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Roshan Packages Limited

At a Glance

Status: Public Listed Entity

CUIN: 0044226

NTN: 1436951-6

STRN: 03-01-4819-303-73

Board of Directors

Mr. Khalid Eijaz Qureshi

Chairman

Mr. Tayyab Aijaz

Chief Executive Officer

Mr. Saadat Eijaz

Executive Director

Mr. 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

Website

www.roshanpackages.com.pk

Banks

Askari Bank Limited

Allied Bank Limited

Bank of Punjab

Bank Islamic Pakistan

Dubai Islamic Bank Limited

Habib Metropolitan Bank

JS Bank Limited

Meezan Bank Limited

Soneri Bank Limited

Registered Office

325 G-III MA Johar Town, Lahore

Phone: +92-042-35290734-38

Fax: +92-042-35290731

Factory

Corrugation: 7-KM Sunder Raiwind

Road, Opp Gate No 1, Sunder Industrial

Estate.

Flexible: Plot No 141,142 and 142-B

Sunder Industrial Estate Lahore.

Share Registrar

CDC Share Registrar Services Limited

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

Main Shahra-e-Faisal, Karachi-74400

Statutory Auditor

EY Ford Rhodes, Chartered

Accountants

Head of Internal Audit

Miss Faiza Khalid

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

NET REVENUE

Q1-2021-22 : 1,920

Q1-2020-21 : 1,658

PBT

Q1-2021-22 : 49

Q1-2020-21 : 107

EBIT

Q1-2021-22 : 73

Q1-2021 : 137

EPS

Q1-2021-22 : 0.17

Q1-2020-21 : 0.60

CURRENT RATIO

SEP 2021 : 1.57

JUNE 2021 : 1.67

GROSS PROFIT

Q1-2021-22 : 181

Q1-2020-21 : 208

PAT

Q1-2021-22 : 25

Q1-2020-21 : 86

EBITDA

Q1-2021-22 : 113

Q1-2020-21 : 176

TOTAL EQUITY

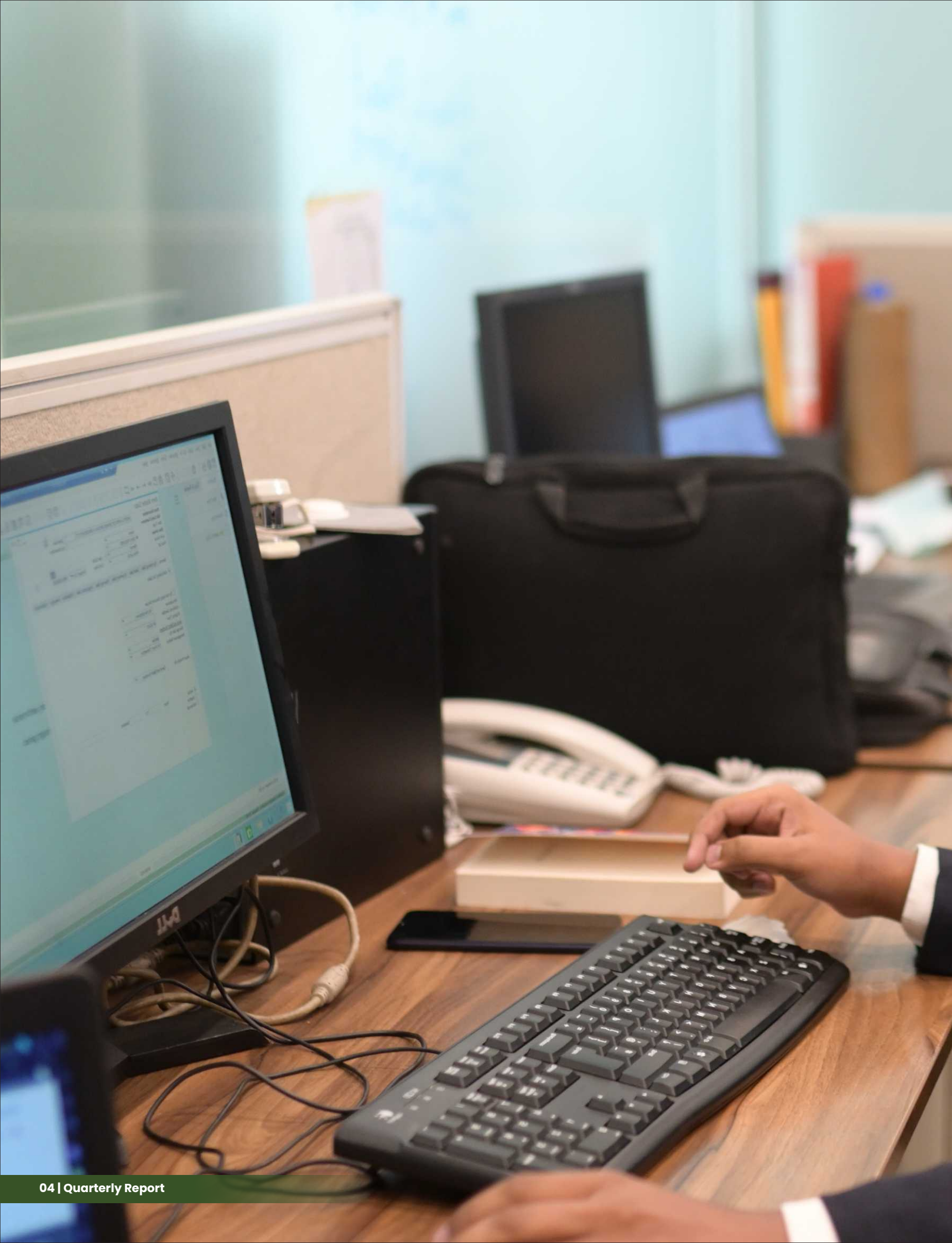
SEP 2021 : 6,089

JUNE 2021 : 6,064

QUICK RATIO

SEP 2021 : 1.11

JUNE 2021 : 1.26



UNCONSOLIDATED
FINANCIAL RESULTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Directors' Report

The Directors of the Company (RPL) are pleased to present their Directors' Report along with the unaudited Financial Statements of the Company for the period ended September 30, 2021.

Financial Overview

The economic environment of the country remained challenging during the period under review. However, despite these challenges, the Company delivered a healthy double-digit growth in revenue. This increase is a result of RPL's policy of not compromising on quality and standard of its products. Continuous improvement in technology, production techniques, business processes and customer satisfaction helped RPL capture additional market share.

