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TOWARDS A CIRCULAR ECONOMY

HALF YEARLY REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022



Table Of Contents

Company Information	02
At a Glance	03
Unconsolidated Condensed Interim Financial Statements	04
Unconsolidated Directors' Report	06
Directors' Report (Urdu)	09
Auditor's Review Report	10
Condensed Interim Unconsolidated Statement Of Financial Position	11
Condensed Interim Unconsolidated Statement Of Profit Or Loss	12
Condensed Interim Unconsolidated Statement Of Comprehensive Income	13
Condensed Interim Unconsolidated Statement Of Changes in Equity	14
Condensed Interim Unconsolidated Statement Of Cash Flows	15
Notes to the Condensed Interim Unconsolidated Financial Statements	17
Consolidated Condensed Interim Financial Statements	24
Consolidated Directors' Report	26
Condensed Interim Consolidated Statement Of Financial Position	28
Condensed Interim Consolidated Statement Of Profit Or Loss	29
Condensed Interim Consolidated Statement Of Comprehensive Income	30
Condensed Interim Consolidated Statement of Changes in Equity	31
Condensed Interim Consolidated Statement of Cash Flows	32
Notes to the Condensed Interim Consolidated Financial Statements	34

Roshan Packages Limited

Status: Public Listed Entity
CUIN: 0044226
NTN: 1436951-6
STRN: 03-01-4819-303-73

Board of Directors

Mr. Quasim Aijaz

Chairman

Mr. Tayyab Aijaz

Chief Executive Officer

Mr. Saadat Eijaz

Executive Director

Mr. Khalid Eijaz Qureshi

Non-Executive Director

Mr. Zaki Aijaz

Non-Executive Director

Ms. Ayesha Musaddaque Hamid

Independent/Non-Executive Director

Mr. Muhammad Naveed Tariq

Independent/Non-Executive Director

Company Secretary

Ms. Rabia Sharif

Chief Financial Officer (CFO)

Mr. Muhammad Adil

Tax Consultant

Zulfiqar Ahmad & Co

Website

www.roshanpackages.com.pk

Banks

Askari Bank Limited
 Allied Bank Limited
 Bank Alfalah Limited
 Bank of Punjab
 Bank Islami Pakistan Limited
 Dubai Islamic Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 Meezan Bank Limited
 Soneri Bank Limited
 National Bank of Pakistan

Registered Office

325 G-III, M.A 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

Ms. Faiza Khalid

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

At A Glance

NET REVENUE
RS. IN MILLION

HY-2022-23 : 5,187

HY- 2021-22 : 4,039

GROSS PROFIT
RS. IN MILLION

HY-2022-23 : 574

HY-2021-22 : 402

PBT
RS. IN MILLION

HY-2022-23 : 109

HY-2021-22 : 109

PAT
RS. IN MILLION

HY-2022-23 : 78

HY-2021-22 : 188

EBIT
RS. IN MILLION

HY-2022-23 : 265

HY-2021-22 : 165

EBITDA
RS. IN MILLION

Q1-2022-23 : 368

HY-2021-22 : 250

EPS
RS. PER SHARE

HY-2022-23 : 0.55

HY-2021-22 : 1.32

TOTAL EQUITY
RS. IN MILLION

HY-2022-23 : 7,324

FY-2021-22 : 7,245

CURRENT RATIO
RATIO

HY-2022-23 : 1.67

FY-2021-22 : 1.62

QUICK RATIO
RATIO

HY-2022-23: 1.26

FY-2021-22 : 1.21



UNCONSOLIDATED FINANCIAL RESULTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

Directors' Report

Dear Shareholders,

The Directors of the Company are pleased to present the Directors' Report along with the condensed interim financial statements of the Company for the half year ended on December 31, 2022.

Financial Performance

The financial performance of the Company ("RPL") during the first half of the year is contained in the table below:

Description	Half Year Ended		Quarter Ended	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
	Rupees in Million			
Sales	5,187	4,039	2,496	2,120
Cost of sales	4,613	3,637	2,247	1,898
Gross profit	574	402	249	222
Selling and distribution expenses	185	123	88	67
Other income	65	50	35	27
Finance cost	156	55	81	32
Net profit before taxation	109	109	38	60
Taxation (expense) / income	(31)	79	(4)	103
Net profit after taxation	78	188	35	163

During the six months ended December 31, 2022, the Company achieved net sales revenue of PKR 5,187 million as compared to PKR 4,039 million in the corresponding period last year, registering an increase by 28.4%. Despite the escalating energy cost and devaluation of currency the Company has managed to improve its gross profit to PKR 574 million as against PKR 402 million in the comparable period last year, reflecting an absolute increase of 42.6% and 110 bps improvement in gross profit margin due to improvement in sales mix and RPL's focus on efficient procurement, inventory management, and utilising the resources effectively.

However, the surge in general inflation, devaluation of Pak Rupee and high interest rates have counter balanced the aforesaid increase, keeping the profit before taxation consistent with the last year. Freight

Directors' Report

and transportation cost has doubled on account of increased fuel prices. The KIBOR rate has jacked up to 18%, thereby resulting in an increase of 180% in the finance cost expense. Despite the political turmoil and economic uncertainty, the Company has managed to sustain its profitability at PKR 109 million.

Profit after taxation has however decreased to PKR 78 million as compared to PKR 188 million in the comparable period last year on account of net tax expense of PKR 31 million in the current period as against net deferred tax income in the comparable period, due to recognition of deferred tax asset on minimum and alternative taxation.

Future Outlook:

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. The macro-economic outlook seems challenging on account of rising inflation, fiscal slippages and drying up of financial inflows and reserves. Moving forward, it is essential to sustain the reform momentum and focus on policies for securing stability and promoting sustainable growth.

The company is keeping a close eye on the macro-economic and fiscal challenges and focussing on strategies to counteract the supply chain disruptions arising from import and LC restrictions. Considering the uncertainty and to ensure continuous smooth supplies to our valued corporate customers the Company is also focussed to build local substitutes as a long-term future strategy which will help localization and economic development.

Acknowledgment:

The Board is thankful to all of its stakeholders for their invaluable continued support to the Company. The Board would also like to acknowledge the dedication, diligence and hard work of the Company's employees during an unprecedented time.

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

کمپنی کے ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے لیے کمپنی کے عبوری مالیاتی گوشواروں کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی کارکردگی

سال کی پہلی ششماہی کے دوران کمپنی کی مالی کارکردگی درج ذیل جدول میں موجود ہے

تفصیل	سہ ماہی احتمال		نصف سال احتمال	
	31 دسمبر 2021	31 دسمبر 2022	31 دسمبر 2021	31 دسمبر 2022
	ملین میں روپے			
فروخت	2,120	2,496	4,039	5,187
فروخت کی لاگت	1,898	2,247	3,637	4,613
کل منافع	222	249	402	574
فروخت اور تقسیم کے اخراجات	67	88	123	185
مزید آمدنی	27	35	50	65
مالیاتی لاگت	32	81	55	156
ٹیکس سے پہلے خالص منافع	60	38	109	109
ٹیکس (خرچ) / آمدنی	103	(4)	79	(31)
ٹیکس کے بعد خالص منافع	163	35	188	78

31 دسمبر 2022 کو ختم ہونے والی ششماہی کے دوران، کمپنی نے گزشتہ سال کی اسی مدت میں 4,039 ملین روپے کے مقابلے میں 5,187 ملین روپے خالص سیلرز یونیو حاصل کیا، جس میں 28.4 فیصد اضافہ درج ہوا۔ توانائی کی بڑھتی ہوئی لاگت اور کرنسی کی قدر میں کمی کے باوجود کمپنی اپنے مجموعی منافع کو 574 ملین روپے تک بڑھانے میں کامیاب ہو گئی ہے جو گزشتہ سال تقابلی مدت میں 402 ملین روپے تھی، جو کہ مجموعی منافع کے مارجن میں 42.6 فیصد کے مطلق اضافہ اور 110bps کی بہتری کی عکاسی کرتی ہے۔ کمپنی کی توجہ سیلرکس میں بہتری، موثر خریداری، انویسٹری مینجمنٹ اور وسائل کو مؤثر طریقے سے استعمال کرنے پر مرکوز ہے۔

