary, meeting fee, benefits and performance-linked incentives disclose separately in the Annual Report of RPL.

DIRECTORS' REPORT

	Chief Executive		Executive Director		Non-Executive Directors	
	2020	2019	2020	2019	2020	2019
	----- Rupees -----					
Short Term Employee Benefits						
Managerial Remuneration	9,455,160	5,848,739	8,982,408	5,333,485	-	-
House Rent Allowance	4,254,120	2,631,639	4,041,420	2,399,904	-	-
Medical Expenses	945,360	584,811	898,080	533,305	-	-
Utilities	945,360	584,811	898,092	533,305	-	-
Advisory Fee	-	-	-	-	-	2,250,000
Meeting Fee	-	-	-	-	4,341,818	460,000
Bonus	787,930	-	748,534	-	-	-
	16,387,930	9,650,000	15,568,534	8,799,999	4,341,818	2,710,000
Post-Employment Benefits						
Gratuity	1,300,000	1,300,000	1,235,000	1,235,000	-	-
Accumulated Compensated Absences	393,965	425,000	374,267	410,000	-	-
	18,081,895	11,375,000	17,177,801	10,444,999	4,341,818	2,710,000

RELATED PARTY TRANSACTIONS:

All related party transactions were carried out at arm's length basis and required approvals were duly obtained.

PATTERN OF SHAREHOLDINGS:

Information about pattern of shareholding specified in form 34 is annexured to the report.

FORWARD LOOKING STATEMENT:

The pandemic has adversely affected the Pakistani economy. Coupled with high inflation and unemployment rates, GDP growth has been pushed into negative territory. Although economic activity has gained some momentum post relaxation of the nationwide lockdown, the recovery will be gradual and measured. Moreover, keeping the policy rate stable and managing rupee value will be a challenge, which is crucial for a suitable economic and investment climate. The surge in external debt and geopolitical tensions further cloud outlook.

Even though our economy has experienced many setbacks, challenges also bring opportunities. The increased activity on China Pakistan Economic Corridor (CPEC), will bode well for the economy. As the economy stabilizes, foreign investment and interest rates are also likely to increase. Pakistan has a large increasing population and high potential for growth. The Company, therefore, remains confident and focused on minimizing the negative impacts and delivering top quartile results by leveraging its diversified product portfolio along with proactively exploring opportunities for both organic and inorganic growth in line with its core value of nurturing continuous growth.

DIRECTORS' REPORT

SUBSEQUENT EVENTS:

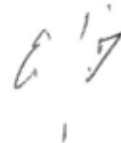
There have been no material changes since 30 June 2020 to the date of this report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

ACKNOWLEDGMENT:

We thank our employees and everyone for their commitment and hard work. Covid-19 presented a huge challenge to us all individually and as a business. However, we are excited about the long-term opportunities from our customers' changing needs. This year, we have continued to move the business forward despite tough conditions, where our corporate values of persistence have been even more relevant. The Management of Company remains confident in the future prospects of our business.



Chief Executive Officer



Chairman

Corporate Social Responsibility

Beyond business, Roshan Packages continues to invest in Pakistan. First and foremost, we are committed to acting with integrity and honesty in our everyday operations. Honesty and commitment are one of our core values and we aim to embody them in all dealings.

We see CSR as an opportunity to use our expertise to instill hope in society. We aim to make a difference in the lives of individuals, society, the environment and our country. As Corona disrupts lives everywhere, we hope to enable our employees and the communities they inhabit reimagine themselves for a changing world.

Our CSR commitments include:

Energy Conservation Program

At Roshan Packages Ltd we believe in achieving operational excellence by eliminating waste and reducing operational costs.



Energy Management is doing more with less and we are committed to sharpening the company's competitive edge by implementing our energy policy.

Sustainability is in our DNA:

R

Reduce energy intensity to the optimum level

O

Obtain & purchase energy-efficient products and service

S

Set & review energy objectives and targets for continuous improvements

H

High energy drivers should be focused on

A

Assure compliance of legal requirements

N

New developments must be energy and cost-effective

Environmental Policy

Roshan Packages has a comprehensive environmental policy that is in strict compliance with local and international protocols and aims to minimise the impact of our processes on the environment. We are a socially responsible corporation and aim to preserve our natural resources and environment.



Roshan Packages' foundation rests upon sustainability as we started our business by replacing wooden boxes with high-quality corrugated cartons.

We particularly focus on recycling our business, as we not only source recycled paper but also recycle waste from our factory. This year, we also became one of the few companies worldwide to join the Avery Dennison Liner Recycling Program in collaboration with Mahajan Recycle Resources which allows us to recycle plastic liners in some of our products.

Roshan Sun Tao Paper Mills (Pvt) Ltd will be a one of a kind recycled paper mill in Pakistan which will allow us to recycle our waste in house. Moreover, we have also installed a European standard effluent water treatment plant for efficient industrial waste management.

Health & Safety

Every person in our Roshan family matters which is why we have adopted ISSA'S revolutionary 7 Golden Rules for Vision Zero.

- Take leadership – demonstrate commitment
- Identify hazards – control risks
- Define targets – develop programmes
- Ensure a safe and healthy system – be well-organized
- Ensure safety and health in machines, equipment, and workplaces

- Improve qualifications – develop competence
- Invest in people – motivate by participation

After the onset of COVID-19, we have started following strict SOPs and providing all our employees and visitors with masks and hand sanitizers along with conducting daily temperature checks. Our plant workers were also tested for COVID19 and are regularly tested for common diseases.

Gender Equality

During the pandemic, we were especially cognizant of our female workforce and the dual burden of work and childcare that many women grappled with because of school closings. We supported them by authorizing flexible working hours and work from home whenever possible.

Roshan is not only an equal opportunity employer but rather we have developed a comprehensive policy that promotes gender equality in the workplace. We focus on ensuring equal job training opportunities, career development, and equal remuneration. We also offer special maternity and medical leaves for our female employees and have implemented strict anti-harassment trainings and procedures.



Supporting Farmers and Growers

According to the FAO, Fresh Fruits and Vegetables account for the highest share of food losses and are usually among the most wasted items. Our fruit boxes were designed specifically to deal with the problem of food losses in the FFV sector. Each fruit box is developed after rigorous research and goes through extensive testing so that farmers and consumers alike do not have to worry about the freshness of the fruits and vegetables they produce and consume. The Fresh Fruit and Vegetables sectors is the backbone of Pakistan and Roshan Packages is proud to be supporting the industry and providing export quality boxes! Roshan Enterprises provides agriculture trainings, focusing on modern farming methods and increasing efficiency, to farmers and growers around Pakistan.



Urdu Digest



Education For Every One

Urdu Digest is the oldest monthly magazine in Pakistan and it's ethos is to promote urdu and educate the masses. This year Urdu Digest also sent old digests and a free subscription to libraries in Balochistan to promote reading in all corners of Pakistan. Urdu Digest has also digitized its content and offers online reading, furthering our mission of promoting urdu and education. It has also created youtube videos to further engage the youth.



ROSHAN PACKAGES LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2020

S.No.	CDS Account #	Name of shareholder	Number of shares	%age
Directors and their spouse(s) and minor children				
1	1	Tayyab Aijaz	38,087,809	26.84
2	2	Saddat Eijaz	16,830,000	11.86
3	3	Zaki Aijaz	16,833,538	11.86
4	4	Khalid Eijaz Qureshi	20,790,000	14.65
5	5	Quasim Aijaz	4,196,562	2.96
6	7	Muhammad Naveed Tariq	2	0.00
7	2088	Ayesha Mussadaque Hamid	56	0.00
7			96,737,967	68.17
Associated companies, undertakings and related parties				
NIL				
Sponsors				
NIL				
Executives				
2			6,214	0.00
Public sector companies and corporations				
1	04705-87224	Federal Board Of Revenue	145,958	0.10
1			145,958	0.10
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas & pension funds				
1	02113-21	First Equity Modaraba	59,400	0.04
2	7450-521	B.R.R. Guardian Modaraba	129,381	0.09
3	09332-28	First Credit & Investment Bank Limited	8,500	0.01
4	09944-24	Al Baraka Bank (Pakistan) Limited	1,087,900	0.77
5	10397-29	CDC - Trustee Meezan Tahaffuz Pension Fund	200,000	0.14
6	13748-667	Trustee -The Kot Addu Power Co. Ltd. Employees Pension Fund	59,000	0.04
7	14415-21	CDC - Trustee Nafa Pension Fund Equity Sub-Fund Account	242,000	0.17
8	14431-29	CDC - Trustee Nafa Islamic Pension Fund Equity Account	456,000	0.32
8			2,242,181	1.58
Mutual Funds				
1	06619-26	CDC - Trustee AKD Opportunity Fund	364,000	0.26
2	07062-23	CDC - Trustee Al Meezan Mutual Fund	200,000	0.14
3	07070-22	CDC - Trustee Meezan Islamic Fund	200,000	0.14
4	09480-21	CDC - Trustee NBP Stock Fund	46,000	0.03
5	14845-29	CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund	30,000	0.02
6	15974-23	CDC - Trustee NBP Islamic Stock Fund	874,500	0.62
7	16402-20	CDC - Trustee NBP Islamic Active Allocation Equity Fund	200,000	0.14
8	16501-27	CDC - Trustee Meezan Asset Allocation Fund	100,000	0.07
9	17210-22	CDC - Trustee Meezan Dedicated Equity Fund	50,500	0.04
9			2,065,000	1.46
General Public Foreign				
1	5405-16565	Muhammad Basharat Abbasi	656	0.00
1			656	0.00
Foreign Companies				
NIL				
Local Companies/Others				
60			4,958,573	3.49
General Public Local			5,998	25.19
Total			141,900,000	100.00

ROSHAN PACKAGES LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Tayyab Aijaz	1	38,087,809	26.84
Saddat Eijaz	1	16,830,000	11.86
Zaki Aijaz	1	16,833,538	11.86
Khalid Eijaz Qureshi	1	20,790,000	14.65
Quasim Aijaz	1	4,196,562	2.96
Muhammad Naveed Tariq	1	2	0.00
Ayesha Mussadaque Hamid	1	56	0.00
Associated Companies, undertakings and related parties	NIL	-	-
Sponsors	NIL	-	-
Executives	2	6,214	0.00
Public Sector Companies and Corporations	1	145,958	0.10
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	8	2,242,181	1.58
Mutual Funds	9	2,065,000	1.46
General Public			
a. Local	5,998	35,743,451	25.19
b. Foreign	1	656	0.00
Foreign Companies	NIL	-	-
Local Companies/Others	60	4,958,573	3.49
Total	6,086	141,900,000	100.00
Share holders holding 10% or more		Shares Held	Percentage
Tayyab Aijaz		38,087,809	26.84
Khalid Eijaz Qureshi		20,790,000	14.65
Saddat Eijaz		16,830,000	11.86
Zaki Aijaz		16,833,538	11.86

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2020

# Of Shareholders		Shareholdings'Slab		Total Shares Held
361	1	to	100	13,126
451	101	to	500	147,952
2234	501	to	1000	1,529,911
2033	1001	to	5000	4,295,688
356	5001	to	10000	2,606,907
188	10001	to	15000	2,417,731
129	15001	to	20000	2,241,648
66	20001	to	25000	1,498,065
56	25001	to	30000	1,559,023
27	30001	to	35000	884,753
24	35001	to	40000	915,789
24	40001	to	45000	1,018,918
15	45001	to	50000	724,522
9	50001	to	55000	463,298
14	55001	to	60000	810,199
3	60001	to	65000	188,800
7	65001	to	70000	464,388
4	70001	to	75000	295,900
2	75001	to	80000	152,661
3	80001	to	85000	249,736
6	85001	to	90000	521,148
2	90001	to	95000	186,830
12	95001	to	100000	1,184,392
2	100001	to	105000	206,664
3	105001	to	110000	327,992
1	110001	to	115000	113,850
3	115001	to	120000	356,551
2	120001	to	125000	247,900
1	125001	to	130000	129,381
1	130001	to	135000	132,000
1	145001	to	150000	145,958
2	150001	to	155000	304,110
2	155001	to	160000	318,000
1	160001	to	165000	164,506
1	170001	to	175000	174,762
3	175001	to	180000	531,877
1	185001	to	190000	186,120
1	190001	to	195000	192,456

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2020

# Of Shareholders		Shareholdings'Slab		Total Shares Held
4	195001	to	200000	800,000
1	200001	to	205000	205,000
1	240001	to	245000	242,000
2	280001	to	285000	568,320
1	285001	to	290000	289,028
1	305001	to	310000	305,589
1	320001	to	325000	323,830
1	360001	to	365000	364,000
1	375001	to	380000	376,200
1	390001	to	395000	392,844
1	395001	to	400000	400,000
1	405001	to	410000	406,026
1	440001	to	445000	441,600
2	455001	to	460000	912,854
1	505001	to	510000	510,000
1	565001	to	570000	569,500
1	605001	to	610000	606,410
1	665001	to	670000	669,500
1	700001	to	705000	704,168
1	805001	to	810000	808,110
1	870001	to	875000	874,500
1	900001	to	905000	900,440
1	1085001	to	1090000	1,087,900
1	2175001	to	2180000	2,177,760
1	2320001	to	2325000	2,323,000
1	4195001	to	4200000	4,196,562
1	16825001	to	16830000	16,830,000
1	16830001	to	16835000	16,833,538
1	20785001	to	20790000	20,790,000
1	38085001	to	38090000	38,087,809
6,086				141,900,000

Risks and Opportunities

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

Risk

Technological Obsolescence

Mitigants

The company continuously invests in expansion, modernization, upgrading its manufacturing facilities and keeping pace with advancements in technology in order to remain competitive in future.

Business Risk

The company stays competitive and up to date to face this risk.

Foreign Exchange Risk

The company is shifting towards local buying. However, some raw material is not available locally due to which it has to be imported. In order to mitigate this risk, the company has shifted to on sight LC. Furthermore, the company is trying its level best to negotiate prices with customers to pass on these fluctuations.

Liquidity Risk

The company makes sure that it always has sufficient cash flows to meet its liabilities on time. The company working capital cycle is maintained through long term and short-term borrowings and equity to maintain a proper mix between different sources of finance to minimize risk.

Credit Risk

The company has robust procedures for credit approval and closely monitors the exposure of credit limits to access the financial viability of all counter parties in order to avoid risk.

Diversification Risk

The company is constantly investing in the diversification of its businesses and technical expertise.

Opportunities

Modern technology

RPL is using state of the art upgraded machinery in its operations giving it a competitive edge in the market.

Strong Relationships

RPL believes in maintaining long term business relationships with its customers, suppliers and business partners. RPL clientele majorly consists of blue chip companies and who have been working with RPL for many years.

Backward Integration

RPL is investing in Roshan Sun Tao Paper Mills (Pvt) Limited, Subsidiary of RPL, allowing backward integration. It will help

RPL solve its raw material constraints and provide uninterrupted supplies to its customers.

One stop for all packaging needs

RPL has the ability to deliver a wide range of packaging solution from primary packaging to secondary packaging. With this great strategic edge, the Company is in a tactical position to secure more local market share and enjoy benefits of economies of scale.

Production Capacity

The Company aggressively pursues local and international markets to fully utilize its potential capacity and earn higher return for its shareholders

E-commerce plat form

Roshan Packages Limited is the first packaging company of Pakistan that has introduced an ecommerce portal to meets the demand of individual and reached masses. Through Roshpack.com we will tap into the growing needs of startups as well as households.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Roshan Packages Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Roshan Packages Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.



Chartered Accountants
Engagement Partner: Sajjad Hussain Gill
Lahore
Date: 07 October 2020

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations 2019

Roshan Packages Limited

Year Ending June 30, 2020

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

1. The total number of directors are 7 as per the following
 - a. Male: 6
 - b. Female: 1
2. The Composition of Board is as follows
 - a. **Independent Directors:02**
 - i. Mr. Muhammad Naveed Tariq
 - ii. Mrs. Ayesha Musaddaque Hamid
 - b. **Other Non-Executive Directors:03**
 - i. Mr. Khalid Eijaz Qureshi
 - ii. Mr. Quasim Aijaz
 - iii. Mr. Zaki Aijaz
 - c. **Executive Directors:02**
 - i. Mr. Tayyab Aijaz
 - ii. Mr. Saadat Eijaz
3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with the dates on which they were approved or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by Board/shareholder as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence by a Director elected by Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Director's Training program for the following
 - I. Mr. Muhammad Naveed Tariq
 - II. Mr. Quasim Aijaz
 - III. Mr. Saadat Eijaz
 - IV. Mr. Zaki Aijaz
 - V. Mr. Tayyab Aijaz
 - VI. Mrs. Ayesha Musaddaque Hamid
10. The Board has approved appointment of Chief Financial Officer, Company secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the Financial Statements before approval of the Board.

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

a. Audit Committee:

Name	Status
Mr. Muhammad Naveed Tariq	Chairman
Mr. Quasim Aijaz	Member
Mr. Khalid Eijaz Qureshi	Member

b. Human Resource and Remuneration Committee:

Name	Status
Mrs. Ayesha Musaddaque Hamid	Chairman
Mr. Tayyab Aijaz	Member
Mr. Khalid Eijaz Qureshi	Member

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

- Audit Committee (quarterly)
- HR and Remuneration Committee (Half yearly)

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

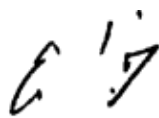
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with international federation of accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company.

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

18. We confirm that all other requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements other than regulations 3,6,7,8,27,32,33,36 are below:

Non-Mandatory Requirements	Regulation No	Explanation
Nomination Committee: Board may constitute a separate committee, designated as the nomination committee, of such members and class of directors, as it may deem appropriate in its circumstances.	29 (01)	Currently, Board has not constituted a separate nomination committee and functions are being performed by Board itself.
Risk Management Committee: Board may constitute risk management committee of such members and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to Board.	30 (01)	Currently, Board has not constituted a RMC and company's management performs requisite functions and apprise the Board accordingly.


KHALID EIJAZ QURESHI
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of Roshan Packages Limited ("the Company"), which comprise the unconsolidated statement of financial position as at 30 June 2020 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Existence and Valuation of Stock in trade	
As disclosed in Note 11 to the accompanying financial statements, the stock in trade constitutes 8% of total assets of the Company as at 30 June 2020.	We performed a range of audit procedures with respect to inventory items which included, amongst others obtaining understanding of the Company's valuation process including internal controls in place at transaction level.



Key audit matter	How the matter was addressed in our audit
<p>The cost of closing stock is determined at weighted average rate on the closing units including a proportion of production overheads.</p> <p>We focused on the stock in trade and considered it to be key audit matter as it is a significant portion of the Company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its valuation.</p>	<p>We tested design, implementation and operating effectiveness of internal controls in place over valuation of stock in trade.</p> <p>We tested valuation methods and their appropriateness in accordance with the applicable accounting standards.</p> <p>We tested the calculations of per unit cost of finished goods and evaluated the management's basis for the allocation of costs and production overheads.</p> <p>We attended the inventory count and reconciled the count results to the inventory listings to ensure the completeness of data.</p> <p>We observed the physical inventory count and verified that all inventory count tags are there to ensure the existence of inventory.</p> <p>We reviewed the management's determination of net realizable value (NRV) and key estimates adopted, including future selling prices, future costs to complete work in process and the costs necessary to make the sales and their basis.</p> <p>We assessed the accounting policies for valuation of stock in trade and compliance of those policies with applicable accounting standards.</p> <p>We assessed the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

5

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The unconsolidated financial statements of the Company for the year ended 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 05 November 2019.

The engagement partner on the audit resulting in this independent auditors' report is Sajjad Hussain Gill.



EY Ford Rhodes
Chartered Accountants
Lahore
Date: 07 October 2020

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,524,161,130	4,635,533,011
Right of use assets	6	51,279,633	-
Intangible	7	362,586	1,780,282
Long term investment	8	111,376,130	111,376,130
Long term loan - unsecured	9	168,546,690	249,932,785
Long term deposits		14,902,194	16,253,723
		4,870,628,363	5,014,875,931
Current assets			
Stores, spares and other consumables	10	171,999,102	172,865,543
Stock-in-trade	11	708,935,191	709,586,567
Contract assets	12	80,878,738	48,595,967
Trade debts - unsecured	13	1,255,085,411	1,269,505,348
Current portion of long term loan	9	149,249,281	-
Short term loan - unsecured	14	92,186,870	92,186,870
Advances, deposits, prepayments and other receivables	15	718,642,360	759,228,899
Short term investment	16	486,017,750	900,000,000
Cash and bank balances	17	328,562,905	238,630,069
		3,991,557,608	4,190,599,263
Total assets		8,862,185,971	9,205,475,194
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2019: 150,000,000) ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up share capital			
	18	1,419,000,000	1,419,000,000
Capital reserves			
Share premium	19	1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment	20	1,795,215,742	1,843,728,306
		3,790,004,799	3,838,517,363
Revenue reserve			
Un-appropriated profit		653,269,980	356,968,813
Total equity		5,862,274,779	5,614,486,176
Non-current liabilities			
Supplier's credit - unsecured	21	-	96,356,613
Long term finances - secured	22	87,018,828	-
Lease liabilities	23	31,721,605	9,505,865
Deferred taxation	24	453,622,673	561,296,117
Deferred liabilities	25	122,088,352	73,592,237
		694,451,458	740,750,832
Current liabilities			
Current portion of long term liabilities	26	248,834,807	493,541,100
Short term borrowings - secured	27	1,048,293,740	1,353,114,322
Trade and other payables	28	959,971,322	964,258,994
Contract liabilities	29	15,918,351	4,091,995
Accrued finance cost	30	31,653,458	34,431,606
Unclaimed dividend		788,056	800,169
		2,305,459,734	2,850,238,186
Total equity and liabilities		8,862,185,971	9,205,475,194

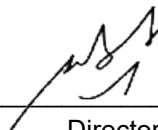
CONTINGENCIES AND COMMITMENTS

31

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

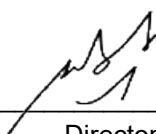
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
Revenue from contracts with customers		6,085,148,294	6,298,741,129
Less: Sales tax		(852,177,670)	(901,617,188)
Net revenue	32	5,232,970,624	5,397,123,941
Cost of revenue	33	(4,686,045,061)	(5,026,766,278)
Gross profit		546,925,563	370,357,663
Administrative expenses	34	(147,442,607)	(115,497,897)
Selling and distribution expenses	35	(165,539,231)	(151,646,550)
Reversal of allowance on trade debtors	13	24,866,683	82,855,890
Other operating expenses	36	(16,606,415)	(115,150,921)
		(304,721,570)	(299,439,478)
Operating profit		242,203,993	70,918,185
Other income	37	155,910,647	156,931,746
Finance cost	38	(223,123,998)	(186,632,757)
Profit before taxation		174,990,642	41,217,174
Taxation	39	72,971,342	(68,115,249)
Profit / (Loss) for the year		247,961,984	(26,898,075)
Earnings / (Loss) per share - Basic and diluted	40	1.75	(0.19)

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

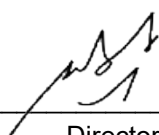
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
Profit / (loss) for the year		247,961,984	(26,898,075)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement benefits - net of tax		(173,381)	1,719,907
Revaluation surplus during the year - net of tax		-	786,981,936
Effect of change in tax rate on balance of revaluation surplus on property, plant and equipment	20	-	4,994,654
		(173,381)	793,696,497
Total comprehensive income for the year		247,788,603	766,798,422

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30 JUNE 2020

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2020 Rupees	2019 Rupees
Cash generated from / (used in) operations	41	525,678,567	(64,221,148)
Finance costs paid		(218,094,259)	(170,439,823)
Taxes paid		(42,570,180)	(85,239,623)
Gratuity paid		(7,938,002)	(9,624,699)
Accumulated absences paid		(437,674)	(1,370,236)
Net (increase) / decrease in long term deposits		(5,319,670)	4,247,978
		(274,359,785)	(262,426,403)
Net cash flows generated from / (used in) operating activities		251,318,782	(326,647,551)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(57,351,711)	(86,129,557)
Increase in long term loan		(30,704,997)	(26,868,547)
Proceeds from disposal of property, plant and equipment		7,800,000	12,379,723
Profit on bank deposits received		83,353,990	122,990,522
Net cash flows (used in) / generated from investing activities		3,097,282	22,372,141
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(202,400,707)	(174,400,037)
Repayment of supplier's credit		(51,759,675)	(132,182,549)
Expenses incurred on issuance of bonus shares		-	(376,313)
Dividend paid		(12,113)	(82,716)
(Repayment) / Proceeds from short term borrowings - net		(103,318,336)	48,982,645
Repayment of lease liabilities		(19,472,401)	(18,651,246)
Net cash used in financing activities		(376,963,232)	(276,710,216)
Net decrease in cash and cash equivalents		(122,547,168)	(580,985,627)
Cash and cash equivalents at the beginning of the year		696,748,452	1,277,734,079
Cash and cash equivalents at the end of the year	42	574,201,284	696,748,452

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Issued, sub- scribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropri- ated profit	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on 01 July 2018	1,182,500,000	2,231,665,370	1,078,519,283	355,379,414	4,848,064,067
Loss for the year	-	-	-	(26,898,075)	(26,898,075)
Other comprehensive income for the year			791,976,590	1,719,907	793,696,497
Surplus transferred to un-appropriated prof- it on account of incremental depreciation charged during the year - net of tax	-	-	(26,767,567)	26,767,567	-
Transaction with owners of the Company					
Bonus shares issued	236,500,000	(236,500,000)	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,313)	-	-	(376,313)
	236,500,000	(236,876,313)	-	-	(376,313)
Balance as on 30 June 2019	1,419,000,000	1,994,789,057	1,843,728,306	356,968,813	5,614,486,176
Profit for the year	-	-	-	247,961,984	247,961,984
Other comprehensive loss for the year	-	-	-	(173,381)	(173,381)
Surplus transferred to un-appropriated profit on account of incremental deprecia- tion charged during the year - net of tax	-	-	(48,512,564)	48,512,564	-
Balance as on 30 June 2020	1,419,000,000	1,994,789,057	1,795,215,742	653,269,980	5,862,274,779

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 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, Shahra-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 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 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except land at revalued amount, certain operating fixed assets at revalued amount less accumulated depreciation, and certain financial liabilities and employee retirement benefits recognized at present value.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional currency. All figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of unconsolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to use certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimate and judgements are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimate is revised if the revisions affects only that period or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgements or complexity or areas where assumptions and estimates are significant to the unconsolidated financial statements are as follows:

	Note
Depreciation method, rates and useful lives of depreciable assets	4.1
Useful life of intangibles	4.3
Stock-in-trade	4.6
Stores, spares and other consumables	4.5
Employee retirement benefits	4.8
Provisions	4.13
Contingencies	4.14
Revenue recognition: Whether revenue from products recognized over time or at point in time.	4.15
Taxation	4.17
Impairment of financial assets	4.18

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except as described below:

3.1 New and amended standards and interpretations

The Company has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current year:

Standard or Interpretation

IFRS 16 –	Leases
IAS 19 -	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28 -	Long-term Interests in Associates and Joint Ventures – (Amendments)
IFRIC 23 -	Uncertainty over Income Tax Treatments
IFRS 3 -	Business Combinations - Previously held Interests in joint operation - (Amendments)
IFRS 11 -	Joint Arrangements - Previously held interests in a joint operation - (AIP)
IAS 23 -	Borrowing Costs - Borrowing costs eligible for capitalization
IFRS 9 -	Prepayment Features with Negative Compensation - (Amendments)
IAS 12 -	Income Taxes - Income tax consequences of payments on financial instruments classified as equity
IFRS - 14 -	Regulatory Deferral Accounts

The adoption of the above standards, amendments and interpretations to accounting standards did not have any material effect on the policies, disclosures and figures presented in the unconsolidated financial statements except for IFRS 16 Leases which is given below:

3.1.1 IFRS 16 Leases

IFRS 16 supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, SIC-15 “Operating Leases-Incentives” and SIC-27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.

The Company adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 01 July, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 01 July, 2019, and applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

The Company has lease contracts of its vehicles for 4 years, head office buildings for period of 5 year and sales office for 3 years with renewable options. Before the adoption of IFRS 16, the Company classified each of its leases except vehicles at the inception date as an operating lease. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under prepayments and trade and other payables, respectively. In a finance lease, the leased assets was capitalized and the present value of lease payments were recognized as lease liability. Leased assets were depreciated according to IAS-16 “Property, Plant and Equipment” and lease liability was reduced with the payment of rentals.

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The adoption of IFRS 16 required changes in the Company’s accounting policies and affected the recognition, measurement and presentation of certain amounts recognized in the unconsolidated statement of profit or loss and the unconsolidated statement of financial position. Details of these new requirements as well as their impact (where applicable) on the Company’s unconsolidated financial statements are described below.

The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognized in the unconsolidated statement of financial position at the date of initial application of IFRS 16 is 1 Year KIBOR + 0.9%.

Reconciliation of Company’s operating lease liabilities recognized under implementation of IFRS 16:

Operating lease commitments as at 01 July 2019		10,715,270
Incremental borrowing rate as at 01 July 2019		13.74%
Discounted operating lease rentals as at 30 June 2020	A	9,751,785
Add:		
Present value of the lease payments under new agreement	B	28,728,886
Lease liabilities recognized as at 01 July 2019 under IFRS 16	A+B	38,480,671

3.2 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

IFRS 17 - Insurance Contracts and related amendments

IFRS 3 - Definition of a Business (Amendments)

Effective date (annual periods beginning on or after)

01 January 2023

01 January 2020

Standard or Interpretation

IFRS 7 & 9 - Financial instruments - Amendments regarding pre-replacement issues in the context of the interest rate benchmark reform (IBOR)

IAS 1 & IAS 8 - Definition of Material

IAS 1 & IAS 8 - Presentation of Financial Statements Classification of liabilities (amendments)

IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use (amendments)

IAS 37 - Onerous Contracts — Cost of Fulfilling a Contract

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

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)

Annual Improvements to IFRS Standards 2018–2020

IFRS - 4 Extension of the Temporary Exemption from Applying IFRS 9

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 July 2020

01 January 2020

01 January 2023

01 January 2022

01 January 2022

01 June 2020

Not yet finalized

01 January 2023

01 January 2023

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.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Operating assets and depreciation

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

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

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

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

Increases in the carrying amounts arising on revaluation of property, plant and equipment is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in unconsolidated statement of profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset all other decreases are charged to the unconsolidated statement of profit or loss. Each year, the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the unconsolidated statement of profit or loss) and depreciation based on the assets original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit. All transfers to / from surplus on revaluation are net of applicable deferred taxation. The revaluation reserve is not available for distribution to the Company's shareholders.

Depreciation on all property, plant and equipment is charged to the unconsolidated statement of profit or loss on the reducing balance method, except for buildings on freehold land, plant and machinery and related electric installations which are being depreciated using the straight line method, so as to write off the historical cost of an asset over its estimated useful life at annual rates mentioned in Note 5 after taking into account their residual values.

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

The residual value, depreciation method and the useful lives of each part of operating assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

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

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

Capital work-in-progress

Capital work in progress and stores held for capital expenditure are stated at cost less any identified impairment loss and represent expenditure incurred on operating assets during the construction and installation.

Cost also includes applicable borrowing costs, if any. Transfers are made to relevant operating assets category as and when assets are available for use.

4.2 Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, if any. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which these are incurred.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

d) Determining the lease term of contracts

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company's lease contracts include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

4.3 Intangible

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

Assets are amortized at a rate mentioned in Note 7 and charged to unconsolidated statement of profit or loss. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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

4.4 Investment in subsidiary

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

4.5 Stores, spares and other consumables

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

4.6 Stock-in-trade

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

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

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

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

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

4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at amortized cost less impairment allowance if any. For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term investment, net of outstanding running finance balances as they are considered as integral part of the Company's cash management.