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

Quarter Ended		
	30-Sep-2021	30-Sep-2020
	Rupees in Million	
Sales-net	1,920	1,658
Cost of Sales	1,739	1,450
Gross Profit	181	208
Finance Cost	24	29
Net profit before tax	49	107
Net profit after tax	25	86

Operating Performance

The sales revenue has increased to Rs. 1,920 million as compared to Rs. 1,658 million registering an increase of 16% compared to same period last year. However, the profitability of the Company was impacted, primarily due to rapid devaluation of Pak Rupee impacting both local & imported raw material prices especially resin which is priced in USD. Furthermore, the spike in fuel rates resulted in an increase of Rs. 24 million in utility costs. As a result, the company posted a gross profit of Rs. 181 million and an after-tax profit of Rs. 25 million.

In terms of funds management, the Company has efficiently managed its funds resulting in gradual decrease in borrowings and thereby the financial charges, which have decreased by Rs. 5 million as compared to the same period last year.

Future Outlook

Moving forward, RPL will continue its policy & focus towards sustainable growth. We hope to be an important player in Pakistan's new green economy by continuing our efforts, not only to mitigate our impact on the environment but also help reduce other industries' impact through our recycling program and recyclable packaging options. The investment behind Roshan Sun Tao Paper Mills (Private) Limited is a key initiative in the same direction as it will offer both fully recycled and recyclable corrugated products.

Directors' Report

The Government is taking measures to stabilize Pak rupee and we look forward to stability of policy and exchange rate which is crucial for a suitable economic and investment climate. However, The Company will continue to monitor the situation and ensure that the cost is effectively and fairly reflected in our prices. Furthermore, the company is focusing on value chain optimization and improvement in raw material inventory to better manage the rising commodity costs which will help improve profitability while driving growth in upcoming periods.

Acknowledgment:

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



Chief Executive Officer

Chairman

ڈائریکٹرز رپورٹ

کمپنی (روشن پیکچر لمیٹڈ) کے ڈائریکٹر ان 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

مالیاتی جائزہ

زیر جائزہ مدت کے دوران ملک کا معاشی ماحول چیلنجز سے بھرپور رہا۔ تاہم، اس کے باوجود، کمپنی کی آمدن میں دوہرے ہندسوں کی بڑھوتری ہوئی۔ یہ اضافہ روشن پیکچر لمیٹڈ کی اپنی مصنوعات کے معیار پر سمجھوتہ نہ کرنے کی پالیسی کا نتیجہ ہے۔ ٹیکنالوجی، پیداواری عمل، کاروباری طریقہ کار اور صارفین کے اطمینان میں مسلسل بہتری نے روشن پیکچر لمیٹڈ کو اضافی مارکیٹ شیئر حاصل کرنے میں مدد کی۔

زیر جائزہ مدت میں کمپنی کی مالیاتی کارکردگی ذیل میں دی گئی ہے:

سہ ماہی مختتمہ		
30 ستمبر-2020	30 ستمبر-2021	
(ملین روپے)		
1,658	1,920	خالص سیلز
1,450	1,739	سیلز کی لاگت
208	181	مجموعی منافع
29	24	فنانس کی لاگت
107	49	خالص منافع قبل از ٹیکس
86	25	خالص منافع بعد از ٹیکس

آپریٹنگ کارکردگی

کمپنی کی مصنوعات کی فروخت سے حاصل ہونے والی آمدن 16 فیصد اضافے کے ساتھ 1,920 ملین روپے رہی جو گزشتہ برس اسی مدت میں 1,658 ملین روپے تھی۔ تاہم، کمپنی کے منافع پر اثر پڑا، جس کی وجہ بنیادی طور پر پاکستانی روپے کی قدر میں تیزی سے کمی سے مقامی اور درآمد شدہ خام مال کی قیمتوں خاص طور پر "Resin" جس کی قیمت امریکی ڈالروں میں ہے، میں اضافہ تھا۔ مزید برآں، ایندھن کے نرخوں میں اضافے کے نتیجے میں یوٹیلیٹی لاگت میں 24 ملین روپے کا اضافہ ہوا۔ اس کے نتیجے میں کمپنی کا مجموعی منافع 181 ملین روپے رہا، جبکہ منافع بعد از ٹیکس 25 ملین روپے رہ گیا۔

فنڈز کی مینجمنٹ کے لحاظ سے، کمپنی نے اپنے فنڈز کا مؤثر طریقہ سے استعمال کیا، جس کے نتیجے میں قرض لینے میں بتدریج کمی واقع ہوئی ہے اور اس طرح مالیاتی لاگت میں گزشتہ برس اسی مدت کے مقابلے میں 5 ملین روپے کی کمی ہوئی ہے۔

ڈائریکٹرز رپورٹ

مستقبل کا منظر نامہ

روشن پیکچر لمیٹڈ آگے بڑھنے کی پالیسی پر گامزن رہتے ہوئے مستحکم بڑھوتری پر توجہ مرکوز رکھے گی۔ ہمیں امید ہے کہ ہم پاکستان کی نئی ماحول دوست معیشت (Green Economy) میں اہم کھلاڑی کے طور پر ابھریں گے، کیونکہ ہماری کوشش ہے کہ ناصرف ہماری صنعت کا ماحول پر کم سے کم اثرات ہوں بلکہ ہمارے ری سائیکلنگ پروگرام اور ری سائیکل اہیل پیکنگ مصنوعات کے ذریعے دیگر صنعتوں کے ماحول پر پڑنے والے اثرات کو کم کرنے میں بھی مدد ملے گی گے۔ روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ میں سرمایہ کاری اسی سمت میں ایک اہم قدم ہے کیونکہ یہ مکمل ری سائیکلڈ اور ری سائیکل ہونے والی کور و گلیٹڈ مصنوعات بنائے گی۔

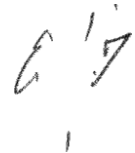
حکومت، پاکستانی روپے کی قدر کو مستحکم رکھنے کے اقدامات کر رہی ہے اور ہم شرح سود اور شرح مبادلہ کے استحکام کے منتظر ہیں جو پائیدار اقتصادی اور سرمایہ کاری کے ماحول کے لیے بہت ضروری ہیں۔ تاہم، کمپنی صورتحال پر نظر رکھتے ہوئے اس بات کو یقینی بنائے گی کہ مصنوعات کی لاگت قیمتوں میں مؤثر اور منصفانہ طور پر ظاہر ہو۔ مزید برآں، کمپنی کموڈٹی کی بڑھتی ہوئی قیمتوں کو بہتر طریقے سے منظم کرنے کے لیے ویلیو چین کے تمام مراحل میں بہتری کے اقدامات اور خام مال کی انوینٹری میں بہتری پر توجہ مرکوز کر رہی ہے، جس سے مستقبل میں منافع کو بہتر بنانے کے ساتھ ساتھ کمپنی کی بڑھوتری میں مدد ملے گی۔

