

# REIMAGINING ROSHAN

For a Changing World



**ROSHAN**  
Packages Limited.

**HALF YEAR REPORT**

*For the period ended December 31, 2020*

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## COMPANY INFORMATION

**Company Name:** Roshan Packages Limited

**Status:** Public Listed Entity

**CUIN:** 0044226

**NTN:** 1436951-6

**STRN:** 03-01-4819-303-73

### Board of Directors

**Mr. Khalid Eijaz Qureshi**

Chairman

**Mr. Tayyab Aijaz**

Chief Executive Officer

**Mr. Saadat Aijaz**

Executive Director

**Mr. Zaki Aijaz**

Non-Executive Director

**Mr. Quasim Aijaz**

Non-Executive Director

**Mr. Muhammad Naveed Tariq**

Independent/Non-Executive Director

**Mrs. Ayesha Musaddaque Hamid**

Independent/Non-Executive Director

### Chief Financial Officer (CFO)

Mr. Muhammad Adil

### Company Secretary

Miss Rabia Sharif

### Tax Consultant

A.F Ferguson & Co

### Bankers

Askari Bank Limited

Dubai Islamic Bank Limited

Bank of Punjab

JS Bank Limited

Meezan Bank Limited

Allied Bank Limited

### Registered Office

325 G-III MA Johar Town, Lahore

**Phone:** +92-042-35290734-38

**Fax:** +92-042-35290731

### Factory

**Corrugation:** 7-KM Sunder Raiwind Road, Opp.

Gate No 1, Sunder Industrial Estate

**Flexible:** Plot No 141,142 and 142-B Sunder Industrial Estate Lahore.

### Shares Registrar

CDC Share Registrar Services Limited

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

Main Shahrah-e-Faisal, Karachi – 74400

### Statutory Auditor

EY Ford Rhodes, Chartered Accountants

### Head of Internal Audit

Miss Faiza Khalid

### Legal Advisor

Zahid Irfan

### Stock Symbol

RPL

### Website

[www.roshanpackages.com.pk](http://www.roshanpackages.com.pk)

## Performance at a Glance

### NET REVENUE

RS. IN MILLION		
	HY 2020-21	3,441
	HY 2019-20	2,511

### GROSS PROFIT

RS. IN MILLION		
	HY 2020-21	428
	HY 2019-20	248

### PBT

RS. IN MILLION		
	HY 2020-21	202
	HY 2019-20	82

### PAT

RS. IN MILLION		
	HY 2020-21	154
	HY 2019-20	174

### EBIT

RS. IN MILLION		
	HY 2020-21	260
	HY 2019-20	208

### EBITDA

RS. IN MILLION		
	HY 2020-21	338
	HY 2019-20	282

### EPS

RS.		
	HY 2020-21	1.09
	HY 2019-20	1.23

### TOTAL EQUITY

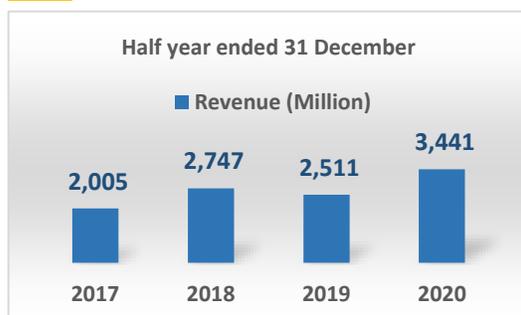
RS. IN MILLION		
	HY 2020-21	5,874
	FY 2019-20	5,862

### CURRENT RATIO

RATIO		
	HY 2020-21	1.61
	FY 2019-20	1.73

### QUICK RATIO

RATIO		
	HY 2020-21	1.27
	FY 2019-20	1.35



## Directors' Report

### Dear Shareholders,

The Directors of the Company are pleased to present the Directors' Report along with the condensed interim Financial Statements of the Company for the half year ended on December 31, 2020.

### Strong Financial Performance

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

	Half Year Ended		Quarter Ended	
	31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
	Rupees in Million			
<b>Sales-Net</b>	3,441	2,511	1,783	1,454
<b>Cost of Sales</b>	3,013	2,263	1,563	1,298
<b>Gross Profit</b>	428	248	220	157
<b>Finance Cost</b>	58	126	28	66
<b>Net profit / (loss) before tax</b>	202	82	95	66
<b>Tax (Expense) / Income</b>	(48)	92	(26)	87
<b>Net profit / (loss) after tax</b>	154	174	68	154

During the period under review, the Company earned a profit before tax of Rs. 202 million as compared to a profit before tax of Rs. 82 million in the comparable period last year. This shows an improvement of 147%. The sales revenue rose to Rs. 3,441 million registering an increase by 37% compared to same period last year at Rs. 2,511 million. This increase is a result of RPL's focus on customer satisfaction, provision of international quality products and increased market share. Despite a challenging economy, the company not only managed to maintain its customers' loyalty but also captured additional opportunities in the market.

Despite high inflation, the Company has managed to control its costs and increased its profitability whilst improving its products' quality. This increased gross profit margins to 12.43% as compared to 9.87% in the same period last year (Rs. 248 million to Rs. 428 million in figures). This resulted in 73% increase in gross profit margins. The operating profit of the Company also increased by 100% to Rs. 212 million from Rs. 106 million.

Moreover, financial charges were reduced by Rs. 69 million, due to the decrease in policy rate by the State Bank of Pakistan and efficient fund management by the Company, which had a favourable impact on our bottom line. The Company's energy conservation policies helped manage and maintain its utility cost. This led to reduce the percentage cost of utilities as we were able to produce more products at the same cost.

The profit after tax of the Company has decreased by Rs. 20 million as compared to the last year. This is because of recognition of deferred tax asset in comparable period of last year.

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

Roshan Sun Tao Paper Mills (Private) Limited (RSTPL) was a joint venture of Roshan Packages Limited (RPL) with a Chinese company, M/s Shandong Yongtai Paper Mills Limited (SYPML). However, the joint venture agreement was terminated by RPL and a case was filed by RPL before the Civil Court, Lahore for specific performance. SYPML filed a petition before the Lahore High Court, Lahore for winding up of RSTPL. The honourable Lahore High Court, Lahore has dismissed the winding up petition with cost.

Subsequently, SYPML made an offer to sell their 40% stake in the RSTPL to RPL. RPL currently holds 60% shares and after this acquisition, RSTPL will become 100% owned subsidiary of RPL. The acquisition is subject to requisite approvals and execution of definitive settlement agreement with SYPML.

The management of RPL is fully committed to the project of RSTPL, the subsidiary and strongly believes that the paper mill project on completion will bring significant benefits to the company and its shareholders. The management is resolutely working on the execution of the project and right now is in process of negotiation with financial institutions for financial closure and import of machinery.

### **Future Outlook:**

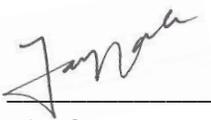
The global economy is emerging from one of its deepest recessions and has started to demonstrate slow recovery. Unlike other countries, Pakistan has shown great resilience and was fortunate enough to successfully elude severe effects of the pandemic.

Pakistan's economy has started CY21 with a positive outlook reflected by decent growth prospects and improved business sentiments. The state bank of Pakistan has reported an expected growth of 1.5-2.5% for the country with Moody's also predicting along the same line at 1.5%. Given the improving economic condition, stability on interest rates and range bound currency fluctuations, we are hopeful that the Company will secure upcoming opportunities available in the market and aim to improve profit margins in the coming quarters by focusing on core competencies.

RPL has successfully adopted the “new normal” with emphasis on safety and well-being of all stakeholders. The Company has demonstrated its ability to avail emerging opportunities and execute appropriate strategies. Moreover, the Company is well-poised to keep building long term business propositions and increasing stakeholders’ value. For this, principles and core values of the RPL will continue to provide a solid foundation.

**Acknowledgment:**

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



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Chief Executive



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Chairman

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز ششماہی مختتمہ 31 دسمبر 2020ء کے لیے ڈائریکٹرز رپورٹ مع کنڈینسڈ انٹیرم فنانشل اسٹیٹمنٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مضبوط مالیاتی کارکردگی

کمپنی (روشن پیکجز لمیٹڈ) کی سالہ رواں کی پہلی ششماہی میں مالیاتی کارکردگی کو ذیل میں دیا گیا ہے:

سہ ماہی		ششماہی		
31 دسمبر 2019	31 دسمبر 2020	31 دسمبر 2019	31 دسمبر 2020	
روپے ملین میں				
1,454	1,783	2,511	3,441	مصنوعات کی کل فروخت
1,298	1,563	2,263	3,013	مصنوعات کی کل لاگت
157	220	248	428	مجموعی منافع
66	28	126	58	فنانس کی لاگت
66	95	82	202	منافع قبل از ٹیکس
87	(26)	92	(48)	ٹیکس (خرچہ)/آمدنی
154	68	174	154	منافع بعد از ٹیکس