تاہم، عام مہنگائی میں اضافے، پاکستانی روپے کی قدر میں کمی اور بلند شرح سود نے مذکورہ بالا اضافے کو متوازن کر دیا ہے، جب کہ ٹیکس لگانے سے پہلے کا منافع گزشتہ سال کے ساتھ ہم آہنگ رہا ہے۔ ایندھن کی قیمتوں میں اضافے کی وجہ سے مال برداری اور نقل و حمل کی لاگت دو گنی ہو گئی ہے۔ KIBOR کی شرح 18 فیصد تک بڑھ گئی ہے، جس کے نتیجے میں مالیاتی لاگت کے اخراجات میں 180 فیصد کا اضافہ ہوا ہے۔ سیاسی بحران اور معاشی غیر یقینی کے باوجود، کمپنی 109 ملین روپے پر اپنا منافع برقرار رکھنے میں کامیاب رہی ہے۔

تاہم بعد از ٹیکس منافع کم ہو کر 78 ملین روپے ہو گیا ہے جو کہ گزشتہ سال تقابلی مدت میں 188 ملین روپے تھا موجودہ مدت میں 31 ملین روپے کے خالص ٹیکس اخراجات کا اندراج ہوا جبکہ تقابلی مدت میں خالص موثر ٹیکس آمدنی جو کہ 79 ملین روپے تھی، کا اندراج ہوا۔ موثر ٹیکس آمدنی کم از کم اور متبادل ٹیکس کے اندراج کی وجہ سے ہوئی۔

ڈائریکٹرز رپورٹ

مستقبل کا بیانیہ

غیر متوقع اتار چڑھاؤ اور غیر یقینی صورتحال کے باوجود گزشتہ برسوں کے دوران معیشت نے کچک دکھائی ہے۔ بڑھتی ہوئی افراط زر، مالیاتی گراوٹ اور مالیاتی ذخائر کی کمی ہونے کی وجہ سے مجموعی معیشت کا مستقبل نہایت مشکل نظر آتا ہے۔ آگے بڑھتے ہوئے، یہ ضروری ہے کہ اصلاحات کی رفتار کو برقرار رکھا جائے اور استحکام کو محفوظ بنانے اور پائیدار ترقی کو فروغ دینے کے لیے پالیسیوں پر توجہ دی جائے۔

کمپنی میکرو اکنامک اور مالیاتی چیلنجوں پر گہری نظر رکھے ہوئے ہے، درآمد اور ای سی پر پابندیوں سے پیدا ہونے والی سپلائی چین میں رکاوٹوں کا مقابلہ کرنے کے لیے حکمت عملی پر توجہ مرکوز کر رہی ہے۔ غیر یقینی صورتحال کو مد نظر رکھتے ہوئے اور ہمارے قابل قدر کارپوریٹ صارفین کو مسلسل ہموار سپلائی کو یقینی بنانے کے لیے کمپنی ایک طویل مدتی مستقبل کی حکمت عملی کے طور پر مقامی متبادل ذرائع اپنانے پر بھی توجہ مرکوز کر رہی ہے جس سے مقامی صنعت کو فروغ اور اقتصادی ترقی میں مدد ملے گی۔

اظہار تشکر

بورڈ اپنے تمام اسٹیک ہولڈرز کا، کمپنی کے لیے ان کی انمول مسلسل تعاون کا شکریہ ادا کرتا ہے۔ بورڈ غیر معمولی وقت کے دوران کمپنی کے ملازمین کی لگن، ہمدردی اور محنت کو بھی تسلیم کرتا ہے۔

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ROSHAN PACKAGES LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Roshan Packages Limited (the Company) as at 31 December 2022, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the sixmonth period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 31 December 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2022.

The engagement partner on the audit resulting in this independent auditor's report is Ahsan Shahzad.



EY Ford Rhodes
Chartered Accountants
Engagement Partner: Muhammad Ahsan Shahzad
Lahore

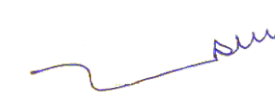
ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Un-audited 31 December 2022	Audited 30 June 2022
		Rupees	Rupees
ASSETS	Note		
Non-current assets			
Property, plant and equipment	5	5,310,865,097	5,368,016,668
Right of use assets		64,803,963	81,982,291
Investment in subsidiary	6	160,618,966	160,618,966
Long-term loans - related parties	7	495,018,538	450,018,538
Long term deposits		47,992,813	21,353,650
		6,079,299,377	6,081,990,113
Current assets			
Stores, spares and other consumables		332,537,330	278,700,831
Stock-in-trade		1,262,389,147	1,350,850,860
Contract assets		150,832,446	199,255,658
Trade receivables	8	2,121,369,905	2,266,048,213
Current portion of long term loans - related parties	7	130,864,885	130,864,885
Advances, deposits, prepayments and other receivables		90,127,498	237,568,277
Tax refunds due from Government		302,251,957	375,096,375
Cash and bank balances	9	781,913,306	505,249,511
		5,172,286,474	5,343,634,610
TOTAL ASSETS		11,251,585,851	11,425,624,723
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (30 June 2022: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital		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		2,598,563,992	2,626,922,292
		4,593,353,049	4,621,711,349
Revenue reserve			
Un-appropriated profit		1,311,231,465	1,204,708,319
TOTAL EQUITY		7,323,584,514	7,245,419,668
Non-current liabilities			
Long-term financing	10	121,436,253	138,784,287
Lease liabilities		36,417,497	53,809,165
Deferred taxation	11	507,448,991	543,919,188
Deferred liabilities		160,192,367	154,279,763
		825,495,108	890,792,403
Current liabilities			
Current portion of non-current liabilities		67,082,379	83,209,878
Short-term borrowings	12	1,665,530,268	1,728,820,658
Trade and other payables		1,292,075,856	1,337,643,474
Contract liabilities		18,174,239	84,548,248
Accrued finance cost		57,885,486	53,389,378
Unclaimed dividend		1,758,001	1,801,016
		3,102,506,229	3,289,412,652
TOTAL LIABILITIES		3,928,001,337	4,180,205,055
TOTAL EQUITY AND LIABILITIES		11,251,585,851	11,425,624,723
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes, 1 to 22, form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Note	Six months ended		Three months ended	
	(Un-audited)		(Un-audited)	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers	6,085,811,913	4,716,577,753	2,930,164,624	2,467,442,903
Less: Sales tax	(899,069,923)	(677,168,672)	(434,548,416)	(347,562,637)
Net revenue	5,186,741,990	4,039,409,081	2,495,616,208	2,119,880,266
Cost of revenue	(4,612,828,024)	(3,636,927,633)	(2,247,170,060)	(1,898,232,958)
Gross profit	573,913,966	402,481,448	248,446,148	221,647,308
Administrative expenses	(136,269,442)	(100,570,669)	(72,730,967)	(59,030,144)
Selling and distribution expenses	(184,945,641)	(123,194,330)	(88,249,496)	(67,052,875)
Other operating expenses	(22,310,735)	(8,694,897)	(2,793,978)	(5,017,757)
	(343,525,818)	(232,459,896)	(163,774,441)	(131,100,776)
Operating profit	230,388,148	170,021,552	84,671,707	90,546,532
Other income	64,547,455	50,417,032	35,153,529	27,061,549
Other expenses	(30,107,803)	(55,670,587)	(358,000)	(25,674,310)
Finance cost	(155,508,653)	(55,447,300)	(80,995,857)	(31,874,283)
Profit before taxation	109,319,147	109,320,697	38,471,379	60,059,488
Taxation	(31,154,301)	78,508,366	(3,814,855)	103,018,332
Profit for the period	78,164,846	187,829,063	34,656,524	163,077,820
Earnings per share - Basic and diluted	0.55	1.32	0.24	1.15

The annexed notes, 1 to 22, form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive


Director

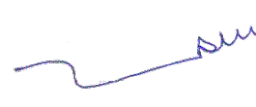

Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Six months ended		Three months ended	
	(Un-audited)		(Un-audited)	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	78,164,846	187,829,063	34,656,524	163,077,820
Other comprehensive income - net of tax:				
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
Items that will not be subsequently reclassified to profit or loss:	-	-	-	-
Total comprehensive income for the period	78,164,846	187,829,063	34,656,524	163,077,820

The annexed notes, 1 to 22, form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
	Rupees	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Rupees
Balance as on 01 July 2021 (Un-audited)	1,419,000,000	1,994,789,057	1,746,398,900	903,918,570	6,064,106,527
T total comprehensive income for the period	-	-	-	187,829,063	187,829,063
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(24,399,408)	24,399,408	-
Balance as on 31 December 2021 (Un-audited)	1,419,000,000	1,994,789,057	1,721,999,492	1,116,147,041	6,251,935,590
Balance as on 01 July 2022 (Un-audited)	1,419,000,000	1,994,789,057	2,626,922,292	1,204,708,319	7,245,419,668
T total comprehensive income for the period	-	-	-	78,164,846	78,164,846
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(28,358,300)	28,358,300	-
Balance as on 31 December 2022 (Un-audited)	1,419,000,000	1,994,789,057	2,598,563,992	1,311,231,465	7,323,584,514

