Head Office:

325 G-III, M. A Johar Town, Lahore. Pakistan | +92 42 35290734-8
info@roshanpackages.com.pk | www.roshanpackages.com.pk

roshanpackagesltd RoshanPackages.LTD Roshan Packages Limited

ROSHAN
Packages Limited.

ANNUAL REPORT 2021

GROW WITH RPL

21'

Grow with RPL

This year, we have chosen the theme **'Grow with RPL'** which encapsulates our achievements along with our plans for expansion. The year preceding marks substantial growth in our company, in the form of revenue, hiring, onboarding new customers, and starting new projects which have laid the foundations for even progress in the coming years. Moreover, Grow with RPL is a promise to all stakeholders of our commitment towards sustainability.

Roshan Packages Limited is proud to report that during the pandemic, not only were there zero layoffs but rather we embarked on our largest recruitment drive as of yet. We entered into partnerships with prestigious institutions such as University of Management and Technology and Superior University to provide students with learning opportunities as well as conducting recruitment drives in different cities across Pakistan. To this day, Roshan has added more than 400 jobs to the Pakistani economy.

The Financial year 2021 also saw our sales team going above and beyond, adding a plethora of new customers to our portfolio. As we expand our operations we hope to continue our partnerships with our distinguished customers.

We are also proud to report that **Roshan Sun Tao Paper Mills (Private) Limited has become a *100% owned subsidiary of Roshan Packages Limited. This project will allow us to move towards a fully circular business model thus contributing to preservation of the environment and making our growth ever more sustainable.**

*Subject to requisite approvals.

TABLE OF CONTENT

Section 1

CORPORATE **PROFILE**

At a **Glance**

NET REVENUE
RS. IN MILLION

2021 : 6,996

2020 : 5,233

GROSS PROFIT
RS. IN MILLION

2021 : 883

2020 : 547

PBT
RS. IN MILLION

2021 : 468

2020 : 175

PAT
RS. IN MILLION

2021 : 346

2020 : 248

EBIT
RS. IN MILLION

2021 : 580

2020 : 398

EBITDA
RS. IN MILLION

2021 : 737

2020 : 554

EPS
RS. PER SHARE

2021 : 2.44

2020 : 1.75

TOTAL EQUITY
RS. IN MILLION

2021 : 6,064

2020 : 5,862

CURRENT RATIO
RATIO

2021 : 1.67

2020 : 1.73

QUICK RATIO
RATIO

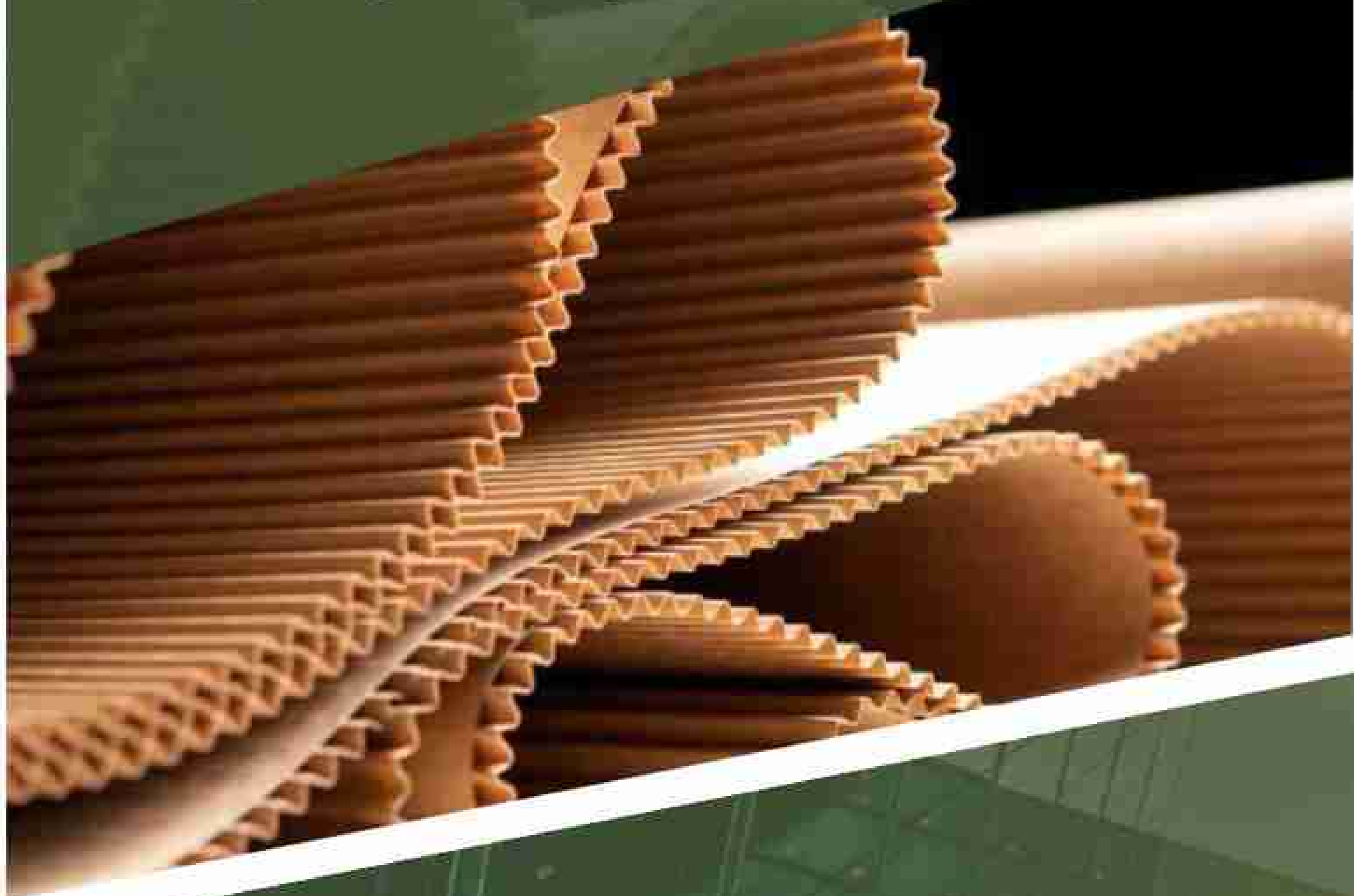
2021 : 1.33

2020 : 1.42

Roshan Packages Limited (RPL) is proud to present its Financial Results for the year 2021, illustrating our growth and our plans to continue doing so!

During the FY 2021, the company has earned a profit before tax of Rs.468 million as compared to Rs.175 million which shows an improvement of 167.5%. Profit after tax increased by Rs.98 million which shows an improvement of 39.4%. The operations generated Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs.737 million during the current year which is 33% higher in the current year as compared to that of last year.

Our company's gross profit has also increased by Rs.336 million, which is 61.5% more than comparable period of 2020. Gross profit margins increased to 12.6% as compared to 10.5% in the comparative period last year. The Company has lowered its cost of sales ratio to 87.4% as compared to 89.5% last year, which is 2.2% lower. This has been the result of efficient management of resources, wastage control and production cost efficiencies.



Introduce You to Our

Company Story

In 2002, **Roshan Packages**

Installed the first of its kind corrugated box plant in Lahore.

Our founders who were exporting fresh fruits and vegetables through Roshan Enterprises, observed that fruit was being wasted and damaged in the supply chain due to unhygienic wooden packaging. This was also the major factor behind limited export of Pakistani fruits globally and compelled farmers and exporters to accept low prices.

Our **Story**

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

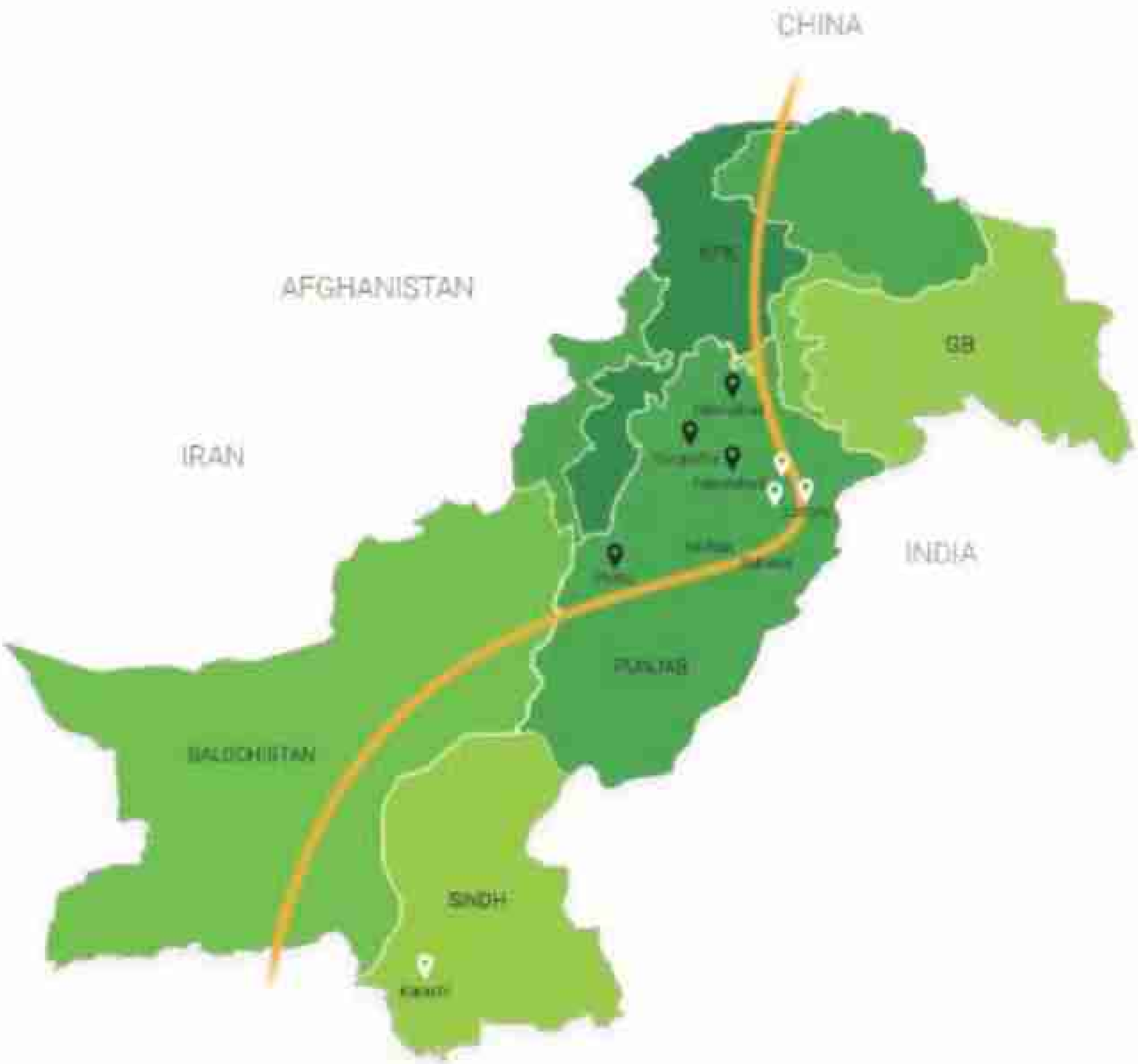
Roshan continued its journey of excellence by offering international standard packaging and continued to innovate and expand to become one of the leading packaging solution providers in Pakistan. Our state of the art corrugation and flexible manufacturing facilities cater to a wide array of packaging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

Roshan's Corrugation Packaging Plant is the only facility in Pakistan and the SAARC region to use European technology and machinery to produce high quality plain and printed cartons according to our clients' needs. Additionally, the Flexible Packaging Plant utilizes an Eight Color Rotogravure Printing Machine, a Solvent Less Laminator, a Solvent Base Laminator and Slitting Machine to create customised wrappers, sachets and pouches. The plant is based on German standards and uses appropriate polymer mixes to offer a host of immaculate packaging solutions.

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

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

Geographical **Presence**



Head Office:
325 G-III , Johar Town,
Lahore

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

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

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

CPEC
China Pakistan
Economic Corridor

Roshan Sun Tao Paper Mills (Pvt) Ltd.
45,km. Lahore-Islamabad Motorway, Mouza Mandiala and Qaimpur, Tehsil and district Sheikhupura, adjacent to Quaid-e-Azam Business Park.

Sales person presence: Lahore, Islamabad, Karachi , Faislabad, Jhung, Multan, Sargodha, Sahiwal.
Our Customer Support Number is +92 347 6747225 +92 34 ROSHPACK

Our legacy

1960
Urdu Digest Publications specialised in offset printing by procuring state of the art German technology. The company printed and published newspapers, weekly & monthly magazines and books in order to achieve its vision of promoting the Urdu language.

1970
Our founders successfully introduced fresh Pakistani fruits to the Middle East despite significant limitations on export from Pakistan.

1989
Roshan Enterprises set up a first of its kind Spanish Citrus Processing Plant in Bhalwal Sarghoda. The plant along with new cold storage facilities increased the shelf life of local citrus and allowed the company to increase its exports.

2000
Roshan Enterprises became a market leader in the fruit export business by continuously increasing fruit exports and won Best Export Performance Award from FPCCI.

2002
Roshan Packages Limited (RPL) established itself as a private limited company by installing a corrugation plant with in Lahore. The plant sought to replace traditional wooden crates with international standard corrugated boxes by educating farmers and exporters to their benefits.

2010
All World Network named Roshan Packages in its list of Pakistan's top 25 fastest growing companies.

2011
RPL expanded into the packaging industry by investing in a European Flexible plant that caters to the FMCG sector.

2016
RPL inaugurated a large-scale Extrusion Plant and a Rotogravure machine from Windmoller and Holscher.

2017
After a highly successful IPO, Roshan Packages advanced to the next phase of its development by investing in a BHS Corrugator.

2018
Expansion of corrugation and flexible plant celebrated by a keynote speech by His Excellency Mr.Martin Kobler, Ambassador to Pakistan of the Federal Republic of Germany.

2019
RPL installed a Slitting Machine and Doctor Rewinder from BIMEC Italy along with successfully completing upgradation of Fire Fighting Equipment and safety standardsat both plants.

2020
Roshpack, the e-commerce arm of Roshan Packages, cements itself as an industry leader by serving more than 1400 businesses, restaurants and retailers in a year.

2021
Roshan Sun Tao Paper Mills (Private) Limited became a wholly owned subsidiary of Roshan Packages Limited (RPL).

Our **Strategy**

VISION

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

MISSION

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

CORE VALUES

Attention to Learning
Service with courtesy
Ownership and openness
Honesty and commitment
Nurturing continuous growth
Attention to personal development

Our **Differentiation**

QUALITY

Roshan Packages started its journey by becoming one of the first producers of high quality fresh fruits and vegetables packaging in Pakistan. As we expanded into different sectors, we have always put quality before anything else.

ACCESS

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

INNOVATION

At Roshan, we proactively research and develop packaging solutions according to the needs of the various industries we cater to.

CUSTOMER SERVICE

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

SUSTAINABILITY

Sustainability is a part of our DNA. Our operations comply with international environmental protection standards and our processes focus on recycling. Read more about our sustainability efforts on page no 65.

Major **Products**
Flexible Packaging

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

Our Flexible Packaging product range includes:

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

Roshan Packages' German film extrusion plant has the technical expertise to develop top-quality Coextruded Film using appropriate Polymer Layer to offer immaculate packaging solutions for different applications and provides impeccable chemical resistance, liquid containment, barriers, hermetic/peelable seals and perforations. Our Blown Films, produced from the finest quality Virgin Polymer Resins including, PE, HDPE, LLDPE, PP, Metallocene, PP, Polyamide, EVOH, and EVA, can be used for various industries mainly for converters for Printing, Lamination, and different barrier lamination.

Our Co-extruded product range includes:

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

Major **Products**
Corrugated Packaging

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

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

We offer:

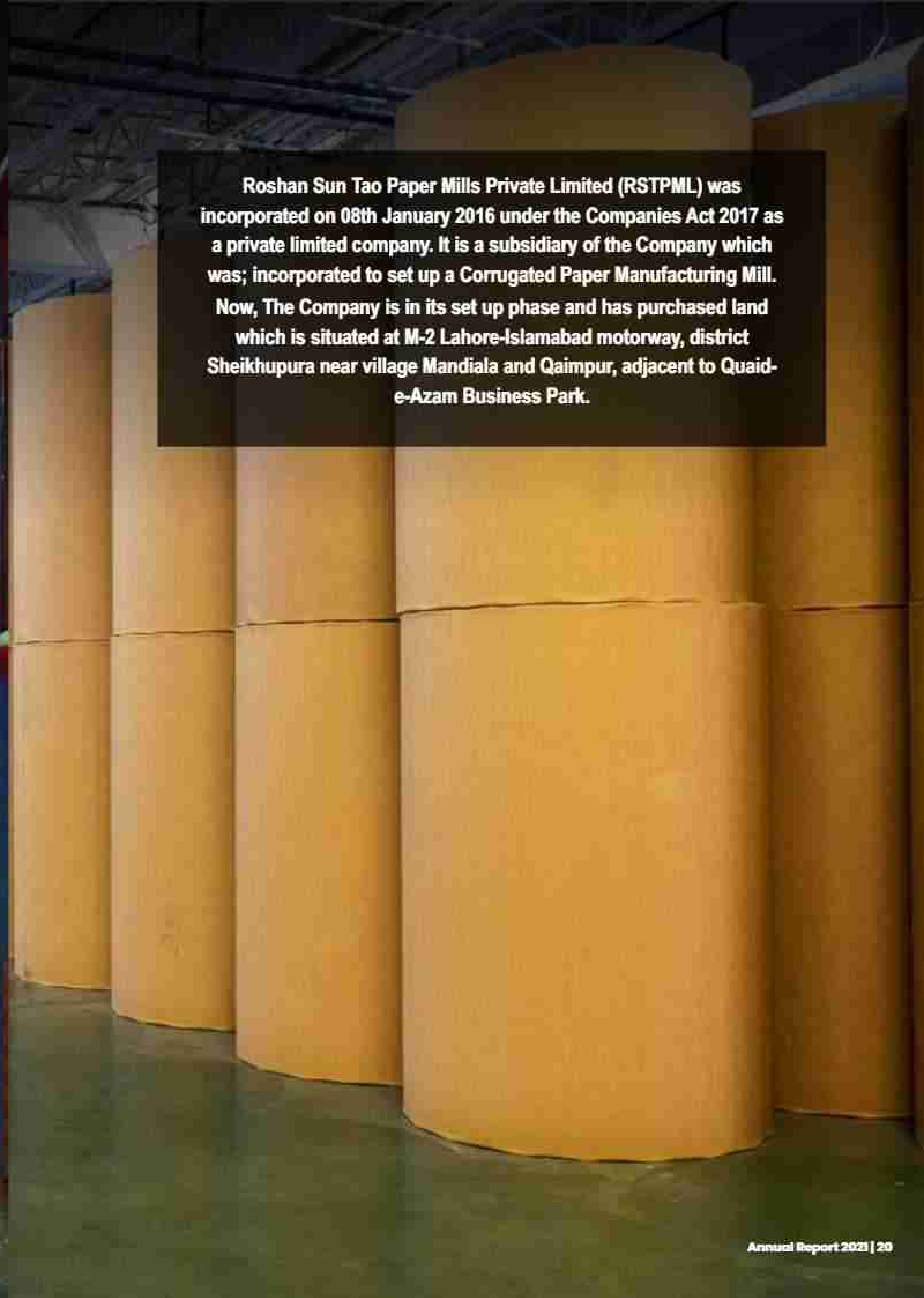
- 2 Ply single facer sheet roll in B/Flute, C/Flute & E/Flute.
- 3 Ply sheets/boxes in B/Flute, C/Flute & E/Flute.
- 5 Ply sheets/boxes in B+C, B+E, C+E Flutes.
- 4 colour printing sheets & boxes.
- 2 colour printed sheets, boxes in home appliances industry.
- Dividers, pads, corners and edge protectors.

Roshan Sun Tao **Paper Mills (Pvt) Limited**

Roshan Sun Tao Paper Mills is set to exemplify the synergy between growth and sustainability. This project will propel us into the future as our corrugated packaging business model will become fully circular. Through this circular business model we hope to not only meet our in house paper requirements but also meet the demand for recycled paper in the region.

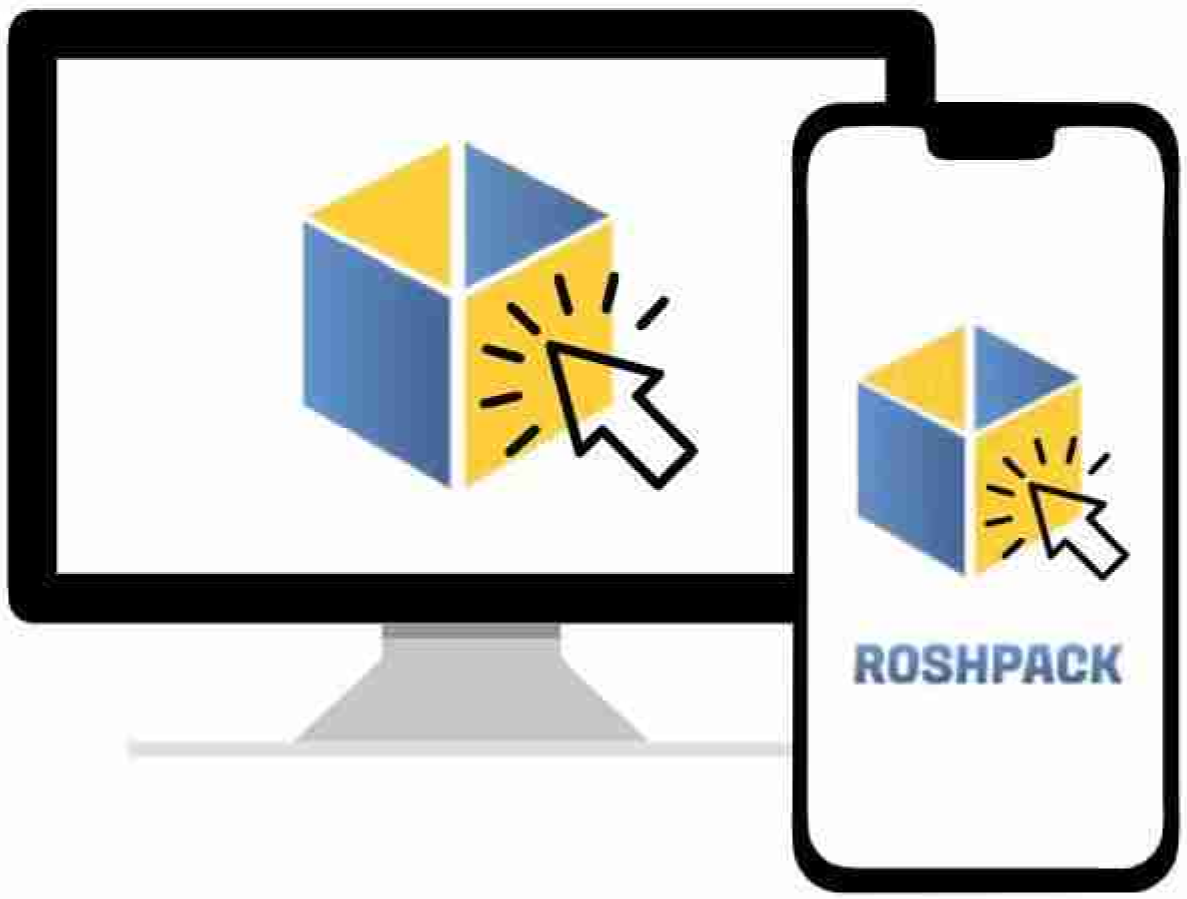
Tayyab Aijaz
Chief Executive Officer
Roshan Packages Limited

Roshan Sun Tao **Paper Mills (Pvt) Limited**



Roshan Sun Tao Paper Mills Private Limited (RSTPML) was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a subsidiary of the Company which was; incorporated to set up a Corrugated Paper Manufacturing Mill. Now, The Company is in its set up phase and has purchased land which is situated at M-2 Lahore-Islamabad motorway, district Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Business Park.

THE CHANGING CONSUMER WORLD ROSHPACK



Scan the QR Code to visit our website

Packaging is now just a click away.

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

About Roshpack

No order is too small. No customization is impossible

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

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

Our **Products** Fall Into **3** Main Categories:

Generic.

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

Semi-Customised.

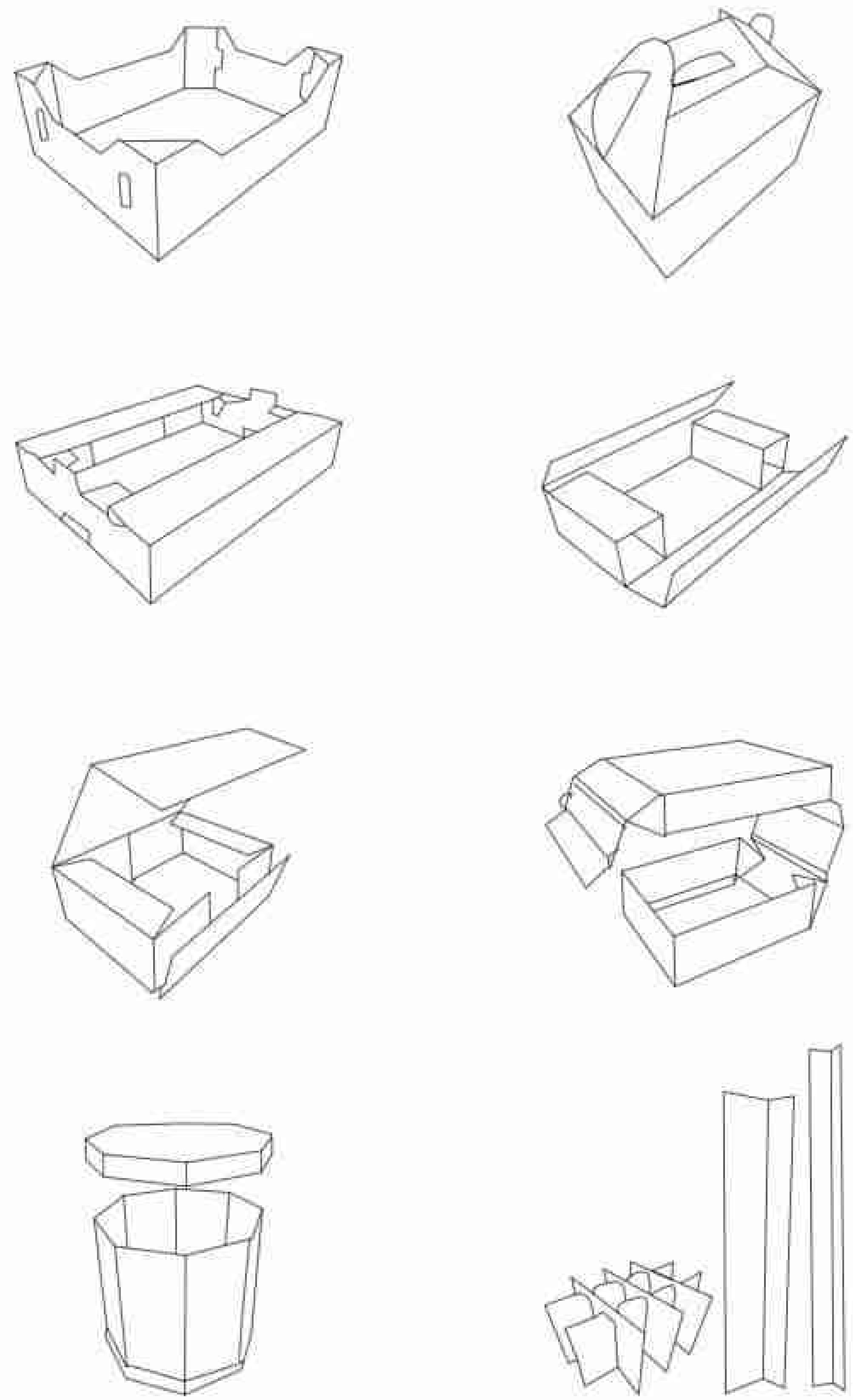
We offer logo printing and branding on our generic products for customers who want to brand their products for less.

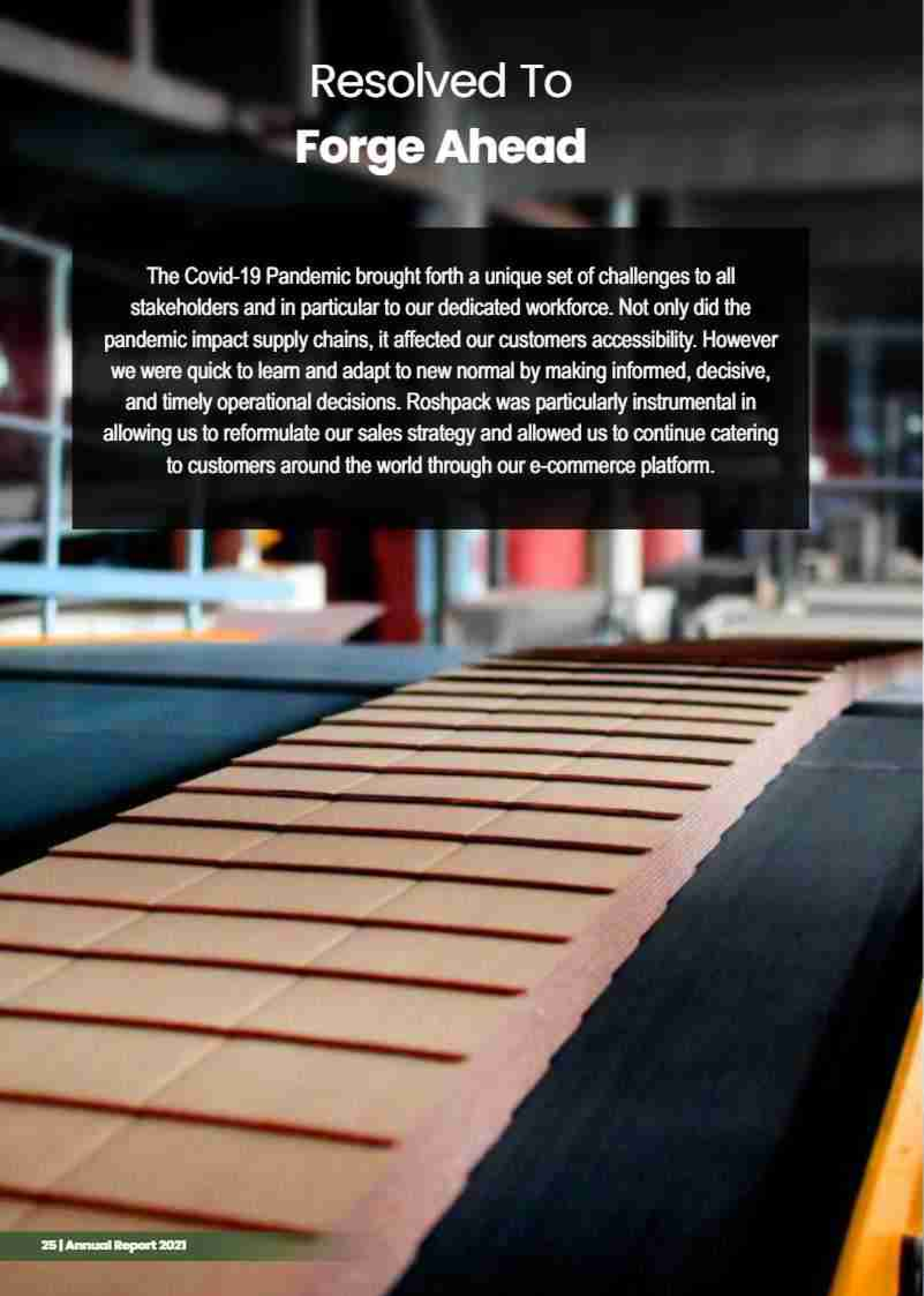
Fully Customised.

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

Packaging Made **Convenient**

If you can dream it, we CAN make it happen.





Resolved To **Forge Ahead**

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

Vision of **Quality** and **Innovation**

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

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

Corrugation

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

Bursting Strength Test

Edge Crush Test 2 Single

Water Resistance of the Gluing

Cobb Sizing Tester

Paper Grammage and Thickness

Box Compression Test

Flexible

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

Awards and Achievements

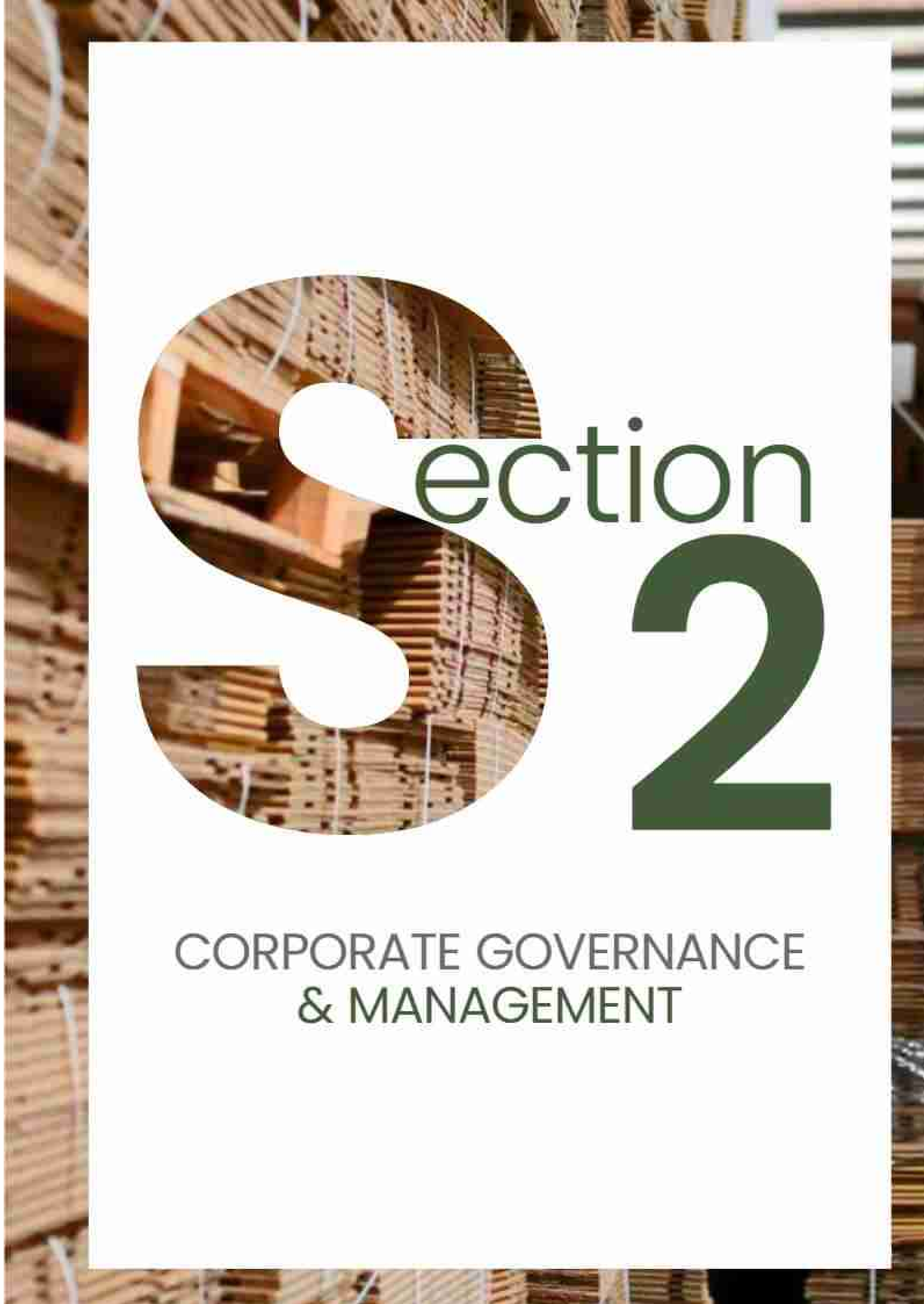
Roshan Packages equips individuals and teams to consistently execute high impact plans and goals with confidence and excellence. It is due to the commitment of our team that we attain international awards and certifications every year.

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

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

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

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



Section 2

CORPORATE GOVERNANCE & MANAGEMENT

Roshan Packages Limited

Company Information

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

Board of Directors

Mr. Khalid Eijaz Qureshi
Chairman

Mr. Tayyab Aijaz
Chief Executive Officer

Mr. Saadat Eijaz
Executive Director

Mr. Zaki Aijaz
Non-Executive Director

Mr. Quasim Aijaz
Non-Executive Director

Mrs. Ayesha Musaddaque Hamid
Independent/Non-Executive Director

Mr. Muhammad Naveed Tariq
Independent/Non-Executive Director

Company Secretary
Miss. Rabia Sharif

Chief Financial Officer (CFO)
Mr. Muhammad Adil

Tax Consultant
A.F Ferguson & Co

Website
www.roshanpackages.com.pk

Banks
Askari Bank Limited
Allied Bank Limited
Bank of Punjab
Bank Islamic Pakistan
Dubai Islamic Bank Limited
Habib Metropolitan Bank
JS Bank Limited
Meezan Bank Limited
Soneri Bank Limited

Registered Office
325 G-III MA Johar Town, Lahore
Phone: +92-042-35290734-38
Fax: +92-042-35290731

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

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

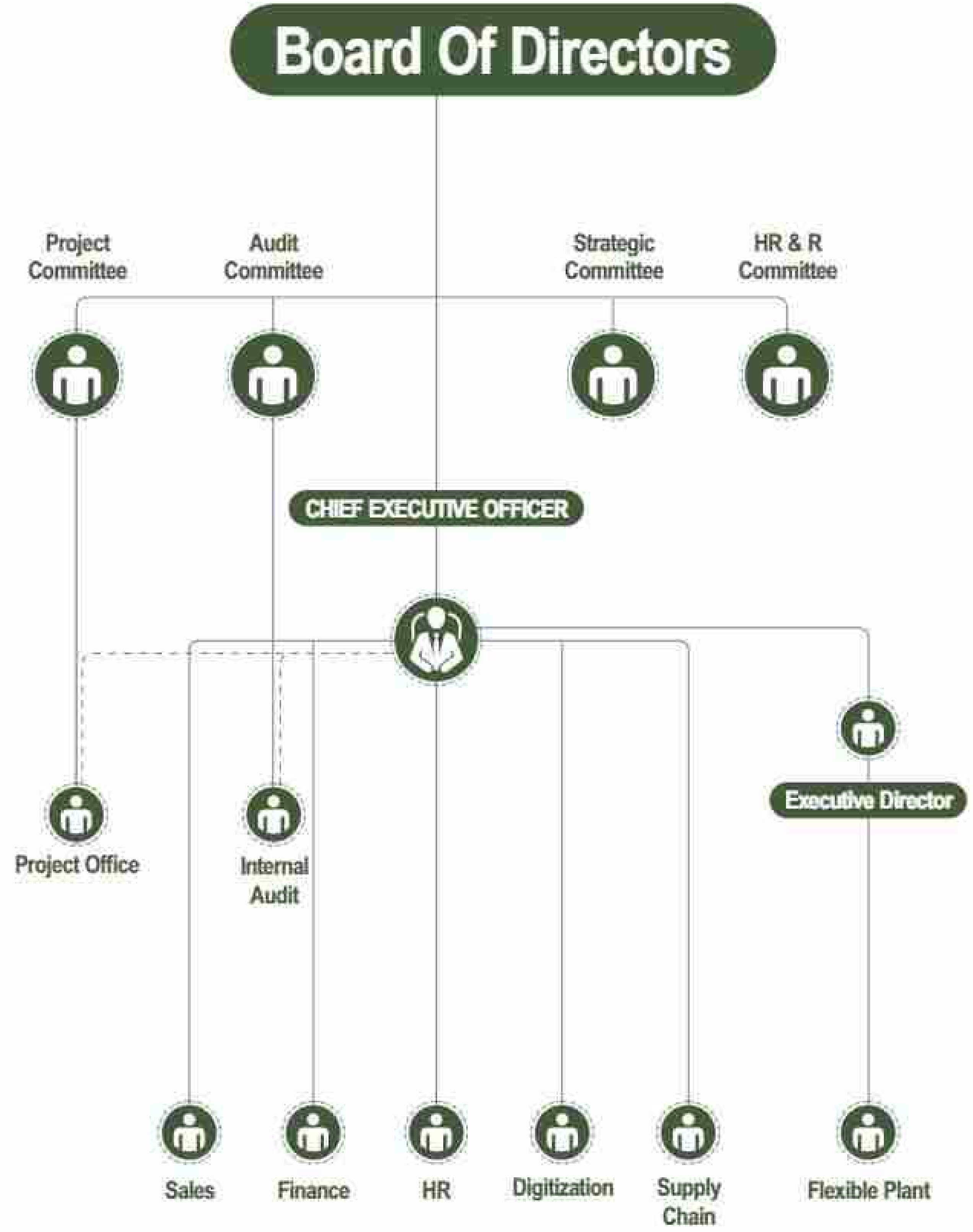
Statutory Auditor
EY Ford Rhodes, Chartered Accountants

Head of Internal Audit
Miss Faiza Khalid

Legal Advisor
Zahid Irfan

Stock Symbol
RPL

ORGANOGRAM



Directors' Profile

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

Khalid Eijaz Qureshi

Chairman

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

Tayyab Aijaz

Chief Executive Officer

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

Saadat Eijaz

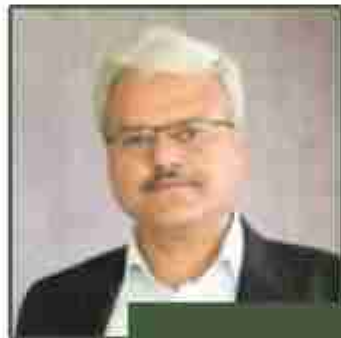
Executive Director

Directors' Profile

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

Quasim Aijaz

Non Executive Director



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

Zaki Aijaz

Non Executive Director

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

Muhammad Naveed Tariq

Independent Non Executive Director

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

Ayesha Musaddaque Hamid

Independent Non Executive Director

Board Committees

Audit Committee

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

Human Resource Committee

NAME	DESIGNATION
Mrs. Ayesha Musaddaque Hamid	Chairman
Mr. Tayyab Aijaz	Member
Mr. Khalid Eijaz Qureshi	Member

Project Committee

NAME	DESIGNATION
Mr. Zaki Aijaz	Chairman
Mr. Tayyab Aijaz	Member
Mr. Saadat Eijaz	Member

Strategic Committee

NAME	DESIGNATION
Mr. Tayyab Aijaz	Chairman
Mr. Saadat Eijaz	Member
Mr. Zaki Aijaz	Member

Audit Committee

The committee shall be responsible for:

1. Determination of appropriate measures to safeguard the company's assets.
2. Review of annual and interim financial statements of the company, prior to their approval by the board, focusing on,
    a. Major judgement areas;
    b. Significant adjustment resulting for the audit;
    c. Going concern assumption;
    d. Any changes in the accounting policies and practices;
    e. Compliance with applicable accounting standards;
    f. Compliance with these regulation and other statutory and regulatory requirement; and
    g. All related party transaction;
3. Review of preliminary announcements of the results prior to external communication and publication;
4. Facilitation the external audit and discussion with external auditors of major observation arising from interim and final audit and any matter that auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditors and management response thereto;
6. Ensuring coordination between external and internal authors of the company;
7. Review the scope and extent of internal audit, audit plan, reporting framework and procedure and ensuring that the internal auditors function has adequate resources and in appropriately placed within the company;
8. Consideration of major finding of internal investigation of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchase and sales, receipt and payments, asset and liabilities and the reporting structure are adequate and effective;
10. Review of the company's statement on internal control system prior to endorsement by the Board and internal audit reports;
11. Instituting special projects, value of the money studies or other investigations on any matter specified by the board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditor and to consider external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitory compliance with these Regulation and identification of significant violations thereof
14. Review of arrangement of staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended Instituting remedial and mitigating measures;
15. Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any services permissible to be rendered to the company by the external auditors in additions to audit of its financial statements, measures for redressal and rectification of non-compliance with the regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
16. Consideration of any other issue or matter as may be assigned by the Board;

Human Resource and **Remuneration Committee**

The committee shall be responsible for:

1. Recommendation to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive director's member of senior management). The definition of senior management will be determining by the board which shall normally include the first layer of management below the chief executive officer level.

2. Undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committee either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the director's report disclosing therein name and qualification of such consultant and major terms of his / its appointment.

3. Recommending human resource management policies to the board.

4. Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit.

5. Consideration and approval on recommendation of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and Where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

Corporate **Calendar**

Board of Directors' Meeting for Annual Results
OCTOBER 6TH 2020

17th Annual General Meeting
OCTOBER 28TH 2020

1st Quarter Board of Directors' Meeting
OCTOBER 29TH 2020

Corporate Briefing
NOVEMBER 27TH 2020

2nd Quarter Board of Directors' Meeting
FEBRUARY 12TH 2021

3rd Quarter Board of Directors' Meeting
APRIL 27TH 2021

Chairman
Review Report

Dear Shareholders,

Pakistan has been fortunate to have been least affected by COVID-19 as it has navigated the pandemic relatively well. Your Company has been able to achieve uninterrupted business operations & add value to shareholders through sustainable growth while maintaining the highest standards of health, safety, and security for its employees and business partners.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors of Roshan Packages Limited is carried out during the year. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2021, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to plans of action . The above overall assessment is based on an evaluation of integral components including: vision, mission and values, engagement in strategic planning, formulation of policies, monitoring the organization's business activities,monitor financial resource management, effective fiscal oversight, equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas, supporting materials and follow up materials in sufficient time prior to meetings. Furthermore,the board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

"I would also like to thank the Board for their effective guidance and oversight which has been instrumental at every step as the Company navigated its way through uncharted waters following the outbreak of the COVID-19 pandemic. Roshan Packages Limited in many ways exceeded its stakeholders' expectations and business objectives this year.

In conclusion, on behalf of the Board, I would like to express my sincere gratitude to RPL stakeholders for their continued support and to appreciate the commitment and valuable services rendered by the employees of the Company."

Khalid Eijaz Qureshi
Chairman

Role of **Chairman**

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

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

Message From The
Cheif Executive Officer

Dear Shareholders,

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

Growth and Sustainability must go hand in hand.

2021 has been a year of immense growth for Roshan Packages Limited. While our numbers speak for themselves, the greater growth has come from within our Human Resource: our rank and file workers, our managers and our department heads. Every single one of them has worked day and in and out to achieve the results we are fortunate enough to report.

When we introduced significant changes in the workplace this year, Team Roshan rose to the challenge. Our Training and Development department has started mandatory trainings and capacity building workshops for every worker which were met with enthusiasm rather than resistance. We are also happy to report that we continued following strict COVID-19 SOP's along with dealing with unprecedented issues in the supply chain with grace and courage. The greatest growth has come from within us and is now reflected in the trust our partners have placed in us.

However, our goal is not merely growth but rather sustainable and responsible development. The majority of solid waste that ends up in landfills is packaging materials. The packaging industry has an immense responsibility to drive change and shift to the circular economy. At Roshan, we do just that by providing our customers with fully recycled and recyclable solutions. Not only are our raw materials sustainable, our Research and Development team continuously works to design eco-friendly products which eliminate the need for stapling and gluing. We have also been working with major brands to come up with strategies to recycle, reduce and reuse packaging.

Roshan Sun Tao Paper Mills is set to exemplify the synergy between growth and sustainability. This project will propel us into the future as our corrugated packaging business model will become fully circular. Through this circular business model we hope to not only meet our in house paper requirements but also meet the demand for recycled paper in the region.

Role of **Chief Executive Officer**

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

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

Code of **Conduct**

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

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

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

GENERAL PRINCIPLES AND ETHICAL STANDARDS

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

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

WHISTLE BLOWING POLICY

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

INVESTOR RELATIONS

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

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

Shareholders' **Engagement**

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

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

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

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

Section 3

FINANCIAL **OVERVIEW**

Significant Ratios

SIGNIFICANT RATIOS			2016	2017	2018	2019	2020	2021
Other Information								
Sales growth		%age	1%	13%	-2%	34%	-3%	34%
Profitability Ratios								
Gross profit	(Gross profit/sales)	%age	14.2%	13.5%	7.6%	6.9%	10.5%	12.6%
Net profit	(PAT/sales)	%age	7.2%	6.1%	-2.2%	-0.5%	4.7%	4.9%
Operating profit Margin	(EBIT/sales)	%age	9.1%	8.8%	1.2%	4.2%	7.6%	8.3%
EBITDA to sales	(EBITDA/sales)	%age	11.4%	13.3%	4.6%	6.9%	10.6%	10.5%
Return on assets	(PAT/assets)	%age	5.1%	3.0%	-1.1%	-0.3%	2.8%	3.7%
Return on equity - Excluding surplus	(PAT/equity excluding surplus)	%age	20.3%	5.9%	-2.2%	-0.7%	6.1%	8.0%
Return on equity- Including surplus	(PAT/equity including surplus)	%age	10.9%	4.7%	-1.8%	-0.5%	4.2%	5.7%
Return on capital employed excluding revaluation surplus	(PBIT/capital employed excluding surplus)	%age	13.7%	6.7%	1.0%	5.1%	8.4%	11.3%
Return on capital employed including revaluation surplus	(PBIT/capital employed including surplus)	%age	9.4%	5.6%	0.8%	3.6%	6.1%	8.4%
Liquidity Ratios								
Current ratio	(Current assets/current liabilities)	times	1.19	2.33	1.68	1.47	1.73	1.67
Quick ratio	(Current assets-stocks)/ current liabilities	times	0.92	2.03	1.45	1.22	1.42	1.33
Cash & short term investment to current liabilities	(Cash & short term invest./current liabilities)	%age	8.3%	103.9%	64.6%	39.9%	35.3%	33.4%
Cash flow from operations to sales	(Cash flow from operations/sales)	%age	2.14%	-4.03%	-10.96%	-6.05%	4.80%	5.06%
Activity Ratios								
Inventory turnover	(COS/stock)	times	6.22	6.95	6.17	7.50	6.61	7.79
Inventory days	(stock/COS)*365	days	58.71	52.53	59.16	48.69	55.24	46.86
Debtors turnover	(sales/debtors)	times	4.26	3.80	3.33	4.32	4.15	5.15
Debtors days	(debtors/sales)*365	days	85.69	95.98	109.69	84.57	88.05	70.82
Creditors turnover	(COS/creditors)	times	3.42	3.81	4.41	6.00	4.87	5.29
Creditors days	(creditors/COS)*365	days	106.75	95.72	82.79	60.84	74.94	68.97
Fixed assets turnover	(sales/ fixed assets)	times	1.22	1.14	1.11	1.16	1.14	1.55
Total assets turonver	(sales/ total assets)	times	0.71	0.49	0.48	0.59	0.59	0.74
Operating cycle	inventory days+debtors days-creditors days	days	37.65	52.78	86.05	72.42	68.35	48.71
Investment/Market ratios								
Breakup value per share (excluding revaluation surplus)	(equity-rev surplus/shares)	Rs.	43.16	39.40	34.37	26.57	28.66	30.43
Breakup value per share (including revaluation surplus)	(equity/shares)	Rs.	79.97	49.39	43.49	39.57	41.31	42.74
EPS (Earning Per Share)	(PAT/shares)	Rs.	8.74	2.34	-0.77	-0.19	1.75	2.44
Market value per share		Rs.		56.17	28.17	13.36	22.42	32.94
Capital structure ratio								
Debt to Equity ratio	(debt/equity)	times	0.46	0.26	0.36	0.30	0.20	0.18
Interest cover ratio	(PBIT/finance cost)	times	7.18	3.88	0.39	1.22	1.78	5.19

Six Years Financial Summary

Rupees in '000'

	2016	2017	2018	2019	2020	2021
ROSHAN PACKAGES LIMITED - UNCONSOLIDATED FINANCIAL STATEMENTS						
	6.22	6.95	6.17	7.50	6.61	7.79
Statement of Financial Position						
Paid up Capital	299,390	1,075,000	1,182,500	1,419,000	1,419,000	1,419,000
No. of Shares	29,939	107,500	118,250	141,900	141,900	141,900
Non-Current assets	3,183,889	3,835,297	3,843,406	5,014,876	4,870,628	5,186,754
Current assets	1,951,214	4,558,991	4,548,780	4,190,599	3,991,558	4,252,056
Stores and Spares	55,724	108,302	146,560	172,866	171,999	182,915
Stocks in tarde	445,187	575,197	631,652	709,587	708,935	860,632
Debtors	963,553	1,191,626	1,231,374	1,269,505	1,255,085	1,459,777
Cash and bank balances including short term investment	136,953	2,034,191	1,749,293	1,138,630	814,581	851,427
Property plant and equipment including right of use asset	2,964,999	3,610,359	3,625,358	4,635,533	4,575,441	4,501,252
Total assets	5,135,102	8,394,288	8,392,186	9,205,475	8,862,186	9,438,810
Long-term debt	498,429	606,372	505,813	331,412	125,249	109,281
Lease liabilities	43,123	30,756	26,247	19,765	42,989	33,348
Short-term debt	604,845	755,640	1,333,809	1,353,114	1,048,294	966,453
Total debt	1,103,275	1,362,011	1,839,622	1,684,527	1,173,543	1,075,734
Current liabilities	1,641,012	1,958,225	2,709,849	2,850,238	2,305,460	2,551,768
Creditors	882,121	977,407	711,640	964,259	959,971	1,350,110
Non-Current liabilities	1,099,998	1,127,036	539,656	740,751	694,451	822,936
Capital employed	3,494,091	6,436,062	5,682,337	6,355,237	6,556,726	6,887,042
Capital employed excluding revaluation surplus	2,392,279	5,362,172	4,603,818	4,511,509	4,761,510	5,140,643
Equity (excluding revaluation surplus)	1,292,281	4,235,136	4,064,162	3,770,758	4,067,059	4,317,708
Surplus on revaluation	1,101,812	1,073,891	1,078,519	1,843,728	1,795,216	1,746,399
Equity (including revaluation surplus)	2,394,093	5,309,026	5,142,681	5,614,486	5,862,275	6,064,107
Statement of Profit or Loss						
Revenue	3,621,882	4,098,007	4,031,388	5,397,124	5,232,971	6,995,838
Cost of revenue	3,107,313	3,545,206	3,723,230	5,026,766	4,686,045	6,112,741
Gross Profit	514,568	552,801	308,157	370,358	546,926	883,098
Operating Expenses	188,835	233,968	375,941	299,439	304,722	408,939
Other Income	2,155	42,774	115,086	156,932	155,911	105,579
EBIT	327,889	361,607	47,303	227,850	398,115	579,737
Finance Cost	45,655	93,144	120,527	186,633	223,124	111,636
Profit Before Taxation	282,234	268,463	(73,224)	41,217	174,991	468,101
Taxation	20,501	16,873	17,324	68,115	(72,971)	122,451
Profit after Taxation	261,733	251,590	(90,548)	(26,898)	247,962	345,650
EBITDA	412,348	545,595	185,943	370,233	554,184	737,226
Statement of cash flow						
Cash flow from Operating Activites	77,552	(165,068)	(441,852)	(326,648)	231,414	353,693
Cash flow from Investing Activites	(720,523)	(802,838)	(86,231)	22,372	22,549	(27,767)
Cash flow from Financing Activites	696,308	2,715,088	52,638	(276,710)	(376,510)	(264,244)
Opening cash and cash equivalents	(47,340)	5,998	1,753,180	1,277,734	696,748	574,201
Closing cash and cash equivalents	5,998	1,753,180	1,277,734	696,748	574,201	635,883

VERTICAL ANALYSIS

Rupees in '000'

ROSHAN PACKAGES LIMITED - UNCONSOLIDATED FINANCIAL STATEMENTS

	2016	%	2017	%	2018	%	2019	%	2020	%	2021	%
Statement of Financial Position												
Non Current Assets												
Property plant and equipment	2,919,839	57.4%	3,575,850	42.8%	3,592,963	43.0%	4,608,439	50.2%	4,524,161	51.3%	4,467,820	47.5%
Right of use assets	45,160	0.9%	34,508	0.4%	32,395	0.4%	27,094	0.3%	51,280	0.6%	33,432	0.4%
long term deposits	13,673	0.3%	16,760	0.2%	20,502	0.2%	16,254	0.2%	14,902	0.2%	14,902	0.2%
Intangible assets	4,654	0.1%	4,616	0.1%	3,198	0.0%	1,780	0.0%	363	0.0%	-	0.0%
Investment in subsidary	200,563	3.9%	203,563	2.4%	111,376	1.3%	111,376	1.2%	111,376	1.3%	160,619	1.7%
Long term loan - unsecured, considered good	-		-		82,972	1.0%	249,933	2.7%	168,547	1.9%	509,981	5.4%
Current Assets:	-		-		-		-	0.0%	-	0.0%		0.0%
Stores and Spares	55,724	1.1%	108,302	1.3%	146,560	1.8%	172,866	1.9%	171,999	2.0%	182,915	1.9%
Stocks in tarde	445,187	8.7%	575,197	6.9%	631,652	7.6%	709,587	7.7%	708,935	8.0%	860,632	9.2%
Debtors including contract assets	963,553	18.9%	1,191,626	14.3%	1,231,374	14.7%	1,318,101	14.4%	1,335,964	15.2%	1,608,332	17.1%
Short term loan - unsecured, considered good	-		-		92,187	1.1%	92,187	1.0%	241,436	2.7%	-	0.0%
Advances,deposits and prepayments	349,797	6.9%	649,675	7.8%	697,715	8.3%	759,229	8.3%	718,642	8.2%	748,750	8.0%
Cash and bank balances including short term inves	136,953	2.7%	2,034,191	24.3%	1,749,293	20.9%	1,138,630	12.4%	814,581	9.2%	851,427	9.1%
Total assets	**5,135,102**	100.0%	**8,394,288**	100.0%	**8,392,186**	100.0%	**9,205,475**	100.0%	**8,862,186**	100.0%	**9,438,810**	100.0%
Current portion of long term liabilities	143,692	2.8%	213,227	2.5%	638,365	7.6%	493,541	5.4%	248,835	2.8%	199,747	2.1%
Short-term debt	604,845	11.8%	755,640	9.0%	1,333,809	15.9%	1,353,114	14.7%	1,048,294	11.8%	966,453	10.2%
Creditors including contract liabilities	882,121	17.2%	977,407	11.6%	715,502	8.5%	968,351	10.5%	975,890	11.0%	1,364,842	14.5%
Accured finance cost	10,353	0.2%	11,951	0.1%	21,290	0.3%	34,432	0.4%	31,653	0.4%	18,750	0.2%
provision for taxation	-	-	-	-	-	-	-	0.0%	-	0.0%	-	0.0%
Unclaimed dividend	-	-	-	-	883	0.0%	800	0.0%	788	0.0%	1,977	0.0%
Non-Current liabilities	1,099,998	21.4%	1,127,036	13.4%	539,656	6.4%	740,751	8.0%	694,451	7.8%	822,936	8.7%
Total Liabilities	**2,741,010**	53.4%	**3,085,262**	36.8%	**3,249,505**	38.7%	3,590,989	39.0%	2,999,911	33.9%	3,374,704	35.8%
Paid up Capital	299,390	5.8%	1,075,000	12.8%	1,182,500	14.1%	1,419,000	15.4%	1,419,000	16.0%	1,419,000	15.0%
Share Pemium	-	0.0%	2,339,165	27.9%	2,231,665	26.6%	1,994,789	21.7%	1,994,789	22.5%	1,994,789	21.1%
un appropriated profit	992,891	19.3%	820,970	9.8%	649,996	7.7%	356,969	3.9%	653,270	7.4%	903,919	9.6%
Surplus on revaluation of operating fixed assets	1,101,812	21.5%	1,073,891	12.8%	1,078,519	12.9%	1,843,728	20.0%	1,795,216	20.3%	1,746,399	18.5%
Equity	**2,394,093**	46.6%	**5,309,026**	63.2%	**5,142,681**	61.3%	5,614,486	61.0%	5,862,275	66.1%	6,064,107	64.2%
Total Equity+Liabilities	**5,135,102**	100.0%	**8,394,288**	100.0%	**8,392,186**	100.0%	**9,205,475**	100.0%	**8,862,186**	100.0%	**9,438,810**	100.0%
Statement of Profit or Loss												
Revenue	3,621,882	100.0%	4,098,007	100%	4,031,388	100%	5,397,124	100.0%	5,232,971	100.0%	6,995,838	100.0%
Cost of revenue	3,107,313	85.8%	3,545,206	87%	3,723,230	92%	5,026,766	93.1%	4,686,045	89.5%	6,112,741	87.4%
Gross Profit	514,568	14.2%	552,801	13%	308,157	8%	370,358	6.9%	546,926	10.5%	883,098	12.6%
Operating Expenses	188,835	5.2%	233,968	6%	375,941	9%	299,439	5.5%	304,722	5.8%	408,939	5.8%
Other Income	2,155	0.1%	42,774	1.0%	115,086	2.9%	156,932	2.9%	155,911	3.0%	105,579	1.5%
EBIT	327,889	9.1%	361,607	8.8%	47,303	1.2%	227,850	4.2%	398,115	7.6%	579,737	8.3%
Finance Cost	45,655	1.3%	93,144	2.3%	120,527	3.0%	186,633	3.5%	223,124	4.3%	111,636	1.6%
Profit Before Taxation	282,234	7.8%	268,463	6.6%	(73,224)	-1.8%	41,217	0.8%	174,991	3.3%	468,101	6.7%
Taxation	20,501	0.6%	16,873	0.4%	17,324	0%	68,115	1.3%	(72,971)	-1.4%	122,451	1.8%
Profit after Taxation	261,733	7.2%	251,590	6.1%	(90,548)	-2%	(26,898)	-0.5%	247,962	4.7%	345,650	4.9%
EBITDA	412,348	11.4%	545,595	13.3%	185,943	5%	370,233	6.9%	554,184	10.6%	737,226	10.5%

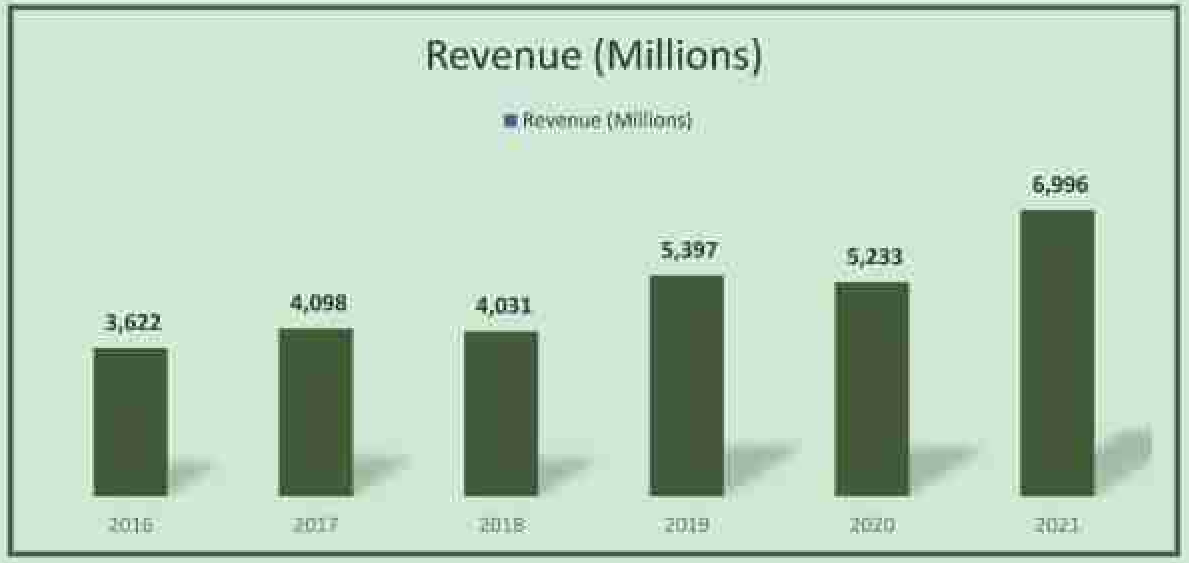
HORIZONTAL ANALYSIS

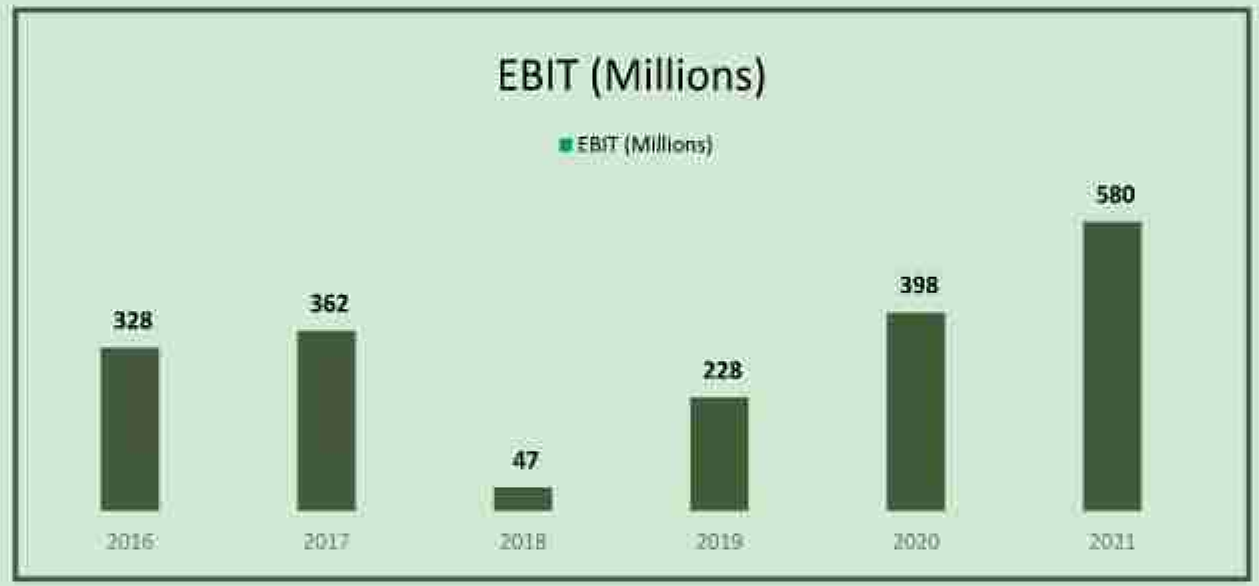
Rupees in '000'

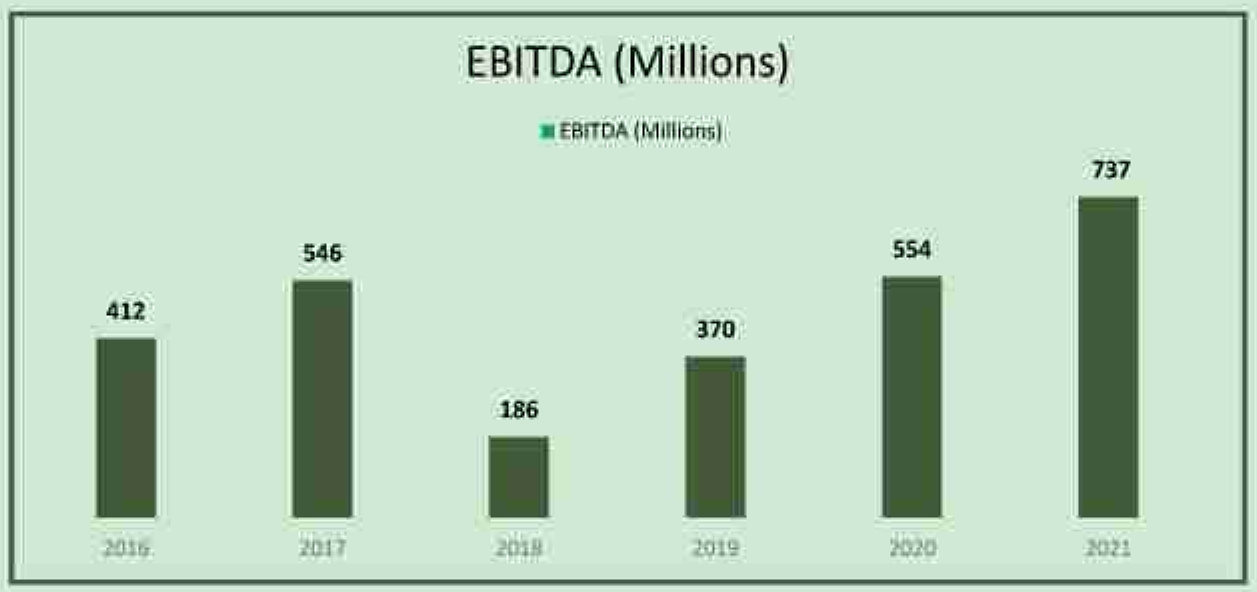
ROSHAN PACKAGES LIMITED - UNCONSOLIDATED FINANCIAL STATEMENTS

	2016	%	2017	%	2018	%	2019	%	2020	%	2021	%
Satement of Financial Position												
Non Current Assets												
Property plant and equipment	2,919,839	143.90	3,575,850	22.47	3,592,963	0.48	4,608,439	28.26	4,524,161	(1.83)	4,467,820	(1.25)
Right of use assets	45,160	235.13	34,508	(23.59)	32,395	(6.12)	27,094	(16.36)	51,280	89.26	33,432	(34.80)
long term deposits	13,673	108.78	16,760	22.58	20,502	22.33	16,254	(20.72)	14,902	(8.32)	14,902	-
Intangible assets	4,654	-	4,616	(0.82)	3,198	(30.71)	1,780	(44.33)	363	(79.63)	-	(100.00)
Investment in subsidary	200,563	-	203,563	1.50	111,376	(45.29)	111,376		111,376	-	160,619	44.21
Long term loan - unsecured, considered good	-		-		82,972	100.00	249,933	201.22	168,547	(32.56)	509,981	202.58
Current Assets:	-		-		-						-	
Stores and Spares	55,724	25.86	108,302	94.35	146,560	35.33	172,866	17.95	171,999	(0.50)	182,915	6.35
Stocks in tarde	445,187	(19.70)	575,197	29.20	631,652	9.81	709,587	12.34	708,935	(0.09)	860,632	21.40
Debtors including contract assets	963,553	30.74	1,191,626	23.67	1,231,374	3.34	1,318,101	7.04	1,335,964	1.36	1,608,332	20.39
Short term loan - unsecured, considered good	-		-		92,187	-	92,187	-	241,436	-	-	-
Advances,deposits and prepayments	349,797	42.50	649,675	85.73	697,715	7.39	759,229	8.82	718,642	(5.35)	748,750	4.19
Cash and bank balances including short term investment	136,953	96.82	2,034,191	1,385.32	1,749,293	(14.01)	1,138,630	(34.91)	814,581	(28.46)	851,427	4.52
Total assets	**5,135,102**	79.90	**8,394,288**	63.47	**8,392,186**	(0.03)	**9,205,475**	9.69	**8,862,186**	(3.73)	**9,438,810**	6.51
Current portion of long term liabilities	143,692	411.06	213,227	48.39	638,365	199.38	493,541	(22.69)	248,835	(49.58)	199,747	(19.73)
Short-term debt	604,845	67.26	755,640	24.93	1,333,809	76.51	1,353,114	1.45	1,048,294	(22.53)	966,453	(7.81)
Creditors including contract liabilities	882,121	(5.69)	977,407	10.80	715,502	(26.80)	968,351	35.34	975,890	0.78	1,364,842	39.86
Accured finance cost	10,353	98.54	11,951	15.44	21,290	78.14	34,432	61.73	31,653	(8.07)	18,750	(40.76)
provision for taxation	-	-	-	-	-		-		-		-	
Unclaimed dividend	-		-		883	-	800	-	788	(1.51)	1,977	150.82
Non-Current liabilities	1,099,998	226.92	1,127,036	2.46	539,656	(52.12)	740,751	37.26	694,451	(6.25)	822,936	18.50
Total Liabilities	**2,741,010**	64.45	**3,085,262**	12.56	**3,249,505**	5.32	**3,590,989**	10.51	**2,999,911**	(16.46)	**3,374,704**	12.49
Paid up Capital	299,390	-	1,075,000	259.06	1,182,500	10.00	1,419,000	20.00	1,419,000	-	1,419,000	-
Share premium	-	-	2,339,165	-	2,231,665	(4.60)	1,994,789	(10.61)	1,994,789	-	1,994,789	-
un appropriated profit	992,891	37.98	820,970	(17.32)	649,996	(20.83)	356,969	(45.08)	653,270	83.00	903,919	38.37
Surplus on revaluation of operating fixed assets	1,101,812	553.37	1,073,891	(2.53)	1,078,519	0.43	1,843,728	70.95	1,795,216	(2.63)	1,746,399	(2.72)
Equity	**2,394,093**	101.59	**5,309,026**	121.76	**5,142,681**	(3.13)	**5,614,486**	9.17	**5,862,275**	4.41	**6,064,107**	3.44
Total Equity+Liabilities	**5,135,102**	79.90	**8,394,288**	63.47	**8,392,186**	(0.03)	**9,205,475**	9.69	**8,862,186**	(3.73)	**9,438,810**	6.51
Statement of Profit or Loss												
Revenue	3,621,882	1.50	4,098,007	13.15	4,031,388	(1.63)	5,397,124	33.88	5,232,971	(3.04)	6,995,838	33.69
Cost of revenue	3,107,313	(2.48)	3,545,206	14.09	3,723,230	5.02	5,026,766	35.01	4,686,045	(6.78)	6,112,741	30.45
Gross Profit	514,568	34.67	552,801	7.43	308,157	(44.26)	370,358	20.18	546,926	47.67	883,098	61.47
Operating Expenses	188,835	15.74	233,968	23.90	375,941	60.68	299,439	(20.35)	304,722	1.76	408,939	34.20
Other Income	2,155	(55.50)	42,774	1,884.65	115,086	169.05	156,932	36.36	155,911	(0.65)	105,579	(32.28)
EBIT	327,889	46.52	361,607	10.28	47,303	(86.92)	227,850	381.69	398,115	74.73	579,737	45.62
Finance Cost	45,655	(19.19)	93,144	104.02	120,527	29.40	186,633	54.85	223,124	19.55	111,636	(49.97)
Profit Before Taxation	282,234	68.72	268,463	(4.88)	(73,224)	(127.28)	41,217	(156.29)	174,991	324.56	468,101	167.50
Taxation	20,501	(40.77)	16,873	(17.70)	17,324	2.67	68,115	293.19	(72,971)	(207.13)	122,451	(267.81)
Profit after Taxation	261,733	97.29	251,590	(3.88)	(90,548)	(135.99)	(26,898)	(70.29)	247,962	(1,021.86)	345,650	39.40
EBITDA	412,348	37.10	545,595	32.31	185,943	(65.92)	370,233	99.11	554,184	49.69	737,226	33.03

GRAPHICAL ANALYSIS

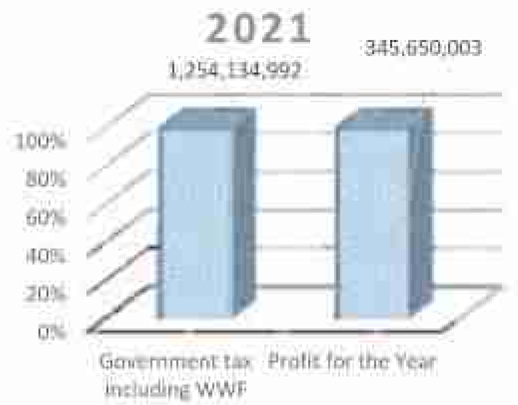


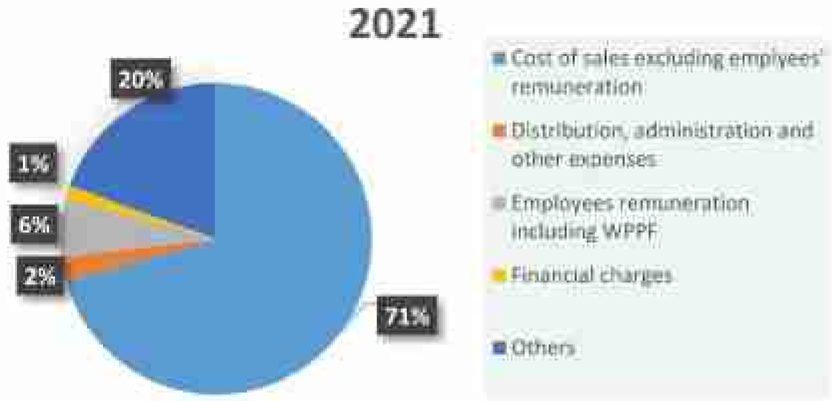


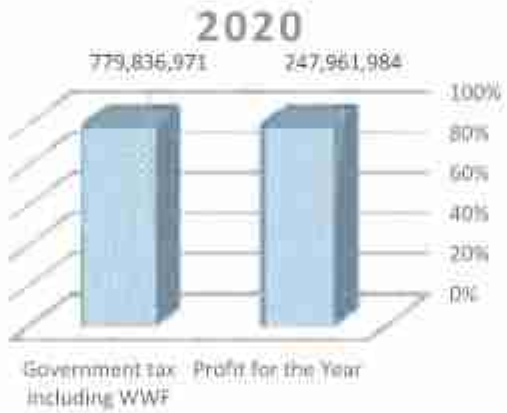


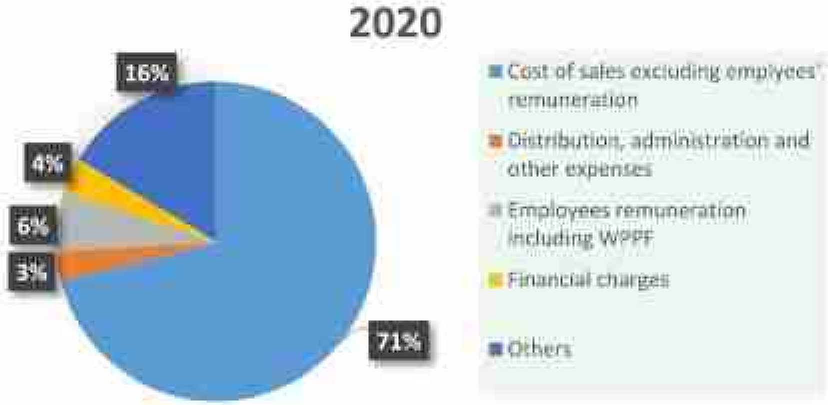
STATEMENT OF WEALTH GENERATED AND DISTRIBUTED

	2021		2020	
	Rs	%	Rs	%
Total revenue inclusive of sales tax	8,118,728,427	99%	6,085,148,294	97%
Reversal of expected credit loss on trade debtors		0%	24,866,683	0%
Other income	105,578,721	1%	155,910,647	2%
	8,224,307,148	100%	6,265,925,624	100%
WEALTH DISTRIBUTION				
Cost of sales excluding emplyees' remuneration	5,815,298,229	71%	4,450,600,870	71%
Distribution, administration and other expenses	201,076,382	2%	186,122,607	3%
Employees remuneration including WPPF	496,511,861	6%	378,279,194	6%
Financial charges	111,635,681	1%	223,123,998	4%
Government tax including WWF	1,254,134,992	15%	779,836,971	12%
Profit for the Year	345,650,003	4.2%	247,961,984	4%
	8,224,307,148	100%	6,265,925,624	100%



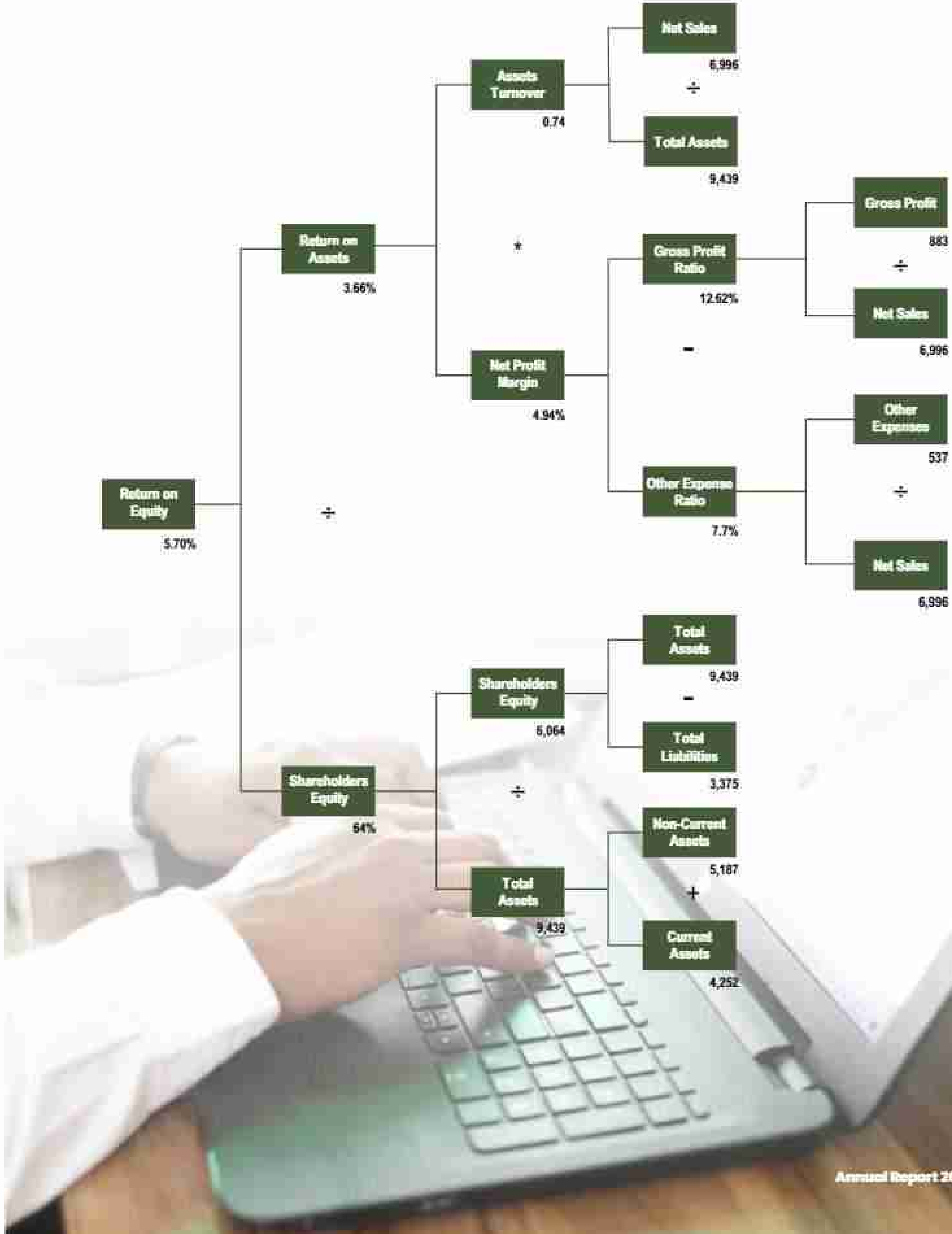






DUPONT **ANALYSIS**

As At 30 June 2021
Rupees in Million



Free Cash Flows

	2021	2020	2019	2018	2017
	Rupees				
Profit / (loss) before taxation	468,101,295	174,990,642	41,217,174	-73,224,325	268,463,096
Adjustment for non-cash items	237,263,361	269,726,086	204,238,336	261,595,173	273,650,758
Working capital changes	(230,222,178)	61,057,412	(309,676,658)	(442,486,369)	(561,058,722)
Net cash generated from operating activities	475,142,478	505,774,140	(64,221,148)	(254,115,521)	(18,944,868)
Capital expenditure	(81,092,699)	(57,351,711)	(86,129,557)	(143,464,468)	(832,053,638)
Free cash flows	394,049,779	448,422,429	(150,350,705)	(397,579,989)	(850,998,506)

Comments

Free cash flows are improving from last two years due to profitability and better working capital management by the Company. Moreover, major expansion projects have already been completed.

Share Price **Sensitivity** Analysis

The share price of a company is driven by its performance, which in turn is dependent upon a number of internal and external factors associated with the products and markets in which it operates. In line with better profitability during the year compared to last year, the share price levels were higher. During the current year RPL share touched highest of Rs. 47/-

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

- **Energy Crisis:** Energy crisis directly impacts the operations of the Company. Hike in energy rates and continuous appreciation of fuel prices effects the financial performance of the Company.
- **Law & Order:** Company's performance is influenced by the political disturbances inside and outside the country. Uncertainty in political conditions and law and order situation have a quick effect on Company's performance and ultimately on share prices.
- **Exchange fluctuation:** The Company is directly exposed to exchange rate fluctuations since the major raw materials are imported by Company. During the current year, exchange rate fluctuation did not materially impact the Company results but lately, the rates have shown an upward trend which may affect the cost of production and hence the Company's results.
- **Plant Operations:** The Company has state-of-the-art production facilities which lead to higher production and better production efficiency. The Company believes in providing optimum job satisfaction to workers and staff which minimizes issues at production facilities.
- **Material Price Sensitivity:** The Company's performance is directly influenced by sensitivity in material prices. There are various raw materials which are used in the production which are locally procured or imported by the Company. Major raw materials are directly influenced by international crude oil and pulp prices and hence affect the financial performance of the Company.
- **Interest Rates:** The Company uses debt financing to finance its increased working capital requirements due to expanded operations; moreover, recent installations of Wind Moller and Holscher machinery were financed by long-term loans. Due to these reasons, the Company is directly affected by any change in interest rates. Any increase in base points by SBP will negatively impact the financial performance of the Company and vice versa.

Section 4

STAND ALONE **FINANCIAL STATEMENTS**

Economic Overview

The Financial Year 2021 began in the midst of the most severe global health crisis experienced in the last 100 years. Pakistan's economy, like the rest of the world, struggled to combat the economic consequences of COVID-19. However prompt measures for supporting the economy and smart lockdowns were crucial in saving the lives and livelihoods. The government's thoughtful decision to resume the business activities and adoption of smart lockdowns boosted businesse's morale and the economy gained traction after witnessing a decline in FY2020.