جائزہ مدت کے دوران آپ کی کمپنی نے قبل از ٹیکس 202 ملین روپے کا منافع کمایا۔ جو کہ پچھلے سال اسی مدت کے دوران قبل از ٹیکس 82 ملین روپے کا منافع تھا۔ یہ 147 فیصد بہتری کو ظاہر کرتا ہے۔ مصنوعات کی فروختگی سے حاصل ہونے والی آمدن پچھلے سال اسی مدت کے دوران 2,511 ملین روپے تھی جو کہ اس برس 3,441 ملین روپے ہوئی جو پچھلے سال اسی مدت کے مقابلے میں 37 فیصد زیادہ ہے۔ یہ اضافہ کمپنی کی طرف سے اپنے صارفین کی ضروریات کو بہتر طریقے سے پوری کرنا، بین الاقوامی کوالٹی کی حامل مصنوعات پیش کرنا اور مارکیٹ میں اپنا حصہ بڑھانے کی وجہ سے ممکن ہوا۔ باوجود معاشی چیلنجوں کے، کمپنی نے نہ صرف صارفین کو اپنے ساتھ جوڑے رکھا بلکہ مارکیٹ کے اندر مزید مواقع بھی حاصل کیے۔

افراط زر کی بلند شرح کے باوجود کمپنی نے اپنی لاگت کو کم اور منافع کو بہتر بنانے کے ساتھ ساتھ اپنی مصنوعات کے معیار کو بھی بلند کیا جس کی وجہ سے مجموعی منافع 12.43 فیصد رہا جو پچھلے سال اسی مدت کے دوران 9.87 فیصد تھا۔ (248 ملین روپے سے 428 ملین روپے) نتیجہ کے طور پر مجموعی منافع میں 73 فیصد اضافہ ریکارڈ کیا گیا۔ کمپنی کے آپریٹنگ منافع میں بھی 100 فیصد اضافہ ہوا جو 106 ملین روپے سے بڑھ کر 212 ملین روپے ہو گیا۔

مزید برآں، اسٹیٹ بینک آف پاکستان کی شرح سود میں کمی اور کمپنی کے دستیاب فنڈز کے عمدہ نظم و نسق کی وجہ سے فنانس کی لاگت میں 69 ملین روپے کمی ہوئی جس کا کمپنی کی مجموعی کارکردگی پر بہتر اثر پڑا۔ کمپنی کی توانائی بچانے کی پالیسی پر عمل درآمد کی وجہ سے ایندھن اور توانائی کی لاگت میں اضافہ نہیں ہوا جس کی وجہ سے کم لاگت پر زیادہ مصنوعات بنانا ممکن ہوا۔

کمپنی کے بعد از ٹیکس منافع میں پچھلے سال اسی مدت کے مقابلے میں 20 ملین روپے کی کمی واقع ہوئی۔ ایسا پچھلے سال کے زیر جائزہ مدت میں ڈیفارڈ ٹیکس اثاثہ کی ریکارڈنگ کی وجہ سے ہوا۔

### روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ

روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ میسرز شینڈونگ یونگ ٹائی پیپر ملز لمیٹڈ کے ساتھ روشن پیکجز لمیٹڈ کا مشترکہ منصوبہ تھا۔ تاہم، مشترکہ منصوبے کا معاہدہ روشن پیکجز لمیٹڈ نے ختم کر دیا اور مخصوص کارکردگی کے لئے سول

کورٹ ، لاہور میں مقدمہ دائر کیا میسرز شینڈونگ یونگ ٹائی پیپر ملز لمیٹڈ نے روشن سن ٹاؤ پیپر ملز (پرائیویٹ) لمیٹڈ کی winding up کے لیے لاہور ہائیکورٹ ، لاہور میں درخواست دائر کی۔ معزز لاہور ہائیکورٹ ، لاہور نے winding up درخواست کو لاگت کے ساتھ خارج کر دیا۔

میسرز شینڈونگ یونگ ٹائی پیپر ملز لمیٹڈ نے روشن سن ٹاؤ پیپر ملز (پرائیویٹ) لمیٹڈ میں اپنے 40 فیصد حصص روشن پیکیجز لمیٹڈ کو فروخت کرنے کی پیشکش کی۔ روشن پیکیجز لمیٹڈ کے پاس اس وقت 60 فیصد حصص ہیں اور اس حصول کے بعد روشن سن ٹاؤ پیپر ملز (پرائیویٹ) لمیٹڈ 100 فیصد روشن پیکیجز لمیٹڈ کی ملکیت بن جائے گی۔ حصول مطلوبہ منظوری اور میسرز شینڈونگ یونگ ٹائی پیپر ملز لمیٹڈ کے ساتھ طے شدہ تصفیہ معاہدے پر عمل درآمد سے مشروط ہے۔ روشن پیکیجز لمیٹڈ کی انتظامیہ ماتحت ادارہ کے منصوبے کے لئے پوری طرح پر عزم ہے اور پختہ یقین رکھتی ہے کہ پیپر ملز پروجیکٹ مکمل ہونے پر کمپنی اور اس کے حصص یافتگان کو اہم فوائد حاصل ہوں گے۔ انتظامیہ اس منصوبے پر عمل درآمد کے لئے مستعدی سے کام کر رہی ہے اور اس وقت financial closure اور مشینری کی درآمد کے لئے مالیاتی اداروں کے ساتھ بات چیت کا عمل جاری ہے۔

### مستقبل کے امکانات

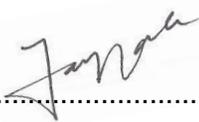
عالمی معیشت ایک بدترین کساد بازاری سے ابھر رہی ہے اور اس کی بحالی شروع ہو گئی ہے۔ دیگر ممالک کے برعکس اس صورت حال میں پاکستان نے بہتر کارکردگی کا مظاہرہ کیا ہے اور خوش قسمتی سے اس وبا کے شدید اثرات کو کافی حد تک کم کرنے میں کامیابی حاصل کی ہے۔

پاکستان نے بہتر معاشی نمو اور کاروباری رجحانات کے ساتھ 2021ء کے سال کا آغاز کیا ہے۔ اسٹیٹ بینک آف پاکستان نے متوقع شرح نمو 1.5 فیصد سے 2.5 فیصد تک رہنے کی امید ظاہر کی ہے جبکہ موڈی (Moody's) نے بھی شرح نمو 1.5 فیصد رہنے کا امکان ظاہر کیا ہے۔ معاشی حالت میں بہتری ، شرح سود میں استحکام اور روپے کی قدر میں محدود اتار چڑھاؤ کے پیش نظر ، ہمیں امید ہے کہ کمپنی دستیاب مواقع سے بھرپور فائدہ اٹھائے گی اور اپنی بنیادی قابلیت پر توجہ مرکوز کر کے آئندہ سہ ماہی میں منافع کی شرح کو بہتر بنائے گی۔

روشن پیکیجز لمیٹڈ نے اپنے اسٹیک ہولڈرز کی فلاح و بہبود کو مدنظر رکھتے ہوئے کامیابی کے ساتھ ”نئی حکمت عملی“ کو اپنایا ہے۔ کمپنی نے ابھرتے ہوئے مواقع سے فائدہ اٹھایا اور مناسب حکمت عملی پر عمل کر کے اپنی بہتر صلاحیت کا مظاہرہ کیا ہے۔ مزید یہ کہ کمپنی طویل مدتی کاروباری تجاویز کی تیاری اور اسٹیک ہولڈرز کی قدر میں اضافہ کرنے کے لیے تیار ہے۔ اس کے لیے ، روشن پیکیجز لمیٹڈ کے اصول و ضوابط اور بنیادی اقدار ایک مستحکم بنیاد فراہم کرتے رہیں گے۔

### اظہار تشکر

بورڈ اپنے تمام اسٹیک ہولڈرز کا کمپنی کو ان کی معاونت کے لئے شکریہ ادا کرتا ہے۔ بورڈ غیر معمولی وقت کے دوران کمپنی کے ملازمین کی لگن اور محنت کا بھی اعتراف کرتا ہے۔



چیف ایگزیکٹو آفیسر



چیئرمین

## INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

### REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Roshan Packages Limited** as at **31 December 2020** and the related unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows and notes to the unconsolidated condensed interim financial statements, for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of unconsolidated condensed interim statement of comprehensive income for quarters ended 31 December 2020 and 31 December 2019 have not been reviewed as we are required to review only cumulative figures for the six months period ended 31 December 2020.