The annexed notes, 1 to 22, form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

OPERATING ACTIVITIES

Profit before taxation

Adjustments to reconcile profit before tax to net cash flows:

Depreciation on operating fixed assets
Depreciation on right-of-use assets
Interest income on loans
Finance cost
Provision for gratuity
Profit on bank deposits
Worker's Profit Participation Fund
Worker's Welfare Fund
Expected credit losses
Exchange loss - unrealized
Grant income
Operating fixed assets written off
Gain on disposal of operating fixed assets
Provision for accumulating compensated absences

Un-audited	Un-audited
Six months ended	Six months ended
2022	2021
Rupees	Rupees
109,319,147	109,320,697

Working capital adjustments:

(Increase) / decrease in current assets:

Stores, spares and other consumables
Stock-in-trade
Trade receivables
Contract assets
Advances, deposits, prepayments and other receivables
Sales tax receivable - net

(53,836,499)	(51,058,022)
88,461,713	(476,113,059)
131,615,341	(320,181,430)
48,423,212	(13,892,605)
173,514,679	(14,355,287)
37,855,492	(2,870,682)
426,033,938	(878,471,085)

(Decrease) / increase in current liabilities:

Contract liabilities
Trade and other payables

(66,374,009)	29,974,847
(56,897,237)	263,026,368
(123,271,246)	293,001,215

Net cash generated from / (used in) operations

Finance cost paid
Taxes (paid) / adjusted
Payment of Workers' Welfare Fund
Gratuity paid
Accumulating compensated absences paid
Net increase in long term deposits

(146,886,938)	(50,491,388)
(33,453,171)	17,949,249
-	(9,362,026)
(11,463,984)	(5,960,694)
-	(121,281)
(26,639,163)	(5,538,456)
(218,443,256)	(53,524,596)

Net cash generated from/(used in) operating activities

430,721,653	(401,147,349)
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ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

INVESTING ACTIVITIES

Purchase of property, plant and equipment	(29,135,001)	(31,097,060)
Long term loan given	(45,000,000)	(30,000,000)
Proceeds from disposal of operating fixed assets	-	826,800
Interest on long term loan received	28,826,864	7,612,476
Profit on bank deposits received	8,798,138	9,937,027
Net cash used in investing activities	(36,509,999)	(42,720,757)

FINANCING ACTIVITIES

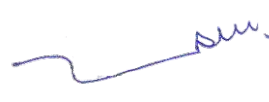
Repayment of long term loans	(35,773,708)	(66,657,971)
Dividend paid	(43,015)	(153,832)
(Repayment of) / proceeds from short term borrowings - net	(13,631,219)	357,146,573
Repayment of lease liabilities	(18,440,746)	(9,216,601)
Net cash (used in) / generated from financing activities	(67,888,688)	281,118,169
Net increase / (decrease) in cash and cash equivalents	326,322,966	(162,749,937)
Cash and cash equivalents at the beginning of the period	264,470,407	635,883,439
Cash and cash equivalents at the end of the period	590,793,373	473,133,502

17

The annexed notes, 1 to 22, form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

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 Ordinance, 1984 (repealed with the enactment of 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.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 ; and
- Provisions of and directives issued under the Companies Act, 2017 (the Act).

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

2.2 These condensed interim unconsolidated financial statements are un-audited, but subject to limited scope review by the auditors, and are being submitted to the shareholders as required under Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019. These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the unconsolidated financial statements of the Company for the year ended 30 June 2022.

2.3 Selected explanatory notes are included to explain events and transactions that are significant to the understanding of changes in the Company's financial position and performance since the last annual unconsolidated financial statements.

2.4 The figures of the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the three months ended 31 December 2022 and 31 December 2021 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended 31 December 2022 and 31 December 2021.

2.5 These condensed interim unconsolidated financial statements have been prepared under the historical cost convention and are presented in Pak Rupees, which is also the Company's functional currency. All figures have been rounded off to nearest rupees, unless otherwise stated.

2.6 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2022, except for the adoption of amendments to approved accounting standards which became effective for the current period as disclosed in note 3.1 to these condensed interim unconsolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period

The Company has adopted the following amendments to approved accounting standards which became effective during the current period:

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the condensed interim unconsolidated financial statements of the Company as there were no such contracts which may become onerous.

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3: Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37: Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21: Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the condensed interim unconsolidated financial statements of the Company as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arising during

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the condensed interim unconsolidated financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 9: Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39: Financial Instruments: Recognition and Measurement.

These amendments had no impact on the condensed interim unconsolidated financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim unconsolidated financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim unconsolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited unconsolidated financial statements of the Company for the year ended 30 June 2022.

		Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
5	PROPERTY, PLANT AND EQUIPMENT		
	Note		
Operating fixed assets	5.1	5,310,230,898	5,365,747,906
Capital work-in-progress	5.2	634,199	2,268,762
		<u>5,310,865,097</u>	<u>5,368,016,668</u>
5.1	Movement during the period / year is as follows:		
Balance at the beginning of the period / year- net book value		5,365,747,906	4,467,326,597
Additions / transfers during the period / year - cost	5.1.1	30,769,564	65,028,468
Transfer from right of use asset during the period / year - net book value		1,581,415	5,539,317
Revaluation adjustment		-	996,578,959
		<u>5,398,098,885</u>	<u>5,534,473,341</u>
Less:			
Write-offs during the period / year - net book value		(49,516)	-
Disposals during the period / year - net book value		-	(4,951,349)
Depreciation during the period / year		(87,818,471)	(163,774,086)
		<u>(87,867,987)</u>	<u>(168,725,435)</u>
Net book value at the end of the period / year		<u>5,310,230,898</u>	<u>5,365,747,906</u>

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
5.1.1	The detail of additions / transfers made during the period / year is as follows:	
Buildings on freehold land	3,368,563	6,088,272
Plant and machinery	21,383,420	33,275,037
Electric installations	310,000	4,454,824
Furniture and fixtures	110,476	1,501,455
Office equipment	5,368,105	18,182,228
Vehicles	229,000	1,526,652
	<u>30,769,564</u>	<u>65,028,468</u>

5.2	Capital work in progress	
Opening balance	2,268,762	493,404
Additions during the period / year	1,734,000	2,125,029
Transfers during the period / year	(3,368,563)	(349,671)
Closing balance	<u>634,199</u>	<u>2,268,762</u>

6 INVESTMENT IN SUBSIDIARY

At cost:

Roshan Sun Tao Paper Mills (Private) Limited	<u>160,618,966</u>	<u>160,618,966</u>
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The Company directly holds 18,562,688 shares representing 100% ownership in Roshan Sun Tao Paper Mills (Private) Limited, a subsidiary company. It has been established to set up business of manufacturing, dealing and supply of corrugated papers. It has not yet commenced its operations.

		Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
7	LONG-TERM LOANS - RELATED PARTIES		
	At amortized cost:		
Loan to associated undertaking - Roshan Enterprises	7.1	157,640,891	146,078,867
Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	7.2	517,994,071	461,421,301
		<u>675,634,962</u>	<u>607,500,168</u>
Less:			
current portion of long term loans		(130,864,885)	(130,864,885)
current portion of markup accrued - associated undertaking		(26,776,006)	(15,213,982)
current portion of markup accrued - subsidiary		(22,975,533)	(11,402,763)
		<u>495,018,538</u>	<u>450,018,538</u>

7.1	Movement during the period / year is as follows:		
Opening balance		146,078,867	130,864,885
Markup accrued during the period / year:			
as per original terms		11,131,654	15,213,982
on account of penalty		430,370	-
		<u>11,562,024</u>	<u>15,213,982</u>
Closing balance	7.1.1	<u>157,640,891</u>	<u>146,078,867</u>

7.1.1 This unsecured loan carries markup at the rate of 1-Year KIBOR+2% (30 June 2022: 1-Year KIBOR+2%) per annum or average borrowing cost of the Company, whichever is higher. The effective interest rates ranged from 17.10% to 20.13% (30 June 2022: 10.06% to 17.10%) per annum.