اظہار تشکر

انتظامیہ اس موقع پر اپنے قابل قدر صارفین کا کمپنی کی مصنوعات پر اعتماد کے اظہار لیے شکریہ ادا کرتی ہے۔ ہم دیگر تمام اسٹیک ہولڈرز، بشمول سپلائرز، بینکرز، شیئر ہولڈرز، ملازمین اور حکومت کا بھی تہہ دل سے شکریہ ادا کرتے ہیں جنہوں نے اس دوران ہمارا ساتھ دیا۔



چیف ایگزیکٹو آفیسر



چیئرمین

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

ASSETS	Note	Sep-21 Rupees	Jun-21 Rupees
Non-current assets			
Property, plant and equipment	5	4,442,703,594	4,467,820,001
Right of use assets		31,648,548	33,431,766
Long term investment		160,618,966	160,618,966
Long term loan - unsecured	6	530,589,006	509,981,467
Long term deposits		15,516,194	14,902,194
		5,181,076,308	5,186,754,394
Current assets			
Stores, spares and other consumables	7	211,396,442	182,914,819
Stock-in-trade	8	1,115,458,149	860,632,063
Contract assets		65,458,902	148,554,959
Trade debts - unsecured	9	1,692,587,049	1,459,777,356
Advances, deposits, prepayments and other receivables		767,979,623	748,749,534
Short term investment		482,085,000	545,852,250
Cash and bank balances	10	194,333,096	305,574,793
		4,529,298,261	4,252,055,774
Total assets		9,710,374,569	9,438,810,168
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,419,000,000	1,419,000,000
Capital reserves			
Share premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		1,734,230,629	1,746,398,900
		3,729,019,686	3,741,187,957
Revenue reserve			
Un-appropriated profit		940,605,475	903,918,570
Total equity		6,088,625,161	6,064,106,527
Non-current liabilities			
Supplier's credit - unsecured		-	64,192,028
Long term finances - secured		7,404,493	18,522,370
Lease liabilities		21,677,675	24,753,229
Deferred taxation		570,437,152	574,649,300
Deferred liabilities		146,432,897	140,818,763
		745,952,217	822,935,690
Current liabilities			
Current portion of long term liabilities		250,413,879	199,746,644
Short term borrowings - secured		992,798,508	966,452,761
Trade and other payables		1,594,270,281	1,350,109,613
Contract liabilities		19,719,941	14,731,994
Accrued finance cost		16,636,218	18,750,357
Unclaimed dividend		1,958,364	1,976,582
		2,875,797,191	2,551,767,951
Total equity and liabilities		9,710,374,569	9,438,810,168

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	Sep-21 Rupees	Sep-20 Rupees
Revenue from contracts with customers		2,249,134,850	1,931,325,048
Less: Sales tax		(329,606,035)	(273,388,878)
Net revenue	13	1,919,528,815	1,657,936,170
Cost of revenue	14	(1,738,927,284)	(1,449,925,733)
Gross profit		180,601,531	208,010,437
Administrative expenses		(41,540,525)	(41,217,503)
Selling and distribution expenses		(56,141,455)	(41,438,958)
Other operating expenses		(33,673,417)	(13,245,918)
		(131,355,397)	(95,902,379)
Operating profit		49,246,134	112,108,058
Other income		23,355,483	24,614,403
Finance cost		(23,573,017)	(29,329,731)
Profit before taxation		49,028,600	107,392,730
Taxation	15	(24,509,966)	(21,847,470)
Profit for the period		24,518,634	85,545,260
Other comprehensive income		-	-
Total comprehensive income for the period		24,518,634	85,545,260
Earnings per share - Basic and diluted	16	0.17	0.60

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
	Rupees	Share premium	Surplus on revaluation of property, plant and equipment		
Balance as on 01 July 2020					
Profit for the period	1,419,000,000	1,994,789,057	1,795,215,742	653,269,980	5,862,274,779
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	85,545,260	85,545,260
	-	-	(12,200,496)	12,200,496	-
Balance as on 30 September 2020	1,419,000,000	1,994,789,057	1,783,015,246	751,015,736	5,947,820,039
Balance as on 01 July 2021					
Profit for the period	1,419,000,000	1,994,789,057	1,746,398,900	903,918,570	6,064,106,527
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	-	24,518,634	24,518,634
	-	-	(12,168,271)	12,168,271	-
Balance as on 30 September 2021	1,419,000,000	1,994,789,057	1,734,230,629	940,605,475	6,088,625,161

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Sep-21 Rupees	Sep-20 Rupees
OPERATING ACTIVITIES		
Profit before taxation	49,028,600	107,392,730
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on operating fixed assets	38,219,827	35,715,603
Depreciation on right of use assets	2,484,712	2,971,294
Markup on loans	(11,668,819)	(9,899,890)
Finance costs	23,573,017	29,329,731
Provision for gratuity	7,823,334	3,567,173
Profit on bank deposits	(11,650,515)	(14,092,793)
Amortization of intangibles	-	362,586
Worker's Profit Participation Fund	2,641,326	5,759,388
Worker's Welfare Fund	1,035,814	2,455,764
Exchange loss unrealized	29,996,277	5,030,766
Provision for accumulating compensated absences	726,627	742,977
Cashflow before working capital changes	132,210,200	169,335,329
Working capital adjustments:		
Decrease / (increase) in current assets:		
Stores and spare parts	(28,481,623)	(2,389,937)
Stock-in-trade	(254,826,086)	(23,312,345)
Trade debts	(232,809,693)	(181,052,131)
Contract assets	83,096,057	7,510,308
Advances, deposits, prepayments and other receivables	(30,449,437)	(48,770,620)
	(463,470,782)	(248,014,725)
Increase / (decrease) in current liabilities:		
Contract liabilities	4,987,947	(989,691)
Trade and other payables	219,623,932	170,279,792
	224,611,879	169,290,101
Net change in working capital	(238,858,903)	(78,724,624)
Net cash flows from operations	(106,648,703)	90,610,705
Finance costs paid	(25,687,156)	(42,734,301)
Taxes (paid) / adjusted	(13,462,196)	41,332,433
Gratuity paid	(2,596,723)	-
Accumulated absences paid	(82,438)	-
Net increase in long term deposits	(614,000)	-
	(42,442,513)	(1,401,868)
Net cash flows (used in) / generated from operating activities	(149,091,216)	89,208,837
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,103,420)	(13,372,806)
Increase in long term loan	(17,500,000)	(4,183,935)
Interest on long term loan received	7,612,377	-
Profit on bank deposits received	8,265,821	9,646,359
Net cash flows used in investing activities	(14,725,222)	(7,910,382)