#### Scope of Review

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

#### Conclusion

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

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



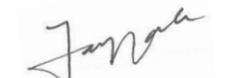
Chartered Accountants  
Place: Lahore  
Date: 16 February 2021

**ROSHAN PACKAGES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	Un-audited	Audited
		31 December 2020 Rupees	30 June 2020 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	4,495,402,060	4,524,161,130
Right of use assets		42,909,507	51,279,633
Intangible asset		-	362,586
Investment in subsidiary		111,376,130	111,376,130
Long term loan - unsecured	8	435,564,636	168,546,690
Long term deposits		14,902,194	14,902,194
		<b>5,100,154,527</b>	<b>4,870,628,363</b>
<b>Current assets</b>			
Stores, spares and other consumables		166,838,195	171,999,102
Stock-in-trade		645,437,956	708,935,191
Contract assets		81,696,755	80,878,738
Trade debts - unsecured	9	1,430,462,362	1,255,085,411
Current portion of long-term loan	8	-	149,249,281
Short term loan - unsecured	8	-	92,186,870
Advances, deposits, prepayments and other receivables	10	718,236,241	718,642,360
Short term investment		487,322,125	486,017,750
Cash and bank balances	11	345,945,463	328,562,905
		<b>3,875,939,097</b>	<b>3,991,557,608</b>
<b>Total assets</b>		<b>8,976,093,624</b>	<b>8,862,185,971</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
150,000,000 (30 June 2020: 150,000,000) ordinary shares of Rs. 10 each		<b>1,500,000,000</b>	<b>1,500,000,000</b>
<b>Issued, subscribed and paid-up share capital</b>	12	<b>1,419,000,000</b>	<b>1,419,000,000</b>
<b>Capital reserves</b>			
Share premium		1,994,789,057	1,994,789,057
Surplus on revaluation of operating fixed assets		1,770,814,762	1,795,215,742
		<b>3,765,603,819</b>	<b>3,790,004,799</b>
<b>Revenue reserve</b>			
Un-appropriated profit		689,733,174	653,269,980
<b>Total equity</b>		<b>5,874,336,993</b>	<b>5,862,274,779</b>
<b>Non-current liabilities</b>			
Long term finances - secured		43,532,653	87,018,828
Lease liabilities		29,031,325	31,721,605
Deferred taxation		501,269,770	453,622,673
Deferred liabilities		120,597,787	122,088,352
		<b>694,431,535</b>	<b>694,451,458</b>
<b>Current liabilities</b>			
Current portion of long-term liabilities		292,044,274	248,834,807
Short term borrowings - secured		1,028,225,070	1,048,293,740
Trade and other payables		1,054,819,715	959,971,322
Contract liabilities		12,792,915	15,918,351
Accrued finance cost		17,175,443	31,653,458
Unclaimed dividend		2,267,679	788,056
		<b>2,407,325,096</b>	<b>2,305,459,734</b>
<b>Total liabilities</b>		<b>3,101,756,631</b>	<b>2,999,911,192</b>
<b>Total equity and liabilities</b>		<b>8,976,093,624</b>	<b>8,862,185,971</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			

13

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

  
 Chief Executive

  
 Director  
 11

  
 Chief Financial Officer

**ROSHAN PACKAGES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

Note	Six months period ended		Three months period ended	
	(Un-audited)		(Un-audited)	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers	3,985,896,921	2,917,992,571	2,054,571,873	1,689,484,043
Less: Sales tax	(544,985,692)	(406,813,042)	(271,596,814)	(235,217,874)
<b>Net revenue</b>	<b>3,440,911,229</b>	2,511,179,529	<b>1,782,975,059</b>	1,454,266,169
Cost of revenue	(3,013,291,906)	(2,263,336,851)	(1,563,366,173)	(1,297,506,218)
<b>Gross profit</b>	<b>427,619,323</b>	247,842,678	<b>219,608,886</b>	156,759,951
Administrative expenses	(98,310,980)	(61,912,954)	(57,093,477)	(29,898,965)
Selling and distribution expenses	(95,559,951)	(73,875,798)	(54,120,993)	(33,526,033)
Other operating expenses	(22,136,389)	(5,986,590)	(8,890,471)	(5,986,590)
	(216,007,320)	(141,775,342)	(120,104,941)	(69,411,588)
<b>Operating profit</b>	<b>211,612,003</b>	106,067,336	<b>99,503,945</b>	87,348,363
Other income	48,299,634	102,392,852	23,685,231	44,732,749
Finance cost	(57,661,174)	(126,416,068)	(28,331,443)	(65,749,425)
<b>Profit before taxation</b>	<b>202,250,463</b>	82,044,120	<b>94,857,733</b>	66,331,687
Taxation	(48,288,249)	91,834,053	(26,440,779)	87,423,724
<b>Profit for the period</b>	<b>153,962,214</b>	173,878,173	<b>68,416,954</b>	153,755,411
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>153,962,214</b>	173,878,173	<b>68,416,954</b>	153,755,411
<b>Earnings per share - Basic and diluted</b>	<b>1.09</b>	1.23	<b>0.48</b>	1.08

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

**ROSHAN PACKAGES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
-----Rupees-----					
<b>Balance as on 01 July 2019</b>	1,419,000,000	1,994,789,057	1,843,728,306	356,968,813	5,614,486,176
Total comprehensive income for the period	-	-	-	173,878,173	173,878,173
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(24,015,747)	24,015,747	-
<b>Balance as on 31 December 2019 - (Un-audited)</b>	<b>1,419,000,000</b>	<b>1,994,789,057</b>	<b>1,819,712,559</b>	<b>554,862,733</b>	<b>5,788,364,349</b>
<b>Balance as on 01 July 2020</b>	<b>1,419,000,000</b>	<b>1,994,789,057</b>	<b>1,795,215,742</b>	<b>653,269,980</b>	<b>5,862,274,779</b>
Total comprehensive income for the period	-	-	-	<b>153,962,214</b>	<b>153,962,214</b>
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	<b>(24,400,980)</b>	<b>24,400,980</b>	-
Final cash dividend for the year ended 30 June 2020 (Rs.1 per share)	-	-	-	<b>(141,900,000)</b>	<b>(141,900,000)</b>
<b>Balance as on 31 December 2020 - (Un-audited)</b>	<b>1,419,000,000</b>	<b>1,994,789,057</b>	<b>1,770,814,762</b>	<b>689,733,174</b>	<b>5,874,336,993</b>

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

**ROSHAN PACKAGES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

		<b>Un-audited</b>	
<b>Note</b>		<b>2020</b>	<b>2019</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Cash generated from / (used in) operations	<b>210,272,036</b>	(117,325,167)
	Finance costs paid	<b>(68,088,996)</b>	(115,273,879)
	Taxes adjusted / (paid)	<b>58,944,234</b>	(28,400,779)
	Gratuity paid	<b>(11,443,806)</b>	(5,810,538)
	Accumulated absences paid	<b>(167,595)</b>	(199,269)
	Net decrease in long term deposits	<b>-</b>	472,130
		<b>(20,756,163)</b>	(149,212,335)
	<b>Net cash generated from / (used in) operating activities</b>	<b>189,515,873</b>	(266,537,502)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Expenditure incurred on purchase of property, plant and equipment	<b>(38,779,332)</b>	(27,365,262)
	Long term loan given	<b>(82,683,935)</b>	(13,025,959)
	Proceeds from disposal of operating fixed assets	<b>553,999</b>	-
	Proceeds from mark-up on long term loans	<b>100,977,483</b>	-
	Profit on bank deposits received	<b>26,861,743</b>	49,683,813
	<b>Net cash generated from investing activities</b>	<b>6,929,958</b>	9,292,592
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Proceeds from / (repayment) of long-term loans	<b>25,843,247</b>	(225,599,963)
	Repayment of supplier's credit	<b>(34,553,668)</b>	(50,209,738)
	Dividend paid	<b>(140,420,377)</b>	(7,485)
	Proceeds from short term borrowings - net	<b>2,607,198</b>	180,183,838
	Repayment of lease liabilities	<b>(8,559,430)</b>	(8,833,741)
	<b>Net cash used in financing activities</b>	<b>(155,083,030)</b>	(104,467,089)
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>41,362,801</b>	(361,711,999)
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>574,201,284</b>	696,748,452
	<b>Cash and cash equivalents at the end of the period</b>	<b>615,564,085</b>	335,036,453

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

  
 \_\_\_\_\_  
**Chief Executive**

  
 \_\_\_\_\_  
**Director**

  
 \_\_\_\_\_  
**Chief Financial Officer**

**ROSHAN PACKAGES LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

**1 CORPORATE AND GENERAL INFORMATION**

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

The registered office of the Company is situated at 325 G-III, M.A. Johar Town, Lahore. The corrugation packaging facility is located at 7 km, Sundar Raiwind Road, Lahore and flexible packaging facility is located at Plot No. 141,142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

These unconsolidated condensed interim financial statements are the separate financial statements of the Company. Condensed interim consolidated financial statements are prepared separately.

**2 IMPACT OF COVID-19 ON THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

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

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

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

**3 STATEMENT OF COMPLIANCE**

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

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

Provisions of and directives issued under the Companies Act, 2017 (the Act).

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

**3.2** These unconsolidated condensed interim financial statements are un-audited and are being submitted to shareholders, as required by Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019.

**4 BASES OF PREPARATION**

**4.1** These unconsolidated condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended 30 June 2020.

**4.2** These unconsolidated condensed interim financials statements comprise of condensed interim statement of financial position as at 31 December 2020, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the six months period then ended which has been subjected to a review in accordance with the listing regulation but not audited. These unconsolidated condensed interim financial statements also include condensed interim statement of comprehensive income for the quarter ended 31 December 2020 which has not audited.

**4.3** The comparative unconsolidated statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2020, whereas comparative unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity have been extracted from the un-audited unconsolidated condensed interim financial statements for the six months period ended 31 December 2019.

- 4.4 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention and are presented in Pak Rupee, which is also the functional currency of the Company.
- 4.5 Provisions in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

## 5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the unconsolidated condensed interim financial statements of the Company.

### 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 condensed interim 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 condensed interim 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 condensed interim financial statements of, nor is there expected to be any future impact to the Company.