Previously, the Company in its Annual General Meeting held on 28 October 2020, via special resolution and in accordance with requirements of Section 199 of the Companies Act, 2017, granted extension of two years to associated undertaking in repayment of loan, and as per revised terms and conditions, Roshan Enterprises was required to repay the entire principal amount by 28 October 2022. On delay in repayment of principal and markup on due date, in accordance with revised terms and conditions, a penalty of 2% per annum shall be levied in addition to agreed markup, from the due date till the repayment date.

In their meeting held on 22 December 2022, the Board of Directors of the Company have accepted the offer by partners/owners of Roshan Enterprises, who are also the directors of the Company, for full settlement through transfer of land, building and transformer, situated in Tehsil Bhalwal, District Sargodha, Punjab, valued at Rs. 214.87 million (Forced Sale Value of Rs. 182.64 million). The offer has also been approved by shareholders of the Company, via special resolution, in their Extra Ordinary General Meeting held on 16 January 2023. The fair value assessment of property and related equipment was carried out in December 2022 by Unicorn International Surveyors, an independent valuer, registered with Pakistan Banking Association (PBA), having suitable recent pertinent experience of valuation in concerned location and type of assets. Upon transfer of title in the land records of Government of Punjab to and possession of the property by the Company, the Company would derecognize the amount of loan, markup and additional penalty due till January 31, 2023. Any excess consideration, as reduced by transaction/ transfer costs amounting to Rs. 13.38 million, would be adjusted as a transaction between owners in the statement of changes in equity. Accordingly, as of reporting date, allowance for expected credit loss has been estimated to be insignificant and has not been recognized in these condensed interim unconsolidated financial statements. In respect of ongoing settlement, the Company has complied with the related requirements of sections 199 and 208 of the Companies Act, 2017 and other applicable laws and regulations.

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

		Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
7.2	Movement in loan to subsidiary during the period / year is as follows:		
	Opening balance	461,421,301	387,697,897
	Loan disbursed during the period / year	45,000,000	70,901,956
	Markup accrued during the period / year	40,399,634	41,639,278
	Markup received during the period / year	(28,826,864)	(38,817,830)
	Closing balance	517,994,071	461,421,301
7.2.1	There is no material change in the terms and conditions of the long-term loan to the subsidiary from those disclosed in the Company's unconsolidated financial statements for the year ended 30 June 2022.		
	Note	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
8	TRADE RECEIVABLES		
	Trade receivables	2,350,829,730	2,483,045,071
	Less: Allowance for expected credit losses	(229,459,825)	(216,996,858)
		2,121,369,905	2,266,048,213
9	CASH AND BANK BALANCES		
	Cash in hand	952,441	1,160,144
	Balances with banks:		
	Savings accounts	641,221,677	337,829,597
	Current accounts	139,739,188	166,259,770
		780,960,865	504,089,367
		781,913,306	505,249,511
9.1	The savings accounts earn interest at floating rates based on daily bank deposit rates ranging from 4.75% to 14.75% (30 June 2022: 5.83% to 13.35%) per annum.		
	Note	Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
10	LONG TERM FINANCES - SECURED		
	Dubai Islamic Bank Limited - Refinance scheme	-	18,112,586
	Allied Bank Limited - Supplier credit loan	156,132,321	173,480,355
		156,132,321	191,592,941
	Current portion shown under current liabilities	(34,696,068)	(52,808,654)
		121,436,253	138,784,287
10.1	Dubai Islamic Bank Limited - Refinance scheme		
	Opening balance	18,112,586	53,467,967
	Interest accrued during the period / year	313,088	2,712,611
	Repaid during the period / year	(18,425,674)	(38,067,992)
		-	18,112,586
	Current portion shown under current liabilities	-	(18,112,586)
	Closing balance	-	-
10.2	Allied Bank Limited - Supplier credit loan		
	Opening balance	173,480,355	-
	Obtained during the period / year	-	173,480,355
	Repaid during the period / year	(17,348,034)	-
		156,132,321	173,480,355
	Current portion shown under current liabilities	(34,696,068)	(34,696,068)
	Closing balance	121,436,253	138,784,287
10.3	There is no material change in the terms and conditions of the long-term loans from those disclosed in the Company's unconsolidated financial statements for the year ended 30 June 2022.		

ROSHAN PACKAGES LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

		Un-audited 31 December 2022 Opening balance	Charge / (Credit) to profit or loss	Charge to other comprehensive income	Closing balance
11	DEFERRED TAXATION				
	Taxable temporary difference				
	Accelerated tax depreciation	357,444,723	3,379,223	-	360,823,946
	Revaluation surplus	457,889,707	(8,791,071)	-	449,098,636
	Right-of-use assets	25,414,510	(5,325,281)	-	20,089,229
	Deductible temporary difference				
	Allowance for ECL on trade receivables	(67,269,026)	(3,863,520)	-	(71,132,546)
	Lease liabilities	(25,916,537)	4,587,357	-	(21,329,180)
	Minimum tax	(191,457,239)	(26,456,905)	-	(217,914,144)
	Alternative corporate tax	(12,186,950)	-	-	(12,186,950)
		543,919,188	(36,470,197)	-	507,448,991
	Audited 30 June 2022				
	Taxable temporary difference				
	Accelerated tax depreciation	321,200,062	36,244,661	-	357,444,723
	Revaluation surplus	390,149,555	(14,910,033)	82,650,185	457,889,707
	Right-of-use assets	9,695,212	15,719,298	-	25,414,510
	Deductible temporary difference				
	Allowance for ECL on trade receivables	(67,820,822)	551,796	-	(67,269,026)
	Deferred liabilities	(41,444,442)	41,444,442	-	-
	Lease liabilities	(9,671,049)	(16,245,488)	-	(25,916,537)
	Minimum tax	(15,272,266)	(176,184,973)	-	(191,457,239)
	Alternative corporate tax	(12,186,950)	-	-	(12,186,950)
		574,649,300	(113,380,297)	82,650,185	543,919,188
	Un-audited 31 December 2022 Rupees				
12	SHORT TERM BORROWINGS - SECURED				
	Running finance				
	Term finances:				
	- import finance / murabaha				310,233,786
	- istisna / wakala				1,177,807,768
					1,488,041,554
					1,728,820,658
12.1	Aggregate limits of borrowings				
	Aggregate sanctioned limit of all above facilities including limit for opening letters of credit and guarantees is Rs. 3,740 million (30 June 2022: Rs.3,690 million) in which un-availed credit limit as at 31 December 2022 is Rs. 2,009 million (30 June 2022: Rs. 1,961 million). 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.				
12.2	There is no material change in the terms and conditions of the short-term borrowings from those disclosed in note 28 to the Company's unconsolidated financial statements for the year ended June 30, 2022.				
13	CONTINGENCIES AND COMMITMENTS				
13.1	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 June 30, 2022.				
13.2	Commitments				
	(a) There has been no significant change in the commitments in respect of contracts for capital expenditure since 30 June 2022; and				
	(b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 45.43 million (30 June 2022: Rs.183.50 million).				

ROSHAN PACKAGES LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

13.3 Guarantee

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

- (a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 40.19 million (30 June 2022: Rs. 30.07 million); and
- (b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 14.50 million (30 June 2022: Rs. 14.50 million).

Note	Six months ended		Three months ended	
	(Un-audited)		(Un-audited)	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
14 REVENUE FROM CONTRACTS WITH CUSTOMERS				
14.1	5,186,741,990	4,039,409,081	2,495,616,208	2,119,880,266

14.1 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:

Note	Six months ended		Three months ended	
	(Un-audited)		(Un-audited)	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Major product lines:				
- Made-to-order packaging products	14.2	4,654,487,402	3,622,476,179	2,274,886,262
- Standard packaging products		532,254,588	416,932,902	220,729,946
		5,186,741,990	4,039,409,081	2,495,616,208
Timing of revenue recognition:				
- Products transferred over time	14.2	4,654,487,402	3,622,476,179	2,274,886,262
- Products transferred at a point in time		532,254,588	416,932,902	220,729,946
		5,186,741,990	4,039,409,081	2,495,616,208
Geographical market:				
- Pakistan	14.2	5,186,741,990	4,039,409,081	2,495,616,208

14.2 This includes unbilled revenue amounting to Rs. 150.83 million (31 December 2021: Rs. 106.2 million).

14.3 Performance obligation:

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. The company has determined that for made-to-order packaging products, the customer controls all the work in progress as the products are being manufactured. The customers obtain control of standard packaging when goods are either dispatched or delivered to them and have been accepted at their premises.