4.8 Employee retirement benefits

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

a) Defined benefit plan - Gratuity

The Company operates an un-funded gratuity scheme for all employees. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits. The latest actuarial valuation for the gratuity scheme was carried out as at 30 June 2020 using projected unit credit method by an independent actuary. All actuarial gains and losses are recognized in 'other comprehensive income' as they occur. Past service costs are recognized immediately in the unconsolidated statement of profit or loss. The valuation is based on the assumptions as mentioned in Note 25 of these unconsolidated financial statements. However, at subsequent reporting dates, the Company reviews the carrying amount of the liability.

b) Accumulated compensated absences

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

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

4.9 Government grant

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When a grant related to non monetary asset is received, the asset and the grant are recorded at nominal amounts and released to unconsolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

4.10 Short term borrowings

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

4.11 Trade and other payables

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

4.12 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs under the contract.

4.13 Provisions

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

4.14 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.15 Revenue from contracts with customers

The Company is in the business of manufacture and sale of corrugation and flexible packaging material. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

Mentioned below are different revenue streams of the Company and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.

Made-to-order packaging products:

The Company has determined that for made-to-order packaging products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts, products are made to a customer's specification and if a contract is terminated by the customer, then the Company is entitled to

reimbursement of the costs incurred to date, including a reasonable margin. Revenue and associated costs are recognized over time – i.e. before the goods are delivered to the customers' premises. Progress is determined based on the cost-to-cost method. In case of credit sales, invoices are issued according to contractual terms and are usually payable within 07 to 365 days. Uninvoiced amounts are presented as contract assets.

Standard packaging products:

The Company recognizes revenue when it transfers control of the goods. The customers obtain control of standard packaging products when the goods are either dispatched or delivered to them and have been accepted at their premises. Invoices are generated at that point in time. In case of credit sales, invoices are usually payable within 07 to 90 days. No discounts are provided for standard packaging products.

4.16 Foreign currency translation

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

4.17 Taxation

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

Current tax

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

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

Deferred

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

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

4.18 Financial assets and financial liabilities

4.18.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through unconsolidated statement of profit or loss and other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a

significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments)
- ii) Financial assets at fair value through profit or loss

'Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade and other receivables.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4.18.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

b) Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.19 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.20 Earnings per share (EPS)

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

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

5	PROPERTY, PLANT AND EQUIPMENT	Note	2020	2019
			Rupees	Rupees
	Operating fixed assets	5.1	4,426,415,803	4,545,885,536
	Capital work-in-progress	5.2	97,745,327	89,647,475
			4,524,161,130	4,635,533,011

5.1 Operating fixed assets

	Owned							Leased		Total
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture and fixtures	Office equipment	Vehicles	Vehicles		
----- Rupees -----										
Cost / revalued amount										
Balance as at 01 July 2018	814,125,000	976,982,717	2,482,624,082	79,690,063	8,345,040	44,568,404	42,935,067	49,259,500		4,498,529,873
Additions during the year	-	41,804,962	84,319,687	36,548,109	675,116	6,024,568	-	12,169,000		181,541,442
Transfers during the year	-	-	-	-	-	-	19,068,500	(19,068,500)		-
Disposals during the year	-	-	-	-	-	(588,972)	(11,064,000)	-		(11,652,972)
Revaluation during the year	127,630,000	138,149,810	1,221,529,545	9,031,022	-	-	-	-		1,496,340,377
Balance as at 30 June 2019	941,755,000	1,156,937,489	3,788,473,314	125,269,194	9,020,156	50,004,000	50,939,567	42,360,000		6,164,758,720
Balance as at 01 July 2019	941,755,000	1,156,937,489	3,788,473,314	125,269,194	9,020,156	50,004,000	50,939,567	42,360,000		6,164,758,720
Transfers to right of use asset	-	-	-	-	-	-	-	(42,360,000)		(42,360,000)
Additions during the year	-	4,981,019	39,344,576	12,500	1,049,298	3,866,463	-	-		49,253,856
Transfers from right of use asset	-	-	-	-	-	-	7,600,000	-		7,600,000
Disposals during the year	-	-	(1,376,944)	-	-	-	(7,600,000)	-		(8,976,944)
Balance as at 30 June 2020	941,755,000	1,161,918,508	3,826,440,946	125,281,694	10,069,454	53,870,463	50,939,567	-		6,170,275,632
Accumulated depreciation										
Balance as at 01 July 2018	-	180,384,313	774,388,605	24,035,842	3,640,922	15,710,913	31,037,003	16,864,618		1,046,062,216
Charge for the year	-	33,479,999	86,493,530	6,700,487	511,634	3,206,756	2,835,726	7,736,936		140,965,068
Transfers during the year	-	-	-	-	-	-	9,335,726	(9,335,726)		-
Disposals during the year	-	-	-	-	-	(281,068)	(8,928,842)	-		(9,209,910)
Revaluation during the year	-	29,000,463	409,667,315	2,388,032	-	-	-	-		441,055,810
Balance as at 30 June 2019	-	242,864,775	1,270,549,450	33,124,361	4,152,556	18,636,601	34,279,613	15,265,828		1,618,873,184
Balance as at 01 July 2019	-	242,864,775	1,270,549,450	33,124,361	4,152,556	18,636,601	34,279,613	15,265,828		1,618,873,184
Transfers to right of use asset	-	-	-	-	-	-	-	(15,265,828)		(15,265,828)
Charge for the year	-	33,754,204	92,099,921	3,153,190	519,009	7,595,195	3,931,300	-		141,052,819
Transfers from right of use asset	-	-	-	-	-	-	3,773,653	-		3,773,653
Disposals during the year	-	-	(98,849)	-	-	-	(4,475,150)	-		(4,573,999)
Balance as at 30 June 2020	-	276,618,979	1,362,550,522	36,277,551	4,671,565	26,231,796	37,509,416	-		1,743,859,829
Carrying amount as at 30 June 2019	941,755,000	914,072,714	2,517,923,864	92,144,833	4,867,600	31,367,399	16,659,954	27,094,172		4,545,885,536
Carrying amount as at 30 June 2020	941,755,000	885,299,529	2,463,890,424	89,004,143	5,397,889	27,638,667	13,430,151	-		4,426,415,803
Annual depreciation rate - %age	-	2.5%-10%	3%-10%	10%	10%	10%	20%	20%		

5.1.1 The latest revaluation on freehold land, buildings on freehold land, plant and machinery and electric installations was carried out on 30 June 2019 by an independent professional valuers, Unicorn International Surveyors, on present market value basis at reporting date. Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2020 Rupees	2019 Rupees
Freehold land	126,827,077	126,827,077
Buildings on freehold land	495,831,727	532,895,466
Plant and machinery	1,423,916,960	1,464,413,496
Electric installations	46,130,817	79,656,983
	2,092,706,581	2,203,793,022

5.1.2 The forced sale values of assets as determined by the independent valuers as of 30 June 2019 are as follows:

	Forced sale value Rupees
Freehold land	800,491,750
Buildings on freehold land	777,025,455
Plant and machinery	2,139,924,877
Electric installations	78,633,516
	3,796,075,598

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

	Note	2020 Rupees	2019 Rupees
Cost of revenue	33	136,158,354	131,879,839
Administrative expenses	34	4,116,082	3,174,487
Selling and distribution expenses	35	778,383	5,910,742
		141,052,819	140,965,068

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

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

5.2 Capital work-in-progress

	At the beginning of year	Additions during the year	Transfers during the year	As at year end
2020	-----Rupees-----			
Plant and machinery	20,977,169	21,755,370	(23,566,331)	19,166,208
Civil works	12,740,157	10,778,974	-	23,519,131
Electrical installations	754,687	3,005,021	-	3,759,708
	34,472,013	35,539,365	(23,566,331)	46,445,047
Advances to suppliers	55,175,462	-	(3,875,182)	51,300,280
	89,647,475	35,539,365	(27,441,513)	97,745,327

	At the beginning of year	Additions during the year	Transfers during the year	As at year end
2019	-----Rupees-----			
Plant and machinery	60,549,381	30,902,230	(70,474,442)	20,977,169
Civil works	28,296,397	25,036,827	(40,593,067)	12,740,157
Electrical installations	36,452,289	801,690	(36,499,292)	754,687
Machinery in transit	9,265,578	-	(9,265,578)	-
	134,563,645	56,740,747	(156,832,379)	34,472,013
Advances to suppliers	38,326,715	52,786,580	(35,937,833)	55,175,462
	172,890,360	109,527,327	(192,770,212)	89,647,475
6 RIGHT OF USE ASSETS		Leasehold Buildings	Vehicles	Total
Cost	-----Rupees-----			
Balance as at 01 July 2019	-	-	-	-
Impact of adoption of IFRS 16				
- Transfers from operating fixed assets	-	42,360,000	42,360,000	
- New leased assets	38,480,671	-	38,480,671	
	38,480,671	42,360,000	80,840,671	
Additions during the year	-	3,130,000	3,130,000	
Transfers to owned assets	-	(7,600,000)	(7,600,000)	
Balance as at 30 June 2020	38,480,671	37,890,000	76,370,671	
Accumulated depreciation				
Balance as at 01 July 2019	-	-	-	-
Impact of adoption of IFRS 16				
- Transfers from operating fixed assets	-	15,265,828	15,265,828	
Charge for the year	7,601,985	5,996,878	13,598,863	
Transfers to owned assets	-	(3,773,653)	(3,773,653)	
Balance as at 30 June 2020	7,601,985	17,489,053	25,091,038	
Carrying amount as at 30 June 2020	30,878,686	20,400,947	51,279,633	
Depreciation rate	17% - 41%	20%		
6.1	Depreciation charge for the year has been allocated as follows:	2020 Rupees	2019 Rupees	
	Note			
Cost of revenue	33	2,595,140	-	
Administrative expenses	34	9,147,226	-	
Selling and distribution expenses	35	1,856,497	-	
		13,598,863	-	
7 INTANGIBLE				
Cost				
Balance at beginning of the year		7,088,486	7,088,486	
Additions during the year		-	-	
Balance as at year end		7,088,486	7,088,486	
Accumulated amortization				
Balance at beginning of the year		5,308,204	3,890,507	
Charge for the year	34	1,417,696	1,417,697	
Balance as at year end		6,725,900	5,308,204	
Net book value as at 30 June		362,586	1,780,282	
		----- Percentage -----		
Annual amortization rate		20%	20%	

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

8 LONG TERM INVESTMENT

	Note	2020 Rupees	2019 Rupees
At cost:			
Roshan Sun Tao Paper Mills (Private) Limited			
11,137,613 (2019: 11,137,613) fully paid ordinary shares of Rs. 10 each	8.1	111,376,130	111,376,130

8.1 The Company directly holds 60% (2019: 60%) shares in Roshan Sun Tao Paper Mills (Private) Limited, a subsidiary company. The principal activity of the subsidiary is manufacturing, supplying and dealing in corrugated papers. However, it has not yet started its operations, and is not impaired as at year end.

8.2 The Subsidiary's operations are currently facing a delay due to delayed approvals from the regulatory authorities, delays in infrastructural development from the Government of Punjab and financial closure. The Subsidiary plans to start procurement of plant and machinery and expects to start its commercial operations within two years. In this respect, the Board of Directors of the Company has principally approved additional equity investment of Rs. 900 million in the Company and the same would be placed before the shareholders of the Parent Company in its upcoming Annual General Meeting. The Subsidiary is also negotiating a financing facility with a commercial bank to meet its capital expenditure requirements. Hence, the management has concluded that the investment in subsidiary is not impaired.

9 LONG TERM LOAN - UNSECURED

	Note	2020 Rupees	2019 Rupees
At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	9.1	-	132,838,400
Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	9.2	168,546,690	117,094,385
		168,546,690	249,932,785

9.1 The loan carries markup at the rate of 1-Year KIBOR+2% per annum. The loan including markup will be repaid by the associated undertaking in October 2020.

	2020 Rupees	2019 Rupees
Movement during the year is as follows:		
Opening balance	132,838,400	122,722,688
Markup accrued during the year	16,410,881	10,115,712
	149,249,281	132,838,400
Less: Current portion shown under current assets	(149,249,281)	-
Closing balance	-	132,838,400

9.1.1 The maximum aggregate amount outstanding during the year with reference to month end balances amounted to Rs. 149.25 million (2019: Rs. 132.84 million).

9.2 This represents loan disbursed to finance capital expenditure, for setting up of the subsidiary's production facility, up to a maximum of Rs. 260 million. The loan carries interest at the rate of 1-Year-KIBOR+2% (2019: 8%) per annum. The mark up shall be received on quarterly basis from the date of commencement of commercial operations of the subsidiary. The principal will be received in 2 equal installments commencing from July 2021.

Movement during the year is as follows:

	2020 Rupees	2019 Rupees
Opening balance	117,094,385	82,972,338
Loan disbursed during the year	30,704,997	26,868,547
Markup accrued during the year	20,747,308	7,253,500
Closing balance	168,546,690	117,094,385

- 9.2.1** The maximum aggregate amount outstanding during the year with reference to month end balances amounted to Rs. 168.55 million (2019: Rs.117.09 million).

10	STORES, SPARES AND OTHER CONSUMABLES	Note	2020 Rupees	2019 Rupees
	Stores		128,510,822	128,929,597
	Spares		38,939,620	39,004,457
	Packing material		4,548,660	4,931,489
			171,999,102	172,865,543

11 STOCK-IN-TRADE

Raw materials	11.1	697,207,309	693,322,162
Finished goods		11,727,882	16,264,405
		708,935,191	709,586,567

- 11.1** This includes stock in transit amounting to Rs. 42.16 million (2019: Rs.91.05 million)

12	CONTRACT ASSETS	2020 Rupees	2019 Rupees
		80,878,738	48,595,967

This represents the Company's right to consideration for work completed but not billed at the reporting date on made to order packing products recognized as per requirements of IFRS 15 Revenue from Contracts with Customers.

13	TRADE DEBTS - UNSECURED	Note	2020 Rupees	2019 Rupees
	Trade debts - unsecured	13.1	1,488,950,316	1,528,236,936
	Less: Allowance for expected credit losses	13.2	(233,864,905)	(258,731,588)
			1,255,085,411	1,269,505,348

- 13.1** This includes an amount of Rs. 3.20 million (2019: Rs. 3.14 million) receivable from Roshan Enterprises, an associated undertaking. The maximum aggregate amount outstanding at any time during the year calculated with reference to month-end balance was Rs. 3.88 million (2019: Rs. 122.72 million). The age analysis of balances due from Roshan Enterprises is as follows:

	2020 Rupees	2019 Rupees
Current	1,108,422	-
01 to 90 days	-	3,143,560
91 to 180 days	2,094,665	-
	3,203,087	3,143,560

- 13.2** The movement in allowance for expected credit losses against trade receivables is as follows:

	2020 Rupees	2019 Rupees
Opening balance	258,731,588	341,587,478
Reversal during the year	(24,866,683)	(82,855,890)
Closing balance	233,864,905	258,731,588
14 SHORT TERM LOAN - UNSECURED	92,186,870	92,186,870

This represents share deposit money paid by the Company to the subsidiary for further issuance of share capital. However, since the shares were not issued by the subsidiary within ninety days of receipt of subscription money, the said subscription money was recognized as a loan in accordance with the requirements of "Investment in Associated Companies and Associated Undertakings, Regulations, 2017". The loan carries interest at the rate of 1-Year-KIBOR + 2% (2019: 8%) per annum.

15	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2020 Rupees	2019 Rupees
	Non-interest bearing			
	Advances :			
	- To employees - secured	15.1	5,213,329	2,482,861
	- To suppliers - unsecured		125,667,278	119,880,757
			130,880,607	122,363,618
	Balances with statutory authorities:			
	- Sales tax receivable - net		119,091,948	185,914,319
	- Income tax receivable - net		413,828,022	405,889,123
			532,919,970	591,803,442
	Prepayments		10,887,506	1,770,072
	Security deposits		6,429,313	15,117,872
	Interest receivable			
	- saving accounts		276,878	6,049,045
	- short term investment		5,800,839	7,374,950
	Interest receivable - subsidiary		31,447,247	14,749,900
			718,642,360	759,228,899

- 15.1** This include advances against the expenses paid to executives amounting to Rs. 1.09 million (2019: Rs. 0.47 million).

16	SHORT TERM INVESTMENT	Note	2020 Rupees	2019 Rupees
	Term deposits	16.1	-	900,000,000
	Treasury bills	16.2	486,017,750	-
			486,017,750	900,000,000

- 16.1** Profit on term deposits ranges from 8.50% to 13.55% (2019: 6.25% to 12.8%) per annum.

- 16.2** Profit on treasury bills ranges from 7.84% to 8.09% per annum.

17	CASH AND BANK BALANCES	Note	2020 Rupees	2019 Rupees
	Cash in hand		334,993	232,131
	Balances with banks:			
	Savings accounts	17.1	289,018,160	123,014,476
	Current accounts		39,209,752	115,383,462
			328,227,912	238,397,938
			328,562,905	238,630,069

17.1 Profit on the balances in saving accounts ranges from 6% to 12.90% (2019: 6.3% to 12.5%) per annum.

18 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2020	2019	2020	2019
	-----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 18.1)	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

18.1 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.

18.2 The reconciliation of the share capital during the year is as follows:

	2020	2019	2020	2019
	-----No. of shares----		-----Rupees-----	
Issued share capital at beginning of year	141,900,000	118,250,000	1,419,000,000	1,182,500,000
Issue of bonus shares during the year	-	23,650,000	-	236,500,000
Issued share capital as at year end	141,900,000	141,900,000	1,419,000,000	1,419,000,000

18.3 Following shares of the Company are held by Directors:

	2020	2019	2020	2019
	-----No. of shares----		-----Rupees-----	
Tayyab Aijaz	38,087,809	38,087,809	380,878,090	380,878,090
Khalid Eijaz Qureshi	20,790,000	20,790,000	207,900,000	207,900,000
Zaki Aijaz	16,833,538	16,833,538	168,335,380	168,335,380
Saddat Aijaz	16,830,000	16,830,000	168,300,000	168,300,000
Quasim Aijaz	4,196,562	4,196,562	41,965,620	41,965,620
Ayesha Mussadaque Ahmed	56	56	560	560
Muhammad Naveed Tariq	2	2	20	20
	96,737,967	96,737,967	967,379,670	967,379,670

19 SHARE PREMIUM

2020	2019
Rupees	Rupees
1,994,789,057	1,994,789,057

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

20 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations. This has been adjusted by incremental depreciation arising out of revaluation of above mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2019, which resulted in surplus of Rs. 1,055.28 million.

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

	Note	2020 Rupees	2019 Rupees
Opening balance - net of tax		1,843,728,306	1,078,519,283
Revaluation surplus during the year		-	1,055,284,567
Deferred tax on revaluation surplus during the year		-	(268,302,631)
Effect of change in tax rate on balance of revaluation on property, plant and equipment		-	4,994,654
Surplus transferred to unappropriated profit for the year on account of incremental depreciation - net of tax		(48,512,564)	(26,767,567)
Closing balance - net of tax		1,795,215,742	1,843,728,306

21 SUPPLIER'S CREDIT - UNSECURED

Supplier's credit	21.1	197,730,442	248,226,538
Current portion shown under current liabilities		(197,730,442)	(151,869,925)
		-	96,356,613

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

	Note	2020 Rupees	2019 Rupees
Varex II 5-Layer Co-Extrusion Line machine	21.1.1	98,712,286	129,891,643
Gravure Printing Press Heliostar SH machine	21.1.2	99,018,156	97,084,734
Paper Board Handling System machine	21.1.3	-	21,250,161
		197,730,442	248,226,538

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

	2020 Rupees	2019 Rupees
Supplier's credit	210,369,804	210,369,804
Discounting adjustment	(9,565,283)	(9,565,283)
	200,804,521	200,804,521
Unwinding of discount on liability	9,872,341	8,933,873
	210,676,862	209,738,394
Exchange loss	70,817,675	71,939,597
	281,494,537	281,677,991
Payments	(182,782,251)	(151,786,348)
	98,712,286	129,891,643
Current portion shown under current liabilities	(98,712,286)	(65,623,300)
	-	64,268,343

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

	2020 Rupees	2019 Rupees
Supplier's credit	210,406,544	210,406,544
Discounting adjustment	(9,566,953)	(9,566,953)
	200,839,591	200,839,591
Unwinding of discount on liability	9,943,308	9,273,465
	210,782,899	210,113,056
Exchange loss	60,136,589	58,873,010
	270,919,488	268,986,066
Payments	(171,901,332)	(171,901,332)
	99,018,156	97,084,734
Current portion shown under current liabilities	(99,018,156)	(64,996,464)
	-	32,088,270

21.1.3 This represents interest free amount payable to Taiwan Endurance Company Limited, Taiwan, a third party against purchase of Paper Board Handling System machine on deferred payment basis in 3 equal annual installments ended on 15 December 2019. The interest free payable amount has been discounted at a rate of 0.26% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	Note	2020 Rupees	2019 Rupees
Supplier's credit		40,584,800	40,584,800
Discounting adjustment		(209,200)	(209,200)
		40,375,600	40,375,600
Unwinding of discount on liability		220,116	203,563
		40,595,716	40,579,163
Exchange loss		12,164,609	13,218,798
		52,760,325	53,797,961
Payments		(52,760,325)	(32,547,800)
		-	21,250,161
Current portion shown under current liabilities		-	(21,250,161)
		-	-

22 LONG TERM FINANCES - SECURED

Dubai Islamic Bank Limited - Diminishing musharakah	22.1	80,812,500	155,812,500
Dubai Islamic Bank Limited - Refinance scheme	22.2	44,436,134	-
United Bank Limited	22.3	-	175,599,963
		125,248,634	331,412,463
Current maturity		(38,229,806)	(331,412,463)
		87,018,828	-
22.1 Dubai Islamic Bank Limited - Diminishing musharakah			
Opening balance		155,812,500	255,812,500
Repaid during the year		(75,000,000)	(100,000,000)
		80,812,500	155,812,500
Current portion shown under current liabilities		(25,000,000)	(155,812,500)
		55,812,500	-

- 22.1.1** This represents Shirkat-ul-Milk facility of Rs. 400 million for financing the expansion of flexible packaging facility. The principal portion of Rs. 115.125 million (2019: Rs. 115.13 million) is repayable in six equal quarterly instalments of Rs. 19.19 million beginning on 16 September 2019, and remaining principal portion of Rs. 40.687 million (2019: Rs 63.938 million) is repayable in seven equal quarterly instalments of Rs. 5.813 million beginning on 22 August 2019. However, the Bank deferred the payment of principal for one year starting from the May 2020. Mark up is payable quarterly at the rate of three months KIBOR plus 0.9% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 9.02% to 14.76 % (2019: 7.34% to 13.82%) per annum. It is secured by a first exclusive charge over fixed assets of the Company's flexible packaging facility located at Sundar Industrial Estate, Lahore, first hypothecation charge over plant and machinery of the corrugation packaging facility of the Company located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 Directors of the Company.

22.2 Dubai Islamic Bank Limited - Refinance scheme

Opening balance

Obtained during the year

Interest accrued during the year

Current portion shown under current liabilities

2020 Rupees	2019 Rupees
-	-
44,149,907	-
286,227	-
44,436,134	-
(13,229,806)	-
31,206,328	-

- 22.2.1** This represents loan of Rs. 48.10 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) announced by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 93.8 million .It carries mark-up at 3% per annum and is secured against first exclusive charge over plant and machinery of the Company amounting to Rs. 536 million. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021 and ending on 01 October 2022. The loan was initially recognized at amortized cost using effective interest rate of 3 month KIBOR + 0.9%. The difference between cash received and present value of cash outflows upon initial recognition has been recognized as deferred grant.

22.3 United Bank Limited

Opening balance

Payments

Current portion shown under current liabilities

2020 Rupees	2019 Rupees
175,599,963	250,000,000
(175,599,963)	(74,400,037)
-	175,599,963
-	(175,599,963)
-	-

- 22.3.1** This represents term finance facility to finance corrugator unit capacity expansion project. The aggregate amount of the facility was Rs. 400 million out of which Rs. 351.2 million (2019: Rs 351.2 million) had been availed. The outstanding principal of Rs. 135.45 million (2019: Rs 135.45 million) was repayable in four equal half yearly installments and remaining outstanding principal amounting to Rs. 40.15 million (2019: Rs 40.15 million) was repayable in four equal half yearly installments beginning on 03 November 2019. During the year, outstanding amount of loan has been fully repaid. Mark up was payable semi annually at the rate of six months KIBOR plus 0.9% per annum (2019: three months KIBOR plus 0.9%). The mark-up rate charged during the year on the outstanding balance ranged from 12.14% to 14.23% (2019: 7.94% to 11.7%) per annum. The facility was secured by first exclusive charge over present and future land, building and plant and machinery of the corrugation packaging facility of the Company located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 directors of the Company.

23 LEASE LIABILITIES

Present value of lease liabilities against

-Vehicles

-Leasehold buildings

Current maturity shown under current liabilities

2020 Rupees	2019 Rupees
7,802,514	19,764,577
35,186,933	-
42,989,447	19,764,577
(11,267,842)	(10,258,712)
31,721,605	9,505,865

23.1 Movement of lease liabilities

2020

Balance as at 01 July 2019
Impact of initial application of IFRS 16
Security deposit adjusted
Balance as at 01 July 2019 - Adjusted

	Vehicles	Leasehold Building	Total
	----- Rupees -----		
	19,764,577	-	19,764,577
	-	38,480,671	38,480,671
	(6,671,199)	-	(6,671,199)
	13,093,378	38,480,671	51,574,049
Additions during the year	3,130,000	-	3,130,000
Finance cost accrued during the year	2,811,558	4,946,241	7,757,799
Payments during the year	(11,232,422)	(8,239,979)	(19,472,401)
Balance as at year end	7,802,514	35,186,933	42,989,447
Current maturity of lease liabilities	(5,688,896)	(5,578,946)	(11,267,842)
	2,113,618	29,607,987	31,721,605

2019

Balance at beginning of the year
Additions during the year
Finance cost accrued during the year
Payments during the year
Balance as at year end

Current maturity shown under current liabilities

	26,246,823	-	26,246,823
	12,169,000	-	12,169,000
	4,062,553	-	4,062,553
	(22,713,799)	-	(22,713,799)
	19,764,577	-	19,764,577
	(10,258,712)	-	(10,258,712)
	9,505,865	-	9,505,865

24 DEFERRED TAXATION

2020

Taxable temporary difference

Accelerated tax depreciation
Revaluation surplus
Right of use asset / asset subject to finance lease

Deductible temporary difference

Impairment allowance on trade debtors
Deferred liabilities
Lease liabilities
Tax losses due to tax depreciation
Minimum tax
Alternate corporate tax

	2020		
	Opening balance	Charge / (reversal) to profit or loss	Charge to other comprehensive income
	----- (Rupees) -----		
	260,159,797	29,209,035	-
	418,375,083	(14,068,644)	-
	2,118,969	12,752,125	-
	-	(67,820,822)	-
	-	(34,780,265)	(70,818)
	-	(12,466,940)	-
	(18,648,724)	18,648,724	-
	(88,522,058)	(39,075,839)	-
	(12,186,950)	-	-
	561,296,117	(107,602,626)	(70,818)
			453,622,673

Taxable temporary difference

	Opening balance	Charge / (reversal) to profit or loss	Charge to other comprehensive income	Closing balance
Accelerated tax depreciation	215,887,872	44,271,925	-	260,159,797
Revaluation surplus	166,072,325	(11,005,219)	263,307,977	418,375,083
Assets subject to finance lease	1,832,502	286,467	-	2,118,969

Deductible temporary difference

Deferred liabilities	(25,122,190)	24,422,768	699,422	-
Impairment allowance on trade debtors	(1,799,831)	1,799,831	-	-
Tax losses due to tax depreciation	(26,988,200)	8,339,476	-	(18,648,724)
Minimum tax	(40,238,993)	(48,283,065)	-	(88,522,058)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	<u>277,456,535</u>	<u>19,832,183</u>	<u>264,007,399</u>	<u>561,296,117</u>

25 DEFERRED LIABILITIES

	Note	2020 Rupees	2019 Rupees
Accumulated compensated absences	25.1	9,029,820	6,560,993
Provision for gratuity	25.2	110,902,127	67,031,244
Deferred grant	25.3	2,156,405	-
		<u>122,088,352</u>	<u>73,592,237</u>

25.1 Accumulated compensated absences

Balance at beginning of year	6,560,993	5,024,731
Provision for the year	2,906,501	2,906,498
	<u>9,467,494</u>	<u>7,931,229</u>
Paid during the year	(437,674)	(1,370,236)
Balance as at year end	<u>9,029,820</u>	<u>6,560,993</u>

25.2 Provision for gratuity

	Note	2020 Rupees	2019 Rupees
Balance at beginning of year		67,031,244	60,988,612
Provision charged to profit or loss		51,564,686	18,086,660
Actuarial loss / (gain) to other comprehensive income		244,199	(2,419,329)
		<u>118,840,129</u>	<u>76,655,943</u>
Paid during the year		(7,938,002)	(9,624,699)
Balance as at year end	25.2.1	<u>110,902,127</u>	<u>67,031,244</u>

25.2.1 Movement in present value of defined benefit obligation

Balance at beginning of year	67,031,244	60,988,612
Current service cost	14,684,866	13,592,559
Past service cost	27,893,450	-
Interest cost	8,986,370	4,494,101
Remeasurement - actuarial loss / (gain)	244,199	(2,419,329)
Benefits paid during the year	(7,938,002)	(9,624,699)
Balance as at year end	<u>110,902,127</u>	<u>67,031,244</u>

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

	2020	2019	2018	2017	2016
<u>As at year end</u>	Rupees				
Present value of defined benefit obligation	110,902,127	67,031,244	60,988,612	55,250,563	40,047,474
Remeasurments - actuarial loss / (gain)	244,199	(2,419,329)	(3,934,953)	1,169,816	(474,225)

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

		2020	2019
Discount rate	Per annum	8.50%	14.25%
Expected rate of increase in salary	Per annum	7.50%	13.25%
Average duration of liability	Number of years	7	8

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

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

	Discount rate + 100 bps	Discount rate - 100 bps	Salary increase rate + 100 bps	Salary increase rate - 100 bps
	Rupees			
Present value of defined benefit obligation	101,828,522	121,201,372	121,201,372	101,668,670

25.3 Deferred grant

	Note	2020 Rupees	2019 Rupees
Deferred grant		3,763,122	-
Less: Current portion	26	(1,606,717)	-
		2,156,405	-

This represents the difference between cash received and present value of cash outflows of long term loan received as referred in Note 22.2.

	Note	2020 Rupees	2019 Rupees
26 CURRENT PORTION OF LONG TERM LIABILITIES			
Supplier's credit - unsecured	21	197,730,442	151,869,925
Long term finances - secured	22	38,229,806	331,412,463
Lease liabilities	23	11,267,842	10,258,712
Deferred grant	25.3	1,606,717	-
		248,834,807	493,541,100

27 SHORT TERM BORROWINGS - SECURED

	Note	2020 Rupees	2019 Rupees
Running finance	27.1	240,379,371	441,881,617
Term finances:			
- Import finance / Murabaha	27.2	686,528,050	112,267,606
- Istisna / Wakala	27.3	121,386,319	798,965,099
		807,914,369	911,232,705
		1,048,293,740	1,353,114,322

27.1 Running finance

This represents short term running finance facilities available from various commercial banks under mark-up arrangements amounting to Rs. 420 million (2019: Rs.550 million) at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 3.5% (2019: one to three KIBOR plus 0.5% to 1.10%) per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.42% to 17.16% (2019: 7.42% to 13.9%) per annum.

27.2 Import finance / Murabaha

This represents import finance facilities available from various commercial banks under profit arrangements amounting to Rs. 1833.8 million (2019: Rs. 1920 million) at mark-up rates ranging from one to three month KIBOR plus 0.5% to 1.5% (2019: one to three KIBOR plus 0.5% to 1.10%) per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.45% to 15.01% (2019: 7.42% to 13.52%) per annum.

27.3 Istisna / Wakala

This represents Istisna / Wakala facilities available from various commercial banks under profit arrangements amounting to Rs. 850 million (2019: Rs. 950 million) at mark-up rates ranging from six month KIBOR plus 0.50% to 1.5% (2019: six month KIBOR plus 0.50% to 1.0%) per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.27% to 15.40% (2019: 6.96% to 14.09%) per annum.