Manufacturing in Pakistan has witnessed broad-based growth this year. Performance of the Large-Scale Manufacturing (LSM) has been favorable during July-March FY2021 and witnessed 8.99 % growth as compared to 5.1 percent decline during the same period last year. Moreover, economic stimulus measures including State Bank of Pakistan's (SBP's) concessional financing schemes and accommodative monetary policies have helped businesses achieve a V-shape recovery which resulted in Large Scale Manufacturing (LSM) expanding by 8% and an overall growth of 3.9%.

As an important packaging supplier of the manufacturing sector, Roshan Packages Limited ("the Company") achieved significant growth during last year. There are multiple factors which contributed towards stimulating growth within the packaging industry. Increased awareness of hygiene, strict enforcement of legislation by food authorities regarding the quality of food has propelled the demand for food grade packaging. Furthermore, Pakistan's population is not only increasing but continually moving to urban areas which is leading to an increased demand for consumer goods and packaging. Fast Moving Consumer Goods in particular, which are a major driver of packaging demand, is witnessing significant growth, which has naturally boosted the demand of packaging.

Directors' **Report**

Financial Overview

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

Despite a myriad of challenges, the Company is moving progressively towards an inclusive and sustainable growth path on the back of various strategic measures taken by the management. During the year, the Company's sites remained fully operational and we continually served essential manufacturers throughout the period despite lockdowns and supply chain disruptions. Major achievements highlighting the financial performance during FY2021 are described below:

The operating results of the Company are summarized as under:

	2021	2020
	Rupees in '000'	
Turnover	6,995,838	5,232,971
Gross Profit	883,098	546,926
Operating profit	474,158	242,204
Finance Cost	111,636	223,124
Profit before Tax	468,101	174,991
Profit After Tax	345,650	247,962

During the period under review, the Company has earned a profit before tax of Rs.468 million as compared to Rs.175 million which shows an improvement of 167.5% (i.e. Rs.293 million). Profit after tax increased by Rs.98 million which is Rs.346 million as compared to Rs.248 million last year. This shows an improvement of 39.4%. The operations generated Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs.737 million during current FY against Rs.554 million last FY. The EBITDA is 33% higher in the current year as compared to that of last year.

Our company achieved gross profit of Rs. 883 million for the period as compared to Rs. 547 million in 2020. This shows an increase of Rs. 336 million, which is 61.5% more than comparable period of 2020. Gross profit margins increased to 12.6% as compared to 10.5% in the comparative period last year. The Company has lowered its cost of sales ratio to 87.4% as compared to 89.5% last year, which is 2.2% lower. This has been the result of efficient management of resources, wastage control and production cost efficiencies.

The sales revenue stood at Rs.6,996 million in the current year against Rs.5,233 million in the comparable period last year. In volumetric terms, we have successfully dispatched 38,369 metric tons of finished goods in comparison to the 35,567 metric tons of finished goods in FY 2020. In addition to this increase, the company has evidently improved its gross margins by rationalizing product's and customers' portfolio and increased its profitability by introducing cost reduction reforms throughout the company.

The Company has incurred a finance cost of Rs.112 million as compared to Rs.223 million in the comparable period last year which has a favorable impact on our bottom line. This is due to reduction in policy rate by The State Bank of Pakistan and efficient funds management by the Company. Utility cost remains a challenge which has resulted in an increase of expense of Rs.20 million with the cost recorded at Rs.236 million as compared to Rs.216 million in the comparable period last year. However, due to energy conservative measures taken by the management the utility cost has decreased to 3.4% of revenue as compared to 4.1% in the comparative year.

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

EARNING PER SHARE

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

EPS-2021: 2.44/share

EPS-2020: 1.75/share

DIVIDEND

The Board of Directors has recommended not to pay any dividend for the year ended 30 June 2021. The decision taken by the board is backed by various financial commitments by the Company in the upcoming period. This includes long term credit payment and investments in its wholly owned subsidiary.

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

Roshan Sun Tao Paper Mills Private Limited (RSTPML) was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a subsidiary of the Company which was; incorporated to set up a Corrugated Paper Manufacturing Mill. The Project was to be run as a joint venture between the Company with a Chinese partner, M/s Shandong Yongtai Paper Mills Limited (the 'SYPML'); however, the joint venture agreement was terminated by the Company due to contractual breaches committed by the Chinese partner. Thereafter, a case was filed before the Civil Court, for specific performance of termination clause of joint venture agreement.

SYPML had filed a petition before the Lahore High Court for winding up of the Company, which was dismissed on 05th October 2020. SYPML and its Directors intended to settle the matter and offered to sell their stake for a total consideration of PKR 81,675,825 i.e. PKR 11/- per share and the agreement has been signed between both parties.

In view of the prolonged litigation resulting in delay in completion of the project of the Subsidiary, Shareholders in their Extra Ordinary General Meeting held on May 06,2021 have accepted the offer of settlement with SYPML and its two nominee directors for an aggregate consideration of PKR 81,675,825 (Pak Rupees Eighty-One Million Six Hundred Seventy-Five Thousand Eight Hundred and Twenty-Five Only).The suit filed in the civil court by the Company against SYPML will be withdrawn pursuant to the execution of the settlement agreement.

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

The Subsidiary plans to start procurement of plant and machinery and expects to start its commercial operations within two years. In this respect, the Parent Company in its Annual General Meeting held on 28 October 2020 has approved additional equity investment of Rs. 900 million in the Subsidiary and increased the limit of the long-term loan up to Rs. 500 million. In addition to the above, the Subsidiary has also applied for financing facilities from commercial banks which is near to financial closure. Under the latest feasibility, total capital expenditure requirement is estimated to be Rs. 2.4 billion.

Considering the afore-mentioned, the management believes that a continued financial support from the Parent Company is available and the Board of Directors are committed to support the business activities of the Subsidiary based on which the Subsidiary would be able to start its operations as per plan.

HUMAN RESOURCE DEVELOPMENT

RPL was deemed as an essential business during the economic lock down and we have remained operational since then, working hard to ensure the satisfaction of our customers. Our employees went above and beyond to secure the supply chain for other essential businesses such as pharmaceuticals and food. This year our company held a vaccination drive and sponsored the vaccination of more than 300 employees. Moreover, we have introduced compulsory and voluntary in-house training for all our employees to aid in their professional development.

CORPORATE SOCIAL RESPONSIBILITY

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

BOARD OF DIRECTORS

Names of Directors during the year:

i. Mr. Khalid Eijaz Qureshi
ii. Mr. Tayyab Aijaz
iii. Mr. Saadat Eijaz
iv. Mr. Zaki Aijaz
v. Mr. Quasim Aijaz
vi. Mr. Muhammad Naveed Tariq
vii. Mrs. Ayesha Musaddaque Hamid

Total Number of Directors:

i. Male: 06

ii. Female: 01

Composition:

i. Independent Directors (including Female Director): 02

ii. Non-Executive Directors: 03

iii. Executive Directors: 02

BOARD MEMBERS AND ATTENDANCE AT MEETINGS

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

Name	Status	Meetings Attended
Mr. Khalid Eijaz Qureshi	Chairman/Non-Executive Director	02
Mr. Tayyab Aijaz	CEO/Executive Director	04
Mr. Saadat Eijaz	Executive Director	03
Mr. Zaki Aijaz	Non-Executive Director	04
Mr. Quasim Aijaz	Non-Executive Director	04
Mr. Muhammad Naveed Tariq	Independent Non-Executive Director	04
Mrs. Ayesha Musaddaque Hamid	Independent Non-Executive Director	04

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

AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

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

Name	Status	Meetings Attended
Mr. Muhammad Naveed Tariq	Chairman	04
Mr. Khalid Eijaz Qureshi	Member	02
Mr. Quasim Aijaz	Member	04

HUMAN RESOURCE AND REMUNERATION COMMITTEE AND ATTENDANCE AT MEETINGS

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

Name	Status	Meetings Attended
Mrs. Ayesha Musaddaque Hamid	Chairman	02
Mr. Khalid Eijaz Qureshi	Member	02
Mr. Tayyab Aijaz	Member	01

APPOINTMENT OF AUDITORS

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

PATTERN OF SHAREHOLDING

The pattern of shareholding is annexed to this Report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

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

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

The Company's production has no negative impact on the environment as our plant and operations comply with international and national environmental standards. Learn more about our environmental initiatives in the Corporate Social Responsibility Section of this report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board considers that internal financial controls of the Company are adequate and activities relating thereto are regularly reviewed either directly or through its committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

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

DIRECTORS' REMUNERATION

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

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

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

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

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

	Chief Executive		Executive Director		Non Executive Directors	
	2021	2020	**2021**	2020	**2021**	2020
	Rupees					
Short term employee benefits						
Managerial remuneration	**9,455,160**	9,455,160	**8,982,408**	8,982,408	-	-
House rent allowance	**4,254,120**	4,254,120	**4,041,420**	4,041,420	-	-
Medical expenses	**945,360**	945,360	**898,080**	898,080	-	-
Utilities	**945,360**	945,360	**898,092**	898,092	-	-
Meeting fee	-	-	-	-	**5,220,000**	4,341,818
Bonus	**1,575,860**	787,930	**1,497,068**	748,534	-	-
	17,175,860	16,387,930	**16,317,068**	15,568,534	**5,220,000**	4,341,818
Retirement and other long term benefits						
Gratuity	**1,300,000**	1,300,000	**1,235,000**	1,235,000	-	-
Accumulated compensated absences	**393,965**	393,965	**374,267**	374,267	-	-
	18,869,825	18,081,895	**17,926,335**	17,177,801	**5,220,000**	4,341,818
Number of persons	1	1	1	1	5	5

Directors' **Report**

RELATED PARTY TRANSACTIONS

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

FORWARD LOOKING STATEMENT

The vaccination drive against Covid 19 around the globe is paving the way for re-opening of economies. Though this phenomenon is encouraging for the health and safety of the masses, the pandemic has posed challenges for businesses owing to severe supply side shocks coupled with considerable shipment delays adversely affecting raw material and fuel costs. Waste paper prices, both imported as well as local, have seen substantial increase in the last few months.

The Company remains cautiously optimistic for the year ahead. Development of multiple vaccines and their gradual roll-out have created hope of healthy recovery next year. The Company is negotiating with its customers to pass on raw material & energy costs. We are rationalizing production costs, improving efficiencies, taking steps to reduce wastage and inefficiencies, using actively advanced marketing tools along with traditional methods of knocking customers. Our enthusiasm for broadening our products and customer portfolio will remain our priority going forward. We have a clear and focused strategy for our future and hope to strengthen our position in the coming years.

SUBSEQUENT EVENTS

There have been no material changes since 30 June 2021 to the date of this report and the Company has not entered into any commitment during this period which would have an impact on the financial position of the Company.

ACKNOWLEDGMENT

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

Chief Executive Officer	Chairman

Corporate Social Responsiblity

This year we are proud to report our Corporate Social Responsibility goals in line with the United Nations Sustainable Development Goals. Beyond business, Roshan Packages continues to invest in Pakistan. First and foremost, we are committed to acting with integrity and honesty in our everyday operations. Honesty and commitment are one of our core values and we aim to embody them in all dealings.

No Poverty

Roshan Packages ensures that all employees are paid according to market competitive rates, no employee is paid below the specified minimum wage in Pakistan and provides short term and long term loans to employees.

Zero Hunger

According to the FAO, Fresh Fruits and Vegetables account for the highest share of food losses and are usually among the most wasted items. Our fruit boxes were designed specifically to deal with the problem of food losses in the FFV sector. Each fruit box is developed after rigorous research and goes through extensive testing so that farmers and consumers alike do not have to worry about the freshness of the fruits and vegetables they produce and consume.

Good Health & Well-being

Roshan Packages Limited is proud to report that we have contributed to Pakistan's vaccination drive by sponsoring the vaccination of over 200 workers. This drive was organised on top of our Covid-19 prevention methods such as PPE and mask wearing, further highlighting our commitment to worker and consumer safety.

Quality Education

RPL has secured discounts for our workers and employees at prestigious institutions across Pakistan. We have also started conducting mandatory house trainings for all employees which allow them to refine their professional skills. These initiatives reaffirm our commitment to growth-together.

Life on Land

Our focus on recycling and procurement of recycled paper ensures that we do not partake in any deforestation or disruptive activities that may harm the ecosystem.

Gender Equality

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

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

Clean Water and Sanitation

Water treatment plants have been installed at the plant and are closely monitored for their timely repair and maintenance. Moreover, mineral water supplies from reputable and certified mineral water suppliers. Proper sanitation is installed in factory premises. Disposal of sewage water is made with properly covered pipe lines. Clean water for other the drinking requirements are provided to keep the environment and human hygienic.

Decent Work and Economic Growth

Roshan Packages Limited is proud to report that during the pandemic, not only were there zero layoffs but rather we embarked on our largest recruitment drive as of yet. We entered into partnerships with prestigious institutions such as University of Management and Technology and Superior University to provide students with learning opportunities as well as conducting recruitment drives in different cities across Pakistan. To this day, Roshan has added more than 500 jobs to the Pakistani economy.

Affordable and Clean Energy

RPL is committed to reducing its carbon footprint and has started exploring renewable energy sources for its operations. We have also installed an economizer on our Boiler for heat recovery and shifted to a submersible pump from a turbine pump, replaced halogen lights with LED Lights to save energy and maintain lux levels, converted VS Motors to induction motors to save energy and installed steam traps to reduce condensate pump and save exhausted steam at boiler.

Life Below Water

Roshan Sun Tao Paper Mills (Private) Limited, a dedicated and eco-friendly corrugated paper mill, is not only installing an international standard recycle-based paper manufacturing plant but will also have a European standard effluent water treatment plant for efficient industrial waste management. Our Corrugation plant has also installed SAP-B1 to monitor and consume raw materials responsibly while effluent is discharged within limits.

Climate Action

RPL has procured 600 indeginiuos trees to be planted at the Roshan Sun Tao Paper Mills boundary wall. Trees are a great tool to fight climate change as they remove carbon dioxide from the air, store carbon in the soil, and release oxygen into the atmosphere.

Sustainable Cities and Communities

Roshan takes care to ensure that all its sites are a part of regional and development planning leading to sustainable growth in cities and communities. All our factories are located in or around specified industrial zones ensuring that our growth does not hamper that of communities.

Industry, Innovation & Infrastructure

Roshan Packages Limited does not compromise on the quality of its infrastructure or machinery and is proud to own one of the most technologically advanced corrugation and flexible packaging plants in the region. Moreover, our state of the art labs in both our labs focus on quality, innovation research.

Reduced Inequality

Roshan Packages is an Equal Opportunity Employer and does not discriminate on the basis of sex, gender, disability, race or religion. We employ a diverse workforce and have recently introduced affirmative hiring policies in our Human Resource Department.

Responsible Consumption & Production

RPL takes care to recycle up to 100% of our eligible paper waste whilst procuring recycled raw materials on priority. Roshan is proud to report that our growth will be clean, green and renewable as we expand towards paper manufacturing and focus on a circular business model.

ROSHAN PACKAGES LIMITED

PATTERN OF SHAREHOLDING REPORT

AS OF JUNE 30, 2021

S.No.	Folio #	Name of shareholder	Number of shares	%age
Directors and their spouse(s) and minor children				
1	1	TAYYAB AIJAZ	38,087,809	26.84
2	2	SADDAT EIJAZ	16,830,000	11.86
3	3	ZAKI AIJAZ	16,833,538	11.86
4	4	KHALID EIJAZ QURESHI	20,790,000	14.65
5	5	QUASIM AIJAZ	4,196,562	2.96
6	7	MUHAMMAD NAVEED TARIQ	2	0.00
7	2088	MRS. AYESHA MUSSADAQUE HAMID	56	0.00
		7	**96,737,967**	**68.17**
Associated companies, undertakings and related parties				
		2	6,214	0.00
NIT & ICP		Nil		
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.				
1	02832-32	MEEZAN BANK LIMITED	2,108,000	1.49
2	04705-87224	FEDERAL BOARD OF REVENUE	145,958	0.10
3	09332-28	FIRST CREDIT & INVESTMENT BANK LIMITED	4,000	0.00
4	09944-24	AL BARAKA BANK (PAKISTAN) LIMITED	1,087,900	0.77
		4	**3,345,858**	**2.36**
Insurance Companies		Nil		-
Modarabas and Mutual Funds				
1	02113-21	FIRST EQUITY MODARABA	59,400	0.04
2	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	86,500	0.06
3	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	3,332,500	2.35
4	07450-521	B.R.R. GUARDIAN MODARABA	96,381	0.07
5	09480-21	CDC - TRUSTEE NBP STOCK FUND	1,494,500	1.05
6	09506-26	CDC - TRUSTEE NBP BALANCED FUND	68,000	0.05
7	10397-29	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	41,000	0.03
8	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	199,500	0.14
9	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFA FUND	95,000	0.07
10	14514-28	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	5,000	0.00
11	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	2,006,500	1.41
12	16402-20	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	115,500	0.08
13	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	200,000	0.14
14	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	106,500	0.08
		14	**7,906,281**	**5.57**
General Public Foreign		19	**391,255**	**0.28**
Foreign Companies		Nil		-
General Public Local/Others				
		5,285	33,512,425	23.62
Total		**5,331**	**141,900,000**	**100.00**

ROSHAN PACKAGES LIMITED

PATTERN OF SHAREHOLDING REPORT

AS OF JUNE 30, 2021

Categories of Shareholders		Shareholders	Shares Held	%age
Directors and their spouse(s) and minor children				
TAYYAB AIJAZ		1	38,087,809	26.84
SADDAT EIJAZ		1	16,830,000	11.86
ZAKI AIJAZ		1	16,833,538	11.86
KHALID EIJAZ QURESHI		1	20,790,000	14.65
QUASIM AIJAZ		1	4,196,562	2.96
MUHAMMAD NAVEED TARIQ		1	2	0.00
MRS. AYESHA MUSSADAQUE HAMID		1	56	0.00
Associated Companies, undertakings and related parties		2	6,214	0.00
NIT & ICP		-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.		4	3,345,858	2.36
Insurance Companies		-	-	-
Modarabas and Mutual Funds		14	7,906,281	5.57
General Public				
	a. Local	5,237	28,392,614	20.01
	b. Foreign	19	391,255	0.28
Foreign Companies		-	-	-
Others		48	5,119,811	3.61
	Total	**5,331**	**141,900,000**	**100.00**

Share holders holding 10% or more	Shares Held	%age
SADDAT EIJAZ	**16,830,000**	**11.86**
ZAKI AIJAZ	**16,833,538**	**11.86**
KHALID EIJAZ QURESHI	**20,790,000**	**14.65**
TAYYAB AIJAZ	**38,087,809**	**26.84**

ROSHAN PACKAGES LIMITED

PATTERN OF SHAREHOLDING REPORT

AS OF JUNE 30, 2021

# Of Shareholders	Shareholdings' Slab			Total Shares Held
352	1	to	100	11,685
543	101	to	500	186,812
1985	501	to	1000	1,394,108
1615	1001	to	5000	3,525,219
301	5001	to	10000	2,259,827
168	10001	to	15000	2,138,982
115	15001	to	20000	2,006,543
48	20001	to	25000	1,078,258
31	25001	to	30000	862,756
20	30001	to	35000	656,507
14	35001	to	40000	534,189
15	40001	to	45000	640,188
12	45001	to	50000	583,104
8	50001	to	55000	435,150
12	55001	to	60000	694,222
5	60001	to	65000	315,400
8	65001	to	70000	537,688
2	70001	to	75000	145,100
1	75001	to	80000	80,000
3	80001	to	85000	250,652
8	85001	to	90000	699,820
4	90001	to	95000	374,500
6	95001	to	100000	593,142
2	100001	to	105000	207,664
4	105001	to	110000	432,492
3	115001	to	120000	352,051
2	120001	to	125000	247,900
1	125001	to	130000	126,000
1	130001	to	135000	132,000
3	145001	to	150000	445,958
1	150001	to	155000	151,110
2	170001	to	175000	345,762

ROSHAN PACKAGES LIMITED

PATTERN OF SHAREHOLDING REPORT

AS OF JUNE 30, 2021

# Of Shareholders	Shareholdings' Slab			Total Shares Held
2	175001	to	180000	354,377
1	180001	to	185000	184,930
1	185001	to	190000	186,120
1	190001	to	195000	192,456
3	195001	to	200000	599,500
1	200001	to	205000	205,000
1	215001	to	220000	218,499
2	235001	to	240000	478,000
1	285001	to	290000	289,500
1	305001	to	310000	310,000
1	310001	to	315000	312,000
1	330001	to	335000	330,700
1	335001	to	340000	335,500
1	395001	to	400000	400,000
1	440001	to	445000	440,600
1	465001	to	470000	465,500
1	605001	to	610000	606,410
1	665001	to	670000	669,500
1	800001	to	805000	800,440
1	805001	to	810000	808,110
1	1085001	to	1090000	1,087,900
1	1490001	to	1495000	1,494,500
1	2005001	to	2010000	2,006,500
1	2105001	to	2110000	2,108,000
1	2175001	to	2180000	2,177,760
1	2320001	to	2325000	2,323,000
1	3330001	to	3335000	3,332,500
1	4195001	to	4200000	4,196,562
1	16825001	to	16830000	16,830,000
1	16830001	to	16835000	16,833,538
1	20785001	to	20790000	20,790,000
1	38085001	to	38090000	38,087,809
5331				**141,900,000**

RISKS AND **OPPORTUNITIES**

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

Risk	Mitigants
Technological Obsolescence	The company continuously invests in expansion, modernization, upgrading its manufacturing facilities and keeping pace with advancements in technology in order to remain competitive in future.
Business Risk	The company stays competitive and up to date to face this risk.
Foreign Exchange Risk	The company is shifting towards local buying. However, some raw material is not available locally due to which it has to be imported. In order to mitigate this risk, the company has shifted to on sight LC. Furthermore, the company is trying it level best to negotiate prices with customers to pass on these fluctuations.
Liquidity Risk	The company makes sure that it always has sufficient cash flows to meet its liabilities on time. The company working capital cycle is maintained through long term and short-term borrowings and equity to maintain a proper mix between different sources of finance to minimize risk.
Credit Risk	The company has robust procedures for credit approval and closely monitors the exposure of credit limits to access the financial viability of all counter parties in order to avoid risk.
Diversification Risk	The company is constantly investing in the diversification of its businesses and technical expertise.

OPPORTUNITIES

Modern technology

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

Strong Relationships

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

Backward Integration

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

One stop for all packaging needs

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

Production Capacity

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

E-commerce plat form

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

EY Building a better working world

EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Roshan Packages Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Roshan Packages Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

EY Ford Rhodes
Chartered Accountants
Lahore
Dated: 4th October 2021

Statement of Compliance with Listed Companies **(Code of Corporate Governance) Regulations 2019**

Roshan Packages Limited | Year Ending June 30, 2021

Roshan Packages Limited (the "Company") has complied with the requirements of Listed Companies Code of Corporate Governance Regulations, 2019 (the "Regulations") in the following manner:

1. **The total number of directors are 7 as per the following:**
   a. Male: 6
   b. Female: 1

2. **The Composition of Board is as follows:**
   a. **Independent Directors: 02**
      i. Mr. Muhammad Naveed Tariq
      ii. Mrs. Ayesha Musaddaque Hamid (Female Director)
   b. **Non-Executive Directors: 03**
      i. Mr. Khalid Eijaz Qureshi
      ii. Mr. Quasim Aijaz
      iii. Mr. Zaki Aijaz
   c. **Executive Directors: 02**
      i. Mr. Tayyab Aijaz
      ii. Mr. Saadat Eijaz
3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with the dates on which they were approved or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by the Board / shareholder as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of the directors in accordance with the Act and the Regulations.
9. The Board has arranged Director's Training program for the following:
   i. Mr. Muhammad Naveed Tariq
   ii. Mr. Quasim Aijaz
   iii. Mr. Saadat Eijaz
   iv. Mr. Zaki Aijaz
   v. Mr. Tayyab Aijaz
   vi. Mrs. Ayesha Musaddaque Hamid
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following mandatory committees comprising of members given below:

a. Audit Committee:

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

b. Human Resource and Remuneration Committee:

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

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:
    a. Audit Committee (quarterly)
    b. HR and Remuneration Committee (half yearly)

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or the Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements other than regulations 3,6,7,8,27,32,33,36 are below:

Non-Mandatory Requirements	Regulation No.	Explanation
Independent Directors: It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.	06 (01)	One third of the numbers of elected directors equate to 2.33 and accordingly, the same has not been rounded up as one. Further, the current board was elected before the application of these regulations
Nomination Committee: Board may constitute a separate committee, designated as the nomination committee, of such members and class of directors, as it may deem appropriate in its circumstances.	29 (01)	Currently, Board has not constituted a separate nomination committee and functions are being performed by Board itself.
Risk Management Committee: Board may constitute risk management committee of such members and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to Board.	29 (01)	Currently, Board has not constituted a separate nomination committee and functions are being performed by Board itself.

Khalid Eijaz Qureshi

Chairman

EY Ford Rhodes
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of **Roshan Packages Limited** ("the Company"), which comprise the unconsolidated statement of financial position as at **30 June 2021** and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
1. Revenue from contracts with customers	
Refer to Note 33 to the unconsolidated financial statements and the accounting policy in Note 4.18 to the unconsolidated financial statements. For the year ended on 30 June 2021, the Company has recorded total net revenue from contracts with customers amounting to Rs. 6,995.84 million in which revenue amounting to Rs. 6,460.04 million recognized over time pertains to made-to-order products.	Our audit procedures included, but were not limited to: • Obtaining an understanding of the process relating to recording of revenue from contract with customers and testing the design, implementation and operating effectiveness of relevant key internal controls. • assessing the appropriateness of the Company's revenue accounting policies and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;
The Company has recognized revenue in accordance with the guidance of IFRS 15 "Revenue from Contracts with Customers" during the year. IFRS 15 provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of this standard is to recognize revenue as performance obligations are fulfilled rather than based on the transfer of risk and rewards. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and due to the risk associated with the judgement in determining the timing of the transfer of control of goods.	• obtaining an understanding of the types of contracts with the Company's customers and comparing on a sample basis, revenue transactions recorded during the year and around the year end with the sales orders, sales invoices, dispatch orders and other relevant underlying documents to assess whether the revenue was recorded in accordance with the five step approach of IFRS 15 in appropriate financial reporting period; • inspecting, on a sample basis, credit notes issued during and around the year end to evaluate whether the variable elements of revenue from contract with customers had been accurately recorded in the appropriate financial reporting period; and • scanning for any manual journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

EY Ford Rhodes
Chartered Accountants
Lahore
Dated: 4th October 2021

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

ASSETS	Note	2021 Rupees	2020 Rupees
Non-current assets			
Property, plant and equipment	6	4,467,820,001	4,524,161,130
Right-of-use assets	7	33,431,766	51,279,633
Intangible asset	8	-	362,586
Investment in subsidiary	9	160,618,966	111,376,130
Long term loans	10	509,981,467	168,546,690
Long term deposits		14,902,194	14,902,194
		5,186,754,394	4,870,628,363
Current assets			
Stores, spares and other consumables	11	182,914,819	171,999,102
Stock-in-trade	12	860,632,063	708,935,191
Contract assets	13	148,554,959	80,878,738
Trade receivables	14	1,459,777,356	1,255,085,411
Current portion of long term loans	10	-	149,249,281
Short term loan	15	-	92,186,870
Advances, deposits, prepayments and other receivables	16	748,749,534	718,642,360
Short term investments	17	545,852,250	486,017,750
Cash and bank balances	18	305,574,793	328,562,905
		4,252,055,774	3,991,557,608
TOTAL ASSETS		9,438,810,168	8,862,185,971
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2020: 150,000,000) ordinary shares of Rs. 10 each		2,000,000,000	1,500,000,000
Issued, subscribed and paid up share capital	19	1,419,000,000	1,419,000,000
Capital reserves			
Share premium	20	1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment	21	1,746,398,900	1,795,215,742
		3,741,187,957	3,790,004,799
Revenue reserve			
Un-appropriated profit		903,918,570	653,269,980
TOTAL EQUITY		6,064,106,527	5,862,274,779
Non-current liabilities			
Supplier's credit	22	64,192,028	-
Long term financing	23	18,522,370	87,018,828
Lease liabilities	24	24,753,229	31,721,605
Deferred tax liabilities	25	574,649,300	453,622,673
Deferred liabilities	26	140,818,763	122,088,352
		822,935,690	694,451,458
Current liabilities			
Current portion of long term liabilities	27	199,746,644	248,834,807
Short term borrowings	28	966,452,761	1,048,293,740
Trade and other payables	29	1,350,109,613	959,971,322
Contract liabilities	30	14,731,994	15,918,351
Accrued finance cost	31	18,750,357	31,653,458
Unclaimed dividend		1,976,582	788,056
		2,551,767,951	2,305,459,734
TOTAL LIABILITIES		3,374,703,641	2,999,911,192
TOTAL EQUITY AND LIABILITIES		9,438,810,168	8,862,185,971
CONTINGENCIES AND COMMITMENTS	32		

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

Chief Executive | Director | Chief Financial Officer

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Revenue from contracts with customers		8,118,728,427	6,085,148,294
Less: sales tax		(1,122,890,202)	(852,177,670)
Net revenue	33	6,995,838,225	5,232,970,624
Cost of revenue	34	(6,112,740,638)	(4,686,045,061)
Gross profit		883,097,587	546,925,563
Administrative expenses	35	(177,325,128)	(147,442,607)
Selling and distribution expenses	36	(197,356,671)	(165,539,231)
Reversal of allowance on trade receivable	14	-	24,866,683
Other operating expenses	37	(34,257,533)	(16,606,415)
		(408,939,332)	(304,721,570)
Operating profit		474,158,255	242,203,993
Other income	38	105,578,721	155,910,647
Finance costs	39	(111,635,681)	(223,123,998)
Profit before taxation		468,101,295	174,990,642
Taxation	40	(122,451,292)	72,971,342
Profit for the year		345,650,003	247,961,984
Earnings per share - Basic and diluted	41	2.44	1.75

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

Chief Executive | Director | Chief Financial Officer

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Profit for the year		**345,650,003**	247,961,984
Other comprehensive loss:			
Items that will not be subsequently reclassified in profit or loss:			
- actuarial loss on remeasurement of retirement benefits	26.2	**(2,701,768)**	(244,199)
- related deferred tax	25	**783,513**	70,818
		(1,918,255)	(173,381)
Total comprehensive income for the year		**343,731,748**	247,788,603

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

Chief Executive	Director	Chief Financial Officer

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued, subscribed and paid-up share capital	Capital reserves: Share Premium	Capital reserves: Surplus on revaluation of property, plant and equipment	Revenue reserve: Unappropriated profit	Total
	Rupees				
Balance as on 01 July 2019	1,419,000,000	1,994,789,057	1,843,728,306	356,968,813	5,614,486,176
Profit for the year	-	-	-	247,961,984	247,961,984
Other comprehensive loss for the year	-	-	-	(173,381)	(173,381)
Total comprehensive income	-	-	-	247,788,603	247,788,603
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax (Note 21)	-	-	(48,512,564)	48,512,564	-
Balance as on 30 June 2020	1,419,000,000	1,994,789,057	1,795,215,742	653,269,980	5,862,274,779
Profit for the year	-	-	-	**345,650,003**	**345,650,003**
Other comprehensive loss for the year	-	-	-	**(1,918,255)**	**(1,918,255)**
Total comprehensive income	-	-	-	**343,731,748**	**343,731,748**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax (Note 21)	-	-	**(48,816,842)**	**48,816,842**	-
Final cash dividend for the year ended 30 June 2020 (Rs.1 per share)	-	-	-	**(141,900,000)**	**(141,900,000)**
Balance as on 30 June 2021	**1,419,000,000**	**1,994,789,057**	**1,746,398,900**	**903,918,570**	**6,064,106,527**

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

Chief Executive	Director	Chief Financial Officer

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
OPERATING ACTIVITIES			
Profit before taxation		468,101,295	174,990,642
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of operating fixed assets	6.1.4	146,740,804	141,052,819
Depreciation of right-of-use assets	7.1	10,385,583	13,598,863
Interest income on loans	38	(40,997,951)	(53,855,536)
Finance costs	39	111,635,681	223,123,998
Provision for gratuity	26.2.1	31,293,341	51,564,686
Allowance for expected credit losses	14.2	-	(24,866,683)
Profit on bank deposits	38	(18,182,346)	(19,452,163)
Profit on short term investments	38	(35,062,443)	(76,007,712)
Amortization of intangible asset	8	362,586	1,417,696
Provision for Worker's Profit Participation Fund	37	25,099,726	9,207,593
Provision for Worker's Welfare Fund	37	8,793,498	630,643
Grant income	26.3	(2,350,049)	(187,243)
Gain on remeasurement of supplier's credit	38	(1,409,209)	-
Exchange loss - unrealized		142,548	3,989,680
Loss / (gain) on disposal of property, plant and equipment	37 & 38	364,309	(3,397,056)
Provision for accumulating compensated absences	26.1.1	447,283	2,906,501
		705,364,656	444,716,728
Working capital adjustments:			
Decrease / (increase) in current assets:			
Stores and spare parts		(10,915,717)	866,441
Stock-in-trade		(151,696,872)	651,376
Trade receivables		(204,691,945)	39,286,620
Contract assets		(67,676,221)	(32,282,771)
Advances, deposits, prepayments and other receivables		(67,656,732)	57,876,507
Increase / (decrease) in current liabilities:			
Contract liabilities		(1,186,357)	11,826,356
Trade and other payables		273,601,666	(17,167,117)
		(230,222,178)	61,057,412
Net cash flows from operations		475,142,478	505,774,140
Finance costs paid		(118,099,251)	(218,094,259)
Tax refunded / (paid)		10,813,969	(42,570,180)
Gratuity paid		(13,943,906)	(7,938,002)
Accumulated absences paid		(220,328)	(437,674)
Net increase in long term deposits		-	(5,319,670)
		(121,449,516)	(274,359,785)
Net cash flows from operating activities		353,692,962	231,414,355

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021 Rupees	2020 Rupees
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(81,092,699)	(57,351,711)
Proceeds from disposal of property, plant and equipment		553,999	7,800,000
Long term loan given		(118,393,386)	(30,704,997)
Interest on long term loan received		114,691,632	-
Profit on bank deposits received		56,473,294	102,806,154
Net cash (used in) / flows from investing activities		(27,767,160)	22,549,446
FINANCING ACTIVITIES			
Proceeds from long term financing		25,601,002	48,100,272
Repayment of long term financing		(45,170,294)	(250,599,963)
Repayment of supplier's credit		(34,553,667)	(51,208,428)
Dividend paid		(140,711,474)	(12,113)
Repayment of short term borrowings - net		(57,005,212)	(103,318,336)
Repayment of lease liabilities		(12,404,002)	(19,472,401)
Net cash used in financing activities		(264,243,647)	(376,510,969)
Net increase / (decrease) in cash and cash equivalents		61,682,155	(122,547,168)
Cash and cash equivalents at the beginning of the year		574,201,284	696,748,452
Cash and cash equivalents at the end of the year	42	635,883,439	574,201,284

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

Significant non-cash adjustment:

- Pursuant to the agreement between the Company and Shandong Yongtai Paper Mills Limited and its directors (joint shareholders in the Roshan Sun Tao Paper Mills (Private) Limited - the Subsidiary), the Company has acquired their interest in the Subsidiary for Rs. 81.67 million, as mentioned in Note 9.3.

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.

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting and reporting standards, as applicable in Pakistan that have significant effect on the unconsolidated financial statements and estimates with a significant risk of material adjustment in the next year are documented in the following accounting policies and notes, and relate primarily to:

	Note
a) Depreciation method, rates and useful lives of depreciable and right-of-use assets	4.2 & 4.3
b) Employee retirement and other benefits	4.11
c) Revenue recognition: Whether revenue from products recognized over time or at point in time	4.18
d) Taxation	4.20
e) Impairment of financial assets	4.9 & 4.22

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Standard, interpretations and amendments to approved published accounting standards that became effective during the year

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

Standards or Interpretations

i) Amendments to IFRS 3: Definition of a Business

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

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

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

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

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

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

Standards or Interpretations

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

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

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

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

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

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

4.2 Property, plant and equipment

Operating fixed assets

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

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

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

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

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

ROSHAN PACKAGES LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

Depreciation on all property, plant and equipment is charged to the unconsolidated statement of profit or loss on the reducing balance method, except for buildings on freehold land, plant and machinery and related electric installations which are being depreciated using the straight line method, so as to write off the historical cost of an asset over its estimated useful life at depreciation rates mentioned in Note 6 after taking into account their residual values.

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

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

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

Capital work in progress

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

4.3 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

a) Right-of-use assets

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

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

b) Lease liabilities

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

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

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

d) Judgement and estimate:

Determining the lease term of contracts

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

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

4.4 Intangible asset

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

Intangible asset is amortized at a rate mentioned in Note 8 and charged to unconsolidated statement of profit or loss. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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

4.5 Investment in subsidiary

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

4.6 Impairment of non-financial assets

The carrying amounts of non-financial assets other than stores, spares and other consumables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in unconsolidated statements of profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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4.7 Stores, spares and other consumables

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

4.8 Stock-in-trade

These are stated at the lower of cost, which is calculated according to moving average method, and estimated net realizable value.

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

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

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

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

4.9 Trade receivables

Trade receivables are initially measured at their transaction price under IFRS 15 and subsequently measured at amortized cost less any allowance for expected credit losses.

Allowance for expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. For trade and other receivables, the Company has applied the standard's simplified approach and calculated ECLs based on lifetime expected credit losses. The Company uses provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4.10 Cash and cash equivalents

Cash and bank balances comprise of cash in hand and cash at banks in current and saving accounts and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash and bank balances and short term investment, net of outstanding running finance balances as they are considered as integral part of the Company's cash management.

4.11 Employee benefits

The Company operates following retirement and other long term schemes for its employees.

a) Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees. Gratuity benefit is calculated according to last drawn eligible salary multiplied by number of completed years of service. No benefit is paid if service is less than one year.

The entity recognizes the defined benefit liability in the unconsolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. Actuarial valuation is conducted every year. The latest valuation was carried out as at 30 June 2021 using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses from changes in actuarial and experience assumptions for gratuity is recognized immediately in the unconsolidated statement of financial position with a corresponding debit or credit to unappropriated profit through other comprehensive income in the period in which they occur. Re-measurement of defined benefit liability recognized in unconsolidated statement of comprehensive income and shall not be reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the profit or loss on earlier of; the date of the plan amendment or curtailment, and the date when entity recognizes related restructuring cost. Net interest is calculated by applying the discount rate to the defined benefit liability. The entity recognizes the current service cost, past service cost, gains and losses on curtailments, non-routine settlements and net interest expense or income changes in the defined benefit obligations in the unconsolidated statement of profit or loss.

b) **Accumulated compensated absences**

The Company provides leave encashment benefit to its employees. Employees are entitled to receive 15 days leave per annum. The un-utilized leave are accumulated subject to a maximum of 30 days. The un-utilized accumulated leave are en-cashed at the time of leaving the service.

The entity recognizes the defined benefit liabilities in the unconsolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. All actuarial gain or loss, current service, past service cost and interest cost are recognized in unconsolidated statement of profit or loss. The valuation is based on the assumptions as mentioned in Note 26.1 of these unconsolidated financial statements.

In prior years, management used to calculate obligation for accumulated compensated absences on the basis of accumulated leaves and last drawn salary of the respective year and charged to unconsolidated statement of profit or loss. During the year, management has involved a qualified independent actuary for the first time to calculate the provision related to accumulated compensated absences. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the salaries and other benefits expense for the year has decreased by Rs. 2,459,225 and deferred tax liability as at reporting date has decreased by Rs. 713,175. The resultant after-tax effect is an increase in profit for the year of Rs. 3,172,400.

The Company faces the following risks on account of calculation of provision for employees benefits:

- **Salary increase / inflation risk:**

  The Gratuity Scheme is a defined benefit scheme with benefits based on last drawn salary. Therefore, the liabilities of the scheme are sensitive to the salary increases.

- **Discount rate risk:**

  The risk of changes in discount rate may have an impact on the plan's liability.

- **Mortality risk:**

  Actual mortality experience maybe different than that assumed in the calculation.

- **Withdrawal risk:**

  Actual withdrawals experience may different from that assumed in the calculation.

4.11.1 Estimates and judgments

The cost of employee benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and withdrawal rates.

Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The Company uses the valuation performed by an independent actuary as the present value of its defined benefit obligation. Actuarial valuation is conducted every year and is based on assumptions as mentioned in notes to these unconsolidated financial statements.

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4.12 Deferred income - Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Benefit of a loan at a below-market rate of interest is recognized as deferred income. Deferred income is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed.

4.13 Trade and other payables

Liabilities for trade and other payables are carried at their cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.14 Contract liabilities

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

4.15 Dividend

The Company recognizes a liability to pay a dividend when the distribution is authorized by the Board of Directors of the Company (The Board), and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

4.16 Provisions

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

4.17 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.18 Revenue from contracts with customers

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

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

Made-to-order packaging products:

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

Standard packaging products:

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

4.19 Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in unconsolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. There are no non-monetary items measured at fair value in a foreign currency.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, determines the transaction date for each payment or receipt of advance consideration.

4.20 Taxation

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

Current tax

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

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

Deferred

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

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

4.21 Sales Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the unconsolidated statement of financial position.

4.22 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.22.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes long term loan, long term deposits, trade receivables, contract assets, deposits and other receivables, short term investments and cash and bank balances.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company doesn't have any financial assets measured at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company hasn't elected to classify any financial assets under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company doesn't have any financial assets measured at fair value through profit or loss.

Impairment of financial assets

The Company recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

4.22.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Company's financial liabilities include trade and other payables (excluding due to statutory authorities), long term loans, short term borrowings, mark-up accrued on loans and unclaimed dividend.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the unconsolidated statement of profit or loss.

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the unconsolidated statement of profit or loss.

4.22.3 Derecognition

4.22.3.1 Financial assets

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

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

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

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

4.22.3.2 Financial liabilities

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

4.22.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the unconsolidated statement of financial position when, and only when, the entity currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4.23 Earnings per share (EPS)

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

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

4.24 Events after the reporting period

If the Company receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Company will assess if the information affects the amounts that it recognizes in the unconsolidated financial statements. The Company will adjust the amounts recognized in its unconsolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognized in its unconsolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4.25 Current versus non-current classification

The Company presents assets and liabilities in the unconsolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current. Deferred tax liabilities are classified as non-current liabilities.

5 NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE RELEVANT BUT NOT YET EFFECTIVE

The standards and interpretations with respect to the accounting and reporting standards as applicable in Pakistan that are issued, but not yet effective, up to the date of issuance of the Company's unconsolidated financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard or Interpretation

- **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company expects that these amendments will have no impact on unconsolidated financial statements as their current practice is already in line with the proposed amendments.

Standard or Interpretation

- **Reference to the Conceptual Framework – Amendments to IFRS 3**

  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 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 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and are applied prospectively. The amendments are not expected to have a material impact on the unconsolidated financial statements of the Company.

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

  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling 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 recognizes the proceeds from selling such items, and the costs of producing those items, in the statement of profit or loss.

  The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the unconsolidated financial statements of the Company.

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

  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

  The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. 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.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Considering the nature of operation of the Company, these amendments are not expected to have a material impact on the unconsolidated financial statements of the Company.