FINANCING ACTIVITIES

(Repayment) of / proceeds from long term loans	
Repayment of supplier's credit	
Dividend paid	
Proceeds from short term borrowings - net	
Repayment of lease liabilities	
Net cash generated from financing activities	
Net (decrease) / increase in cash and cash equivalents	
Cash and cash equivalents at the beginning of the period	
Cash and cash equivalents at the end of the period	

Sep-21 Rupees	Sep-20 Rupees
(34,212,600)	26,465,450
-	(34,561,092)
(18,218)	-
34,370,884	29,962,376
(3,307,438)	(4,358,909)
(3,167,372)	17,507,825
(166,983,810)	98,806,279
635,883,439	574,201,284
468,899,629	673,007,563

The annexed notes from 1 to 21 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet of the Company, as at 30 September 2021 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof.

2.3 Comparative unconsolidated statement of financial position numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2021, whereas comparatives of condensed interim unconsolidated statement of comprehensive income, statement of cash flow and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information of the Company for the quarter ended 30 September 2020.

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

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the unconsolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the unconsolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Standard, interpretations and amendments to approved published accounting standards that became effective:

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

Standards or Interpretations

i) Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial and processes needed to create outputs. These amendments had no impact on the condensed interim unconsolidated financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

ii) Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the condensed interim unconsolidated financial statements of the Company as it does not have any interest rate hedge relationships.

iii) Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the condensed interim unconsolidated financial statements of the Company, nor is there expected to be any future impact to the Company.

iv) Amendments to IFRS 16 - Covid-19-Related Rent Concessions

In March 2021, the IASB amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. These amendments had no impact on the condensed interim unconsolidated financial statements of the Company as the Company has not received any rent concession.

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

v) Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

5	PROPERTY, PLANT AND EQUIPMENT	Note	Sep-21	Jun-21
			Rupees	Rupees
	Operating fixed assets	5.1	4,441,937,611	4,467,326,597
	Capital work-in-progress	5.2	765,983	493,404
			<u>4,442,703,594</u>	<u>4,467,820,001</u>
5.1	Movement during the year is as follows:			
	Balance at the beginning of the period / year- net book value		4,467,326,597	4,426,415,803
	Additions during the period / year - cost	5.1.1	12,830,841	178,344,622
	Transfer from right of use asset - net book value			10,225,284
			<u>4,480,157,438</u>	<u>4,614,985,709</u>
	Less:			
	Disposals during the period / year - net book value		-	(918,308)
	Depreciation during the period / year		<u>(38,219,827)</u>	<u>(146,740,804)</u>
			<u>(38,219,827)</u>	<u>(147,659,112)</u>
	Net book value at the end of the period / year		<u>4,441,937,611</u>	<u>4,467,326,597</u>
5.1.1	During the period the detail of addition is as follows:			
	Freehold land		-	1,233,200
	Buildings on free hold land-own assets		765,508	640,912
	Plant and machinery-own assets		6,560,648	77,273,039
	Electric installations-own assets		-	959,739
	Furniture & fixture - own assets		112,600	1,742,495
	Office equipment - own sssets		5,392,085	96,495,237
			<u>12,830,841</u>	<u>178,344,622</u>
5.2	Capital work in progress			
	Opening balance		493,404	97,745,327
	Additions during the period / year		272,579	19,471,524
	Transfers during the period / year		-	(116,723,447)
			<u>765,983</u>	<u>493,404</u>
6	LONG TERM LOAN - UNSECURED			
		Note	Sep-21	Jun-21
			Rupees	Rupees
	At amortized cost:			
	Loan to associated undertaking - Roshan Enterprises	6.1 & 6.2	133,972,424	130,864,885
	Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	6.3 & 6.4	396,616,582	379,116,582
			<u>530,589,006</u>	<u>509,981,467</u>
6.1	Movement during the period / year is as follows:			
	Opening balance		130,864,885	149,249,281
	Markup accrued during the period / year		3,107,539	11,925,889
			<u>133,972,424</u>	<u>161,175,170</u>
	Less: Markup received		-	(30,310,285)
	Closing balance		<u>133,972,424</u>	<u>130,864,885</u>

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

6.2 The loan carries markup at the rate of 1-Year KIBOR + 2% (June 2021: 1-Year KIBOR + 2%) per annum or average borrowing cost of the Company, whichever is higher. The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has grant extension of two years to associated undertaking in repayment of loan and as per revised terms and condition, Roshan Enterprises would repay the entire principal along with markup amount by 28 October 2022.

	Sep-21 Rupees	Jun-21 Rupees
6.3 Movement during the period / year is as follows:		
Opening balance	379,116,582	168,546,690
Loan disbursed during the year	17,500,000	118,393,386
Markup received during the year	-	(32,443,353)
Short term loan reclassified from current assets	-	92,186,870
Loan acquired due to further acquisition	-	32,432,989
Closing balance	<u>396,616,582</u>	<u>379,116,582</u>

6.4 This represents loan disbursed to finance capital expenditure, for setting up of the subsidiary's production facility. The loan carries interest at the rate of 1-Year-KIBOR+2% (2020: 1-Year-KIBOR+2%) per annum or average borrowing cost of the Company, whichever is higher and shall be received on quarterly basis. The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has increased the limit of loan and advances in the Subsidiary from Rs. 260 million to up to Rs. 500 million. Further, an extension in repayment of loan has also been granted, and as per revised terms and conditions, the Subsidiary would repay the entire principal amount on 30 June 2024 or within one year of the commercial operations of the Subsidiary, whichever is later.