### iv) 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.

## 6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2020.

	Note	(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - owned	7.1	4,416,673,189	4,426,415,803
Capital work-in-progress	7.2	78,728,871	97,745,327
		<b>4,495,402,060</b>	<b>4,524,161,130</b>
<b>7.1 Operating fixed assets - owned</b>			
Balance at the beginning of the period / year- net book value		4,426,415,803	4,545,885,536
Additions during the period / year - cost	7.1.1	57,795,788	49,253,856
Transfer from right of use asset - net book value		5,396,785	3,826,347
		<b>4,489,608,376</b>	<b>4,598,965,739</b>
Less:			
Disposals during the period / year - net book value		(629,935)	(4,402,945)
Transfer to right of use assets - net book value		-	(27,094,172)
Depreciation during the period / year		(72,305,252)	(141,052,819)
		<b>(72,935,187)</b>	<b>(172,549,936)</b>
Net book value at the end of period / year		<b>4,416,673,189</b>	<b>4,426,415,803</b>
<b>7.1.1 Additions during the period / year - cost</b>			
Plant and machinery		43,191,010	39,344,576
Office equipment		12,376,576	3,866,463
Furniture and fixture		852,573	1,049,298
Electric installations		734,717	12,500
Buildings on free hold land		640,912	4,981,019
		<b>57,795,788</b>	<b>49,253,856</b>
<b>7.2 Capital work in progress</b>			
Balance at the beginning of the period / year		97,745,327	89,647,475
Additions during the period / year		3,876,009	35,539,365
Transfers during the period / year		(22,892,465)	(27,441,513)
Balance at the end of the period / year		<b>78,728,871</b>	<b>97,745,327</b>
<b>8 LONG TERM LOAN - UNSECURED</b>			
<b>At amortized cost:</b>			
Loan to associated undertaking - Roshan Enterprises	8.1 & 8.2	124,590,494	-
Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	8.3 & 8.4	310,974,142	168,546,690
		<b>435,564,636</b>	<b>168,546,690</b>

8.1 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 granted extension of two years to associated undertaking in repayment of loan and as per revised terms and conditions, Roshan Enterprises would repay the entire principal amount by 28 October 2022.

		(Un-audited) 31 December 2020 Rupees	(Audited) 30 June 2020 Rupees
<b>8.2 Movement during the period / year is as follows:</b>			
Opening balance		-	132,838,400
Current portion re-classified due to change in loan term	8.1	149,249,281	
Mark-up accrued during the period / year		5,651,498	16,410,881
Mark-up received during the period / year		(30,310,285)	-
		<b>124,590,494</b>	<b>149,249,281</b>
Less: Current portion shown under current assets		-	(149,249,281)
Closing balance		<b>124,590,494</b>	<b>-</b>

- 8.3 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 Subsidiary Company from Rs. 260 million to up to Rs. 500 million to be provided to Subsidiary Company from time to time. Further, an extension in repayment of loan has also been granted, and as per revised terms and conditions, Subsidiary Company would repay the entire principal amount on 30 June 2024 or within one year of the commercial operations of the Subsidiary Company, whichever is later. Resultantly, short term loan granted to Subsidiary Company amounted Rs. 92 million has been classified as non-current.

	Note	(Un-audited) 31 December 2020	(Audited) 30 June 2020
		Rupees	Rupees
<b>8.4 Movement during the period / year is as follows:</b>			
Opening balance		168,546,690	117,094,385
Loan disbursed during the period / year		82,683,935	30,704,997
Short term loan reclassified from current assets	8.3	92,186,870	-
Mark-up accrued during the period / year		8,263,165	20,747,308
Mark-up received during the period / year		(36,502,358)	-
Mark-up reclassified to other receivables		(4,204,160)	-
Closing balance		310,974,142	168,546,690
<b>9 TRADE DEBTS - UNSECURED</b>			
Trade debts - unsecured		1,671,980,901	1,488,950,316
Less: Allowance for expected credit losses		(241,518, 539)	(233,864,905)
		1,430,462,362	1,255,085,411
<b>10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances:			
- To employees - secured		7,843,869	5,213,329
- To suppliers - unsecured		209,387,555	125,667,278
		217,231,424	130,880,607
Balances with statutory authorities:			
- Sales tax receivable - net		82,952,750	119,091,948
- Income tax receivable - net		393,754,027	413,828,022
		476,706,777	532,919,970
Prepayments		7,750,791	10,887,506
Security deposits		2,593,813	6,429,313
Interest receivable - saving accounts		124,560	276,878
Interest receivable - short term investment		7,459,108	5,800,839
Interest receivable - subsidiary		6,369,768	31,447,247
		718,236,241	718,642,360
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		1,003,189	334,993
Balances with banks:			
Saving accounts	11.1	277,258,311	289,018,160
Current accounts		67,683,963	39,209,752
		344,942,274	328,227,912
		345,945,463	328,562,905

- 11.1 Profit on the balances in saving accounts ranges from 3% to 7% (30 June 2020: 6% to 12.9%) per annum.

	(Un-audited) 31 December 2020	(Audited) 30 June 2019	(Un-audited) 31 December 2020	(Audited) 30 June 2019
	----- No. of shares -----		----- Rupees -----	
Ordinary shares of Rs. 10 each fully paid in cash	57,336,000	57,336,000	573,360,000	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	79,461,000	79,461,000	794,610,000	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 12.1)	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

- 12.1 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.

### 13 CONTINGENCIES AND COMMITMENTS

#### 13.1 Contingencies

Deputy Commissioner Inland Revenue ('DCIR') initiated proceedings against the Company under section 214C of the Income Tax Ordinance, 2001 ('the Ordinance') for tax year 2015 and increased the Company's tax chargeable by Rs. 8.7 million on account of fixed assets, trade creditors, Worker's Profit Participation Fund (WPPF) and others etc. through an amended assessment order u/s 122(1)/122(5) of the Ordinance dated 28 June 2018. Aggrieved by the decision of DCIR, the Company filled an appeal before CIR (Appeals), which was decided by the CIR (Appeals) vide order dated November 13, 2020. The CIR (Appeals) through its appellate order decided the matter partly in favor of FBR and partly in favor of the Company. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which has not yet been fixed for hearing. The management based on the advice of its legal counsel, 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 condensed interim financial statements.

#### 13.2 Commitments in respect of:

- (a) There was no change in the commitments in respect of Letters of credit and contracts for capital expenditure since the date of preceding published annual financial statements.
- (b) Letter of credits and contracts other than for capital expenditure amounting to Rs. 131.42 million (30 June 2020: Rs. 290.99 million)

#### 13.3 Guarantee

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

	Note	Six months period ended		Three months period ended	
		(Un-audited)		(Un-audited)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
14 REVENUE FROM CONTRACTS WITH CUSTOMERS	14.1 & 14.2	Rupees	Rupees	Rupees	Rupees
		<b>3,440,911,229</b>	2,511,179,529	<b>1,782,975,059</b>	1,454,266,169

#### 14.1 Disaggregation of revenue from contracts with customers:

Revenue from contracts with customers, disaggregated by major product lines and timing of revenue recognition is listed below:

	Six months period ended		Three months period ended	
	(Un-audited)		(Un-audited)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Major product lines:</b>	Rupees	Rupees	Rupees	Rupees
- Made-to-order packaging products	3,157,458,383	2,221,672,145	1,641,252,926	1,309,705,426
- Standard packaging products	283,452,846	289,507,384	141,722,133	144,560,743
	<b>3,440,911,229</b>	2,511,179,529	<b>1,782,975,059</b>	1,454,266,169
<b>Timing of revenue recognition:</b>				
- Products transferred over time	3,157,458,383	2,221,672,145	1,641,252,926	1,309,705,426
- Products transferred at a point in time	283,452,846	289,507,384	141,722,133	144,560,743
	<b>3,440,911,229</b>	2,511,179,529	<b>1,782,975,059</b>	1,454,266,169

- 14.2 This includes unbilled revenue amounting to Rs. 81.70 million (31 December 2019: Rs. 78.37 million).