- **IFRS 1 - First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not applicable to the Company.

Standard or Interpretation

- **IFRS 9 - Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IFRS 9. 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 by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the unconsolidated financial statements of the Company.

- **IAS 41 Agriculture – Taxation in fair value measurements**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. These amendment is not applicable to the Company.

- **IFRS 10 - and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments are not applicable to the Company.

- **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

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Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the IASB expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. However, these amendments are not expected to have a material impact on the unconsolidated financial statements of the Company.

- **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

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

Standard or Interpretation

- **IFRS 1 - First-time Adoption of International Financial Reporting Standards**

In November 2008, the IASB issued IFRS 1 First time adoption of International reporting standards, sets out the procedures that an entity must follow when it adopts IFRSs for the first time as the basis for preparing its general purpose financial statements for a period beginning on or after 1 July 2004. However, the SECP has not yet notified its date of applicability in Pakistan.

- **IFRS 17 – Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	6.1	**4,467,326,597**	4,426,415,803
Capital work in progress	6.2	**493,404**	97,745,327
		4,467,820,001	4,524,161,130

6.1 Operating fixed assets

	Owned							Total
	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture and fixtures	Office equipment	Vehicles	
	Rupees							
Cost / revalued amount								
As at 01 July 2019	941,755,000	1,156,937,489	3,788,473,314	125,269,194	9,020,156	50,004,000	50,939,567	6,122,398,720
Additions	-	4,981,019	39,344,576	12,500	1,049,298	3,866,463	-	49,253,856
Transfers from right of use assets	-	-	-	-	-	-	7,600,000	7,600,000
Disposals	-	-	(1,376,944)	-	-	-	(7,600,000)	(8,976,944)
As at 30 June 2020	941,755,000	1,161,918,508	3,826,440,946	125,281,694	10,069,454	53,870,463	50,939,567	6,170,275,632
Additions	**1,233,200**	**640,912**	**77,273,039**	**959,739**	**1,742,495**	**96,495,237**	**-**	**178,344,622**
Transfers from right of use assets	**-**	**-**	**-**	**-**	**-**	**-**	**22,379,333**	**22,379,333**
Disposals / written off (Note 6.1.6)	**-**	**-**	**(35,641)**	**(23,715)**	**(1,004,070)**	**(209,733)**	**(1,845,500)**	**(3,118,659)**
As at 30 June 2021	**942,988,200**	**1,162,559,420**	**3,903,678,344**	**126,217,718**	**10,807,879**	**150,155,967**	**71,473,400**	**6,367,880,928**
Depreciation								
As at 01 July 2019	-	242,864,775	1,270,549,450	33,124,361	4,152,556	18,636,601	34,279,613	1,603,607,356
Charge for the year	-	33,754,204	92,099,921	3,153,190	519,009	7,595,195	3,931,300	141,052,819
Transfers from right of use assets	-	-	-	-	-	-	3,773,653	3,773,653
Disposals	-	-	(98,849)	-	-	-	(4,475,150)	(4,573,999)
As at 30 June 2020	-	276,618,979	1,362,550,522	36,277,551	4,671,565	26,231,796	37,509,416	1,743,859,829
Charge for the year	**-**	**33,939,057**	**97,428,830**	**3,208,391**	**637,727**	**6,957,837**	**4,568,962**	**146,740,804**
Transfers from right of use assets	**-**	**-**	**-**	**-**	**-**	**-**	**12,154,049**	**12,154,049**
Disposals / written off (Note 6.1.6)	**-**	**-**	**(16,274)**	**(13,256)**	**(822,861)**	**(132,395)**	**(1,215,565)**	**(2,200,351)**
As at 30 June 2021	**-**	**310,558,036**	**1,459,963,078**	**39,472,686**	**4,486,431**	**33,057,238**	**53,016,862**	**1,900,554,331**
Net book value								
As at 30 June 2021	**942,988,200**	**852,001,384**	**2,443,715,266**	**86,745,032**	**6,321,448**	**117,098,729**	**18,456,538**	**4,467,326,597**
As at 30 June 2020	941,755,000	885,299,529	2,463,890,424	89,004,143	5,397,889	27,638,667	13,430,151	4,426,415,803
Depreciation rate	**-**	**3% - 20%**	**3% - 50%**	**3% - 10%**	**10%**	**10% - 50%**	**20%**	

6.1.1 The gross carrying value of fully depreciated assets that are still in use amounted to Rs. 2.63 million (2020: Rs. 2.20 million).

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6.1.2 The latest revaluation on freehold land, buildings on freehold land, plant and machinery and electric installations was carried out on 30 June 2019 by an independent professional valuer, Unicorn International Surveyors. Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2021 Rupees	2020 Rupees
Freehold land	**128,060,277**	126,827,077
Buildings on freehold land	**423,920,778**	443,458,095
Plant and machinery	**1,577,255,626**	1,563,492,383
Electric installations	**55,337,190**	56,478,688
	2,184,573,871	2,190,256,243

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

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

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

	Note	2021 Rupees	2020 Rupees
Cost of revenue	**34**	**141,200,163**	136,158,354
Administrative expenses	**35**	**4,088,592**	4,116,082
Selling and distribution expenses	**36**	**1,452,049**	778,383
		146,740,804	141,052,819

6.1.5 Particulars of immovable fixed assets are as follows:

Description	Location	Area
Corrugation plant site	7 K.M. Sundar Raiwind Road, opposite Sundar Industrial Estate, Mauza Bhai Kot, District Lahore.	8.22 acres
Flexible plant site	Plot No. 141, 142 & 142-B, Sundar Industrial Estate, Sundar Raiwind Road, Lahore	7.73 acres

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

6.1.6 Assets written-off include several low value assets having net book value of Rs. 288,373, which are assessed redundant by the management as result of extensive survey conducted during the year. Further, the aggregate net book value of operating fixed assets disposed off during the year have not exceeded five million, therefore, particulars of such assets does not require to be disclosed.

6.2 Capital work in progress

	Opening balance	Additions	Transfers to operating fixed assets	Closing balance
2021	Rupees			
Plant and machinery	**19,166,208**	**18,971,274**	**(37,644,078)**	**493,404**
Civil works	**23,519,131**	**500,250**	**(24,019,381)**	**-**
Electrical installations	**3,759,708**	**-**	**(3,759,708)**	**-**
Office equipment	**51,300,280**	**-**	**(51,300,280)**	**-**
	97,745,327	**19,471,524**	**(116,723,447)**	**493,404**

	Opening balance	Additions	Transfers to operating fixed assets	Closing balance
	Rupees			
2020				
Plant and machinery	20,977,169	21,755,370	(23,566,331)	19,166,208
Civil works	12,740,157	10,778,974	-	23,519,131
Electrical installations	754,687	3,005,021	-	3,759,708
Office equipment	55,175,462	-	(3,875,182)	51,300,280
	89,647,475	35,539,365	(27,441,513)	97,745,327

7 RIGHT-OF-USE ASSETS

	Leasehold Buildings	Vehicles	Total
Cost	Rupees		
As at 01 July 2019	38,480,671	42,360,000	80,840,671
Additions	-	3,130,000	3,130,000
Transfers to operating fixed assets	-	(7,600,000)	(7,600,000)
As at 30 June 2020	38,480,671	37,890,000	76,370,671
Additions	**-**	**2,763,000**	**2,763,000**
Transfers to operating fixed assets	**-**	**(22,379,333)**	**(22,379,333)**
As at 30 June 2021	**38,480,671**	**18,273,667**	**56,754,338**
Depreciation			
As at 01 July 2019	-	15,265,828	15,265,828
Charge for the year	7,601,985	5,996,878	13,598,863
Transfers to operating fixed assets	-	(3,773,653)	(3,773,653)
As at 30 June 2020	7,601,985	17,489,053	25,091,038
Charge for the year	**7,596,704**	**2,788,879**	**10,385,583**
Transfers to operating fixed assets	**-**	**(12,154,049)**	**(12,154,049)**
As at 30 June 2021	**15,198,689**	**8,123,883**	**23,322,572**
Net book value			
As at 30 June 2021	**23,281,982**	**10,149,784**	**33,431,766**
As at 30 June 2020	30,878,686	20,400,947	51,279,633
Depreciation rate	**17% - 41%**	**20%**	

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

	Note	2021 Rupees	2020 Rupees
Cost of revenue	**34**	**1,812,078**	2,595,140
Administrative expenses	**35**	**6,722,289**	9,147,226
Selling and distribution expenses	**36**	**1,851,216**	1,856,497
		10,385,583	13,598,863

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8 INTANGIBLE ASSET

	Note	2021 Rupees	2020 Rupees
Cost			
Opening balance		**7,088,486**	7,088,486
Addition		**-**	-
Closing balance		**7,088,486**	7,088,486
Amortization			
Opening balance		**6,725,900**	5,308,204
Charge for the year	35	**362,586**	1,417,696
Closing balance		**7,088,486**	6,725,900
Net book value as at 30 June		**-**	362,586
Amortization rate		**20%**	20%

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

9 INVESTMENT IN SUBSIDIARY

	2021 Rupees	2020 Rupees
At cost:		
Roshan Sun Tao Paper Mills (Private) Limited	**160,618,966**	111,376,130

9.1 The Company directly holds 18,562,688 representing 100% (2020: 11,137,613 shares representing 60%) shares 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. However, it has not yet started its operations, and is not impaired as at year end.

9.2 The Subsidiary plans to start construction of plant site, procurement of plant and machinery in year 2022. During the year, the Subsidiary has availed financing facilities up to Rs. 500 million and is also negotiating further financing facilities with commercial banks to meet its capital expenditure requirements. Further, based on the management's assessment at year end, the fair value of investment in subsidiary exceeds the carrying amount of the investment. Hence, the management has concluded that the investment in subsidiary is not impaired.

9.3 The Company has entered into a settlement agreement on 05 March 2021 with the Shandong Yongtai Paper Mills Limited and its directors (joint shareholders in the Subsidiary) to acquire their interest in the Subsidiary for Rs. 81.67 million in a full and final settlement. The reconciliation of carrying amount of investment in Subsidiary is as follows:

	Note	2021 Rupees	2020 Rupees
Opening balance		**111,376,130**	111,376,130
Total amount of full and final settlement		**81,675,825**	-
Recognized as long term loan	10.4	**(32,432,989)**	-
Further acquisition of 40% shares in Subsidiary		**49,242,836**	-
Closing balance		**160,618,966**	111,376,130

10 LONG TERM LOANS

	Note	2021	2020
At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	**10.1 & 10.2**	**130,864,885**	-
Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	**10.3 & 10.4**	**379,116,582**	168,546,690
		509,981,467	168,546,690

10.1 The loan carries markup at the rate of 1-Year KIBOR + 2% (2020: 1-Year KIBOR + 2%) per annum or average borrowing cost of the Company, whichever is higher. The effective interest rate was 9.21% to 10.06% (2020: 12.26% to 15.27%) per annum. The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has grant extension of two years to associated undertaking in repayment of loan and as per revised terms and condition, Roshan Enterprises would repay the entire principal amount by 28 October 2022.

10.2 Movement during the year is as follows:	Note	2021 Rupees	2020 Rupees
Opening balance		149,249,281	132,838,400
Markup accrued during the year	38	11,925,889	16,410,881
		161,175,170	149,249,281
Less: Markup received		(30,310,285)	-
Less: Current portion shown under current assets		-	(149,249,281)
Closing balance		130,864,885	-

10.2.1 The maximum aggregate amount outstanding during the year with reference to month end balance amounted to Rs. 153.03 million (2020: Rs. 149.25 million).

10.3 This represents loan disbursed to finance capital expenditure, for setting up of the subsidiary's production facility. The loan carries interest at the rate of 1-Year-KIBOR+2% (2020: 1-Year-KIBOR+2%) per annum or average borrowing cost of the Company, whichever is higher and shall be received on quarterly basis. The effective interest rate was 9.32% to 16.37% (2020: 10.44% to 16.37%) per annum.

The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has increased the limit of loan and advances in the Subsidiary from Rs. 260 million to up to Rs. 500 million. Further, an extension in repayment of loan has also been granted, and as per revised terms and conditions, the Subsidiary would repay the entire principal amount on 30 June 2024 or within one year of the commercial operations of the Subsidiary, whichever is later.

10.4 Movement during the year is as follows:	Note	2021 Rupees	2020 Rupees
Opening balance		168,546,690	117,094,385
Loan disbursed during the year		118,393,386	30,704,997
Markup accrued during the year		-	20,747,308
Markup received during the year		(32,443,353)	-
Short term loan reclassified from current assets	15	92,186,870	-
Loan acquired due to further acquisition	9.3	32,432,989	-
Closing balance		379,116,582	168,546,690

10.4.1 The maximum aggregate amount outstanding during the year with reference to month end balance amounted to Rs. 380.09 million (2020: Rs.168.55 million).

11 STORES, SPARES AND OTHER CONSUMABLES	Note	2021 Rupees	2020 Rupees
Stores		133,733,209	128,510,822
Spares		36,633,953	38,939,620
Packing material		12,547,657	4,548,660
		182,914,819	171,999,102

12 STOCK-IN-TRADE

Raw materials	12.1	812,394,007	697,207,309
Finished goods		48,238,056	11,727,882
		860,632,063	708,935,191

12.1 This includes stock in transit amounting to Rs. 115.42 million (2020: Rs. 42.16 million)

13 CONTRACT ASSETS

This represents the Company's right to consideration for work completed but not billed and goods delivered but not received by customers at the reporting date on made to order packing products recognized as per requirements of IFRS 15 Revenue from Contracts with Customers. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customers.

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14 TRADE RECEIVABLES	Note	2021 Rupees	2020 Rupees
Trade receivables from contract with customers	14.1	1,693,642,261	1,488,950,316
Less: allowance for expected credit losses	14.2	(233,864,905)	(233,864,905)
		1,459,777,356	1,255,085,411

14.1 Balances with related parties:

14.1.1 Outstanding balance from related party are as follows:

	2021	2020
Roshan Enterprises	3,181,846	3,203,087
Al-Firdusi Exporters	1,124,924	1,634,354
	4,306,770	4,837,441

14.1.2 The maximum aggregate amount outstanding at any time during the year calculated with reference to month-end balance are as follows:

	2021 Rupees	2020 Rupees
Roshan Enterprises	5,237,066	3,878,967
Al-Firdusi Exporters	7,154,934	3,550,744
	12,392,000	7,429,711

14.1.3 The age analysis of balances due from related parties are as follows:

	2021	2020
Not overdue	4,306,770	2,742,776
Past due but less than 180 days	-	2,094,665
	4,306,770	4,837,441

14.2 Movement in allowance for expected credit losses:

	2021	2020
Opening balance	233,864,905	258,731,588
Reversal during the year	-	(24,866,683)
Closing balance	233,864,905	233,864,905

15 SHORT TERM LOAN

This represented the share deposit money paid by the Company to the subsidiary for further issuance of share capital. However, since the shares were not issued by the subsidiary within ninety days of receipt of subscription money, the said subscription money was recognized as a loan in accordance with the requirements of "Investment in Associated Companies and Associated Undertakings, Regulations, 2017". The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has extended the term of this loan as discussed in (Note 10.4), accordingly the entire loan has been classified as non-current.

16 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2021 Rupees	2020 Rupees
Advances :			
- to employees	16.1	9,487,548	5,213,329
- to suppliers		199,907,626	125,667,278
		209,395,174	130,880,607
Balances with statutory authorities:			
- sales tax receivable - net		101,068,022	119,091,948
- income tax receivable - net		420,396,827	413,828,022
		521,464,849	532,919,970
Prepayments		3,888,343	10,887,506
Security deposits		2,570,641	6,429,313
Interest receivable on:			
- saving accounts		109,172	276,878
- short term investments		2,740,040	5,800,839
Interest receivable from subsidiary		8,581,315	31,447,247
		748,749,534	718,642,360

16.1 This include advances paid to executives amounting to Rs. 1.18 million (2020: Rs. 1.09 million).

17	SHORT TERM INVESTMENTS	Note	2021 Rupees	2020 Rupees
	Term deposit	17.1	300,000,000	-
	Treasury bill	17.2	245,852,250	486,017,750
			545,852,250	486,017,750

17.1 It carries markup at the rate 7.5% (2020: 8.50% to 13.55%) per annum.

17.2 It carries markup at the rate ranging from 6.98% to 8% (2020: 7.84% to 8.09%) per annum.

18	CASH AND BANK BALANCES	Note	2021 Rupees	2020 Rupees
	Cash in hand		112,592	334,993
	Balances with banks:			
	- saving accounts	18.1	240,303,589	289,018,160
	- current accounts		65,158,612	39,209,752
			305,462,201	328,227,912
			305,574,793	328,562,905

18.1 The savings accounts earns interest at floating rates based on daily bank deposit rates ranging from 3% to 7% (2020: 6% to 12.90%) per annum.

19 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2021	2020	2021	2020
	No. of shares		Rupees	
Ordinary shares of Rs. 10 each fully paid in cash	57,336,000	57,336,000	573,360,000	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	79,461,000	79,461,000	794,610,000	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 19.1)	5,103,000	5,103,000	51,030,000	51,030,000
	141,900,000	141,900,000	1,419,000,000	1,419,000,000

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

19.2 Detail of shares of the Company held by Directors is as follows:

	2021	2020	2021	2020
	No. of shares		Rupees	
Tayyab Aijaz	38,087,809	38,087,809	380,878,090	380,878,090
Khalid Eijaz Qureshi	20,790,000	20,790,000	207,900,000	207,900,000
Zaki Aijaz	16,833,538	16,833,538	168,335,380	168,335,380
Saddat Aijaz	16,830,000	16,830,000	168,300,000	168,300,000
Quasim Aijaz	4,196,562	4,196,562	41,965,620	41,965,620
Ayesha Mussadaque Ahmed	56	56	560	560
Muhammad Naveed Tariq	2	2	20	20
	96,737,967	96,737,967	967,379,670	967,379,670

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		2021 Rupees	2020 Rupees
20	SHARE PREMIUM	1,994,789,057	1,994,789,057

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

21 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations. This has been adjusted by incremental depreciation arising out of revaluation of above-mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2019, which resulted in surplus of Rs. 1,055.28 million. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

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

	Note	2021 Rupees	2020 Rupees
Opening balance - net of tax		1,795,215,742	1,843,728,306
Surplus transferred to unappropriated profit for the year on account of incremental depreciation - net of tax		(48,816,842)	(48,512,564)
Closing balance - net of tax		1,746,398,900	1,795,215,742

22 SUPPLIER'S CREDIT

	Note	2021 Rupees	2020 Rupees
Supplier's credit	22.1	162,221,952	197,730,442
Less: current portion shown under current liabilities	27	(98,029,924)	(197,730,442)
		64,192,028	-

22.1 This represents loan payable to Windmoller & Holscher, Germany in respect of the following assets:

	Note	2021 Rupees	2020 Rupees
Varex II 5-Layer Co-Extrusion Line machine	22.1.1	97,716,720	98,712,286
Gravure Printing Press Heliostar SH machine	22.1.2	64,505,232	99,018,156
		162,221,952	197,730,442

The reconciliation of the carrying amounts is as follows:

	Varex II 5-Layer Co-Extrusion Line machine		Gravure Printing Press Heliostar SH machine	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Supplier's credit	210,369,804	210,369,804	210,406,544	210,406,544
Discounting adjustment	(9,565,283)	(9,565,283)	(9,566,953)	(9,566,953)
	200,804,521	200,804,521	200,839,591	200,839,591
Unwinding of discount on liability	10,113,758	9,872,341	10,013,729	9,943,308
Exchange loss	70,267,550	70,817,675	60,829,262	60,136,589
Payments	(182,782,251)	(182,782,251)	(206,454,999)	(171,901,332)
	98,403,578	98,712,286	65,227,583	99,018,156
Remeasurement Adjsutment (Note 22.1.1 & 22.1.2)	(686,858)	-	(722,351)	-
	97,716,720	98,712,286	64,505,232	99,018,156
Less: current portion shown under current liabilities	(65,616,605)	(98,712,286)	(32,413,319)	(99,018,156)
	32,100,115	-	32,091,913	-

22.1.1 This represents interest free amount payable against purchase of Varex II 5-Layer Co-Extrusion Line machine on deferred payment basis in ten half yearly installments ended on 03 February 2021. During the year, the Company has renegotiated this loan with the supplier and according to revised terms, the loan would be repaid by 26 July 2022. The Company has remeasured this loan and resultant gain has been charged to unconsolidated statements of profit or loss. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine.

22.1.2 This represents interest free amount payable against a third party purchase of Gravure Printing Press Heliostar SH machine on deferred payment basis in ten half yearly installments ended on 13 September 2020. During the year, the Company has renegotiated this loan with the supplier and according to revised terms, the loan would be repaid by 08 September 2022. The Company has remeasured this loan and resultant gain has been charged to unconsolidated statements of profit or loss. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine.

	Note	2021 Rupees	2020 Rupees
23 LONG TERM FINANCING			
Dubai Islamic Bank Limited - Diminishing musharakah	23.1	55,812,500	80,812,500
Dubai Islamic Bank Limited - Refinance scheme	23.2	53,467,967	44,436,134
		109,280,467	125,248,634
Current portion shown under current liabilities	27	(90,758,097)	(38,229,806)
		18,522,370	87,018,828

23.1 Dubai Islamic Bank Limited - Diminishing musharakah

	Note	2021 Rupees	2020 Rupees
Opening balance		80,812,500	105,812,500
Repaid during the year		(25,000,000)	(25,000,000)
	23.1.1	55,812,500	80,812,500
Current portion shown under current liabilities		(55,812,500)	(25,000,000)
		-	55,812,500

23.1.1 This represents diminishing musharakah facility of Rs. 400 million for financing the expansion of flexible packaging facility. The principal portion of Rs. 115.13 million (2020: Rs. 115.13 million) is repayable in six equal quarterly instalments of Rs. 19.19 million beginning on 16 September 2019, and remaining principal portion of Rs. 40.69 million (2020: Rs 40.69 million) is repayable in seven equal quarterly instalments of Rs. 5.81 million beginning on 22 August 2019. However, the Bank deferred the payment of principal for one year starting from the May 2020. Mark up is payable quarterly at the rate of three months KIBOR plus 0.9% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 8.14% to 9.04% (2020: 9.02% to 14.76%) per annum. It is secured by a first exclusive charge over fixed assets of the Company's flexible packaging facility located at Sundar Industrial Estate, Lahore, first hypothecation charge over plant and machinery of the flexible packaging facility of the Company located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore.

	Note	2021 Rupees	2020 Rupees
23.2 Dubai Islamic Bank Limited - Refinance scheme			
Opening balance		44,436,134	-
Obtained during the year		25,601,002	48,100,272
Deferred grant recognized	26.3	(1,558,992)	(3,950,365)
Interest accrued during the year		5,160,117	286,227
Repaid during the year		(20,170,294)	-
	23.2.1	53,467,967	44,436,134
Current portion shown under current liabilities		(34,945,597)	(13,229,806)
		18,522,370	31,206,328

23.2.1 This represents loan of Rs. 73.70 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) announced by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 93.8 million. It carries mark-up at 3% per annum and is secured against first exclusive charge over plant and machinery of the Company amounting to Rs. 536 million. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021 and ending on 01 October 2022. The loan was initially recognized at amortized cost using effective interest rate of 3 month KIBOR + 0.9%. The difference between cash received and present value of cash outflows upon initial recognition has been recognized as deferred grant.

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	Note	2021 Rupees	2020 Rupees
24 LEASE LIABILITIES			
Present value of lease liabilities against:			
- vehicles		3,426,990	7,802,514
- leasehold buildings		29,921,455	35,186,933
		33,348,445	42,989,447
Less: current portion shown under current liabilities	27	(8,595,216)	(11,267,842)
		24,753,229	31,721,605

24.1 Movement of lease liabilities

	Note	Vehicles	Leasehold Building	Total
2021			Rupees	
Opening balance		7,802,514	35,186,933	42,989,447
Additions		2,763,000	-	2,763,000
Finance cost charge	39	975,195	4,330,971	5,306,166
Payments		(8,113,719)	(9,596,449)	(17,710,168)
Closing balance		3,426,990	29,921,455	33,348,445
Less: current portion shown under current liabilities	27	(2,629,528)	(5,965,688)	(8,595,216)
		797,462	23,955,767	24,753,229
2020				
Opening balance		13,093,378	38,480,671	51,574,049
Additions		3,130,000	-	3,130,000
Finance cost charge	39	2,811,558	4,946,241	7,757,799
Payments		(11,232,422)	(8,239,979)	(19,472,401)
Closing balance		7,802,514	35,186,933	42,989,447
Less: current portion shown under current liabilities	27	(5,688,896)	(5,578,946)	(11,267,842)
		2,113,618	29,607,987	31,721,605

24.2 The Company has total cash outflows for leases of Rs. 17.71 million (2020: Rs. 19.47 million). The Company also has non-cash additions to right-of-use assets and lease liabilities of Rs. 2.76 million (2020: Rs. 3.13 million). The Company has no obligation of future cash outflows relating to leases that have not yet commenced.

24.3 The Company have lease contracts related to leasehold buildings that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

25 DEFERRED TAX LIABILITIES

	Opening balance	Charge / (reversal) to profit or loss	Charge to other comprehensive income	Closing balance
2021		Rupees		
Taxable temporary difference				
Accelerated tax depreciation	289,368,832	31,831,230	-	321,200,062
Revaluation surplus	404,306,439	(14,156,884)	-	390,149,555
Right of use asset	14,871,094	(5,175,882)	-	9,695,212
Deductible temporary difference				
Impairment allowance on trade receivable	(67,820,822)	-	-	(67,820,822)
Deferred liabilities	(34,851,083)	(5,809,846)	(783,513)	(41,444,442)
Lease liabilities	(12,466,940)	2,795,891	-	(9,671,049)
Minimum tax	(127,597,897)	112,325,631	-	(15,272,266)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	453,622,673	121,810,140	(783,513)	574,649,300

	Opening balance	Charge / (reversal) to profit or loss	Charge to other comprehensive income	Closing balance
	Rupees			
2020				
Taxable temporary difference				
Accelerated tax depreciation	260,159,797	29,209,035	-	289,368,832
Revaluation surplus	418,375,083	(14,068,644)	-	404,306,439
Right of use asset	2,118,969	12,752,125	-	14,871,094
Deductible temporary difference				
Impairment allowance on trade receivable	-	(67,820,822)	-	(67,820,822)
Deferred liabilities	-	(34,780,265)	(70,818)	(34,851,083)
Lease liabilities	-	(12,466,940)	-	(12,466,940)
Tax losses due to tax depreciation	(18,648,724)	18,648,724	-	-
Minimum tax	(88,522,058)	(39,075,839)	-	(127,597,897)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	561,296,117	(107,602,626)	(70,818)	453,622,673

25.1 Expiry of minimum tax and depreciation losses are as follows:

Nature	Tax Year	2021 Rupees	2020 Rupees
Alternate corporate tax	2026	**12,186,950**	12,186,950
Minimum tax	2021	**-**	18,331,993
Minimum tax	2022	**-**	21,907,000
Minimum tax	2023	**-**	1,613,348
Minimum tax	2024	**-**	46,669,717
Minimum tax	2025	**15,272,266**	39,075,839

25.2 During the year, minimum tax is adjusted against normal tax liability calculated at 29% as normal tax liability is greater than minimum tax of this year.

26 DEFERRED LIABILITIES	Note	2021 Rupees	2020 Rupees
Employee retirement and other benefits:			
- accumulated compensated absences	26.1	**9,256,775**	9,029,820
- gratuity	26.2	**130,953,330**	110,902,127
		140,210,105	119,931,947
Deferred income - Government grant	26.3	**608,658**	2,156,405
		140,818,763	122,088,352

26.1 Accumulated compensated absences

	Note	2021	2020
Opening balance		**9,029,820**	6,560,993
Current service cost	26.1.1	**1,301,411**	2,906,501
Interest cost		**891,966**	-
Actuarial gain		**(1,746,094)**	-
Benefits paid		**(220,328)**	(437,674)
Closing balance		**9,256,775**	9,029,820

26.1.1 The amounts recognized in the unconsolidated statement of profit or loss are as follows:

	2021	2020
Current service cost	**1,301,411**	2,906,501
Interest cost	**891,966**	-
Actuarial gain	**(1,746,094)**	-
	447,283	2,906,501

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26.1.1.1 The charge for the year has been allocated as follows:	2021 Rupees	2020 Rupees
Cost of revenue	**259,162**	1,684,065
Administrative expenses	**135,343**	879,482
Selling and distribution expenses	**52,778**	342,954
	447,283	2,906,501

26.1.2 Assumptions used for valuation of the provision for accumulated compensated absences are as follows:

		2021
Discount rate	**Per annum**	**10%**
Expected rate of increase in salary	**Per annum**	**9%**
Average duration of liability	**Number of years**	**9**
Average expected remaining working lifetime of members	**Number of years**	**9**
Average accumulation of earned leave	**Number of leaves per annum**	**4**

26.1.3 Undiscounted expected future benefit payments:	Year 1	Year 2	Year 3	Year 4	Year 5+
	Rupees				
	364,925	429,608	510,185	632,755	8,941,879

26.1.4 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2021, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	2021 Present value of defined benefit obligation	2021 Percentage change
	Rupees	**%**
Present value of defined benefit obligations as at 30 June	**9,256,775**	
+1% Discount rate	**8,463,734**	**-9%**
-1% Discount rate	**10,123,874**	**9%**
+1% salary increase rate	**10,124,123**	**9%**
-1% salary increase rate	**8,463,838**	**-9%**

26.2 Gratuity	2021 Rupees	2020 Rupees
Opening balance	**110,902,127**	67,031,244
Current service cost	**22,461,779**	14,684,866
Past service cost	**-**	27,893,450
Interest cost	**8,831,562**	8,986,370
Remeasurement - actuarial loss	**2,701,768**	244,199
Benefits paid during the year	**(13,943,906)**	(7,938,002)
Closing balance	**130,953,330**	110,902,127

		2021 Rupees	2020 Rupees
26.2.1	The amounts recognized in the unconsolidated statement of profit or loss are as follows:		
	Current service cost	22,461,779	14,684,866
	Past service cost	-	27,893,450
	Interest cost	8,831,562	8,986,370
		31,293,341	51,564,686
26.2.1.1	The charge for the year has been allocated as follows:		
	Cost of revenue	18,475,251	37,421,663
	Administrative expenses	8,970,288	10,175,242
	Selling and distribution expenses	3,847,802	3,967,781
		31,293,341	51,564,686
26.2.2	The amounts recognized in the unconsolidated statement of profit or loss are as follows:		
	Actuarial losses due to experience adjustments	2,701,768	244,199

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

As at year end	2021	2020	2019	2018	2017
	Rupees				
Present value of defined benefit obligation	103,059,880	83,008,677	67,031,244	60,988,612	55,250,563
Actuarial loss / (gain)	2,701,768	244,199	(2,419,329)	(3,934,953)	1,169,816

		2021 Rupees	2020 Rupees
26.2.4	**Maturity profile:**		
	Year 1	14,127,851	12,047,005
	Year 2	18,012,885	16,359,824
	Year 3	21,789,063	18,579,821
	Year 4	26,415,336	23,524,705
	Year 5+	129,758,552	110,646,827
		210,103,687	181,158,182

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

		2021	2020
Discount rate	Per annum	10%	8.50%
Expected rate of increase in salary	Per annum	9%	7.50%
Average duration of liability	Number of years	9	7
Average expected remaining working lifetime of members	Number of years	9	8

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

26.2.6 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2021, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	2021 Percentage change	2020 Percentage change	2021 Present value of defined benefit obligation	2020 Present value of defined benefit obligation
	%	%	Rupees	Rupees
Present value of defined benefit obligations as at 30 June			130,953,330	110,902,127
+1% Discount rate	-8.61%	-8%	119,683,499	101,828,522
-1% Discount rate	9.32%	9%	143,158,764	121,201,372
+1% salary increase rate	9.32%	9%	143,155,598	121,201,372
-1% salary increase rate	-8.61%	-8%	119,682,029	101,668,670

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26.3 Deferred income - Government grant

This represents deferred government grant recognized in respect of the benefit of below-market interest rate on long term finances as referred to in Note 23.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

	Note	2021 Rupees	2020 Rupees
Opening balance		3,763,122	-
Recognized during the year		1,558,992	3,950,365
Grant amortize during the year	38	(2,350,049)	(187,243)
Closing balance		2,972,065	3,763,122
Less: current portion shown under current liabilities	27	(2,363,407)	(1,606,717)
		608,658	2,156,405

27 CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2021 Rupees	2020 Rupees
Supplier's credit	22	98,029,924	197,730,442
Long term financing	23	90,758,097	38,229,806
Lease liabilities	24	8,595,216	11,267,842
Deferred income - Government grant	26.3	2,363,407	1,606,717
		199,746,644	248,834,807

28 SHORT TERM BORROWINGS

	Note	2021 Rupees	2020 Rupees
Running finance	28.1	215,543,604	240,379,371
Term finances:			
- import finance / murabaha	28.2	28,508,122	21,386,319
- istisna / wakala	28.3	722,401,035	786,528,050
		750,909,157	807,914,369
	28.4	966,452,761	1,048,293,740

28.1 Running finance

This represents short term running finance facilities available from various commercial banks under mark-up arrangements at mark-up rates ranging from one to three months KIBOR plus 0.75% to 1% (2020: one to three months KIBOR plus 0.5% to 3.5%) per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 8.07% to 9.33% (2020: 7.42% to 17.16%) per annum.

28.2 Import finance / Murabaha

This represents import finance facilities available from various commercial banks under profit arrangements at mark-up rates ranging from one to three months KIBOR plus 0.5% to 1.5% (2020: one to three months KIBOR plus 0.5% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.45% to 11.94% (2020: 7.45% to 15.01%) per annum.

28.3 Istisna / Wakala

This represents Istisna / Wakala facilities available from various commercial banks under profit arrangements at mark-up rates ranging from six months KIBOR plus 0.50% to 1.5% (2020: six months KIBOR plus 0.50% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.28% to 14.95% (2020: 7.27% to 15.4%) per annum.

28.4 Aggregate limits of borrowings

Aggregate sanctioned limit of all above facilities including limit for opening letters of credit and guarantees is Rs. 2,765 million (2020: 2,602 million) in which un-availed credit limit as at 30 June 2021 is Rs. 1,292 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.

29	TRADE AND OTHER PAYABLES	Note	2021 Rupees	2020 Rupees
	Trade creditors		1,105,543,899	890,828,679
	Accrued liabilities		107,416,441	51,442,284
	Payable to Shandong Yongtai Paper Mills Limited	9.3	81,675,825	-
	Withholding tax payable		5,651,915	3,727,427
	Workers' Profit Participation Fund payable	29.1	36,832,514	10,765,212
	Workers' Welfare Fund payable	29.2	9,424,141	630,643
	Advances from employees		3,478,673	2,490,876
	Retention money payable		86,205	86,201
			1,350,109,613	959,971,322

29.1 Workers' Profit Participation Fund Payable

	Note	2021 Rupees	2020 Rupees
Opening balance		10,765,212	1,507,531
Charge for the year	37	25,099,726	9,207,593
Interest charge for the year	39	967,576	50,088
Closing balance		36,832,514	10,765,212

29.2 Workers' Welfare Fund payable

	Note	2021 Rupees	2020 Rupees
Opening balance		630,643	-
Charge for the year	37	8,793,498	630,643
Closing balance		9,424,141	630,643

30 CONTRACT LIABILITIES

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

31	ACCRUED FINANCE COST	2021 Rupees	2020 Rupees
	Accrued markup on:		
	- long term financing	253,174	282,502
	- short term borrowings	18,497,183	31,370,956
		18,750,357	31,653,458

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

32.1.1 Income tax proceedings were initiated by Deputy Commissioner Inland Revenue ('DCIR') under section 214C of the Income Tax Ordinance, 2001 ('the Ordinance') for tax year 2015. Upon finalization of the said proceedings the DCIR increased the Company's tax chargeable by Rs. 8.7 million on account of fixed assets, trade creditors, WPPF and others etc. Through an amended assessment order under section 122(1)/122(5) of the Ordinance dated 28 June 2018. Aggrieved by the decision of DCIR, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [the "CIR(Appeals)"] who vide order dated 13 November 2020 decided the case partially in favor of the Company. Being aggrieved with the adverse treatment, the Company has filed an appeal before the learned Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. The management is confident that the matter will be decided in the Company's favor and no financial obligation is expected to accrue. Consequently, no provision has been made in these unconsolidated financial statements on this account.

32.2 Commitments in respect of:

(a) Letters of credit and contracts for capital expenditure amounting to Nil (2020: Rs. 16.05 million).

(b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 129.16 million (2020: Rs. 290.99 million).

32.3 Guarantees

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

(a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 25.07 million (2020: Rs. 25.07 million).

(b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 14.5 million (2020: Rs. 8 million).

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33 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

33.1 Disaggregation of Revenue:

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Note	2021 Rupees	2020 Rupees
Major product lines:			
Made-to-order packaging products	33.2	6,460,042,563	4,711,172,208
Standard packaging products		535,795,662	521,798,416
Total revenue from contracts with customers - net		6,995,838,225	5,232,970,624
Timing of revenue recognition:			
Products transferred over time	33.2	6,460,042,563	4,711,172,208
Products transferred at a point in time		535,795,662	521,798,416
Total revenue from contracts with customers - net		6,995,838,225	5,232,970,624
Geographical market:			
Pakistan	33.2	6,995,838,225	5,232,970,624

33.2 This includes unbilled revenue amounting to Rs. 69.66 million (2020: Rs. 80.88 million).

33.3	Contract balances	Note	2021 Rupees	2020 Rupees
	Trade receivables	33.3.1	1,459,777,356	1,255,085,411
	Contract assets	33.3.2	148,554,959	80,878,738
	Contract liabilities	33.3.3	(14,731,994)	(15,918,351)
			1,593,600,321	1,320,045,798

33.3.1 Trade receivables are non-interest bearing and are generally on terms of 7 to 365 days. The increase in trade receivables pertains to increase in overall revenue from customers during the year.

33.3.2 Contract assets are initially recognized for revenue earned against Company's right to consideration for work completed but not billed and for goods delivered but not received by customers at the reporting date on made to order packing products recognized as per requirements of IFRS 15 "Revenue from Contracts with Customers". Upon acknowledgement of delivery of goods to customers, the amounts recognized as contract assets will be recognized as trade receivables.There is an increase in contract assets is mainly due to the result of goods amounting to Rs. 90 million delivered by the Company but not received by the customers till reporting date.

33.3.3 Contract liabilities represents short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 7,549,714 (2020: Rs. 1,429,644), have been recognized as revenue upon dispatch of goods.

34	COST OF REVENUE	Note	2021 Rupees	2020 Rupees
	Raw materials consumed		5,215,817,219	3,882,615,119
	Carriage inward expenses		3,277,207	3,535,360
	Packing material consumed		22,601,185	16,831,017
	Production supplies		126,801,052	97,413,820
	Fuel and power		236,361,930	216,402,398
	Salaries, wages and other benefits		297,442,409	235,444,191
	Repairs and maintenance		58,967,972	39,649,830
	Printing and stationery		975,843	635,032
	Insurance		4,961,346	6,275,996
	Rent, rate and taxes		918,397	1,099,093
	Travelling and conveyance		21,113,519	22,142,131
	Communication expenses		1,364,016	999,317
	Vehicle running expenses		4,664,779	3,972,272
	Depreciation of operating fixed assets	6.1.4	141,200,163	136,158,354
	Depreciation of right-of-use asset	7.1	1,812,078	2,595,140
	Others		10,971,697	15,739,468
	Cost of goods manufactured		6,149,250,812	4,681,508,538
	Opening stock of finished goods		11,727,882	16,264,405
	Closing stock of finished goods	12	(48,238,056)	(11,727,882)
			(36,510,174)	4,536,523
			6,112,740,638	4,686,045,061

			2021	2020
35	**ADMINISTRATIVE EXPENSES**	**Note**	**Rupees**	Rupees
	Salaries, wages and other benefits		**108,001,562**	86,159,418
	Legal and professional charges		**13,094,838**	9,221,080
	Fees and subscription		**8,174,408**	6,879,870
	Travelling and conveyance		**6,670,974**	4,454,187
	Insurance		**820,206**	1,017,774
	Printing and stationery		**1,603,110**	3,756,600
	Repairs and maintenance		**3,102,583**	946,188
	Vehicle running and maintenance		**7,145,140**	3,910,828
	Utilities		**2,380,413**	2,264,172
	Auditors remuneration	35.1	**3,750,000**	2,950,000
	Communication		**4,070,053**	4,124,266
	Depreciation of operating fixed assets	6.1.4	**4,088,592**	4,116,082
	Depreciation of right-of-use asset	7.1	**6,722,289**	9,147,226
	Amortization on intangible asset	8	**362,586**	1,417,696
	Entertainment		**1,599,392**	2,416,285
	Others		**5,538,982**	4,660,935
			177,325,128	147,442,607

35.1	**Auditor's remuneration**			
	Statutory audit		**2,800,000**	2,200,000
	Half year review		**800,000**	600,000
	Other certifications		**150,000**	150,000
			3,750,000	2,950,000

36	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and other benefits		**65,968,164**	47,467,992
	Travelling and conveyance		**10,023,236**	7,672,693
	Freight and transportation		**100,247,513**	85,728,199
	Vehicle running and maintenance		**3,643,049**	2,629,831
	Postage and telephone		**492,756**	301,633
	Advertisement and business promotion		**10,079,107**	16,432,126
	Entertainment		**1,761,746**	1,539,055
	Depreciation of operating fixed assets	6.1.4	**1,452,049**	778,383
	Depreciation of right-of-use asset	7.1	**1,851,216**	1,856,497
	Others		**1,837,835**	1,132,822
			197,356,671	165,539,231

37	**OTHER OPERATING EXPENSES**			
	Exchange loss - net		**-**	6,768,179
	Loss on disposal of operating fixed assets		**364,309**	-
	Workers' Profit Participation Fund	29.1	**25,099,726**	9,207,593
	Workers' Welfare Fund	29.2	**8,793,498**	630,643
			34,257,533	16,606,415

38	**OTHER INCOME**			
	Profit on bank deposits		**18,182,346**	19,452,163
	Profit on short term investments		**35,062,443**	76,007,712
	Exchange gain - net		**7,576,723**	-
	Interest income on loans to related parties:			
	Roshan Sun Tao Paper Mills (Private) Limited		**29,072,062**	37,444,655
	Roshan Enterprises	10.2	**11,925,889**	16,410,881
	Gain on disposal of operating fixed assets		**-**	3,397,055
	Gain on remeasurement of supplier's credit	22.1	**1,409,209**	-
	Grant income	26.3	**2,350,049**	187,243
	Scrap sales		**-**	3,010,938
			105,578,721	155,910,647

			2021	2020
39	**FINANCE COSTS**	**Note**	**Rupees**	Rupees
	Interest / mark up on:			
	- long term financing		**12,365,284**	23,696,817
	- lease liabilities	24.1	**5,306,166**	7,757,799
	- short term borrowings		**84,523,832**	182,821,534
	- Workers Profit Participation Fund	29.1	**967,576**	50,088
	Unwinding of discount on supplier's credit		**311,838**	1,624,863
	Bank charges and others		**8,160,985**	7,172,897
			111,635,681	223,123,998

40	**TAXATION**			
	Income tax:			
	- current year		**-**	49,176,842
	- prior year		**641,152**	(14,545,561)
			641,152	34,631,281
	Deferred tax:			
	- current year		**121,810,140**	(107,602,623)
			122,451,292	(72,971,342)

			2021
40.1	Tax charge reconciliation	**Note**	**Rupees**
	Profit before tax		468,101,295
	Tax expense on accounting profit (29%)		135,749,376
	Tax effect of:		
	- non-deductible expenses		(23,423,745)
	- minimum tax adjustment		(112,325,631)
	- prior year income tax charge		641,152
	Average tax expense charged to profit or loss	40	641,152

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

41 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:

		2021	2020
Profit attributable to owners of the Company	**Rupees**	**345,650,003**	247,961,984
Weighted-average number of ordinary shares	**Number**	**141,900,000**	141,900,000
Basic earnings per share	**Rupees**	**2.44**	1.75

42 CASH AND CASH EQUIVALENTS

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

		2021	2020
	Note	**Rupees**	Rupees
Short term investments	17	**545,852,250**	486,017,750
Cash and bank balances	18	**305,574,793**	328,562,905
Short term borrowings - running finance	28	**(215,543,604)**	(240,379,371)
		635,883,439	574,201,284

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees							
Short term employee benefits								
Managerial remuneration	9,455,160	9,455,160	8,982,408	8,982,408	-	-	35,359,325	25,563,553
House rent allowance	4,254,120	4,254,120	4,041,420	4,041,420	-	-	15,910,656	11,511,860
Medical expenses	945,360	945,360	898,080	898,080	-	-	3,537,848	2,557,057
Utilities	945,360	945,360	898,092	898,092	-	-	3,534,151	2,559,757
Meeting fee	-	-	-	-	5,220,000	4,341,816	-	-
Bonus	1,575,860	787,930	1,497,068	748,534	-	-	5,693,221	1,989,335
	17,175,860	16,387,930	16,317,068	15,568,534	5,220,000	4,341,816	64,235,201	44,201,562
Retirement and other long term benefits								
Gratuity	1,300,000	1,300,000	1,235,000	1,235,000	-	-	4,861,832	3,452,352
Accumulated compensated absences	393,965	393,965	374,267	374,267	-	-	1,473,305	1,266,614
	18,869,825	18,081,895	17,926,335	17,177,801	5,220,000	4,341,816	70,570,338	48,920,528
Number of persons	1	1	1	1	5	5	18	13

43.1 The Chief Executive, Executive Director and certain executives are provided with the Company maintained vehicles, mobile phones for official use and medical facility.