	Note	Sep-21 Rupees	Jun-21 Rupees
7 STORES, SPARES AND OTHER CONSUMABLES			
Stores		161,018,092	133,733,209
Spares		40,962,171	36,633,953
Packing material		9,416,179	12,547,657
		<u>211,396,442</u>	<u>182,914,819</u>

8 STOCK-IN-TRADE

Raw materials	8.1	1,053,571,831	812,394,007
Finished goods		61,886,318	48,238,056
		<u>1,115,458,149</u>	<u>860,632,063</u>

8.1 This includes stock in transit amounting to Rs. 178.62 million (30 June 2021: Rs. 115.42 million)

	Note	Sep-21 Rupees	Jun-21 Rupees
9 TRADE DEBTS - UNSECURED			
Trade debts - unsecured	9.1	1,926,451,954	1,693,642,261
Less: Allowance for expected credit losses		(233,864,905)	(233,864,905)
		<u>1,692,587,049</u>	<u>1,459,777,356</u>

9.1 Balances with related parties:

Outstanding balance from related party are as follows:			
Roshan Enterprises		3,181,846	3,181,846
Al-Firdusi Exporters		1,659,414	1,124,924
		<u>4,841,260</u>	<u>4,306,770</u>

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

	Note	Sep-21 Rupees	Jun-21 Rupees
10 CASH AND BANK BALANCES			
Cash in hand		41,867	112,592
Balances with banks:			
Savings accounts	10.1	124,659,422	240,303,589
Current accounts		69,631,807	65,158,612
		<u>194,291,229</u>	<u>305,462,201</u>
		<u>194,333,096</u>	<u>305,574,793</u>

10.1 Profit on the balances in saving accounts ranges from 2.7% to 6.9% (30 June 2021: 3% to 7%) per annum.

11 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Sep-21	Jun-21	Sep-21	Jun-21
	-----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 11.1)	5,103,000	5,103,000	51,030,000	51,030,000
	<u>141,900,000</u>	<u>141,900,000</u>	<u>1,419,000,000</u>	<u>1,419,000,000</u>

11.1 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.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies and commitments set out in note 32 to the Company's unconsolidated financial statements for the year ended 30 June 2021.

12.2 Commitments in respect of:

- (a) There was no change in the commitments in respect of Letters of credit and contracts for capital expenditure since the date of preceding published annual financial statements.
- (b) Letter of credits and contracts other than for capital expenditure amounting to Rs. 172.02 million (30 June 2021: Rs. 129.16 million).

12.3 Guarantee

There was no change in the guarantees given by banks on behalf of the Company since the date of preceding published annual financial statements.

	Note	Sep-21 Rupees	Sep-20 Rupees
13 REVENUE FROM CONTRACTS WITH CUSTOMERS	13.1 & 13.2	1,919,528,815	1,657,936,170

13.1 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

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

	Sep-21 Rupees	Sep-20 Rupees
Major product lines:		
- Made-to-order packaging products	1,753,637,625	1,509,120,606
- Standard packaging products	165,891,190	148,815,564
	<u>1,919,528,815</u>	<u>1,657,936,170</u>
Timing of revenue recognition:		
- Products transferred over time	1,753,637,625	1,509,120,606
- Products transferred at a point in time	165,891,190	148,815,564
	<u>1,919,528,815</u>	<u>1,657,936,170</u>

13.2 This includes unbilled revenue amounting to Rs. 65.46 million (2020: Rs. 73.37 million).

13.3 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.

14 COST OF REVENUE	Sep-21 Rupees	Sep-20 Rupees
Raw materials consumed	1,461,034,005	1,239,471,992
Carriage inward expenses	1,446,002	631,353
Packing material consumed	7,106,249	5,231,663
Production supplies	34,232,958	21,855,567
Fuel and power	81,283,119	57,323,316
Salaries, wages and other benefits	90,078,263	64,299,165
Repairs and maintenance	24,127,040	15,369,744
Printing and stationery	276,009	195,034
Insurance	1,240,338	1,739,317
Rent	360,258	539,377
Travelling and conveyance	7,576,252	5,442,779
Communication expenses	293,056	371,679
Vehicle running expenses	3,021,710	864,858
Depreciation on operating fixed assets	37,183,962	34,893,480
Depreciation on right of use asset	341,336	532,070
Others	2,974,989	2,015,837
Cost of goods manufactured	1,752,575,546	1,450,777,231
Opening stock of finished goods	48,238,056	11,727,881
Closing stock of finished goods	(61,886,318)	(12,579,379)
	<u>(13,648,262)</u>	<u>(851,498)</u>
	<u>1,738,927,284</u>	<u>1,449,925,733</u>

15 TAXATION		
Current tax	28,792,932	-
Deferred tax (income) / expense	(4,282,966)	21,847,470
	<u>24,509,966</u>	<u>21,847,470</u>

16 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

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

		Sep-21 Rupees	Sep-20 Rupees
Company are as follows:			
Profit attributable to owners of the Company	Rupees	<u>24,518,634</u>	<u>85,545,260</u>
Weighted-average number of ordinary shares	Number	<u>141,900,000</u>	<u>141,900,000</u>
Basic earnings per share	Rupees	<u>0.17</u>	<u>0.60</u>

17 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Company	Name of related party	Nature of Transactions	Sep-21 Rupees	Sep-20 Rupees
Subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Long term loan to subsidiary	17,500,000	4,183,935
		Markup accrued on long term loan	8,561,280	4,059,005
		Markup accrued on short term loan	-	2,717,593
		Markup received during the period	7,612,377	
Associated undertaking	Roshan Enterprises	Markup accrued on long term loan	3,107,539	3,123,292
		Markup received during the period	-	-
		Sale of packaging material	-	-
		Receipts during the period	-	-
Associated undertaking	Al-Firdusi Exporters	Sale of packaging material	2,597,955	3,228,933
		Receipts during the period	2,505,117	3,654,380

18 FINANCIAL RISK MANAGEMENT

The Company finances its operations through equity and borrowings with a view to maximize the return to the stakeholders. The Company is exposed to market risk, credit risk and liquidity risk. The Company's principal financial liabilities comprise trade and other payables, short term borrowings and long term borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as long term loan to subsidiary and associated undertaking, prepayments, deposits and other receivables, trade debts, profit accrued and cash and bank balances, which are directly related to operations.

The Board of Directors has the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Company's activities.

There is no change in the Company's objectives, policies, procedures for measuring and managing the above risks including capital management risk, since the preceding financial year ended 30 June 2020.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The company have measured its financial instruments at amortized cost and there is no significant change in the status of measurement set out in note 47 to the Company's unconsolidated financial statements for the year ended 30 June 2021.

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim unconsolidated financial statements were approved and authorized for issue on 30th Oct 2021 by the Board of Directors of the Company.

21 GENERAL

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

21.2 Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer





CONSOLIDATED
FINANCIAL RESULTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Directors' Report

The Directors of the Group are pleased to present their Directors' Report along with the unaudited Financial Statements of the Group for the period ended September 30, 2021.