#### 14.3 Performance obligation

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

	Six months period ended		Three months period ended	
	(Un-audited)		(Un-audited)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>15 COST OF REVENUE</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Raw materials consumed	2,562,679,678	1,863,396,392	1,323,207,686	1,096,614,034
Salaries, wages and other benefits	136,796,881	108,955,143	72,497,716	55,566,055
Fuel and power	112,989,428	114,266,380	55,666,112	59,314,293
Depreciation of operating fixed assets	70,363,769	66,389,093	35,470,289	34,298,497
Production supplies	57,605,341	46,412,862	35,749,774	31,587,363
Repairs and maintenance	39,516,766	18,439,247	24,147,022	7,559,466
Travelling and conveyance	11,747,520	11,749,993	6,304,741	5,410,672
Packing material consumed	10,584,276	8,171,047	5,352,613	4,423,295
Insurance	3,394,747	4,343,168	1,655,430	2,022,207
Vehicle running expenses	2,106,595	1,488,263	1,241,737	858,378
Carriage inward expenses	1,568,728	1,301,028	937,375	784,912
Depreciation of right of use asset	958,739	1,219,321	426,669	259,128
Communication expenses	785,772	428,502	414,093	250,271
Rent	648,677	621,019	109,300	180,990
Printing and stationery	392,315	300,517	197,281	158,234
Others	5,475,343	9,847,502	3,459,506	4,352,423
Cost of goods manufactured	3,017,614,575	2,257,329,477	1,566,837,344	1,303,640,218
Opening stock of finished goods	11,727,881	16,264,405	12,579,379	4,123,031
Closing stock of finished goods	(16,050,550)	(10,257,031)	(16,050,550)	(10,257,031)
	(4,322,669)	6,007,374	(3,471,171)	(6,134,000)
	3,013,291,906	2,263,336,851	1,563,366,173	1,297,506,218
<b>16 TAXATION</b>				
Current tax	641,152	24,352,163	641,152	12,461,888
Deferred tax expense / (income)	47,647,097	(116,186,216)	25,799,627	(99,885,612)
	48,288,249	(91,834,053)	26,440,779	(87,423,724)

#### 17 EARNINGS PER SHARE - BASIC AND DILUTED

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

		Six months period ended		Three months period ended	
		(Un-audited)		(Un-audited)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Profit attributable to owners of the Company	<b>Rupees</b>	153,962,214	173,878,173	68,416,954	153,755,411
Weighted-average number of ordinary shares	<b>Number</b>	141,900,000	141,900,000	141,900,000	141,900,000
Basic earnings per share	<b>Rupees</b>	1.09	1.23	0.48	1.08

#### 18 CASH AND CASH EQUIVALENTS

	(Un-audited)	
	31 December 2020	31 December 2019
	<b>Rupees</b>	<b>Rupees</b>
Short term investment	487,322,125	600,000,000
Cash and bank balances	345,945,463	84,293,494
Running finance	(217,703,503)	(349,257,041)
	615,564,085	335,036,453

		Un-audited)	
		31 December 2020	31 December 2019
		Rupees	Rupees
<b>19</b>	<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
	<b>Profit before taxation</b>	<b>202,250,463</b>	82,044,120
	<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
	Depreciation of operating fixed assets	<b>72,305,252</b>	73,491,301
	Finance costs	<b>57,661,174</b>	126,416,068
	Provision for Worker's Profit Participation Fund	<b>10,287,978</b>	5,068,230
	Provision for gratuity	<b>9,043,338</b>	9,043,331
	Depreciation of right of use assets	<b>5,736,338</b>	-
	Provision for Worker's Welfare Fund	<b>4,455,320</b>	918,360
	Interest income on loans	<b>(18,797,864)</b>	(24,680,055)
	Grant income	<b>(1,134,076)</b>	-
	Profit on bank deposits	<b>(28,367,694)</b>	(60,158,201)
	Amortization of intangible assets	<b>362,586</b>	708,848
	Allowance for / (reversal of) expected credit losses	<b>7,653,634</b>	(1,581,120)
	Loss on disposal of operating fixed asset	<b>75,936</b>	-
	Exchange loss / (gain) unrealized	<b>8,247,993</b>	(16,495,998)
	Provision for accumulating compensated absences	<b>1,453,254</b>	1,453,249
	<b>Cashflow before working capital changes</b>	<b>331,233,632</b>	196,228,133
	<b>Effect on cash flow due to working capital changes:</b>		
	<b>Decrease / (increase) in current assets:</b>		
	Stores and spare parts	<b>5,160,907</b>	(6,014,899)
	Stock-in-trade	<b>63,497,235</b>	34,227,744
	Trade debts	<b>(183,030,585)</b>	(67,890,653)
	Contract assets	<b>(818,017)</b>	(29,778,351)
	Advances, deposits, prepayments and other receivables	<b>(79,378,602)</b>	(50,765,139)
		<b>(194,569,062)</b>	(120,221,298)
	<b>Increase / (decrease) in current liabilities:</b>		
	Contract liabilities	<b>(3,125,436)</b>	5,112,901
	Trade and other payables	<b>76,732,902</b>	(198,444,903)
		<b>73,607,466</b>	(193,332,002)
	Net working capital changes	<b>(120,961, 596)</b>	(313,553,300)
		<b>210,272,036</b>	(117,325,167)
<b>20</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		

The related parties include the subsidiary company, associated undertaking, key management personnel and their associates. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

Name of related party and relationship	Nature of transaction	Six months period ended		Three months period ended	
		(Un-audited)		(Un-audited)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Rupees	Rupees	Rupees	Rupees
Roshan Sun Tao Paper Mills (Private) Limited – Subsidiary	Mark-up - long term loan	<b>8,263,165</b>	9,487,645	<b>4,204,160</b>	4,743,823
	Mark-up - short term loan	<b>4,883,202</b>	7,089,939	<b>2,165,608</b>	4,083,820
Roshan Enterprises - Common directorship	Sales	<b>5,182,541</b>	3,044,213	<b>5,182,541</b>	3,044,213
	Mark-up	<b>5,651,498</b>	8,102,471	<b>2,528,206</b>	4,051,236
Director and Chief Executive	Salary and other benefits	<b>16,746,464</b>	15,210,000	<b>9,141,464</b>	7,605,000

## 21 FINANCIAL RISK MANAGEMENT

### 21.1 Financial Risk Factors

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

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

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

### 21.2 Fair value of financial and non-financial assets and liabilities

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

The company has measured its financial instruments at amortized cost and there is no significant change in the status of measurement set out in note 47 to the Company's unconsolidated financial statements for the year ended 30 June 2020.

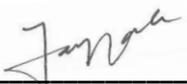
## 22 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on **12-February-2021** by the Board of Directors of the Company.

## 23 GENERALS

**23.1** Corresponding figures have been re-classified and re-arranged, wherever necessary, for the purpose of comparison and better presentation as per applicable financial reporting framework however, no significant rearrangements / re-classification have been made other than those disclosed in these unconsolidated condensed interim financial statements.

**23.2** Figures have been rounded off to the nearest rupees, unless otherwise stated.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

## Directors' Report

### Dear Shareholders,

The Directors of the Group are pleased to present the Directors' Report along with the condensed interim Financial Statements of the Group for the half year ended on December 31, 2020.

### Strong Financial Performance

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

	Half Year Ended		Quarter Ended	
	31-Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
	Rupees in Million			
<b>Sales-Net</b>	3,441	2,511	1,783	1,454
<b>Cost of Sales</b>	3,013	2,263	1,563	1,298
<b>Gross Profit</b>	428	248	220	157
<b>Finance Cost</b>	58	126	28	66
<b>Net profit / (loss) before tax</b>	182	65	87	54
<b>Tax (Expense) / Income</b>	(48)	92	(26)	87
<b>Net profit / (loss) after tax</b>	134	157	61	141

During the period under review, the Group earned a profit before tax of Rs. 182 million as compared to a profit before tax of Rs. 65 million in the comparable period last year. This shows an improvement of 181%. The sales revenue rose to Rs. 3,441 million registering an increase by 37% compared to same period last year at Rs. 2,511 million. This increase is a result of Group's focus on customer satisfaction, provision of international quality products and increased market share. Despite a challenging economy, the Group not only managed to maintain its customers' loyalty but also captured additional opportunities in the market.

Despite high inflation, the Group has managed to control its costs and increased its profitability whilst improving its products' quality. This increased gross profit margins to 12.43% as compared to 9.87% in the same period last year (Rs. 248 million to Rs. 428 million in figures). This resulted in 73% increase in gross profit margins. The operating profit of the Group also increased by 94% to Rs. 205 million from Rs. 105 million.

Moreover, financial charges were reduced by Rs. 69 million, due to the decrease in policy rate by the State Bank of Pakistan and efficient fund management by the Group, which had a favourable impact on our bottom line. The Group's energy conservation policies helped manage and maintain its utility cost. This led to reduce the percentage cost of utilities as we were able to produce more products at the same cost.

The profit after tax of the Group has decreased by Rs. 23 million as compared to the last year. This is because of recognition of deferred tax asset in comparable period of last year.

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

Roshan Sun Tao Paper Mills (Private) Limited (RSTPL) was a joint venture of Roshan Packages Limited (RPL) with a Chinese company, M/s Shandong Yongtai Paper Mills Limited (SYPML). However, the joint venture agreement was terminated by RPL and a case was filed by RPL before the Civil Court, Lahore for specific performance. SYPML filed a petition before the Lahore High Court, Lahore for winding up of RSTPL. The honourable Lahore High Court, Lahore has dismissed the winding up petition with cost.

Subsequently, SYPML made an offer to sell their 40% stake in the RSTPL to RPL. RPL currently holds 60% shares and after this acquisition, RSTPL will become 100% owned subsidiary of RPL. The acquisition is subject to requisite approvals and execution of definitive settlement agreement with SYPML.

The management of RPL is fully committed to the project of RSTPL, the subsidiary and strongly believes that the paper mill project on completion will bring significant benefits to the company and its shareholders. The management is resolutely working on the execution of the project and right now is in process of negotiation with financial institutions for financial closure and import of machinery.

### **Future Outlook:**

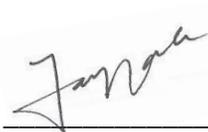
The global economy is emerging from one of its deepest recessions and has started to demonstrate slow recovery. Unlike other countries, Pakistan has shown great resilience and was fortunate enough to successfully elude severe effects of the pandemic.