27.4 Letters of credit and guarantee

Of the aggregate facility of Rs. 1,275 million (2019: Rs. 2,420 million) for opening letters of credit and Rs. 50 million (2019: Rs. 130 million) for guarantees, the amount utilized at 30 June 2020, was Rs. 484 million (2019: Rs. 741 million) and Rs. 33.07 million (2019: Rs. 33 million) respectively. The aggregate facilities for opening letters of credit and guarantees are secured by a first pari passu charge over current assets of the Company and lien over import documents.

28 TRADE AND OTHER PAYABLES

	Note	2020 Rupees	2019 Rupees
Trade creditors		890,828,679	900,434,172
Accrued liabilities		51,442,284	57,194,817
Withholding tax payable		3,727,427	2,368,928
Workers' Profit Participation Fund payable	28.1	10,765,212	1,507,531
Workers' Welfare Fund payable		630,643	-
Advances from employees		2,490,876	1,902,525
Retention money payable		86,201	851,021
		959,971,322	964,258,994

28.1 Workers' Profit Participation Fund Payable	Note	2020 Rupees	2019 Rupees
Balance at the beginning of the year		1,507,531	-
Charge for the year	36	9,207,593	1,507,531
Interest charge for the year	38	50,088	-
Balance as at year end		10,765,212	1,507,531
29 CONTRACT LIABILITIES		15,918,351	4,091,995

These represent advances from customers against which the Company has performance obligation to provide goods in future. The above contract liabilities are expected to be recognised as revenue within one year.

30 ACCRUED FINANCE COST	2020 Rupees	2019 Rupees
Accrued markup/interest on:		
- Long term finance - secured	282,502	4,406,149
- Short term borrowings - secured	31,370,956	30,025,457
	31,653,458	34,431,606

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

31.1.1 Deputy Commissioner Inland Revenue ('DCIR') initiated proceedings against the Company under section 214C of the Income Tax Ordinance, 2001 ('the Ordinance') for tax year 2015 and increased the Company's tax chargeable by Rs. 8.7 million on account of fixed assets, trade creditors, Worker's Profit Participation Fund (WPPF) and others etc. through an amended assessment order u/s 122(1)/122(5) of the Ordinance dated 28 June 2018. Aggrieved by the decision of DCIR, the Company filled an appeal before CIR (Appeals) which is pending adjudication. The management is confident that the matter will be decided in the Company's favor and no financial obligation is expected to accrue. Consequently, no provision has been made in these unconsolidated financial statements on this account.

31.2 Commitments in respect of:

(a) Letters of credit and contracts for capital expenditure amounting to Rs. 16.05 million (2019: Rs.37.92 million).

(b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 290.99 million (2019: Rs. 147.87 million).

31.3 Guarantee

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

(a) Letter of guarantee issued in favour of Sui Northern Gas Pipelines Limited amounting to Rs. 25.07 million (2019: Rs. 25.29 million).

(b) Letter of guarantee issued in favour of Total Parco Pakistan Limited amounting to Rs. 8 million (2019: Rs. 8 million).

32 REVENUE FROM CONTRACTS WITH CUSTOMERS	Note	2020 Rupees	2019 Rupees
	32.2 & 32.3	5,232,970,624	5,397,123,941

32.1 Disaggregation of revenue from contracts with customers:

In the following table, revenue from contracts with customers is disaggregated by major product lines and timing of revenue recognition

	2020 Rupees	2019 Rupees
Major product lines:		
- Made-to-order packaging products	4,711,172,208	4,813,580,764
- Standard packaging products	521,798,416	583,543,177
	5,232,970,624	5,397,123,941
Timing of revenue recognition:		
- Products transferred over time	4,711,172,208	4,813,580,764
- Products transferred at a point in time	521,798,416	583,543,177
	5,232,970,624	5,397,123,941

32.2 This includes unbilled revenue amounting to Rs. 80.88 million (2019: Rs. 48.6 million).

32.3 This includes revenue amounting to Rs. 12.48 million (2019: Rs. 9.58 million) to Roshan Enterprises, a related party (associated undertaking).

32.4 Performance obligation

The performance obligation in case of sale of standard products is satisfied at a point in time when the goods are delivered to the customer and for made to order products is satisfied over the time. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 7 to 365 days from delivery.

	Note	2020 Rupees	2019 Rupees
33 COST OF REVENUE			
Raw materials consumed		3,882,615,119	4,252,776,094
Carriage inward expenses		3,535,360	3,600,718
Packing material consumed		16,831,017	19,837,551
Production supplies		97,413,820	85,882,384
Fuel and power		216,402,398	174,496,387
Salaries, wages and other benefits		235,444,191	232,069,814
Repairs and maintenance		39,649,830	65,215,171
Printing and stationery		635,032	884,419
Insurance		6,275,996	7,275,977
Rent		1,099,093	16,508,440
Travelling and conveyance		22,142,131	23,252,091
Communication expenses		999,317	1,428,715
Vehicle running expenses		3,972,272	2,876,923
Depreciation on operating fixed assets	5.1.3	136,158,354	131,879,839
Depreciation on right of use asset	6.1	2,595,140	-
Others		15,739,467	13,104,884
Cost of goods manufactured		4,681,508,537	5,031,089,407
Opening stock of finished goods		16,264,405	11,941,276
Closing stock of finished goods		(11,727,881)	(16,264,405)
		4,536,524	(4,323,129)
		4,686,045,061	5,026,766,278

34	ADMINISTRATIVE EXPENSES	Note	2020 Rupees	2019 Rupees
	Salaries, wages and other benefits		86,159,418	68,205,574
	Legal and professional charges		9,221,080	4,811,213
	Fees and subscription		6,879,870	8,984,568
	Travelling and conveyance		4,454,187	3,717,386
	Insurance		1,017,774	1,805,969
	Printing and stationery		3,756,600	863,543
	Repairs and maintenance		946,188	1,624,753
	Vehicle running and maintenance		3,910,828	3,339,270
	Utilities		2,264,172	1,495,953
	Lease rentals		-	5,797,500
	Auditors remuneration	34.1	2,950,000	3,015,600
	Communication		4,124,266	5,180,674
	Depreciation on operating fixed assets	5.1.3	4,116,082	3,174,487
	Depreciation on right of use asset	6.1	9,147,226	-
	Amortization on intangible	7	1,417,696	1,417,697
	Entertainment		2,416,285	1,157,311
	Others		4,660,935	906,399
			147,442,607	115,497,897
34.1	Auditor's remuneration			
	Statutory audit		2,200,000	1,650,000
	Half year review		600,000	550,000
	Additional time cost charged		-	600,000
	Out of pocket expenses		-	215,600
	Other certifications		150,000	-
			2,950,000	3,015,600
35	SELLING AND DISTRIBUTION EXPENSES			
	Salaries, wages and other benefits		47,467,992	45,673,701
	Travelling and conveyance		7,672,693	9,786,777
	Freight and transportation		85,728,199	64,727,473
	Vehicle running and maintenance		2,629,831	3,165,021
	Postage and telephone		301,633	293,187
	Advertisement and business promotion		16,432,126	18,306,352
	Entertainment		1,539,055	1,057,192
	Depreciation on operating fixed assets	5.1.3	778,383	5,910,742
	Depreciation on right of use asset	6.1	1,856,497	-
	Others		1,132,822	2,726,105
			165,539,231	151,646,550
36	OTHER OPERATING EXPENSES			
	Exchange loss - net		6,768,179	113,643,390
	Workers' Profit Participation Fund	28.1	9,207,593	1,507,531
	Workers' Welfare Fund		630,643	-
			16,606,415	115,150,921

37 OTHER INCOME

Income from financial assets

	2020 Rupees	2019 Rupees
Profit on bank deposits	19,452,163	61,505,105
Profit on short term investment	76,007,712	60,745,822
Interest income on loans to related parties:		
Roshan Sun Tao Paper Mills (Private) Limited	37,444,655	14,628,450
Roshan Enterprises	16,410,881	10,115,711

Income from non-financial assets

Gain on disposal of operating fixed assets	3,397,055	9,936,658
Scrap sales	3,198,181	-
	155,910,647	156,931,746

38 FINANCE COST

	2020 Rupees	2019 Rupees
Interest / mark up on:		
- Long term finances	23,696,817	42,699,017
- Finance leases	7,757,799	4,062,553
- Short term borrowings	182,821,534	127,052,059
-Workers Profit Participation Fund	50,088	-
Unwinding of discount on supplier's credit	1,624,863	3,051,320
Bank charges and others	7,172,897	9,767,808
	223,123,998	186,632,757

39 TAXATION

Income tax:		
- Current year	49,176,842	46,669,718
- Prior year	(14,545,561)	1,613,348
	34,631,281	48,283,066
Deferred tax:		
- Current year	(107,602,623)	(33,262,509)
- Prior year	-	53,094,692
	(107,602,623)	19,832,183
	(72,971,342)	68,115,249

39.1 Numerical reconciliation between tax expense and accounting profit has not been presented as the Company is subject to minimum tax at the rate of 1.5% of net revenue under section 113 of the Income Tax Ordinance, 2001.

40 EARNINGS PER SHARE - BASIC AND DILUTED

Basic and diluted earnings per share are same because the Company has not issued any convertible bonds, convertible preference shares, options, warrants or employee share options. Thus, earnings per share of the Company are as follows:

Profit / (Loss) attributable to owners of the Company	Rupees	247,961,984	(26,898,075)
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000
Basic earnings / (loss) per share	Rupees	1.75	(0.19)

41	CASH GENERATED FROM / (USED IN) OPERATIONS	Note	2020 Rupees	2019 Rupees
	Profit before taxation		174,990,642	41,217,174
	Adjustment for non-cash charges and other items:			
	Depreciation on operating fixed assets	5.1	141,052,819	140,965,068
	Depreciation on right of use assets	6.1	13,598,863	
	Markup on loans		(53,855,536)	(24,744,161)
	Finance costs	38	223,123,998	186,632,757
	Provision for gratuity	25.2	51,564,686	18,086,660
	Allowance for expected credit losses	13.2	(24,866,683)	(82,855,890)
	Profit on bank deposits	37	(76,007,712)	(122,250,927)
	Amortization of intangibles	7	1,417,696	1,417,697
	Worker's Profit Participation Fund	36	9,207,593	-
	Worker's Welfare Fund	36	630,643	-
	Exchange loss unrealized		4,254,700	94,017,292
	Gain on disposal of property, plant and equipment	37	(3,397,055)	(9,936,658)
	Provision for accumulating compensated absences	25.1	2,906,501	2,906,498
	Cashflow before working capital changes		464,621,155	245,455,510
	Effect on cash flow due to working capital changes:			
	Decrease / (increase) in current assets:			
	Stores and spare parts		866,441	(26,305,563)
	Stock-in-trade		651,376	(107,783,213)
	Trade debts		39,286,620	(371,450,507)
	Contract assets		(32,282,771)	(14,474,212)
	Advances, deposits, prepayments and other receivables		57,876,507	(23,550,864)
			66,398,173	(543,564,359)
	Increase / (decrease) in current assets:			
	Contract liabilities		11,826,356	230,468
	Trade and other payables		(17,167,117)	233,657,233
			(5,340,761)	233,887,701
			61,057,412	(309,676,658)
			525,678,567	(64,221,148)
42	CASH AND CASH EQUIVALENTS			
	Short term investment	16	486,017,750	900,000,000
	Cash and bank balances	17	328,562,905	238,630,069
	Short term borrowings - running finance	27	(240,379,371)	(441,881,617)
			574,201,284	696,748,452

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019	2020	2019
----- Rupees -----								
Short term employee benefits								
Managerial remuneration	9,455,160	5,848,739	8,982,408	5,333,485	-	-	25,583,553	41,320,064
House rent allowance	4,254,120	2,631,639	4,041,420	2,399,904	-	-	11,511,860	18,592,859
Medical expenses	945,360	584,811	898,080	533,305	-	-	2,557,057	4,130,069
Utilities	945,360	584,811	898,092	533,305	-	-	2,559,757	4,134,146
Advisory fee	-	-	-	-	-	2,250,000	-	-
Meeting fee	-	-	-	-	4,341,818	460,000	-	-
Bonus	787,930	-	748,534	-	-	-	1,989,335	2,687,115
	16,387,930	9,650,000	15,568,534	8,799,999	4,341,818	2,710,000	44,201,562	70,864,253
Post employment benefits								
Gratuity	1,300,000	1,300,000	1,235,000	1,235,000	-	-	3,452,352	3,103,011
Accumulated compensated absences	393,965	425,000	374,267	410,000	-	-	1,266,614	511,748
Accumulated compensated absences	18,081,895	11,375,000	17,177,801	10,444,999	4,341,818	2,710,000	48,920,528	74,479,012
	1	1	1	1	5	5	13	14
Number of persons								

43.2 The Chief Executive, Executive Directors and certain Executives are provided with the Company maintained vehicles, mobile phones for official use and medical facility.

44 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary, associated companies and key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in Note 43 are as follows:

Relationship with the Company	Name of related party	Nature of Transactions	2020 Rupees	2019 Rupees
Chief Executive	Tayyab Aijaz	Bonus shares issued	-	63,479,680
Director	Zaki Aijaz	Bonus shares issued	-	28,055,890
Director	Saadat Eijaz	Bonus shares issued	-	28,050,000
Director	Khalid Eijaz	Bonus shares issued	-	34,650,000
Director	Quasim Aijaz	Bonus shares issued	-	6,994,270
Director	Ayesha Mussadaque Hamid	Shares issued	-	560
Other related party	Hamza Gillani	Bonus shares issued	-	20,210
Subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Long term loan to subsidiary	30,704,997	26,868,549
		Markup accrued on long term loan	20,747,308	7,253,500
		Markup accrued on short term loan	16,697,347	7,374,950
Associated under-taking	Roshan Enterprises	Trade debt converted to long term loan	-	122,722,688
		Markup accrued on long term loan	16,410,881	10,115,712

45 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

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

45.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from long term loan, long term deposits, trade debts, short term loan, deposits and other receivables and balances with banks.

To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. The management has set a maximum credit period of 07 to 365 days to reduce the credit risk. Limits are reviewed periodically and the customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

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

45.1.1 Exposure to credit risk

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

	2020 Rupees	2019 Rupees
<u>Financial assets at amortized cost - unsecured</u>		
Long term loan	168,546,690	249,932,785
Long term deposit	14,902,194	16,253,723
Trade debts and contract assets	1,335,964,149	1,318,101,315
Short term loan	92,186,870	92,186,870
Deposits and other receivables	43,954,277	62,028,351
Short term investment	486,017,750	900,000,000
Bank balances	328,562,905	238,630,069
	2,470,134,835	2,877,133,113

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

	2020 Rupees	2019 Rupees
Trade debts and contract assets	1,335,964,149	1,318,101,315
Banking companies and financial institutions	821,251,854	1,167,812,356
Loans to subsidiary and associate	292,180,807	356,869,555
Others	20,738,025	17,864,033
	2,470,134,835	2,860,647,259

45.1.2 Trade debts and contract assets

The Company's trade debts and contract assets comprise of receivables from industrial customers and individuals. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Company's industrial customers have been transacting with the Company for over five years. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their trading history with the Company and existence of previous financial difficulties.

The Company's credit risk mainly arises from long outstanding debtors as the Company is making full recoveries from the current customers and hence, default rate in case of such customers is minimal. Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Weighted average loss rate	Gross carrying amount	Expected credit loss
<u>30 June 2020</u>	-----Rupees-----		
Current	0.00%	879,253,539	-
1 - 90 Days	0.00%	214,863,004	-
91 - 180 Days	0.00%	34,071,160	-
181 - 270 Days	0.00%	51,856,717	-
271 - 365 Days	0.00%	75,023,819	-
366 -Above Days	100%	233,882,077	233,882,077
		1,488,950,316	233,882,077
<u>30 June 2019</u>			
Current	0.16%	768,103,414	1,249,734
1 - 90 Days	1.04%	274,787,417	2,861,570
91 - 180 Days	10.58%	106,310,455	11,249,989
181 - 270 Days	10.56%	151,686,484	16,021,129
271 - 365 Days	100%	40,307,953	40,307,953
366 -Above Days	100%	187,041,213	187,041,213
		1,528,236,936	258,731,588

45.1.3 Counterparties with external credit ratings

The credit quality of financial assets held with banking companies that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Bank	Rating		Rating Agency	2020	2019
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A1+	AAA	PACRA	486,017,940	-
Askari Bank Limited	A1+	AA+	PACRA	3,207,987	88,638,596
Dubai Islamic Bank Pakistan Limited					
Habib Bank Limited	A-1+	AA	JCR-VIS	1,264,745	502,555,111
Habib Metropolitan Bank Limited	A-1+	AAA	JCR-VIS	3,824,914	64,428
MCB Bank Limited	A1+	AA+	PACRA	18,936	18,936
Meezan Bank Limited	A1+	AAA	PACRA	7,467,565	527,350
National Bank of Pakistan	A-1+	AA+	JCR-VIS	17,190,824	20,742,828
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	122,925	122,925
The Bank of Punjab	A1+	AAA	PACRA	3,717,464	2,241,322
United Bank Limited	A1+	AA	PACRA	700,233	627,027
Bank Islami Pakistan Limited	A-1+	AAA	JCR-VIS	1,707,996	299,380
JS Bank Limited	A1	A+	PACRA	4,398,949	3,778,118
	A1+	AA-	PACRA	284,605,184	518,781,917
				814,245,662	1,138,397,938

45.1.4 Loans to subsidiary and associate

Loan to subsidiary has a low credit risk and a 12 month ECL basis have been used to determine impairment if any, on the financial asset. PD of lowest investment grade is used with as assumed recovery rate of nill. However, the impact of ECL against these financial assets has been determined to be immaterial and no charge of ECL has been accounted for in the financial statements.

The Company measures ECL against loan to associated undertaking, based on past transaction history with the associate. Accordingly, the impact of ECL on the financial asset has been determined to be immaterial.

45.1.5 Deposits and other receivables

Advances, deposits and other receivables mainly comprise of deposits and accrued markup. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

45.1.6 Concentration risk

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

	2020 Rupees	2019 Rupees
Banking companies	821,251,854	1,167,812,356
Subsidiary and associated undertaking	292,180,807	356,869,555
Others	1,356,702,174	1,335,965,348
	2,470,134,835	2,860,647,259

45.2 Liquidity risk

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

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

45.2.1 Exposure to liquidity risk

	Carrying amount	Contractual cash flows	Up to one year	One to five years	More than five years
30 June 2020	Rupees				
Lease liabilities	42,989,447	56,462,302	15,295,796	41,072,023	94,483
Long term finances - secured	125,248,634	124,522,080	81,686,746	42,835,334	-
Supplier's credit - unsecured	197,730,442	197,730,442	197,730,442	-	-
Short term borrowings - secured	1,048,293,740	1,048,293,740	1,048,293,740	-	-
Trade and other payables	942,357,164	942,357,164	942,357,164	-	-
Unclaimed dividend	788,056	788,056	788,056	-	-
Accrued markup	31,653,458	31,653,458	31,653,458	-	-
	2,389,060,941	2,401,807,242	2,317,805,402	83,907,357	94,483
30 June 2019	Rupees				
Lease liabilities	19,764,577	22,152,048	12,083,333	10,068,715	-
Long term finances - secured	331,412,463	373,490,946	373,490,946	-	-
Supplier's credit - unsecured	248,226,538	256,038,324	156,231,319	99,807,005	-
Short term borrowings - secured	1,353,114,322	1,542,288,630	1,542,288,630	-	-
Trade and other payables	958,480,010	958,480,010	958,480,010	-	-
Unclaimed dividend	800,169	800,169	800,169	-	-
Accrued markup	34,431,606	34,431,606	34,431,606	-	-
	2,946,229,685	3,187,681,733	3,077,806,013	109,875,720	-

45.3 Market risk

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

45.3.1 Currency risk

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

45.3.1(a) Exposure to currency risk

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

	2020			
	USD	Euro	Swedish krona	Pounds
Statement of financial position:				
Supplier credit	-	(1,048,222)	-	-
Trade and other payables	(912,342)	(27,260)	(128,754)	-
Net exposure	(912,342)	(1,075,482)	(128,754)	-

	2019			
	USD	Euro	Swedish krona	Pounds
Statement of financial position:				
Supplier credit	(129,334)	(1,230,343)	-	-
Trade and other payables	(651,804)	(13,907)	(57,271)	(452)
Net exposure	(781,138)	(1,244,250)	(57,271)	(452)

45.3.1(b) Exchange rate applies during the year

The following significant exchange rates have been applied during the year:

	Average rate		Reporting date rate	
	2020	2019	2020	2019
USD to PKR	165.41	148.69	168.05	164.50
Euro to PKR	186.08	167.50	188.61	186.99
Swedish krona to PKR	17.75	16.57	17.95	18.02
Pounds to PKR	206.96	195.13	206.50	208.45

45.3.1(c) Sensitivity analysis

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

<u>Effect on statement of profit or loss</u>	2020 Rupees	2019 Rupees
US Dollar	(15,331,907)	(12,849,720)
Euro	(20,284,666)	(23,266,231)
Swedish krona	(231,113)	(103,202)
Pound	-	(9,422)
	(35,847,686)	(36,228,575)

45.3.2 Interest rate risk

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

45.3.2(a) Interest / mark-up bearing financial instruments

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

	2020	2019	2020	2019
	Effective rate (in Percentage)		Carrying amount (Rupees)	
<u>Financial assets</u>				
Fixed rate instruments:				
Short term investment	7.84 - 13.55	6.25 - 12.80	486,017,750	900,000,000
Bank balances - Saving accounts	6 - 12.90	6.30 - 12.50	289,018,160	123,014,476
Variable rate instruments:				
Long term loan - associate	12.28	8	149,249,281	132,838,400
Long term loan - subsidiary	10.44 - 16.37	8	168,546,690	117,094,385
Short term loan - subsidiary	10.44 - 16.37	8	92,186,870	92,186,870
			1,185,018,751	1,365,134,131
<u>Financial liabilities</u>				
Fixed rate instruments:				
Supplier's credit - unsecured	0.26 - 0.87	0.26 - 0.87	197,730,442	248,226,538
Variable rate instruments:				
Long term finances	3 - 6 months KIBOR plus 0.90	3 - 6 months KIBOR plus 0.90	125,248,634	331,412,463
Lease liabilities	6 months KIBOR plus 1% - 2%	6 months KIBOR plus 1% - 2%	42,989,447	19,764,577
Short term borrowings - secured	1 - 6 months KIBOR plus 0.50% - 1.10%	1 - 6 months KIBOR plus 0.50% - 1.10%	1,048,293,740	1,353,114,322
			1,414,262,263	1,952,517,900

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

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

	100 bps	
	Increase	Decrease
	-----Rupees-----	
Effect on profit - 30 June 2020	(7,839,100)	7,839,100
Effect on profit - 30 June 2019	(8,030,367)	8,030,367

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

45.3.2(c) Interest rate risk management

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

45.4 Price risk

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

45.5 Offsetting financial assets and financial liabilities

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

46 CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

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

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

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

	2020 Rupees	2019 Rupees
Borrowings	1,379,075,330	1,952,517,900
Less : Cash and cash equivalents	(814,580,655)	(1,138,630,069)
Net debt	564,494,675	813,887,831
Total equity	5,862,274,779	5,614,486,176
Gearing ratio	10%	14%

47 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

47.1 Fair value estimation

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

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

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

Recurring fair value measurements of following items of operating assets:

	2020			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	180,384,313	180,384,313
Plant and machinery	-	-	774,388,605	774,388,605
Electric installations	-	-	24,035,842	24,035,842
	-	941,755,000	978,808,760	1,920,563,760

	2019			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	914,072,714	914,072,714
Plant and machinery	-	-	2,517,923,864	2,517,923,864
Electric installations	-	-	92,144,833	92,144,833
	-	941,755,000	3,524,141,411	4,465,896,411

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 5.1 and Note 20 respectively to these unconsolidated financial statements. There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

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

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

47.2 Valuation inputs and relationship to fair value

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

Description	2020 Rupees	2019 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	885,299,529	914,072,714	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	2,463,890,424	2,517,923,864	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	89,004,143	92,144,833	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

48 NUMBER OF EMPLOYEES	2020	2019
	(No. of person)	
Number of employees as at 30 June	434	483
Average number of employees during the year	459	480

49 PLANT CAPACITY AND ANNUAL PRODUCTION	Corrugation Plant (Metric Tonnes)		Flexible Plant (Metric Tonnes)	
	2020	2019	2020	2019
Installed capacity	60,000	60,000	12,240	12,240
Actual production	29,220	31,076	7,041	8,460

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

50 GENERAL

Figures have been rounded off to nearest rupee.

51 CORRESPONDING FIGURES

Corresponding figures have been rearranged / reclassified, wherever considered necessary for the purposes of better and fair presentation, however, no significant rearrangement / reclassifications has been made except for the following:

Nature of item	Reclassified from	Reclassified to	2019 Rupees
Freight and transportation	Cost of revenue	Selling and distribution expenses	64,727,473

52 SUBSEQUENT EVENT

The Board of Directors of the Company has principally approved additional equity investment of Rs. 900 million in the Subsidiary Company, Roshan Sun Tao Paper Mills (Private) Limited in a meeting held on 06-10-2020.

53 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 06-10-2020 by the Board of Directors of the Company.


Chief Executive


Director


Chief Financial Officer

Section 5: Consolidated Financial Statements



DIRECTORS' REPORT

DEAR SHAREHOLDERS,

We are pleased to present our annual report along with financial statements for the year ended 30th June, 2020.

Financial Overview

The operating results of the Group are summarized as under:

	2020	2019
	Rupees in '000'	
Turnover	5,232,971	5,397,124
Gross Profit	546,926	370,358
Operating profit	232,643	68,529
Finance Cost	223,124	186,633
Profit / (Loss) before Tax	127,985	24,199
Profit / (Loss) After Tax	200,957	(43,916)

PRINCIPLE ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF BUSINESS BASED ON CONSOLIDATED FINANCIAL STATEMENTS:

2019/2020 has been a year of progress for the business, strategically and operationally, despite of nationwide lockdowns and supply chain disruptions towards end of financial year due to pandemic. Group's sites remained fully operational and we continually served essential manufacturers throughout the period.

During the period under review, the group has earned a profit after tax of Rs. 201 million as compared to a loss after tax of Rs. 44 million in last year. This shows an improvement of 558% and an increase in profit before tax by 429% (i.e. Rs. 104 million). The operations generated Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs. 507 million during current FY 2020 against Rs. 353 million in last FY 2019. The EBITDA is 43.59 % higher in the current year as compared to that of last year.

Our group achieved gross profit of Rs. 547 million for the period as compared to Rs. 370 million in 2019 and Rs 308 million in 2018. This shows an increase of Rs. 177 million and Rs. 239 million respectively, which is 48 % and 77 % more than comparable periods of 2019 and 2018. Gross profit margins increased to 10.5% as compared to 6.9% in the comparative period last year. The Group has lowered its cost of sales ratio to 89.5% as compared to 93.1% last year, which is 3.6% lower. This has been the result of comparatively low increase in the input cost of material, variable cost of sales and effective cost reduction initiatives. Despite high inflation, the group has managed to control its cost.

The sales revenue stood at Rs. 5,233 million in current year against 5,397 million and 4,031 million in comparable periods of 2019 and 2018 respectively. In volumetric terms, we have successfully dispatched 36,261 metric tons in comparison to the 39,536 metric tons and 32,815 metric tons in FY 2019 and FY 2018 respectively. However, despite this decrease, the company has evidently improved its gross margins by rationalizing product's and customers' portfolio and increased its profitability by introducing cost reduction reforms throughout the group.

DIRECTORS' REPORT

EARNING PER SHARE:

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

EPS-2020: 1.55 /share

LPS-2019: (0.19)/share

ADOPTION OF IFRS 16:

During the year group has adopted IFRS 16 as applicable. The complete disclosure of effect of this standard has been made in the financial statements of the group.

INVESTMENT IN SUBSIDIARY:

The Subsidiary was established to set up a paper Mill. The Project was a joint venture of the Company with 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. Both the cases are still pending before the Courts. The lawyers of the Company are hopeful that the petition for winding up of the Subsidiary will be dismissed by the Court.

The Subsidiary's operations were hindered due to delayed approvals from regulatory authorities, delays in infrastructural development from government of Punjab, litigation and financial closure and of lately by Covid-19 Pandemic.

Roshan Packages Limited, the Parent Company, is focusing on various initiatives ensuring timely completion of the Project. The group has entered into an agreement with a foreign supplier / contractor for supply and installation of plant & machinery. Our application for special economic zone (SEZ) status has been approved by SEZA Punjab, and final approval by Board of Investment, Islamabad is being awaited. Further, the group has also approached banks to avail project financing. The parent company has arranged required funds for equity contribution in the project, approval of which will be sought in the upcoming Annual General Meeting. The project is expected to achieve financial closure in FY 2020-21, subject to requisite approvals. The project shall achieve commercial operations in 24 months after financial closure.

The management of the group strongly believes that in upcoming year winding up petition will be set aside and decision will be made in favor of the company. The suit file for the specific performance of the shareholding agreement will also be decided in favor of the company, since ex party proceeding have been initiated due to non-appearance from the other party.

FORWARD LOOKING STATEMENT:

The pandemic has adversely affected the Pakistani economy. Coupled with high inflation and unemployment rates, GDP growth has been pushed into negative territory. Although economic activity has gained some momentum post relaxation of the nationwide lockdown, the recovery will be gradual and measured. Moreover, keeping the policy rate stable and managing rupee value will be a challenge, which is crucial for a suitable economic and investment climate. The surge in external debt and geopolitical tensions further cloud outlook.

DIRECTORS' REPORT

Even though our economy has experienced many setbacks, challenges also bring opportunities. The increased activity on China Pakistan Economic Corridor (CPEC), will bode well for the economy. As the economy stabilizes, foreign investment and interest rates are also likely to increase. Pakistan has a large increasing population and high potential for growth. The Group, therefore, remains confident and focused on minimizing the negative impacts and delivering top quartile results by leveraging its diversified product portfolio along with proactively exploring opportunities for both organic and inorganic growth in line with its core value of nurturing continuous growth.

SUBSEQUENT EVENTS:

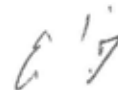
There have been no material changes since 30 June 2020 to the date of this report and the Group has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Group.

ACKNOWLEDGMENT:

We thank our employees and everyone for their commitment and hard work. Covid-19 presented a huge challenge to us all individually and as a business. However, we are excited about the long-term opportunities from our customers' changing needs. This year, we have continued to move the business forward despite tough conditions, where our corporate values of persistence have been even more relevant. The management of group remains confident in the future prospects of our business.



Chief Executive Officer



Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

Opinion

We have audited the annexed consolidated financial statements of Roshan Packages Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of consolidated financial position of the Group as at 30 June 2020 and its consolidated financial performance and its consolidated cash flows for the year ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Existence and Valuation of Stock in trade	
As disclosed in Note 10 to the accompanying financial statements, the stock in trade constitutes 8% of total assets of the Group as at 30 June 2020.	We performed a range of audit procedures with respect to inventory items which included, amongst others obtaining understanding of the Group's valuation process including internal controls in place at transaction level.
The cost of closing stock is determined at weighted average rate on the closing units including a proportion of production overheads.	We tested design, implementation and operating effectiveness of internal controls in place over valuation of stock in trade.
We focused on the stock in trade and considered it to be key audit matter as it is a significant portion of the Group's total assets and it requires management judgement in determining an appropriate costing basis and assessing its valuation.	We tested valuation methods and their appropriateness in accordance with the applicable accounting standards.

Key audit matter	How the matter was addressed in our audit
	<p>We tested the calculations of per unit cost of finished goods and evaluated the management's basis for the allocation of costs and production overheads.</p> <p>We attended the inventory count and reconciled the count results to the inventory listings to ensure the completeness of data.</p> <p>We observed the physical inventory count and verified that all inventory count tags are there to ensure the existence of inventory.</p> <p>We reviewed the management's determination of net realizable value (NRV) and key estimates adopted, including future selling prices, future costs to complete work in process and the costs necessary to make the sales and their basis.</p> <p>We assessed the accounting policies for valuation of stock in trade and compliance of those policies with applicable accounting standards.</p> <p>We assessed the disclosures made in respect of the accounting policies and the details of inventory balances held by the Group at the year end.</p>

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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

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

Other Matter

The consolidated financial statements of the Group for the year ended 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 05 November 2019.