Financial Overview

The economic environment of the country remained challenging during the period under review. However, despite these challenges, the Group delivered a healthy double-digit growth in revenue. This increase is a result of Group's policy of not compromising on quality and standard of its products. Continuous improvement in technology, production techniques, business processes and customer satisfaction helped Group capture additional market share.

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

Quarter Ended		
	30-Sep-2021	30-Sep-2020
	Rupees in Million	
Sales-net	1,920	1,658
Cost of Sales	1,739	1,450
Gross Profit	181	208
Finance Cost	24	29
Net profit before tax	33	95
Net profit after tax	9	74

Operating Performance

The sales revenue has increased to Rs. 1,920 million as compared to Rs. 1,658 million registering an increase of 16% compared to same period last year. However, the profitability of the Group was impacted, primarily due to rapid devaluation of Pak Rupee impacting both local & imported raw material prices especially resin which is priced in USD. Furthermore, the spike in fuel rates resulted in an increase of Rs. 24 million in utility costs. As a result, the company posted a gross profit of Rs. 181 million and an after-tax profit of Rs. 9 million.

In terms of funds management, the Group has efficiently managed its funds resulting in gradual decrease in borrowings and thereby the financial charges, which have decreased by Rs. 5 million as compared to the same period last year.

Future Outlook

Moving forward, Group will continue its policy & focus towards sustainable growth. We hope to be an important player in Pakistan's new green economy by continuing our efforts, not only to mitigate our impact on the environment but also help reduce other industries' impact through our recycling program and recyclable packaging options. The investment behind Roshan Sun Tao Paper Mills (Private) Limited is a key initiative in the same direction as it will offer both fully recycled and recyclable corrugated products.

Directors' Report

The Government is taking measures to stabilize Pak rupee and we look forward to stability of policy and exchange rate which is crucial for a suitable economic and investment climate. However, The Group will continue to monitor the situation and ensure that the cost is effectively and fairly reflected in our prices. Furthermore, the Group is focussing on value chain optimization and improvement in raw material inventory to better manage the rising commodity costs which will help improve profitability while driving growth in upcoming periods.

Acknowledgment:

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


Chief Executive Officer


Chairman

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

ASSETS	Note	Sep-21 Rupees	Jun-21 Rupees
Non-current assets			
Property, plant and equipment	5	6,093,781,279	6,118,934,547
Right of use assets		31,648,548	33,431,766
Long term loan - unsecured	6	133,972,424	130,864,885
Long term deposits		16,646,574	16,012,174
		6,276,048,825	6,299,243,372
Current assets			
Stores, spares and other consumables	7	211,396,442	182,914,819
Stock-in-trade	8	1,115,458,149	860,632,063
Contract assets		65,458,902	148,554,959
Trade debts - unsecured	9	1,692,587,049	1,459,777,356
Advances, deposits, prepayments and other receivables		788,178,136	767,204,760
Short term investment		482,085,000	545,852,250
Cash and bank balances	10	194,336,429	305,848,616
		4,549,500,107	4,270,784,823
Total assets		10,825,548,932	10,570,028,195
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	11	1,419,000,000	1,419,000,000
Capital reserves			
Share premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		2,891,011,747	2,903,180,018
		4,885,800,804	4,897,969,075
Revenue reserve			
Un-appropriated profit		876,940,076	856,151,106
Equity attributable to owners		7,181,740,880	7,173,120,181
Non-controlling interests		-	-
TOTAL EQUITY		7,181,740,880	7,173,120,181
Non-current liabilities			
Supplier's credit - unsecured		-	64,192,028
Long term finances - secured		7,404,493	18,522,370
Lease liabilities		21,677,675	24,753,229
Deferred taxation		570,437,152	574,649,300
Deferred liabilities		146,432,897	140,818,763
		745,952,217	822,935,690
Current liabilities			
Current portion of long term liabilities		250,413,879	199,746,644
Short term borrowings - secured		993,664,811	966,452,761
Trade and other payables		1,615,462,622	1,372,313,986
Contract liabilities		19,719,941	14,731,994
Accrued finance cost		16,636,218	18,750,357
Unclaimed dividend		1,958,364	1,976,582
		2,897,855,835	2,573,972,324
Total equity and liabilities		10,825,548,932	10,570,028,195

CONTINGENCIES AND COMMITMENTS

12

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	Sep-21 Rupees	Jun-21 Rupees
Revenue from contracts with customers		2,249,134,850	1,931,325,048
Less: Sales tax		(329,606,035)	(273,388,878)
Net revenue	13	1,919,528,815	1,657,936,170
Cost of revenue	14	(1,738,927,284)	(1,449,925,733)
Gross profit		180,601,531	208,010,437
Administrative expenses		(48,801,780)	(46,474,431)
Selling and distribution expenses		(56,141,455)	(41,438,958)
Other operating expenses		(33,673,417)	(13,245,918)
		(138,616,652)	(101,159,307)
Operating profit		41,984,879	106,851,130
Other income		14,794,203	17,837,805
Finance cost		(23,648,417)	(29,330,195)
Profit before taxation		33,130,665	95,358,740
Taxation	15	(24,509,966)	(21,847,470)
Profit for the period		8,620,699	73,511,270
Profit / (loss) attributable to:			
Owners of the Holding Company		8,620,699	78,324,866
Non-controlling interests		-	(4,813,596)
		8,620,699	73,511,270
Other comprehensive income		-	-
Total comprehensive income for the period		8,620,699	73,511,270
Total comprehensive income / (loss) attributable to:			
Owners of the Holding Company		8,620,699	78,324,866
Non-controlling interests		-	(4,813,596)
		8,620,699	73,511,270
Earnings per share - Basic and diluted	16	0.06	0.55

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total equity attributable to the owners of Holding Company	Non-controlling interests	Total equity
	Rupees	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Rupees	Rupees	Rupees
Balance as on 01 July 2020	1,419,000,000	1,994,789,057	1,795,215,742	644,121,246	5,853,126,045	100,584,447	5,953,710,492
Profit for the period	-	-	-	78,324,866	78,324,866	(4,813,596)	73,511,270
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(12,200,496)	12,200,496	-	-	-
Balance as on 30 September 2020	1,419,000,000	1,994,789,057	1,783,015,246	734,646,608	5,931,450,911	95,770,851	6,027,221,762
Balance as on 01 July 2021	1,419,000,000	1,994,789,057	2,903,180,018	856,151,106	7,173,120,181	-	7,173,120,181
Profit for the period	-	-	-	8,620,699	8,620,699	-	8,620,699
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(12,168,271)	12,168,271	-	-	-
Balance as on 30 September 2021	1,419,000,000	1,994,789,057	2,891,011,747	876,940,076	7,181,740,880	-	7,181,740,880