Pakistan's economy has started CY21 with a positive outlook reflected by decent growth prospects and improved business sentiments. The state bank of Pakistan has reported an expected growth of 1.5-2.5% for the country with Moody's also predicting along the same line at 1.5%. Given the improving economic condition, stability on interest rates and range bound currency fluctuations, we are hopeful that the Group will secure upcoming opportunities available in the market and aim to improve profit margins in the coming quarters by focusing on core competencies.

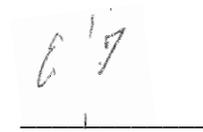
The Group has successfully adopted the "new normal" with emphasis on safety and well-being of all stakeholders. The Group has demonstrated its ability to avail emerging opportunities and execute appropriate strategies. Moreover, the Group is well-poised to keep building long term business propositions and increasing stakeholders' value. For this, principles and core values of the RPL will continue to provide a solid foundation.

### **Acknowledgment:**

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



Chief Executive



Chairman

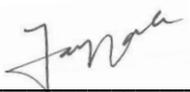
**ROSHAN PACKAGES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT**  
**31 DECEMBER 2020**

		Un-audited 31 December 2020 Rupees	Audited 30 June 2020 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	4,990,545,259	5,014,071,127
Right of use assets		42,909,507	51,279,633
Intangible asset		-	362,586
Long term loan - unsecured	8	124,590,494	-
Long term deposits		14,902,194	14,902,194
		<b>5,172,947,454</b>	<b>5,080,615,540</b>
<b>Current assets</b>			
Stores, spares and other consumables		166,838,195	171,999,102
Stock-in-trade		645,437,956	708,935,191
Contract assets		81,696,755	80,878,738
Trade debts - unsecured	9	1,430,462,362	1,255,085,411
Current portion of long-term loan	8	-	149,249,281
Advances, deposits, prepayments and other receivables	10	737,643,083	711,378,087
Short term investment		487,322,125	486,017,750
Cash and bank balances	11	346,393,537	328,608,293
		<b>3,895,794,013</b>	<b>3,892,151,853</b>
<b>Total assets</b>		<b>9,068,741,467</b>	<b>8,972,767,393</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
150,000,000 (30 June 2020: 150,000,000) ordinary shares of Rs. 10 each		<b>1,500,000,000</b>	<b>1,500,000,000</b>
<b>Issued, subscribed and paid-up share capital</b>	12	<b>1,419,000,000</b>	<b>1,419,000,000</b>
<b>Capital reserves</b>			
Share premium		2,031,894,417	2,031,894,417
Surplus on revaluation of operating fixed assets		1,770,814,762	1,795,215,742
		<b>3,802,709,179</b>	<b>3,827,110,159</b>
<b>Revenue reserve</b>			
Un-appropriated profit		631,615,288	607,015,886
<b>Equity attributable to equity holders of the Holding Company</b>		<b>5,853,324,467</b>	<b>5,853,126,045</b>
Non-controlling interest		92,667,425	100,584,447
<b>Total equity</b>		<b>5,945,991,892</b>	<b>5,953,710,492</b>
<b>Non-current liabilities</b>			
Long term finances - secured		43,532,653	87,018,828
Lease liabilities		29,031,325	31,721,605
Deferred taxation		501,269,770	453,622,673
Deferred liabilities		120,597,787	122,088,352
		<b>694,431,535</b>	<b>694,451,458</b>
<b>Current liabilities</b>			
Current portion of long-term liabilities		292,044,274	248,834,807
Short term borrowings - secured		1,028,225,070	1,048,293,740
Trade and other payables		1,075,812,659	979,117,031
Contract liabilities		12,792,915	15,918,351
Accrued finance cost		17,175,443	31,653,458
Unclaimed dividend		2,267,679	788,056
		<b>2,428,318,040</b>	<b>2,324,605,443</b>
<b>Total liabilities</b>		<b>3,122,749,575</b>	<b>3,019,056,901</b>
<b>Total equity and liabilities</b>		<b>9,068,741,467</b>	<b>8,972,767,393</b>

**CONTINGENCIES AND COMMITMENTS**

13

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.

  
 Chief Executive

  
 Director

  
 Chief Financial Officer

**ROSHAN PACKAGES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

Note	Six months period ended		Three months period ended	
	(Un-audited)		(Un-audited)	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers	3,985,896,921	2,917,992,571	2,054,571,873	1,689,484,043
Less: Sales tax	(544,985,692)	(406,813,042)	(271,596,814)	(235,217,874)
<b>Net revenue</b>	<b>3,440,911,229</b>	<b>2,511,179,529</b>	<b>1,782,975,059</b>	<b>1,454,266,169</b>
Cost of revenue	(3,013,291,906)	(2,263,336,851)	(1,563,366,173)	(1,297,506,218)
<b>Gross profit</b>	<b>427,619,323</b>	<b>247,842,678</b>	<b>219,608,886</b>	<b>156,759,951</b>
Administrative expenses	(104,945,428)	(62,527,989)	(58,470,997)	(29,898,965)
Selling and distribution expenses	(95,559,951)	(73,875,798)	(54,120,993)	(33,526,033)
Other operating expenses	(22,136,389)	(5,986,590)	(8,890,471)	(5,986,590)
	(222,641,768)	(142,390,377)	(121,482,461)	(69,411,588)
<b>Operating profit</b>	<b>204,977,555</b>	<b>105,452,301</b>	<b>98,126,425</b>	<b>87,348,363</b>
Other income	35,153,268	85,815,268	17,315,463	32,340,790
Finance cost	(57,661,174)	(126,416,068)	(28,330,979)	(65,749,425)
<b>Profit before taxation</b>	<b>182,469,649</b>	<b>64,851,501</b>	<b>87,110,909</b>	<b>53,939,728</b>
Taxation	(48,288,249)	91,834,053	(26,440,779)	87,423,724
<b>Profit for the period</b>	<b>134,181,400</b>	<b>156,685,554</b>	<b>60,670,130</b>	<b>141,363,452</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>134,181,400</b>	<b>156,685,554</b>	<b>60,670,130</b>	<b>141,363,452</b>
<b>Profit / (loss) attributable to:</b>				
Equity holders of the Holding Company	142,098,422	156,931,568	63,773,556	141,363,452
Non-controlling interest	(7,917,022)	(246,014)	(3,103,426)	-
	<b>134,181,400</b>	<b>156,685,554</b>	<b>60,670,130</b>	<b>141,363,452</b>
<b>Earnings per share - Basic and diluted</b>	<b>1.00</b>	<b>1.11</b>	<b>0.45</b>	<b>1.00</b>

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

**ROSHAN PACKAGES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total	Non-controlling interest	Total equity
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit			
-----Rupees-----							
<b>Balance as on 01 July 2019</b>	1,419,000,000	1,994,789,057	1,843,728,306	328,339,476	5,585,856,839	167,070,413	5,752,927,252
Total comprehensive income for the period	-	-	-	156,931,568	156,931,568	(246,014)	156,685,554
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(24,015,747)	24,015,747	-	-	-
<b>Balance as on 31 December 2019 - (Un-audited)</b>	<b>1,419,000,000</b>	<b>1,994,789,057</b>	<b>1,819,712,559</b>	<b>509,286,791</b>	<b>5,742,788,407</b>	<b>166,824,399</b>	<b>5,909,612,806</b>
<b>Balance as on 01 July 2020</b>	<b>1,419,000,000</b>	<b>2,031,894,417</b>	<b>1,795,215,742</b>	<b>607,015,886</b>	<b>5,853,126,045</b>	<b>100,584,447</b>	<b>5,953,710,492</b>
Total comprehensive income for the period	-	-	-	142,098,422	142,098,422	(7,917,022)	134,181,400
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(24,400,980)	24,400,980	-	-	-
Final cash dividend for the year ended 30 June 2020 (Rs.1 per share)	-	-	-	(141,900,000)	(141,900,000)	-	-
<b>Balance as on 31 December 2020 - (Un-audited)</b>	<b>1,419,000,000</b>	<b>2,031,894,417</b>	<b>1,770,814,762</b>	<b>631,615,288</b>	<b>5,853,324,467</b>	<b>92,667,425</b>	<b>6,087,891,892</b>

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

**ROSHAN PACKAGES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

		<b>Un-audited</b>	
<b>Note</b>		<b>2020</b>	2019
		<b>Rupees</b>	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	Cash generated from / (used in) operations	<b>203,641,017</b>	(118,195,232)
	Finance costs paid	<b>(68,088,996)</b>	(115,273,879)
	Taxes adjusted / (paid)	<b>59,194,404</b>	(28,416,087)
	Gratuity paid	<b>(11,443,806)</b>	(5,810,538)
	Accumulated absences paid	<b>(167,595)</b>	(199,269)
	Net decrease in long term deposits	<b>-</b>	472,130
		<b>(20,505,993)</b>	(149,227,643)
	<b>Net cash generated from / (used in) operating activities</b>	<b>183,135,024</b>	(267,422,875)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	Expenditure incurred on purchase of property, plant and equipment	<b>(44,012,534)</b>	(39,505,848)
	Proceeds from disposal of operating fixed assets	<b>553,999</b>	-
	Proceeds from mark-up on long term loans	<b>30,310,285</b>	-
	Profit on bank deposits received	<b>26,861,743</b>	49,683,813
	<b>Net cash generated from investing activities</b>	<b>13,713,493</b>	10,177,965
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	Proceeds from / (repayment) of long-term loans	<b>25,843,247</b>	(225,599,963)
	Repayment of supplier's credit	<b>(34,553,668)</b>	(50,209,738)
	Dividend paid	<b>(140,420,377)</b>	(7,485)
	Proceeds from short term borrowings - net	<b>2,607,198</b>	180,183,838
	Repayment of lease liabilities	<b>(8,559,430)</b>	(8,833,741)
	<b>Net cash used in financing activities</b>	<b>(155,083,030)</b>	(104,467,089)
	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>41,765,487</b>	(361,711,999)
	<b>Cash and cash equivalents at the beginning of the period</b>	<b>574,246,672</b>	696,793,840
	<b>Cash and cash equivalents at the end of the period</b>	<b>616,012,159</b>	335,081,841

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.

  
 \_\_\_\_\_  
**Chief Executive**

  
 \_\_\_\_\_  
**Director**

  
 \_\_\_\_\_  
**Chief Financial Officer**

**ROSHAN PACKAGES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020**

**1 THE GROUP AND ITS OPERATIONS**

**1.1 Corporate and general information**

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

**Holding Company**

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

**Subsidiary Company**

Roshan Sun Tao Paper Mills (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a private company limited by shares on 08 January 2016 under the Companies Act, 2017, and is a joint venture with Shandong Yongtai Paper Mill Company Limited, China. The principal activity of the Subsidiary Company will be manufacturing, supplying and dealing in corrugated papers. The Holding Company holds 60% of voting securities in the Subsidiary Company. The country of incorporation is also its principal place of business and Subsidiary's financial year end is 30 June. As of the reporting date, the Subsidiary Company is in its set up phase and has not yet commenced its commercial operations.

**1.2 The geographical locations and addresses of the 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, Parse Tower, PECHS Block-6, Shahram-e-Faisal, Karachi.
- Corrugation packaging plant: 7 km, Sundar Raiwind Road, Lahore.
- Flexible packaging plant: Plot No. 141, 142 and 142-B, Sundar Industrial Estate, Raiwind, Lahore.

**Subsidiary Company**

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

**2 IMPACT OF COVID-19 ON THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

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

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

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

### **3 STATEMENT OF COMPLIANCE**

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

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

Provisions of and directives issued under the Companies Act, 2017 (the Act).

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

**3.2** These consolidated condensed interim financial statements are un-audited and are being submitted to shareholders, as required by Section 237 of the Act and the Listed Companies (Code of Corporate Governance) Regulations 2019.

### **4 BASES OF PREPARATION**

**4.1** These consolidated condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended 30 June 2020.

**4.2** These consolidated condensed interim financials statements comprise of condensed interim statement of financial position as at 31 December 2020, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the six months period then ended which has been subjected to a review in accordance with the listing regulation but not audited. These consolidated condensed interim financial statements also include condensed interim statement of comprehensive income for the quarter ended 31 December 2020 which has not audited.

**4.3** The comparative consolidated statement of financial position presented in these consolidated condensed interim financial statements has been extracted from the audited annual consolidated financial statements of the Group for the year ended 30 June 2020, whereas comparative consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity have been extracted from the un-audited consolidated condensed interim financial statements for the six months period ended 31 December 2019.

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

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

### **5 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the consolidated condensed interim financial statements of the Group.

#### **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 condensed interim 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 condensed interim financial statements of the Group as it does not have any interest rate hedge relationships.

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

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

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

**iv) 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.

**6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these consolidated condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2020.

	Note	(Un-audited) 31 December 2020	(Audited) 30 June 2020
		Rupees	Rupees
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - owned	7.1	4,416,673,189	4,426,415,803
Capital work-in-progress	7.2	573,872,070	587,655,324
		<b>4,990,545,259</b>	<b>5,014,071,127</b>
<b>7.1 Operating fixed assets - owned</b>			
Balance at the beginning of the period / year- net book value		4,426,415,803	4,545,885,536
Additions during the period / year - cost	7.1.1	57,795,788	49,253,856
Transfer from right of use asset - net book value		5,396,785	3,826,347
		<b>4,489,608,376</b>	<b>4,598,965,739</b>
Less:			
Disposals during the period / year - net book value		(629,935)	(4,402,945)
Transfer to right of use assets - net book value		-	(27,094,172)
Depreciation during the period / year		(72,305,252)	(141,052,819)
		<b>(72,935,187)</b>	<b>(172,549,936)</b>
Net book value at the end of period / year		<b>4,416,673,189</b>	<b>4,426,415,803</b>
<b>7.1.1 Additions during the period / year - cost</b>			
Plant and machinery		43,191,010	39,344,576
Office equipment		12,376,576	3,866,463
Furniture and fixture		852,573	1,049,298
Electric installations		734,717	12,500
Buildings on free hold land		640,912	4,981,019
		<b>57,795,788</b>	<b>49,253,856</b>
<b>7.2 Capital work in progress</b>			
Balance at the beginning of the period / year		587,655,324	561,532,349
Additions during the period / year		9,109,211	53,564,488
Transfers during the period / year		(22,892,465)	(27,441,513)
Balance at the end of the period / year		<b>573,872,070</b>	<b>587,655,324</b>
<b>8 LONG TERM LOAN - UNSECURED</b>			
<b>At amortized cost:</b>			
Loan to associated undertaking - Roshan Enterprises	8.1 & 8.2	124,590,494	-
		<b>124,590,494</b>	<b>-</b>

**8.1** 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 granted extension of two years to associated undertaking in repayment of loan and as per revised terms and conditions, Roshan Enterprises would repay the entire principal amount by 28 October 2022.

	Note	(Un-audited) 31 December 2020	(Audited) 30 June 2020
		Rupees	Rupees
<b>8.2 Movement during the period / year is as follows:</b>			
Opening balance		-	132,838,400
Current portion re-classified due to change in loan term	8.1	149,249,281	
Mark-up accrued during the period / year		5,651,498	16,410,881
Mark-up received during the period / year		(30,310,285)	-
		<b>124,590,494</b>	<b>149,249,281</b>
Less: Current portion shown under current assets		-	(149,249,281)
Closing balance		<b>124,590,494</b>	<b>-</b>

	<b>(Un-audited) 31 December 2020</b>	<b>(Audited) 30 June 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>9 TRADE DEBTS - UNSECURED</b>		
Trade debts - unsecured	<b>1,671,980,901</b>	1,488,950,316
Less: Allowance for expected credit losses	<b>(241,518,539)</b>	(233,864,905)
	<b>1,430,462,362</b>	<b>1,255,085,411</b>
<b>10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances:		
- To employees - secured	<b>7,843,869</b>	5,213,329
- To suppliers - unsecured	<b>209,387,555</b>	125,667,278
	<b>217,231,424</b>	130,880,607
Balances with statutory authorities:		
- Sales tax receivable - net	<b>97,744,824</b>	133,753,082
- Income tax receivable - net	<b>403,247,109</b>	423,332,524
	<b>500,991,933</b>	557,085,606
Prepayments	<b>9,242,245</b>	10,904,844
Security deposits	<b>2,593,813</b>	6,429,313
Interest receivable - saving accounts	<b>124,560</b>	276,878
Interest receivable - short term investment	<b>7,459,108</b>	5,800,839
	<b>737,643,083</b>	<b>711,378,087</b>
<b>11 CASH AND BANK BALANCES</b>		
Cash in hand	<b>1,003,189</b>	334,993
Balances with banks:		
Saving accounts	<b>277,258,311</b>	289,018,160
Current accounts	<b>68,132,037</b>	39,255,140
	<b>345,390,348</b>	328,273,300
	<b>346,393,537</b>	<b>328,608,293</b>

11.1 Profit on the balances in saving accounts ranges from 3% to 7% (30 June 2020: 6% to 12.9%) per annum.

	<b>(Un-audited) 31 December 2020</b>	<b>(Audited) 30 June 2019</b>	<b>(Un-audited) 31 December 2020</b>	<b>(Audited) 30 June 2019</b>
	<b>----- No. of shares -----</b>		<b>----- Rupees -----</b>	
<b>12 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>				
Ordinary shares of Rs. 10 each fully paid in cash	<b>57,336,000</b>	57,336,000	<b>573,360,000</b>	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	<b>79,461,000</b>	79,461,000	<b>794,610,000</b>	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 12.1)	<b>5,103,000</b>	5,103,000	<b>51,030,000</b>	51,030,000
	<b>141,900,000</b>	<b>141,900,000</b>	<b>1,419,000,000</b>	<b>1,419,000,000</b>

12.1 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.

## 13 CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

Deputy Commissioner Inland Revenue ('DCIR') initiated proceedings against the Company under section 214C of the Income Tax Ordinance, 2001 ('the Ordinance') for tax year 2015 and increased the Company's tax chargeable by Rs. 8.7 million on account of fixed assets, trade creditors, Worker's Profit Participation Fund (WPPF) and others etc. through an amended assessment order u/s 122(1)/122(5) of the Ordinance dated 28 June 2018. Aggrieved by the decision of DCIR, the Company filled an appeal before CIR (Appeals), which was decided by the CIR (Appeals) vide order dated November 13, 2020. The CIR (Appeals) through its appellate order decided the matter partly in favor of FBR and party in favor of the Company. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which has not yet been fixed for hearing. The management based on the advice of its legal counsel, 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 condensed interim financial statements.

### 13.2 Commitments in respect of:

- There was no change in the commitments in respect of Letters of credit and contracts for capital expenditure since the date of preceding published annual financial statements.
- Letter of credits and contracts other than for capital expenditure amounting to Rs. 131.42 million (30 June 2020: Rs. 290.99 million).

### 13.3 Guarantee

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

	Note	Six months period ended		Three months period ended	
		(Un-audited)		(Un-audited)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>14 REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>14.1 &amp; 14.2</b>	<b>3,440,911,229</b>	<b>2,511,179,529</b>	<b>1,782,975,059</b>	<b>1,454,266,169</b>

### 14.1 Disaggregation of revenue from contracts with customers:

Revenue from contracts with customers, disaggregated by major product lines and timing of revenue recognition is listed below:

	Six months period ended		Three months period ended	
	(Un-audited)		(Un-audited)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Major product lines:</b>				
- Made-to-order packaging products	<b>3,157,458,383</b>	2,221,672,145	<b>1,641,252,926</b>	1,309,705,426
- Standard packaging products	<b>283,452,846</b>	289,507,384	<b>141,722,133</b>	144,560,743
	<b>3,440,911,229</b>	<b>2,511,179,529</b>	<b>1,782,975,059</b>	<b>1,454,266,169</b>
<b>Timing of revenue recognition:</b>				
- Products transferred over time	<b>3,157,458,383</b>	2,221,672,145	<b>1,641,252,926</b>	1,309,705,426
- Products transferred at a point in time	<b>283,452,846</b>	289,507,384	<b>141,722,133</b>	144,560,743
	<b>3,440,911,229</b>	<b>2,511,179,529</b>	<b>1,782,975,059</b>	<b>1,454,266,169</b>

**14.2** This includes unbilled revenue amounting to Rs. 81.70 million (31 December 2019: Rs. 78.37 million).

### 14.3 Performance obligation

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

	Six months period ended		Three months period ended	
	(Un-audited)		(Un-audited)	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>15 COST OF REVENUE</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Raw materials consumed	2,562,679,678	1,863,396,392	1,323,207,686	1,096,614,034
Salaries, wages and other benefits	136,796,881	108,955,143	72,497,716	55,566,055
Fuel and power	112,989,428	114,266,380	55,666,112	59,314,293
Depreciation of operating fixed assets	70,363,769	66,389,093	35,470,289	34,298,497
Production supplies	57,605,341	46,412,862	35,749,774	31,587,363
Repairs and maintenance	39,516,766	18,439,247	24,147,022	7,559,466
Travelling and conveyance	11,747,520	11,749,993	6,304,741	5,410,672
Packing material consumed	10,584,276	8,171,047	5,352,613	4,423,295
Insurance	3,394,747	4,343,168	1,655,430	2,022,207
Vehicle running expenses	2,106,595	1,488,263	1,241,737	858,378
Carriage inward expenses	1,568,728	1,301,028	937,375	784,912
Depreciation of right of use asset	958,739	1,219,321	426,669	259,128
Communication expenses	785,772	428,502	414,093	250,271
Rent	648,677	621,019	109,300	180,990
Printing and stationery	392,315	300,517	197,281	158,234
Others	5,475,343	9,847,502	3,459,506	4,352,423
Cost of goods manufactured	3,017,614,575	2,257,329,477	1,566,837,344	1,303,640,218
Opening stock of finished goods	11,727,881	16,264,405	12,579,379	4,123,031
Closing stock of finished goods	(16,050,550)	(10,257,031)	(16,050,550)	(10,257,031)
	(4,322,669)	6,007,374	(3,471,171)	(6,134,000)
	3,013,291,906	2,263,336,851	1,563,366,173	1,297,506,218
<b>16 TAXATION</b>				
Current tax	641,152	24,352,163	641,152	12,461,888
Deferred tax expense / (income)	47,647,097	(116,186,216)	25,799,627	(99,885,612)
	48,288,249	(91,834,053)	26,440,779	(87,423,724)

#### 17 EARNINGS PER SHARE - BASIC AND DILUTED

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

		Six months period ended		Three months period ended	
		(Un-audited)		(Un-audited)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Profit attributable to owners of the Company	<b>Rupees</b>	142,098,422	156,931,568	63,773,556	141,363,452
Weighted-average number of ordinary shares	<b>Number</b>	141,900,000	141,900,000	141,900,000	141,900,000
Basic earnings per share	<b>Rupees</b>	1.00	1.11	0.45	1.00

#### 18 CASH AND CASH EQUIVALENTS

	(Un-audited)	
	31 December 2020	31 December 2019
	Rupees	Rupees
Short term investment	487,322,125	600,000,000
Cash and bank balances	346,393,537	84,338,882
Running finance	(217,703,503)	(349,257,041)
	616,012,159	335,081,841

		(Un-audited)	
		31 December 2020	31 December 2019
		Rupees	Rupees
<b>19</b>	<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>		
	<b>Profit before taxation</b>	<b>182,469,649</b>	64,851,501
	<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
	Depreciation of operating fixed assets	<b>72,305,252</b>	73,491,301
	Finance costs	<b>57,661,174</b>	126,416,068
	Provision for Worker's Profit Participation Fund	<b>10,287,978</b>	5,068,230
	Provision for gratuity	<b>9,043,338</b>	9,043,331
	Depreciation of right of use assets	<b>5,736,338</b>	-
	Provision for Worker's Welfare Fund	<b>4,455,320</b>	918,360
	Interest income on loans	<b>(5,651,498)</b>	(8,102,471)
	Grant income	<b>(1,134,076)</b>	-
	Profit on bank deposits	<b>(28,367,694)</b>	(60,158,201)
	Amortization of intangible assets	<b>362,586</b>	708,848
	Allowance for / (reversal of) expected credit losses	<b>7,653,634</b>	(1,581,120)
	Loss on disposal of operating fixed asset	<b>75,936</b>	-
	Exchange loss / (gain) unrealized	<b>8,247,993</b>	(16,495,998)
	Provision for accumulating compensated absences	<b>1,453,254</b>	1,453,249
	<b>Cashflow before working capital changes</b>	<b>324,599,184</b>	195,613,098
	<b>Effect on cash flow due to working capital changes:</b>		
	<b>Decrease / (increase) in current assets:</b>		
	Stores and spare parts	<b>5,160,907</b>	(6,014,899)
	Stock-in-trade	<b>63,497,235</b>	34,227,744
	Trade debts	<b>(183,030,585)</b>	(67,890,653)
	Contract assets	<b>(818,017)</b>	(29,778,351)
	Advances, deposits, prepayments and other receivables	<b>(80,852,718)</b>	(50,952,243)
		<b>(196,043,178)</b>	(120,408,402)
	<b>Increase / (decrease) in current liabilities:</b>		
	Contract liabilities	<b>(3,125,436)</b>	5,112,901
	Trade and other payables	<b>78,210,447</b>	(198,512,829)
		<b>75,085,011</b>	(193,399,928)
	Net working capital changes	<b>(120,958,167)</b>	(313,808,330)
		<b>203,641,017</b>	(118,195,232)
<b>20</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		

The related parties include the associated undertaking, key management personnel and their associates. The Group in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

Name of related party and relationship	Nature of transaction	Six months period ended		Three months period ended	
		(Un-audited)		(Un-audited)	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
		Rupees	Rupees	Rupees	Rupees
Roshan Enterprises - Common directorship	Sales	<b>5,182,541</b>	3,044,213	<b>5,182,541</b>	3,044,213
	Mark-up	<b>5,651,498</b>	8,102,471	<b>2,528,206</b>	4,051,236
Director and Chief Executive	Salary and other benefits	<b>24,904,998</b>	22,620,000	<b>13,594,998</b>	11,310,000

## 21 FINANCIAL RISK MANAGEMENT

### 21.1 Financial Risk Factors

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

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

Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Group's activities.

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

### 21.2 Fair value of financial and non-financial assets and liabilities

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

The Group has measured its financial instruments at amortized cost and there is no significant change in the status of measurement set out in note 45 to the Group's consolidated financial statements for the year ended 30 June 2020.

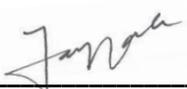
## 22 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on **12-February-2021** by the Board of Directors of the Group.

## 23 GENERALS

**23.1** Corresponding figures have been re-classified and re-arranged, wherever necessary, for the purpose of comparison and better presentation as per applicable financial reporting framework however, no significant rearrangements / re-classification have been made other than those disclosed in these consolidated condensed interim financial statements.

**23.2** Figures have been rounded off to the nearest rupees, unless otherwise stated.

  
\_\_\_\_\_  
**Chief Executive**  
\_\_\_\_\_  
**Director**  
\_\_\_\_\_  
**Chief Financial Officer**