44 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties. Amounts due from related parties are shown under Note 10 and Note 14 and remuneration of key management personnel is disclosed in Note 43. Other transactions with related parties during the year are as follows:

Name of related party	Relationship with the Company	Percentage of shareholding	Nature of Transactions	2021 Rupees	2020 Rupees
Roshan Sun Tao Paper Mills (Private) Limited	Wholly owned subsidiary	100%	Long term loan given	150,826,375	30,704,997
			Markup accrued on long term loan	29,072,062	20,747,306
			Markup accrued on short term loan	-	16,697,347
			Markup received during the year	84,381,347	-
Roshan Enterprises	Associated undertaking by virtue of common directorship	N/A	Markup accrued on long term loan	11,925,889	16,410,861
			Markup received during the year	30,310,285	-
			Sale of packaging material	9,551,410	10,613,118
			Receipts during the year	13,201,521	12,420,500
Al-Firdusi Exporters	Associated undertaking by virtue of common directorship	N/A	Sale of packaging material	28,972,739	17,964,772
			Receipts during the year	34,382,825	23,287,929

45 FINANCIAL RISK MANAGEMENT

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

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

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

45.1 Credit risk

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

45.1.1 Exposure to credit risk

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

Financial assets at amortized cost - unsecured	2021 Rupees	2020 Rupees
Long term loans	509,981,467	317,795,971
Long term deposits	14,902,194	14,902,194
Trade receivables and contract assets - gross amount	1,842,197,220	1,569,829,054
Short term loan	-	92,186,870
Deposits and other receivables	14,001,168	43,954,277
Short term investments	545,852,250	486,017,750
Bank balances	305,574,793	328,562,905
	3,232,509,092	2,853,249,021

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

	2021 Rupees	2020 Rupees
Trade receivables and contract assets	1,842,197,220	1,569,829,054
Banking companies and financial institutions	853,991,542	821,251,854
Loans to subsidiary and associate	518,562,782	441,430,088
Others	17,757,548	20,738,025
	3,232,509,092	2,853,249,021

45.1.2 Trade receivables and contract assets

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

The Company based on the provision matrix assessed that the allowance for ECL on contract assets is immaterial, hence no allowance for ECL has been recorded in these financial statements on contrcat assets. The Company's credit risk mainly arises from long outstanding trade receivables as the Company is making full recoveries from the current customers and hence, default rate in case of such customers is minimal. Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

30 June 2021	Weighted average loss rate	Gross carrying amount	Expected credit loss
		Rupees	
Not past due	1.52%	1,022,516,447	15,547,217
1 - 90 Days	5.86%	392,719,537	23,032,924
91 - 180 Days	33.93%	102,051,449	34,624,294
181 - 270 Days	56.76%	20,311,222	11,529,194
271 - 365 Days	90.04%	9,396,488	8,460,803
366 - Above Days	95.92%	146,647,118	140,670,473
		1,693,642,261	233,864,905

30 June 2020	Weighted average loss rate	Gross carrying amount	Expected credit loss
		Rupees	
Not past due	0.00%	879,253,539	-
1 - 90 Days	0.00%	214,863,004	-
91 - 180 Days	0.00%	34,071,160	-
181 - 270 Days	0.00%	51,856,717	-
271 - 365 Days	0.00%	75,023,819	-
366 - Above Days	100%	233,882,077	233,882,077
		1,488,950,316	233,882,077

45.1.3 Counterparties with external credit ratings

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

Bank	Rating Short term	Rating Long term	Rating Agency	2021 Rupees	2020 Rupees
Allied Bank Limited	A-1+	AAA	PACRA	300,000,190	486,017,940
Askari Bank Limited	A-1+	AA+	PACRA	1,088,482	3,207,987
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	26,753,922	1,264,745
Habib Bank Limited	A-1+	AAA	JCR-VIS	246,480,731	3,824,914
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	11,410,087	18,936
MCB Bank Limited	A-1+	AAA	PACRA	959,635	7,467,565
Meezan Bank Limited	A-1+	AAA	JCR-VIS	15,234,625	17,190,824
National Bank of Pakistan	A-1+	AAA	PACRA	122,925	122,925
Standard Chartered Bank Limited	A-1+	AAA	PACRA	10,172,511	3,717,464
The Bank of Punjab	A-1+	AA+	PACRA	65,091	700,233
United Bank Limited	A-1+	AAA	JCR-VIS	1,809,094	1,707,996
Bank Islami Pakistan Limited	A-1	A+	PACRA	6,128,235	4,398,949
Soneri Bank Limited	A-1+	AA-	PACRA	1,000,000	-
JS Bank Limited	A-1+	AA-	PACRA	230,088,923	284,605,184
				851,314,451	814,245,662

45.1.4 Loans to subsidiary and associate

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

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

45.1.5 Deposits and other receivables

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

45.1.6 Concentration risk

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

	2021 Rupees	2020 Rupees
Banking companies	853,991,542	821,251,854
Subsidiary and associated undertaking	518,562,782	441,430,088
Others	1,859,954,768	1,590,567,079
	3,232,509,092	2,853,249,021

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45.2 Liquidity risk

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

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

45.2.1 Exposure to liquidity risk

	Carrying amount	Contractual cash flows	Up to one year	One to five years	More than five years
30 June 2021			Rupees		
Lease liabilities	33,348,445	43,484,129	12,385,804	31,098,325	-
Long term finances - secured	109,280,467	112,747,990	94,322,588	18,425,402	-
Supplier's credit - unsecured	162,221,952	162,221,952	162,221,952	-	-
Short term borrowings - secured	966,452,761	966,452,761	966,452,761	-	-
Trade and other payables	1,294,722,370	1,294,722,370	1,294,722,370	-	-
Unclaimed dividend	1,976,582	1,976,582	1,976,582	-	-
Accrued finance cost	18,750,357	18,750,357	18,750,357	-	-
	2,586,752,934	2,600,356,141	2,550,832,414	49,523,727	-
30 June 2020					
Lease liabilities	42,989,447	56,462,302	15,295,796	41,072,023	94,483
Long term finances - secured	125,248,634	131,065,277	38,229,842	92,835,435	-
Supplier's credit - unsecured	197,730,442	197,730,442	197,730,442	-	-
Short term borrowings - secured	1,048,293,740	1,048,293,740	1,048,293,740	-	-
Trade and other payables	942,357,164	942,357,164	942,357,164	-	-
Unclaimed dividend	788,056	788,056	788,056	-	-
Accrued finance cost	31,653,458	31,653,458	31,653,458	-	-
	2,389,060,941	2,408,350,439	2,274,348,498	133,907,458	94,483

45.3 Market risk

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

45.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company, are periodically restated to Pak Rupee equivalent and the associated gain or loss is taken to statement of profit or loss and other comprehensive income.

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

45.3.1(a) Exposure to currency risk

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

	2021				
	CNY	USD	Euro	Swedish Krona	Pounds
Statement of financial position:					
- supplier's credit	-	-	(873,629)	-	-
- trade and other payables	(63,000)	(1,169,467)	(88,864)	(2,040)	(400)
Net exposure	(63,000)	(1,169,467)	(962,493)	(2,040)	(400)

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

45.3.1(b) Exchange rate applies during the year

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

	Average rate		Reporting date rate	
	2021	2020	**2021**	2020
USD to PKR	**160.33**	165.41	**157.54**	168.05
Euro to PKR	**191.16**	186.08	**187.27**	188.61
SEK to PKR	**18.70**	17.75	**18.49**	17.95
Pounds to PKR	**215.63**	206.96	**217.98**	206.50
CNY to PKR	**24.21**	22.51	**24.39**	23.76

45.3.1(c) Sensitivity analysis

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

Effect on unconsolidated statement of profit or loss	**2021 Rupees**	2020 Rupees
US Dollar	**(18,423,783)**	(12,849,720)
Euro	**(18,024,606)**	(23,266,231)
Swedish krona	**(3,772)**	(103,202)
Pound	**(8,260)**	(9,422)
Chinese Yen	**(149,688)**	-
	(36,610,109)	(36,228,575)

45.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

	2021	2020
	Carrying amount	
	---------- (Rupees) ----------	
Financial assets		
Fixed rate instruments:		
- short term investment	**545,852,250**	486,017,750
- bank balances - saving accounts	**240,303,589**	289,018,160
Variable rate instruments:		
- long term loan - associate	**130,864,885**	149,249,281
- long term loan - subsidiary	**379,116,582**	168,546,690
- short term loan - subsidiary	**-**	92,186,870
	1,296,137,306	1,185,018,751
Financial liabilities		
Fixed rate instruments:		
- supplier's credit	**162,221,952**	197,730,442
Variable rate instruments:		
- long term finances	**109,280,467**	125,248,634
- lease liabilities	**33,348,445**	42,989,447
- short term borrowings	**966,452,761**	1,048,293,740
	1,271,303,625	1,414,262,263

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

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

	100 bps Increase	**100 bps Decrease**
	------------ Rupees ------------	
Effect on profit before tax - 30 June 2021	**(5,991,002)**	**5,991,002**
Effect on profit before tax - 30 June 2020	(8,065,490)	8,065,490

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

45.3.2.1(c) Interest rate risk management

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

45.4 Price risk

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

45.5 Offsetting financial assets and financial liabilities

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

45.6 Financial instruments by categories

	Cash and cash equivalents	**At amortized cost**	**Total**
	---------------------- Rupees ----------------------		
2021			
Financial assets			
Long term loans	-	**509,981,467**	**509,981,467**
Long term deposits	-	**14,902,194**	**14,902,194**
Trade receivables and contract assets	-	**1,608,332,315**	**1,608,332,315**
Deposits and other receivables	-	**14,001,168**	**14,001,168**
Short term investments	**545,852,250**	-	**545,852,250**
Cash and bank balances	**305,574,793**	-	**305,574,793**
	851,427,043	**2,147,217,144**	**2,998,644,187**
Financial liabilities			
Lease liabilities	-	**33,348,445**	**33,348,445**
Long term finances - secured	-	**109,280,467**	**109,280,467**
Supplier's credit - unsecured	-	**162,221,952**	**162,221,952**
Short term borrowings - secured	**215,543,604**	**750,909,157**	**966,452,761**
Trade and other payables	-	**1,294,722,370**	**1,294,722,370**
Unclaimed dividend	-	**1,976,582**	**1,976,582**
Accrued finance cost	-	**18,750,357**	**18,750,357**
	215,543,604	**2,371,209,330**	**2,586,752,934**

	Cash and cash equivalents	At amortized	Total
2020	Rupees		
Financial assets			
Long term loans	-	317,795,971	317,795,971
Long term deposits	-	14,902,194	14,902,194
Trade receivables and contract assets	-	1,335,964,149	1,335,964,149
Short term loan	-	92,186,870	92,186,870
Deposits and other receivables	-	43,954,277	43,954,277
Short term investments	486,017,750	-	486,017,750
Cash and bank balances	328,562,905	-	328,562,905
	814,580,655	1,804,803,461	2,619,384,116
Financial liabilities			
Lease liabilities	-	42,989,447	42,989,447
Long term finances - secured	-	125,248,634	125,248,634
Supplier's credit - unsecured	-	197,730,442	197,730,442
Short term borrowings - secured	240,379,371	807,914,369	1,048,293,740
Trade and other payables	-	942,357,164	942,357,164
Unclaimed dividend	-	788,056	788,056
Accrued finance cost	-	31,653,458	31,653,458
	240,379,371	2,148,681,570	2,389,060,941

46 CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

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

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

The Company's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total debt to equity ratio does not exceed the lender covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital employed. Net debt is calculated as total loans and borrowings, less cash and bank balances and short term investments. Total capital employed signifies equity as shown in statement of financial position. The total debt to equity ratio as at reporting date are as follows:

	Note	2021 Rupees	2020 Rupees
Supplier's credit	22	162,221,952	197,730,442
Long term financing	23	109,280,467	125,248,634
Lease liabilities - vehicles	24	3,426,990	7,802,514
Short term borrowings	28	966,452,761	1,048,293,740
		1,241,382,170	1,379,075,330
Less:			
Cash and bank balances	18	(305,574,793)	(328,562,905)
Short term investments	17	(545,852,250)	(486,017,750)
		(851,427,043)	(814,580,655)
Net debt		389,955,127	564,494,675
Total equity		6,064,106,527	5,862,274,779
Gearing ratio		6%	10%

ROSHAN PACKAGES LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

47 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the unconsolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the unconsolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

47.1 Fair value hierarchy

Details of the Company's freehold land, buildings on freehold land, plant and machinery and electrical installations and information about the fair value hierarchy as at the end of the reporting period are as follow:

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees			
Freehold land	**-**	**942,988,200**	**-**	**942,988,200**
Buildings on freehold land	**-**	**-**	**852,001,384**	**852,001,384**
Plant and machinery	**-**	**-**	**2,443,715,266**	**2,443,715,266**
Electric installations	**-**	**-**	**86,745,032**	**86,745,032**
	-	**942,988,200**	**3,382,461,682**	**4,325,449,882**

	2020			
	Level 1	Level 2	Level 3	Total
	Rupees			
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	885,299,529	885,299,529
Plant and machinery	-	-	2,463,890,424	2,463,890,424
Electric installations	-	-	89,004,143	89,004,143
	-	941,755,000	3,438,194,096	4,379,949,096

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 6.1 and Note 21 respectively to these unconsolidated financial statements. There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

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

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

47.3 Valuation inputs and relationship to fair value

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

Description	2021 Rupees	2020 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	**852,001,384**	885,299,529	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	**2,443,715,266**	2,463,890,424	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	**86,745,032**	89,004,143	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

47.4 Fair values estimation

Financial instruments comprise financial assets and financial liabilities. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company's financial assets consist of long term loans and deposits, short term loans and deposits, trade receivables and contract assets, short term investments, cash and bank balances. Its financial liabilities consist of lease liabilities, long term finances, short term borrowings, supplier's credit, trade and other payables (excluding statutory payable), unclaimed dividend and accrued finance cost. The above financial assets and liabilities (except non-current portion of long term loans and deposits, long term finances and supplier's credit and lease liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non-current portion of long term loans, long term finances and lease liabilities is not significantly different to its carrying value as these financial instruments bear interest at floating rates which gets re-priced at regular intervals. Management has concluded that carrying value of long term deposits and supplier's credit approximates its fair value.

48 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES INCLUDING CURRENT PORTION

	Note	Opening balance	Cash flows	Others	Closing balance
		Rupees			
2021					
Supplier's credit		**197,730,442**	**(34,553,667)**	**454,386**	**163,631,161**
Long term financing	**48.1**	**125,248,634**	**(19,569,292)**	**3,601,125**	**109,280,467**
Lease liabilities	**48.2**	**42,989,447**	**(17,710,168)**	**8,069,166**	**33,348,445**
Short term borrowings*		**807,914,369**	**(57,005,212)**	**-**	**750,909,157**
		1,173,882,892	**(128,838,339)**	**12,124,677**	**1,057,169,230**
2020					
Supplier's credit		248,226,538	(51,208,428)	712,332	197,730,442
Long term financing	48.1	331,412,463	(202,499,691)	(3,664,138)	125,248,634
Lease liabilities	48.2	51,574,049	(19,472,401)	10,887,799	42,989,447
Short term borrowings*		911,232,705	(103,318,336)	-	807,914,369
		1,542,445,755	(376,498,856)	7,935,993	1,173,882,892

48.1 The 'others' pertains to deferred income recognized on account of benefit of the loan received at a below-market rate of interest. This also includes interest expense accrued on loan during the year.

48.2 The 'others' pertains to addition in the lease liabilities and finance cost accrued on lease liabilities during the year.

* Short term borrowings excluding running finance

49 NUMBER OF EMPLOYEES

	2021	2020
	(Number of person)	
Number of employees as at 30 June	**483**	434
Average number of employees during the year	**459**	434

50 PLANT CAPACITY AND ANNUAL PRODUCTION

	Corrugation Plant (Metric Tonnes)		Flexible Plant (Metric Tonnes)	
	2021	2020	2021	2020
Installed capacity	**60,000**	60,000	**12,240**	12,240
Actual production	**32,115**	29,220	**7,959**	7,041

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

51 OPERATING SEGMENTS

51.1 An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has determined that the Chief Executive Officer of the Company, is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'. The Company is involved in the business of manufacture and sale of corrugation and flexile packaging material to the customers, which is its only operating segment.

51.2 Revenue from major customers - 10% or more of the Company's revenue

Revenue from one customer (2020: two customers) of the Company business represents approximately Rs. 1,111.85 million (2020: Rs. 1,136.85 million) of the Company's total revenue.

52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation. However, no significant re-arrangement / reclassifications have been made in these financial statements.

53 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were approved by the Company's Board of Directors and authorized for issue on 22-Sep-2021 .

Chief Executive	Director	Chief Financial Officer

Section 5

CONSOLIDATED
FINANCIAL STATEMENTS

FINANCIAL OVERVIEW

The operating results of the Group are summarized as under:

	2021	2020
	Rupees in '000'	
Turnover	6,995,838	5,232,971
Gross profit	883,098	546,926
Operating profit	445,419	232,643
Finance cost	111,636	223,124
Profit before tax	410,574	127,985
Profit after tax	288,123	200,957

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

Despite a myriad of challenges, the Group is moving progressively towards an inclusive and sustainable growth path on the back of various strategic measures taken by the management. During the year, the Group's sites remained fully operational and we continually served essential manufacturers throughout the period despite lockdowns and supply chain disruptions. Major achievements highlighting the financial performance during FY2021 are described below:

During the period under review, the Group has earned a profit before tax of Rs. 411 million as compared to Rs. 128 million which shows an improvement of 220.8% (i.e. Rs. 283 million). Profit after tax increased by Rs. 87 million which is Rs. 288 million as compared to Rs. 201 million last year. This shows an improvement of 43.4%. The operations generated Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs. 680 million during current FY against Rs. 507 million last FY. The EBITDA is 34% higher in the current year as compared to that of last year.

Our Group achieved gross profit of Rs. 883 million for the period as compared to Rs. 547 million in 2020. This shows an increase of Rs. 336 million, which is 61.5% more than comparable period of 2020. Gross profit margins increased to 12.6% as compared to 10.5% in the comparative period last year. The Group has lowered its cost of sales ratio to 87.4% as compared to 89.5% last year, which is 2.2% lower. This has been the result of comparatively low increase in to efficient management of resources, wastage control and production cost efficiencies.

The sales revenue stood at Rs. 6,996 million in the current year against Rs 5,233 million in the comparable period last year. In volumetric terms, we have successfully dispatched 38,369 metric tons of finished goods in comparison to the 35,567 metric tons of finished goods in FY 2020. In addition to this increase, the Group has evidently improved its gross margins by rationalizing product's and customers' portfolio and increased its profitability by introducing cost reduction reforms throughout the Group.

The Group has incurred a finance cost of Rs. 112 million as compared to Rs. 223 million in the comparable period last year which has a favorable impact on our bottom line. This is due to reduction in policy rate by The State Bank of Pakistan and efficient funds management by the Group. Utility cost remains a challenge which has resulted in an increase of expense of Rs. 20 million with the cost recorded at Rs. 236 million as compared to Rs. 216 million in the comparable period last year. However, due to energy conservative measures taken by the management the utility cost has decreased to 3.38% of revenue as compared to 4.14% in the comparative year.

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

EARNING PER SHARE

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

EPS-2021: 2.13/share

EPS-2020: 1.55/share

DIVIDEND

The Board of Directors has recommended not to pay any dividend for the year ended 30 June 2021. The decision taken by the board is backed by various financial commitments by the Group in the upcoming period. This includes long term credit payment and investments in its wholly owned subsidiary.

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

The Subsidiary was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a subsidiary of the Company which was; incorporated to set up a Corrugated Paper Manufacturing Mill. The Parent Company is investing in the Subsidiary, allowing backward vertical integration. It will help Parent Company solve its raw material constraints and provide uninterrupted supplies to its customers.

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

The Subsidiary plans to start procurement of plant and machinery and expects to start its commercial operations within two years. In this respect, the Parent Company in its Annual General Meeting held on 28 October 2020 has approved additional equity investment of Rs. 900 million in the Subsidiary and increased the limit of the long-term loan up to Rs. 500 million. In addition to the above, the Subsidiary has also applied for financing facilities from commercial banks which is near to financial closure.

Considering the afore-mentioned, the management believes that a continued financial support from the Parent Company is available and the Board of Directors are committed to support the business activities of the Subsidiary based on which the Subsidiary would be able to start its operations as per plan.

FORWARD LOOKING STATEMENT

The vaccination drive against Covid 19 around the globe is paving the way for re-opening of economies. Though this phenomenon is encouraging for the health and safety of the masses, the pandemic has posed challenges for businesses owing to severe supply side shocks coupled with considerable shipment delays adversely affecting raw material and fuel costs. Waste paper prices, both imported as well as local, have seen substantial increase in the last few months.

The Group remains cautiously optimistic for the year ahead. Development of multiple vaccines and their gradual roll-out have created hope of healthy recovery next year. The Group is negotiating with its customers to pass on raw material & energy costs. We are rationalizing production costs, improving efficiencies, taking steps to reduce wastage and inefficiencies, using actively advanced marketing tools along with traditional methods of knocking customers. Our enthusiasm for broadening our products and customer portfolio will remain our priority going forward. We have a clear and focused strategy for our future and hope to strengthen our position in the coming years.

SUBSEQUENT EVENTS

There have been no material changes since 30 June 2021 to the date of this report and the Group has not entered into any commitment during this period which would have an impact on the financial position of the Group.

ACKNOWLEDGMENT

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

Chief Executive Officer

Chairman

EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of **Roshan Packages Limited and its Subsidiary** (the Group), which comprise the consolidated statement of financial position as at **30 June 2021**, he consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **30 June 2021**, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
1. Revenue from contracts with customers	
Refer to Note 31 to the consolidated financial statements and the accounting policy in Note 4.19 to the consolidated financial statements. For the year ended on 30 June 2021, the Group has recorded total net revenue from contracts with customers amounting to Rs. 6,995.84 million in which revenue amounting to Rs. 6,460.04 million recognized over time pertains to made-to-order products.	Our audit procedures included, but were not limited to: • Obtaining an understanding of the process relating to recording of revenue from contract with customers and testing the design, implementation and operating effectiveness of relevant key internal controls. • assessing the appropriateness of the Group's revenue accounting policies and compliance of those policies with the accounting and reporting standards as applicable in Pakistan;

Key audit matter	How the matter was addressed in our audit
The Group has recognized revenue in accordance with the guidance of IFRS 15 "Revenue from Contracts with Customers" during the year. IFRS 15 provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of this standard is to recognize revenue as performance obligations are fulfilled rather than based on the transfer of risk and rewards. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Group and due to the risk associated with the judgement in determining the timing of the transfer of control of goods.	• obtaining an understanding of the types of contracts with the Group's customers and comparing on a sample basis, revenue transactions recorded during the year and around the year end with the sales orders, sales invoices, dispatch orders and other relevant underlying documents to assess whether the revenue was recorded in accordance with the five step approach of IFRS 15 in appropriate financial reporting period; • inspecting, on a sample basis, credit notes issued during and around the year end to evaluate whether the variable elements of revenue from contract with customers had been accurately recorded in the appropriate financial reporting period; and • scanning for any manual journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

EY Ford Rhodes
Chartered Accountants
Lahore
Dated: 4th October 2021

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,118,934,547	5,014,071,127
Right-of-use assets	7	33,431,766	51,279,633
Intangible asset	8	-	362,586
Long term loan	9	130,864,885	-
Long term advance and deposits		16,012,174	14,902,194
		6,299,243,372	5,080,615,540
Current assets			
Stores, spares and other consumables	10	182,914,819	171,999,102
Stock-in-trade	11	860,632,063	708,935,191
Contract assets	12	148,554,959	80,878,738
Trade receivables	13	1,459,777,356	1,255,085,411
Current portion of long term loans	9	-	149,249,281
Advances, deposits, prepayments and other receivables	14	767,204,760	711,378,087
Short term investments	15	545,852,250	486,017,750
Cash and bank balances	16	305,848,616	328,608,293
		4,270,784,823	3,892,151,853
TOTAL ASSETS		10,570,028,195	8,972,767,393
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2020: 150,000,000) ordinary shares of Rs. 10 each		2,000,000,000	1,500,000,000
Issued, subscribed and paid up share capital	17	1,419,000,000	1,419,000,000
Capital reserves			
Surplus on revaluation of property, plant and equipment	18	2,903,180,018	1,795,215,742
Share premium	19	1,994,789,057	1,994,789,057
		4,897,969,075	3,790,004,799
Revenue reserve			
Un-appropriated profit		856,151,106	644,121,246
Equity attributable to owners		7,173,120,181	5,853,126,045
Non-controlling interests			100,584,447
TOTAL EQUITY		7,173,120,181	5,953,710,492
Non-current liabilities			
Supplier's credit	20	64,192,028	-
Long term financing	21	18,522,370	87,018,828
Lease liabilities	22	24,753,229	31,721,605
Deferred tax liabilities	23	574,649,300	453,622,673
Deferred liabilities	24	140,818,763	122,088,352
		822,935,690	694,451,458
Current liabilities			
Current portion of long term liabilities	25	199,746,644	248,834,807
Short term borrowings	26	966,452,761	1,048,293,740
Trade and other payables	27	1,372,313,986	979,117,031
Contract liabilities	28	14,731,994	15,918,351
Accrued finance cost	29	18,750,357	31,653,458
Unclaimed dividend		1,976,582	788,056
		2,573,972,324	2,324,605,443
TOTAL LIABILITIES		3,396,908,014	3,019,056,901
TOTAL EQUITY AND LIABILITIES		10,570,028,195	8,972,767,393
CONTINGENCIES AND COMMITMENTS	30		

The annexed notes, from 1 to 51, form an integral part of these consolidated financial statements.

Chief Executive — Director — Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Revenue from contracts with customers		8,118,728,427	6,085,148,294
Less: sales tax		(1,122,890,202)	(852,177,670)
Net revenue	31	6,995,838,225	5,232,970,624
Cost of revenue	32	(6,112,740,638)	(4,686,045,061)
Gross profit		883,097,587	546,925,563
Administrative expenses	33	(206,064,554)	(159,541,038)
Selling and distribution expenses	34	(197,356,671)	(165,539,231)
Reversal of allowance on trade receivables	13	-	24,866,683
Other operating expenses	35	(34,257,533)	(14,068,693)
		(437,678,758)	(314,282,279)
Operating profit		445,418,829	232,643,284
Other income	36	76,790,795	118,465,992
Finance costs	37	(111,635,681)	(223,123,998)
Profit before taxation		410,573,943	127,985,278
Taxation	38	(122,451,292)	72,971,342
Profit for the year		288,122,651	200,956,620
Profit / (loss) attributable to:			
Owners of the Holding Company		302,346,462	219,758,753
Non-controlling interests		(14,223,811)	(18,802,133)
		288,122,651	200,956,620
Earnings per share - Basic and diluted	39	2.13	1.55

The annexed notes, from 1 to 51, form an integral part of these consolidated financial statements.

Chief Executive — Director — Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
Profit for the year		**288,122,651**	200,956,620
Other comprehensive profit / (loss):			
Items that will not be subsequently reclassified in profit or loss:			
- actuarial loss on remeasurement of retirement benefits	**24.2**	**(2,701,768)**	(244,199)
- related deferred tax	**23**	**783,513**	70,818
		(1,918,255)	(173,381)
- revaluation surplus during the year		**1,156,781,118**	-
		1,154,862,863	(173,381)
Total comprehensive income for the year		**1,442,985,514**	200,783,239
Total comprehensive income / (loss) attributable to:			
Owners of the Holding Company		**1,457,209,325**	219,585,372
Non-controlling interests		**(14,223,811)**	(18,802,133)
		1,442,985,514	200,783,239

The annexed notes, from 1 to 51, form an integral part of these consolidated financial statements.

Chief Executive

Director

Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total equity attributable to the owners of Holding Company	Non-controlling interests	Total equity
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit			
	Rupees						
Balance as on 01 July 2019	1,419,000,000	1,994,789,057	1,843,728,306	376,023,310	5,633,540,673	119,386,580	5,752,927,253
Profit / (loss) for the year	-	-	-	219,758,753	219,758,753	(18,802,133)	200,956,620
Other comprehensive loss for the year	-	-	-	(173,381)	(173,381)	-	(173,381)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	(48,512,564)	48,512,564	-	-	-
Balance as on 30 June 2020	1,419,000,000	1,994,789,057	1,795,215,742	644,121,246	5,853,126,045	100,584,447	5,953,710,492
Profit / (loss) for the year	-	-	-	**302,346,462**	**302,346,462**	**(14,223,811)**	**288,122,651**
Adjustments due to further acquisition of interest in subsidiary (Note 1.1)	-	-	-	**4,684,811**	**4,684,811**	**(86,360,636)**	**(81,675,825)**
Other comprehensive profit / (loss) for the year	-	-	**1,156,781,118**	**(1,918,255)**	**1,154,862,863**	-	**1,154,862,863**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax	-	-	**(48,816,842)**	**48,816,842**	-	-	-
Final cash dividend for the year ended 30 June 2020 (Rs.1 per share)	-	-	-	**(141,900,000)**	**(141,900,000)**	-	**(141,900,000)**
Balance as on 30 June 2021	**1,419,000,000**	**1,994,789,057**	**2,903,180,018**	**856,151,106**	**7,173,120,181**		**7,173,120,181**

Chief Executive

Director

Chief Financial Officer

	Note	2021 Rupees	2020 Rupees
OPERATING ACTIVITIES			
Profit before taxation		**410,573,943**	127,985,278
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of operating fixed assets	6.1.4	**146,772,459**	141,052,819
Depreciation of right-of-use assets	7.1	**10,385,583**	13,598,863
Interest income on loans	36	**(11,925,889)**	(16,410,881)
Finance costs	37	**111,635,681**	223,123,998
Provision for gratuity	24.2.1	**31,293,341**	51,564,686
Allowance for expected credit losses	13.2	**-**	(24,866,683)
Profit on bank deposits	36	**(18,182,346)**	(19,452,163)
Profit on short term investments	36	**(35,062,443)**	(76,007,712)
Amortization of intangible asset	8	**362,586**	1,417,696
Provision for Worker's Profit Participation Fund	35	**25,099,726**	9,207,593
Provision for Worker's Welfare Fund	35	**8,793,498**	630,643
Grant income	24.3	**(2,350,049)**	(187,243)
Gain on remeasurement of supplier's credit	36	**(1,409,209)**	-
Exchange (gain) / loss - unrealized		**(141,588)**	6,572,821
Loss / (gain) on disposal of property, plant and equipment	35 & 36	**364,309**	(3,397,055)
Provision for accumulating compensated absences	24.1.1	**447,283**	2,906,501
		266,082,942	309,753,883
		676,656,885	437,739,161
Working capital adjustments:			
Decrease / (increase) in current assets:			
Stores and spare parts		**(10,915,717)**	866,441
Stock-in-trade		**(151,696,872)**	651,376
Trade receivables		**(204,691,945)**	39,286,620
Contract assets		**(67,676,221)**	(32,282,771)
Advances, deposits, prepayments and other receivables		**(70,197,656)**	57,605,585
Increase / (decrease) in current liabilities:			
Contract liabilities		**(1,186,357)**	11,826,356
Trade and other payables		**276,944,466**	(22,614,433)
		(229,420,302)	55,339,174
Net cash flows from operations		**447,236,583**	493,078,335
Finance costs paid		**(118,099,251)**	(218,094,259)
Tax refunded / (paid)		**10,501,326**	(42,508,860)
Gratuity paid		**(13,943,906)**	(7,938,002)
Accumulated absences paid		**(220,328)**	(437,674)
Net increase in long term deposits		**(1,109,980)**	(5,319,670)
		(122,872,139)	(274,298,465)
Net cash flows from operating activities		**324,364,444**	218,779,870

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(85,547,785)**	(75,376,834)
Proceeds from disposal of property, plant and equipment		**553,999**	7,800,000
Interest on long term loan received		**30,310,285**	-
Profit on bank deposits received		**56,473,294**	102,806,153
Net cash flows from investing activities		**1,789,793**	35,229,319
FINANCING ACTIVITIES			
Proceeds from long term financing		**25,601,002**	48,100,272
Repayment of long term financing		**(45,170,294)**	(250,599,963)
Repayment of supplier's credit		**(34,553,667)**	(51,208,428)
Dividend paid		**(140,711,474)**	(12,113)
Repayment of short term borrowings - net		**(57,005,212)**	(103,318,336)
Repayment of lease liabilities		**(12,404,002)**	(19,472,401)
Net cash used in financing activities		**(264,243,647)**	(376,510,969)
Net increase / (decrease) in cash and cash equivalents		**61,910,590**	(122,501,780)
Cash and cash equivalents at the beginning of the year		**574,246,672**	696,748,452
Cash and cash equivalents at the end of the year	40	**636,157,262**	574,246,672

The annexed notes, from 1 to 51, form an integral part of these consolidated financial statements.

Significant non-cash transactions:

- Pursuant to the agreement between the Holding Company and Shandong Yongtai Paper Mills Limited and its directors (joint shareholders in the Roshan Sun Tao Paper Mills (Private) Limited - the Subsidiary), the Holding Company has acquired their interest in the Subsidiary for Rs. 81.67 million, as mentioned in Note 1.1.

Chief Executive	Director	Chief Financial Officer

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 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"), a private limited Company registered under Companies Act 2017 incorporated on 08 January 2016, is a 100% (2020: 60%) owned subsidiary of Roshan Packages Limited. The principal activity of the Subsidiary will be manufacturing, supplying and dealing in corrugated papers. At incorporation, 60% shares of Subsidiary were subscribed by the Holding Company and 40% by the Shandong Yongtai Paper Mills Limited and its Directors (the NCI). On 25 September 2016, right shares were issued by the Subsidiary in proportion to the existing shares held by the shareholders. Right shares were issued to the Holding Company and NCI at par value and at premium, respectively. The issuance of right shares to NCI resulted into gain of Rs. 37,105,360 to the equity attributable to the shareholders of the Holding Company and was recorded in equity as share premium in consolidated financial statements. As at 01 July 2019, this amount has been reclassified from share premium to unappropriated profit. On 05 March 2021, the Holding Company entered into a settlement agreement with the Shandong Yongtai Paper Mills Limited and its directors to acquire their interest in the Subsidiary for Rs. 81.67 million in a full and final settlement. As a result of afore-mentioned acquisition, the Holding Company now holds 100% (2020: 60%) of voting securities in the Subsidiary. The country of incorporation is also its principal place of business and Subsidiary's financial year end is 30 June. As of the reporting date, the Subsidiary is in its set up phase and has not yet commenced its commercial operations.

1.2 Consolidated financial statements

These financial statements are the consolidated financial statements of the Roshan Packages Limited (the Holding Company) and its subsidiary (the Group).

1.3 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

- Head office and registered office: 325-G-III, M.A.Johar Town, Lahore, Punjab.
- The land purchased for setting up the manufacturing facility is situated at M-2 Lahore-Islamabad motorway, district Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Act differ from the IFRS Standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting and reporting standards, as applicable in Pakistan that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are documented in the following accounting policies and notes, and relate primarily to:

	Note
a) Depreciation method, rates and useful lives of depreciable and right-of-use assets	4.4 & 4.5
b) Employee retirement and other benefits	4.12
c) Revenue recognition: Whether revenue from products recognized over time or at point in time	4.19
d) Taxation	4.21
e) Impairment of financial assets	4.10 & 4.23

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of consolidation

4.1.1 Subsidiary

Subsidiary is the entity over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. The Group ceases consolidation from the date when control is lost.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 4.2).

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests (NCI) in the results and equity of subsidiary are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

4.1.2 Transactions with non-controlling interest that do not result in loss of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

4.1.3 Disposal of subsidiary

When the Group ceases to consolidate an investment in subsidiary because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

4.2 Business combinations and goodwill

4.2.1 Acquisition method of accounting

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

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

4.2.2 Goodwill

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase gain.

4.2.3 Deferred or contingent consideration

Contingent consideration transferred by the acquirer are recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9: Financial Instruments, is measured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

4.2.4 Business combination achieved in stages

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in consolidated statement of changes in equity.

4.3 Standard, interpretations and amendments to approved published accounting standards that became effective during the year

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

Standards or Interpretations

i) Amendments to IFRS 3: Definition of a Business

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

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

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

Standards or Interpretations

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

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

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

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

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

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

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

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

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

4.4 Property, plant and equipment

Operating fixed assets

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

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

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

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

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

Depreciation on all property, plant and equipment is charged to the consolidated statement of profit or loss on the reducing balance method, except for buildings on freehold land, plant and machinery and related electric installations which are being depreciated using the straight line method, so as to write off the historical cost of an asset over its estimated useful life at depreciation rates mentioned in Note 6 after taking into account their residual values.

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

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

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

Capital work in progress

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

4.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

a) Right-of-use assets

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

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

b) Lease liabilities

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

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

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

d) Judgement and estimate:

Determining the lease term of contracts

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

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

4.6 Intangible asset

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

Intangible asset is amortized at a rate mentioned in Note 8 and charged to consolidated statement of profit or loss. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

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

4.7 Impairment of non-financial assets

The carrying amounts of non-financial assets other than stores, spares and other consumables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

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The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in consolidated statements of profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.8 Stores, spares and other consumables

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

4.9 Stock-in-trade

These are stated at the lower of cost, which is calculated according to moving average method, and estimated net realizable value.

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

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

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

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

4.10 Trade receivables

Trade receivables are initially measured at their transaction price under IFRS 15 and subsequently measured at amortized cost less any allowance for expected credit losses.

Allowance for expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. For trade and other receivables, the Group has applied the standard's simplified approach and calculated ECLs based on lifetime expected credit losses. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4.11 Cash and cash equivalents

Cash and bank balances comprise of cash in hand and cash at banks in current and saving accounts and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash and bank balances and short term investment, net of outstanding running finance balances as they are considered as integral part of the Group's cash management.

4.12 Employee benefits

The Group operates following retirement and other long term schemes for its employees.

a) Gratuity

The Group operates an unfunded gratuity scheme for its permanent employees. Gratuity benefit is calculated according to last drawn eligible salary multiplied by number of completed years of service. No benefit is paid if service is less than one year.

The entity recognizes the defined benefit liability in the consolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. Actuarial valuation is conducted every year. The latest valuation was carried out as at 30 June 2021 using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses from changes in actuarial and experience assumptions for gratuity is recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to unappropriated profit through other comprehensive income in the period in which they occur. Re-measurement of defined benefit liability recognized in consolidated statement of comprehensive income and shall not be reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the profit or loss on earlier of; the date of the plan amendment or curtailment, and the date when entity recognizes related restructuring cost. Net interest is calculated by applying the discount rate to the defined benefit liability. The entity recognizes the current service cost, past service cost, gains and losses on curtailments, non-routine settlements and net interest expense or income changes in the defined benefit obligations in the consolidated statement of profit or loss.

b) Accumulated compensated absences

The Group provides leave encashment benefit to its employees. Employees are entitled to receive 15 days leave per annum. The un-utilized leave are accumulated subject to a maximum of 30 days. The un-utilized accumulated leave are en-cashed at the time of leaving the service.

The entity recognizes the defined benefit liabilities in the consolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. All actuarial gain or loss, current service, past service cost and interest cost are recognized in consolidated statement of profit or loss. The valuation is based on the assumptions as mentioned in Note 24.1 of these consolidated financial statements.

In prior years, management used to calculate obligation for accumulated compensated absences on the basis of accumulated leaves and last drawn salary of the respective year and charged to consolidated statement of profit or loss. During the year, management has involved a qualified independent actuary for the first time to calculate the provision related to accumulated compensated absences. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the salaries and other benefits expense for the year has decreased by Rs. 2,459,225 and deferred tax liability as at reporting date has decreased by Rs. 713,175. The resultant after-tax effect is an increase in profit for the year of Rs. 3,172,400.

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The Group faces the following risks on account of calculation of provision for employees benefits:

- **Salary increase / inflation risk:**

  The Gratuity Scheme is a defined benefit scheme with benefits based on last drawn salary. Therefore, the liabilities of the scheme are sensitive to the salary increases.

- **Discount rate risk:**

  The risk of changes in discount rate may have an impact on the plan's liability.

- **Mortality risk:**

  Actual mortality experience maybe different than that assumed in the calculation.

- **Withdrawal risk:**

  Actual withdrawals experience may different from that assumed in the calculation.

4.12.1 Estimates and judgments

The cost of employee benefit are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and withdrawal rates.

Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The Group uses the valuation performed by an independent actuary as the present value of its defined benefit obligation. Actuarial valuation is conducted every year and is based on assumptions as mentioned in notes to these consolidated financial statements.

4.13 Deferred income - Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Benefit of a loan at a below-market rate of interest is recognized as deferred income. Deferred income is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed.

4.14 Trade and other payables

Liabilities for trade and other payables are carried at their cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

4.15 Contract liabilities

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

4.16 Dividend

The Group recognizes a liability to pay a dividend when the distribution is authorized by the Board of Directors of the Group (The Board), and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

4.17 Provisions

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

4.18 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.19 Revenue from contracts with customers

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

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

Made-to-order packaging products:

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

Standard packaging products:

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

4.20 Foreign currency translation

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in consolidated statement of profit or loss.

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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. There are no non-monetary items measured at fair value in a foreign currency.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, determines the transaction date for each payment or receipt of advance consideration.

4.21 Taxation

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

Current tax

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

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

Deferred

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

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

4.22 Sales Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

4.23 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.23.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes long term loan, long term deposits, trade receivables, contract assets, deposits and other receivables, short term investments and cash and bank balances.

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Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group doesn't have any financial assets measured at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group hasn't elected to classify any financial assets under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

The Group doesn't have any financial assets measured at fair value through profit or loss.

Impairment of financial assets

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

4.23.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Group's financial liabilities include trade and other payables (excluding due to statutory authorities), long term loan, short term borrowings, mark-up accrued on loans and unclaimed dividend.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the consolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss.

4.23.3 Derecognition

4.23.3.1 Financial assets

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

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

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

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

4.23.3.2 Financial liabilities

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

4.23.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the entity currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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4.24 Earnings per share (EPS)

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

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

4.25 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax liabilities are classified as non-current liabilities.

5 NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE RELEVANT BUT NOT YET EFFECTIVE

The standards and interpretations with respect to the accounting and reporting standards as applicable in Pakistan that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard or Interpretation

- **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group expects that these amendments will have no impact on consolidated financial statements as their current practice is already in line with the proposed amendments.

Standard or Interpretation

- **Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 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 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and are applied prospectively. The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling 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 recognizes the proceeds from selling such items, and the costs of producing those items, in the statement of profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

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

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Considering the nature of operation of the Group, these amendments are not expected to have a material impact on the consolidated financial statements of the Group.

- **IFRS 1 - First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not applicable to the Group.

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Standard or Interpretation

- **IFRS 9 - Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IFRS 9. 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 by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

- **IAS 41 Agriculture – Taxation in fair value measurements**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. These amendment is not applicable to the Group.

- **IFRS 10 - and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments are not applicable to the Group.

- **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

- **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Standard or Interpretation

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the IASB expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendments to IAS 12 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. However, these amendments are not expected to have a material impact on the consolidated financial statements of the Group.

- **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

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

Standard or Interpretation

- **IFRS 1 - First-time Adoption of International Financial Reporting Standards**

In November 2008, the IASB issued IFRS 1 First time adoption of International reporting standards, sets out the procedures that an entity must follow when it adopts IFRSs for the first time as the basis for preparing its general purpose financial statements for a period beginning on or after 1 July 2004. However, the SECP has not yet notified its date of applicability in Pakistan.

- **IFRS 17 – Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating fixed assets	6.1	5,798,792,542	4,426,415,803
Capital work in progress	6.2	320,142,005	587,655,324
		6,118,934,547	5,014,071,127

6.1 Operating fixed assets

	Owned							
	Freehold land	Buildings on freehold land	Plant and machinery	Electric Installations	Furniture and fixtures	Office equipment	Vehicles	Total
	Rupees							
Cost / revalued amount								
As at 01 July 2019	941,755,000	1,156,937,489	3,788,473,314	125,269,194	9,020,156	50,004,000	50,939,567	6,122,398,720
Additions	-	4,981,019	39,344,576	12,500	1,049,298	3,866,463	-	49,253,856
Transfers from right of use assets	-	-	-	-	-	-	7,600,000	7,600,000
Disposals	-	-	(1,376,944)	-	-	-	(7,600,000)	(8,976,944)
As at 30 June 2020	941,755,000	1,161,918,508	3,826,440,946	125,281,694	10,069,454	53,870,463	50,939,567	6,170,275,632
Additions	**175,339,582**	**640,912**	**77,273,039**	**959,739**	**1,742,495**	**97,105,337**	-	**353,061,104**
Transfers from right of use assets	-	-	-	-	-	-	**22,379,333**	**22,379,333**
Revaluation adjustment (Note 18)	**1,156,781,118**	-	-	-	-	-	-	**1,156,781,118**
Disposals / written off (Note 6.1.6)	-	-	**(35,641)**	**(23,715)**	**(1,004,070)**	**(209,733)**	**(1,845,500)**	**(3,118,659)**
As at 30 June 2021	**2,273,875,700**	**1,162,559,420**	**3,903,678,344**	**126,217,718**	**10,807,879**	**150,766,067**	**71,473,400**	**7,699,378,528**
Depreciation								
As at 01 July 2019	-	242,864,775	1,270,549,450	33,124,361	4,152,556	18,636,601	34,279,613	1,603,607,356
Charge for the year	-	33,754,204	92,099,921	3,153,190	519,009	7,595,195	3,931,300	141,052,819
Transfers from right of use assets	-	-	-	-	-	-	3,773,653	3,773,653
Disposals	-	-	(98,849)	-	-	-	(4,475,150)	(4,573,999)
As at 30 June 2020	-	276,618,979	1,362,550,522	36,277,551	4,671,565	26,231,796	37,509,416	1,743,859,829
Charge for the year	-	**33,939,057**	**97,428,830**	**3,208,391**	**637,727**	**6,989,492**	**4,568,962**	**146,772,459**
Transfers from right of use assets	-	-	-	-	-	-	**12,154,049**	**12,154,049**
Disposals / written off (Note 6.1.6)	-	-	**(16,274)**	**(13,256)**	**(822,861)**	**(132,395)**	**(1,215,565)**	**(2,200,351)**
As at 30 June 2021	-	**310,558,036**	**1,459,963,078**	**39,472,686**	**4,486,431**	**33,088,893**	**53,016,862**	**1,900,585,986**
Net book value								
As at 30 June 2021	**2,273,875,700**	**852,001,384**	**2,443,715,266**	**86,745,032**	**6,321,448**	**117,677,174**	**18,456,538**	**5,798,792,542**
As at 30 June 2020	941,755,000	885,299,529	2,463,890,424	89,004,143	5,397,889	27,638,667	13,430,151	4,426,415,803
Depreciation rate	**-**	**3% - 20%**	**3% - 50%**	**3% - 10%**	**10%**	**10% - 50%**	**20%**	

6.1.1 The gross carrying value of fully depreciated assets that are still in use amounted to Rs. 2.63 million (2020: Rs. 2.20 million).

6.1.2 The latest revaluation on freehold land, buildings on freehold land, plant and machinery and electric installations of the Holding Company and on freehold land of Subsidiary was carried out on 30 June 2019. During the year, the Subsidiary has transferred freehold land from capital work in progress to operating fixed assets at cost and revaluation of afore-mentioned land has been carried out on 30 June 2021, pursuant to the Group's policy for subsequent measurement of freehold land at revaluation model. These revaluations have been carried out by an independent professional valuer, Unicorn International Surveyors. Had there been no revaluation, the carrying amounts of the following classes of assets would have been as follows:

	2021 Rupees	2020 Rupees
Freehold land	**302,166,659**	126,827,077
Buildings on freehold land	**423,920,778**	443,458,095
Plant and machinery	**1,577,255,626**	1,563,492,383
Electric installations	**55,337,190**	56,478,688
	2,358,680,253	2,190,256,243

6.1.3 The forced sale value of assets as determined by the independent valuer is as follows:

	Forced sale value Rupees
Freehold land	1,865,201,750
Buildings on freehold land	777,025,455
Plant and machinery	2,139,924,877
Electric installations	78,633,516
	4,860,785,598

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

	Note	2021 Rupees	2020 Rupees
Cost of revenue	32	**141,200,163**	136,158,354
Administrative expenses	33	**4,120,247**	4,116,082
Selling and distribution expenses	34	**1,452,049**	778,383
		146,772,459	141,052,819

6.1.5 Particulars of immovable fixed assets of the Group are as follows:

Description	Location	Area
Holding Company:		
Corrugation plant site	7 K.M. Sundar Raiwind Road, opposite Sundar Industrial Estate, Mauza Bhai Kot, District Lahore.	8.22 acres
Flexible plant site	Plot No. 141, 142 & 142-B, Sundar Industrial Estate, Sundar Raiwind Road, Lahore	7.73 acres
Subsidiary:		
Corrugation plant site (Note 6.1.7)	M-2 Lahore-Islamabad motorway, district Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.	57 acres

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

6.1.6 Assets written-off include several low value assets having net book value of Rs. 288,373, which are assessed redundant by the management as result of extensive survey conducted during the year. Further, the aggregate net book value of operating fixed assets disposed off during the year have not exceeded five million, therefore, particulars of such assets does not require to be disclosed.

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

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6.2 Capital work in progress

	Opening balance	Additions	Transfers to operating fixed assets	Closing balance
	Rupees			
2021				
Plant and machinery	**206,103,669**	**18,971,274**	**(37,644,078)**	**187,430,865**
Land and civil works	**274,406,951**	**2,636,636**	**(198,125,763)**	**78,917,824**
Electrical installations	**3,759,708**	**1,708,600**	**(3,759,708)**	**1,708,600**
Office equipment	**103,384,996**	**-**	**(51,300,280)**	**52,084,716**
	587,655,324	**23,316,510**	**(290,829,829)**	**320,142,005**
2020				
Plant and machinery	207,914,630	21,755,370	(23,566,331)	206,103,669
Land and civil works	245,602,854	28,804,097	-	274,406,951
Electrical installations	754,687	3,005,021	-	3,759,708
Office equipment	107,260,178	-	(3,875,182)	103,384,996
	561,532,349	53,564,488	(27,441,513)	587,655,324

7 RIGHT-OF-USE ASSETS

	Leasehold Buildings	Vehicles	Total
Cost	Rupees		
As at 01 July 2019	38,480,671	42,360,000	80,840,671
Additions	-	3,130,000	3,130,000
Transfers to operating fixed assets	-	(7,600,000)	(7,600,000)
As at 30 June 2020	38,480,671	37,890,000	76,370,671
Additions	**-**	**2,763,000**	**2,763,000**
Transfers to operating fixed assets	**-**	**(22,379,333)**	**(22,379,333)**
As at 30 June 2021	**38,480,671**	**18,273,667**	**56,754,338**
Depreciation			
As at 01 July 2019	-	15,265,828	15,265,828
Charge for the year	7,601,985	5,996,878	13,598,863
Transfers to operating fixed assets	-	(3,773,653)	(3,773,653)
As at 30 June 2020	7,601,985	17,489,053	25,091,038
Charge for the year	**7,596,704**	**2,788,879**	**10,385,583**
Transfers to operating fixed assets	**-**	**(12,154,049)**	**(12,154,049)**
As at 30 June 2021	**15,198,689**	**8,123,883**	**23,322,572**
Net book value			
As at 30 June 2021	**23,281,982**	**10,149,784**	**33,431,766**
As at 30 June 2020	30,878,686	20,400,947	51,279,633
Depreciation rate	**17% - 41%**	**20%**	

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

	Note	2021 Rupees	2020 Rupees
Cost of revenue	32	**1,812,078**	2,595,140
Administrative expenses	33	**6,722,289**	9,147,226
Selling and distribution expenses	34	**1,851,216**	1,856,497
		10,385,583	13,598,863

			2021	2020
8	**INTANGIBLE ASSET**	**Note**	**Rupees**	Rupees
	Cost			
	Opening balance		**7,088,486**	7,088,486
	Addition		**-**	-
	Closing balance		**7,088,486**	7,088,486
	Amortization			
	Opening balance		**6,725,900**	5,308,204
	Charge for the year	33	**362,586**	1,417,696
	Closing balance		**7,088,486**	6,725,900
	Net book value as at 30 June		**-**	362,586
	Amortization rate		**20%**	20%

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

			2021	2020
9	**LONG TERM LOAN**	**Note**	**Rupees**	Rupees
	At amortized cost:			
	Loan to associated undertaking - Roshan Enterprises	**9.1 & 9.2**	**130,864,885**	-

9.1 The loan carries markup at the rate of 1-Year KIBOR + 2% (2020: 1-Year KIBOR + 2%) per annum or average borrowing cost of the Group, whichever is higher. The effective interest rate was 9.21% to 10.06% (2020: 12.26% to 15.27%) per annum. The Group in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act, 2017 has granted extension of two years to associated undertaking in repayment of loan and as per revised terms and condition, Roshan Enterprises would repay the entire principal amount by 28 October 2022.

			2021	2020
9.2	**Movement during the year is as follows:**	**Note**	**Rupees**	Rupees
	Opening balance		**149,249,281**	132,838,400
	Markup accrued during the year	36	**11,925,889**	16,410,881
			161,175,170	149,249,281
	Less: Markup received		**(30,310,285)**	-
	Less: Current portion shown under current assets		**-**	(149,249,281)
	Closing balance		**130,864,885**	-

9.2.1 The maximum aggregate amount outstanding during the year with reference to month end balance amounted to Rs. 153.03 million (2020: Rs. 149.25 million).

			2021	2020
10	**STORES, SPARES AND OTHER CONSUMABLES**	**Note**	**Rupees**	Rupees
	Stores		**133,733,209**	128,510,822
	Spares		**36,633,953**	38,939,620
	Packing material		**12,547,657**	4,548,660
			182,914,819	171,999,102

11	**STOCK-IN-TRADE**			
	Raw materials	11.1	**812,394,007**	697,207,309
	Finished goods		**48,238,056**	11,727,882
			860,632,063	708,935,191

11.1 This includes stock in transit amounting to Rs. 115.42 million (2020: Rs. 42.16 million)

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12 CONTRACT ASSETS

This represents the Group's right to consideration for work completed but not billed and goods delivered but not received by customers at the reporting date on made to order packing products recognized as per requirements of IFRS 15 Revenue from Contracts with Customers. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices to the customers.

			2021	2020
13	**TRADE RECEIVABLES**	**Note**	**Rupees**	Rupees
	Trade receivables from contract with customers	**13.1**	**1,693,642,261**	1,488,950,316
	Less: allowance for expected credit losses	**13.2**	**(233,864,905)**	(233,864,905)
			1,459,777,356	1,255,085,411
13.1	**Balances with related parties:**			
13.1.1	Outstanding balance from related party are as follows:			
	Roshan Enterprises		**3,181,846**	3,203,087
	Al-Firdusi Exporters		**1,124,924**	1,634,354
			4,306,770	4,837,441

13.1.2 The maximum aggregate amount outstanding at any time during the year calculated with reference to month-end balance are as follows:

		2021	2020
	Note	**Rupees**	Rupees
Roshan Enterprises		**5,237,066**	3,878,967
Al-Firdusi Exporters		**7,154,934**	3,550,744
		12,392,000	7,429,711

13.1.3 The age analysis of balances due from related parties are as follows:

Not overdue	**4,306,770**	2,742,776
Past due but less than 180 days	**-**	2,094,665
	4,306,770	4,837,441

13.2 Movement in allowance for expected credit losses:

Opening balance	**233,864,905**	258,731,588
Reversal during the year	**-**	(24,866,683)
Closing balance	**233,864,905**	233,864,905

14 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances :			
- to employees	14.1	**11,135,316**	5,213,329
- to suppliers		**200,801,479**	125,667,278
		211,936,795	130,880,607
Balances with statutory authorities:			
- sales tax receivable - net		**115,979,569**	133,753,082
- income tax receivable - net		**429,963,559**	423,332,524
		545,943,128	557,085,606
Prepayments		**3,904,984**	10,904,844
Security deposits		**2,570,641**	6,429,313
Interest receivable on:			
- saving accounts		**109,172**	276,878
- short term investments		**2,740,040**	5,800,839
		767,204,760	711,378,087

14.1 This include advances paid to executives amounting to Rs. 1.18 million (2020: Rs. 1.09 million).

			2021	2020
15	**SHORT TERM INVESTMENTS**	Note	Rupees	Rupees
	Term deposit	15.1	300,000,000	-
	Treasury bill	15.2	245,852,250	486,017,750
			545,852,250	486,017,750

15.1 It carries markup at the rate 7.5% (2020: 8.50% to 13.55%) per annum.

15.2 It carries markup at the rate ranging from 6.98% to 8% (2020: 7.84% to 8.09%) per annum.

			2021	2020
16	**CASH AND BANK BALANCES**	Note	Rupees	Rupees
	Cash in hand		139,895	334,993
	Balances with banks:			
	- saving accounts	16.1	240,303,589	289,018,160
	- current accounts		65,405,132	39,255,140
			305,708,721	328,273,300
			305,848,616	328,608,293

16.1 The savings accounts earns interest at floating rates based on daily bank deposit rates ranging from 3% to 7% (2020: 6% to 12.90%) per annum.

17 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2021	2020	2021	2020
	---------- No. of shares ----------		------------ Rupees ------------	
Ordinary shares of Rs. 10 each fully paid in cash	57,336,000	57,336,000	573,360,000	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	79,461,000	79,461,000	794,610,000	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 17.1)	5,103,000	5,103,000	51,030,000	51,030,000
	141,900,000	141,900,000	1,419,000,000	1,419,000,000

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

17.2 Detail of shares of the Holding Company held by its Directors are as follows:

	2021	2020	2021	2020
	---------- No. of shares ----------		------------ Rupees ------------	
Tayyab Aijaz	38,087,809	38,087,809	380,878,090	380,878,090
Khalid Eijaz Qureshi	20,790,000	20,790,000	207,900,000	207,900,000
Zaki Aijaz	16,833,538	16,833,538	168,335,380	168,335,380
Saddat Aijaz	16,830,000	16,830,000	168,300,000	168,300,000
Quasim Aijaz	4,196,562	4,196,562	41,965,620	41,965,620
Ayesha Mussadaque Ahmed	56	56	560	560
Muhammad Naveed Tariq	2	2	20	20
	96,737,967	96,737,967	967,379,670	967,379,670

18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations. This has been adjusted by incremental depreciation arising out of revaluation of above-mentioned assets except freehold land. The latest valuation of the Holding Company's assets was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2019, which resulted in surplus of Rs. 1,055.28 million. Further, revaluation of freehold land of the Subsidiary was carried out on 30 June 2021 by the afore-mentioned valuer, which resulted in surplus of Rs. 1,156.78 million. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

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

		2021	2020
	Note	Rupees	Rupees
Opening balance - net of tax		1,795,215,742	1,843,728,306
Surplus transferred to unappropriated profit for the year on account of incremental depreciation - net of tax		(48,816,842)	(48,512,564)
Revaluation surplus during the year		1,156,781,118	-
Closing balance - net of tax		2,903,180,018	1,795,215,742

19 SHARE PREMIUM

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

			2021	2020
20	**SUPPLIER'S CREDIT**	Note	Rupees	Rupees
	Supplier's credit	20.1	162,221,952	197,730,442
	Less: current portion shown under current liabilities	25	(98,029,924)	(197,730,442)
			64,192,028	-

20.1 This represents loan payable to Windmoller & Holscher, Germany in respect of the following assets:

		2021	2020
	Note	Rupees	Rupees
Varex II 5-Layer Co-Extrusion Line machine	20.1.1	97,716,720	98,712,286
Gravure Printing Press Heliostar SH machine	20.1.2	64,505,232	99,018,156
		162,221,952	197,730,442

The reconciliation of the carrying amounts is as follows:

	Varex II 5-Layer Co-Extrusion Line machine		Gravure Printing Press Heliostar SH machine	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Supplier's credit	210,369,804	210,369,804	210,406,544	210,406,544
Discounting adjustment	(9,565,283)	(9,565,283)	(9,566,953)	(9,566,953)
	200,804,521	200,804,521	200,839,591	200,839,591
Unwinding of discount on liability	10,113,758	9,872,341	10,013,729	9,943,308
Exchange loss	70,267,550	70,817,675	60,829,262	60,136,589
Payments	(182,782,251)	(182,782,251)	(206,454,999)	(171,901,332)
	98,403,578	98,712,286	65,227,583	99,018,156
Remeasurement adjsutment (Note 20.1.1 & 20.1.2)	(686,858)	-	(722,351)	-
	97,716,720	98,712,286	64,505,232	99,018,156
Less: current portion shown under current liabilities	(65,616,605)	(98,712,286)	(32,413,319)	(99,018,156)
	32,100,115	-	32,091,913	-

20.1.1 This represents interest free amount payable against purchase of Varex II 5-Layer Co-Extrusion Line machine on deferred payment basis in ten half yearly installments ended on 03 February 2021. During the year, the Group has renegotiated this loan with the supplier and according to revised terms, the loan would be repaid by 26 July 2022. The Group has remeasured this loan and resultant gain has been charged to consolidated statements of profit or loss. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine.

20.1.2 This represents interest free amount payable against a third party purchase of Gravure Printing Press Heliostar SH machine on deferred payment basis in ten half yearly installments ended on 13 September 2020. During the year, the Group has renegotiated this loan with the supplier and according to revised terms, the loan would be repaid by 08 September 2022. The Group has remeasured this loan and resultant gain has been charged to consolidated statements of profit or loss. The interest free payable amount has been discounted at a rate of 0.87% per annum to arrive at the cash price equivalent of the machine.

21 LONG TERM FINANCING	Note	2021 Rupees	2020 Rupees
Dubai Islamic Bank Limited - Diminishing musharakah	21.1	55,812,500	80,812,500
Dubai Islamic Bank Limited - Refinance scheme	21.2	53,467,967	44,436,134
		109,280,467	125,248,634
Current portion shown under current liabilities	25	(90,758,097)	(38,229,806)
		18,522,370	87,018,828

21.1 Dubai Islamic Bank Limited - Diminishing musharakah

	Note	2021 Rupees	2020 Rupees
Opening balance		80,812,500	105,812,500
Repaid during the year		(25,000,000)	(25,000,000)
	21.1.1	55,812,500	80,812,500
Current portion shown under current liabilities		(55,812,500)	(25,000,000)
		-	55,812,500

21.1.1 This represents diminishing musharakah facility of Rs. 400 million for financing the expansion of flexible packaging facility. The principal portion of Rs. 115.13 million (2020: Rs. 115.13 million) is repayable in six equal quarterly installments of Rs. 19.19 million beginning on 16 September 2019, and remaining principal portion of Rs. 40.69 million (2020: Rs 40.69 million) is repayable in seven equal quarterly instalments of Rs. 5.81 million beginning on 22 August 2019. However, the Bank deferred the payment of principal for one year starting from the May 2020. Mark up is payable quarterly at the rate of three months KIBOR plus 0.9% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 8.14% to 9.04% (2020: 9.02% to 14.76%) per annum. It is secured by a first exclusive charge over fixed assets of the Group's flexible packaging facility located at Sundar Industrial Estate, Lahore, first hypothecation charge over plant and machinery of the flexible packaging facility of the Group located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore.

21.2 Dubai Islamic Bank Limited - Refinance scheme	Note	2021 Rupees	2020 Rupees
Opening balance		44,436,134	-
Obtained during the year		25,601,002	48,100,272
Deferred grant recognized	24.3	(1,558,992)	(3,950,365)
Interest accrued during the year		5,160,117	286,227
Repaid during the year		(20,170,294)	-
	21.2.1	53,467,967	44,436,134
Current portion shown under current liabilities		(34,945,597)	(13,229,806)
		18,522,370	31,206,328

21.2.1 This represents loan of Rs. 73.70 million obtained under Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns (the Scheme) announced by State Bank of Pakistan to mitigate the effect of COVID-19 on employment in Pakistan. The facility has an aggregate sanctioned limit of Rs. 93.8 million. It carries mark-up at 3% per annum and is secured against first exclusive charge over plant and machinery of the Group amounting to Rs. 536 million. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021 and ending on 01 October 2022. The loan was initially recognized at amortized cost using effective interest rate of 3 month KIBOR + 0.9%. The difference between cash received and present value of cash outflows upon initial recognition has been recognized as deferred grant.

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22 LEASE LIABILITIES	Note	2021 Rupees	2020 Rupees
Present value of lease liabilities against:			
- vehicles		3,426,990	7,802,514
- leasehold buildings		29,921,455	35,186,933
		33,348,445	42,989,447
Less: current portion shown under current liabilities	25	(8,595,216)	(11,267,842)
		24,753,229	31,721,605

22.1 Movement of lease liabilities

	Note	Vehicles	Leasehold Building	Total
		Rupees		
2021				
Opening balance		7,802,514	35,186,933	42,989,447
Additions		2,763,000	-	2,763,000
Finance cost charge	37	975,195	4,330,971	5,306,166
Payments		(8,113,719)	(9,596,449)	(17,710,168)
Closing balance		3,426,990	29,921,455	33,348,445
Less: current portion shown under current liabilities	25	(2,629,528)	(5,965,688)	(8,595,216)
		797,462	23,955,767	24,753,229
2020				
Opening balance		13,093,378	38,480,671	51,574,049
Additions		3,130,000	-	3,130,000
Finance cost charge	37	2,811,558	4,946,241	7,757,799
Payments		(11,232,422)	(8,239,979)	(19,472,401)
Closing balance		7,802,514	35,186,933	42,989,447
Less: current portion shown under current liabilities	25	(5,688,896)	(5,578,946)	(11,267,842)
		2,113,618	29,607,987	31,721,605

22.2 The Group has total cash outflows for leases of Rs. 17.71 million (2020: Rs. 19.47 million). The Group also has non-cash additions to right-of-use assets and lease liabilities of Rs. 2.76 million (2020: Rs. 3.13 million). The Group has no obligation of future cash outflows relating to leases that have not yet commenced.

22.3 The Group have lease contracts related to leasehold buildings that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

23 DEFERRED TAX LIABILITIES

	Opening balance	Charge / (reversal) to profit or loss	Charge to other comprehensive income	Closing balance
	Rupees			
2021				
Taxable temporary difference				
Accelerated tax depreciation	289,368,832	31,831,230	-	321,200,062
Revaluation surplus	404,306,439	(14,156,884)	-	390,149,555
Right of use asset	14,871,094	(5,175,882)	-	9,695,212
Deductible temporary difference				
Impairment allowance on trade receivable	(67,820,822)	-	-	(67,820,822)
Deferred liabilities	(34,851,083)	(5,809,846)	(783,513)	(41,444,442)
Lease liabilities	(12,466,940)	2,795,891	-	(9,671,049)
Minimum tax	(127,597,897)	112,325,631	-	(15,272,266)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	453,622,673	121,810,140	(783,513)	574,649,300

	Opening balance	Charge / (reversal) to profit or loss	Charge to other comprehensive income	Closing balance
	Rupees			
2020				
Taxable temporary difference				
Accelerated tax depreciation	260,159,797	29,209,035	-	289,368,832
Revaluation surplus	418,375,083	(14,068,644)	-	404,306,439
Right of use asset	2,118,969	12,752,125	-	14,871,094
Deductible temporary difference				
Impairment allowance on trade receivable	-	(67,820,822)	-	(67,820,822)
Deferred liabilities	-	(34,780,265)	(70,818)	(34,851,083)
Lease liabilities	-	(12,466,940)	-	(12,466,940)
Tax losses due to tax depreciation	(18,648,724)	18,648,724	-	-
Minimum tax	(88,522,058)	(39,075,839)	-	(127,597,897)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	561,296,117	(107,602,626)	(70,818)	453,622,673

23.1 Expiry of minimum tax and depreciation losses are as follows:

Nature	Tax Year	2021 Rupees	2020 Rupees
Alternate corporate tax	2026	**12,186,950**	12,186,950
Minimum tax	2021	**-**	18,331,993
Minimum tax	2022	**-**	21,907,000
Minimum tax	2023	**-**	1,613,348
Minimum tax	2024	**-**	46,669,717
Minimum tax	2025	**15,272,266**	39,075,839

23.2 During the year, minimum tax is adjusted against normal tax liability calculated at 29% as normal tax liability is greater than minimum tax of this year.

24	**DEFERRED LIABILITIES**	Note	2021 Rupees	2020 Rupees
	Employee retirement and other benefits:			
	- accumulated compensated absences	**24.1**	**9,256,775**	9,029,820
	- gratuity	**24.2**	**130,953,330**	110,902,127
			140,210,105	119,931,947
	Deferred income - Government grant	**24.3**	**608,658**	2,156,405
			140,818,763	122,088,352

24.1 Accumulated compensated absences

	Note	2021	2020
Opening balance		**9,029,820**	6,560,993
Current service cost	**24.1.1**	**1,301,411**	2,906,501
Interest cost		**891,966**	-
Actuarial gain		**(1,746,094)**	-
Benefits paid		**(220,328)**	(437,674)
Closing balance		**9,256,775**	9,029,820

24.1.1 The amounts recognized in the consolidated statement of profit or loss are as follows:

	2021	2020
Current service cost	**1,301,411**	2,906,501
Interest cost	**891,966**	-
Actuarial gain	**(1,746,094)**	-
	447,283	2,906,501

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24.1.1.1 The charge for the year has been allocated as follows:

	2021 Rupees	2020 Rupees
Cost of revenue	**259,162**	1,684,065
Administrative expenses	**135,343**	879,482
Selling and distribution expenses	**52,778**	342,954
	447,283	2,906,501

24.1.2 Assumptions used for valuation of the provision for accumulated compensated absences are as follows:

		2021
Discount rate	**Per annum**	**10%**
Expected rate of increase in salary	**Per annum**	**9%**
Average duration of liability	**Number of years**	**9**
Average expected remaining working lifetime of members	**Number of years**	**9**
Average accumulation of earned leave	**Number of leaves per annum**	**4**

24.1.3

Undiscounted expected future benefit payments:	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5+**
			Rupees		
	364,925	429,608	510,185	632,755	8,941,879

24.1.4 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2021, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	2021 Present value of defined benefit obligation	2021 Percentage change
	Rupees	**%**
Present value of defined benefit obligations as at 30 June	**9,256,775**	
+1% Discount rate	**8,463,734**	**-9%**
-1% Discount rate	**10,123,874**	**9%**
+1% salary increase rate	**10,124,123**	**9%**
-1% salary increase rate	**8,463,838**	**-9%**

24.2 Gratuity

	2021 Rupees	2020 Rupees
Opening balance	**110,902,127**	67,031,244
Current service cost	**22,461,779**	14,684,866
Past service cost	**-**	27,893,450
Interest cost	**8,831,562**	8,986,370
Remeasurement - actuarial loss	**2,701,768**	244,199
Benefits paid during the year	**(13,943,906)**	(7,938,002)
Closing balance	**130,953,330**	110,902,127

		2021 Rupees	2020 Rupees
24.2.1	The amounts recognized in the consolidated statement of profit or loss are as follows:		
	Current service cost	**22,461,779**	14,684,866
	Past service cost	**-**	27,893,450
	Interest cost	**8,831,562**	8,986,370
		31,293,341	51,564,686
24.2.1.1	The charge for the year has been allocated as follows:		
	Cost of revenue	**18,475,251**	37,421,663
	Administrative expenses	**8,970,288**	10,175,242
	Selling and distribution expenses	**3,847,802**	3,967,781
		31,293,341	51,564,686
24.2.2	The amounts recognized in the consolidated statement of profit or loss are as follows:		
	Actuarial losses due to experience adjustments	**2,701,768**	244,199

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

As at year end	2021	2020	2019	2018	2017
	----------	----------	Rupees	----------	----------
Present value of defined benefit obligation	**103,059,880**	83,008,677	67,031,244	60,988,612	55,250,563
Actuarial loss / (gain)	**2,701,768**	244,199	(2,419,329)	(3,934,953)	1,169,816

24.2.4	Maturity profile:	2021 Rupees	2020 Rupees
	Year 1	**14,127,851**	12,047,005
	Year 2	**18,012,885**	16,359,824
	Year 3	**21,789,063**	18,579,821
	Year 4	**26,415,336**	23,524,705
	Year 5+	**129,758,552**	110,646,827
		210,103,687	181,158,182

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

		2021	2020
Discount rate	Per annum	**10%**	8.50%
Expected rate of increase in salary	Per annum	**9%**	7.50%
Average duration of liability	Number of years	**9**	7
Average expected remaining working lifetime of members	Number of years	**9**	8

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

24.2.6 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2021, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	2021	2020	2021	2020
	Percentage change		Present value of defined benefit obligation	
	%	%	Rupees	Rupees
Present value of defined benefit obligations as at 30 June			**130,953,330**	110,902,127
+1% Discount rate	**-8.61%**	-8%	**119,683,499**	101,828,522
-1% Discount rate	**9.32%**	9%	**143,158,764**	121,201,372
+1% salary increase rate	**9.32%**	9%	**143,155,598**	121,201,372
-1% salary increase rate	**-8.61%**	-8%	**119,682,029**	101,668,670

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24.3 Deferred income - Government grant

This represents deferred government grant recognized in respect of the benefit of below-market interest rate on long term finances as referred to in Note 21.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

	Note	2021 Rupees	2020 Rupees
Opening balance		**3,763,122**	-
Recognized during the year		**1,558,992**	3,950,365
Grant amortize during the year	36	**(2,350,049)**	(187,243)
Closing balance		**2,972,065**	3,763,122
Less: current portion shown under current liabilities	25	**(2,363,407)**	(1,606,717)
		608,658	2,156,405

25 CURRENT PORTION OF LONG TERM LIABILITIES

	Note	2021	2020
Supplier's credit	20	**98,029,924**	197,730,442
Long term financing	21	**90,758,097**	38,229,806
Lease liabilities	22	**8,595,216**	11,267,842
Deferred income - Government grant	24.3	**2,363,407**	1,606,717
		199,746,644	248,834,807

26 SHORT TERM BORROWINGS

	Note	2021	2020
Running finance	26.1	**215,543,604**	240,379,371
Term finances:			
- import finance / murabaha	26.2	**28,508,122**	21,386,319
- istisna / wakala	26.3	**722,401,035**	786,528,050
		750,909,157	807,914,369
	26.4	**966,452,761**	1,048,293,740

26.1 Running finance

This represents short term running finance facilities available from various commercial banks under mark-up arrangements at mark-up rates ranging from one to three months KIBOR plus 0.75% to 1% (2020: one to three months KIBOR plus 0.5% to 3.5%) per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 8.07% to 9.33% (2020: 7.42% to 17.16%) per annum.

26.2 Import finance / Murabaha

This represents import finance facilities available from various commercial banks under profit arrangements at mark-up rates ranging from one to three months KIBOR plus 0.5% to 1.5% (2020: one to three months KIBOR plus 0.5% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.45% to 11.94% (2020: 7.45% to 15.01%) per annum.

26.3 Istisna / Wakala

This represents Istisna / Wakala facilities available from various commercial banks under profit arrangements at mark-up rates ranging from six months KIBOR plus 0.50% to 1.5% (2020: six months KIBOR plus 0.50% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.28% to 14.95% (2020: 7.27% to 15.4%) per annum.

26.4 Aggregate limits of borrowings

Aggregate sanctioned limit of all above facilities including limit for opening letters of credit and guarantees is Rs. 2,765 million (2020: 2,602 million) in which un-availed credit limit as at 30 June 2021 is Rs. 1,292 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.

		Note	2021 Rupees	2020 Rupees
27	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**1,125,136,515**	909,451,004
	Accrued liabilities		**109,644,290**	51,882,284
	Payable to Shandong Yongtai Paper Mills Limited		**81,675,825**	-
	Withholding tax payable		**6,035,823**	3,810,811
	Workers' Profit Participation Fund payable	27.1	**36,832,514**	10,765,212
	Workers' Welfare Fund payable	27.2	**9,424,141**	630,643
	Advances from employees		**3,478,673**	2,490,876
	Retention money payable		**86,205**	86,201
			1,372,313,986	979,117,031
27.1	**Workers' Profit Participation Fund Payable**			
	Opening balance		**10,765,212**	1,507,531
	Charge for the year	35	**25,099,726**	9,207,593
	Interest charge for the year	37	**967,576**	50,088
	Closing balance		**36,832,514**	10,765,212
27.2	**Workers' Welfare Fund payable**			
	Opening balance		**630,643**	-
	Charge for the year	35	**8,793,498**	630,643
	Closing balance		**9,424,141**	630,643

28 CONTRACT LIABILITIES

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

		2021 Rupees	2020 Rupees
29	**ACCRUED FINANCE COST**		
	Accrued markup on:		
	- long term financing	**253,174**	282,502
	- short term borrowings	**18,497,183**	31,370,956
		18,750,357	31,653,458

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 Income tax proceedings were initiated by Deputy Commissioner Inland Revenue ('DCIR') under section 214C of the Income Tax Ordinance, 2001 ('the Ordinance') for tax year 2015. Upon finalization of the said proceedings the DCIR increased the holding Company's tax chargeable by Rs. 8.7 million on account of fixed assets, trade creditors, WPPF and others etc. through an amended assessment order under section 122(1)/122(5) of the Ordinance dated 28 June 2018. Aggrieved by the decision of DCIR, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [the "CIR(Appeals)"] who vide order dated 13 November 2020 decided the case partially in favor of the Group. Being aggrieved with the adverse treatment, the Holding Company has filed an appeal before the learned Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication. The management is confident that the matter will be decided in the Holding Company's favor and no financial obligation is expected to accrue. Consequently, no provision has been made in these consolidated financial statements on this account.

30.2 Commitments in respect of:

(a) Letters of credit and contracts for capital expenditure amounting to Nil (2020: Rs. 16.05 million).

(b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 129.16 million (2020: Rs. 290.99 million).

30.3 Guarantees

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

(a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 25.07 million (2020: Rs. 25.07 million).

(b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 14.5 million (2020: Rs. 8 million).

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31 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

31.1 Disaggregation of Revenue:

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Note	2021 Rupees	2020 Rupees
Major product lines:			
Made-to-order packaging products	31.2	**6,460,042,563**	4,711,172,208
Standard packaging products		**535,795,662**	521,798,416
Total revenue from contracts with customers - net		**6,995,838,225**	5,232,970,624
Timing of revenue recognition:			
Products transferred over time	31.2	**6,460,042,563**	4,711,172,208
Products transferred at a point in time		**535,795,662**	521,798,416
Total revenue from contracts with customers - net		**6,995,838,225**	5,232,970,624
Geographical market:			
Pakistan	31.2	**6,995,838,225**	5,232,970,624

31.2 This includes unbilled revenue amounting to Rs. 69.66 million (2020: Rs. 80.88 million).

		Note	2021 Rupees	2020 Rupees
31.3	**Contract balances**			
	Trade receivables	31.3.1	**1,459,777,356**	1,255,085,411
	Contract assets	31.3.2	**148,554,959**	80,878,738
	Contract liabilities	31.3.3	**(14,731,994)**	(15,918,351)
			1,593,600,321	1,320,045,798

31.3.1 Trade receivables are non-interest bearing and are generally on terms of 7 to 365 days. The increase in trade receivables pertains to increase in overall revenue from customers during the year.

31.3.2 Contract assets are initially recognized for revenue earned against Group's right to consideration for work completed but not billed and for goods delivered but not received by customers at the reporting date on made to order packing products recognized as per requirements of IFRS 15 "Revenue from Contracts with Customers". Upon acknowledgement of delivery of goods to customers, the amounts recognized as contract assets will be recognized as trade receivables. There is an increase in contract assets is mainly due to the result of goods amounting to Rs. 90 million delivered by the Group but not received by the customers till reporting date.

31.3.3 Contract liabilities represents short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 7,549,714 (2020: Rs. 1,429,644), have been recognized as revenue upon dispatch of goods.

		Note	2021 Rupees	2020 Rupees
32	**COST OF REVENUE**			
	Raw materials consumed		**5,215,817,219**	3,882,615,119
	Carriage inward expenses		**3,277,207**	3,535,360
	Packing material consumed		**22,601,185**	16,831,017
	Production supplies		**126,801,052**	97,413,820
	Fuel and power		**236,361,930**	216,402,398
	Salaries, wages and other benefits		**297,442,409**	235,444,191
	Repairs and maintenance		**58,967,972**	39,649,830
	Printing and stationery		**975,843**	635,032
	Insurance		**4,961,346**	6,275,996
	Rent, rate and taxes		**918,397**	1,099,093
	Travelling and conveyance		**21,113,519**	22,142,131
	Communication expenses		**1,364,016**	999,317
	Vehicle running expenses		**4,664,779**	3,972,272
	Depreciation of operating fixed assets	6.1.4	**141,200,163**	136,158,354
	Depreciation of right-of-use asset	7.1	**1,812,078**	2,595,140
	Others		**10,971,697**	15,739,468
	Cost of goods manufactured		**6,149,250,812**	4,681,508,538
	Opening stock of finished goods		**11,727,882**	16,264,405
	Closing stock of finished goods	11	**(48,238,056)**	(11,727,882)
			(36,510,174)	4,536,523
			6,112,740,638	4,686,045,061

		Note	2021 Rupees	2020 Rupees
33	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		133,924,793	96,856,679
	Legal and professional charges		13,991,478	9,836,115
	Fees and subscription		8,274,408	6,879,870
	Travelling and conveyance		7,026,459	4,785,827
	Insurance		852,738	1,032,039
	Printing and stationery		1,603,110	3,756,600
	Repairs and maintenance		3,143,168	946,188
	Vehicle running and maintenance		7,890,641	3,910,828
	Utilities		2,439,950	2,264,172
	Auditors remuneration	33.1	4,450,000	3,390,000
	Communication		4,070,053	4,124,266
	Depreciation of operating fixed assets	6.1.4	4,120,247	4,116,082
	Depreciation of right-of-use asset	7.1	6,722,289	9,147,226
	Amortization on intangible asset	8	362,586	1,417,696
	Entertainment		1,599,392	2,416,285
	Others		5,593,242	4,661,165
			206,064,554	159,541,038
33.1	**Auditor's remuneration**			
	Statutory audit		3,500,000	2,600,000
	Half year review		800,000	600,000
	Out of pocket expense		-	40,000
	Other certifications		150,000	150,000
			4,450,000	3,390,000
34	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and other benefits		65,968,164	47,467,992
	Travelling and conveyance		10,023,236	7,672,693
	Freight and transportation		100,247,513	85,728,199
	Vehicle running and maintenance		3,643,049	2,629,831
	Postage and telephone		492,756	301,633
	Advertisement and business promotion		10,079,107	16,432,126
	Entertainment		1,761,746	1,539,055
	Depreciation of operating fixed assets	6.1.4	1,452,049	778,383
	Depreciation of right-of-use asset	7.1	1,851,216	1,856,497
	Others		1,837,835	1,132,822
			197,356,671	165,539,231
35	**OTHER OPERATING EXPENSES**			
	Exchange loss - net		-	4,230,457
	Loss on disposal of operating fixed assets		364,309	-
	Workers' Profit Participation Fund	27.1	25,099,726	9,207,593
	Workers' Welfare Fund	27.2	8,793,498	630,643
			34,257,533	14,068,693
36	**OTHER INCOME**			
	Profit on bank deposits		18,182,346	19,452,163
	Profit on short term investments		35,062,443	76,007,712
	Exchange gain - net		7,860,859	-
	Interest income on loan to Roshan Enterprises	9.2	11,925,889	16,410,881
	Gain on disposal of operating fixed assets		-	3,397,055
	Gain on remeasurement of supplier's credit	20.1	1,409,209	-
	Grant income	24.3	2,350,049	187,243
	Scrap sales		-	3,010,938
			76,790,795	118,465,992

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		Note	2021 Rupees	2020 Rupees
37	**FINANCE COSTS**			
	Interest / mark up on:			
	- long term financing		12,365,284	23,696,817
	- lease liabilities	22.1	5,306,166	7,757,799
	- short term borrowings		84,523,832	182,821,534
	- Workers Profit Participation Fund	27.1	967,576	50,088
	Unwinding of discount on supplier's credit		311,838	1,624,863
	Bank charges and others		8,160,985	7,172,897
			111,635,681	223,123,998
38	**TAXATION**			
	Income tax:			
	- current year		-	49,176,842
	- prior year		641,152	(14,545,561)
			641,152	34,631,281
	Deferred tax:			
	- current year		121,810,140	(107,602,623)
			122,451,292	(72,971,342)

		Note	2021 Rupees
38.1	**Tax charge reconciliation**		
	Profit before tax		410,573,943
	Tax expense on accounting profit (29%)		119,066,443
	Tax effect of:		
	- non-deductible expenses		(6,740,812)
	- minimum tax adjustment		(112,325,631)
	- prior year income tax charge		641,152
	Average tax expense charged to profit or loss	38	641,152

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

39 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:

		2021	2020
Profit attributable to owners of the Group	Rupees	302,346,462	219,758,753
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000
Basic earnings per share	Rupees	2.13	1.55

40 CASH AND CASH EQUIVALENTS

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

	Note	2021 Rupees	2020 Rupees
Short term investments	15	545,852,250	486,017,750
Cash and bank balances	16	305,848,616	328,608,293
Short term borrowings - running finance	26	(215,543,604)	(240,379,371)
		636,157,262	574,246,672

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees							
Short term employee benefits								
Managerial remuneration	9,455,160	9,455,160	17,964,240	17,964,240	-	-	38,874,529	28,381,785
House rent allowance	4,254,120	4,254,120	8,083,248	8,083,248	-	-	17,492,392	12,761,960
Medical expenses	945,360	945,360	1,796,256	1,796,256	-	-	3,889,196	2,834,733
Utilities	945,360	945,360	1,796,268	1,796,268	-	-	3,885,863	2,837,729
Meeting fee	-	-	-	-	5,220,000	4,341,818	-	-
Bonus	1,575,860	787,930	1,497,068	748,534	-	-	5,893,221	1,989,335
	17,175,860	16,387,930	31,137,080	30,388,546	5,220,000	4,341,818	70,035,201	48,785,562
Retirement and other long term benefits								
Gratuity	1,300,000	1,300,000	1,235,000	1,235,000	-	-	4,861,832	3,452,352
Accumulated compensated absences	393,965	393,965	374,267	374,267	-	-	1,473,305	1,266,614
	18,869,825	18,081,895	32,746,347	31,997,813	5,220,000	4,341,818	76,370,338	53,504,528
Number of persons	1	1	2	2	4	4	20	15

41.1 The Chief Executive, Executive Director and certain executives are provided with the Group maintained vehicles, mobile phones for official use and medical facility. Further, no remuneration is being paid to Chief Executive of the Subsidiary.

42 TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties. Amounts due from related parties are shown under Note 9 and Note 13 and remuneration of key management personnel is disclosed in Note 41. Other transactions with related parties during the year are as follows:

Name of related party	Relationship with the Group	Percentage of shareholding	Nature of Transactions	2021 Rupees	2020 Rupees
Roshan Enterprises	Associated undertaking by virtue of common directorship	N/A	Markup accrued on long term loan	11,925,889	16,410,881
			Markup received during the year	30,310,285	-
			Sale of packaging material	9,551,410	10,613,116
			Receipts during the year	13,201,521	12,420,500
Al-Firdusi Exporters	Associated undertaking by virtue of common directorship	N/A	Sale of packaging material	28,972,739	17,964,772
			Receipts during the year	34,382,825	23,287,929

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43 FINANCIAL RISK MANAGEMENT

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

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

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

43.1 Credit risk

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

43.1.1 Exposure to credit risk

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

Financial assets at amortized cost - unsecured	2021 Rupees	2020 Rupees
Long term loans	130,864,885	149,249,281
Long term deposits	16,012,174	14,902,194
Trade receivables and contract assets - gross amount	1,842,197,220	1,569,829,054
Deposits and other receivables	5,419,853	12,507,030
Short term investments	545,852,250	486,017,750
Bank balances	305,848,616	328,608,293
	2,846,194,998	2,561,113,602

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

	2021 Rupees	2020 Rupees
Trade receivables and contract assets	1,842,197,220	1,569,829,054
Banking companies and financial institutions	854,265,365	821,251,854
Loans to associated company	130,864,885	149,249,281
Others	18,867,528	20,783,413
	2,846,194,998	2,561,113,602

43.1.2 Trade receivables and contract assets

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

The Group based on the provision matrix assessed that the allowance for ECL on contract assets is immaterial, hence no allowance for ECL has been recorded in these financial statements on contract assets. The Group's credit risk mainly arises from long outstanding trade receivables as the Group is making full recoveries from the current customers and hence, default rate in case of such customers is minimal. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

30 June 2021	Weighted average loss rate	Gross carrying amount	Expected credit loss
		Rupees	
Not past due	1.52%	1,022,516,447	15,547,217
1 - 90 Days	5.86%	392,719,537	23,032,924
91 - 180 Days	33.93%	102,051,449	34,624,294
181 - 270 Days	56.76%	20,311,222	11,529,194
271 - 365 Days	90.04%	9,396,488	8,460,803
366 - Above Days	95.92%	146,647,118	140,670,473
		1,693,642,261	233,864,905

30 June 2020	Weighted average loss rate	Gross carrying amount	Expected credit loss
		Rupees	
Not past due	0.00%	879,253,539	-
1 - 90 Days	0.00%	214,863,004	-
91 - 180 Days	0.00%	34,071,160	-
181 - 270 Days	0.00%	51,856,717	-
271 - 365 Days	0.00%	75,023,819	-
366 - Above Days	100%	233,882,077	233,882,077
		1,488,950,316	233,882,077

43.1.3 Counterparties with external credit ratings

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

Bank	Rating Short term	Long term	Agency	2021 Rupees	2020 Rupees
Allied Bank Limited	A-1+	AAA	PACRA	**300,000,190**	486,017,940
Askari Bank Limited	A-1+	AA+	PACRA	**1,088,482**	3,207,987
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	**26,753,922**	1,264,745
Habib Bank Limited	A-1+	AAA	JCR-VIS	**246,480,731**	3,824,914
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	**11,410,087**	18,936
MCB Bank Limited	A-1+	AAA	PACRA	**959,635**	7,467,565
Meezan Bank Limited	A-1+	AAA	JCR-VIS	**15,234,625**	17,190,824
National Bank of Pakistan	A-1+	AAA	PACRA	**122,925**	122,925
Standard Chartered Bank Limited	A-1+	AAA	PACRA	**10,172,511**	3,717,464
The Bank of Punjab	A-1+	AA+	PACRA	**65,091**	700,233
United Bank Limited	A-1+	AAA	JCR-VIS	**1,809,094**	1,707,996
Bank Islamic Pakistan Limited	A-1	A+	PACRA	**6,128,235**	4,398,949
Soneri Bank Limited	A-1+	AA-	PACRA	**1,000,000**	-
JS Bank Limited	A-1+	AA-	PACRA	**230,088,923**	284,605,184
				851,314,451	814,245,662

43.1.4 Loans to subsidiary and associate

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

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

43.1.5 Deposits and other receivables

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

43.1.6 Concentration risk

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

	2021 Rupees	2020 Rupees
Banking companies	**854,265,365**	821,251,854
Subsidiary and associated undertaking	**130,864,885**	149,249,281
Others	**1,861,064,748**	1,590,612,467
	2,846,194,998	2,561,113,602

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43.2 Liquidity risk

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

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

43.2.1 Exposure to liquidity risk

	Carrying amount	Contractual cash flows	Up to one year	One to five years	More than five years
30 June 2021			Rupees		
Lease liabilities	**33,348,445**	**43,484,129**	**12,385,804**	**31,098,325**	-
Long term finances - secured	**109,280,467**	**112,747,990**	**94,322,588**	**18,425,402**	-
Supplier's credit - unsecured	**162,221,952**	**162,221,952**	**162,221,952**	-	-
Short term borrowings - secured	**966,452,761**	**966,452,761**	**966,452,761**	-	-
Trade and other payables	**1,316,542,835**	**1,316,542,835**	**1,316,542,835**	-	-
Unclaimed dividend	**1,976,582**	**1,976,582**	**1,976,582**	-	-
Accrued finance cost	**18,750,357**	**18,750,357**	**18,750,357**	-	-
	2,608,573,399	**2,622,176,606**	**2,572,652,879**	**49,523,727**	-
30 June 2020					
Lease liabilities	42,989,447	56,462,302	15,295,796	41,072,023	94,483
Long term finances - secured	125,248,634	131,065,277	38,229,842	92,835,435	-
Supplier's credit - unsecured	197,730,442	197,730,442	197,730,442	-	-
Short term borrowings - secured	1,048,293,740	1,048,293,740	1,048,293,740	-	-
Trade and other payables	961,419,489	942,357,164	942,357,164	-	-
Unclaimed dividend	788,056	788,056	788,056	-	-
Accrued finance cost	31,653,458	31,653,458	31,653,458	-	-
	2,408,123,266	2,408,350,439	2,274,348,498	133,907,458	94,483

43.3 Market risk

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

43.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Group, are periodically restated to Pak Rupee equivalent and the associated gain or loss is taken to consolidated statement of profit or loss.

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

43.3.1(a) Exposure to currency risk

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

	2021				
	CNY	**USD**	**Euro**	**Swedish Krona**	**Pounds**
Statement of financial position:					
- supplier's credit	-	-	(873,629)	-	-
- trade and other payables	(63,000)	(1,251,817)	(88,864)	(2,040)	(400)
Net exposure	(63,000)	(1,251,817)	(962,493)	(2,040)	(400)

	2020			
	USD	Euro	Swedish krona	Pounds
Statement of financial position:				
- supplier's credit	-	(1,048,222)	-	-
- trade and other payables	(994,692)	(27,260)	(128,754)	-
Net exposure	(994,692)	(1,075,482)	(128,754)	-

43.3.1(b) Exchange rate applies during the year

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

	Average rate		Reporting date rate	
	2021	2020	**2021**	2020
USD to PKR	**160.33**	165.41	**157.54**	168.05
Euro to PKR	**191.16**	186.08	**187.27**	188.61
SEK to PKR	**18.70**	17.75	**18.49**	17.95
Pounds to PKR	**215.63**	206.96	**217.98**	206.50
CNY to PKR	**24.21**	22.51	**24.39**	23.76

43.3.1(c) Sensitivity analysis

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

Effect on consolidated statement of profit or loss	2021 Rupees	2020 Rupees
US Dollar	**(19,721,125)**	(16,715,799)
Euro	**(18,024,606)**	(20,284,666)
Swedish krona	**(3,772)**	(231,113)
Pound	**(8,260)**	-
Chinese Yen	**(149,688)**	-
	(37,907,451)	(37,231,578)

43.3.2 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

	2021	2020
	Carrying amount (Rupees)	
Financial assets		
Fixed rate instruments:		
- short term investment	**545,852,250**	486,017,750
- bank balances - saving accounts	**240,303,589**	289,018,160
Variable rate instruments:		
- long term loan - associate	**130,864,885**	149,249,281
	917,020,724	924,285,191
Financial liabilities		
Fixed rate instruments:		
- supplier's credit	**162,221,952**	197,730,442
Variable rate instruments:		
- long term finances	**109,280,467**	125,248,634
- lease liabilities	**33,348,445**	42,989,447
- short term borrowings	**966,452,761**	1,048,293,740
	1,271,303,625	1,414,262,263

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

	100 bps	
	Increase	**Decrease**
	Rupees	
Effect on profit before tax - 30 June 2021	**(9,782,168)**	**9,782,168**
Effect on profit before tax - 30 June 2020	(10,672,825)	10,672,825

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

43.3.2.1(c) Interest rate risk management

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

43.4 Price risk

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

43.5 Offsetting financial assets and financial liabilities

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

43.6 Financial instruments by categories

	Cash and cash equivalents	At amortized cost	Total
2021	Rupees		
Financial assets			
Long term loans	-	130,864,885	130,864,885
Long term deposits	-	16,012,174	16,012,174
Trade receivables and contract assets	-	1,608,332,315	1,608,332,315
Deposits and other receivables	-	5,419,853	5,419,853
Short term investments	545,852,250	-	545,852,250
Cash and bank balances	305,848,616	-	305,848,616
	851,700,866	1,760,629,227	2,612,330,093
Financial liabilities			
Lease liabilities	-	33,348,445	33,348,445
Long term finances - secured	-	109,280,467	109,280,467
Supplier's credit - unsecured	-	162,221,952	162,221,952
Short term borrowings - secured	215,543,604	750,909,157	966,452,761
Trade and other payables	-	1,316,542,835	1,316,542,835
Unclaimed dividend	-	1,976,582	1,976,582
Accrued finance cost	-	18,750,357	18,750,357
	215,543,604	2,393,029,795	2,608,573,399

	Cash and cash equivalents	At amortized cost	Total
	----- Rupees -----		
2020			
Financial assets			
Long term loans	-	149,249,281	149,249,281
Long term deposits	-	14,902,194	14,902,194
Trade receivables and contract assets	-	1,335,964,149	1,335,964,149
Deposits and other receivables	-	12,507,030	12,507,030
Short term investments	486,017,750	-	486,017,750
Cash and bank balances	328,608,293	-	328,608,293
	814,626,043	1,512,622,654	2,327,248,697
Financial liabilities			
Lease liabilities	-	42,989,447	42,989,447
Long term finances - secured	-	125,248,634	125,248,634
Supplier's credit - unsecured	-	197,730,442	197,730,442
Short term borrowings - secured	240,379,371	807,914,369	1,048,293,740
Trade and other payables	-	961,419,489	961,419,489
Unclaimed dividend	-	788,056	788,056
Accrued finance cost	-	31,653,458	31,653,458
	240,379,371	2,167,743,895	2,408,123,266

44 CAPITAL MANAGEMENT

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

The Group's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

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

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

The Group's strategy is to ensure compliance with the Prudential Regulations issued by the State Bank of Pakistan and is in accordance with agreements executed with financial institutions so that the total debt to equity ratio does not exceed the lender covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital employed. Net debt is calculated as total loans and borrowings, less cash and bank balances and short term investments. Total capital employed signifies equity as shown in consolidated statement of financial position. The total debt to equity ratio as at reporting date are as follows:

	Note	2021 Rupees	2020 Rupees
Supplier's credit	20	162,221,952	197,730,442
Long term financing	21	109,280,467	125,248,634
Lease liabilities - vehicles	22	3,426,990	7,802,514
Short term borrowings	26	966,452,761	1,048,293,740
		1,241,382,170	1,379,075,330
Less:			
Cash and bank balances	16	(305,848,616)	(328,608,293)
Short term investments	15	(545,852,250)	(486,017,750)
		(851,700,866)	(814,626,043)
Net debt		389,681,304	564,449,287
Total equity		7,173,120,181	5,953,710,492
Gearing ratio		5%	9%

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45 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

45.1 Fair value hierarchy

Details of the Group's freehold land, buildings on freehold land, plant and machinery and electrical installations and information about the fair value hierarchy as at the end of the reporting period are as follow:

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
	----- **Rupees** -----			
Freehold land	-	2,273,875,700	-	2,273,875,700
Buildings on freehold land	-	-	852,001,384	852,001,384
Plant and machinery	-	-	2,443,715,266	2,443,715,266
Electric installations	-	-	86,745,032	86,745,032
	-	2,273,875,700	3,382,461,682	5,656,337,382

	2020			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	885,299,529	885,299,529
Plant and machinery	-	-	2,463,890,424	2,463,890,424
Electric installations	-	-	89,004,143	89,004,143
	-	941,755,000	3,438,194,096	4,379,949,096

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 6.1 and Note 18 respectively to these consolidated financial statements. There are no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

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

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

45.3 Valuation inputs and relationship to fair value

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

Description	2021 Rupees	2020 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	**852,001,384**	885,299,529	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	**2,443,715,266**	2,463,890,424	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	**86,745,032**	89,004,143	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value had been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

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45.4 Fair values estimation

Financial instruments comprise financial assets and financial liabilities. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Group's financial assets consist of long term loan and deposits and deposits, trade receivables and contract assets, short term investments, cash and bank balances. Its financial liabilities consist of lease liabilities, long term finances, short term borrowings, supplier's credit, trade and other payables (excluding statutory payable), unclaimed dividend and accrued finance cost. The above financial assets and liabilities (except non-current portion of long term loan and deposits, long term finances and supplier's credit and lease liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non-current portion of long term loan, long term finances and lease liabilities is not significantly different to its carrying value as these financial instruments bear interest at floating rates which gets re-priced at regular intervals. Management has concluded that carrying value of long term deposits and supplier's credit approximates its fair value.

46 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES INCLUDING CURRENT PORTION

	Note	Opening balance	Cash flows	Others	Closing balance
2021		----------	---------- Rupees	----------	----------
Supplier's credit		**197,730,442**	**(34,553,667)**	**454,386**	**163,631,161**
Long term financing	**46.1**	**125,248,634**	**(19,569,292)**	**3,601,125**	**109,280,467**
Lease liabilities	**46.2**	**42,989,447**	**(17,710,168)**	**8,069,166**	**33,348,445**
Short term borrowings*		**807,914,369**	**(57,005,212)**	**-**	**750,909,157**
		1,173,882,892	**(128,838,339)**	**12,124,677**	**1,057,169,230**
2020					
Supplier's credit		248,226,538	(51,208,428)	712,332	197,730,442
Long term financing	**46.1**	331,412,463	(202,499,691)	(3,664,138)	125,248,634
Lease liabilities	**46.2**	51,574,049	(19,472,401)	10,887,799	42,989,447
Short term borrowings*		911,232,705	(103,318,336)	-	807,914,369
		1,542,445,755	(376,498,856)	7,935,993	1,173,882,892

46.1 The 'others' pertains to deferred income recognized on account of benefit of the loan received at a below-market rate interest. This also includes interest expense accrued on loan during the year.

46.2 The 'others' pertains to addition in the lease liabilities and finance cost accrued on lease liabilities during the year.

* Short term borrowings excluding running finance

	2021	2020
47 NUMBER OF EMPLOYEES	**(Number of person)**	
Number of employees as at 30 June	**488**	440
Average number of employees during the year	**464**	438

	Holding Company			
	Corrugation Plant (Metric Tonnes)		Flexible Plant (Metric Tonnes)	
48 PLANT CAPACITY AND ANNUAL PRODUCTION	**2021**	2020	**2021**	2020
Installed capacity	**60,000**	60,000	**12,240**	12,240
Actual production	**32,115**	29,220	**7,959**	7,041

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

48.2 The Subsidiary is in the process of setting up a manufacturing facility. The installed capacity of the project once completed will be 66,000 tonnes per annum.

49 OPERATING SEGMENTS

49.1 An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components.

The Chief Executive Officer of the Group, is the chief operating decision maker and monitors the operating results of its business units separately for the purpose of making decisions. The Holding Company is involved in the business of manufacture and sale of corrugation and flexible packaging material to the customers, and the Subsidiary is in process of setting up a manufacturing facility, accordingly, as of reporting date the Group has determined that the Holding Company is its only operating segment.

49.2 Revenue from major customers - 10% or more of the Group's revenue

Revenue from one customer (2020: two customers) of the Group business represents approximately Rs. 1,111.85 million (2020: Rs. 1,136.85 million) of the Group's total revenue.

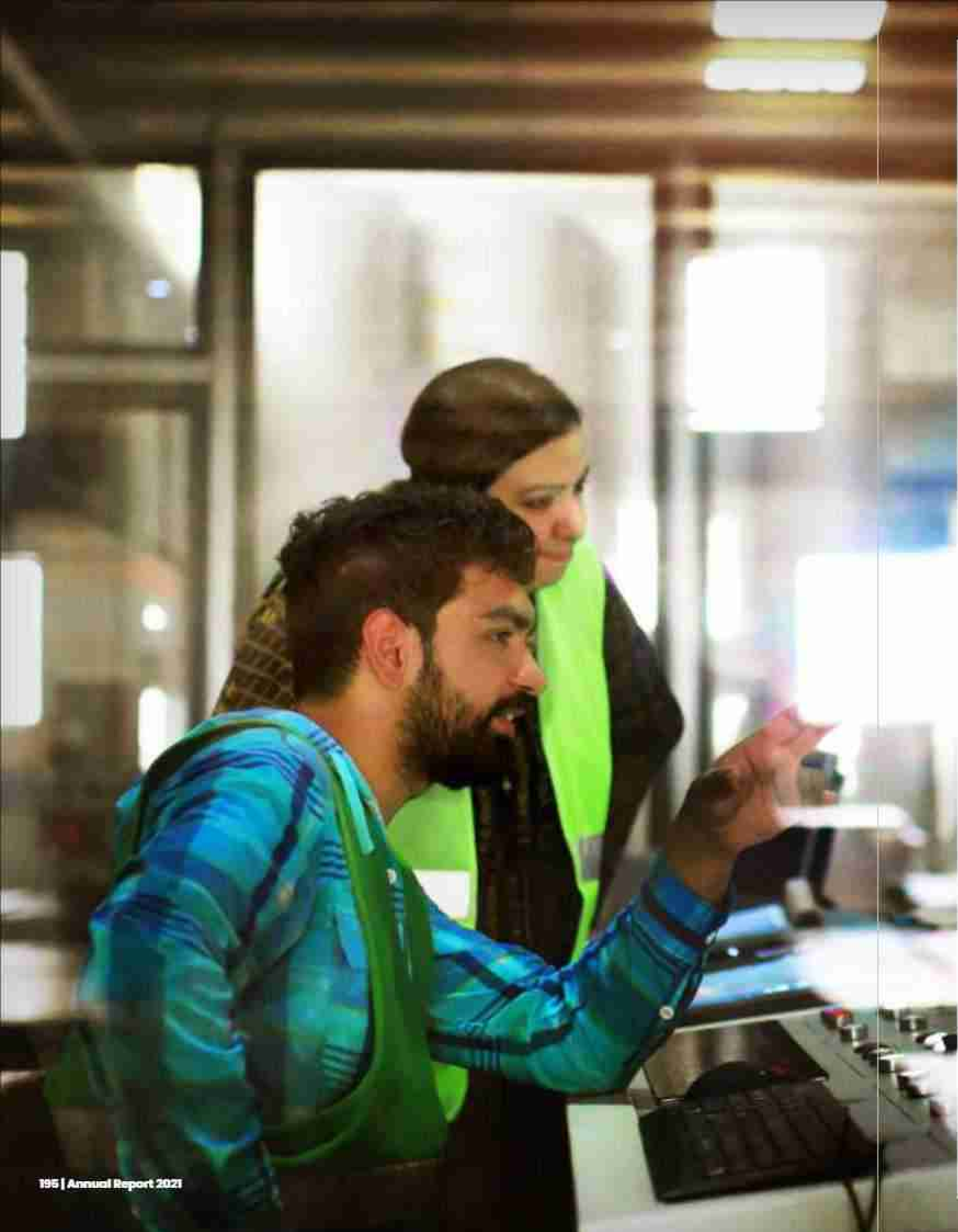
50 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified for better and fair presentation, wherever necessary. However, no significant reclassifications have been made, except as disclosed in Note 1.1 of these consolidated financial statements.

51 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were approved by the Group's Board of Directors and authorized for issue on 22 Sep 2021 .

Chief Executive	Director	Chief Financial Officer



Section 6

18th ANNUAL GENERAL MEETING

Notice of 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting **("AGM")** of **Roshan Packages Limited** (the "**Company**") will be held on Wednesday, October 27, 2021 at 11:00 am from Registered Office of the Company, Lahore, via video link facility to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements of the Company for the year ended 30 June 2021.

2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of M/s. EY Ford Rhodes., Chartered Accountants as auditors of the Company.

3. To elect seven (07) Directors of the Company as fixed by the Board of Directors, for a term of three (3) years commencing from October 29, 2021 in accordance with the Section 159 of the Companies Act, 2017. The following are the names of retiring Directors who are eligible for re-election.

   1. Mr. Khalid Eijaz Qureshi
   2. Mr. Tayyab Aijaz
   3. Mr. Saadat Eijaz
   4. Mr. Zaki Aijaz
   5. Mr. Quasim Aijaz
   6. Mr. Muhammad Naveed Tariq
   7. Mrs. Ayesha Musaddaque Hamid

Special Business:

4. To consider, ratify and approve the transactions carried out with related parties during financial year ended 30 June, 2021 under the authority of the special resolution passed in the annual general meeting held on 28 October, 2020 and to authorize the Chief Executive to approve all the transactions with the related parties carried out or to be carried out during the financial year ending 30 June 2022 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, a resolution as Special Resolution as proposed in the Statement of Material Facts.

Attached to this Notice is a statement of material facts along with draft resolutions proposed to be passed as special resolutions in relation to the aforesaid special businesses, as required under Section 134(3) of the Companies Act, 2017.

BY ORDER OF THE BOARD

Lahore
Date: 05th October,2021

Rabia Sharif
Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 21-10-2021 to 27-10-2021 (both days inclusive). Transfers received in order at the office of our Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi by the close of business on 20-10-2021 will be treated in time to attend, speak and vote at the annual general meeting (AGM).

2. Online Participation in the Annual General Meeting:

Due to COVID-19 Pandemic and keeping in view the Government's instructions, the Company intends to convene this AGM virtually for the safety and well-being of the shareholders and the general public. The meeting can be attended using smart phones/tablets/computers. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders with the subject "Registration for Roshan Packages Limited AGM" through email corporate@roshanpackages.com.pk on or before 26 October 2021.

Name of member	CNIC No	CDC Account /Folio No	Cell Number	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at email: corporate@roshanpackages.com.pk. The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

3. The term of office of the present Directors of the Company will expire on 28 October, 2021. In terms of Section 159 (1) of the Companies Act, 2017, the directors have fixed the number of elected directors at seven (7) to be elected in the AGM for the next term of three years. Any person who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company the following documents and information at its registered office not later than fourteen days before the date of the above said meeting:

a) His/her Folio No./CDC Investors Account No./CDC Participant No./Sub-Account No.
b) Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 159(3) of the Companies Act, 2017.
c) Consent to act as director on Form 28 under Section 167 of the Companies Act, 2017.
d) A detailed profile along with office address for placement onto the Company's website as required under SECP's SRO 1196(1)2019 dated October 03, 2019.
e) The individual(s) contesting as independent directors shall also submit a declaration that he/she qualifies the criteria of eligibility and independence notified under the Companies Act, 2017 and rules and regulations issued thereunder.
f) An attested copy of Computerized National Identity Card (CNIC) and National Tax Number;
g) A declaration that:
   - He/she is not ineligible to become a director of the Company under Section 153 of the Companies Act, 2017, any applicable laws and regulations (including listing regulations of Stock Exchange).
   - He/she is not serving as a director of more than seven listed companies including the Company.
   - He/she is not a defaulter in repayment of loan to a financial institution.
   - He/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of Company and listing regulations of stock exchange;

4. Pursuant to the Companies (Postal Ballot) Regulations 2018, for the purpose of election of directors, the members will be allowed to exercise their right of vote through postal ballot, that is voting by post, in accordance with the requirements and procedure contained in the aforesaid Regulations in case number of candidates are more than the number of directors to be elected.

5. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.

6. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting. Form of proxy in English and Urdu languages are attached to the notice of meeting sent to the shareholders.

7. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity as per above procedure.

b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be as per above procedure.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company.

8. **CNIC/IBAN for E-Dividend Payment.** The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

9. **Zakat Declarations.** The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

10. **Circulation of Annual Reports through CD/DVD/USB/ Email.** Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in its annual general held on 22 November, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Com provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.roshanpackages.com.pk

11. **Unclaimed Dividend and Bonus Shares.** Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, CDC House 99-B block B S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend or pending shares, if any.

12. **Replacement of Physical Shares into Book Entry Form**. As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholder holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the following contact information:

    M/s CDC Share Registrar Services Limited, CDC House 99-B block B S.M.C.H.S, Main Shahrah-e-Faisal, Karachi

13. **Placement of Financial Statements on the website of the Company.** The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2021 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.roshanpackages.com.pk

Statement of Material Facts under Section 134(3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on Wednesday, October 27, 2021 at 11:00 am from Registered Office of the Company Lahore, via video link facility.

Item 3 of the agenda – Election of Directors

Section 166(3) of the Companies Act, 2017 (the "Act") provides that the statement of material facts annexed to the notice of the general meeting called for the purpose of election of directors shall indicate the justification for choosing the appointee for appointment as independent directors. This provision also provides that the independent directors of a listed company shall be elected in the same manner as other directors are elected in terms of Section 159 of the Act. Accordingly, it will be ensured that the persons contesting as independent directors must meet the criteria of independence laid down under Section 166 of the Act.

The present Directors of the Company have no interest in the above said business except being eligible for re-election as director of the Company.

Item 5 of the Agenda: Approval & Authorization of Related Party Transactions

Since the majority of the Company Directors were interested in the related party transactions carried out with Roshan Enterprises and Roshan Sun Tao Paper Mills (Pvt) Limited in the ordinary course of business at arm's length basis, these transactions were executed during the financial year ended June 30, 2021 under the authority of the Special Resolution passed in the annual general meeting held on 28 October, 2020. Accordingly, these transactions are being placed before the members of the Company for their approval pursuant to the aforesaid special resolution.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

"**Resolved** that the following transactions carried out in the ordinary course of business at arm's length basis with Roshan Enterprises and Roshan Sun Tao Paper Mills (Pvt) Limited during the financial year ended June 30, 2021 be and are hereby ratified, approved and confirmed"

Transaction detail of Roshan Enterprises:

Name of Related Party	Nature of Transaction	Rupees
Roshan Enterprises	Sale of Boxes	9.55 Million
Roshan Enterprises	Markup accrued on long term loan	11.92 Million
Roshan Enterprises	Markup received during the year	30.31 Million
Roshan Enterprises	Receipts during the year	13.20 Million

Mr. Khalid Eijaz, Mr. Quasim Aijaz, Mr. Saadat Eijaz Mr. Zaki Aijaz, the Directors of the Company, are interested in transactions with Roshan Enterprises as they are partners in the related party. The shareholding of these Directors in the company and extent of interests in Roshan Enterprises is detailed hereinafter.

Name of Director	% interest in Roshan Enterprises	% interest in company
SAADAT EIJAZ	27	11.86
ZAKI AIJAZ	10	11.86
KHALID EIJAZ QURESHI	36	14.65
QUASIM AIJAZ	27	2.96

Transaction detail of Roshan Sun Tao Paper Mills (Pvt) Limited:

Name of Related Party	Nature of Transaction	Rupees
Roshan Sun Tao Paper Mills (Pvt) Limited	Long Term Loan Given	150.86 Million
Roshan Sun Tao Paper Mills (Pvt) Limited	Markup accrued on long term loan	29.07 Million
Roshan Sun Tao Paper Mills (Pvt) Limited	Markup received during the year.	84.38 Million

Mr. Khalid Eijaz, Mr. Quasim Aijaz, Mr. Tayyab Aijaz, Mr. Saadat Eijaz, Mr. Zaki Aijaz, the Directors of the Company, are interested in transactions with Roshan Sun Tao Paper Mills (Pvt) Limited as they are Directors in the related party. The shareholding of these Directors in the company and extent of interests in Roshan Sun Tao Paper Mills (Pvt) Limited is detailed hereinafter.

Name of Director	% interest in Roshan Sun Tao Paper Mills (Pvt) Limited	% interest in company
TAYYAB AIJAZ	0.0010	26.84
SAADAT EIJAZ	0.0003	11.86
ZAKI AIJAZ	0.0003	11.86
KHALID EIJAZ QURESHI	0.000	14.65
QUASIM AIJAZ	0.000	2.96

The transactions referred to above were executed on an arm's length basis in the ordinary course of business.

The Company shall continue to carry out transactions with the related parties in its ordinary course of business at arm's length basis during the year ending June 30, 2022 and till the date of next annual general meeting. As mentioned hereinabove, the majority of the Directors are interested in these transactions, therefore, these transactions with related party have to be approved by the shareholders

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with Roshan Enterprises and Roshan Sun Tao Paper Mills (Pvt) Limited during the financial year ending June 30, 2022 and till the date of next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

> "**Resolved** that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2022 and till the next annual general meeting.
>
> **Resolved further** that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval."

The names of interested directors and their respective interests have been disclosed herein above.

Statement Under Rule 4(2) of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Roshan Sun Tao Paper Mills (Pvt) Limited
Total Investment Approved:	For Equity: up to 1406.4 Million For Loan and advances: 500 Million
Amount of Investment Made to date:	Equity: 160.6 Million Loans: 379.1 Million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	There is no such deviation from investment.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	No material changes. The project of the Subsidiary is greenfield.

Name of Investee Company	**Roshan Enterprises**
Total Investment Approved:	For Loan and advances: Rs. 122.722 million
Amount of Investment Made to date:	For Loan and advances: Rs. 122.722 million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	The said approval was taken for four years, so there is no such deviation.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	No such material change.

Section 7

URDU CONTENT
& FORMS

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال۔

ایسے عوامل (Risks) جو کمپنی کی مستقبل کی کارکردگی پر اثر انداز ہو سکتے ہیں۔ اس رپورٹ کے ساتھ لف ہیں۔

ماحول پر کمپنی کے کاروبار کا اثر

کمپنی کی پیداوار کا ماحول پر کوئی منفی اثر نہیں پڑتا کیونکہ ہمارے پلانٹ اور آپریشن بین الاقوامی اور قومی ماحولیاتی معیارات کے مطابق ہیں۔ اس رپورٹ کے کارپوریٹ سماجی ذمہ داری سیکشن میں ہمارے ماحولیاتی اقدامات کے بارے میں تفصیل سے درج ہے۔

انٹرنل فنانشل کنٹرول

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے انٹرنل فنانشل کنٹرول کی سرگرمیوں کی جانچ کو یقینی بناتا ہے۔ بورڈ عبوری اکاؤنٹس، رپورٹس، منافع کے جائزے اور دیگر مالیاتی اور شماریاتی معلومات کے ذریعے باقاعدہ وقفوں سے کمپنی کے فنانشل آپریشنز اور پوزیشن کا بھی جائزہ لیتا ہے۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

متعلقہ قواعد و ضوابط کی تعمیل کرتے ہوئے، انسانی وسائل اور معاوضہ کمیٹی نے بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے ایک ضابطہ تیار کیا ہے۔ سال کے دوران، اس مقصد کے لیے تمام ممبران کے درمیان ایک جامع سوالنامہ جاری کیا گیا۔ جس کی بنیاد پر بورڈ کی کارکردگی کی اوسط درجہ بندی تسلی بخش پائی جاتی ہے۔ بہتری ایک متواتر عمل ہے اور بورڈ نے بہترین کارکردگی کے بین الاقوامی طریقہ کار کے مطابق بہتری کے شعبوں کی نشاندہی کی ہے۔

ڈائریکٹران کا معاوضہ

بورڈ آف ڈائریکٹرز، ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹران لیے اجرت کی پالیسی تیار کی گئی ہے۔ پالیسی مارکیٹ کے معیارات، ڈائریکٹران کے کام کے دائرہ کار اور ذمہ داریوں میں اضافے کے پیش نظر متعلقہ قابلیت کی بنیاد پر تیار کی گئی ہے۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق، بورڈ، ڈائریکٹران کے معاوضے کا تعین کرنے کا مجاز ہے۔

انڈیپینڈنٹ ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹر، بورڈ یا اس کی کسی بھی کمیٹی کے اجلاس میں شرکت کے لیے میٹنگ فیس وصول کرنے کے حقدار ہوں گے جو کہ بورڈ کی طرف سے وقتاً فوقتاً منظور شدہ شیڈول کے مطابق ہو گی۔ تاہم، وہ ڈائریکٹرز جو معاوضے کے حقدار ہیں وہ میٹنگ فیس لینے کے مجاز نہ ہوں گے۔ اگر کوئی نان ایگزیکٹو ڈائریکٹر اضافی خدمات سر انجام دے تو وہ معاوضے کا حقدار ہو گا۔

ایگزیکٹو ڈائریکٹران کا معاوضہ بورڈ نے منظور کیا ہے۔ تاہم، کارپوریٹ گورننس کے ضابطے کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے فیصلہ کرنے کے عمل میں حصہ نہ لے۔

شفافیت کو برقرار رکھنے کے لیے بورڈ کسی بھی ڈائریکٹر کے معاوضے کا تعین کرتے ہوئے درج ذیل اصولوں پر عمل کرے گا:

1 معاوضہ پیکیج، کمپنی کے اندر بہتری لانے کی حوصلہ افزائی کرے گا۔

2 معاوضہ پیکیج، کمپنی کو کامیابی سے چلانے کے لیے درکار ڈائریکٹرز کو کام کے لیے مائل کرنے اور انہیں کمپنی میں برقرار رکھنے کے لیے مناسب ہو گا۔

3 معاوضہ ایسا نہ ہو گا جو ان کی آزادی پر سمجھوتہ کرنے کے لیے سمجھا جا سکتا ہو۔

4 اس ضمن میں بورڈ انسانی وسائل اور معاوضہ کمیٹی کی سفارشات پر مناسب غور کرے گا۔

5 کوئی بھی ڈائریکٹر اجلاس کے کسی ایسے مرحلے میں حصہ نہیں لے گا جس میں اس کا اپنا معاوضہ طے کیا جائے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹران کی مجموعی اجرت/معاوضہ کی تفصیلات، بشمول تنخواہ، میٹنگ فیس، فوائد اور کارکردگی سے منسلک مراعات۔ روشن پیکجز لمیٹڈ کی سالانہ رپورٹ میں الگ سے ظاہر کی گئی ہیں۔

	Chief Executive		Executive Director		Non Executive Directors	
	2021	2020	2021	2020	2021	2020
	Rupees					
Short term employee benefits						
Managerial remuneration	9,455,160	9,455,160	8,982,408	8,982,408	-	-
House rent allowance	4,254,120	4,254,120	4,041,420	4,041,420	-	-
Medical expenses	945,360	945,360	898,080	898,080	-	-
Utilities	945,360	945,360	898,092	898,092	-	-
Meeting fee	-	-	-	-	5,220,000	4,341,818
Bonus	1,575,860	787,930	1,497,068	748,534	-	-
	17,175,860	16,387,930	16,317,068	15,568,534	5,220,000	4,341,818
Retirement and other long term benefits						
Gratuity	1,300,000	1,300,000	1,235,000	1,235,000	-	-
Accumulated compensated absences	393,965	393,965	374,267	374,267	-	-
	18,869,825	18,081,895	17,926,335	17,177,801	5,220,000	4,341,818
Number of persons	1	1	1	1	5	5

متعلقہ پارٹیوں کے ساتھ لین دین

تمام متعلقہ پارٹیوں سے لین دین کرتے وقت arm`s length کے اصول کو مد نظر رکھا گیا اور اس حوالے سے تمام منظوریاں حاصل کی گئیں۔

شیئر ہولڈنگ کا پیٹرن

فارم 34 میں بیان کردہ شیئر ہولڈنگ کے پیٹرن کے بارے میں معلومات رپورٹ سے منسلک ہے۔

آگے بڑھنے کا بیانیہ

دنیا بھر میں کووڈ 19 کے خلاف ویکسی نیشن مہم معیشتوں کے دوبارہ بہتر بننے کی راہ ہموار کر رہی ہے۔ اگرچہ یہ رجحان عوام کی صحت اور حفاظت کے لیے حوصلہ افزا ہے، تاہم وبائی مرض نے کاروباری اداروں کے لیے چیلنجز کھڑے کر دیے ہیں کیونکہ سپلائی کو لگنے والے شدید دھچکوں اور شپمنٹ کے پہنچنے میں تاخیر سے خام مال اور ایندھن کے اخراجات پر منفی اثر پڑتا ہے۔ خام مال کے طور پر استعمال ہونے والے ردی کاغذ (درآمد شدہ اور مقامی) کی قیمتوں میں پچھلے چند مہینوں میں کافی اضافہ ہوا ہے۔

کمپنی اگلے سال کے لیے محتاط مگر پرامید ہے۔ متعدد اقسام کی ویکسین کی دریافت اور عوام میں ان کے بتدریج پھیلاؤ سے اگلے سال کے حوالے سے کاروبار کی بہتر ریکوری کی امید بندھی ہے۔ خام مال اور توانائی کے بڑھتے اخراجات کو پورا کرنے کے لیے کمپنی اپنے صارفین سے بات چیت کر رہی ہے۔ ہم پیداواری اخراجات اور استعداد کار کو بہتر بنانے کے ساتھ ساتھ خام مال کے ضیاع کم کرنے کے لیے اقدامات کر رہے ہیں۔ کمپنی اپنے صارفین تک پہنچنے کے لیے روایتی طریقوں کے ساتھ فعال طور پر جدید مارکیٹنگ ذرائع کا استعمال بھی کر رہی ہے۔ اپنی مصنوعات اور صارفین کے پورٹ فولیو کو وسیع کرنے کا جذبہ ہماری اولین ترجیح رہے گا۔ ہمارے پاس اپنے مستقبل کے لیے ایک واضح اور مربوط حکمت عملی ہے اور ہمیں امید ہے کہ ہم آنے والے برسوں میں اپنی پوزیشن کو مضبوط کریں گے۔

مابعد واقعات

30 جون 2021 سے اس رپورٹ کی تاریخ تک کوئی مادی تبدیلی نہیں آئی ہے اور نہ ہی کمپنی نے اس عرصے کے دوران کوئی ایسی یقین دہانی کروائی ہے، جس کا کمپنی کی مالی پوزیشن پر کوئی اثر پڑے گا۔

اظہار تشکر

ہم اپنے ملازمین سمیت تمام افراد کے عزم اور محنت کا شکریہ ادا کرتے ہیں۔ کووڈ 19 نے انفرادی طور پر اور بطور کاروبار ہم سب کے لیے ایک بہت بڑا چیلنج ہمارے سامنے رکھا۔ تاہم، ہم صارفین کی طویل مدتی بدلتی ضروریات اور دنیا بھر میں ای کامرس کی آمد کے حوالے سے پرجوش ہیں۔ اس سال، ہم نے مشکل حالات کے باوجود کاروبار کو آگے بڑھانا جاری رکھا ہے ان حالات میں ہماری ثابت قدمی کی کارپوریٹ اقدار ہمارے لیے مشعل راہ رہی ہیں۔ کمپنی کی انتظامیہ مستقبل میں اپنے کاروبار کی ترقی کے امکانات کے حوالے سے پر اعتماد ہے۔

چیف ایگزیکٹو آفیسر

چیئرمین

منڈیالہ موضع جات ضلع شیخوپورہ میں واقع ہے، خریدلی ہے۔ پہلے مرحلے میں اس منصوبے کی سالانہ گنجائش 66,000 میٹرک ٹن ہوگی جبکہ اس منصوبے کی کل لاگت کا تخمینہ 2.4 ارب روپے ہے۔

ذیلی کمپنی کے پلانٹ اور مشینری کی خریداری کی منصوبہ بندی ہو چکی ہے اور توقع ہے کہ یہ دو سال کے اندر اپنے کمرشل آپریشنز شروع کر دے گی۔ اس سلسلے میں، روشن پیکجز لمیٹڈ نے 28 اکتوبر 2020 کو منعقد ہونے والے اپنے سالانہ جنرل اجلاس میں 900 ملین روپے کی ذیلی کمپنی میں اضافی ایکویٹی سرمایہ کاری کی منظوری دی ہے اور ذیلی کمپنی میں طویل مدتی قرض کی حد کو 500 ملین روپے تک بڑھا دیا۔ مذکورہ بالا کے علاوہ، ذیلی کمپنی نے کمرشل بینکوں سے کیپٹل کے اخراجات کے لیے سرمایہ کی سہولیات بھی حاصل کی ہیں اور یہ حتمی مراحل میں ہے۔

اوپر بیان کردہ حقائق کے پیش نظر انتظامیہ کا پختہ یقین ہے کہ کہ پیرنٹ کمپنی کی جانب سے مسلسل مالی معاونت دستیاب ہے اور بورڈ آف ڈائریکٹرز ذیلی کمپنی کی کاروباری سرگرمیوں کی اعانت کے لیے پرعزم ہیں، جس کی بنیاد پر ذیلی کمپنی اپنے منصوبے کے مطابق اپنا کام شروع کر سکے گی۔

انسانی وسائل کی ترقی

روشن پیکجز لمیٹڈ کو معاشی لاک ڈاؤن کے دوران ایک ضروری کاروبار (essential business) سمجھا گیا تھا اور ہم تب سے آپریشنل ہیں، اپنے صارفین کے اطمینان کو یقینی بنانے کے لیے سخت محنت کر رہے ہیں۔ ہمارے ملازمین نے، دیگر ضروری کاروباروں جیسے دواسازی اور خوراک کے لیے سپلائی چین کو محفوظ بنانے کے لیے ہر طرح کے جتن کیے۔

سماجی کاروباری ذمہ داری

کمپنی کی انتظامیہ نے رواں برس ماحولیاتی تحفظ اور مہارتوں کی ترقی پر اپنی توجہ مرکوز رکھی۔ کمپنی سماجی، ماحولیاتی اور اخلاقی معاملات کو کسی بھی کاروباری سرگرمی کے اہم عناصر سمجھتی ہے۔ سی ایس آر کی سرگرمیوں کا مزید تفصیلی جائزہ اس رپورٹ میں دیا گیا ہے۔

بورڈ آف ڈائریکٹرز

رواں برس کے ڈائریکٹران کے اسمائے گرامی:

1۔ جناب خالد اعجاز قریشی

2۔ جناب طیب اعجاز

3۔ جناب سعادت اعجاز

4۔ جناب ذکی اعجاز

5۔ جناب قاسم اعجاز

6۔ جناب محمد نوید طارق

7۔ محترمہ عائشہ مصدق حامد

ڈائریکٹران کی کل تعداد:

مرد: 06

خواتین: 01

ہیت ترکیبی:

1۔ انڈی پینڈنٹ ڈائریکٹران (بشمول خاتون ڈائریکٹر): 02

2۔ نان ایگزیکٹو ڈائریکٹران: 03

3۔ ایگزیکٹو ڈائریکٹران: 02

بورڈ کے ممبران اور اجلاس کے دوران ان کی حاضریاں

زیر جائزہ سال میں بورڈ کے 04 اجلاس منعقد ہوئے جن میں شرکت کرنے والے ڈائریکٹران کی تفصیل ذیل میں ہے:

نام	عہدہ	جتنے اجلاس میں شرکت کی
جناب خالد اعجاز قریشی	چیئرمین رنان ایگزیکٹو ڈائریکٹر	02
جناب طیب اعجاز قریشی	سی ای او رایگزیکٹو ڈائریکٹر	04
جناب سعادت اعجاز	ایگزیکٹو ڈائریکٹر	03
جناب ذکی اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب قاسم اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب محمد نوید طارق	انڈی پینڈنٹ ڈائریکٹر	04
محترمہ عائشہ مصدق حامد	انڈی پینڈنٹ ڈائریکٹر	04

جو بورڈ ممبران اجلاس میں شرکت نہ کر سکے انھیں غیر حاضری کی رخصت دی گئی۔

آڈٹ کمیٹی اور اجلاس کی حاضری

زیر جائزہ برس کے دوران آڈٹ کمیٹی کے 04 اجلاس منعقد ہوئے۔ کمیٹی کے ممبران کی حاضریوں تفصیل ذیل میں ہے:

نام ممبر	عہدہ	جتنے اجلاس میں شرکت کی
جناب محمد نوید طارق	چیئرمین	04
جناب قاسم اعجاز	ممبر	04
جناب خالد اعجاز قریشی	ممبر	02

انسانی وسائل اور معاوضہ کمیٹی اور اجلاس کی حاضری

کمیٹی ہذا کی زیر جائزہ برس میں 02 اجلاس منعقد ہوئے۔ کمیٹی کے ممبران کی حاضریوں کی تفصیل ذیل میں ہے:

نام ممبر	عہدہ	جتنے اجلاس میں شرکت کی
محترمہ عائشہ مصدق حامد	چیئرمین	02
جناب طیب اعجاز	ممبر	02
جناب خالد اعجاز قریشی	ممبر	01

آڈیٹر کی تقرری

بورڈ آف ڈائریکٹرز کی سفارش اور آخری سالانہ اجلاس عام میں منظوری کے بعد میسرز ای وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کا آڈیٹر مقرر کیا گیا۔ موجودہ آڈیٹر کے میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے، جس کی منظوری آئندہ اجلاس عام میں لی جائے گی۔

شیئر ہولڈنگ کا پیٹرن

شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ لف ہے۔

ڈائریکٹرز رپورٹ

معاشی جائزہ

مالی سال 2021 کا آغاز گزشتہ 100 سالوں میں شدید ترین عالمی صحت کے بحران کے درمیان ہوا۔ پوری دنیا کی طرح پاکستان کی معیشت، کووِڈ19 کے معاشی نتائج سے نمٹنے کے لیے جدوجہد کر رہی ہے۔ تاہم معیشت کو سہارا دینے کے لیے فوری اقدامات اور سمارٹ لاک ڈاؤن زندگیوں اور معاش کو بچانے میں اہم رہے ہیں۔ کاروباری سرگرمیاں دوبارہ شروع کرنے اور سمارٹ لاک ڈاؤن کو اپنانے کے دانش مندانہ فیصلے نے کاروباری ماحول کو بڑھاوا دیا اور معیشت مالی سال 2020 کے گرداب سے نکلنے میں کامیاب رہی۔

پاکستان میں مینوفیکچرنگ کے شعبے میں موجودہ سال وسیع پیمانے پر ترقی دیکھی گئی۔ بڑے پیمانے پر مینوفیکچرنگ (LSM) کی کارکردگی جولائی تا مارچ مالی سال 2021 کے دوران سازگار رہی ہے اور اس میں 8.99 فیصد اضافہ دیکھا گیا ہے جبکہ پچھلے سال کی اسی مدت کے دوران 5.1 فیصد کمی آئی تھی۔ مزید یہ کہ معاشی محرک اقدامات بشمول اسٹیٹ بینک آف پاکستان (SBP) کی رعایتی فنانسنگ اسکیمیں اور مناسب مالیاتی پالیسیوں نے کاروباری اداروں کو انگریزی حرف V شکل میں ریکوری حاصل کرنے میں مدد دی ہے جس کے نتیجے میں بڑے پیمانے پر مینوفیکچرنگ (LSM) 8 فیصد تک بڑھ گئی اور مجموعی طور پر 3.9 فیصد اضافہ ہوا۔

مینوفیکچرنگ سیکٹر کے ایک اہم پیکیجنگ سپلائر کے طور پر کمپنی نے گزشتہ سال کے دوران نمایاں نمو حاصل کی۔ پیکیجنگ انڈسٹری کی ترقی میں بہت سے عوامل نے اہم کردار ادا کیا۔ حفظانِ صحت کے بارے میں آگاہی میں اضافہ، خوراک کے معیار کے حوالے سے فوڈ اتھارٹیز کی جانب سے قانون کے تحت نفاذ نے فوڈ گریڈ پیکیجنگ کی مانگ کو بڑھایا ہے۔ مزید برآں، پاکستان کی آبادی نہ صرف بڑھ رہی ہے بلکہ مسلسل شہری علاقوں میں منتقل ہو رہی ہے جس کی وجہ سے صارفین کے سامان اور پیکیجنگ کی مانگ بڑھ رہی ہے۔ خاص طور پر تیزی سے چلنے والی کنزیومر گڈز جو کہ پیکیجنگ کی مانگ کا ایک بڑا ڈرائیور ہے، نمایاں نمو پا رہی ہے، جس نے قدرتی طور پر پیکیجنگ کی طلب کو بڑھایا ہے۔

مالی جائزہ

کمپنی کے آپریٹنگ نتائج کو ذیل میں اختصار کے ساتھ دیا گیا ہے:

	مالی سال 2020	مالی سال 2021
	روپے '000'	
مصنوعات کی کُل فروخت	5,232,971	6,995,838
مجموعی منافع	546,926	883,098
آپریٹنگ منافع	242,204	474,158
فنانس کی لاگت	223,124	111,636
منافع قبل از ٹیکس	174,991	468,101
منافع بعد از ٹیکس	247,962	345,650

ان کنسولیڈیٹڈ فنانشل اسٹیٹمنٹ کی بنیاد پر بنیادی سرگرمیاں، ترقی اور کارکردگی

متعدد چیلنجوں کے باوجود، کمپنی انتظامیہ کی طرف سے اٹھائے گئے مختلف اسٹریٹجک اقدامات کی وجہ سے کمپنی جامع اور پائیدار ترقی کے راستے کی طرف بڑھ رہی ہے۔ سال کے دوران، کمپنی کے کارخانے اور دفاتر مکمل طور پر کام کرتے رہے۔ لاک ڈاؤن اور سپلائی چین کی رکاوٹوں کے باوجود پوری مدت میں ہم نے ضروری مینوفیکچررز کو پیکیجنگ کی سپلائی جاری رکھی۔ مالی سال 2021 کے دوران مالی کارکردگی کو نمایاں کرنے والی اہم کامیابیاں ذیل میں بیان کی گئی ہیں:

زیر جائزہ مدت کے دوران، کمپنی نے 468 ملین روپے قبل از ٹیکس منافع کمایا۔ جو پچھلے سال اسی مدت کے دوران 175 ملین روپے تھا جو 167.5 فیصد (293 ملین روپے) کی بہتری کو ظاہر کرتا ہے۔ کمپنی کے بعد از ٹیکس منافع میں 98 ملین روپے کا اضافہ ہوا جو 346 ملین روپے ہے جو گزشتہ سال 248 ملین روپے تھا یہ 39.4 فیصد کی بہتری کو ظاہر کرتا ہے۔ موجودہ مالی سال میں کمپنی کو آپریٹنگ سے قبل از سود، ٹیکس، فرسودگی اور تخفیف (EBITDA) 737 ملین روپے کی آمدنی ہوئی جو گزشتہ برس 554 ملین روپے تھی۔ موجودہ سال میں گزشتہ سال کے مقابلے میں 33 فیصد زیادہ ہے۔

زیر جائزہ مدت کے دوران ہماری کمپنی نے 883 ملین روپے کا مجموعی منافع حاصل کیا جو مالی سال 2020 میں 547 ملین روپے تھا۔ یہ مالی سال 2020 کے مقابلے میں 336 ملین روپے زیادہ ہے، جو 2020 کے موازنہ ادوار کے مقابلے میں 61 فیصد زیادہ ہے۔ مجموعی منافع کا مارجن بڑھ کر 12.6 فیصد ہو گیا جو گزشتہ سال اسی مدت کے دوران 10.5 فیصد تھا۔ کمپنی نے اپنی سیل لاگت کا تناسب 87.4 فیصد تک کم کیا جو پچھلے سال 89.5 فیصد تھا جو کہ 2.2 فیصد کم ہے۔ ایسا میٹریل کی ان پٹ لاگت میں معمولی اضافے، سیل کی متغیر لاگت اور لاگت میں کمی کے موثر اقدامات کی وجہ سے ہوا۔ افراطِ زر کی بلند شرح کے باوجود، کمپنی اپنی لاگت کو کنٹرول کرنے میں کامیاب رہی۔

رواں برس کمپنی مصنوعات کی فروخت سے 6,996 ملین روپے کی آمدن ہوئی جو گزشتہ سال اسی مدت کے دوران 5,233 ملین روپے تھی۔ حجم کے اعتبار سے ہم نے اس سال 38,369 میٹرک ٹن کامیابی سے ڈسپیچ کیا جو مالی سال 2020 میں 35,567 میٹرک ٹن تھا۔ اس اضافے کے علاوہ، کمپنی نے واضح طور پر مصنوعات اور صارفین کے پورٹ فولیو کو معقول بنا کر اپنے مجموعی منافع کو بہتر بنایا ہے اور پوری کمپنی میں لاگت کو کم کرنے کی اصلاحات کو متعارف کروایا۔

کمپنی کی فنانشل لاگت 112 ملین روپے رہی جو پچھلے سال اسی مدت کے دوران 223 ملین روپے تھی جس سے کمپنی کی Bottom-line پر سازگار اثرات مرتب ہوئے۔ اس کی وجہ اسٹیٹ بینک آف پاکستان کی طرف سے شرح سود میں کمی اور کمپنی کی جانب سے فنڈز کا موثر انتظام ہے۔ یوٹیلیٹی لاگت ایک چیلنج بنی ہوئی ہے جس کے نتیجے میں 20 ملین روپے کے اخراجات میں اضافہ ہوا ہے۔ جن کی لاگت 236 ملین روپے ریکارڈ کی گئی ہے جو پچھلے سال اسی مدت کے دوران 216 ملین روپے تھی تاہم، کمپنی انتظامیہ کی طرف سے توانائی کے بچانے کے اقدامات کی وجہ سے یوٹیلیٹی لاگت آمدنی کا 3.38 فیصد رہ گئی ہے جو اسی تقابلی مدت 4.14 فیصد تھی۔

رواں مالی سال کے دوران کمپنی یا اس کے ذیلی ادارے کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔ مزید یہ کہ مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں نہیں ہیں۔

منافع فی شیئر

گذشتہ اور رواں برس فی شیئر منافع ذیل میں دیا گیا ہے:

منافع فی شیئر مالی سال 2021: 2.44 روپے

منافع فی شیئر مالی سال 2020: 1.75 روپے

ڈیوی ڈنڈ (Dividend)

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لیے کوئی ڈیویڈنڈ ادا نہ کرنے کی سفارش کی ہے۔ بورڈ کی طرف سے کیے گئے اس فیصلے کے پیش نظر آنے والے دنوں میں کمپنی کی طرف سے مختلف فنانشل کمٹمنٹس ہیں۔ اس میں طویل مدتی قرض کی ادائیگی اور کمپنی کی مکمل ملکیتی (ذیلی) کمپنی میں سرمایہ کاری شامل ہیں۔

روشن سن تاؤ پیپرز (پرائیویٹ) لمیٹڈ (کمپنی کا ذیلی ادارہ) اور کنسولیڈیٹڈ فنانشل اسٹیٹمنٹس

روشن سن تاؤ پیپرز پرائیویٹ لمیٹڈ (RSTPML) کمپنیز ایکٹ 2017 کے تحت 08 جنوری 2016 کو پرائیویٹ لمیٹڈ کمپنی کے طور پر شامل کیا گیا تھا۔ یہ کمپنی کا ایک ذیلی ادارہ ہے جو کارڈ گیڈ کا غذ بنانے والی مِل لگانے کے لیے بنایا گیا۔ اس پروجیکٹ کو ایک چینی کمپنی میسرز شانڈونگ یوگنائی پیپرز لمیٹڈ (SYPML) کے ساتھ مشترکہ منصوبے کے طور پر چلایا جانا تھا۔ تاہم جوائنٹ وینچر معاہدہ چینی پارٹنر کمپنی کی جانب سے کیے گئے معاہدے کی خلاف ورزی کی وجہ سے ختم کر دیا گیا۔ اس کے بعد، جوائنٹ وینچر معاہدے کی Termination Clause کے تحت دیوانی عدالت میں دعویٰ برائے تعمیل مخصوص دائر کیا گیا۔

SYPML نے ذیلی کمپنی کو تحلیل کرنے کے لیے لاہور ہائیکورٹ میں ایک درخواست دائر کی، جسے عدالت عالیہ نے بعد از سماعت 05 اکتوبر 2020 کو خارج کر دیا۔

SYPML اور اس کے ڈائریکٹرز نے اس معاملے کو حل کرنے کا ارادہ ظاہر کیا اور 81,675,825 روپے (گیارہ روپے فی شیئر) میں اپنا حصہ فروخت کرنے کی پیشکش کی اور اس حوالے سے فریقین کے درمیان معاہدے پر دستخط ہو چکے ہیں۔

طویل قانونی چارہ جوئی کے وجہ کمپنی کے ذیلی ادارے کے منصوبے کی تکمیل میں تاخیر کے پیش نظر، شیئر ہولڈرز نے 06 مئی، 2021 کو منعقد ہونے والے غیر معمولی اجلاس عام میں SYPML اور اس کے دو نامزد ڈائریکٹرز کے ساتھ تصفیہ کی پیشکش 81,675,825 روپے کے عوض قبول کر لی۔ کمپنی کی جانب سے SYPML کے خلاف دیوانی عدالت میں دائر مقدمہ تصفیہ معاہدے پر عمل درآمد کے بعد واپس لے لیا جائے گا۔

اب، کمپنی set up کے مرحلے میں ہے۔ پراجیکٹ لگانے کے لیے کمپنی نے لاہور۔ اسلام آباد موٹروے (M-2) پر قائداعظم بزنس پارک سے متصل اراضی جو قیام پور اور

ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(الف) اجلاس میں شرکت کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات جو سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے موقع پر اپنی شناخت کے لیے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوں گے۔

(ii) کارپوریٹ ادارے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔

(ب) نائب کی تقرری کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر اور/ یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات جو سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں' نائب کے تقرر کا فارم اوپر دی گئی شرائط کے مطابق جمع کرانا ہوگا۔

(ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی جن کے نام' پتے اور شناختی کارڈ نمبر فارم میں درج ہونے چاہئیں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنی ہوں گی۔

(iv) کارپوریٹ ادارے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوگا۔

8۔ الیکٹرانک منافع منقسمہ کی ادائیگی کے لیے سی این آئی سی/ آئی بی اے این:

کمپنیز ایکٹ 2017ء کی شق 242 کے مطابق کمپنی کے لیے یہ لازم ہے کہ وہ اپنے حصہ داران کو نقد منافع منقسمہ کی ادائیگی ان کے بینک اکاؤنٹ میں براہ راست صرف اور صرف بذریعہ الیکٹرانک موڈ ہی کرے گی۔ اس کے مطابق مادی حصص رکھنے والے حصہ داران سے درخواست کی جاتی ہے کہ کمپنی کے شیئرز رجسٹرار کے دفتر کے اوپر دیے گئے پتا پر الیکٹرانک منافع منقسمہ کے فارم پر الیکٹرانک منافع منقسمہ مینڈیٹ فراہم کریں۔ یہ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔ سی ڈی سی میں موجود حصص کے معاملے میں سی ڈی ایس کے شرکاء کو کمپنی کو اپ ڈیٹ کرنے اور آگے بھیجنے کے لیے وہی معلومات فراہم کی جانی چاہیے۔ مطلوبہ معلومات جمع نہ کرانے کی صورت میں مستقبل کی تمام منافع منقسمہ ادائیگی روکی جا سکتی ہے۔

9۔ زکوٰۃ کا تحریری بیان:

زکوٰۃ اور عشر آرڈیننس مجریہ 1980ء کی رو سے کمپنی کے ارکان کو زکوٰۃ سے استثنا کے لیے تحریری بیان جمع کرانا ہوگا۔

10۔ سالانہ رپورٹ کی بذریعہ سی ڈی/ ڈی وی ڈی/ یو ایس بی/ ای میل ترسیل:

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفیکیشن ایس آر او نمبری 2016(I)470 مجریہ 31 مئی 2016 کے مطابق، کمپنی کے حصہ داران نے کمپنی کے سالانہ اجلاس عام منعقدہ 22 نومبر 2017 میں سالانہ رپورٹ مع سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کی اطلاع اور کمپنی کی کوئی بھی دوسری معلومات مجلد صورت کے بجائے بذریعہ سی ڈی، ڈی وی ڈی یا یو ایس بی ترسیل کے لیے رضامندی دی تھی۔ ایسے تمام حصہ داران جو پہلے بیان کی گئی تمام دستاویزات کو مجلد شکل میں وصول کرنا چاہتے ہیں، وہ کمپنی کی ویب سائٹ پر دیا گیا اسٹینڈرڈ ریکویسٹ فارم کمپنی سیکرٹری یا شیئر رجسٹرار کو بھیج سکتے ہیں اور کمپنی پہلے بیان کی گئی تمام دستاویزات مجلد شکل میں حصہ داران کو ان کے مطالبہ پر بلا معاوضہ ایسے کسی بھی مطالبے کے ایک ہفتے کے اندر اندر مہیا کرے گی۔ وہ تمام حصہ داران جو سالانہ رپورٹ مع اجلاس عام کی اطلاع بذریعہ ای میل وصول کرنا چاہتے ہیں، سے درخواست کی جاتی ہے کہ وہ اپنی تحریری رضامندی اسٹینڈرڈ ریکویسٹ فارم کے ذریعے فراہم کریں۔ یہ فارم کمپنی کی ویب سائٹ www.roshanpackages.com.pk پر دستیاب ہے۔

11۔ بے نامی منافع منقسمہ اور بونس شیئرز:

ایسے حصہ داران جو کسی بھی وجہ سے اپنا منافع منقسمہ یا بونس حصص کا مطالبہ نہیں کر سکے یا اپنے کوئی بھی مادی حصص (اگر کوئی ہوں تو) وصول نہیں کر سکے، سے درخواست کی جاتی ہے کہ وہ زیر التوا حصص اور اپنے بے نامی منافع منقسمہ کو وصول یا اس کے بارے معلومات کے لیے ہمارے شیئرز رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99۔ بی بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی سے رابطہ کریں۔

12۔ مادی حصص کی بک انٹری فارم میں تبدیلی:

کمپنیز ایکٹ 2017 کی شق 72 کے مطابق، ہر موجودہ کمپنی اپنے مادی حصص کو بیان کیے گئے طریقہ کار کے مطابق اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے دی گئی تاریخ کمپنیز ایکٹ 2017 (31 مئی 2017) کے آغاز سے زیادہ سے زیادہ چار سال کی مدت کے اندر بک انٹری فارم میں تبدیل کرے گی۔ ایسے شیئر ہولڈرز جن کے پاس مادی حصص موجود ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے حصص بک انٹری فارم میں تبدیل کروالیں۔ اس مقصد کے لیے، شیئر ہولڈرز کسی بھی بروکر کے ساتھ سی ڈی سی سب اکاؤنٹ یا سی ڈی سی کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول کر اپنے مادی حصص کو scrip-less شکل میں رکھ سکتے ہیں۔ اس سے انہیں بہت سے فوائد حاصل ہوں گے بشمول یقینی حفاظت اور حصص کی اپنی مرضی کے مطابق فروخت کی سہولت، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ قوانین کے مطابق مادی حصص کی خرید و فروخت کی اجازت نہیں ہے۔ اس سے شیئرز سرٹیفکیٹ کی حفاظت پر اٹھنے والے اخراجات میں کمی، سرٹیفکیٹس کے گم یا چوری ہونے کے خدشے سے بچاؤ کے ساتھ ساتھ شیئرز کی جعلی منتقلی کے خطرات بھی کم ہوتے ہیں۔ مادی حصص کو بک انٹری فارم میں تبدیل کرنے کے طریقہ کار کے لیے، آپ درج ذیل رابطہ معلومات پر ہمارے شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔

میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99۔ بی، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی

13۔ مالیاتی گوشواروں کی دستیابی:

کمپنی نے سالانہ اجلاس عام کی اطلاع کی کاپی، آڈٹ شدہ سالانہ علیحدہ اور مجموعی مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2021 مع آڈیٹرز اور ڈائریکٹرز رپورٹس اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ (www.roshanpackages.com.pk) پر فراہم کر دی ہیں۔

☆☆☆

سالانہ اجلاسِ عام کی اطلاع (روشن پیکجز لیمیٹیڈ)

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ روشن پیکجز لمیٹڈ (''کمپنی'') کا اٹھارواں سالانہ اجلاسِ عام بروز بدھ 27 اکتوبر 2021 بمقام کمپنی رجسٹرڈ دفتر لاہور میں **بوقت 11 بجے دن بذریعہ ویڈیو لنک** درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

عمومی امور

1۔ چیئرمین کی جائزہ رپورٹ' ڈائریکٹرز اور آڈیٹرز کی رپورٹس مع 30 جون 2021 ء کو مکمل ہونے والے سال کے آڈٹ شدہ سالانہ جداگانہ اور مجموعی مالیاتی گوشواروں کی وصولی' غور وخوص اور منظوری دینا۔

2۔ کمپنی کے آڈیٹرز کا تقرر اور ان کا مشاہرہ مقرر کرنا۔ اس حوالے سے ارکان کو اطلاع دی جاتی ہے کہ بورڈ اور آڈٹ کمپنی نے میسرز اے وائے فورڈ رہوڈز چارٹرڈ اکاؤنٹنٹس کو دوبارہ بطور آڈیٹر تقرری کی سفارش کی ہے۔

3۔ کمپنیز ایکٹ 2017 کی شق 159 کے مطابق 29 اکتوبر 2021 سے تین سال کی مدت کے لیے بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ سات ڈائریکٹران کا انتخاب کرنا۔ ذیل میں دیے گئے نام ریٹائر ہونے والے ڈائریکٹران کے ہیں جو دوبارہ منتخب ہونے کے اہل ہیں:

1۔ جناب خالد اعجاز قریشی

2۔ جناب طیب اعجاز

3۔ جناب سعادت اعجاز

4۔ جناب ذکی اعجاز

5۔ جناب قاسم اعجاز

6۔ جناب محمد نوید طارق

7۔ محترمہ عائشہ مصدق حامد

خصوصی امور

4۔ غور کرنا توثیق کرنا اور منظوری دینا: گذشتہ برس 28 اکتوبر 2020 کو ہونے والے سالانہ اجلاس عام میں ایک خصوصی قرارداد کے ذریعے کمپنی کے چیف ایگزیکٹو آفیسر کو متعلقہ اداروں (Related Party) کے ساتھ کاروباری امور کی انجام دہی کے لیے بااختیار کیا گیا، اگر مناسب سمجھا جائے سال مختتمہ 30 جون 2021 کے دوران اور سال مختتمہ 30 جون 2022 اور اگلے اجلاس عام تک متعلقہ اداروں کے ساتھ کیے گئے لین دین رامور پر غور کرنا توثیق کرنا اور منظوری دینا (جس طرح کہ سٹیٹمنٹ آف میٹریل فیکٹس پیش کیا گیا ہے)

کمپنی ایکٹ 2017 کی شق 134(3) کے تحت میٹریل فیکٹس کا ایک بیان اور منظور کی جانے والی خصوصی قراردادوں کے مسودے اجلاس کی اطلاع کے ساتھ منسلک ہیں جو ارکان کو بھیجی جائے گی۔ ایک خصوصی قرارداد کو تبدیلیوں یا بغیر کسی تبدیلی کی منظور کرنا۔

بحکم بورڈ

لاہور مورخہ: 5 اکتوبر 2021

رابعہ شریف / کمپنی سیکرٹری

ضروری گزارشات:

1۔ شیئرز بک کی بندش

کمپنی کی شیئرز منتقلی کی کتابیں 21 اکتوبر 2021ء سے 27 اکتوبر 2021ء تک بند رہیں گی (بشمول دونوں دن)۔ اس سلسلہ میں جو منتقلی ہمارے شیئرز رجسٹرار کے دفتر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ' سی ڈی سی ہاؤس' B-99' بلاک بی' ایس ایم سی ایچ ایس' مین شاہراہ فیصل کراچی میں 20 اکتوبر 2021 کے کاروباری دن کے اختتام تک وصول ہو جائے گی، وہ منتقول الیہ کو سالانہ اجلاس عام (اے جی ایم) میں شرکت، خطاب اور ووٹ کے استحقاق کے لیے بروقت تصور کی جائے گی۔

2۔ سالانہ اجلاس عام میں آن لائن شرکت

کووِڈ۔19 کی وبا اور حکومتی ہدایات کو مدنظر رکھتے ہوئے، شیئرز ہولڈر اور عوام الناس کی حفاظت کے پیش نظر کمپنی اپنا سالانہ اجلاس عام آن لائن (virtually) منعقد کرنے کا ارادہ رکھتی ہے۔ اجلاس میں سمارٹ فون، ٹیبلٹ اور کمپیوٹر کے ذریعے شرکت کی جاسکتی ہے۔ اجلاس میں ویڈیو لنک کے ذریعے شرکت کے لیے ممبران سے درخواست ہے کہ وہ مندرجہ ذیل معلومات اپنے شناختی کارڈ / پاسپورٹ / کارپوریٹ حصص داران کی صورت میں تصدیق شدہ نقل بورڈ ریزولوشن یا مختار نامہ، "رجسٹریشن سالانہ اجلاس عام روشن پیکجز" کے عنوان کے ساتھ 26 اکتوبر 2021 تک corporate@roshanpackages.com.pk پر ای میل کر کے خود کو رجسٹرڈ کروائیں:

ممبر کا نام	شناختی کارڈ نمبر	سی ڈی سی اکاؤنٹ / فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ضروری جانچ کے بعد رجسٹرڈ ممبران کو اسی ای میل کے ذریعے ویڈیو لنک مہیا کیا جائے گا، جس سے انھوں نے کمپنی کو میل کی ہوگی۔ Login کی سہولت اجلاس شروع ہونے سے ختم ہونے تک رہے گی۔ جو حصص داران سالانہ اجلاس عام کے ایجنڈے کے حوالے سے اپنی تجاویز دینا چاہتے ہوں وہ corporate@roshanpackages.com.pk پر ای میل کریں۔ کمپنی ان تجاویز کو اجلاس عام میں پڑھے گی اور اس پر آنے والے ردعمل کو اجلاس کی یادداشت میں شامل کرے گی۔

3۔ کمپنی کے موجودہ ڈائریکٹران کے عہدوں کی میعاد 28 اکتوبر 2021 کو پوری ہو جائے گی۔ کمپنیز ایکٹ 2017 کی شق 159(1) کے تحت، ڈائریکٹران نے منتخب ڈائریکٹران کی تعداد سات مقرر کی ہے، جنھیں اگلی تین سالہ مدت کے سالانہ اجلاس عام میں منتخب کیا جائے گا۔ کوئی بھی فرد چاہے وہ ریٹائر ہونے والا ڈائریکٹر ہو یا بصورت دیگر، ڈائریکٹران کے انتخاب میں حصہ لینا چاہتا ہے تو وہ مندرجہ ذیل دستاویزات اور معلومات سالانہ اجلاس عام شروع ہونے کی تاریخ سے 14 دن قبل کمپنی کے رجسٹرڈ دفتر میں جمع کروائے:

(a) اپنا فولیو نمبر / سی ڈی سی انویسٹر اکاؤنٹ نمبر / سی ڈی سی شمولیت نمبر / سب اکاؤنٹ نمبر

(b) کمپنیز ایکٹ 2017 کی شق 159(3) کے تحت ڈائریکٹران کے انتخاب میں حصہ لینے کے ارادے کا نوٹس۔

(c) کمپنیز ایکٹ 2017 کی شق 167 کے تحت فارم 28 پر کمپنی کے ڈائریکٹر کے طور پر کام کرنے کی رضامندی۔

(d) ایس ای سی پی کے مورخہ 3 اکتوبر 2019 کو جاری کردہ ایس آر او نمبری 1196(1)2019 کے تحت کمپنی کی ویب سائٹ پر رکھنے کے لیے تفصیلی تعارف مع دفتری پتا۔

(e) ایسے افراد جو انڈی پینڈنٹ ڈائریکٹر کا الیکشن لڑنا چاہتے ہوں وہ اس بات کا بیان داخل کریں گے کہ وہ کمپنیز ایکٹ 2017 اور اس کے تحت بنائے گئے قواعد وضوابط کے مطابق مطلوبہ اہلیت کے معیار پر پورا اترتا ہے۔

(f) قومی کمپیوٹرائزڈ شناختی کارڈ کی مصدقہ نقل اور نیشنل ٹیکس نمبر۔

(g) مندرجہ ذیل ڈیکلریشن:

- یہ کہ وہ ڈائریکٹر بننے کے لیے کمپنیز ایکٹ 2017 کی شق 153 اور دیگر قابل اطلاق قوانین اور قواعد (بشمول لسٹنگ ریگولیشنز آف اسٹاک ایکسچینج) کے مطابق نااہل نہ ہے۔
- یہ کہ وہ اس کمپنی سمیت، سات سے زیادہ لسٹڈ کمپنیوں کا ڈائریکٹر نہ ہے۔
- یہ کہ وہ کسی مالیاتی ادارے کا نادہندہ نہ ہے۔
- یہ کہ وہ متعلقہ قوانین اور کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن کے تحت اپنے فرائض سے آگاہ ہے۔

4۔ کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے تحت ڈائریکٹران کے انتخاب کے مقصد کے لیے ممبران کو ووٹ کا حق پوسٹل بیلٹ کے ذریعے استعمال کرنے کی اجازت دی گئی ہے۔ جو ڈاک کے ذریعے ووٹنگ ہے، ضروریات اور طریقہ کار کے مطابق مذکورہ بالا ضابطوں میں اگر امیدواروں کی تعداد منتخب ہونے والے ڈائریکٹران کی تعداد سے زیادہ ہو۔

5۔ اس اجلاس میں شرکت اور رائے دہی کا استحقاق رکھنے والا ممبر اپنی جانب سے شرکت اور رائے دہی کے لیے کوئی ممبر یا نائب مقرر کر سکتا ہے۔ نائب کے لیے ضروری ہے کہ وہ کمپنی ممبر ہو۔ اس طرح سے مقرر کیا جانے والا نائب ان تمام حقوق جیسا کہ اجلاس میں شرکت، خطاب اور رائے دہی جو کسی ممبر کو حاصل ہیں کا مستحق ہوتا ہے۔ نائب اپنی شناخت کے ثبوت کے طور پر اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ دکھائے گا۔

6۔ نائب کے تقرر کی دستاویز اور پاور آف اٹارنی یا دیگر دستاویز جس کے تحت تقرری ہوئی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کروانے ہوں گے۔ نائب کے تقرر کے لیے فارم انگریزی اور اردو دونوں زبانوں میں حصہ داران کو بھیجی گئی اجلاس کی اطلاع کے ساتھ منسلک ہے۔

7۔ ایسے ارکان جنھوں نے اپنے حصص سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (''سی ڈی سی'') میں جمع کروائے ہیں انھیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مندرجہ

FORM OF **PROXY**

I ______________ of ______________ being a member of Roshan Packages Limited, hereby appoint ______________ of ______________ (or failing him ______________ of ______________) as my proxy in absence to attend and vote for me and on my behalf at the Annual General Meeting of the company to be held on the day of ______________ and at any adjournment thereof.

As Witnessed my hand this ______________ day of ______________

1. Name ______________

C.N.I.C ______________

Address ______________

____

2. Name ______________

C.N.I.C ______________

Address ______________

____

____
Signed by the said
In the presence of

AFFIX
Revenue
Stamp of Rs. 5

____
Member Signature

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Share Registrar Office of the Company, CDC Share Registerar Services Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 74400 not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular# 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for appointing Proxies:

i) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

نائب کی تقرری کا فارم

میں ______________ بحیثیت رکن روشن پیکجز لمیٹڈ جناب ______________ (یا ان کی عدم دستیابی کی صورت میں جناب ______________ کو کمپنی کے سالانہ اجلاس عام جو ______________ دن منعقد ہو رہا ہے یا کسی بھی التواء کی صورت میں میں شرکت کرنے اور حق رائے دہی استعمال کرنے اپنا بطور نائب مقرر کرتا ہوں۔

میں ______________ مورخہ ______________ بطور گواہ اس امر کی تصدیق کرتا ہوں۔

______________ کی موجودگی میں دستخط کیے گئے۔

1. نام ______________

کمپیوٹرائزڈ شناختی کارڈ نمبر ______________

پتہ ______________

____

2. نام ______________

کمپیوٹرائزڈ شناختی کارڈ نمبر ______________

پتہ ______________

____

5 روپے کی رسیدی
ٹکٹ یہاں چسپاں کریں

____
رکن کے دستخط

ضروری بیان:

1. ایک رکن جو اجلاس عام میں شرکت اور ووٹ دینے کا مجاز ہو اپنی جگہ کسی کو بطور نائب مقرر کر سکتا ہے۔
2. نائب کی تقرری کی دستاویز مع پاور آف اٹارنی اگر کوئی ہو جس کے تحت تقرری ہوئی ہو یا پاور آف اٹارنی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار کے دفتر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99-B بلاک بی، سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی، مین شاہراہ فیصل کراچی-74400 میں جمع کروانے ہوں گے۔
3. ایسے ارکان جنھوں نے اپنے شیئرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کروائے ہیں انھیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 1 مورخہ 26 جنوری 2000 کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات اور سیکورٹیز سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں نائب کی تقرری کا فارم درج بالا ہدایات کی روشنی میں جمع کروائیں۔

(ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوں گی۔

(iv) نائب کو اجلاس کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(v) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ کی قرارداد/پاور آف اٹارنی مع نائب کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ہمراہ منسلک کرنا ہوگا۔

ROSHAN PACKAGES LIMITED

FORM FOR VIDEO CONFERENCE FACILITY

In this regard, please fill the following form and submit to registered address of the Company 07 days before holding of the Annual General Meeting.

Annual General Meeting along with complete information necessary to enable them to access the facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

The Company Secretary/Share Registrar,

I/we,______________________, of ____________________, being the registered shareholder(s) of the company under Folio No(s). ________________/ CDC Participant ID No.___ and Sub Account No.___ CDC Investor Account ID No., and holder of __________ Ordinary Shares, hereby request for video conference facility at ________________ for the Annual General Meeting of the Company to be held on November 27, 2019.

Date:________________

____
Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

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

Company Secretary
325 GIII MA Johar Town Lahore

روشن پیکیجز لمیٹڈ

ای- فارم برائے ویڈیو کانفرنس سہولت

اس سلسلے میں برائے مہربانی مندرجہ ذیل فارم بھر کر اسے کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 07 دن قبل جمع کروائیں۔ اگر کمپنی کو اجلاس سے 07 دن قبل کسی جغرافیائی جگہ پر رہائش پذیر ممبران جو 10 فیصد یا اس سے زائد حصص کے حامل ہوں کی جانب سے رضامندی موصول ہوتی ہے کہ وہ اجلاس میں بذریعہ ویڈیو کانفرنس کا انتظام کر دیا جائے گا جس کا انحصار اس شہر میں مذکورہ سہولت کی دستیابی پر ہوگا۔

کمپنی سالانہ اجلاس عام کے انعقاد سے 5 دن قبل ممبران کو ویڈیو کانفرنس کے مقام سے مطلع کر دے گی بمعہ ان تمام مکمل معلومات کے جو انہیں مذکورہ سہولت تک رسائی کے قابل کر سکیں۔

دی کمپنی سیکرٹری / شیئر رجسٹرار،

میں / ہم __________ حامل __________ عام حصص فولیو نمبر (نمبرز) __________ / سی ڈی سی پارٹیسپنٹ ID نمبر __________ اور سب اکاؤنٹ نمبر __________

سی ڈی سی انویسٹر اکاؤنٹ ID نمبر __________ رہائش ____________________

کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے 27-11-2019 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام کے لیے __________ میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں / کرتے ہیں۔

تاریخ: __________

____
ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جا سکتا ہے۔

شیئر رجسٹرار آفس
سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ،
سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس
مین شاہراہ فیصل، کراچی 74400

کمپنی سیکرٹری
325 جی تھری، ایم اے جوہر ٹاؤن، لاہور

CONSENT FORM FOR ELECTRONIC TRANSMISSION
OF ANNUAL REPORT AND NOTICE OF AGM

Pursuant to the allowance granted through SRO 787(1)/2014 of September 8, 2014 by the Securities Exchange Commission of Pakistan, the Company can circulate it's balance sheet and prot and loss ccounsts, auditors report and Director's report shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a complete consent form to the Company's Share Registrar, Roshan Packages Limited.

CONSENT FORM FOR ELECTRONIC TRANSMISSION **OF ANNUAL REPORT AND NOTICE OF AGM**

Dear Sirs,

I/we, being the shareholder(s) of Roshan Packages Limited. ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

1. Name of Shareholder(s): ______________________
2. Fathers / Husband Name: ______________________
3. CNIC: ______________________
4. NTN: ______________________
5. Participant ID / Folio No: ______________________
6. E-mail address: ______________________
7. Telephone: ______________________
8. Mailing address: ______________________

____

Date: ______________

____
Signature:
(In case of corporate shareholders, the authorized signatory must sign)

سالانہ رپورٹ اور اے جی ایم نوٹس کی
الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 2014(1)787 مورخہ 8 ستمبر 2014 کے بموجب سہولت مہیا کی گئی ہے کہ کمپنی اپنی سالانہ بیلنس شیٹ اور نفع و نقصان کے گوشوارے، محاسب و کلاء کی مرتب کردہ اطلاعی معلومات (پڑتال شدہ مالیاتی حسابات) بشمول سالانہ اجلاس عام کی اطلاع اپنے حصص یافتگان کو بذریعہ ای میل ارسال کر سکتی ہے۔ وہ تمام حصص داران جو کمپنی کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنے کے خواہشمند ہیں ان سے التماس ہے کہ تکمیل شدہ رضامندی کے فارم کمپنی کے شیئر رجسٹرار روشن پیکجز لمیٹڈ کو مہیا کریں۔

یاد رہے کہ سالانہ رپورٹ کی بذریعہ ای میل وصولی اختیاری ہے لازمی نہیں ہے۔

عنوان: سالانہ رپورٹ اور اے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جناب عالی،

میں/ہم، بذریعہ ہذا روشن پیکجز لمیٹڈ ("کمپنی") کا/کے شیئر ہولڈر (ہولڈرز) ہونے کے ناطے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی ذیل میں دیے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا کمپنیز ایکٹ 2017 کی دفعات کے تحت ذکر کیا گیا ہے۔

1. شیئر ہولڈر (ہولڈرز) کا نام: ______________________
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3. سی این آئی سی: ______________________
4. این ٹی این: ______________________
5. پارٹیسپنٹ آئی ڈی/فولیو نمبر: ______________________
6. ای میل ایڈریس: ______________________
7. فون نمبر: ______________________
8. میلنگ ایڈریس: ______________________

____

تاریخ: ______________

____
دستخط:
(کارپوریٹ شیئر ہولڈرز کی صورت میں،
مجاز دستخط کنندہ لازمی دستخط کرے)

شیئر رجسٹرار آفس

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