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Sep-21 Rupees	Sep-20 Rupees
OPERATING ACTIVITIES		
Profit before taxation	33,130,665	95,358,740
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on operating fixed assets	38,256,688	35,715,603
Depreciation on right of use assets	2,484,712	2,971,294
Markup on loans	(3,107,539)	(3,123,292)
Finance costs	23,648,417	29,330,195
Provision for gratuity	7,823,334	3,567,173
Profit on bank deposits	(11,650,515)	(14,092,793)
Amortization of intangibles	-	362,586
Worker's Profit Participation Fund	2,641,326	5,759,388
Worker's Welfare Fund	1,035,814	2,455,764
Exchange loss unrealized	29,996,277	5,030,766
Provision for accumulating compensated absences	726,627	742,977
Cashflow before working capital changes	124,985,806	164,078,401
Working capital adjustments:		
Decrease / (increase) in current assets:		
Stores and spare parts	(28,481,623)	(2,389,937)
Stock-in-trade	(254,826,086)	(23,312,345)
Trade debts	(232,809,693)	(181,052,131)
Contract assets	83,096,057	7,510,308
Advances, deposits, prepayments and other receivables	(33,131,102)	(48,763,081)
	(466,152,447)	(248,007,186)
Increase / (decrease) in current liabilities:		
Contract liabilities	4,987,947	(989,691)
Trade and other payables	218,995,808	171,511,731
	223,983,755	170,522,040
Net change in working capital	(242,168,692)	(77,485,146)
Net cash flows from operations	(117,182,886)	86,593,255
Net cash flows (used in) / generated from operating activities	(160,115,632)	85,809,168
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,103,420)	(13,372,806)
Profit on bank deposits received	8,265,821	9,646,359
Net cash flows used in investing activities	(4,837,599)	(3,726,447)

FINANCING ACTIVITIES

(Repayment) of / proceeds from long term loans	(34,212,600)	26,465,450
Repayment of supplier's credit	-	(34,561,092)
Dividend paid	(18,218)	-
Proceeds from short term borrowings - net	34,370,884	29,962,376
Repayment of lease liabilities	(3,307,438)	(4,358,909)
Net cash generated from financing activities	(3,167,372)	17,507,825
Net (decrease) / increase in cash and cash equivalents	(168,120,603)	99,590,545
Cash and cash equivalents at the beginning of the period	636,157,262	574,246,672
Cash and cash equivalents at the end of the period	468,036,659	673,837,217

The annexed notes from 1 to 21 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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. The principal activity of the Subsidiary Company will be manufacturing, supplying and dealing in corrugated papers. The Holding Company holds 100% of voting securities in the Subsidiary Company. The country of incorporation is also its principal place of business and Subsidiary's financial year end is 30 June. As of the reporting date, the Subsidiary Company is in its set up phase and has not yet commenced its commercial operations.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 This condensed interim consolidated financial information comprises the condensed interim consolidated balance sheet of the Group, as at 30 September 2021 and the related condensed interim consolidated profit and loss account, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof.

2.3 Comparative consolidated statement of financial position numbers are extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2021, whereas comparatives of condensed interim consolidated statement of comprehensive income, statement of cash flow and statement of

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

changes in equity are stated from unaudited condensed interim consolidated financial information of the Group for the quarter ended 30 September 2020.

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

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the consolidated condensed interim financial information, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual consolidated financial statements of the Group for the year ended June 30, 2021.

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Standard, interpretations and amendments to approved published accounting standards that became effective:

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

Standards or Interpretations

i) Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial and processes needed to create outputs. These amendments had no impact on the condensed interim consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

ii) Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the condensed interim consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

iii) Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the condensed interim consolidated financial statements of the Group, nor is there expected to be any future impact to the Group.

iv) Amendments to IFRS 16 - Covid-19-Related Rent Concessions

In March 2021, the IASB amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

consequence of the covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. These amendments had no impact on the condensed interim consolidated financial statements of the Group as the Group has not received any rent concession.

v) Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

5	PROPERTY, PLANT AND EQUIPMENT	Note	Sep-21 Rupees	Jun-21 Rupees
	Operating fixed assets	5.1	5,773,366,695	5,798,792,542
	Capital work-in-progress	5.2	320,414,584	320,142,005
			6,093,781,279	6,118,934,547
5.1	Movement during the year is as follows:			
	Balance at the beginning of the period / year- net book value		5,798,792,542	4,426,415,803
	Additions during the period / year - cost	5.1.1	12,830,841	353,061,104
	Transfer from right of use asset - net book value			10,225,284
	Revaluation adjustment			1,156,781,118
			5,811,623,383	5,946,483,309
	Less:			
	Disposals during the period / year - net book value		-	(918,308)
	Depreciation during the period / year		(38,256,688)	(146,772,459)
			(38,256,688)	(147,690,767)
	Net book value at the end of the period / year		5,773,366,695	5,798,792,542
5.1.1	During the period the detail of addition is as follows:			
	Freehold land		-	175,339,582
	Buildings on free hold land-own assets		765,508	640,912
	Plant and machinery-own assets		6,560,648	77,273,039
	Electric installations-own assets		-	959,739
	Furniture & fixture - own assets		112,600	1,742,495
	Office equipment - own assets		5,392,085	97,105,337
			12,830,841	353,061,104
5.2	Capital work in progress			
	Opening balance		320,142,005	587,655,324
	Additions during the period / year		272,579	23,316,510
	Transfers during the period / year		-	(290,829,829)
			320,414,584	320,142,005

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

6 LONG TERM LOAN - UNSECURED

	<u>Note</u>	<u>Sep-21 Rupees</u>	<u>Jun-21 Rupees</u>
At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	6.1 & 6.2	133,972,424	130,864,885
		<u>133,972,424</u>	<u>130,864,885</u>

6.1 Movement during the period / year is as follows:

Opening balance		130,864,885	149,249,281
Markup accrued during the period / year		3,107,539	11,925,889
		<u>133,972,424</u>	<u>161,175,170</u>
Less: Markup received		-	(30,310,285)
Closing balance		<u>133,972,424</u>	<u>130,864,885</u>

6.2 The loan carries markup at the rate of 1-Year KIBOR + 2% (June 2021: 1-Year KIBOR + 2%) per annum or average borrowing cost of the Company, whichever is higher. The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has grant extension of two years to associated undertaking in repayment of loan and as per revised terms and condition, Roshan Enterprises would repay the entire principal along with markup amount by 28 October 2022.