	Six months ended		Three months ended	
	(Un-audited)		(Un-audited)	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
15 COST OF REVENUE				
Raw materials consumed	3,780,685,983	3,066,546,089	1,876,775,283	1,605,512,084
Carriage inward expenses	2,209,825	2,575,172	610,037	1,129,170
Packing material consumed	20,020,690	14,506,808	10,415,468	7,400,559
Production supplies	105,339,814	78,434,378	61,539,971	44,201,420
Fuel and power	293,257,504	175,870,714	126,189,079	94,587,595
Salaries, wages and other benefits	208,368,334	170,229,339	101,902,107	80,151,076
Repairs and maintenance	41,537,042	52,314,157	27,453,100	28,187,117
Printing and stationery	953,933	639,147	443,507	363,138
Insurance	3,156,991	2,456,096	1,979,503	1,215,758
Rent	713,143	5,646,270	111,078	5,286,012
Travelling and conveyance	27,370,428	14,133,916	14,870,891	6,557,664
Communication expenses	473,462	401,342	174,415	108,286
Vehicle running expenses	4,896,036	5,861,005	3,180,826	2,839,295
Depreciation on operating fixed assets	85,232,921	77,687,796	40,602,059	40,503,834
Depreciation on right of use assets	10,518,020	217,454	5,218,111	108,727
Others	10,885,753	6,727,280	6,846,217	3,752,291
Cost of goods manufactured	4,595,619,879	3,674,246,963	2,278,311,652	1,921,904,026
Opening stock of finished goods	91,454,493	48,238,056	43,104,756	61,886,318
Closing stock of finished goods	(74,246,348)	(85,557,386)	(74,246,348)	(85,557,386)
	17,208,145	(37,319,330)	(31,141,592)	(23,671,068)
	4,612,828,024	3,636,927,633	2,247,170,060	1,898,232,958

ROSHAN PACKAGES LIMITED

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

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:

		Six months ended		Three months ended	
		(Un-audited)		(Un-audited)	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Profit attributable to owners of the Company	Rupees	78,164,846	187,829,063	34,656,524	163,077,820
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000	141,900,000	141,900,000
Basic earnings per share	Rupees	0.55	1.32	0.24	1.15

17 CASH AND CASH EQUIVALENTS

The figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the condensed interim unconsolidated statement of cash flows at reporting date as follows:

	Note	Un-audited	
		31 December	31 December
		2022	2021
		Rupees	Rupees
Short term investments		-	482,085,000
Cash and bank balances	9	781,913,306	204,972,099
Short term borrowings - running finance	12	(191,119,933)	(213,923,597)
		590,793,373	473,133,502

18 TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist of its wholly owned 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	(Un-audited)		(Un-audited)	
			Six months ended		Three months ended	
			31 December	31 December	31 December	31 December
			2022	2021	2022	2021
			Rupees	Rupees	Rupees	Rupees
Wholly owned subsidiary	Roshan Sun Tao Paper Mills (Private) Limited	Long term loan to subsidiary	45,000,000	30,000,000	27,000,000	12,500,000
		Markup accrued on loan	40,399,634	19,721,176	40,399,634	10,032,507
		Markup received	28,826,864	7,612,377	35,409,525	-
		Markup accrued on long term loan	11,562,024	6,512,304	6,042,260	3,404,765
Associated undertaking	Roshan Enterprises	Sale of packaging material	-	1,660,975	-	1,660,975
		Receipts during the period	3,188,237	1,965,454	3,188,237	1,965,454
		Sale of packaging material	11,338,822	8,027,203	11,338,822	5,429,248
Associated undertaking	Al-Firdusi Exporters	Receipts during the period	8,980,675	10,196,851	8,980,675	7,691,734
		Trade debts	3,865,400	-	3,865,400	-

19 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. These condensed interim unconsolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements for the year ended 30 June 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended 30 June 2022.

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended 30 June 2022.

21 DATE OF AUTHORIZATION FOR ISSUE

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

22 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim unconsolidated statement of financial position has been compared with the balances of annual audited unconsolidated financial statements of preceding financial year, whereas, the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows have been compared with the amounts/balances of comparable period of immediately preceding financial year.

Chief Executive

Director

Chief Financial Officer

The background of the entire page is a photograph of a dense forest with tall, slender trees and lush green foliage. A prominent white vertical stripe runs down the center of the image, separating the left and right pages of the report.

CONSOLIDATED FINANCIAL RESULTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

Directors' Report

Dear Shareholders,

The Directors of the Group are pleased to present the Directors' Report along with the condensed interim consolidated Financial Statements of the Group for the half year ended on December 31, 2022.

Strong Financial Performance

The financial performance of the Group during the first half of the year is contained in the table below:

	Half Year Ended		Quarter Ended	
	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
	Rupees in Million			
Sales	5,187	4,039	2,496	2,120
Cost of sales	4,613	3,637	2,247	1,898
Gross profit	574	402	249	222
Selling and distribution expenses	185	123	88	67
Finance cost	156	56	81	33
Net profit before tax	55	79	(16)	37
Tax (expense) / income	(31)	79	(4)	103
Net profit after tax	23	158	(20)	140

During the six months ended December 31, 2022, the Group achieved net sales revenue of PKR 5,187 million as compared to PKR 4,039 million in the corresponding period last year, registering an increase by 28.4%. Despite the escalating energy cost and devaluation of currency the Group has managed to improve its gross profit to PKR 574 million as against PKR 402 million in the comparable period last year, reflecting an absolute increase of 42.6% and 110 bps improvement in gross profit margin due to improvement in sales mix and Group's focus on efficient procurement, inventory management, and utilising the resources effectively.

However, the surge in general inflation, devaluation of Pak Rupee and high interest rates have counter balanced the aforesaid increase, keeping the profit before taxation consistent with the last year. Freight and transportation cost has doubled on account of increased fuel prices. The KIBOR rate has jacked up to 18%, thereby resulting in an increase of 176% in the finance cost expense. The aforesaid have resulted in

Directors' Report

a decrease in profit before tax by PKR 24 million. Moreover, profit after taxation has decreased by PKR 134 million on account of net tax expense of PKR 31 million in the current period as against net deferred tax income in the comparable period, due to recognition of deferred tax asset on minimum and alternative taxation.s

Future Outlook:

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. The macro-economic outlook seems challenging on account of rising inflation, fiscal slippages and drying up of financial inflows and reserves. Moving forward, it is essential to sustain the reform momentum and focus on policies for securing stability and promoting sustainable growth.

The Group is keeping a close eye on the macro-economic and fiscal challenges and focussing on strategies to counteract the supply chain disruptions arising from import and LC restrictions. Considering the uncertainty and to ensure continuous smooth supplies to our valued corporate customers the Group is also focussed to build local substitutes as a long-term future strategy which will help localization and economic development.

Acknowledgment:

The Board is thankful to all of its stakeholders for their invaluable continued support to the Group. The Board would also like to acknowledge the dedication, diligence and hard work of the Group's employees during an unprecedented time.

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Un-audited 31 December 2022 Rupees	Audited 30 June 2022 Rupees
ASSETS	Note		
Non-current assets			
Property, plant and equipment	5	6,949,583,452	7,005,666,365
Right of use assets		64,803,963	81,982,291
Long-term loan to related party	6	-	-
Long term deposits		47,992,813	22,463,630
		7,062,380,228	7,110,112,286
Current assets			
Stores, spares and other consumables		332,537,330	278,700,831
Stock-in-trade		1,262,389,147	1,350,850,860
Contract assets		150,832,446	199,255,658
Trade receivables	7	2,121,369,905	2,266,048,213
Current portion of long term loan to related party	6	130,864,885	130,864,885
Advances, deposits, prepayments and other receivables		68,998,849	228,079,246
Tax refunds due from Government		322,950,787	399,842,320
Cash and bank balances	8	782,192,451	505,279,477
		5,172,135,800	5,358,921,490
TOTAL ASSETS		12,234,516,028	12,469,033,776
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (30 June 2022: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital		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		3,755,345,110	3,783,703,410
		5,750,134,167	5,778,492,467
Revenue reserve			
Un-appropriated profit		1,134,243,529	1,082,408,607
TOTAL EQUITY		8,303,377,696	8,279,901,074
Non-current liabilities			
Long-term financing	9	121,436,253	138,784,287
Lease liabilities		36,417,497	53,809,165
Deferred taxation	10	507,448,991	543,919,188
Deferred liabilities		160,192,367	154,279,763
		825,495,108	890,792,403
Current liabilities			
Current portion of non-current liabilities		67,082,379	83,209,878
Short-term borrowings	11	1,665,530,268	1,728,820,658
Trade and other payables		1,295,212,851	1,346,571,121
Contract liabilities		18,174,239	84,548,248
Accrued finance cost		57,885,486	53,389,378
Unclaimed dividend		1,758,001	1,801,016
		3,105,643,224	3,298,340,299
TOTAL LIABILITIES		3,931,138,332	4,189,132,702
TOTAL EQUITY AND LIABILITIES		12,234,516,028	12,469,033,776
CONTINGENCIES AND COMMITMENTS	12		

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

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

		Six months ended (Un-audited) 2022 Rupees		Three months ended (Un-audited) 2022 Rupees	
	Note	2022	2021	2022	2021
Revenue from contracts with customers		6,085,811,913	4,716,577,753	2,930,164,624	2,467,442,903
Less: Sales tax		(899,069,923)	(677,168,672)	(434,548,416)	(347,562,637)
Net revenue	13	5,186,741,990	4,039,409,081	2,495,616,208	2,119,880,266
Cost of revenue	14	(4,612,828,024)	(3,636,927,633)	(2,247,170,060)	(1,898,232,958)
Gross profit		573,913,966	402,481,448	248,446,148	221,647,308
Administrative expenses		(150,473,211)	(110,033,942)	(80,244,884)	(61,232,162)
Selling and distribution expenses		(185,028,691)	(123,194,330)	(88,269,496)	(67,052,875)
Other operating expenses		(22,310,735)	(8,694,897)	(15,856,945)	(5,017,757)
		(357,812,637)	(241,923,169)	(184,371,325)	(133,302,794)
Operating profit		216,101,329	160,558,279	64,074,823	88,344,514
Other income		24,147,822	30,695,856	12,177,998	15,901,653
Other expenses		(30,107,803)	(55,670,587)	(358,000)	(25,674,310)
Finance cost		(155,510,425)	(56,334,280)	(80,997,629)	(32,685,863)
Profit before taxation		54,630,923	79,249,268	(5,102,808)	45,885,994
Taxation		(31,154,301)	78,508,366	(3,814,855)	103,018,332
Profit for the period		23,476,622	157,757,634	(8,917,663)	148,904,326
Earnings per share - Basic and diluted	15	0.17	1.11	(0.06)	1.05

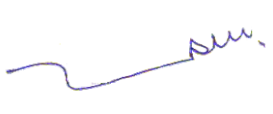
The annexed notes, 1 to 21, form an integral part of these condensed interim consolidated financial statements.


Chief Executive


Director


Chief Financial Officer


Chief Executive


Director

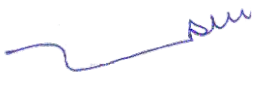

Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Six months ended		Three months ended	
	(Un-audited)		(Un-audited)	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	23,476,622	157,757,634	(8,917,663)	148,904,326
Other comprehensive income - net of tax:				
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
Items that will not be subsequently reclassified to profit or loss:	-	-	-	-
Total comprehensive income for the period	23,476,622	157,757,634	(8,917,663)	148,904,326

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


 Chief Executive


 Director


 Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on 01 July 2021 (Un-audited)	1,419,000,000	1,994,789,057	2,903,180,018	856,151,106	7,173,120,181
Total comprehensive income for the period	-	-	-	157,757,634	157,757,634
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(24,399,408)	24,399,408	-
Balance as on 31 December 2021 (Un-audited)	1,419,000,000	1,994,789,057	2,878,780,610	1,038,308,148	7,330,877,815
Balance as on 01 July 2022 (Un-audited)	1,419,000,000	1,994,789,057	3,783,703,410	1,082,408,607	8,279,901,074
Total comprehensive income for the period	-	-	-	23,476,622	23,476,622
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(28,358,300)	28,358,300	-
Balance as on 31 December 2022 (Un-audited)	1,419,000,000	1,994,789,057	3,755,345,110	1,134,243,529	8,303,377,696

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


 Chief Executive


 Director


 Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	Un-audited Six months ended 2022 Rupees	Un-audited 2021 Rupees
OPERATING ACTIVITIES		
Profit before taxation	54,630,923	79,249,268
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on operating fixed assets	87,899,813	80,270,249
Depreciation on right-of-use assets	15,427,218	4,747,039
Interest income on loan to related party	(11,562,024)	(6,512,839)
Finance cost	155,510,425	56,334,280
Provision for gratuity	15,923,334	15,646,668
Profit on bank deposits	(11,737,244)	(22,459,924)
Worker's Profit Participation Fund	6,399,612	5,820,310
Worker's Welfare Fund	2,848,156	2,874,587
Expected credit losses	13,062,967	-
Exchange loss - unrealized	2,899,449	12,896,474
Grant income	(608,658)	(1,191,416)
Operating fixed assets written off	49,516	-
Gain on disposal of operating fixed assets	-	(531,677)
Provision for accumulating compensated absences	1,453,254	1,240,825
	332,196,741	228,383,844

Working capital adjustments:

(Increase) / decrease in current assets:

Stores, spares and other consumables	(53,836,499)	(51,058,022)
Stock-in-trade	88,461,713	(476,113,059)
Trade receivables	131,615,341	(320,181,430)
Contract assets	48,423,212	(13,892,605)
Advances, deposits, prepayments and other receivables	173,581,527	(13,217,229)
Sales tax receivable - net	41,943,036	(2,870,682)
	430,188,330	(877,333,027)

(Decrease) / increase in current liabilities:

Contract liabilities	(66,374,009)	29,974,847
Trade and other payables	(61,712,951)	261,198,714
	(128,086,960)	291,173,561

Net cash generated from / (used in) operations

Finance cost paid	(146,888,710)	(51,378,368)
Taxes (paid) / adjusted	(34,468,538)	17,836,259
Payment of Workers' Welfare Fund	-	(9,362,026)
Gratuity paid	(11,463,984)	(5,960,694)
Accumulating compensated absences paid	-	(121,281)
Net increase in long term deposits	(25,529,183)	(5,538,456)
	(218,350,415)	(54,524,566)
Net cash generated from/(used in) operating activities	415,947,696	(412,300,188)

INVESTING ACTIVITIES

Purchase of property, plant and equipment	(30,285,001)	(40,617,517)
Proceeds from disposal of operating fixed assets	-	826,800
Profit on bank deposits received	8,798,138	9,937,027
Net cash used in investing activities	(21,486,863)	(29,853,690)

FINANCING ACTIVITIES

Repayment of long term loans	(35,773,708)	(66,657,971)
Dividend paid	(43,015)	(153,832)
(Repayment of) / proceeds from short term borrowings - net	(13,631,219)	357,146,573
Repayment of lease liabilities	(18,440,746)	(9,216,601)
Net cash (used in) / generated from financing activities	(67,888,688)	281,118,169

Net increase / (decrease) in cash and cash equivalents	326,572,145	(161,035,709)
Cash and cash equivalents at the beginning of the period	264,500,373	636,157,262
Cash and cash equivalents at the end of the period	16 591,072,518	475,121,553

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


 Chief Executive


 Director


 Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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 Ordinance, 1984 (repealed with the enactment of 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

Roshan Sun Tao Paper Mills (Private) Limited (the Subsidiary, with 100% shareholding of the Holding Company) was incorporated on 08 January 2016 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) as a private limited company. The Subsidiary has been established to set up business of manufacturing, dealing and supply of corrugated papers. Uptil 21 March 2021, Shandong Yongtai Paper Mills Limited held 40% shareholding in the Subsidiary. Refer to Note 28.3 of consolidated financial statements for the year ended June 30, 2022, for discussion of acquisition of minority shareholding of 40%, in prior year, by the Holding Company. The Subsidiary's financial year ends on 30 June.

1.2 Condensed interim consolidated financial statements

These financial statements are the condensed interim consolidated financial statements of Roshan Packages Limited (the Holding Company) and its Subsidiary, together the Group.

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

- The registered office of the Subsidiary is situated at 325-G-III, 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 applicable accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 ; and
- Provisions of and directives issued under the Companies Act, 2017 (the Act).

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

2.2 These condensed interim consolidated financial statements are un-audited and are being submitted to shareholders, as required by Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019. These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 30 June 2022.

2.3 Selected explanatory notes are included to explain events and transactions that are significant to the understanding of changes in the Group's financial position and performance since the last annual consolidated financial statements.

2.4 These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Pak Rupee, which is also the functional currency of the Group.

2.5 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2022, except for the adoption of amendments to approved accounting standards which became effective for the current period as disclosed in note 3.1 to these condensed interim consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period

The Group has adopted the following amendments to approved accounting standards which became effective during the current period:

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the condensed interim consolidated financial statements of the Group as there were no such contracts which may become onerous.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3: Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37: Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21: Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the condensed interim consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arising during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the condensed interim consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 9: Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39: Financial Instruments: Recognition and Measurement.

These amendments had no impact on the condensed interim consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim consolidated financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited consolidated financial statements of the Group for the year ended 30 June 2022.

	Note	Un-audited 31 December 2022	Audited 30 June 2022
		Rupees	Rupees
Operating fixed assets	5.1	6,641,584,389	6,697,182,739
Capital work-in-progress	5.2	307,999,063	308,483,626
		<u>6,949,583,452</u>	<u>7,005,666,365</u>

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5.1 Movement during the period / year is as follows:

Balance at the beginning of the period / year- net book value	5.1.1	6,697,182,739	5,798,792,542
Additions / transfers during the period / year - cost		30,769,564	65,162,468
Transfer from right of use asset during the period / year - net book value		1,581,415	5,539,317
Revaluation adjustment		-	996,578,959
		<u>6,729,533,718</u>	<u>6,866,073,286</u>
Less:			
Write-offs during the period / year - net book value		(49,516)	-
Disposals during the period / year - net book value		-	(4,951,349)
Depreciation during the period / year		<u>(87,899,813)</u>	<u>(163,939,198)</u>
		<u>(87,949,329)</u>	<u>(168,890,547)</u>
Net book value at the end of the period / year		<u>6,641,584,389</u>	<u>6,697,182,739</u>

5.1.1 The detail of additions / transfers made during the period / year is as follows:

	Un-audited 31 December 2022	Audited 30 June 2022
Rupees	Rupees	
Buildings on freehold land	3,368,563	6,088,272
Plant and machinery	21,383,420	33,275,037
Electric installations	310,000	4,454,824
Furniture and fixtures	110,476	1,501,455
Office equipment	5,368,105	18,316,228
Vehicles	229,000	1,526,652
	<u>30,769,564</u>	<u>65,162,468</u>

5.2 Capital work in progress

Opening balance	308,483,626	320,142,005
Additions during the period / year	2,884,000	5,454,038
Transfers during the period / year	(3,368,563)	(17,112,417)
Closing balance	<u>307,999,063</u>	<u>308,483,626</u>

5.3 Depreciation for the period

Cost of sales	85,232,921	77,687,796
Administrative expenses	2,303,489	2,094,685
Selling and distribution expenses	363,403	524,629
	<u>87,899,813</u>	<u>80,307,110</u>

6 LONG-TERM LOAN TO RELATED PARTY

	Note	Un-audited 31 December 2022	Audited 30 June 2022
Rupees		Rupees	
At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	6.1	157,640,891	146,078,867
		<u>157,640,891</u>	<u>146,078,867</u>
Less:			
current portion of long term loans		(130,864,885)	(130,864,885)
current portion of markup accrued - associated undertaking		<u>(26,776,006)</u>	<u>(15,213,982)</u>
		<u>-</u>	<u>-</u>

6.1 Movement during the period / year is as follows:

Opening balance	146,078,867	130,864,885
Markup accrued during the period / year:		
as per original terms	11,131,654	15,213,982
on account of penalty	430,370	-
	<u>11,562,024</u>	<u>15,213,982</u>
Closing balance	6.1.1	<u>157,640,891</u>

6.1.1 This unsecured loan carries markup at the rate of 1-Year KIBOR+2% (30 June 2022:1-Year KIBOR+2%) per annum or average borrowing cost of the Group, whichever is higher. The effective interest rates ranged from 17.10% to 20.13% (30 June 2022: 10.06% to 17.10%) per annum.

Previously, the Holding Company in its Annual General Meeting held on 28 October 2020, via special resolution and in accordance with requirements of Section 199 of the Companies Act, 2017, granted extension of two years to associated undertaking in repayment of loan, and as per revised terms and conditions, Roshan Enterprises was required to repay the entire principal amount by 28 October 2022. On delay in repayment of principal and markup on due date, in accordance with revised terms and conditions, a penalty of 2% per annum shall be levied in addition to agreed markup, from the due date till the repayment date.

In their meeting held on 22 December 2022, the Board of Directors of the Holding Company have accepted the offer by partners/owners of Roshan Enterprises, who are also the directors of the Holding Company, for full settlement through transfer of land, building and transformer, situated in Tehsil Bhalwal, District Sargodha, Punjab, valued at Rs. 214.87 million (Forced Sale Value of Rs. 182.64 million). The offer has also been approved by shareholders of the Holding Company, via special resolution, in their Extra Ordinary General Meeting held on 16 January 2023. The fair value assessment of property and related equipment was carried out in December 2022 by Unicorn International Surveyors, an independent valuer, registered with Pakistan Banking Association (PBA), having suitable recent pertinent experience of valuation in concerned location and type of assets. Upon transfer of title in the land records of Government of Punjab to and possession of the property by the Holding Company, the Group would derecognize the amount of loan, markup and additional penalty due till January 31, 2023. Any excess consideration, as reduced by transaction/ transfer costs amounting to Rs. 13.38 million, would be adjusted as a transaction between owners in the statement of changes in equity. Accordingly, as of reporting date, allowance for expected credit loss has been estimated to be insignificant and has not been recognized in these condensed interim consolidated financial statements. In respect of ongoing settlement, the related requirements of sections 199 and 208 of the Companies Act, 2017 and other applicable laws and regulations have been complied with.

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Note	Un-audited 31 December 2022	Audited 30 June 2022
Rupees		Rupees	
7 TRADE RECEIVABLES			
Trade receivables		2,350,829,730	2,483,045,071
Less: Allowance for expected credit losses		<u>(229,459,825)</u>	<u>(216,996,858)</u>
		<u>2,121,369,905</u>	<u>2,266,048,213</u>

8 CASH AND BANK BALANCES

Cash in hand		957,825	1,188,042
Balances with banks:			
Savings accounts	8.1	641,221,677	337,829,597
Current accounts		140,012,949	166,261,838
		<u>781,234,626</u>	<u>504,091,435</u>

8.1 The savings accounts earn interest at floating rates based on daily bank deposit rates ranging from 4.75% to 14.75% (30 June 2022: 5.83% to 13.35%) per annum.

	Note	Un-audited 31 December 2022	Audited 30 June 2022
Rupees		Rupees	
9 LONG TERM FINANCES - SECURED			
Dubai Islamic Bank Limited - Refinance scheme	9.1	-	18,112,586
Allied Bank Limited - Supplier credit loan	9.2	156,132,321	173,480,355
		<u>156,132,321</u>	<u>191,592,941</u>
Current portion shown under current liabilities		<u>(34,696,068)</u>	<u>(52,808,654)</u>
		<u>121,436,253</u>	<u>138,784,287</u>

9.1 Dubai Islamic Bank Limited - Refinance scheme

Opening balance	18,112,586	53,467,967
Interest accrued during the period / year	313,088	2,712,611
Repaid during the period / year	<u>(18,425,674)</u>	<u>(38,067,992)</u>
	-	18,112,586
Current portion shown under current liabilities	-	<u>(18,112,586)</u>
Closing balance	-	-

9.2 Allied Bank Limited - Supplier credit loan

Opening balance	173,480,355	-
Obtained during the period / year	-	173,480,355
Repaid during the period / year	<u>(17,348,034)</u>	<u>-</u>
	156,132,321	173,480,355
Current portion shown under current liabilities	<u>(34,696,068)</u>	<u>(34,696,068)</u>
Closing balance	<u>121,436,253</u>	<u>138,784,287</u>

9.3 There is no material change in the terms and conditions of the long-term loans from those disclosed in the Group's consolidated financial statements for the year ended 30 June 2022.

	Un-audited 31 December 2022			
	Opening balance	Charge / (Credit) to profit or loss	Charge to other comprehensive income	Closing balance
	------(Rupees)-----			
Taxable temporary difference				
Accelerated tax depreciation	357,444,723	3,379,223	-	360,823,946
Revaluation surplus	457,889,707	(8,791,071)	-	449,098,636
Right-of-use assets	25,414,510	(5,325,281)	-	20,089,229
Deductible temporary difference				
Allowance for ECL on trade receivables	(67,269,026)	(3,863,520)	-	(71,132,546)
Lease liabilities	(25,916,537)	4,587,357	-	(21,329,180)
Minimum tax	(191,457,239)	(26,456,905)	-	(217,914,144)
Alternative corporate tax	<u>(12,186,950)</u>	<u>-</u>	<u>-</u>	<u>(12,186,950)</u>
	<u>543,919,188</u>	<u>(36,470,197)</u>	<u>-</u>	<u>507,448,991</u>

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Audited		
	30 June 2022		
	Opening balance	Charge / (credit) to profit or loss	Charge to other comprehensive income
	(Rupees)		
Taxable temporary difference			
Accelerated tax depreciation	321,200,062	36,244,661	-
Revaluation surplus	390,149,555	(14,910,033)	82,650,185
Right-of-use assets	9,695,212	15,719,298	-
Deductible temporary difference			
Allowance for ECL on trade receivables	(67,820,822)	551,796	-
Deferred liabilities	(41,444,442)	41,444,442	-
Lease liabilities	(9,671,049)	(16,245,488)	-
Minimum tax	(15,272,266)	(176,184,973)	-
Alternative corporate tax	(12,186,950)	-	-
	<u>574,649,300</u>	<u>(113,380,297)</u>	<u>82,650,185</u>
		Un-audited	Audited
		31 December	30 June
		2022	2022
		Rupees	Rupees
		191,119,933	240,779,104
		306,262,734	310,233,786
		1,168,147,601	1,177,807,768
		1,474,410,335	1,488,041,554
		1,665,530,268	1,728,820,658

11 SHORT TERM BORROWINGS - SECURED

Running finance

Term finances:

- import finance / murabaha
- istisna / wakala

11.1 Aggregate limits of borrowings

Aggregate sanctioned limit of all above facilities including limit for opening letters of credit and guarantees is Rs. 3,740 million (30 June 2022: Rs.3,690 million) in which un-availed credit limit as at 31 December 2022 is Rs. 2,009 million (30 June 2022: Rs. 1,961 million). 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.

11.2 There is no material change in the terms and conditions of the short-term borrowings from those disclosed in note 27 to the Group's consolidated financial statements for the year ended June 30, 2022.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies and commitments set out in note 31 to the Group's consolidated financial statements for the year ended June 30, 2022.

12.2 Commitments

- (a) There has been no significant change in the commitments in respect of contracts for capital expenditure since 30 June 2022; and
- (b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 45.43 million (30 June 2022: Rs.183.50 million).

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12.3 Guarantee

The banks have issued the following guarantees on behalf of the Holding Company:

- (a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 40.19 million (30 June 2022: Rs. 30.07 million); and
- (b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 14.50 million (30 June 2022: Rs. 14.50 million).

	Note	Six months ended (Un-audited)		Three months ended (Un-audited)	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Rupees	Rupees	Rupees	Rupees
13 REVENUE FROM CONTRACTS WITH CUSTOMERS	13.1	<u>5,186,741,990</u>	<u>4,039,409,081</u>	<u>2,495,616,208</u>	<u>2,119,880,266</u>

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:

	Note	Six months ended (Un-audited)		Three months ended (Un-audited)	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		Rupees	Rupees	Rupees	Rupees
Major product lines:					
- Made-to-order packaging products	13.2	<u>4,654,487,402</u>	<u>3,622,476,179</u>	<u>2,274,886,262</u>	<u>1,868,838,554</u>
- Standard packaging products		<u>532,254,588</u>	<u>416,932,902</u>	<u>220,729,946</u>	<u>251,041,712</u>
		<u>5,186,741,990</u>	<u>4,039,409,081</u>	<u>2,495,616,208</u>	<u>2,119,880,266</u>
Timing of revenue recognition:					
- Products transferred over time	13.2	<u>4,654,487,402</u>	<u>3,622,476,179</u>	<u>2,274,886,262</u>	<u>1,868,838,554</u>
- Products transferred at a point in time		<u>532,254,588</u>	<u>416,932,902</u>	<u>220,729,946</u>	<u>251,041,712</u>
		<u>5,186,741,990</u>	<u>4,039,409,081</u>	<u>2,495,616,208</u>	<u>2,119,880,266</u>
Geographical market:					
- Pakistan	13.2	<u>5,186,741,990</u>	<u>4,039,409,081</u>	<u>2,495,616,208</u>	<u>2,119,880,266</u>

13.2 This includes unbilled revenue amounting to Rs. 150.83 million (31 December 2021: Rs. 106.2 million).

13.3 Performance obligation:

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. The Group has determined that for made-to-order packaging products, the customer controls all the work in progress as the products are being manufactured. The customers obtain control of standard packaging when goods are either dispatched or delivered to them and have been accepted at their premises.

	Six months ended (Un-audited)		Three months ended (Un-audited)	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Rupees	Rupees	Rupees	Rupees
14 COST OF REVENUE				
Raw materials consumed	3,780,685,983	3,066,546,089	1,876,775,283	1,605,512,084
Carriage inward expenses	2,209,825	2,575,172	610,037	1,129,170
Packing material consumed	20,020,690	14,506,808	10,415,468	7,400,559
Production supplies	105,339,814	78,434,378	61,539,971	44,201,420
Fuel and power	293,257,504	175,870,714	126,189,079	94,587,595
Salaries, wages and other benefits	208,368,334	170,229,339	101,902,107	80,151,076
Repairs and maintenance	41,537,042	52,314,157	27,453,100	28,187,117
Printing and stationery	953,933	639,147	443,507	363,138
Insurance	3,156,991	2,456,096	1,979,503	1,215,758
Rent	713,143	5,646,270	111,078	5,286,012
Travelling and conveyance	27,370,428	14,133,916	14,870,891	6,557,664
Communication expenses	473,462	401,342	174,415	108,286
Vehicle running expenses	4,896,036	5,861,005	3,180,826	2,839,295
Depreciation on operating fixed assets	85,232,921	77,687,796	40,602,059	40,503,834
Depreciation on right of use assets	10,518,020	217,454	5,218,111	108,727
Others	10,885,753	6,727,280	6,846,217	3,752,291
Cost of goods manufactured	4,595,619,879	3,674,246,963	2,278,311,652	1,921,904,026
Opening stock of finished goods	91,454,493	48,238,056	43,104,756	61,886,318
Closing stock of finished goods	(74,246,348)	(85,557,386)	(74,246,348)	(85,557,386)
	<u>17,208,145</u>	<u>(37,319,330)</u>	<u>(31,141,592)</u>	<u>(23,671,068)</u>
	<u>4,612,828,024</u>	<u>3,636,927,633</u>	<u>2,247,170,060</u>	<u>1,898,232,958</u>

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

15 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:

		Six months ended (Un-audited)		Three months ended (Un-audited)	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Profit attributable to owners of the Holding Company	Rupees	23,476,622	157,757,634	(8,917,663)	148,904,326
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000	141,900,000	141,900,000
Basic earnings per share	Rupees	0.17	1.11	(0.06)	1.05

16 CASH AND CASH EQUIVALENTS

The figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the condensed interim consolidated statement of cash flows at reporting date as follows:

			Un-audited 31 December 2022	Un-audited 31 December 2021
	Note		Rupees	Rupees
Short term investments			-	482,085,000
Cash and bank balances	8		782,192,451	206,960,150
Short term borrowings - running finance	11		(191,119,933)	(213,923,597)
			591,072,518	475,121,553

17 TRANSACTIONS WITH RELATED PARTIES

The Group's related parties consist of its 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

			(Un-audited)		(Un-audited)	
			Six months ended 31 December 2022	31 December 2021	Three months ended 31 December 2022	31 December 2021
Relationship with the Company	Name of related party	Nature of Transactions	Rupees	Rupees	Rupees	Rupees
Associated undertaking	Roshan Enterprises	Markup accrued on long term loan	11,562,024	6,512,304	6,042,260	3,404,765
		Sale of packaging material	-	1,660,975	-	1,660,975
		Receipts during the period	3,188,237	1,965,454	3,188,237	1,965,454
Associated undertaking	Al-Firdusi Exporters	Sale of packaging material	11,338,822	8,027,203	11,338,822	5,429,248
		Receipts during the period	8,980,675	10,196,851	8,980,675	7,691,734
		Trade debts	3,865,400	-	3,865,400	-

18 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. These condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 30 June 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended 30 June 2022.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited financial statements of the Group for the year ended 30 June 2022.

20 DATE OF AUTHORIZATION FOR ISSUE

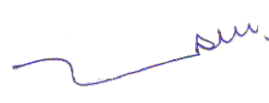
These condensed interim consolidated financial statements were approved and authorized for issue on _____ by the Board of Directors of the Holding Company.

21 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim consolidated statement of financial position has been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been compared with the amounts/balances of comparable period of immediately preceding financial year.



Chief Executive



Director



Chief Financial Officer