The engagement partner on the audit resulting in this independent auditors' report is Sajjad Hussain Gill.



EY Ford Rhodes
Chartered Accountants
Lahore
Date: 07 October 2020

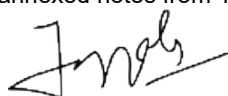
ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

ASSETS	Note	2020 Rupees	2019 Rupees
			Restated
Non-current assets			
Property, plant and equipment	5	5,014,071,127	5,107,417,885
Right of use assets	6	51,279,633	-
Intangible	7	362,586	1,780,282
Long term loan - unsecured	8	-	132,838,400
Long term deposits		14,902,194	16,253,723
		5,080,615,540	5,258,290,290
Current assets			
Stores, spares and other consumables	9	171,999,102	172,865,543
Stock-in-trade	10	708,935,191	709,586,567
Contract assets	11	80,878,738	48,595,967
Trade debts - unsecured	12	1,255,085,411	1,269,505,348
Current portion of long term loan	8	149,249,281	-
Advances, deposits, prepayments and other receivables	13	711,378,087	768,452,371
Short term investment	14	486,017,750	900,000,000
Cash and bank balances	15	328,608,293	238,675,457
		3,892,151,853	4,107,681,253
Total assets		8,972,767,393	9,365,971,543
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (2019: 150,000,000) ordinary shares of Rs. 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up share capital	16	1,419,000,000	1,419,000,000
Capital reserves			
Share premium	17	2,031,894,417	2,031,894,417
Surplus on revaluation of property, plant and equipment	18	1,795,215,742	1,843,728,306
		3,827,110,159	3,875,622,723
Revenue reserve			
Un-appropriated profit		607,015,886	338,917,950
Equity attributable to equity holders of the Holding Company		5,853,126,045	5,633,540,673
Non-controlling interest		100,584,447	119,386,580
Total equity		5,953,710,492	5,752,927,253
Non-current liabilities			
Supplier's credit - unsecured	19	-	96,356,613
Long term finances - secured	20	87,018,828	-
Lease liabilities	21	31,721,605	9,505,865
Deferred taxation	22	453,622,673	561,296,117
Deferred liabilities	23	122,088,352	73,592,237
		694,451,458	740,750,832
Current liabilities			
Current portion of long term liabilities	24	248,834,807	493,541,100
Short term borrowings - secured	25	1,048,293,740	1,353,114,322
Trade and other payables	26	979,117,031	986,314,266
Contract liabilities	27	15,918,351	4,091,995
Accrued finance cost	28	31,653,458	34,431,606
Unclaimed dividend		788,056	800,169
		2,324,605,443	2,872,293,458
Total equity and liabilities		8,972,767,393	9,365,971,543

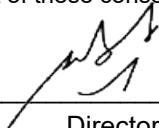
CONTINGENCIES AND COMMITMENTS

29

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
Revenue from contracts with customers		6,085,148,294	6,298,741,129
Less: Sales tax		(852,177,670)	(901,617,188)
Net revenue	30	5,232,970,624	5,397,123,941
Cost of revenue	31	(4,686,045,061)	(5,026,766,278)
Gross profit		546,925,563	370,357,663
Administrative expenses	32	(159,541,038)	(117,887,050)
Selling and distribution expenses	33	(165,539,231)	(151,646,550)
Reversal of allowance on trade debtors	12	24,866,683	82,855,890
Other operating expenses	34	(14,068,693)	(115,150,921)
		(314,282,279)	(301,828,631)
Operating profit		232,643,284	68,529,032
Other income	35	118,465,992	142,303,297
Finance costs	36	(223,123,998)	(186,632,989)
Profit before taxation		127,985,278	24,199,340
Taxation	37	72,971,342	(68,115,249)
Profit / (loss) for the year		200,956,620	(43,915,909)
			Restated
Profit / (loss) attributable to:			
Equity holders of the Holding Company		219,758,753	(37,108,682)
Non-controlling interest		(18,802,133)	(6,807,227)
		200,956,620	(43,915,909)
Earnings / (loss) per share - Basic and diluted	38	1.55	(0.26)

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

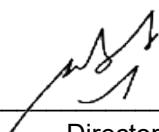
ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
Profit / (loss) for the year		200,956,620	(43,915,909)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement benefits - net of tax		(173,381)	1,719,907
Revaluation surplus during the year - net of tax		-	786,981,936
Effect of change in tax rate on balance of revaluation surplus on property, plant and equipment	18	-	4,994,654
		(173,381)	793,696,497
Total comprehensive income for the year		200,783,239	749,780,588
Total comprehensive income attributable to:			Restated
Equity holders of the Holding Company		219,585,372	756,587,815
Non-controlling interest		(18,802,133)	(6,807,227)
		200,783,239	749,780,588

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total	Non-controlling interest	Total equity
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit			
-----Rupees-----							
Balance as on 01 July 2018	1,182,500,000	2,231,665,370	1,078,519,283	342,812,158	4,835,496,811	168,026,167	5,003,522,978
Effect of restatement (Note 49.1)	-	37,105,360	-	4,727,000	41,832,360	(41,832,360)	-
Balance as on 01 July 2018 - restated	1,182,500,000	2,268,770,730	1,078,519,283	347,539,158	4,877,329,171	126,193,807	5,003,522,978
Loss for the year	-	-	-	(37,108,682)	(37,108,682)	(6,807,227)	(43,915,909)
Other comprehensive income for the year	-	-	791,976,590	1,719,907	793,696,497	-	793,696,497
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(26,767,567)	26,767,567	-	-	-
Transaction with owners of the Group							
Bonus shares issued	236,500,000	(236,500,000)	-	-	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,313)	-	-	(376,313)	-	(376,313)
	236,500,000	(236,876,313)	-	-	(376,313)	-	(376,313)
Balance as on 30 June 2019 - restated	1,419,000,000	2,031,894,417	1,843,728,306	338,917,950	5,633,540,673	119,386,580	5,752,927,253
Profit for the year	-	-	-	219,758,753	219,758,753	(18,802,133)	200,956,620
Other comprehensive loss for the year	-	-	-	(173,381)	(173,381)	-	(173,381)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(48,512,564)	48,512,564	-	-	-
Balance as on 30 June 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

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	39	512,937,373	(65,810,479)
Finance costs paid		(218,094,259)	(170,440,055)
Taxes paid		(42,508,860)	(85,239,623)
Gratuity paid		(7,938,002)	(9,624,699)
Accumulated absences paid		(437,674)	(1,370,236)
Net (increase) / decrease in long term deposits		(5,319,670)	4,247,978
		(274,298,465)	(262,426,635)
Net cash flows generated from / (used in) operating activities		238,638,908	(328,237,114)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(75,376,834)	(111,540,670)
Proceeds from disposal of property, plant and equipment		7,800,000	12,379,724
Profit on bank deposits received		83,353,990	122,990,522
Net cash flows generated from investing activities		15,777,156	23,829,576
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(202,400,707)	(174,400,037)
Repayment of supplier's credit		(51,759,675)	(132,182,549)
Expenses incurred on issuance of bonus shares		-	(376,313)
Dividend paid		(12,113)	(82,716)
(Repayment) / proceeds from short term borrowings - net		(103,318,336)	48,982,645
Repayment of lease liabilities		(19,472,401)	(18,651,246)
Net cash used in financing activities		(376,963,232)	(276,710,216)
Net decrease in cash and cash equivalents		(122,547,168)	(581,117,754)
Cash and cash equivalents at the beginning of the year		696,793,840	1,277,911,594
Cash and cash equivalents at the end of the year	40	574,246,672	696,793,840

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 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.

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

1.2 The geographical locations and addresses of the Group'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, Shahra-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, Johar Town, Lahore, Punjab.
- The land purchased for setting up the manufacturing facility is situated at M-2 Lahore-Islamabad motorway, district Sheikhpura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.

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 Principles of consolidation

The consolidated financial statements include the financial statements of Roshan Packages Limited and its subsidiary company, here-in-after referred to as "the Group".

2.1.1 Subsidiary

A Company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

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

The financial statements of the subsidiary is prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All inter-company balances, transactions and unrealized gains and losses resulting from inter-company transactions and dividends are eliminated in full.

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

2.1.1.2 Non-controlling interest

Non-controlling interest is that part of net results of operations and of net assets of the subsidiaries which are not owned by the Group either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements. The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interest result in gains and losses for the Group and are recorded in the consolidated statement of changes in equity.

2.2 Statement of compliance

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

- International Financial Reporting Standards (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.

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except land at revalued amount, certain operating fixed assets at revalued amount less accumulated depreciation, and certain financial liabilities and employee retirement benefits recognized at present value.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.5 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to use certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimate and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimate is revised if the revisions affects only that period or in the period of revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

	Note
Depreciation method, rates and useful lives of depreciable assets	4.1
Useful life of intangibles	4.3
Stock-in-trade	4.5
Stores, spares and other consumables	4.4
Employee retirement benefits	4.7
Provisions	4.13
Contingencies	4.14
Revenue recognition: Whether revenue from products recognized over time or at point in time.	4.15
Taxation	4.17
Impairment of financial assets	4.18

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as described below:

3.1 New and amended standards and interpretations

The Group has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current year:

Standard or Interpretation

IFRS 16 – Leases

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRS 3 - Business Combinations - Previously held Interests in joint operation - (Amendments)

IFRS 11 - Joint Arrangements - Previously held interests in a joint operation - (AIP)
IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization
IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)
IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity
IFRS - 14 - Regulatory Deferral Accounts

The adoption of the above standards, amendments and interpretations to accounting standards did not have any material effect on the policies, disclosures and figures presented in the consolidated financial statements except for IFRS 16 Leases which is given below:

3.1.1 IFRS 16 Leases

IFRS 16 supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, SIC-15 “Operating Leases-Incentives” and SIC-27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 01 July , 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 01 July, 2019. and applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The Group has lease contracts of its vehicles for 4 years, head office buildings for period of 5 year and sales office for 3 years with renewable options. Before the adoption of IFRS 16, the Group classified each of its leases except vehicles at the inception date as an operating lease. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under prepayments and trade and other payables, respectively. In a finance lease, the leased assets was capitalized and the present value of lease payments were recognized as lease liability. Leased assets were depreciated according to IAS-16 “Property, Plant and Equipment” and lease liability was reduced with the payment of rentals.

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The adoption of IFRS 16 required changes in the Group’s accounting policies and affected the recognition, measurement and presentation of certain amounts recognized in the consolidated statement of profit or loss and the consolidated statement of financial position. Details of these new requirements as well as their impact (where applicable) on the Group’s consolidated financial statements are described below.

The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognized in the consolidated statement of financial position at the date of initial application of IFRS 16 is 1 Year KIBOR + 0.9%.

Reconciliation of Group's operating lease liabilities recognized under implementation of IFRS 16:

Operating lease commitments as at 01 July 2019		10,715,270
Incremental borrowing rate as at 01 July 2019		13.74%
Discounted operating lease rentals as at 30 June 2020	A	9,751,785
Add:		
Present value of the lease payments under new agreement	B	28,728,886
Lease liabilities recognized as at 01 July 2019 under IFRS 16	A+B	38,480,671

3.2 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
IFRS 3 - Definition of a Business (Amendments)	01 January 2020
IFRS 7 & 9 - Financial instruments - Amendments regarding pre-replacement issues in the context of the interest rate benchmark reform (IBOR)	01 July 2020
IAS 1 & IAS 8 - Definition of Material	01 January 2020
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
Standard or Interpretation	Effective date (annual periods beginning on or after)
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	01 June 2020
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 Group's consolidated 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.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Operating assets and depreciation

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

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

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

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

Increases in the carrying amounts arising on revaluation of property, plant and equipment is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognized in consolidated statement of profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset all other decreases are charged to the consolidated statement of profit or loss. Each year, the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the consolidated statement of profit or loss) and depreciation based on the assets original cost is transferred from surplus on revaluation of property, plant and equipment to unappropriated profit. All transfers to / from surplus on revaluation are net of applicable deferred taxation. The revaluation reserve is not available for distribution to the Group's shareholders.

Depreciation on all property, plant and equipment is charged to the consolidated statement of profit or loss on the reducing balance method, except for buildings on freehold land, plant and machinery and related electric installations which are being depreciated using the straight line method, so as to write off the historical cost of an asset over its estimated useful life at annual rates mentioned in Note 5 after taking into account their residual values.

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

The residual value, depreciation method and the useful lives of each part of operating assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

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

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

Capital work-in-progress

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

4.2 Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets, if any. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which these are incurred.

c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

d) Determining the lease term of contracts

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

4.3 Intangible

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

Assets are amortized at a rate mentioned in Note 7 and charged to consolidated statement of profit or loss. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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

4.4 Stores, spares and other consumables

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

4.5 Stock-in-trade

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

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

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

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

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

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at amortized cost less impairment allowance if any. For the purpose of statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term investment, net of outstanding running finance balances as they are considered as integral part of the Group's cash management.

4.7 Employee retirement benefits

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

a) Defined benefit plan - Gratuity

The Group operates an un-funded gratuity scheme for all employees. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits. The latest actuarial valuation for the gratuity scheme was carried out as at 30 June 2020 using projected unit credit method by an independent actuary. All actuarial gains and losses are recognized in 'other comprehensive income' as they occur. Past service costs are recognized immediately in the consolidated statement of profit or loss. The valuation is based on the assumptions as mentioned in Note 25 of these consolidated financial statements. However, at subsequent reporting dates, the Group reviews the carrying amount of the liability.

b) Accumulated compensated absences

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

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

4.8 Government grant

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When a grant related to non monetary asset is received, the asset and the grant are recorded at nominal amounts and released to consolidated statement of profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual installments.

4.10 Short term borrowings

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

4.11 Trade and other payables

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

4.12 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Group performs under the contract.

4.13 Provisions

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

4.14 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.15 Revenue from contracts with customers

The Group is in the business of manufacture and sale of corrugation and flexile packaging material. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

Mentioned below are different revenue streams of the Group and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.

Made-to-order packaging products

The Group has determined that for made-to-order packaging products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts, products are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Revenue and associated costs are recognized over time – i.e. before the goods are delivered to the customers' premises. Progress is determined based on the cost-to-cost method. In case of credit sales, invoices are issued according to contractual terms and are usually payable within 07 to 365 days. Uninvoiced amounts are presented as contract assets.

Standard packaging products

The Group recognizes revenue when it transfers control of the goods. The customers obtain control of standard packaging products when the goods are either dispatched or delivered to them and have been accepted at their premises. Invoices are generated at that point in time. In case of credit sales, invoices are usually payable within 07 to 90 days. No discounts are provided for standard packaging products.

4.16 Foreign currency translation

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

4.17 Taxation

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

Current tax

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

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

Deferred

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

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

4.18 Financial assets and financial liabilities

4.18.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at fair value through consolidated statement of profit or loss and other comprehensive income. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- i) Financial assets at amortized cost (debt instruments)
- ii) Financial assets at fair value through profit or loss

‘Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group’s financial assets at amortized cost includes trade and other receivables.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group’s consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either
 - a) the Group has transferred substantially all the risks and rewards of the asset, or
 - b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4.18.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, loans and borrowings.

b) Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.19 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.20 Earnings per share (EPS)

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

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

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2020 Rupees	2019 Rupees
Operating fixed assets	5.1	4,426,415,803	4,545,885,536
Capital work-in-progress	5.2	587,655,324	561,532,349
		5,014,071,127	5,107,417,885

5.1 Operating fixed assets

	Owned							Leased	Total
	Freehold land	Buildings on freehold land	Plant and machinery	Electric in-stallations	Furniture and fix-tures	Office equipment	Vehicles	Vehicles	
----- Rupees -----									
Cost / revalued amount									
Balance as at 01 July 2018	814,125,000	976,982,717	2,482,624,082	79,690,063	8,345,040	44,568,404	42,935,067	49,259,500	4,498,529,873
Additions during the year	-	41,804,962	84,319,687	36,548,109	675,116	6,024,568	-	12,169,000	181,541,442
Transfers during the year	-	-	-	-	-	-	19,068,500	(19,068,500)	-
Disposals during the year	-	-	-	-	-	(588,972)	(11,064,000)	-	(11,652,972)
Revaluation during the year	127,630,000	138,149,810	1,221,529,545	9,031,022	-	-	-	-	1,496,340,377
Balance as at 30 June 2019	941,755,000	1,156,937,489	3,788,473,314	125,269,194	9,020,156	50,004,000	50,939,567	42,360,000	6,164,758,720
Balance as at 01 July 2019	941,755,000	1,156,937,489	3,788,473,314	125,269,194	9,020,156	50,004,000	50,939,567	42,360,000	6,164,758,720
Transfers to right of use asset	-	-	-	-	-	-	-	(42,360,000)	(42,360,000)
Additions during the year	-	4,981,019	39,344,576	12,500	1,049,298	3,866,463	-	-	49,253,856
Transfers from right of use asset	-	-	-	-	-	-	7,600,000	-	7,600,000
Disposals during the year	-	-	(1,376,944)	-	-	-	(7,600,000)	-	(8,976,944)
Balance as at 30 June 2020	941,755,000	1,161,918,508	3,826,440,946	125,281,694	10,069,454	53,870,463	50,939,567	-	6,170,275,632
Accumulated depreciation									
Balance as at 01 July 2018	-	180,384,313	774,388,605	24,035,842	3,640,922	15,710,913	31,037,003	16,864,618	1,046,062,216
Charge for the year	-	33,479,999	86,493,530	6,700,487	511,634	3,206,756	2,835,726	7,736,936	140,965,068
Transfers during the year	-	-	-	-	-	-	9,335,726	(9,335,726)	-
Disposals during the year	-	-	-	-	-	(281,068)	(8,928,842)	-	(9,209,910)
Revaluation during the year	-	29,000,463	409,667,315	2,388,032	-	-	-	-	441,055,810
Balance as at 30 June 2019	-	242,864,775	1,270,549,450	33,124,361	4,152,556	18,636,601	34,279,613	15,265,828	1,618,873,184
Balance as at 01 July 2019	-	242,864,775	1,270,549,450	33,124,361	4,152,556	18,636,601	34,279,613	15,265,828	1,618,873,184
Transfers to right of use asset	-	-	-	-	-	-	-	(15,265,828)	(15,265,828)
Charge for the year	-	33,754,204	92,099,921	3,153,190	519,009	7,595,195	3,931,300	-	141,052,819
Transfers from right of use asset	-	-	-	-	-	-	3,773,653	-	3,773,653
Disposals during the year	-	-	(98,849)	-	-	-	(4,475,150)	-	(4,573,999)
Balance as at 30 June 2020	-	276,618,979	1,362,550,522	36,277,551	4,671,565	26,231,796	37,509,416	-	1,743,859,829
Carrying amount as at 30 June 19	941,755,000	914,072,714	2,517,923,864	92,144,833	4,867,600	31,367,399	16,659,954	27,094,172	4,545,885,536
Carrying amount as at 30 June 20	941,755,000	885,299,529	2,463,890,424	89,004,143	5,397,889	27,638,667	13,430,151	-	4,426,415,803
Annual depreciation rate - %age	-	2.5%-10%	3%-10%	10%	10%	10%	20%	20%	

5.1.1 The latest revaluation on freehold land, buildings on freehold land, plant and machinery and electric installations was carried out on 30 June 2019 by an independent professional valuers, Unicorn International Surveyors, on present market value basis at reporting date. Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2020 Rupees	2019 Rupees
Freehold land	126,827,077	126,827,077
Buildings on freehold land	495,831,727	532,895,466
Plant and machinery	1,423,916,960	1,464,413,496
Electric installations	46,130,817	79,656,983
	2,092,706,581	2,203,793,022

5.1.2 The forced sale values of assets as determined by the independent valuers as of 30 June 2019 are as follows:

	Forced sale value Rupees
Freehold land	800,491,750
Buildings on freehold land	777,025,455
Plant and machinery	2,139,924,877
Electric installations	78,633,516
	3,796,075,598

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

	Note	2020 Rupees	2019 Rupees
Cost of revenue	31	136,158,354	131,879,839
Administrative expenses	32	4,116,082	3,174,487
Selling and distribution expenses	33	778,383	5,910,742
		141,052,819	140,965,068

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

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

5.2 Capital work-in-progress

	At the beginning of year	Additions during the year	Transfers during the year	As at year end
2020	-----Rupees-----			
Plant and machinery	207,914,630	21,755,370	(23,566,331)	206,103,669
Land and civil works (Note 5.2.1)	245,602,854	28,804,097	-	274,406,951
Electrical installations	754,687	3,005,021	-	3,759,708
	454,272,171	53,564,488	(23,566,331)	484,270,328
Advances to suppliers	107,260,178	-	(3,875,182)	103,384,996
	561,532,349	53,564,488	(27,441,513)	587,655,324

	At the beginning of year	Additions during the year	Transfers during the year	As at year end
2019	-----Rupees-----			
Plant and machinery	243,507,011	34,882,061	(70,474,442)	207,914,630
Land and civil works (Note 5.2.1)	257,954,983	28,240,938	(40,593,067)	245,602,854
Electrical installations	36,452,289	801,690	(36,499,292)	754,687
Machinery in transit	9,265,578	-	(9,265,578)	-
	547,179,861	63,924,689	(156,832,379)	454,272,171
Advances to suppliers	67,085,248	76,112,763	(35,937,833)	107,260,178
	614,265,109	140,037,452	(192,770,212)	561,532,349

5.2.1 This includes freehold land awarded by the Government of Punjab under the Land Acquisition Act, 1894 to the Subsidiary Company in adjoining areas of village Mandialla (84 kanals and 10 marlas) and Qaimpur (371 kanals and 4 marlas) of tehsil Sheikhpura for setting up Paper Mill, Coal based Power Generation Plant and Effluent Treatment Plant.

6 RIGHT OF USE ASSETS

Cost

Balance as at 01 July 2019 due to adoption of IFRS 16

Additions during the year

Transfers to owned assets

Balance as at 30 June 2020

Accumulated depreciation

Balance as at 01 July 2019 due to adoption of IFRS 16

Charge for the year

Transfers to owned assets

Balance as at 30 June 2020

Carrying amount as at 30 June 2020

Depreciation rate

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

Cost of revenue

Administrative expenses

Selling and distribution expenses

7 INTANGIBLE

Cost

Balance at beginning of the year

Additions during the year

Balance as at year end

Accumulated amortization

Balance at beginning of the year

Charge for the year

Balance as at year end

Net book value as at year end

Annual amortization rate

Leasehold Buildings	Vehicles	Total
-----Rupees-----		
38,480,671	42,360,000	80,840,671
-	3,130,000	3,130,000
-	(7,600,000)	(7,600,000)
38,480,671	37,890,000	76,370,671
-	15,265,828	15,265,828
7,601,985	5,996,878	13,598,863
-	(3,773,653)	(3,773,653)
7,601,985	17,489,053	25,091,038
30,878,686	20,400,947	51,279,633
17% - 41%	20%	
Note	2020 Rupees	2019 Rupees
31	2,595,140	-
32	9,147,226	-
33	1,856,497	-
	13,598,863	-
	7,088,486	7,088,486
	-	-
	7,088,486	7,088,486
	5,308,204	3,890,507
32	1,417,696	1,417,697
	6,725,900	5,308,204
	362,586	1,780,282
----- Percentage -----		
	20%	20%

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

8 LONG TERM LOAN - UNSECURED

	Note	2020 Rupees	2019 Rupees
At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	8.1	-	132,838,400
8.1 Movement during the year is as follows:			
Opening balance		132,838,400	122,722,688
Markup accrued during the year		16,410,881	10,115,712
		149,249,281	132,838,400
Less: Current portion shown under current assets		(149,249,281)	-
Closing balance		-	132,838,400

8.1.1 The loan carries markup at the rate of 1-Year KIBOR+2% per annum. The loan including markup will be repaid by the associated undertaking in October 2020. The maximum aggregate amount outstanding during the year with reference to month end balances amounted to Rs. 149.25 million (2019: Rs. 132.84 million).

9 STORES, SPARES AND OTHER CONSUMABLES	Note	2020 Rupees	2019 Rupees
Stores		128,510,822	128,929,597
Spares		38,939,620	39,004,457
Packing material		4,548,660	4,931,489
		171,999,102	172,865,543

10 STOCK-IN-TRADE

Raw materials	10.1	697,207,309	693,322,162
Finished goods		11,727,882	16,264,405
		708,935,191	709,586,567

10.1 This includes stock in transit amounting to Rs. 42.16 million (2019: Rs.91.05 million)

11 CONTRACT ASSETS	Note	2020 Rupees	2019 Rupees
	11.1	80,878,738	48,595,967

11.1 This represents the Group's right to consideration for work completed but not billed at the reporting date on made to order packing products recognized as per requirements of IFRS 15 Revenue from Contracts with Customers.

12 TRADE DEBTS - UNSECURED	Note	2020 Rupees	2019 Rupees
Trade debts - unsecured	12.1	1,488,950,316	1,528,236,936
Less: Allowance for ECL	12.2	(233,864,905)	(258,731,588)
		1,255,085,411	1,269,505,348

- 12.1** This includes an amount of Rs. 3.20 million (2019: Rs. 3.14 million) receivable from Roshan Enterprises, an associated undertaking. The maximum aggregate amount outstanding at any time during the year calculated with reference to month-end balance was Rs. 3.88 million (2019: Rs. 122.72 million). The age analysis of balances due from Roshan Enterprises is as follows:

	2020 Rupees	2019 Rupees
Current	1,108,422	-
01 to 90 days	-	3,143,560
91 to 180 days	2,094,665	-
	3,203,087	3,143,560

- 12.2** The movement in allowance for ECL is as follows:

Opening balance	258,731,588	341,587,478
Reversal during the year	(24,866,683)	(82,855,890)
Closing balance	233,864,905	258,731,588

13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances :

- To employees - secured
- To suppliers - unsecured

13.1

5,213,329	2,482,861
125,667,278	119,880,757
130,880,607	122,363,618

Balances with statutory authorities:

- Sales tax receivable - net
- Income tax receivable - net

133,753,082	200,321,869
423,332,524	415,454,945
557,085,606	615,776,814

Prepayments

Security deposits

Interest receivable

- saving accounts

- short term investment

10,904,844 1,770,072

6,429,313 15,117,872

276,878 6,049,045

5,800,839 7,374,950

711,378,087 768,452,371

- 13.1** This include advances against the expenses paid to executives amounting to Rs. 1.09 million (2019: Rs. 0.47 million).

14 SHORT TERM INVESTMENT - at amortized cost

Note

Term deposits

Treasury bills

14.1

14.2

2020 Rupees	2019 Rupees
-	900,000,000
486,017,750	-
486,017,750	900,000,000

- 14.1** Profit on term deposits ranges from 8.50% to 13.55% (2019: 6.25% to 12.8%) per annum.

- 14.2** Profit on treasury bills ranges from 7.84% to 8.09% per annum.

15	CASH AND BANK BALANCES	Note	2020 Rupees	2019 Rupees
	Cash in hand		334,993	232,131
	Balances with banks:			
	Savings accounts	15.1	289,018,160	123,014,476
	Current accounts		39,255,140	115,428,850
			328,273,300	238,443,326
			328,608,293	238,675,457

15.1 Profit on the balances in saving accounts ranges from 6% to 12.90% (2019: 6.3% to 12.5%) per annum.

16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2020	2019	2020	2019
	-----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 16.1)	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

16.1 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.

16.2 The reconciliation of the share capital during the year is as follows:

	2020	2019	2020	2019
	-----No. of shares-----		-----Rupees-----	
Issued share capital at beginning of year	141,900,000	118,250,000	1,419,000,000	1,182,500,000
Issue of bonus shares during the year	-	23,650,000	-	236,500,000
Issued share capital as at year end	141,900,000	141,900,000	1,419,000,000	1,419,000,000

16.3 Following shares of the Group are held by Directors:

	2020	2019	2020	2019
	-----No. of shares-----		-----Rupees-----	
Tayyab Aijaz	38,087,809	38,087,809	380,878,090	380,878,090
Khalid Eijaz Qureshi	20,790,000	20,790,000	207,900,000	207,900,000
Zaki Aijaz	16,833,538	16,833,538	168,335,380	168,335,380
Saddat Aijaz	16,830,000	16,830,000	168,300,000	168,300,000
Quasim Aijaz	4,196,562	4,196,562	41,965,620	41,965,620
Ayesha Mussadaque Ahmed	56	56	560	560
Muhammad Naveed Tariq	2	2	20	20
	96,737,967	96,737,967	967,379,670	967,379,670

		2020 Rupees	2019 Rupees
	Note		
17 SHARE PREMIUM	17.1	2,031,894,417	2,031,894,417

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

18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations. This has been adjusted by incremental depreciation arising out of revaluation of above mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2019, which resulted in surplus of Rs. 1,055.28 million.

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

	Note	2020 Rupees	2019 Rupees
Opening balance - net of tax		1,843,728,306	1,078,519,283
Revaluation surplus during the year		-	1,055,284,567
Deferred tax on revaluation surplus during the year		-	(268,302,631)
Effect of change in tax rate on balance of revaluation on property, plant and equipment		-	4,994,654
Surplus transferred to unappropriated profit for the year on account of incremental depreciation - net of tax		(48,512,564)	(26,767,567)
Closing balance - net of tax		1,795,215,742	1,843,728,306

19 SUPPLIER'S CREDIT - UNSECURED

Supplier's credit	19.1	197,730,442	248,226,538
Current portion shown under current liabilities		(197,730,442)	(151,869,925)
		-	96,356,613

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

	Note	2020 Rupees	2019 Rupees
Varex II 5-layer co-extrusion line machine	19.1.1	98,712,286	129,891,643
Gravure printing press heliostar SH machine	19.1.2	99,018,156	97,084,734
Paper board handling system machine	19.1.3	-	21,250,161
		197,730,442	248,226,538

- 19.1.1** This represents interest free amount payable to Windmoller & Holscher, Germany, a third party against purchase of varex II 5-layer co-extrusion line machine on deferred payment basis in ten half yearly installments ending on 03 February 2021. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	2020 Rupees	2019 Rupees
Supplier's credit	210,369,804	210,369,804
Discounting adjustment	(9,565,283)	(9,565,283)
	200,804,521	200,804,521
Unwinding of discount on liability	9,872,341	8,933,873
	210,676,862	209,738,394
Exchange loss	70,817,675	71,939,597
	281,494,537	281,677,991
Payments	(182,782,251)	(151,786,348)
	98,712,286	129,891,643
Current portion shown under current liabilities	(98,712,286)	(65,623,300)
	-	64,268,343

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

	2020 Rupees	2019 Rupees
Supplier's credit	210,406,544	210,406,544
Discounting adjustment	(9,566,953)	(9,566,953)
	200,839,591	200,839,591
Unwinding of discount on liability	9,943,308	9,273,465
	210,782,899	210,113,056
Exchange loss	60,136,589	58,873,010
	270,919,488	268,986,066
Payments	(171,901,332)	(171,901,332)
	99,018,156	97,084,734
Current portion shown under current liabilities	(99,018,156)	(64,996,464)
	-	32,088,270

19.1.3 This represents interest free amount payable to Taiwan Endurance Company Limited, Taiwan, a third party against purchase of paper board handling system machine on deferred payment basis in 3 equal annual installments ended on 15 December 2019. The interest free payable amount has been discounted at a rate of 0.26% per annum to arrive at the cash price equivalent of the machine. The reconciliation of the carrying amount is as follows:

	Note	2020 Rupees	2019 Rupees
Supplier's credit		40,584,800	40,584,800
Discounting adjustment		(209,200)	(209,200)
		40,375,600	40,375,600
Unwinding of discount on liability		220,116	203,563
		40,595,716	40,579,163
Exchange loss		12,164,609	13,218,798
		52,760,325	53,797,961
Payments		(52,760,325)	(32,547,800)
		-	21,250,161
Current portion shown under current liabilities		-	(21,250,161)
		-	-

20 LONG TERM FINANCES - SECURED

	Note	2020 Rupees	2019 Rupees
Dubai Islamic Bank Limited - Diminishing musharakah	20.1	80,812,500	155,812,500
Dubai Islamic Bank Limited - Refinance scheme	20.2	44,436,134	-
United Bank Limited	20.3	-	175,599,963
		125,248,634	331,412,463
Current maturity		(38,229,806)	(331,412,463)
		87,018,828	-

20.1 Dubai Islamic Bank Limited - Diminishing musharakah

Opening balance	155,812,500	255,812,500
Repaid during the year	(75,000,000)	(100,000,000)
	80,812,500	155,812,500
Current portion shown under current liabilities	(25,000,000)	(155,812,500)
	55,812,500	-

20.1.1 This represents Shirkat-ul-Milk facility of Rs. 400 million for financing the expansion of flexible packaging facility. The principal portion of Rs. 115.125 million (2019: Rs. 115.13 million) is repayable in six equal quarterly instalments of Rs. 19.19 million beginning on 16 September 2019, and remaining principal portion of Rs. 40.687 million (2019: Rs 63.938 million) is repayable in seven equal quarterly instalments of Rs. 5.813 million beginning on 22 August 2019. However, the Bank deferred the payment of principal for one year starting from the May 2020. Mark up is payable quarterly at the rate of three months KIBOR plus 0.9% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 9.02% to 14.76 % (2019: 7.34% to 13.82%) per annum. It is secured by a first exclusive charge over fixed assets of the Group's flexible packaging facility located at Sundar Industrial Estate, Lahore, first hypothecation charge over plant and machinery of the corrugation packaging facility of the Group located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 Directors of the Group.

	2020 Rupees	2019 Rupees
20.2 Dubai Islamic Bank Limited - Refinance scheme		
Opening balance	-	-
Obtained during the year	44,149,907	-
Interest accrued during the year	286,227	-
	44,436,134	-
Current portion shown under current liabilities	(13,229,806)	-
	31,206,328	-

20.2.1 This represents loan of Rs. 48.10 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) announced by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 93.8 million .It carries mark-up at 3% per annum and is secured against first exclusive charge over plant and machinery of the Group amounting to Rs. 536 million. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021 and ending on 01 October 2022. The loan was initially recognized at amortized cost using effective interest rate of 3 month KIBOR + 0.9%. The difference between cash received and present value of cash outflows upon initial recognition has been recognized as deferred grant.

	2020 Rupees	2019 Rupees
20.3 United Bank Limited		
Opening balance	175,599,963	250,000,000
Payments	(175,599,963)	(74,400,037)
	-	175,599,963
Current portion shown under current liabilities	-	(175,599,963)
	-	-

20.3.1 This represents term finance facility to finance corrugator unit capacity expansion project. The aggregate amount of the facility was Rs. 400 million out of which Rs. 351.2 million (2019: Rs 351.2 million) had been availed. The outstanding principal of Rs. 135.45 million (2019: Rs 135.45 million) was repayable in four equal half yearly installments and remaining outstanding principal amounting to Rs. 40.15 million (2019: Rs 40.15 million) was repayable in four equal half yearly installments beginning on 03 November 2019. During the year, outstanding amount of loan has been fully repaid. Mark up was payable semi annually at the rate of six months KIBOR plus 0.9% per annum (2019: three months KIBOR plus 0.9%). The mark-up rate charged during the year on the outstanding balance ranged from 12.14% to 14.23% (2019: 7.94% to 11.7%) per annum. The facility was secured by first exclusive charge over present and future land, building and plant and machinery of the corrugation packaging facility of the Group located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore, and personal guarantees of 3 directors of the Group.

	2020 Rupees	2019 Rupees
21 LEASE LIABILITIES		
Present value of lease liabilities against		
-Vehicles	7,802,514	19,764,577
-Leasehold buildings	35,186,933	-
	42,989,447	19,764,577
Current maturity shown under current liabilities	(11,267,842)	(10,258,712)
	31,721,605	9,505,865

21.1 Movement of lease liabilities

2020

Balance as at 01 July 2019
Impact of initial application of IFRS 16
Security deposit adjusted
Balance as at 01 July 2019 - Adjusted
Additions during the year
Finance cost accrued during the year
Payments during the year
Balance as at year end
Current maturity of lease liabilities

Vehicles	Leasehold Building	Total
----- Rupees -----		
19,764,577	-	19,764,577
-	38,480,671	38,480,671
(6,671,199)	-	(6,671,199)
13,093,378	38,480,671	51,574,049
3,130,000	-	3,130,000
2,811,558	4,946,241	7,757,799
(11,232,422)	(8,239,979)	(19,472,401)
7,802,514	35,186,933	42,989,447
(5,688,896)	(5,578,946)	(11,267,842)
2,113,618	29,607,987	31,721,605

2019

Balance at beginning of the year
Additions during the year
Finance cost accrued during the year
Payments during the year
Balance as at year end
Current maturity shown under current liabilities

26,246,823	-	26,246,823
12,169,000	-	12,169,000
4,062,553	-	4,062,553
(22,713,799)	-	(22,713,799)
19,764,577	-	19,764,577
(10,258,712)	-	(10,258,712)
9,505,865	-	9,505,865

21.2 Salient features of the leases are as follows:

Discount factors	KIBOR + 1% to 2%	13.74%
Period of lease	3 years	3 to 6 years

2020**Taxable temporary difference**

Accelerated tax depreciation	260,159,797	29,209,035	-	289,368,832
Revaluation surplus	418,375,083	(14,068,644)	-	404,306,439
Right of use asset / asset subject to finance lease	2,118,969	12,752,125	-	14,871,094

Deductible temporary difference

Impairment allowance on trade debtors	-	(67,820,822)	-	(67,820,822)
Deferred liabilities	-	(34,780,265)	(70,818)	(34,851,083)
Lease liabilities	-	(12,466,940)	-	(12,466,940)
Tax losses due to tax depreciation	(18,648,724)	18,648,724	-	-
Minimum tax	(88,522,058)	(39,075,839)	-	(127,597,897)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	561,296,117	(107,602,626)	(70,818)	453,622,673

2019**Taxable temporary difference**

Accelerated tax depreciation	215,887,872	44,271,925	-	260,159,797
Revaluation surplus	166,072,325	(11,005,219)	263,307,977	418,375,083
Assets subject to finance lease	1,832,502	286,467	-	2,118,969

Deductible temporary difference

Deferred liabilities	(25,122,190)	24,422,768	699,422	-
Impairment allowance on trade debtors	(1,799,831)	1,799,831	-	-
Tax losses due to tax depreciation	(26,988,200)	8,339,476	-	(18,648,724)
Minimum tax	(40,238,993)	(48,283,065)	-	(88,522,058)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	277,456,535	19,832,183	264,007,399	561,296,117

23 DEFERRED LIABILITIES

	Note	2020 Rupees	2019 Rupees
Accumulated compensated absences	23.1	9,029,820	6,560,993
Provision for gratuity	23.2	110,902,127	67,031,244
Deferred grant	23.3	2,156,405	-
		122,088,352	73,592,237

23.1 Accumulated compensated absences

Balance at beginning of year	6,560,993	5,024,731
Provision for the year	2,906,501	2,906,498
	9,467,494	7,931,229
Paid during the year	(437,674)	(1,370,236)
Balance as at year end	9,029,820	6,560,993

23.2 Provision for gratuity

	Note	2020 Rupees	2019 Rupees
Balance at beginning of year		67,031,244	60,988,612
Provision charged to profit or loss		51,564,686	18,086,660
Actuarial loss / (gain) to other comprehensive income		244,199	(2,419,329)
		118,840,129	76,655,943
Paid during the year		(7,938,002)	(9,624,699)
Balance as at year end	23.2.1	110,902,127	67,031,244

23.2.1 Movement in present value of defined benefit obligation

Balance at beginning of year	67,031,244	60,988,612
Current service cost	14,684,866	13,592,559
Past service cost	27,893,450	-
Interest cost	8,986,370	4,494,101
Remeasurement - actuarial loss / (gain)	244,199	(2,419,329)
Benefits paid during the year	(7,938,002)	(9,624,699)
Balance as at year end	110,902,127	67,031,244

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

	2020	2019	2018	2017	2016
<u>As at year end</u>	<u>Rupees</u>				
Present value of defined benefit obligation	110,902,127	67,031,244	60,988,612	55,250,563	40,047,474
Remeasurments - actuarial loss / (gain)	244,199	(2,419,329)	(3,934,953)	1,169,816	(474,225)

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

		2020	2019
Discount rate	Per annum	8.50%	14.25%
Expected rate of increase in salary	Per annum	7.50%	13.25%
Average duration of liability	Number of years	7	8

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

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

	Discount rate + 100 bps	Discount rate - 100 bps	Salary increase rate + 100 bps	Salary increase rate - 100 bps
	<u>Rupees</u>			
Present value of defined benefit obligation	101,828,522	121,201,372	121,201,372	101,668,670

23.3	Deferred grant	Note	2020 Rupees	2019 Rupees
	Deferred grant		3,763,122	-
	Less: Current portion	24	(1,606,717)	-
			2,156,405	-

This represents the difference between cash received and present value of cash outflows of long term loan received as referred in Note 20.2.

24	CURRENT PORTION OF LONG TERM LIABILITIES	Note	2020 Rupees	2019 Rupees
	Supplier's credit - unsecured	19	197,730,442	151,869,925
	Long term finances - secured	20	38,229,806	331,412,463
	Lease liabilities	21	11,267,842	10,258,712
	Deferred grant	23.3	1,606,717	-
			248,834,807	493,541,100

25 SHORT TERM BORROWINGS - SECURED

Running finance	25.1	240,379,371	441,881,617
Term finances:			
- Import finance / Murabaha	25.2	686,528,050	112,267,606
- Istisna / Wakala	25.3	121,386,319	798,965,099
		807,914,369	911,232,705
		1,048,293,740	1,353,114,322

25.1 Running finance

This represents short term running finance facilities available from various commercial banks under mark-up arrangements amounting to Rs. 420 million (2019: Rs.550 million) at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 3.5% (2019: one to three KIBOR plus 0.5% to 1.10%) per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.42% to 17.16% (2019: 7.42% to 13.9%) per annum.

25.2 Import finance / Murabaha

This represents import finance facilities available from various commercial banks under profit arrangements amounting to Rs. 1833.8 million (2019: Rs. 1920 million) at mark-up rates ranging from one to three month KIBOR plus 0.5% to 1.5% (2019: one to three KIBOR plus 0.5% to 1.10%) per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.45% to 15.01% (2019: 7.42% to 13.52%) per annum.

25.3 Istisna / Wakala

This represents Istisna / Wakala facilities available from various commercial banks under profit arrangements amounting to Rs. 850 million (2019: Rs. 950 million) at mark-up rates ranging from six month KIBOR plus 0.50% to 1.5% (2019: six month KIBOR plus 0.50% to 1.0%) per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.27% to 15.40% (2019: 6.96% to 14.09%) per annum.

25.4 Letters of credit and guarantee

Of the aggregate facility of Rs. 1,275 million (2019: Rs. 2,420 million) for opening letters of credit and Rs. 50 million (2019: Rs. 130 million) for guarantees, the amount utilized at 30 June 2020, was Rs. 484 million (2019: Rs. 741 million) and Rs. 33.07 million (2019: Rs. 33 million) respectively. The aggregate facilities for opening letters of credit and guarantees are secured by a first pari passu charge over current assets of the Group and lien over import documents.

26	TRADE AND OTHER PAYABLES	Note	2020 Rupees	2019 Rupees
	Trade creditors		909,451,004	921,998,421
	Accrued liabilities		51,882,284	57,557,816
	Withholding tax payable		3,810,811	2,496,952
	Workers' Profit Participation Fund payable	26.1	10,765,212	1,507,531
	Workers' Welfare Fund payable		630,643	-
	Advances from employees		2,490,876	1,902,525
	Retention money payable		86,201	851,021
			979,117,031	986,314,266

26.1 Workers' Profit Participation Fund Payable

	Balance at the beginning of the year		1,507,531	-
	Charge for the year	34	9,207,593	1,507,531
	Interest charge for the year	36	50,088	-
	Balance as at year end		10,765,212	1,507,531

27	CONTRACT LIABILITIES	27.1	15,918,351	4,091,995
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27.1 These represent advances from customers against which the Group has performance obligation to provide goods in future. The above contract liabilities are expected to be recognised as revenue within one year.

28	ACCRUED FINANCE COST		2020 Rupees	2019 Rupees
	Accrued markup/interest on:			
	- Long term finance - secured		282,502	4,406,149
	- Short term borrowings - secured		31,370,956	30,025,457
			31,653,458	34,431,606

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 Deputy Commissioner Inland Revenue ('DCIR') initiated proceedings against the Holding Company under section 214C of the Income Tax Ordinance, 2001 ('the Ordinance') for tax year 2015 and increased the Holding Company's tax chargeable by Rs. 8.7 million on account of fixed assets, trade creditors, Worker's Profit Participation Fund (WPPF) and others etc. through an amended assessment order u/s 122(1)/122(5) of the Ordinance dated 28 June 2018. Aggrieved by the decision of DCIR, the Holding Company filled an appeal before CIR (Appeals) which is pending adjudication. The management is confident that the matter will be decided in the Holding Company's favor and no financial obligation is expected to accrue. Consequently, no provision has been made in these consolidated financial statements on this account.

29.2 Commitments in respect of:

- (a) Letters of credit and contracts for capital expenditure amounting to Rs. 16.05 million (2019: Rs.37.92 million).
- (b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 290.99 million (2019: Rs. 147.87 million).

29.3 Guarantee

The banks have issued the following guaranties on behalf of the Group:

- (a) Letter of guarantee issued in favour of Sui Northern Gas Pipelines Limited amounting to Rs. 25.07 million (2019: Rs. 25.29 million).
- (b) Letter of guarantee issued in favour of Total Parco Pakistan Limited amounting to Rs. 8 million (2019: Rs. 8 million).

	Note	2020 Rupees	2019 Rupees
30 REVENUE FROM CONTRACTS WITH CUSTOMERS	30.2 & 30.3	5,232,970,624	5,397,123,941

30.1 Disaggregation of revenue from contracts with customers:

In the following table, revenue from contracts with customers is disaggregated by major product lines and timing of revenue recognition

	2020 Rupees	2019 Rupees
Major product lines:		
- Made-to-order packaging products	4,711,172,208	4,813,580,764
- Standard packaging products	521,798,416	583,543,177
	5,232,970,624	5,397,123,941
Timing of revenue recognition:		
- Products transferred over time	4,711,172,208	4,813,580,764
- Products transferred at a point in time	521,798,416	583,543,177
	5,232,970,624	5,397,123,941

30.2 This includes unbilled revenue amounting to Rs. 80.88 million (2019: Rs. 48.6 million).

30.3 This includes revenue amounting to Rs. 12.48 million (2019: Rs. 9.58 million) to Roshan Enterprises, a related party (associated undertaking).

30.4 Performance obligation

The performance obligation in case of sale of standard products is satisfied at a point in time when the goods are delivered to the customer and for made to order products is satisfied over the time. The Group makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 7 to 365 days from delivery.

31	COST OF REVENUE	Note	2020	2019
			Rupees	Rupees
	Raw materials consumed		3,882,615,119	4,252,776,094
	Carriage inward expenses		3,535,360	3,600,718
	Packing material consumed		16,831,017	19,837,551
	Production supplies		97,413,820	85,882,384
	Fuel and power		216,402,398	174,496,387
	Salaries, wages and other benefits		235,444,191	232,069,814
	Repairs and maintenance		39,649,830	65,215,171
	Printing and stationery		635,032	884,419
	Insurance		6,275,996	7,275,977
	Rent expense		1,099,093	16,508,440
	Travelling and conveyance		22,142,131	23,252,091
	Communication expenses		999,317	1,428,715
	Vehicle running expenses		3,972,272	2,876,923
	Depreciation on operating fixed assets	5.1.3	136,158,354	131,879,839
	Depreciation on right of use asset	6.1	2,595,140	-
	Others		15,739,467	13,104,884
	Cost of goods manufactured		4,681,508,537	5,031,089,407
	Opening stock of finished goods		16,264,405	11,941,276
	Closing stock of finished goods		(11,727,881)	(16,264,405)
			4,536,524	(4,323,129)
			4,686,045,061	5,026,766,278
32	ADMINISTRATIVE EXPENSES	Note	2020	2019
			Rupees	Rupees
	Salaries, wages and other benefits		96,856,679	68,205,574
	Legal and professional charges		9,836,115	4,811,213
	Fees and subscription		6,879,870	8,984,568
	Travelling and conveyance		4,785,827	3,717,386
	Insurance		1,032,039	1,805,969
	Printing and stationery		3,756,600	863,543
	Repairs and maintenance		946,188	1,624,753
	Vehicle running and maintenance		3,910,828	3,339,270
	Utilities		2,264,172	1,495,953
	Lease rentals		-	5,797,500
	Auditors remuneration	32.1	3,390,000	3,378,600
	Communication		4,124,266	5,180,674
	Depreciation on operating fixed assets	5.1.3	4,116,082	3,174,487
	Depreciation on right of use asset	6.1	9,147,226	-
	Amortization on intangible	7	1,417,696	1,417,697
	Entertainment		2,416,285	1,157,311
	Others		4,661,165	2,932,552
			159,541,038	117,887,050
32.1	Auditor's remuneration		2020	2019
			Rupees	Rupees
	Statutory audit		2,600,000	2,013,000
	Half year review		600,000	550,000
	Additional time cost charged		-	600,000
	Out of pocket expenses		40,000	215,600
	Other certifications		150,000	-
			3,390,000	3,378,600

33 SELLING AND DISTRIBUTION EXPENSES

	Note	2020 Rupees	2019 Rupees
Salaries, wages and other benefits		47,467,992	45,673,701
Travelling and conveyance		7,672,693	9,786,777
Freight and transportation		85,728,199	64,727,473
Vehicle running and maintenance		2,629,831	3,165,021
Postage and telephone		301,633	293,187
Advertisement and business promotion		16,432,126	18,306,352
Entertainment		1,539,055	1,057,192
Depreciation on operating fixed assets	5.1.3	778,383	5,910,742
Depreciation on right of use asset	6.1	1,856,497	-
Others		1,132,822	2,726,105
		165,539,231	151,646,550

34 OTHER OPERATING EXPENSES

Exchange loss - net		4,230,457	113,643,390
Workers' Profit Participation Fund	26.1	9,207,593	1,507,531
Workers' Welfare Fund		630,643	-
		14,068,693	115,150,921

35 OTHER INCOME

Income from financial assets

Profit on bank deposits		19,452,163	61,505,105
Profit on short term investment		76,007,712	60,745,822
Interest income on loans to related parties: Roshan Enterprises		16,410,881	10,115,712

Income from non-financial assets

Gain on disposal of operating fixed assets		3,397,055	9,936,658
Scrap sales		3,198,181	-
		118,465,992	142,303,297

36 FINANCE COSTS

	Note	2020 Rupees	2019 Rupees
Interest / mark up on:			
- Long term finances		23,696,817	42,699,017
- Finance leases		7,757,799	4,062,553
- Short term borrowings		182,821,534	127,052,059
- Workers Profit Participation Fund		50,088	-
Unwinding of discount on supplier's credit		1,624,863	3,051,320
Bank charges and others		7,172,897	9,768,040
		223,123,998	186,632,989

37 TAXATION

Income tax:

- Current year		49,176,842	46,669,718
- Prior year		(14,545,561)	1,613,348
		34,631,281	48,283,066

Deferred tax:

- Current year		(107,602,623)	(33,262,509)
- Prior year		-	53,094,692
		(107,602,623)	19,832,183
		(72,971,342)	68,115,249

37.1 Numerical reconciliation between tax expense and accounting profit has not been presented as the Group is subject to minimum tax at the rate of 1.5% of net revenue under section 113 of the Income Tax Ordinance, 2001.

38 EARNINGS PER SHARE - BASIC AND DILUTED

Basic and diluted earnings per share are same because the Group has not issued any convertible bonds, convertible preference shares, options, warrants or employee share options. Thus, earnings per share of the Group are as follows:

		2020	2019 Restated
Profit / (loss) attributable to owners of the Holding Company	Rupees	219,758,753	(37,108,682)
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000
Basic earnings / (loss) per share	Rupees	1.55	(0.26)

39 CASH GENERATED FROM / (USED IN) OPERATIONS

	Note	2020 Rupees	2019 Rupees
Profit before taxation		127,985,278	24,199,340

Adjustment for non-cash charges and other items:

Depreciation on operating fixed assets	5.1	141,052,819	140,965,068
Depreciation on right of use assets	6.1	13,598,863	-
Markup on loans		(16,410,881)	(10,115,712)
Finance costs	36	223,123,998	186,632,989
Provision for gratuity	23.2	51,564,686	18,086,660
Allowance for expected credit losses	12.2	(24,866,683)	(82,855,890)
Profit on bank deposits	35	(76,007,712)	(122,250,927)
Amortization of intangibles	7	1,417,696	1,417,697
Worker's Profit Participation Fund	34	9,207,593	-
Worker's Welfare Fund	34	630,643	-
Exchange loss unrealized		6,792,453	94,017,292
Gain on disposal of property, plant and equipment	35	(3,397,055)	(9,936,658)
Provision for accumulating compensated absences	23.1	2,906,501	2,906,498

Cashflow before working capital changes

457,598,199 243,066,357

Effect on cash flow due to working capital changes:

Decrease / (increase) in current assets:

Stores and spare parts		866,441	(26,305,563)
Stock-in-trade		651,376	(107,783,213)
Trade debts		39,286,620	(371,450,507)
Contract assets		(32,282,771)	(14,474,212)
Advances, deposits, prepayments and other receivables		57,605,585	(22,426,918)
		66,127,251	(542,440,413)

Increase / (decrease) in current assets:

Contract liabilities		11,826,356	230,468
Trade and other payables		(22,614,433)	233,333,109
		(10,788,077)	233,563,577
		55,339,174	(308,876,836)
		512,937,373	(65,810,479)

40 CASH AND CASH EQUIVALENTS

	Note	2020 Rupees	2019 Rupees
Short term investment	14	486,017,750	900,000,000
Cash and bank balances	15	328,608,293	238,675,457
Short term borrowings - running finance	25	(240,379,371)	(441,881,617)
		574,246,672	696,793,840

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019	2020	2019
----- Rupees -----								
Short term employee benefits								
Managerial remuneration	9,455,160	5,848,739	17,964,240	11,984,705	-	-	28,649,063	49,004,231
House rent allowance	4,254,120	2,631,639	8,083,248	2,399,904	-	-	12,891,246	18,592,859
Medical expenses	945,360	584,811	1,796,256	533,305	-	-	2,863,445	4,130,069
Utilities	945,360	584,811	1,796,268	533,305	-	-	2,866,473	4,134,146
Advisory fee	-	-	-	-	-	2,250,000	-	-
Meeting fee	-	-	-	-	4,341,818	460,000	-	-
Bonus	787,930	-	748,534	-	-	-	1,989,335	2,687,115
	16,387,930	9,650,000	30,388,546	15,451,219	4,341,818	2,710,000	49,259,562	78,548,420
Post employment benefits								
Gratuity	1,300,000	1,300,000	1,235,000	1,235,000	-	-	3,452,352	3,103,011
Accumulated compensated absences	393,965	425,000	374,267	410,000	-	-	1,266,614	511,748
	18,081,895	11,375,000	31,997,813	17,096,219	4,341,818	2,710,000	53,978,528	82,163,179
Number of persons	1	1	2	2	5	5	15	17

41.2 The Chief Executive, Executive Directors and certain Executives are provided with the Group maintained vehicles, mobile phones for official use and medical facility.

42 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated company and key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in Note 41 are as follows:

Relationship with the Group	Name of related party	Nature of Transactions	2020 Rupees	2019 Rupees
Chief Executive	Tayyab Aijaz	Bonus shares issued	-	63,479,680
Director	Zaki Aijaz	Bonus shares issued	-	28,055,890
Director	Saadat Eijaz	Bonus shares issued	-	28,050,000
Director	Khalid Eijaz	Bonus shares issued	-	34,650,000
Director	Quasim Aijaz	Bonus shares issued	-	6,994,270
Director	Ayesha Mussadaque Hamid	Shares issued	-	560
Other related party	Hamza Gillani	Bonus shares issued	-	20,210
Associated under-taking	Roshan Enterprises	Trade debt converted to long term loan	-	122,722,688
		Markup accrued on long term loan	16,410,881	10,115,712

43 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policies focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

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

43.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from long term loan, long term deposits, trade debts, short term loan, deposits and other receivables and balances with banks.

43.1.1 Exposure to credit risk

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

<u>Financial assets at amortized cost - unsecured</u>	2020 Rupees	2019 Rupees
Long term loan	149,249,281	132,838,400
Long term deposit	14,902,194	16,253,723
Trade debts and contract assets	1,335,964,149	1,318,101,315
Deposits and other receivables	12,507,030	28,541,867
Short term investment	486,017,750	900,000,000
Bank balances	328,608,293	238,675,457
	2,327,248,697	2,634,410,762

43.1.2 Trade debts and contract assets

The Group's trade debts and contract assets comprise of receivables from industrial customers and individuals. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Group's industrial customers have been transacting with the Group for over five years. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their trading history with the Group and existence of previous financial difficulties.

The Group's credit risk mainly arises from long outstanding debtors as the Group is making full recoveries from the current customers and hence, default rate in case of such customers is minimal. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Weighted average loss rate	Gross carrying amount	Expected credit loss
30 June 2020	-----Rupees-----		
Current	0.00%	879,253,539	-
1 - 90 Days	0.00%	214,863,004	-
91 - 180 Days	0.00%	34,071,160	-
181 - 270 Days	0.00%	51,856,717	-
271 - 365 Days	0.00%	75,023,819	-
366 -Above Days	100%	233,882,077	233,882,077
		1,488,950,316	233,882,077
30 June 2019			
Current	0.16%	768,103,414	1,249,734
1 - 90 Days	1.04%	274,787,417	2,861,570
91 - 180 Days	10.58%	106,310,455	11,249,989
181 - 270 Days	10.56%	151,686,484	16,021,129
271 - 365 Days	100%	40,307,953	40,307,953
366 -Above Days	100%	187,041,213	187,041,213
		1,528,236,936	258,731,588

43.1.3 Counterparties with external credit ratings

The credit quality of financial assets held with banking companies that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Bank	Rating		Rating Agency	2020 Rupees	2019 Rupees
	Short term	Long term			
Allied Bank Limited	A1+	AAA	PACRA	486,017,940	-
Askari Bank Limited	A1+	AA+	PACRA	3,207,987	88,638,596
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	1,310,576	502,600,499
Habib Bank Limited	A-1+	AAA	JCR-VIS	3,824,914	64,428
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,936	18,936
MCB Bank Limited	A1+	AAA	PACRA	7,467,565	527,350
Meezan Bank Limited	A-1+	AA+	JCR-VIS	17,193,791	20,742,828
National Bank of Pakistan	A1+	AAA	PACRA	122,925	122,925
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	3,717,464	2,241,322
The Bank of Punjab	A1+	AA	PACRA	700,233	627,027
United Bank Limited	A-1+	AAA	JCR-VIS	1,704,586	299,380
Bank Islami Pakistan Limited	A1	A+	PACRA	4,398,949	3,778,118
JS Bank Limited	A1+	AA-	PACRA	284,605,184	518,781,917
				814,291,050	1,138,443,326

43.1.4 Loans to associate

Loan to associate has a low credit risk and a 12 month ECL basis have been used to determine impairment if any, on the financial asset. PD of lowest investment grade is used with as assumed recovery rate of nill. However, the impact of ECL against these financial assets has been determined to be immaterial and no charge of ECL has been accounted for in the financial statements.

The Group measures ECL against loan to associated undertaking, based on past transaction history with the associate. Accordingly, the impact of ECL on the financial asset has been determined to be immaterial.

43.1.5 Deposits and other receivables

Advances, deposits and other receivables mainly comprise of deposits and accrued markup. The Group has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

43.1.6 Concentration risk

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

	2020 Rupees	2019 Rupees
Banking companies	821,297,242	1,167,857,744
Associated undertaking	149,249,281	132,838,400
Others	1,356,702,174	1,335,965,348
	2,327,248,697	2,636,661,492

43.2 Liquidity risk

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

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

43.2.1 Exposure to liquidity risk

	Carrying amount	Contractual cash flows	Up to one year	One to five years	More than five years
30 June 2020	----- Rupees -----				
Lease liabilities	42,989,447	56,462,302	15,295,796	41,072,023	94,483
Long term finances - secured	125,248,634	131,065,140	38,229,806	92,835,334	-
Supplier's credit - unsecured	197,730,442	197,730,442	197,730,442	-	-
Short term borrowings - secured	1,048,293,740	1,048,293,740	1,048,293,740	-	-
Trade and other payables	961,419,489	961,419,489	961,419,489	-	-
Unclaimed dividend	788,056	788,056	788,056	-	-
Accrued markup	31,653,458	31,653,458	31,653,458	-	-
	2,408,123,266	2,427,412,627	2,293,410,787	133,907,357	94,483
	Carrying amount	Contractual cash flows	Less than one year	One to five years	More than five years
30 June 2019	----- Rupees -----				
Lease liabilities	19,764,577	22,152,048	12,083,333	10,068,715	-
Long term finances - secured	331,412,463	373,490,946	373,490,946	-	-
Supplier's credit - unsecured	248,226,538	256,038,324	156,231,319	99,807,005	-
Short term borrowings - secured	1,353,114,322	1,542,288,630	1,542,288,630	-	-
Trade and other payables	980,407,258	980,407,258	980,407,258	-	-
Unclaimed dividend	800,169	800,169	800,169	-	-
Accrued markup	34,431,606	34,431,606	34,431,606	-	-
	2,968,156,933	3,209,608,981	3,099,733,261	109,875,720	-

43.3 Market risk

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

43.3.1 Currency risk

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

43.3.1(a) Exposure to currency risk

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

	2020			
	USD	Euro	Swedish krona	Pounds
Statement of financial position:				
Supplier credit	-	(1,048,222)	-	-
Trade and other payables	(1,000,469)	(27,260)	(128,754)	-
Net exposure	(1,000,469)	(1,075,482)	(128,754)	-
	2019			
	USD	Euro	Swedish krona	Pounds
Statement of financial position:				
Supplier credit	(129,334)	(1,230,343)	-	-
Trade and other payables	(747,804)	(13,907)	(57,271)	(452)
Net exposure	(877,138)	(1,244,250)	(57,271)	(452)

43.3.1(b) Exchange rate applies during the year

The following significant exchange rates have been applied during the year:

	Average rate		Reporting date rate	
	2020	2019	2020	2019
USD to PKR	165.41	148.69	168.05	164.50
Euro to PKR	186.08	167.50	188.61	186.99
Swedish krona to PKR	17.75	16.57	17.95	18.02
Pounds to PKR	206.96	195.13	206.50	208.45

43.3.1(c) Sensitivity analysis

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

	2020 Rupees	2019 Rupees
<u>Effect on statement of profit or loss</u>		
US Dollar	(16,812,882)	(14,428,920)
Euro	(20,284,666)	(23,266,231)
Swedish krona	(231,113)	(103,202)
Pound	-	(9,422)
	(37,328,661)	(37,807,775)

43.3.2 Interest rate risk

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

43.3.2(a) Interest / mark-up bearing financial instruments

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

	2020	2019	2020	2019
	Effective rate (in Percentage)		Carrying amount (Rupees)	
<u>Financial assets</u>				
Fixed rate instruments:				
Short term investment	7.84 - 13.55	12.65 - 12.80	486,017,750	900,000,000
Bank balances - Saving accounts	6 - 12.90	10.70 - 12.55	289,018,160	123,014,476
Variable rate instruments:				
Long term loan - associate	12.28	8	149,249,281	132,838,400
			924,285,191	1,155,852,876
<u>Financial liabilities</u>				
Fixed rate instruments:				
Supplier's credit - unsecured	0.26 - 0.87	0.26 - 0.87	197,730,442	248,226,538
Variable rate instruments:				
Long term finances	3 - 6 months KIBOR plus 0.90	3 - 6 months KIBOR plus 0.6 - 0.90	125,248,634	331,412,463
Lease liabilities	6 months KIBOR plus 1 - 2	6 months KIBOR plus 1 - 2	42,989,447	19,764,577
Short term borrowings - secured	1 - 6 months KIBOR plus 0.50 - 1.10	3 - 6 months KIBOR plus 0.50 - 1	1,048,293,740	1,353,114,322
			1,414,262,263	1,952,517,900

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

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

	100 bps	
	Increase	Decrease
	-----Rupees-----	
Effect on profit - 30 June 2020	(4,899,771)	4,899,771
Effect on profit - 30 June 2019	(7,966,650)	7,966,650

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

43.3.2(c) Interest rate risk management

The Group manages the risk through risk management strategies where significant changes in gap position can be adjusted. The Group's significant financing is based on variable rate pricing that depends on KIBOR on as indicated in respective notes.

43.4 Price risk

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

43.5 Offsetting financial assets and financial liabilities

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

44 CAPITAL MANAGEMENT

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

The Group's objectives when managing capital are:

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

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

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

	2020 Rupees	2019 Rupees
Borrowings	1,379,075,330	1,952,517,900
Less : Cash and cash equivalents	(814,626,043)	(1,138,675,457)
Net debt	564,449,287	813,842,443
Total equity	5,953,710,492	5,752,927,253
Gearing ratio	9%	14%

45 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

45.1 Fair value estimation

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

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

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

Recurring fair value measurements of following items of operating assets:

	2020			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	885,299,529	885,299,529
Plant and machinery	-	-	2,463,890,424	2,463,890,424
Electric installations	-	-	89,004,143	89,004,143
	-	941,755,000	3,438,194,096	4,379,949,096

	2019			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	914,072,714	914,072,714
Plant and machinery	-	-	2,517,923,864	2,517,923,864
Electric installations	-	-	92,144,833	92,144,833
	-	941,755,000	3,524,141,411	4,465,896,411

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 5.1 and Note 18 respectively to these consolidated financial statements. There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

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

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

45.3 Valuation inputs and relationship to fair value

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

Description	2020	2019	Quantitative data / range and relationship to the fair value	
	Rupees	Rupees		
Buildings on freehold land	885,299,529	914,072,714	Cost of construction of a new similar building.	The market value had been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
			Suitable depreciation rate to arrive at depreciated replacement value.	
Plant and machinery	2,463,890,424	2,517,923,864	Cost of acquisition of similar plant and machinery with similar level of technology.	The market value had been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
			Suitable depreciation rate to arrive at depreciated replacement value.	
Electric installations	89,004,143	92,144,833	Cost of acquisition of similar electric installations with similar level of technology.	The market value had been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.
			Suitable depreciation rate to arrive at depreciated replacement value.	

46	NUMBER OF EMPLOYEES	2020	2019
		(No. of person)	
	Number of employees as at 30 June	438	488
	Average number of employees during the year	463	483

47	PLANT CAPACITY AND ANNUAL PRODUCTION	Corrugation Plant (Metric Tonnes)		Flexible Plant (Metric Tonnes)	
		2020	2019	2020	2019
	Installed capacity	60,000	60,000	12,240	12,240
	Actual production	29,220	31,076	7,041	8,460

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

48 GENERAL

Figures have been rounded off to nearest rupee.

49 CORRESPONDING FIGURES

Corresponding figures have been restated and reclassified, wherever considered necessary for the purposes of better and fair presentation, however, no significant restatements and reclassifications has been made in these consolidated financial statements except as mentioned in Note 49.1 and Note 49.2 respectively.

49.1 Restatement of corresponding figures

In prior years, the amount of share premium reserve of the Subsidiary Company was allocated only to the NCI. This has now been rectified by allocating the reserve on proportionate basis to the NCI and shareholders of the Holding Company, and restating the corresponding figures. Further, the financial statements of the Subsidiary Company has been restated as in prior years, finance cost of amounting to Rs. 26.45 million was capitalized which did not qualify as borrowing cost under IAS 23. Accordingly, consolidated financial statements also have been restated to include the effect of this restatement in the equity attributable to NCI and owners of the Holding Company.

These restatements do not have any material effect on the consolidated statement of financial position as the impact is only on the components of the equity. Accordingly, no third statement of financial position has been presented in these consolidated financial statements. The impact of these restatements has been summarized as follows:

	As at 30 June 2019	As at 01 July 2018
Impact on the statement of financial position	Rupees	Rupees
Share capital and reserves:		
Increase in share premium - capital reserve	37,105,360	37,105,360
Decrease in equity attributable to NCI	(47,683,833)	(41,832,360)
Increase in equity attributable to owners of the Holding Company	10,578,473	4,727,000
	-	-

Impact on the statement of profit or loss and statement of comprehensive income**2019****Rupees**

Increase in loss attributable to NCI

5,851,473

Decrease in loss attributable to owners of the Holding Company

(5,851,473)**-****49.2 Reclassifications**

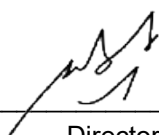
			2019
Nature of item	Reclassified from	Reclassified to	Rupees
Freight and transportation	Cost of revenue	Selling and distribution expenses	64,727,473
Freehold land	Operating fixed assets	Capital work-in-progress	174,106,382

50 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were approved and authorized for issue on 06-10-2020 by the Board of Directors of the Holding Company.



Chief Executive



Director



Chief Financial Officer

Section 6: 17th Annual General Meeting



Notice of Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting ("AGM") of **Roshan Packages Limited** (the "Company") will be held on Wednesday 28 October, 2020 at 12:00 PM at Shalimar Hall, Faletti's Hotel, Lahore, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors' and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2020.
2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of M/s. EY Ford Rhodes, Chartered Accountants as auditors of the Company.
3. To approve the payment of final cash dividend of Rs. 1.00 per share i.e. @ 10% for the year ended 30 June 2020, as recommended by the Board of Directors of the Company.

Special Business:

4. To consider, ratify and approve the transactions carried out with related party during financial year ended 30 June, 2020 under the authority of the special resolution passed in the annual general meeting held on 27 November, 2019 and to authorize the Chief Executive to approve all the transactions with the related party carried out or to be carried out during the financial year ending 30 June 2021 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, a resolution as Special Resolution as proposed in the Statement of Material Facts.
5. To consider and if thought fit, to pass, with or without modification, a resolution as Special Resolution as proposed in the Statement of Material Facts pursuant to Section 199 of the Companies Act, 2017 for increase in the amount of long-term loan from Rs. 260 Million to up to Rs. 500 Million and to change the nature of the investment/terms and conditions attached to the existing loans provided to Company's Subsidiary, Roshan Sun Tao Paper Mills (Private) Limited.
6. To consider and if thought fit, to pass, with or without modification, a Special Resolution as proposed in the Statement of Material Facts pursuant to Section 199 of the Companies Act, 2017 for additional equity investment in Company's Subsidiary, Roshan Sun Tao Paper Mills (Private) Limited by utilizing the surplus funds available with the Company as detailed in the Statement of Material Facts.
7. To consider and if thought fit, to pass, with or without modification, a resolution as Special Resolution as proposed in the Statement of Material Facts pursuant to Section 199 of the Companies Act, 2017 to change the terms and conditions of the investments in associated undertaking i.e. Roshan Enterprises by extending the period of loan for another two years.
8. To consider and, if thought fit, to pass, with or without modification, a special resolution to increase the authorized share capital of the company and consequent amendment in clause v of the Memorandum of Association of the Company.

Attached to this Notice is a statement of material facts along with draft resolutions proposed to be passed as special resolutions in relation to the aforesaid special businesses, as required under Section 134(3) of the Companies Act, 2017.

Lahore

06th October 2020

By Order Of The Board



Rabia Sharif

Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 21-Oct-2020 to 28-Oct-2020 (both days inclusive). Transfers received in order at the office of our Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi by the close of business on 20-Oct-2020 will be treated in time for determination of entitlement to final cash dividend to attend, speak and vote at the annual general meeting (AGM).

2. Online Participation in the Annual General Meeting:

Due to COVID-19 Pandemic and the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies. The meeting can be attended using smart phones/ tablets/computers. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders with the subject "Registration for Roshan Packages Limited AGM" through email corporate@roshanpackages.com.pk on or before 26 October, 2020.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email on the company provided email address. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at email: corporate@roshanpackages.com.pk. The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting. Form of proxy in English and Urdu languages are attached to the notice of meeting sent to the shareholders.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
6. **CNIC/IBAN for E-Dividend Payment.** The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.
7. **Zakat Declarations.** The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.
8. **Circulations of Annual Reports through CD/DVD/USB/ Email.** Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in its annual general meeting held on 22 November, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send request to the email address provided by the company in the annual report and also available on the website of the Company, and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. Those who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.roshanpackages.com.pk
9. **Unclaimed Dividend and Bonus Shares.** Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, CDC House 99-B, block B, SMCHS, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend or pending shares, if any.
10. **Placement of Financial Statements on the website of the Company.** The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2020 along with Auditors' and Directors' Reports thereon and Chairman's Review on the website of the Company: www.roshanpackages.com.pk

Statement of Material Facts under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on 28 October 2020.

Item 4 of the Agenda: Approval & Authorization of Related Party Transactions

Since the majority of the Company Directors were interested in the related party transactions carried out with Roshan Enterprises in the ordinary course of business at arm's length basis, these transactions were executed during the financial year ended June 30, 2020 under the authority of the Special Resolution passed in the annual general meeting held on 27 November, 2019. Accordingly, these transactions are being placed before the members of the Company for their approval pursuant to the aforesaid special resolution.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

“Resolved that the following transactions carried out in the ordinary course of business at arm's length basis with Roshan Enterprises during the financial year ended June 30, 2020 be and are hereby ratified, approved and confirmed.

Name of Related Party	Nature of Transaction	Rupees
Roshan Enterprises	Sale of Boxes	12.48 Million
Roshan Enterprises	Markup	16.41 Million

Mr. Khalid Eijaz, Mr. Quasim Aijaz, Mr. Saadat Eijaz, Mr. Zaki Aijaz, the Directors of the Company, are interested in transactions with Roshan Enterprises as they are partners in the related party. The shareholding of these Directors in the company and extent of interests in Roshan Enterprises is detailed hereinafter.

Name of Director	% interest in Roshan Enterprises	% interest in company
Saddat Eijaz	27	11.86
Zaki Aijaz	10	11.86
Khalid Eijaz Qureshi	36	14.65
Quasim Aijaz	27	2.96

The transactions referred to above were executed on an arm's length basis in the ordinary course of business.

The Company shall continue to carry out transactions with the related party in its ordinary course of business at arm's length basis during the year ending June 30, 2021 and till the date of next annual general meeting. As mentioned hereinabove, the majority of the Directors are interested in these transactions, therefore, these transactions with related party have to be approved by the shareholders.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with Roshan Enterprises during the financial year ending June 30, 2021 and till the date of next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

“Resolved that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2021 and till the next annual general meeting.

Resolved further that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval.”

The names of interested directors and their respective interests have been disclosed hereinabove.

Item 5 of the Agenda: Approval & Authorization of Increase in amount of loan from Rs. 260 Million to Rs. 500 Million and change in the nature/terms and conditions of the existing loans provided to Company's Subsidiary Roshan Sun Tao Paper Mills (Private) Limited

The shareholders of the Company in the annual general meeting held on 22 November, 2017 has passed the special resolution for investment of up to 260 million in the form of loans and advances to M/s Roshan Sun Tao Paper Mills (Pvt) Limited, a Subsidiary company, for a period of 4 years. The markup rate approved by the shareholders is 1 Year Kibor+2% per annum.

The Subsidiary was established to set up a paper Mill. The Project was a joint venture of the Company with Chinese partner; however, the joint venture agreement was terminated by the Company and a case was filed before the Court for specific performance while the Chinese partner has filed a winding up petition before the Court for winding up of the Subsidiary. Both the cases are still pending before the Courts. The lawyers of the Company are hopeful that the petition for winding up of the Subsidiary will be dismissed by the Court.

The Subsidiary's operations were hindered due to delayed approvals from regulatory authorities, delays in infrastructural development from Government of Punjab, litigation and financial closure and of lately by Covid-19 Pandemic.

As of 30 June, 2020, the outstanding amount of loan to the Subsidiary is Rs. 228.29 Million. This is in addition to mark up of Rs. 63.89 Million.

Due to the above reasons, the Subsidiary has requested for rescheduling of the outstanding amount along with additional loans to help complete its Project.

As per proposed terms and conditions, the above amount is being increased to Rs. 500 Million at a markup rate of 1 Year Kibor+2% (which shall not be less than borrowing cost of the company and relevant Kibor whichever is higher). The outstanding Loan shall be paid by 30 June 2024 in lump sum or with one year of the commercial operations whichever is later. The markup rate will be equal to borrowing cost of company or 1year KIBOR plus 2% (whichever is higher). The mark up shall be payable quarterly within 10 days of the end of quarter on outstanding amount of loan.

Further, the loan shall be subject to the term that the outstanding balance of the loan and markup thereon shall be converted into equity by way of adjustment against future issue of right shares at the option of the Company in case the Subsidiary issues right shares.

Since the majority of the directors were common and interested, the necessary due diligence for the proposed investment was carried out by the management and duly signed recommendation of the due diligence report shall be made available for inspection of members in the AGM along with latest financial statements of Subsidiary. The names of common directors are:

1. Tayyab Aijaz
2. Saadat Eijaz
3. Zaki Aijaz
4. Khalid Eijaz Qureshi
5. Quasim Aijaz

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Loans and Advances to Roshan Sun Tao Paper Mills (Private) Limited

(a) Disclosure for all types of investments:		
(A) Disclosure regarding associated company		
(i)	Name of Associated Company or Associated Undertaking	Roshan Sun Tao Paper Mills (Private) Limited
(ii)	Basis of Relationship	Common Directorship/ Subsidiary
(iii)	Loss per Share for the last three years	2018: 0.03 2019: 0.92 2020: 2.53
(iv)	Break-up value per Share, based on last audited financial statements	9.18/share

(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements		<p>Assets as at 30 June 2020</p> <p>Non-current assets – Rs. 489,909,996.</p> <p>Current assets – Rs. 24,228,362</p> <p>Total assets – Rs. 514,138,358</p> <p>Total current liabilities – Rs. 175,212,815</p> <p>Net equity – Rs. 170,378,883</p> <p>Revenue for the period ended 30 June 2020– Rs. NIL as commercial operations have not commenced.</p> <p>Expenses – Rs. 47,005,333</p> <p>Other income – Rs. NIL</p> <p>Loss after tax- Rs. 47,005,333</p>
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely		
	i	Description of the project and its history since conceptualization	The Project is being established for setting up of Corrugated paper Manufacturing Mill. The Project will be backward integration of corrugated plant of Roshan Packages Limited. The cost of first phase will be Rs. 2,400 Million to be financed by debt and equity.
	ii	Starting date and expected date of completion of work	Construction commenced in the year 2017 Expected Date of completion June 2022.
	iii	Time by which such project shall become commercially operational	By June 2022
	iv	Expected time by which the project shall start paying return on investment	By 2023-2024
	v	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Rs. 339.67 Million has been invested by the Company as of 30 June 2020 in the form of equity and loans. The investment was made in cash.
(B) General Disclosures:			
(i)	Maximum amount of investment to be made		Up to Rs. 500/- (Rupees Five Hundred Million Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment		<p>The investment will help the completion of the Project and expected to result in dividend income and /or capital gains which will enhance the profitability of the Company and add to the shareholders value of the members of the investing company.</p> <p>The investment in Subsidiary is for long term.</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		The investment will be made from company's own funds.
	(I)	NA	NA
	(II)	NA	NA
	(III)	NA	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment		The Company will enter into agreement(s) with the Subsidiary after approval by the shareholders.

(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	<p>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>Directors shareholding In Subsidiary:</p> <table><tr><td>Tayyab Aijaz</td><td>0.0010%</td></tr><tr><td>Saadat Aijaz</td><td>0.0003%</td></tr><tr><td>Zaki Aijaz</td><td>0.0003%</td></tr><tr><td>Khalid Eijaz Qureshi</td><td>0.0000%</td></tr><tr><td>Quasim Aijaz</td><td>0.0000%</td></tr></table> <p>Directors shareholding In Company:</p> <table><tr><td>Tayyab Aijaz</td><td>26.84%</td></tr><tr><td>Saadat Aijaz</td><td>11.86%</td></tr><tr><td>Zaki Aijaz</td><td>11.86%</td></tr><tr><td>Khalid Eijaz Qureshi</td><td>14.65%</td></tr><tr><td>Quasim Aijaz</td><td>2.96%</td></tr></table> <p>Further, the directors/CEO are interested to the extent of their respective remuneration.</p>	Tayyab Aijaz	0.0010%	Saadat Aijaz	0.0003%	Zaki Aijaz	0.0003%	Khalid Eijaz Qureshi	0.0000%	Quasim Aijaz	0.0000%	Tayyab Aijaz	26.84%	Saadat Aijaz	11.86%	Zaki Aijaz	11.86%	Khalid Eijaz Qureshi	14.65%	Quasim Aijaz	2.96%
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Quasim Aijaz	2.96%																					
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	<p>The Project of the Subsidiary was delayed for various reasons as explained herein. The Project is in construction phase.</p> <p>No write offs/impairment</p>																				
(vii)	Any other important details necessary for the members to understand the transaction	NA																				
Additional disclosure regarding investment in the form of Loan and advances																						
(i)	Category-wise amount of investment	Up to Rs. 500 million as loan and advance including exiting loan of PKR 260 Million.																				
	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return unfunded facilities, as the case may be, for the relevant period	<p>The average borrowing cost of the Company during the year ended 30 June 2020 was 14.45 %.</p> <p>1 Year KIBOR+2% i.e. 14.37%+2%=16.37%</p>																				
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	The Company shall charge the Subsidiary mark up at 1-Year KIBOR plus 2% per annum. In case of delay in repayment of principal & mark up a penalty of 2% shall be charged in addition to agreed mark up from the due date till the repayment is made.																				
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Being Subsidiary no collateral or security required.																				
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	The investment can be adjusted against issue of right shares when the Subsidiary makes further issue of capital at the option of the Company. The conversion shall be at par value of Rs. 10 each.																				
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The outstanding amount of loan shall be paid by 30 June 2024 in lump sum or with one year of the commercial operations whichever is later. The markup rate will be equal to borrowing cost of company or 1year KIBOR plus 2% per annum (whichever is higher). The mark up shall be payable quarterly within 10 days of the end of quarter on outstanding amount of loan.																				

According to Section 199 of the Companies Act 2017 requires approval of shareholders for increase in the amount of investment and that no change in nature and terms and condition of the investment shall be made except under the authority of a special resolution. Accordingly, increase in the amount of investment and the change in the terms and conditions are being presented to the shareholders for approval through passing the following resolution as a special resolution, with or without modification(s), addition(s) or deletion(s).

RESOLVED THAT approval of the members of Roshan Packages Limited (the “**Company**”) be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to increase the amount of loan and advances from Rs. 260 Million to up to Rs. 500 Million (Rupees Five Hundred Million Only) from time to time in Roshan Sun Tao Paper Mills (Private) Limited (“**Subsidiary**”), an associated company, to be payable by 30 June 2024 in lump sum or with one year of the commercial operations whichever is later and the markup rate will be equal to borrowing cost of company or 1year KIBOR plus 2% per annum (whichever is higher) to be payable quarterly within 10 days of the end of quarter on outstanding amount of loan.

RESOLVED THAT “approval of the Company be and is hereby accorded to convert the aforesaid loan and advances of Rs. 500 Million into equity of the Subsidiary at Par value of Rs. 10 each at the discretion of the Company when the Subsidiary will increase paid up share capital in future.

RESOLVED FURTHER THAT the Chief Executive and/or Chief Financial Officer and/or Company Secretary (the “Authorized Officers”) of the Company be and are hereby authorized and empowered on behalf of the Company to take all steps and actions necessary, ancillary and incidental and sign, execute and amend such documents, papers, instruments, agreement etc., as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the aforesaid resolution.

Item 6 of the Agenda: Approval & Authorization for Additional Equity Investments in Subsidiary Roshan Sun Tao Paper Mills (Private) Limited by utilizing the surplus funds available with the Company as part of working capital.

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 (the “Subsidiary”) of Roshan Packages Limited (the “Company”). It was incorporated to set up and establish a paper Mill. The Project was to be run as a joint venture between the Company with a Chinese partner; however, the joint venture agreement was terminated by the Company due to contractual breaches committed by Chinese partner. Thereafter, a case was filed before the Civil Court, Lahore for specific performance of termination clause of joint venture agreement. The Chinese partner had filed a petition before the Lahore High Court for winding up of the Company. This winding up petition has been contested well and judgement has been reserved for announcement that is likely to be come out shortly in favor of dismissal of this petition.

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

The revised total cost of the project for first phase, with estimated capacity of 66,000 metric tons per annum is estimated to be Rs. 2,400 million which will be financed through estimated debt of Rs. 1,100 Million and equity of Rs. 1,300 Million.

Since the majority of the directors were common and interested, the necessary due diligence for the proposed investment was carried out by the management and duly signed recommendation of the due diligence report shall be made available for inspection of members in the AGM along with latest financial statements of Subsidiary. The names of common directors are:

1. Tayyab Aijaz
2. Saadat Eijaz
3. Zaki Aijaz
4. Khalid Eijaz Qureshi
5. Quasim Aijaz

The Company issued 32.5 Million ordinary shares at Rs. 10 per share pursuant to the initial public offering. The Company raised Rs. 1.66 billion in excess of the Floor Price which were utilized to pay-off short term and long-term borrowings and increased working capital requirements. The Company now intends to utilize the amount available with it as part of working capital for investment in the Subsidiary.

In view of the business growth strategy, it will be beneficial for the company and its shareholders to utilize the funds available with the Company as part of working capital for investments in Subsidiary, Roshan Sun Tao Paper Mills (Pvt.) Ltd.

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Equity investment in Roshan Sun Tao Paper Mills (Private) Limited

(a) Disclosure for all types of investments:		
(A) Disclosure regarding associated company		
(i)	Name of Associated Company or Associated Undertaking	Roshan Sun Tao Paper Mills (Private) Limited
(ii)	Basis of Relationship	Common Directorship/Subsidiary
(iii)	Loss per Share for the last three years (Rs.)	2018: 0.03 2019: 0.92 2020: 2.53
(iv)	Break-up value per Share, based on last audited financial statements	9.18/share
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Assets as at 30 June 2020 Non-current assets – Rs, 489,909,996. Current assets – Rs. 24,228,362 Total assets – Rs. 514,138,358 Total current liabilities – Rs. 175,212,815 Net equity – Rs. 170,378,883 Revenue for the period ended 30 June 2020– Rs. NIL as commercial operations have not commenced. Expenses – Rs. 47,005,333 Other income – Rs. NIL Loss after tax – Rs. 47,005,333
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	
	I Description of the project and its history since conceptualization	The Project is being established for setting up of Corrugated Paper Manufacturing Mill. The Project will be backward integration of corrugation plant of Roshan Packages Limited. The cost of first phase will be Rs. 2,400 Million to be financed by debt and equity.
	II Starting date and expected date of completion of work	Construction commenced in the year 2017 Expected Date of Completion Jun-2022
	III Time by which such project shall become commercially operational	By June 2022
	IV Expected time by which the project shall start paying return on investment	By 2023-2024
	V Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Rs. 339.67 Million has been invested by the Company as of 30 June 2020 in the form of equity and loans.

(B) General Disclosures:																							
(i)	Maximum amount of investment to be made		Upto Rs. 900/- (Rupees Nine Hundred Million Only) as additional equity investment.																				
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment		<p>The investment will help the completion of the Project and expected to result in dividend income and /or capital gains which will enhance the profitability of the Company and add to the shareholders value of the members of the investing company.</p> <p>The investment in Subsidiary is for long term.</p>																				
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		The investment will be made from company's funds available as part of working capital.																				
	(I)	Justification for investment through borrowings	NA																				
	(II)	Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	NA																				
	(III)	Cost of benefit analysis	NA																				
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment		The Company will enter into agreement(s) with the Subsidiary after approval by the shareholders																				
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration		<p>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>Directors shareholdings In Subsidiary:</p> <table><tr><td>Tayyab Aijaz</td><td>0.0010%</td></tr><tr><td>Saadat Aijaz</td><td>0.0003%</td></tr><tr><td>Zaki Aijaz</td><td>0.0003%</td></tr><tr><td>Khalid Eijaz Qureshi</td><td>0.0000%</td></tr><tr><td>Quasim Aijaz</td><td>0.0000%</td></tr></table> <p>Directors shareholdings In Company:</p> <table><tr><td>Tayyab Aijaz</td><td>26.84%</td></tr><tr><td>Saadat Aijaz</td><td>11.86%</td></tr><tr><td>Zaki Aijaz</td><td>11.86%</td></tr><tr><td>Khalid Eijaz Qureshi</td><td>14.65%</td></tr><tr><td>Quasim Aijaz</td><td>2.96%</td></tr></table> <p>Further, the Directors/CEO are interested to the extent of their respective remunerations.</p>	Tayyab Aijaz	0.0010%	Saadat Aijaz	0.0003%	Zaki Aijaz	0.0003%	Khalid Eijaz Qureshi	0.0000%	Quasim Aijaz	0.0000%	Tayyab Aijaz	26.84%	Saadat Aijaz	11.86%	Zaki Aijaz	11.86%	Khalid Eijaz Qureshi	14.65%	Quasim Aijaz	2.96%
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Quasim Aijaz	2.96%																						
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs		<p>The Project of the Subsidiary was delayed for various reasons as explained herein. The project is in construction phase.</p> <p>There are no impairment/write offs.</p>																				
(vii)	Any other important details necessary for the members to understand the transaction		None																				

(b) Additional disclosure regarding Equity Investment											
(i)	Maximum price at which securities will be acquired	Since the project is a Greenfield project, the shares will be acquired, at par value, of Rs. 10 each. This price is less than fair value of a share of the Subsidiary									
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A									
(iii)	Maximum number of securities to be acquired	Upto 90,000,000 Shares to be offered as right shares including unsubscribed right shares by the Subsidiary									
(iv)	Number of securities and percentage thereof held before and after the proposed investment	<table> <tr> <th>No. of Shares</th><th>Number</th><th>%age</th></tr> <tr> <td>Before</td><td>11,137,373</td><td>60.00</td></tr> <tr> <td>After</td><td>101,137,373</td><td>93.16</td></tr> </table> <p>%age of investment will increase as the Chinese partner will not subscribe its portion of right shares which will be subscribed by the Company.</p>	No. of Shares	Number	%age	Before	11,137,373	60.00	After	101,137,373	93.16
No. of Shares	Number	%age									
Before	11,137,373	60.00									
After	101,137,373	93.16									
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A									
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	Fair value of the share is not less than the Face value of the share (Face value of share is Rs. 10 per share).									

The following resolution is proposed to be passed as special resolution:

Resolved Further that approval of the members of Roshan Packages Limited (the “**Company**”) be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to further invest up to Rs. 900 Million (Rupees Nine Hundred Million Only) out of funds available as part of working capital of the Company from time to time in Roshan Sun Tao Paper Mills (Private) Limited (“**Subsidiary**”), an associated company for subscribing, at Par, fully paid up, up to 90 Million ordinary shares of Rs. 10 each of the Subsidiary as may be offered to the Company by the Subsidiary as right shares including unsubscribed right shares pursuant to further issue of capital, as per terms and conditions disclosed to the members.

Resolved Further that this resolution shall be valid for a period of 4 years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.

Item 7 of the Agenda: Approval & Authorization of change in the terms and conditions of the investments in Associate Company i.e. Roshan Enterprises

The shareholders of the Company in the annual general meeting held on 29th October 2018 has passed the special resolution for investment of up to 122,722,688 million in the form of loans and advances to M/s Roshan Enterprises, associate undertaking, for a period of two years at markup rate of 1 Year Kibor+2% per annum which shall not be less than borrowing cost of the Company. The associated undertaking has paid mark up, however, it has requested for extension in period the loan of Rs. 122,722,688/- for another two years i.e., till 28 October, 2022 as its operations were severely hit by Covid-19 Pandemic. The matter is being placed before the Board as the majority of the directors are interested in this business.

Revised Terms and Conditions

Amount	Rs. 122,722,688
Repayment:	By 28 October, 2022 in lump sum along with markup
Mark up rate:	1-year KIBOR plus 2% (which shall not be less than borrowing cost)
Penalty:	In case of delay in repayment of principal & mark up on 28 October, 2022, a penalty of 2% shall be charged in addition to agreed mark up from the due date till the repayment is made.

Section 199 of the Companies Act 2017 requires that no change in nature and terms and condition of the investment shall be made except under the authority of a special resolution. Accordingly, the change in the repayment terms of principal and markup is being presented to the shareholders for approval through passing the following resolution as a special resolution, with or without modification(s), addition(s) or deletion(s).

The following resolution is proposed to be passed, with or without modification:

“RESOLVED THAT approval of the members of Roshan Packages Limited (the **“Company”**) be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to the following changes in the terms and conditions of the loan to Roshan Enterprises, an associated company:

Amount	Rs. 122,722,688
Repayment:	By 28 October, 2022 in lump sum along with markup
Mark up rate:	1-year KIBOR plus 2% (which shall not be less than borrowing cost)
Penalty:	In case of delay in repayment of principal & mark up on 28 October, 2022, a penalty of 2% shall be charged in addition to agreed mark up from the due date till the repayment is made.

RESOLVED FURTHER THAT the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.

Item 8 of the Agenda: Increase in Authorized Share Capital of the Company and consequent alteration in the Memorandum of Association of the Company.

The existing paid up share capital of the Company is Rs. 1.419 Billion divided into 141.900 million ordinary shares of Rs. 10 each while the exiting authorized share capital of the Company is Rs. 1.5 Billion divided into 150 Million ordinary shares of Rs. 10/- each.

In order to cater for increase in paid up share capital of the Company in future, the authorized share capital of the Company needs to be enhanced. Accordingly, the Board of Directors has recommended to increase the authorized share capital of the Company from Rs. 1.5 Billion divided into 150 Million ordinary shares of Rs. 10/- each to Rs. 2.0 Billion divided into 200 Million ordinary shares of Rs. 10/- each by Rs. 500 Million i.e., creation of additional 50 Million ordinary shares of Rs. 10/- each.

The proposed increase in the authorized share capital of the Company will also necessitate amendment in Clause v of Memorandum of Association of the Company. The Board of Directors has also recommended required alteration in the Memorandum of Association of the Company to reflect increase in authorized share capital of the Company.

Reasons for alteration in authorized share capital

Alteration of authorized share capital is being proposed to enhance the existing authorized capital in order to allow future increase in paid up share capital.

Reasons for alteration of Memorandum of Association

The Company is increasing its authorized share capital in order to cater for future increase in paid up share capital of the Company. Consequently, the provisions in the Memorandum of Association relating to authorized share capital will need to be amended.

Existing Clause v of Memorandum of Association:

“The Authorized Capital of the Company is Rs. 1,500,000,000/- (Rupees One Billion and Five Hundred Million Only) divided to 150,000,000 ordinary shares of Rs. 10/- (Rupees Ten Only) each with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

Proposed Clause v of Memorandum of Association:

“The Authorized Capital of the Company is Rs. 2,000,000,000 (Rupees Two Billion Only) divided in to 200,000,000 ordinary shares of Rs. 10/- (Rupees Ten Only) each with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

Interest of directors

No director or Chief Executive of the Company or their relatives have any interest, directly or indirectly, in the proposed alterations of the Memorandum of Association of the Company except in their capacities as Directors/Chief Executive/ shareholders of the Company.

Availability of Relevant Documents

A copy each of the existing and amended Memorandum of Association identifying the changes proposed therein bearing the initial of the company secretary for identification purposes is attached herewith. A copy thereof and the documents pertaining to proposed special resolutions are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the AGM. The same shall also be available for inspection by the members in the AGM.

Statement of the Board of Directors

"We, the members of the Board of Directors hereby confirm that the proposed amendments/alterations in the Memorandum of Association of the Company are in line with the applicable laws and regulatory framework."

For the purpose aforesaid, it is proposed to consider and, if though fit, to pass the following resolution as a special resolution, with or without modifications:

RESOLVED THAT, subject to approval of members of Roshan Packages Limited (the "**Company**") via special resolution, the Authorized Share Capital of the Company be and is hereby increased from Rs. 1,500,000,000/- (Rupees One Billion and Five Hundred Million Only) divided into 150,000,000 ordinary shares of Rs. 10 each to Rs. 2,000,000,000 (Rupees Two Billion Only) divided into 200,000,000 ordinary shares of Rs. 10 each by creation of 500,000,000 additional ordinary shares of Rs. 10 each to rank *pari passu* when issued in every respect with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT, in consequence of the aforesaid increase in the Authorized Share Capital of the Company, the existing clause v of the Memorandum of Association of the Company be and is hereby substituted accordingly, to read as follows:

Clause v of Memorandum of Association:

"The Authorized Capital of the Company is Rs. 2,000,000,000 (Rupees Two Billion Only) divided into 200,000,000 ordinary shares of Rs. 10/- (Rupees Ten Only) each with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017."

FURTHER RESOLVED THAT the Chief Executive and/or Chief Financial Office and/or Company Secretary be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements to effectuate and implement this resolution.

Statement Under Rule 4(2) of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Roshan Sun Tao Paper Mills (Pvt) Limited
Total Investment Approved:	For Equity: up to 506.4 Million For Loan and advances: 260 Million
Amount of Investment Made to date:	Equity:111.38 Million Loans:228.29 Million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	The said approval was taken for four years. Due to delay in project, the special resolutions are being proposed for extension of timeline.

Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	<p>M/s Shang Dong Yongtai Paper Mills Limited (SDYPL), a shareholder of M/s Roshan Sun Tao Paper Mills Limited, a subsidiary of the Company, has filed a petition in the Lahore High Court, Lahore for winding up of Roshan Sun Tao Paper Mills Limited. The Company has also been made a respondent in the petition. The Company has terminated the joint venture agreement and filed a specific performance suit against Ms. Shandong Yongtai Paper Mills Limited (hereinafter 'SYPML') in order to enforce provisions of the shareholder agreement entered into between the Company and SYPML requiring transfer of shareholding held by SYPML in Roshan Sun Tao Paper Mills (Private) Limited (subsidiary company) to the Company as a result of SYPML's breach of substantial terms of the shareholder agreement.</p> <p>The management is confident that the petition in high court for winding up will be dismissed as the Company being majority shareholder is fully committed to the investment plan of the subsidiary for its paper mill project.</p> <p>During the year ended 30 June, 2020, the Subsidiary has sustained a loss of PKR 47 million, the project is in construction phase.</p>
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Name of Investee Company	Roshan Enterprises
Total Investment Approved:	For Loan and advances: Rs. 122.722 million
Amount of Investment Made to date:	For Loan and advances: Rs. 122.722 million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	The said approval was taken for two years, so there is no such deviation. However, in view of Covid-19 Pandemic, the associated undertaking has requested by extension in repayment of loan which will be considered by the shareholders for approval.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	No such material change.

سالانہ اجلاس عام کی اطلاع (روشن پیکجز لمیٹڈ)

بذریعہ نوٹس بذمہ مطلع کیا جاتا ہے کہ روشن پیکجز لمیٹڈ ("کمپنی") کا سترہواں سالانہ اجلاس عام بروز بدھ 28 اکتوبر 2020 بمقام شالیمار ہال، فلیٹ 7، لاہور میں بوقت 12 بجے دوپہر درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

عمومی امور

- 1- چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز کی رپورٹ مع 30 جون 2020ء کو مکمل ہونے والے سال کے آڈٹ شدہ سالانہ جداگانہ اور مجموعی مالیاتی گوشواروں کی وصولی، غور و خصوص اور منظوری دینا۔
- 2- کمپنی کے آڈیٹرز کا تقرر اور ان کا مشاہرہ مقرر کرنا۔ اس حوالے سے ارکان کو اطلاع دی جاتی ہے کہ بورڈ اور آڈٹ کمیٹی نے میسرز ای وائے فورڈ روڈز چارٹرڈ اکاؤنٹنٹس کو دوبارہ بطور آڈیٹر تقرر کی سفارش کی ہے۔
- 3- سال ختمہ 30 جون 2020ء کے لیے بورڈ کے ڈائریکٹرز کی جانب سے سفارش کردہ حتمی منقسمہ منافع کی ادائیگی ایک روپیہ فی شیئر (10 فیصد) کی منظوری دینا۔

خصوصی امور


- 4- غور کرنا، توثیق کرنا اور منظوری دینا، گذشتہ برس 27 نومبر 2019ء کو ہونے والے سالانہ اجلاس عام میں خصوصی قرارداد کے ذریعے کمپنی کے چیف ایگزیکٹو آفیسر کو متعلقہ اداروں کے ساتھ کاروباری امور کی انجام دہی کے لیے بااختیار کیا گیا، ختمہ 30 جون 2020ء کے دوران یا سال ختمہ 30 جون 2021ء یا اگلے اجلاس عام تک متعلقہ اداروں کے ساتھ انجام دیے گئے امور پر غور کرنا، توثیق کرنا اور منظوری دینا۔ اگر مناسب سمجھا جائے تو جس طرح کہ سیٹنٹ آف میٹرل فیکٹس پیش کیا گیا ہے ایک خصوصی قرارداد کو تبدیلوں یا بغیر کسی تبدیلی کی منظور کرنا۔
- 5- غور کرنا اور اگر مناسب سمجھا جائے تو سیکشن 199 کے تحت تبدیلی یا کسی تبدیلی کے بغیر جیسا کہ سیٹنٹ آف میٹرل فیکٹس میں تجویز کیا گیا روشن سن تاؤ پیپر ملز پرائیویٹ لمیٹڈ کو دیے جانے والے طویل مدتی قرض کی رقم میں اضافہ، سرمایہ کاری کی قسم میں تبدیلی یا شرائط و ضوابط میں تبدیلی کی کے لیے خصوصی قرارداد کو منظور کرنا۔
- 6- غور کرنا اور اگر مناسب سمجھا جائے تو سیکشن 199 کے تحت تبدیلی یا کسی تبدیلی کے بغیر جیسا کہ سیٹنٹ آف میٹرل فیکٹس میں تجویز کیا گیا روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ (ذیلی کمپنی) میں ایکویٹی بڑھانے کے لیے کمپنی کے پاس موجود زائد فنڈ کو استعمال کرنے کے لیے خصوصی قرارداد کو منظور کرنا۔
- 7- غور کرنا اور اگر مناسب سمجھا جائے تو سیکشن 199 کے تحت تبدیلی یا کسی تبدیلی کے بغیر جیسا کہ سیٹنٹ آف میٹرل فیکٹس میں تجویز کیا گیا ایسوسی ایٹڈ انڈسٹریلنگ روشن انٹرپرائزز میں کی گئی سرمایہ کاری کی شرائط و ضوابط کو دو سال قرض کی مدت بڑھانے کے لیے خصوصی قرارداد کو منظور کرنا۔
- 8- غور کرنا اور اگر مناسب سمجھا جائے تو تبدیلی یا کسی تبدیلی کے بغیر کمپنی کے Authorized Share Capital میں اضافے کے لیے خصوصی قرارداد کو منظور کرنا جس کے نتیجے میں کمپنی کے میورنڈم کی شق پانچ اور آرٹیکل آف ایسوسی ایشن میں تبدیلی کرنا۔

کمپنیز ایکٹ 2017 کی شق 134(3) کے تحت سیٹنٹ آف میٹرل فیکٹس کا ایک بیان اور منظوری کی جانے والی خصوصی قراردادوں کے مسودے اجلاس کی اطلاع کے

ساتھ منسلک ہیں۔

بحکم بورڈ

لاہور 7 اکتوبر 2020ء


رابعہ شریف
کمپنی سیکرٹری

ضروری گزارشات:

1- شیئرز بک کی بندش

کمپنی کی شیئرز منتقلی کی کتابیں 21 اکتوبر 2020ء سے 28 اکتوبر 2020ء تک بند رہیں گی (بشمول دونوں دن)۔ اس سلسلہ میں ہمارے شیئرز رجسٹرار کے دفتری ڈی سی شیئرز رجسٹر اور سروسز لمیٹڈ سی ڈی سی ہاؤس B-99 بلاک بی، مین شاہراہ فیصل کراچی میں بروز بدھ 20 اکتوبر 2020ء کے کاروباری دن کے اختتام تک وصول ہو جائے گی، وہ منقول الیہ کو حتمی نقد منافع منقسمہ اور سالانہ اجلاس عام (اے جی ایم) میں شرکت، خطاب اور ووٹ کے استحقاق کے لیے بروقت تصور کی جائے گی۔

2- سالانہ اجلاس عام میں آن لائن شرکت

کوویڈ-19 کی وبا اور ایس ای سی پی کی ہدایات کے بموجب، کمپنی، کورم کی ضروریات کو مد نظر رکھتے ہوئے کم سے کم حصہ داران کی ذاتی حیثیت میں اجلاس عام میں شرکت کی خواہاں ہے اور اپنے ممبران سے درخواست کرتی ہے کہ وہ اپنی حاضریوں کو جمع کرنے کے لئے نائب کے ذریعے اپنی حاضری کو یقینی بنائیں۔ اجلاس میں سمارٹ فون، ٹیبلیٹ اور کمپیوٹر کے ذریعے شرکت کی جاسکتی ہے۔ اجلاس میں ویڈیولنک کے ذریعے شرکت کے لیے ممبران سے درخواست ہے کہ وہ مندرجہ ذیل معلومات اپنے شناختی کارڈر پاسپورٹ کارپوریٹ حصص داران کی صورت میں تصدیق شدہ نقل بورڈ ریزولوشن یا مختار نامہ، ”رجسٹریشن سالانہ اجلاس عام روٹن پیکیج“ کے عنوان کے ساتھ 26 اکتوبر 2020ء تک corporate@roshanpackages.com.pk پر ای میل کریں۔

ضروری جانچ کے بعد رجسٹرڈ ممبران کو ویڈیولنک مہیا کی جائے گا۔ Login کی سہولت اجلاس شروع ہونے سے ختم ہونے تک رہے گی۔ جو حصص داران AGM کے ایجنڈے کے حوالے سے اپنی تجاویز دینا چاہتے ہوں وہ corporate@roshanpackages.com.pk پر ای میل کر دیں۔ کمپنی ان تجاویز کو اجلاس عام میں پڑھے گی اور اس پر آنے والے رد عمل کو اجلاس کی یادداشت میں شامل کرے گی۔

3- اس اجلاس میں شرکت اور رائے دہی کا استحقاق رکھنے والا رکن اپنی جانب سے شرکت اور رائے دہی کے لیے اپنا نائب مقرر کر سکتا ہے۔ نائب کے لیے ضروری ہے کہ وہ کمپنی کا رکن ہو۔ اس طریقہ کار سے منتخب ہونے والا نائب ان تمام حقوق جیسا کہ اجلاس میں شرکت، بولنے اور رائے دہی جو کسی رکن کو حاصل ہیں کا مستحق ہے۔ نائب اپنی شناخت کے ثبوت کے طور پر اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ دکھائے گا۔

4- نائب کے تقرر کی دستاویز اور پاور آف اٹارنی یا دیگر دستاویز جس کے تحت تقرر ہوئی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کروانے ہوں گے۔ نائب کے تقرر کے لیے فارم انگریزی اور اردو دونوں زبانوں میں حصہ داران کو بھیجی گئی اجلاس کی اطلاع کے ساتھ منسلک ہے۔

5- ایسے ارکان جنہوں نے اپنے حصص سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (”سی ڈی سی“) میں جمع کروائے ہیں انہیں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(الف) اجلاس میں شرکت کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں کو اجلاس میں شرکت کے موقع پر اپنی شناخت کے لیے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنے ہوں گے۔

(ii) کارپوریٹ اینٹیٹی کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔

(ب) نائب کی تقرر کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر اور/ یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں، نائب کے تقرر کا فارم اوپر دی گئی شرائط کے مطابق جمع کرنا ہوگا۔

(ii) نائب کی تقرر کے فارم پر دو افراد کی گواہی ہوگی جن کے نام پتے اور شناختی کارڈ نمبر فارم میں درج ہونے چاہئیں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں نائب کی تقرر کے فارم کے ساتھ منسلک کرنی ہوں گی۔

(iv) نائب کو اجلاس کے موقع پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(v) کارپوریٹ اینٹیٹی کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرر کے فارم کے ساتھ منسلک کرنا ہوگا۔

6- الیکٹرانک منافع منقسمہ کی ادائیگی کے لیے سی این آئی/ آئی بی اے این:

کمپنیز ایکٹ 2017ء کی شق 242 کے مطابق کمپنی کے لیے یہ لازم ہے کہ وہ اپنے حصہ داران کو نقد منافع منقسمہ کی ادائیگی ان کے بینک اکاؤنٹ میں براہ راست صرف اور صرف بذریعہ الیکٹرانک موڈ ہی کرے گی۔ اس کے مطابق فزیکل حصص رکھنے والے حصہ داران سے درخواست کی جاتی ہے کہ کمپنی کے شیئرز رجسٹرار کے دفتر کے اوپر دیے گئے پتہ پر

الیکٹرانک منافع منقسمہ کے فارم پر الیکٹرانک منافع منقسمہ مینڈیٹ فراہم کریں یہ فارم سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دستیاب ہے۔ سی ڈی سی حصص یافتگان کی صورت میں یہی معلومات متعلقہ بروکر/سی ڈی سی کو فراہم کریں۔ بینک مینڈیٹ کی معلومات جمع نہ کرانے کی صورت میں منافع منقسمہ کی ادائیگی روک لی جائے گی۔

7- زکوٰۃ کا تحریری بیان: زکوٰۃ اور غنثر آرڈیننس مجریہ 1980ء کی رو سے کمپنی کے ارکان کو زکوٰۃ سے استثنائی کے لیے تحریری بیان جمع کرانا ہوگا۔

8- سالانہ رپورٹ کی بذریعہ سی ڈی/وی ڈی/یو ایس بی/ای میل ترسیل:

سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹی فیکیشن ایس آر او نمبر 2016(I) 470 مجریہ 31 مئی 2016 کے مطابق، کمپنی کے حصہ داران نے کمپنی کے 22 نومبر 2017 کو ہونے والے سالانہ اجلاس عام میں سالانہ رپورٹ مع سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کی اطلاع اور کمپنی کی کوئی بھی دوسری معلومات ہارڈ کاپی کے بجائے بذریعہ سی ڈی، وی ڈی یا یو ایس بی ترسیل کے لیے رضامندی دی تھی۔ ایسے تمام حصہ داران جو پہلے بیان کی گئی تمام دستاویزات کو ہارڈ کاپی کی صورت میں وصول کرنا چاہتے ہیں سالانہ رپورٹ اور کمپنی کی ویب سائٹ پر دیا گیا اسٹینڈرڈ ریکوسٹ فارم کمپنی سیکرٹری یا شیئر رجسٹرار کو بھیج سکتے ہیں اور کمپنی پہلے بیان کی گئی تمام دستاویزات کی ہارڈ کاپی حصہ داران کو ان کے مطالبہ پر بغیر کسی معاوضے کے ایسے کسی بھی مطالبے کے ایک ہفتے کے اندر اندر مہیا کرے گی۔ وہ تمام حصہ داران جو سالانہ رپورٹ مع اجلاس عام کی اطلاع بذریعہ ای میل وصول کرنا چاہتے ہیں سے درخواست کی جاتی ہے کہ وہ اپنی تحریری رضامندی اسٹینڈرڈ ریکوسٹ فارم کے ذریعے فراہم کریں۔ یہ فارم سالانہ رپورٹ اور کمپنی کی ویب سائٹ www.roshanpackages.com.pk پر دستیاب ہے۔

9- بے نامی منافع منقسمہ اور بونس شیئرز:

ایسے حصہ داران جو کسی بھی وجہ سے اپنا منافع منقسمہ یا بونس حصص کا مطالبہ نہیں کر سکے یا اپنے کوئی بھی مادی حصص وصول نہیں کر سکے تھے سے درخواست کی جاتی ہے کہ وہ زیر التوا حصص اور اپنے بے نامی منافع منقسمہ کو وصول یا اس کے بارے میں شکایت کے لیے ہمارے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سر ویز لمیٹڈ، سی ڈی سی ہاؤس 99- بی بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی سے رابطہ کریں۔

10- مالیاتی گوشواروں کی دستیابی:

کمپنی نے سالانہ اجلاس عام کی اطلاع کی کاپی، آڈٹ شدہ سالانہ علیحدہ اور مجموعی مالیاتی گوشوارے برائے سال ختم 30 جون 2020 مع آڈیٹر اور ڈائریکٹر رپورٹ اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ (www.roshanpackages.com.pk) پر فراہم کر دی ہیں۔

ڈائریکٹر رپورٹ

معزز حصہ داران!

ہم 30 جون 2020 کو ختم ہونے والے مالیاتی سال کی سالانہ رپورٹ اور مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

موجودہ سال ہماری معیشت کے لیے سخت مشکلات کا تھا اور ابھی تک حالات میں زیادہ بہتری نہیں آئی ہے۔ کوویڈ-19 وبا کے علاوہ مالیاتی کھاتوں کا خسارہ، بڑھتا افراط زر اور زرمبادلہ کے ذخائر میں کمی معاشی سرگرمیوں کو سست کرنے کا سبب بنیں۔ تاہم، حکومت کی طرف سے شرح سود میں کمی اور دیگر معاشی پیکجز کی وجہ سے ملکی معیشت کے مختلف شعبوں میں بہتری آئی جن میں پیکیجنگ کا شعبہ بھی شامل ہے۔ ابھی تک پیکیجنگ کا شعبہ دنیا بھر بشمول پاکستان میں ایک مربوط صنعت نہیں بن سکا۔ مارکیٹ کا ایک بڑا حصہ ایس ایم ایز اور غیر رسمی شعبوں کے پاس ہے۔ دنیا کی پچیس تیس سب سے بڑی پیکجز کمپنیوں کا عالمی مارکیٹ میں حصہ صرف پچیس فیصد ہے اور مارکیٹ کی پچھتر فی صد ضروریات ایس ایم ایز اور غیر رسمی شعبہ پوری کرتا ہے۔

ہمارا خیال ہے کہ پاکستان میں پیکیجنگ کی اشیا کی طلب بڑھے گی۔ موجودہ اعداد و شمار کے مطابق پاکستان میں پیکیجنگ پروڈکٹ کی فی کس کھپت 7 کلوگرام ہے جو کہ فریقہ سے بھی کم ہے جہاں پر فی کس کھپت 8 کلوگرام ہے۔ پاکستان کی آبادی دنیا کی کل آبادی کا 2.83 فیصد بنتی ہے اور اس میں مسلسل اضافہ ہو رہا ہے۔ دیگر صنعتوں کی ترقی کی وجہ سے ملک میں پیکیجنگ کی طلب میں مستقل اضافہ ہوگا۔ خاص طور پر سی بیک کی وجہ سے پاکستان اور خطے میں ترقی کی امید ہے جس کی وجہ سے ہماری مصنوعات کی طلب بھی بڑھے گی۔

جیسے جیسے وبائی مرض میں کمی واقع ہوگی اور مقامی طلب میں اضافہ ہوگا، پیکیجنگ کمپنیاں کاروبار کے نئے طریقوں کو اپنانے، پیکیجنگ کی حکمت عملیوں کا از سر نو جائزہ لینے، ای کامرس کے ذریعے صارفین تک پہنچنے، حفظان صحت، ماحول دوست اقدامات اور اپنی مصنوعات کو بہتر بنا کر مارکیٹ میں اپنا حصہ بڑھا سکتی ہیں۔ اس حوالے ہماری کمپنی خاص طور پر بڑھتی ہوئی مقامی معیشت کو فروغ دینے کے لیے تیار ہے۔

ہم امید کرتے ہیں کہ آپ اس سفر میں ہمارا ساتھ دیں گے۔

مالیاتی جائزہ

کمپنی کے آپریٹنگ نتائج کو ذیل میں مختصر اہیان کیا گیا ہے:

2019	2020	
روپے ملین میں		
5,397,124	5,232,971	مصنوعات کی کل فروخت
370,358	546,926	مجموعی منافع
70,918	242,204	آپریٹنگ منافع
186,633	223,124	فنانس کی لاگت
41,217	174,991	نقصان/منافع قبل از ٹیکس
(26,898)	247,962	نقصان/منافع بعد از ٹیکس

ان کنسولیڈیٹڈ (Unconsolidated) مالی اعداد و شمار پر مبنی کاروبار کی بنیادی سرگرمیاں، ترقی اور کارکردگی

موجودہ مالیاتی سال کے اختتام پر کرونا وبا کی وجہ سے ملک گیر لاک ڈاؤن اور اشیا کی فراہمی کے نظام (supply chain) میں خلل کے باوجود اللہ تعالیٰ کے فضل و کرم سے 2019/2020 کاروبار کے لیے بہتری اور ترقی کا سال رہا۔ وبا کے دوران یہ کمپنی کی تمام فیکٹریاں مکمل طور پر کھلی رہیں اور اپنے ”ناگزیر کاروباری صنعتوں والے“ صارفین کی ضروریات پوری کرتی رہیں۔

زیر جائزہ عرصہ کے دوران کمپنی نے بعد از ٹیکس 248 ملین روپے کا منافع کمایا جو پچھلے سال اسی مدت کے مقابلے میں بعد از ٹیکس 27 ملین روپے نقصان تھا۔ یہ 1022 فیصد بہتری کی نشاندہی کرتا ہے اور ٹیکس سے قبل 325 فیصد منافع میں اضافہ ہے (134 ملین روپے)۔ کمپنی کے آپریشنز نے زیر نظر مالی سال میں سود، ٹیکس، فرسودگی (Depreciation) اور ایمارٹائزیشن (Amortization) سے قبل 554 ملین روپے کی آمدنی حاصل کی جو گذشتہ سال 370 ملین روپے تھی۔ موجودہ سال میں EBITDA گذشتہ سال کے مقابلے میں 49.69 فیصد زیادہ رہی۔

ہماری کمپنی نے 547 ملین روپے مجموعی منافع کمایا جو 2019 میں 370 ملین روپے اور 2018 میں 308 ملین روپے تھا۔ یہ 2018 اور 2019 میں اسی مدت کے دوران کمائے گئے مجموعی منافع سے بالترتیب 239 ملین روپے (77 فیصد) اور 177 ملین روپے (48 فیصد) زیادہ ہے۔ مجموعی منافع کی شرح 10.5 فیصد رہی جو گذشتہ سال اسی مدت میں 6.9 فیصد تھا۔ کمپنی نے اپنی سلاز کی لاگت کی شرح کو کم کر کے 89.5 فیصد تک کیا جو گذشتہ سال 93.1 فیصد تھی۔ اس طرح یہ 3.6 فیصد کم ہے۔ اس کا سبب ان پٹ میٹریل کی لاگت میں نسبتاً کم اضافہ، سلاز کی لاگت میں تغیر پذیری اور لاگت کم کرنے کے موثر اقدامات تھے۔ باوجود بلند افراط زر کمپنی نے اپنی پیداواری لاگت کو قابو میں رکھا۔

موجودہ برس اشیا کی فروختگی سے ہونے والی آمدن 5,233 ملین روپے رہی جو 2019 اور 2018 میں بالترتیب 5,397 ملین روپے اور 4,031 ملین روپے رہی۔ تجزی اعتبار سے ہم نے اس برس

36,261 میٹرک ٹن مال کامیابی سے روانہ کیا جو 2019 میں 39,536 میٹرک ٹن اور 2018 میں 32,815 میٹرک ٹن تھا۔ تاہم اس کی باوجود کمپنی نے اپنے مجموعی مارجن کو بڑھایا یہ مصنوعات اور صارفین کے پورٹ فولیو کو سمجھداری سے برتنے کا نتیجہ ہے۔ اسی طرح پوری کمپنی میں لاگت کم کرنے والی اصلاحات متعارف کروائی گئیں تاکہ منافع کو بڑھایا جاسکے۔

غیر یقینی صورتحال اور عدم استحکام کی وجہ سے مقامی کرنسی کی قدر میں کمی واقع ہوئی۔ وبا کے باعث معاشی سرگرمیاں بھی متاثر ہوئیں۔ ان دونوں عوامل نے کمپنی کے کاروبار کو متاثر کیا۔ مزید برآں مالی سال کی آخری سہ ماہی تک اسٹیٹ بینک آف پاکستان نے شرح سود میں اضافہ کیا جس کی وجہ سے مالیاتی اخراجات میں 36 ملین روپے کا اضافہ ہوا۔ اگرچہ آخری سہ ماہی میں شرح سود میں خاطر خواہ کمی کردی گئی۔ لیکن پھر بھی ان عوامل نے ہمارے منافع پر اثر ڈالا۔ ایندھن اور توانائی کی لاگت ہمارے لیے چیلنج بنی رہی، جس کی وجہ سے ہمارے اخراجات میں 42 ملین روپے کا اضافہ ہوا۔ موجودہ سال یہ اخراجات 216 ملین روپے رہے جو گذشتہ برس اسی مدت کے دوران 174 ملین روپے تھے۔

فی حصہ آمدنی

موجودہ اور پچھلے سال کی فی شیئر آمدنی درج ذیل ہے۔

EPS-2020: 1.75 فی شیئر

LPS-2019: (0.19) فی شیئر

منافع منقسمہ

سال ختمہ 30 جون 2020ء کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے ایک روپیہ فی شیئر (10 فی صد) حتمی منقسمہ منافع کی ادائیگی کی تجویز دی گئی ہے۔

IFRS 16 کو اپنانا

رواں برس آپ کی کمپنی نے IFRS-16 کو اپنایا ہے۔ ان انٹرنیشنل اکاؤنٹنگ سٹینڈرڈز کو اپنائے جانے کے اثرات آپ کی کمپنی کے مالی گوشوارے میں دیکھ سکتے ہیں۔

ذیلی کمپنی (Subsidy) میں سرمایہ کاری

روشن سن ٹاؤن پیپر ملز (پرائیویٹ) لمیٹڈ کو 08 جنوری 2016 کو کمپنیز ایکٹ 2017 کے تحت نجی کمپنی کی حیثیت سے شامل کیا گیا تھا۔ یہ کمپنی کا ایک ذیلی ادارہ ہے ("ذیلی ادارہ") ماتحت ادارہ ریسیککڈ کاروگیٹر کاغذ کی تیاری اور رسد کے لیے لگائی جارہی ہے۔ پروجیکٹ چین شراکت دار کے ساتھ کمپنی کا مشترکہ منصوبہ تھا۔ تاہم، کمپنی کے ذریعہ مشترکہ منصوبے کا معاہدہ ختم کر دیا گیا تھا اور مخصوص کارکردگی کے لئے عدالت میں ایک مقدمہ درج کیا گیا تھا اور چین شراکت دار نے کمپنی کو سمیٹنے کے لیے عدالت کے سامنے Winding up پٹیشن دائر کی ہے۔ یہ دونوں مقدمات ابھی عدالتوں کے درمیان ہیں۔ ریگولیٹری حکام کی تاخیر سے منظوری، حکومت پنجاب کی بنیادی ڈھانچے کی تعمیر میں تاخیر، قانونی چارہ جوئی اور Financial Closure کی وجہ سے کمپنی کے کاموں میں رکاوٹ پیدا ہوئی۔ کمپنی قانونی چارہ جوئی کے مثبت نتائج کے لیے پرامید ہے۔

کمپنی اپنے تعمیر کے مرحلے میں اور اس نے زمین خریدی ہے جو ایم۔2 لاہور۔اسلام آباد موٹروے، ضلع شیخوپورہ کے قریب گاؤں منڈیالہ اور قائم پور، قائد اعظم بزنس پارک سے متصل ہے۔ پہلے مرحلے میں اس منصوبے کی سالانہ گنجائش -/66,000 میٹرک ٹن ہوگی اور اس منصوبے کی لاگت کا تخمینہ 4.2 ملین روپے ہوگی۔

روشن پیپر لمیٹڈ جو اس پراجیکٹ کی بانی کمپنی ہے، پیپر ملز کی بروقت تکمیل کے لیے ہر طرح کے اقدامات اٹھا رہی ہے۔ کمپنی پلانٹ اور مشینری کی خریداری اور تنصیب کے لیے مختلف غیر ملکی کمپنیوں کے ساتھ معاہدات کر چکی ہے۔ آپٹیشل اکٹناک زون کے حوالے سے دی گئی درخواست آپٹیشل اکٹناک زون اتھارٹی پنجاب کی طرف سے منظور ہو چکی ہے اور حتمی منظوری کے لیے بورڈ آف انوسٹمنٹ، اسلام آباد میں زیر غور ہے۔ مزید برآں، کمپنی مختلف بینکوں سے پراجیکٹ کے لیے قرضہ جات کے حصول کے لیے بھی بات چیت کر رہی ہے۔ بانی کمپنی (روشن پیپر) پراجیکٹ میں ایکویٹی کی سرمایہ کاری کے لیے فنڈز کا بندوبست کر چکی ہے، جس کی منظوری آئندہ سالانہ اجلاس عام میں حاصل کی جائے گی۔ یہ منصوبہ مطلوبہ منظوریاں (Approvals) مل جانے کے بعد مالی سال 2020-21 میں Financial Closure حاصل کر لگا جائے گا جس کے چوٹیں مہینے بعد پیداوار شروع کر دے گا۔

انسانی وسائل کی ترقی:

لاک ڈاؤن کے دوران روشن پیپر کو ناگزیر کاروباروں کی فہرست میں شمار کیا گیا تب سے ہماری فیکٹریاں کھلی ہیں اور ہم اپنے معزز صارفین کی ضروریات پوری کرنے کے لیے ہر ممکن کوشش کر رہے ہیں۔ ہمارے ملازمین نے دیگر ناگزیر کاروباری شعبوں مثلاً ادویہ سازی اور کھانے پینے کی صنعتوں کو چیلنج کی بلا قطل رسد کے لیے ہر ممکن سعی کی۔

ادارے کی سماجی ذمہ داری:

ادارے کی انتظامیہ نے اپنی سماجی ذمہ داری کے سلسلے میں سال کے دوران ماحولیاتی تحفظ اور مہارت کے نکھار پر اپنی توجہ مرکوز رکھی۔ کمپنی سماجی ماحولیاتی اور اخلاقی معاملات کو کاروباری سرگرمی کا اہم ایک عنصر سمجھتی ہے۔ سماجی ذمہ داریوں کی مزید تفصیلات سالانہ رپورٹ میں علیحدہ سے بھی دی گئی ہیں۔

بورڈ آف ڈائریکٹرز

سال کے دوران ڈائریکٹرز کے نام:

۱۔ جناب خالد اعجاز قریشی

- ii۔ جناب طیب اعجاز
- iii۔ جناب سعادت اعجاز
- iv۔ جناب ذکی اعجاز
- v۔ جناب قاسم اعجاز
- vi۔ جناب محمد نوید طارق
- vii۔ مسز عائشہ مصدق حامد
- ڈائریکٹر کی کل تعداد

i۔ مرد: 06

ii۔ خواتین: 01

تفصیل

i۔ انڈیپنڈنٹ ڈائریکٹر (بشمول خواتین ڈائریکٹر): 02

ii۔ نان ایگزیکٹو ڈائریکٹر: 03

iii۔ ایگزیکٹو ڈائریکٹر: 02

بورڈ کے اجلاس اور حاضری:

زیر جائزہ سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی طرف سے حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب خالد اعجاز قریشی	چیئر مین / نان ایگزیکٹو ڈائریکٹر	04
جناب طیب اعجاز	سی ای او / ایگزیکٹو ڈائریکٹر	04
جناب سعادت اعجاز	ایگزیکٹو ڈائریکٹر	03
جناب ذکی اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب قاسم اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب محمد نوید طارق	انڈیپنڈنٹ نان ایگزیکٹو ڈائریکٹر	04
مس عائشہ مصدق حامد	انڈیپنڈنٹ نان ایگزیکٹو ڈائریکٹر	04

اُن ارکان کو غیر حاضری کی رخصت دی گئی جو اجلاس میں شرکت نہیں کر سکتے تھے۔

آڈٹ کمیٹی:

زیر جائزہ سال کے دوران بورڈ آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب محمد نوید طارق	چیئر مین	04
جناب قاسم اعجاز	رکن	04
جناب خالد اعجاز قریشی	رکن	04

اُن ارکان کو غیر حاضری کی رخصت دی گئی جو اجلاس میں شرکت نہیں کر سکتے تھے۔

انسانی وسائل اور معاوضہ کمیٹی:

زیر جائزہ سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کے دو (02) اجلاس منعقد ہوئے اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
مس عائشہ مصدق حامد	چیئر مین	02

02	رکن	جناب طیب اعجاز
02	رکن	جناب خالد اعجاز قریشی

Strategic کمیٹی:

زیر جائزہ سال کے دوران Strategic کمیٹی کا ایک (01) جلسہ منعقد ہوا اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب طیب اعجاز	چیئر مین	01
جناب سعادت اعجاز	رکن	01
جناب ذکی اعجاز	رکن	01

پراجیکٹ کمیٹی:

زیر جائزہ سال کے دوران پراجیکٹ کمیٹی کا ایک (01) جلسہ منعقد ہوا اور ہر رکن کی حاضری کی تفصیل درج ذیل ہے:

نام	عہدہ	اجلاس میں شرکت
جناب ذکی اعجاز	چیئر مین	01
جناب سعادت اعجاز	رکن	01
جناب طیب اعجاز	رکن	01

آڈیٹرز کی تقرری:

بورڈ آف ڈائریکٹرز کی سفارشات اور گزشتہ سالانہ اجلاس عام میں منظوری کے بعد M/s EY Ford Rhodes, Chartered Accountants 30 جون 2020 کو ختم ہونے والے سال کے لیے آڈیٹرز مقرر کیے گئے۔

موجودہ آڈیٹرز M/s EY Ford Rhodes, Chartered Accountants ریٹائر ہو رہے ہیں اور خود کو دوبارہ کمپنی کے آڈیٹرز مقرر ہونے کے لیے پیش کرتے ہیں۔ آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز M/s EY Ford Rhodes, Chartered Accountants کو 30 جون 2021 کو ختم ہونے والے مالیاتی سال کے لیے آڈیٹرز مقرر کرنے کی سفارش کرتا ہے۔

شیئر ہولڈنگ کا نمونہ:

شیئر ہولڈنگ کا نمونہ اس جائزے کے ساتھ لف ہے۔

کمپنی کو پیش آنے والے اہم خطرات اور غیر یقینی حالات

کمپنی کو کچھ خطرات اور غیر یقینی حالات کا سامنا ہے جو مستقبل میں کمپنی کی کارکردگی پر اثر انداز ہو سکتے ہیں۔ ان کی تفصیلات سالانہ رپورٹ کے ساتھ لف ہے۔

کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کی پیداوار کے طریقہ کار کا ماحولیات پر کوئی منفی اثر نہیں۔ کیونکہ پلانٹ اور آپریشنز ماحولیات کے بین الاقوامی اور قومی معیار کے عین مطابق ہیں۔

اندرونی مالیاتی کنٹرول کی مناسبت

بورڈ اس بات کو یقینی بناتا ہے کہ وہ اندرونی مالیاتی کنٹرول کی مناسبت کو خود یا اپنی سب کمیٹی کے ذریعے جانچ پرکھ کرے۔ بورڈ کمپنی کے فنانشل آپریشنز، پوزیشن کے جائزے کے لیے عبوری کھاتوں، رپورٹوں، منافع کے جائزے، مالیاتی اور شماریاتی معلومات کے ذریعے مناسب وقفوں سے جائزہ لیتا ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ

اس حوالے سے متعلقہ ریگولیشنز کی تعمیل کے لیے انسانی وسائل کی ترقی کی کمیٹی نے بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک طریقہ کار وضع کیا اور موجودہ سال میں ایک جامع سوالنامہ تمام ڈائریکٹران کو بھیجا گیا جس کی بنیاد پر بورڈ کی کارکردگی اطمینان بخش رہی۔ بہتری ایک ہمیشہ جاری رہنے والا عمل ہے اور بورڈ نے گلوبل بیسٹ پریکٹسز (Global Best Practices) کو دیکھتے ہوئے ان چیزوں کی نشاندہی کی ہے جن میں مزید بہتری کی گنجائش ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز، ایگزیکٹو، غیر ایگزیکٹو اور آزاد ڈائریکٹرز کے لئے مشاہرہ پالیسی تیار کر لی گئی ہے۔ یہ پالیسی رائج الوقت مارکیٹ کے معیار کی بنیاد پر تیار کی گئی ہے، اور ڈائریکٹرز کے کام کی وسعت اور ان کی ذمہ داریوں میں اضافے کی روشنی میں قابلیت اور کوششوں کے مطالبات کی عکاسی کرتی ہے۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق، بورڈ ڈائریکٹرز کے معاوضے کا تعین کرنے کا مجاز ہے۔

آزاد ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز بورڈ یا اس کی کسی بھی کمیٹی کے اجلاس میں شرکت کے لئے بورڈ سے وقتاً فوقتاً منظور شدہ اسکیل کے مطابق فیس وصول کرنے کے مجاز ہوں گے۔ تاہم، جوڈائریکٹرز مشاہرے کے حقدار ہوں گے وہ کسی میٹنگ کی فیس وصول نہیں کریں گے۔ اگر کوئی نان ایگزیکٹو ڈائریکٹر اضافی خدمات انجام دیتا ہے تو وہ مشاہرہ کا حقدار ہوگا۔

ایگزیکٹو ڈائریکٹرز کا مشاہرہ بورڈ نے منظور کیا ہے۔ تاہم، کارپوریٹ گورننس کے اصولوں کے مطابق، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنی مشاہرے کے فیصلے میں حصہ نہیں لے گا۔

شفافیت برقرار رکھنے کے لئے، بورڈ کسی بھی ڈائریکٹر کے معاوضے کا تعین کرتے ہوئے مندرجہ ذیل اصولوں پر عمل کرے گا:

- ☆ مشاہرہ کمپنی کے اندر قدر پیدا کرنے کی حوصلہ افزائی کرے گا۔
- ☆ مشاہرہ پیکج کمپنی کو کامیابی سے چلانے کے لئے درکار ڈائریکٹرز کو راغب کرنے اور انہیں برقرار رکھنے کے لیے مناسب ہوگا۔
- ☆ اجرت کی سطحیں اس سطح پر نہیں ہونگی جو ان کی آزادی پر سمجھوتہ کرنے کے لئے سمجھا جاسکے۔
- ☆ بورڈ انسانی وسائل (Human Resource) اور مشاہرہ کمیٹی کی سفارشات پر مناسب غور کرے گا۔
- ☆ کوئی ڈائریکٹر اجلاس کے کسی ایسے مرحلے میں شریک نہیں ہوگا جس میں اس کا اپنا مشاہرہ طے ہونا ہوگا۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے مجموعی مشاہرے کی تفصیلات، تنخواہ، میٹنگ فیس، فوائد اور کارکردگی سے منسلک مراعات روشن پیکج کی سالانہ رپورٹ میں علیحدہ علیحدہ دیے ہیں۔

ڈائریکٹرز کا مشاہرہ

چیف ایگزیکٹو		ایگزیکٹو ڈائریکٹر		نان ایگزیکٹو ڈائریکٹرز	
2020	2019	2020	2019	2020	2019
ملازمت کے مختصر المدتی فوائد					
9,455,160	5,848,739	8,982,408	5,333,485	-	-
4,254,123	2,631,639	4,041,420	2,399,904	-	-
945,360	584,811	898,080	533,305	-	-
945,360	584,811	898,092	533,305	-	-
-	-	-	-	2,250,000	-
-	-	-	-	4,341,818	460,000
-	-	748,534	-	-	-
16,387,930	9,650,000	15,568,534	8,799,999	4,341,818	2,710,000
بعد از ملازمت فوائد					
1,300,000	1,300,000	1,235,000	1,235,000	-	-
393,965	425,000	374,267	410,000	-	-
18,081,895	11,375,000	17,177,801	10,444,999	4,341,818	2,710,000

متعلقہ اداروں سے لین دین

متعلقہ اداروں سے تمام لین دین Arm's Length کی بنیاد پر کیا گیا تھا اور مطلوبہ منظوری مناسب طریقے سے حاصل کی گئی تھی۔

شیئر ہولڈنگز کا مراسلہ

فارم 34 میں بتائے گئے حصص یافتگی کے انداز کے بارے میں معلومات کو رپورٹ کے ساتھ جوڑا گیا ہے۔

مستقبل کا منظر نامہ

کرونا کی عالمی وبا نے پاکستان کی معیشت کو بری طرح متاثر کیا ہے۔ افراط زر اور بے روزگاری میں اضافے نے مجموعی قومی ترقی کے اعشاریہ منفی کر دیے ہیں۔ تاہم، ملک گیر لاک ڈاؤن میں نرمی کی وجہ معاشی سرگرمیاں بہتر ہوئی ہیں لیکن صورتحال کی مکمل بحالی بتدریج ہوگی۔ مزید برآں، شرح سود اور روپے کی قدر کو مستحکم رکھنا ایک بڑا چیلنج ہوگا۔ کیونکہ یہ دونوں عوامل سرمایہ کاری اور معیشت کے لیے انتہائی اہم ہیں۔ حکومت کو بڑھتے ہوئے بیرونی قرضے اور خطے کی صورتحال جیسے حالات سے بھی خبردار آنا ہونا ہے۔

اگرچہ ہماری معیشت کو بہت سے جھٹکے لگ چکے ہیں لیکن یہ بھی امر واقعہ ہے کہ چیلنجز اپنے ساتھ ترقی کے مواقع بھی لاتے ہیں۔ سی پیک کے حوالے سے بڑھتی ہوئی معاشی سرگرمیاں ہماری معیشت میں جان ڈال دیں گیں۔ مستحکم معیشت ہی بیرونی سرمایہ کاری اپنی طرف راغب کرتی ہے مزید برآں شرح سود بھی بڑھ جائے گی۔ پاکستان ایک بڑی آبادی کا ملک ہے جو ترقی کی منازل طے کرنے کی بھرپور صلاحیت رکھتا ہے۔ آپ کی کمپنی مسائل سے نبرد آزما ہونے کے لیے تیار ہے۔ موجودہ حالات سے نبرد آزما ہونے اور برے اثرات سے نکلنے کے لیے کمپنی اپنی مصنوعات کے تنوع اور نئے مواقع تلاش کر کے بہتری کی جانب گامزن ہے۔
موجودہ مالی سال کے بعد کے معاملات:


30 جون 2020ء کے بعد کوئی اہم معاملات درپیش نہیں آئے جو کہ کمپنی کی مالی صورت حال پر اثر انداز ہوں۔

اظہار تشکر

ہم اپنے کارکنان اور تمام افراد کی محنت اور جانفشانی کا تہ دل سے شکریہ ادا کرتے ہیں۔ کرونا وبا نے انفرادی اور کاروباری دونوں سطحوں پر مشکلات پیدا کی ہیں۔ تاہم، ہم پر جوش ہیں کہ مصارفین کی بدلتی ضروریات طویل المیعاد لحاظ سے ہمارے لیے ترقی اور بڑھوتری کے مواقع سامنے لائیں گی۔ مستقل مزاجی کی ہماری کارپوریٹ روایات مزید مستحکم ہو چکی ہیں۔ کمپنی کی انتظامیہ کو یقین ہے کہ مستقبل میں کاروبار کامیابی و کامرانی کی نئی منازل طے کرے گا۔



چیئرمین



چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ

معزز حصص داران!

ہم 30 جون 2020 کو ختم ہونے والے مالیاتی سال کی سالانہ رپورٹ اور مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی جائزہ

گروپ کے آپریٹنگ نتائج کو ذیل میں مختصر اعلان کیا گیا ہے:

2019	2020	
روپے ملین میں		
5,397,124	5,232,971	مصنوعات کی کل فروخت
370,358	546,926	مجموعی منافع
68,529	232,643	آپریٹنگ منافع
186,633	223,124	فنانس کی لاگت
24,199	127,985	نقصان/منافع قبل از ٹیکس
(43,916)	200,957	نقصان/منافع بعد از ٹیکس

کنسولیڈیٹڈ (Consolidated) مالی اعداد و شمار پر مبنی کاروبار کی بنیادی سرگرمیاں، ترقی اور کارکردگی

موجودہ مالیاتی سال کے اختتام پر کرونا وبا کی وجہ سے ملک گیر لاک ڈاؤن اور اشیاء کی فراہمی کے نظام (supply chain) میں خلل کے باوجود اللہ تعالیٰ کے فضل و کرم سے 2019/2020 کاروبار کے لیے بہتری اور ترقی کا سال رہا۔ وبا کے دوران یہ میں گروپ کی تمام فیکٹریاں مکمل طور پر کھلی رہیں اور اپنے ”ناگزیر کاروباری صنعتوں والے“ صارفین کی ضروریات پوری کرتی رہیں۔

زیر جائزہ عرصہ کے دوران گروپ نے بعد از ٹیکس 201 ملین روپے کا منافع کمایا جو پچھلے سال اسی مدت کے مقابلے میں بعد از ٹیکس 44 ملین روپے نقصان تھا۔ یہ 558 فیصد بہتری کی نشاندہی کرتا ہے اور ٹیکس سے قبل 429 فیصد منافع میں اضافہ ہے (104 ملین روپے)۔ گروپ کے آپریٹنگ نتائج نے زیر نظر مالی سال میں سود، ٹیکس، فرسودگی (Depreciation) اور ایمارٹائزیشن (Amortization) سے قبل 507 ملین روپے کی آمدنی حاصل کی جو گذشتہ سال 353 ملین روپے تھی۔ موجودہ سال میں EBITDA گذشتہ سال کے مقابلے میں 43.59 فیصد زیادہ رہی۔

ہمارے گروپ نے 547 ملین روپے مجموعی منافع کمایا جو 2019 میں 370 ملین روپے اور 2018 میں 308 ملین روپے تھا۔ یہ 2018 اور 2019 میں اسی مدت کے دوران کمائے گئے مجموعی منافع سے بالترتیب 239 ملین روپے (77 فیصد) اور 177 ملین روپے (48 فیصد) زیادہ ہے۔ مجموعی منافع کی شرح 10.5 فیصد رہی جو گذشتہ سال اسی مدت میں 6.9 فیصد تھا۔ گروپ نے اپنی بیلز کی لاگت کی شرح کو کم کر کے 89.5 فیصد تک کیا جو گذشتہ سال 93.1 فیصد تھی۔ اس طرح یہ 3.6 فیصد کم ہے۔ اس کا سبب ان پٹ میٹریل کی لاگت میں نسبتاً کم اضافہ، بیلز کی لاگت میں تغیر پذیری اور لاگت کم کرنے کے موثر اقدامات تھے۔ باوجود بلند افراط زر گروپ نے اپنی پیداواری لاگت کو قابو میں رکھا۔

موجودہ برس اشیاء کی فروخت کی وجہ سے ہونے والی آمدن 5,233 ملین روپے رہی جو 2019 اور 2018 میں بالترتیب 5,397 ملین روپے اور 4,031 ملین روپے رہی۔ حجمی اعتبار سے ہم نے اس برس 36,621 میٹرک ٹن مال کامیابی سے روانہ کیا جو 2019 میں 39,536 میٹرک ٹن اور 2018 میں 32,815 میٹرک ٹن تھا۔ تاہم، اس کی وجہ سے باوجود گروپ نے اپنے مجموعی مارجن کو بڑھا لیا یہ مصنوعات اور صارفین کے پورٹ فولیو کو سمجھداری سے برتنے کا نتیجہ ہے۔ اسی طرح پوری گروپ میں لاگت کم کرنے والی اصلاحات متعارف کروائی گئیں تاکہ منافع کو بڑھایا جاسکے۔

غیر یقینی صورتحال اور عدم استحکام کی وجہ سے مقامی کرنسی کی قدر میں کمی واقع ہوئی۔ وبا کے باعث معاشی سرگرمیاں بھی متاثر ہوئیں۔ ان دونوں عوامل نے گروپ کے کاروبار کو متاثر کیا۔ مزید برآں مالی سال کی آخری سہ ماہی تک اسٹیٹ بینک آف پاکستان نے شرح سود میں اضافہ کیا جس کی وجہ سے مالیاتی اخراجات میں 36 ملین روپے کا اضافہ ہوا۔ اگرچہ آخری سہ ماہی میں شرح سود میں خاطر خواہ کمی کردی گئی۔ لیکن پھر بھی ان عوامل نے ہمارے منافع پر اثر ڈالا۔ ایندھن اور توانائی کی لاگت ہمارے لیے چیلنج بنی رہی، جس کی وجہ سے ہمارے اخراجات میں 42 ملین روپے کا اضافہ ہوا۔ موجودہ سال یہ اخراجات 216 ملین روپے رہے جو گذشتہ برس اسی مدت کے دوران 174 ملین روپے تھے۔

فی حصہ آمدنی

موجودہ اور پچھلے سال کی فی شیئر آمدنی درج ذیل ہے۔

EPS-2020: 1.55 فی شیئر

LPS-2019: (0.19) فی شیئر

رواں برس آپ کے گروپ نے IFRS-16 کو اپنایا ہے۔ ان انٹرنیشنل اکاؤنٹنگ سٹینڈرڈز کو اپنائے جانے کے اثرات آپ گروپ کے مالی گوشوارے میں دیکھ سکتے ہیں۔

ذیلی گروپ (Subsidy) میں سرمایہ کاری

ماحت ادارہ پیپرل کے قیام کے لیے قائم کیا گیا تھا۔ پروجیکٹ چینی شراکت دار کے ساتھ کمپنی کا مشترکہ منصوبہ تھا۔ تاہم، کمپنی کے ذریعہ مشترکہ منصوبے کا معاہدہ ختم کر دیا گیا اور مخصوص کارکردگی کے لیے عدالت میں ایک مقدمہ دائر کیا گیا اور چینی شراکت دار نے ماحت ادارہ کو سمیٹنے کے لیے عدالت کے سامنے Winding Up پٹیشن دائر کی ہے۔ یہ دونوں مقدمات ابھی عدالتوں کے رویہ زیر سماعت ہیں۔ کمپنی کے وکلاء کو امید ہے کہ ماحت ادارہ کو Wind Up کرنے کی درخواست عدالت کے ذریعہ خارج کر دی جائے گی۔

ریگولٹری حکام کی تاخیر سے منظوری، حکومت پنجاب کی بنیادی ڈھانچے کی تعمیر میں تاخیر، قانونی چارہ جوئی، Financial Closure اور کوویڈ-19 وبا کی وجہ سے کمپنی کے کاموں میں تاخیر ہوئی۔ روشن پیکجز لیمیٹڈ جو اس پراجیکٹ کی بانی کمپنی ہے، پیپر ملز کی بروقت تکمیل کے لیے ہر طرح کے اقدامات اٹھا رہی ہے۔ گروپ پلانٹ اور مشینری کی خریداری اور تنصیب کے لیے مختلف غیر ملکی گروپوں کے ساتھ معاہدات کر چکا ہے۔ اسپیشل اکٹا ملک زون کے حوالے سے دی گئی درخواست اسپیشل اکٹا ملک زون اتھارٹی پنجاب کی طرف سے منظور ہو چکی ہے اور حتمی منظوری کے لیے بورڈ آف انوسٹمنٹ، اسلام آباد میں زیر غور ہے۔ مزید برآں، گروپ مختلف بینکوں سے پراجیکٹ کے لیے قرضہ جات کے حصول کے لیے بھی بات چیت کر رہا ہے۔ بانی کمپنی (روشن پیکجز) پراجیکٹ میں ایکویٹی کی سرمایہ کاری کے لیے فنڈز کا بندوبست کر چکی ہے، جس کی منظوری آئندہ سالانہ اجلاس عام میں حاصل کی جائے گی۔ یہ منصوبہ مطلوبہ منظوریوں (Approvals) مل جانے کے بعد مالی سال 2020-21 میں Financial Closure حاصل کر لے گا، جس کے چوبیس مہینے بعد پیداوار شروع کر دے گا۔

اس گروپ کی اختتامیہ کو پختہ یقین ہے کہ آئندہ سال میں Winding Up پٹیشن کو ختم کر دیا جائے گا اور کمپنی کے حق میں فیصلہ کیا جائے گا۔ شیئرز ہولڈنگ معاہدے کی مخصوص کارکردگی کے مقدمے کا بھی فیصلہ کمپنی کے حق میں کیا جائے گا، کیونکہ دوسری پارٹی کی جانب سے پیش نہ ہونے کی وجہ سے فریق دوم کارروائی کا آغاز کیا گیا ہے۔

مستقبل کا منظر نامہ

کرونا کی عالمی وبا نے پاکستان کی معیشت کو بری طرح متاثر کیا ہے۔ افراط زر اور بے روزگاری میں اضافے نے مجموعی قومی ترقی کے اعشاریہ منفی کر دیے ہیں۔ تاہم، ملک گیر لاک ڈاؤن میں نرمی کی وجہ معاشی سرگرمیاں بہتر ہوئی ہیں لیکن صورتحال کی مکمل بحالی بتدریج ہوگی۔ مزید برآں، شرح سود اور روپے کی قدر کو مستحکم رکھنا ایک بڑا چیلنج ہوگا۔ کیونکہ یہ دونوں عوامل سرمایہ کاری اور معیشت کے لیے انتہائی اہم ہیں۔ حکومت کو بڑھتے ہوئے بیرونی قرضے اور خطے کی صورتحال جیسے حالات سے بھی نبرد آزما ہونا ہے۔

اگرچہ ہماری معیشت کو بہت سے جھٹکے لگ چکے ہیں لیکن یہ بھی امر واقعہ ہے کہ چیلنجز اپنے ساتھ ترقی کے مواقع بھی لاتے ہیں۔ سی پیک کے حوالے سے بڑھتی ہوئی معاشی سرگرمیاں ہماری معیشت میں جان ڈال دیں گیں۔ مستحکم معیشت ہی بیرونی سرمایہ کاری اپنی طرف راغب کرتی ہے مزید برآں شرح سود بھی بڑھ جائے گی۔ پاکستان ایک بڑی آبادی کا ملک ہے جو ترقی کی منازل طے کرنے کی بھرپور صلاحیت رکھتا ہے۔ آپ کا گروپ مسائل سے نبرد آزما ہونے کے لیے تیار ہے۔ موجودہ حالات سے نبرد آزما ہونے اور برے اثرات سے نکلنے کے لیے گروپ اپنی مصنوعات کے تنوع اور نئے مواقع تلاش کر کے بہتری کی جانب گامزن ہے۔

موجودہ مالی سال کے بعد کے معاملات:

30 جون 2020ء کے بعد کوئی اہم معاملات درپیش نہیں آئے جو کہ گروپ کی مالی صورت حال پر اثر انداز ہوں۔

اظہار تشکر

ہم اپنے کارکنان اور تمام افراد کی محنت اور جانفشانی کا تہہ دل سے شکریہ ادا کرتے ہیں۔ کرونا وبا نے انفرادی اور کاروباری دونوں سطحوں پر مشکلات پیدا کی ہیں۔ تاہم، ہم پر جوش ہیں کہ صارفین کی بلقی ضروریات طویل المیعاد لحاظ سے ہمارے لیے ترقی اور بڑھوتری کے مواقع سامنے لائیں گی۔ مستقل مزاجی کی ہماری کارپوریٹ روایات مزید مستحکم ہو چکی ہیں۔ گروپ کی انتظامیہ کو یقین ہے کہ مستقبل میں کاروبار کامیابی و کامرانی کی نئی منازل طے کرے گا۔

چیرمین

چیف ایگزیکٹو آفیسر

FORM OF PROXY

I _____ of _____ being a member of Roshan Packages Limited, hereby appoint _____ of _____ (or failing him _____ of _____) as my proxy in absence to attend and vote for me and on my behalf at the Annual General Meeting of the company to be held on the day of _____ and at any adjournment thereof.

As Witnessed my hand this _____ day of _____

1. Name _____

C.N.I.C _____

Address _____

Signed by the said
In the presence of

2. Name _____

C.N.I.C _____

Address _____

AFFix
Revenue
Stamp of Rs. 5

Member Signature

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Share Registrar Office of the Company, CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 74400 not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular# 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for appointing Proxies:
 - i) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



نائب کی تقرری کا فارم

میں _____ بحیثیت رکن روشن پیکیجز لمیٹڈ جناب _____ (یا ان کی عدم دستیابی کی صورت میں جناب _____

کو کمپنی کے سالانہ اجلاس عام جو _____ دن منعقد ہو رہا ہے یا کسی ابھی التوا کی صورت میں میں شرکت کرنے اور حق رائے

دہی استعمال کرنے اپنا بطور نائب مقرر کرتا ہوں۔

میں _____ مورخہ _____ بطور گواہ اس امر کی تصدیق کرتا ہوں۔

_____ کی موجودگی میں دستخط کیے گئے۔

1. نام _____

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

پتہ _____

2. نام _____

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

پتہ _____

5 روپے کی رسیدی
ٹکٹ یہاں چسپاں کریں

رکن کے دستخط _____

ضروری بیان:

1. ایک رکن جو اجلاس عام میں شرکت اور ووٹ دینے کا مجاز ہوا اپنی جگہ کسی کو بطور نائب مقرر کر سکتا ہے۔
 2. نائب کی تقرری کی دستاویز مع پاور آف اٹارنی اگر کوئی ہو جس کے تحت تقرری ہوئی یا پاور آف اٹارنی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے سیکرٹری رجسٹرار کے دفتر، سی ڈی سی شینیر رجسٹرار سرورسز لمیٹڈ، سی ڈی سی ہاؤس 99-B بلاک بی، سندھی مسلم کواپریٹو ہاؤسنگ سوسائٹی میں شاہراہ فیصل کراچی-74400 میں جمع کروانے ہوں گے۔
 3. ایسے ارکان جنہوں نے اپنے سیکرٹری جنرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کروانے ہیں انہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 1 مورخہ 26 جنوری 2000ء کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔
- (i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات اور سیکورٹیز سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں نائب کی تقرری کا فارم درج بالا ہدایات کی روشنی میں جمع کروائیں۔
- (ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی اور ان کے نام پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
- (iii) اصل مالک اور نائب کے شناختی کارڈ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوں گی۔
- (iv) نائب کو اجلاس کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع نائب کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ہمراہ منسلک کرنا ہوگا۔

ROSHAN PACKAGES LIMITED

FORM FOR VIDEO CONFERENCE FACILITY

In this regard, please fill the following form and submit to registered address of the Company 07 days before holding of the Annual General Meeting.

Annual General Meeting along with complete information necessary to enable them to access the facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

The Company Secretary/Share Registrar,

I/we, _____, of _____, being the registered shareholder(s) of the company under Folio No(s). _____ / CDC Participant ID No.____ and Sub Account No.____ CDC Investor Account ID No., and holder of _____ Ordinary Shares, hereby request for video conference facility at _____ for the Annual General Meeting of the Company to be held on November 27, 2019.

Date: _____

Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Head of Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.
Main Shahra-e-Faisal, Karachi – 74400

Company Secretary

325 GIII MA Johar Town Lahore



ای۔ فارم برائے ویڈیو کانفرنس سہولت

اس سلسلے میں برائے مہربانی مندرجہ ذیل فارم بھر کر اسے کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 07 دن قبل جمع کر دیں۔ اگر کمپنی کو اجلاس سے 07 دن قبل کسی جغرافیائی جگہ پر رہائش پذیر ممبران جو 10 فیصد یا اس سے زائد حصص کے حامل ہوں کی جانب سے رضامندی موصول ہوتی ہے کہ وہ اجلاس میں بذریعہ ویڈیو کانفرنس کا انتظام کر دیا جائے گا جس کا انحصار اس شہر میں مذکورہ سہولت کی دستیابی پر ہوگا۔

کمپنی سالانہ اجلاس عام کے انعقاد سے 5 دن قبل ممبران کو ویڈیو کانفرنس کے مقام سے مطلع کر دے گی بمعہ ان تمام مکمل معلومات کے جو انہیں مذکورہ سہولت تک رسائی کے قابل کر سکیں۔

دی کمپنی سیکرٹری / شیئر رجسٹرار،

میں / ہم _____ حامل _____ عام حصص فوئیو نمبر (نمبرز) _____ / سی ڈی سی پارٹیسپیٹ ID نمبر _____ اور سب اکاؤنٹ نمبر _____

سی ڈی سی انویسٹرا کاؤنٹ ID نمبر _____ رہائش _____

کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے 27-11-2019 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام کے لیے _____ میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں / کرتے ہیں۔

ممبر کے دستخط

تاریخ: _____

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

شیئر رجسٹرار آفس

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ،

سی ڈی سی ہاؤس، B-99، بلاک بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس

مین شاہراہ فیصل، کراچی 74400

کمپنی سیکرٹری

325 جی تھری، ایم اے جوہر ٹاؤن، لاہور

سالانہ رپورٹ اور اے جی ایم نوٹس کی

الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

سیکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 2014(1) 787 مورخہ 8 ستمبر 2014 کے بموجب سہولت مہیا کی گئی ہے کہ کمپنی اپنی سالانہ بیلنس شیٹ اور نفع و نقصان کے گوشوارے محاسب و نظم کی مرتب کردہ اطلاقی معلومات (پڑتال شدہ مالیاتی حسابات) بشمول سالانہ اجلاس عام کی اطلاع اپنے حصص یافتگان کو بذریعہ ای میل ارسال کر سکتی ہے۔ وہ تمام حصص داران جو کمپنی کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنے کے خواہشمند ہیں ان سے التماس ہے کہ تکمیل شدہ رضامندی کے فارم کمپنی کے شیئر رجسٹرار روشن پیکجز لمیٹڈ کو مہیا کریں۔

یاد رہے کہ سالانہ رپورٹ کی بذریعہ ای میل وصولی اختیاری ہے لازمی نہیں ہے۔

عنوان: سالانہ رپورٹ اور اے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جناب عالی،

میں/ہم، بذریعہ ہذا روشن پیکجز لمیٹڈ ("کمپنی") کا/کے شیئر ہولڈر (ہولڈرز) ہونے کے ناتے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی، ذیل میں دیئے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا پینیز ایکٹ 2017 کی دفعات کے تحت ذکر کیا گیا ہے۔

1. شیئر ہولڈر (ہولڈرز) کا نام: _____
2. والد/شوہر کا نام: _____
3. سی این آئی سی: _____
4. این ٹی این: _____
5. پارٹنیشنپٹ آئی ڈی/فولیو نمبر: _____
6. ای میل ایڈریس: _____
7. فون نمبر: _____
8. مینلگ ایڈریس: _____

دستخط:

(کارپوریٹ شیئر ہولڈرز کی صورت میں،

مجاز دستخط کنندہ لازمی دستخط کرے)

تاریخ: _____

شیئر رجسٹرار ڈیفنس

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ،

سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس

مین شاہراہ فیصل، کراچی 74400

CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Pursuant to the allowance granted through SRO 787(1)/2014 of September 8, 2014 by the Securities Exchange Commission of Pakistan, the Company can circulate its balance sheet and profit and loss accounts, auditors report and Director's report etc. (Audited Financial Statement") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a complete consent form to the Company's Share Registrar, Roshan Packages Limited.

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of Roshan Packages Limited. ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

1. Name of Shareholder(s): _____
2. Fathers / Husband Name: _____
3. CNIC: _____
4. NTN: _____
5. Participant ID / Folio No: _____
6. E-mail address: _____
7. Telephone: _____
8. Mailing address: _____

Date: _____

Signature:
(In case of corporate shareholders,
the authorized signatory must sign)












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