7 STORES, SPARES AND OTHER CONSUMABLES

	<u>Note</u>	<u>Sep-21 Rupees</u>	<u>Jun-21 Rupees</u>
Stores		161,018,092	133,733,209
Spares		40,962,171	36,633,953
Packing material		9,416,179	12,547,657
		<u>211,396,442</u>	<u>182,914,819</u>

8 STOCK-IN-TRADE

Raw materials	8.1	1,053,571,831	812,394,007
Finished goods		61,886,318	48,238,056
		<u>1,115,458,149</u>	<u>860,632,063</u>

8.1 This includes stock in transit amounting to Rs. 178.62 million (30 June 2021: Rs. 115.42 million)

9 TRADE DEBTS - UNSECURED

	<u>Note</u>	<u>Sep-21 Rupees</u>	<u>Jun-21 Rupees</u>
Trade debts - unsecured	9.1	1,926,451,954	1,693,642,261
Less: Allowance for expected credit losses		(233,864,905)	(233,864,905)
		<u>1,692,587,049</u>	<u>1,459,777,356</u>

9.1 Balances with related parties:

Outstanding balance from related party are as follows:

Roshan Enterprises		3,181,846	3,181,846
Al-Firdusi Exporters		1,659,414	1,124,924
		<u>4,841,260</u>	<u>4,306,770</u>

10 CASH AND BANK BALANCES

Cash in hand		45,200	139,895
Balances with banks:			
Savings accounts	10.1	124,659,422	240,303,589
Current accounts		69,631,807	65,405,132
		<u>194,291,229</u>	<u>305,708,721</u>
		<u>194,336,429</u>	<u>305,848,616</u>

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

10.1 Profit on the balances in saving accounts ranges from 2.7% to 6.9% (30 June 2021: 3% to 7%) per annum.

11 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	<u>Sep-21</u>	<u>Jun-21</u>	<u>Sep-21</u>	<u>Jun-21</u>
	<u>-----No. of shares-----</u>		<u>-----Rupees-----</u>	
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 11.1)	5,103,000	5,103,000	51,030,000	51,030,000
	<u>141,900,000</u>	<u>141,900,000</u>	<u>1,419,000,000</u>	<u>1,419,000,000</u>

11.1 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.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies and commitments set out in note 32 to the Group's consolidated financial statements for the year ended 30 June 2021.

12.2 Commitments in respect of:

- (a) There was no change in the commitments in respect of Letters of credit and contracts for capital expenditure since the date of preceding published annual financial statements.
- (b) Letter of credits and contracts other than for capital expenditure amounting to Rs. 172.02 million (30 June 2021: Rs. 129.16 million).

12.3 Guarantee

There was no change in the guarantees given by banks on behalf of the Group since the date of preceding published annual financial statements.

13 REVENUE FROM CONTRACTS WITH CUSTOMERS

13.1 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

	<u>Sep-21 Rupees</u>	<u>Sep-20 Rupees</u>
Major product lines:		
- Made-to-order packaging products	1,753,637,625	1,509,120,606
- Standard packaging products	165,891,190	148,815,564
	<u>1,919,528,815</u>	<u>1,657,936,170</u>
Timing of revenue recognition:		
- Products transferred over time	1,753,637,625	1,509,120,606
- Products transferred at a point in time	165,891,190	148,815,564
	<u>1,919,528,815</u>	<u>1,657,936,170</u>

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

13.2 This includes unbilled revenue amounting to Rs. 65.46 million (2020: Rs. 73.37 million).

13.3 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.

14 COST OF REVENUE	Sep-21 Rupees	Sep-20 Rupees
Raw materials consumed	1,461,034,005	1,239,471,992
Carriage inward expenses	1,446,002	631,353
Packing material consumed	7,106,249	5,231,663
Production supplies	34,232,958	21,855,567
Fuel and power	81,283,119	57,323,316
Salaries, wages and other benefits	90,078,263	64,299,165
Repairs and maintenance	24,127,040	15,369,744
Printing and stationery	276,009	195,034
Insurance	1,240,338	1,739,317
Rent	360,258	539,377
Travelling and conveyance	7,576,252	5,442,779
Communication expenses	293,056	371,679
Vehicle running expenses	3,021,710	864,858
Depreciation on operating fixed assets	37,183,962	34,893,480
Depreciation on right of use asset	341,336	532,070
Others	2,974,989	2,015,837
Cost of goods manufactured	1,752,575,546	1,450,777,231
Opening stock of finished goods	48,238,056	11,727,881
Closing stock of finished goods	(61,886,318)	(12,579,379)
	(13,648,262)	(851,498)
	<u>1,738,927,284</u>	<u>1,449,925,733</u>

15 TAXATION

Current tax	28,792,932	-
Deferred tax (income) / expense	(4,282,966)	21,847,470
	<u>24,509,966</u>	<u>21,847,470</u>

16 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:

	Sep-21 Rupees	Sep-20 Rupees
Profit attributable to owners of the Company	<u>8,620,699</u>	<u>78,324,866</u>
Weighted-average number of ordinary shares	<u>141,900,000</u>	<u>141,900,000</u>
Basic earnings per share	<u>0.06</u>	<u>0.55</u>

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

17 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Company	Name of related party	Nature of Transactions	Sep-21 Rupees	Sep-20 Rupees
Associated undertaking	Roshan Enterprises	Markup accrued on long term loan	3,107,539	3,123,292
		Markup received during the period	-	-
		Sale of packaging material	-	-
		Receipts during the period	-	-
Associated undertaking	Al-Firdusi Exporters	Sale of packaging material	2,597,955	3,228,933
		Receipts during the period	2,505,117	3,654,380

18 FINANCIAL RISK MANAGEMENT

The Group finances its operations through equity and borrowings with a view to maximize the return to the stakeholders. The Group is exposed to market risk, credit risk and liquidity risk. The Group's principal financial liabilities comprise trade and other payables, short term borrowings and long term borrowings. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as long term loan to associated undertaking, prepayments, deposits and other receivables, trade debts, profit accrued and cash and bank balances, which are directly related to operations.

The Board of Directors has the overall responsibility for the establishment and oversight of Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

There is no change in the Group's objectives, policies, procedures for measuring and managing the above risks including capital management risk, since the preceding financial year ended 30 June 2021.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Group have measured its financial instruments at amortized cost and there is no significant change in the status of measurement set out in note 45 to the Group's unconsolidated financial statements for the year ended 30 June 2021.

20 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were approved and authorized for issue on 30th Oct 2021 by the Board of Directors of the Group.

21 GENERAL

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

21.2 Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer