

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



A large, stylized, three-dimensional text graphic in blue and white. The text reads "DEDICATION", "PERSISTENCE", "FAITH", "INTEGRITY", "ACHIEVEMENT", "ENTHUSIASM", and "TENACITY". These words overlap and are set against a background of concentric, glowing blue and white circular arcs that resemble a tunnel or a digital interface.

Nine Months Report - March-2020

Contents

Company Information.....	4
Unconsolidated Director's Report (in English).....	5
Unconsolidated Director's Report (in Urdu).....	8
Unconsolidated Condensed Interim Balance Sheet	11
Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income.....	12
Unconsolidated Condensed Interim Statement of Changes in Equity.....	13
Unconsolidated Condensed Interim Cash Flow Statement.....	14
Notes to the Unconsolidated Condensed Interim Financial Information.....	15
Consolidated Director's Report (in English).....	27
Consolidated Director's Report (in Urdu).....	30
Consolidated Condensed Interim Balance Sheet	33
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	34
Consolidated Condensed Interim Statement of Changes in Equity.....	35
Consolidated Condensed Interim Cash Flow Statement.....	36
Notes to the Consolidated Condensed Interim Financial Information.....	37

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 Ejaz 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

Company Secretary

Mr. Muhammad Adil, FCMA

Chief Financial Officer (CFO)

Mr. Syed Hamza Gillani, ACA

Tax Consultant

A.F Ferguson & Co

Bankers

Dubai Islamic Bank Limited

Meezan Bank Limited

Askari Bank Limited

Allied Bank Limited

Bank of Punjab

JS Bank Limited

Habib Bank Limited

MCB Bank Limited

United 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.

Independent/Non-Executive Director

Main Shahrah-e-Faisal, Karachi – 74400

Statutory Auditor

EY Ford Rhodes, Chartered Accountants

Head of Internal Audit

Mrs. Faiza Khalid, ACA

Legal Advisor

Zahid Irfan

Stock Symbol

RPL

Website

www.roshanpackages.com.pk

Director's Report

The Directors of the Company are pleased to present their Directors' Report along with the unaudited Financial Statements of the Company for the period ended March 31, 2020.

Financial Overview

The economic environment of the country remained challenging during the period under review. However, despite these challenges, the Company delivered profitable growth and built capabilities and position for the future.

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

	Nine Month Ended		Quarter Ended	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Rupees in Million		Rupees in Million	
Sales-net	3,942	4,200	1,431	1,452
Cost of Sales	3,517	3,934	1,254	1,356
Gross Profit	425	265	177	96
Finance Cost	179	130	52.5	48
Net profit / (loss) before tax	146	(13)	64	8
Net profit / (loss) after tax	222	(65)	48	(7)

During the nine months period ended 31-Mar-2020, the Company has earned a profit after tax of Rs. 222 million as compared to a loss after tax of Rs. 65 million in same period last year. This shows an improvement of 441% and an increase in profit before tax by Rs. 159 million or 1246%. The sales revenue stood at Rs. 3,942 million registering decline by 6.13% compared to same period last year. However, despite the decrease, the company has improved gross profit margins by rationalizing its products and customers portfolio and increased its profit margins by managing effective cost reduction policy.

Our Company's gross margins have improved, we achieved a gross profit of Rs. 425 million in nine months period ended 31-Mar-2020 as compared to Rs. 265 million in same period 2019 and Rs. 262 million in 2018. This shows an increase of Rs. 160 million and Rs. 163 million respectively, which is 60% and 62% more than same periods of 2019 and 2018. Gross profit margins increased to 10.78% as compared to 6.32% in the comparative period last year. The Company has lowered its cost of sales ratio to 89.22% as compared to 93.68% last year, which is 4.46% lower. This has been the result of comparatively low increase in the input cost of material, variable cost of sales and effective cost reduction initiatives. Despite high inflation, the Company has managed to control its cost.

Financial charges increased by Rs. 48.5 million, due to the rise in policy rate by The State Bank of Pakistan and the devaluation of local currency which had an unfavorable impact on our bottom line. However, due to efficient fund management, borrowings are gradually decreasing which will result in lower financial cost. Utility cost remains a challenge, the constant spike in rates resulted in an increase of Rs. 26.7 million and the cost recorded at 171 million as compared to Rs 144 million in comparable period last year.

Future Outlook

Our economic growth was hampered after a favorable period due to COVID 19's toll on the economy. It also caused country-wide lockdown, shutting down of factories, worker furloughs and slowdown of CPEC rollout plans caused a downturn in economic activity, drop in the GDP growth, devaluation of currency, decline in imports, exports, reduction in remittances, and disruptions in food supplies. However, the government has started to take actions to deal with the economic ramifications of this crisis. Different economic plans have been presented that focus on minimizing the economic damage, including tax refunds and deferred interest payments. The State Bank of Pakistan has also swiftly cut policy rates, giving breathing room to businesses facing cash flow problems.

Such stimulus programs by Government coupled with the International Monetary Fund's (IMF's) approval to provide a rapid facility fund to Pakistan of almost \$1.4 billion will spur our economy and increase the confidence of investors. The international donors have also indicated deferral of loan repayments which may help further to stabilize the parity of Pak Rupee with US Dollar.

With the spread of novel coronavirus, we are witnessing a worldwide humanitarian and economic crisis, impacting every country, industry, business and life. Whereas the impact of the virus has proved to be devastating for many organizations, it is also providing opportunities to some businesses i.e. food, medicine and e-commerce. Being an important player in the supply chain of these industries, the Packaging Industry is among those which remains favorable and has been allowed to operate by the Government during this nationwide lockdown. Our employees have shown a sense of commitment and responsibility as they continue to come to work every day to run operations and dedicate our production capacity to serve customers. We have also allowed a significant number of employees, particularly women to work from home using technology. Thus, we are able to ensure there are no supply chain disruptions in retail stores, food markets and medical stores by providing a consistent supply of packaging products.

With a one third of world's population currently in lockdown, there are going to be structural changes in how society operates. Particularly with respect to purchasing habits and e-commerce, as more people switch to home deliveries while social distancing. Packaging is a crucial element in these supply chains. We are not only focusing on supplying the e-commerce sector, but our Company is also expanding its resources towards its own e-commerce facility with the name Rosh Pack to supply goods at customer's doorstep.

The SME and informal sector stand to lose the most amidst this crisis, due to strained cash flows, lack of working capital and a disorganized supply chain. This has created a gap in their supply, including the packaging industry. We are fully committed to increase our supply in this dire need and filling the gaps in supply and demand.

We are going through unprecedented times, none of us has lived through a pandemic before. This uncertainty has no easy answers. However, we here at Roshan Packages are continually reviewing our business strategy to cope with the coming challenges and opportunities. Despite being designated as an essential manufacturer and having a mix of essential and non-essential customers, we consider the coming period of time difficult. This time will require us to be agile and flexible that we continue to fulfil our important roles in manufacturing supply chains and supporting our customers.

Acknowledgment:

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



Chief Executive Officer



Chairman

ڈائریکٹر ان رپورٹ

کمپنی کے ڈائریکٹر ان 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے اپنی رپورٹ اور غیر آڈٹ شدہ فناشل اسٹیٹمنٹ پیش کر رہے ہیں۔

مالی جائزہ:

مکمل معاشی حالات کو اس مدت جائزہ کے دوران خاصے چینجز کا سامنا رہا۔ تاہم، اس سب کے باوجود، کمپنی نے منافع بخش نشوونماکی اور مستقبل کے لیے اپنی صلاحیتوں اور مقام کی تشکیل کی۔

اس مدت کے دوران کمپنی کی مالی کارگردگی کا جائزہ ذیل میں پیش کیا جاتا ہے:

سہ ماہی مختصرہ	نوماہی مختصرہ			
	31 مارچ 2019	31 مارچ 2020	31 مارچ 2019	31 مارچ 2020
ملین روپے				
1,452	1,431	4,200	3,942	مصنوعات کی کل فروخت
1,356	1,254	3,934	3,517	فروخت کی لاگت
96	177	265	425	مجموعی منافع
48	52.5	130	179	فناشل لاگت
8	64	(13)	146	نفع (نقصان) قبل از ٹکیس
(7)	48	(65)	222	اصل نفع (نقصان) بعد از ٹکیس

زیر غور مدت کے دوران، کمپنی نے 222 ملین روپے بعد از ٹکیس منافع کمایا جو کہ پچھلے سال اسی مدت کے دوران بعد از ٹکیس 65 ملین روپے نقصان تھا۔ یہ 441 فیصد کی بہتری اور ٹکیس سے پہلے منافع میں 159 ملین روپے اضافہ ظاہر کرتا ہے۔ جو 1246 فیصد بتا ہے۔ فروخت سے ہونے والی آمد 3942 ملین روپے رہی جو پچھلے سال کے اسی عرصے کے مقابلے میں 6.3 فیصد کم رہی۔ تاہم، اس کی کے باوجود، کمپنی اپنی مصنوعات اور صارفین کے پورٹ فولیو کو بہتر بنائے اور اس کے ساتھ ساتھ لاگت میں موثر انداز سے کمی کر کے منافع میں اضافہ کیا ہے۔ ہماری کمپنی کے مجموعی منافع میں بہتری آئی ہے، ہم نے 425 ملین روپے مجموعی منافع حاصل کیا ہے جو سال 2019 میں 265 ملین روپے اور سال 2018 میں 262 ملین روپے تھا۔ یہ بالترتیب 160 ملین روپے اور 163 ملین روپے کا اضافہ ہے۔ سال 2018 اور سال 2019 کی اسی مدت سے 60 فیصد اور 62 فیصد زیادہ بنتا ہے۔ پچھلے سال اسی مدت میں اس سال مجموعی منافع بڑھ کر 10.78 فیصد رہا۔ کمپنی نے اپنی فروخت کی لاگت کے تناسب کو کم کیا ہے جو اس سال 89.22 فیصد ہے جبکہ پچھلے سال اسی مدت میں یہ 93.68 فیصد تھی جو کہ 4.46 فیصد کم رہی۔ یہ تمام نتائج خام مال کی قیتوں میں ہلکے سے اضافے، فروخت کی لاگت میں تغیر اور اشیا کی لاگت پر موثر کنٹرول سے حاصل ہوئے۔ باوجود افراطی رکھنے والی شرح کے کمپنی اپنی پیداواری لاگت کو کنٹرول کرنے میں کامیاب رہی۔

فناشل چار جز 48.5 ملین روپے بڑھ گئے۔ اس کی وجہ اسٹیٹ بک آف پاکستان کی طرف سے شرح سود میں اضافہ، مقامی کرنٹی کی قدر میں

کمی کا ہونا تھا۔ جس نے اصل منافع کو بھی متاثر کیا۔ تاہم، فنڈز کی بہتر میجمنٹ سے قرضہ جات کو کم سے کم کیا جا رہا ہے جس کی وجہ سے فناشل لائگت میں کمی آئے گی۔ تو انائی کی مد میں لائگت کو کمزور کرنا ہمارے لیے ایک چیخ رہا ہے۔ مسلسل بڑھتے ہوئے نرخوں کی وجہ سے اس کی لائگت میں 26.7 ملین روپے اضافہ ہوا ہے۔ جو کہ اس سال 171 ملین روپے رہی جبکہ پچھلے سال اسی مدت میں یہ لائگت 144 ملین روپے تھی۔

مستقبل کا منظر نامہ

ایک مدت کے بعد معیشت میں جو بہتری ہوئی تھی وہ COVID-19 کی وبا کی وجہ سے رک گئی۔

یہ ملک گیر لاک ڈاؤن، فیکٹریوں کا بند ہونا، کارکنوں کی عدم دستیابی، سی پیک روت کے منصوبوں کی سست روی، معاشی سرگرمیوں میں مندی، جی ڈی پی کی نمو میں کمی، کرنی کی قدر میں کمی، درآمدات میں کمی، برآمدات، ترسیلات زر میں کمی اور خوراک کی فراہمی میں رکاوٹ کا باعث ہوا۔ تاہم، حکومت نے اس بھرمان سے نہیں کئے گئے ہیں جن میں ٹکیں کے ریفتڈ، سود کی ادائیگیوں کو موخر کرنا شامل ہیں تاکہ معاشی نقصان کو کم سے کم کیا جاسکے۔ اسیٹ بینک آف پاکستان نے بھی شرح سود میں تیزی سے کمی کی ہے، جس سے کاروباری حلقوں کو کیش فلوکی پریشانی کو کم کرنے میں مدد ملے گی۔

حکومت کی طرف سے اس طرح کے پروگراموں اور بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کی طرف سے پاکستان کو تقریباً 1.4 بلین ڈالر فراہم کرنے کی منظوری سے ہماری معیشت کو تقویت ملے گی اور سرمایہ کاروں کے اعتماد میں اضافہ ہو گا۔ بین الاقوامی مالیاتی اداروں کی طرف سے قرضوں کی ادائیگیوں کو موخر کرنے کا عنیدہ بھی دیا ہے جو امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر کو مستحکم کرنے میں مزید مدد گارثابت ہو سکتا ہے۔

نوول کورونا وائرس کے پھیلاؤ کے پس منظر میں ہم دنیا بھر میں انسانی اور معاشی بحران دیکھ رہے ہیں۔ جو ہر ملک، صنعت، کاروبار اور زندگی پر اثر انداز ہو رہا ہے۔ جہاں اس وائرس کے اثرات بہت سارے اداروں کے لئے تباہ کن ثابت ہوئے ہیں، وہیں کچھ کاروبار جیسے خوراک، ادویہ سازی اور ای کامر س کے لیے نئے موقع بھی پیدا ہو رہے ہیں۔ پیکچنگ انڈسٹری کی اہمیت کے پیش نظر اس ملک گیر لاک ڈاؤن کے دوران حکومت نے اسے کام کرنے کی اجازت دی ہے۔ ہمارے ادارے کے ملازمین نے عزم اور ذمہ داری کا ثبوت دیا ہے اور وہ کاروباری آپریشن چلانے اور اپنی پیداواری صلاحیت کو صارفین کی خدمت کے لئے وقف کرنے کے لئے ہر روز کام کرنے آتے ہیں۔ ہم نے نمایاں تعداد میں اپنے ملازمین خصوصاً خواتین کو شکنالو جی کا استعمال کر کے گھر سے کام کرنے کی اجازت دی ہے۔ اس طرح، ہم یہ یقین سے کہہ سکتے ہیں کہ پیکچنگ مصنوعات کی مستقل فراہمی کے ذریعہ ریٹیل اسٹورز، فوڈمارکیٹس اور میڈیکل اسٹورز کی سپلائی چین میں رکاوٹیں نہیں ہیں۔

اس وقت دنیا کی ایک تہائی آبادی لاک ڈاؤن میں ہے، جس کی وجہ سے معاشرتی طور پر اہم تبدیلیاں واقع ہو رہی ہیں۔ خاص طور پر خرید اوری کی عادات اور ای کامر س کے حوالے سے، کیونکہ سماجی فاصلے کے دوران زیادہ سے زیادہ لوگ گھروں میں اشیا کی ترسیل کو ترجیح دیں گے۔ انکی سپلائی چین میں پیکچنگ ایک اہم عصر ہے۔ ہم نہ صرف ای کامر س سیکٹر کو اپنی پروڈکٹ کی فراہمی پر توجہ دے رہے ہیں، بلکہ ہماری کمپنی اپنے وسائل کو اپنی ای کامر س سہولت کی طرف بڑھا رہی ہے جس میں گاہک کے گھر کی دلیزی پر پیکچنگ مصنوعات کی فراہمی کے لئے ”روش پیک“ کے نام سے ایک پروڈیکٹ شروع کیا ہے۔

اس بھرمان میں ایس ایم ای اور غیر رسمی شعبہ جات کیش فلو، ورگ سرماۓ کی کمی اور سپلائی چین کی عدم فراہمی کی وجہ سے سب سے زیادہ متاثر ہوں گے۔ اس سے پیکچنگ انڈسٹری سمیت ان کی رسید میں خلاپیدا ہو گا۔ ہم اس اشد ضرورت میں رسید اور طلب میں موجود خلاء کو پُر کرنے کے لئے پوری

طرح پر عزم ہیں۔

ہم سب ایسی صورتحال سے گزر رہے ہیں جس کی ماضی میں کوئی مثال نہیں ملتی۔ اس سے پہلے ہم میں سے کوئی بھی اس طرح کی وباٰ کیفیت سے دوچار نہیں ہوا۔ اس غیر قیمتی صورتحال کا کوئی آسان جواب نہیں ہے۔ تاہم، ہم آنے والے چیزوں سے نمٹنے اور موقع سے فائدہ اٹھانے کے لیے اپنی کاروباری حکمت عملی کا مستقل جائزہ لے رہے ہیں۔ لازمی کارخانہ دار کی حیثیت سے نامزد ہونے اور لازمی اور غیر ضروری صارفین کے مرکب ہونے کے باوجود، ہم آنے والے وقت کو مشکل سمجھتے ہیں۔ اس وقت ہمیں ہر طرح سے تیار رہنا ہے تاکہ ہم سپلائی چین برقرار رکھیں اور اپنے صارفین کو مدد فراہم کرنے میں اپنا کردار ادا کرتے رہیں۔

اطہار شکر

کمپنی انتظامیہ اس موقع پر اپنے قابل قدر گاہکوں کا شکریہ ادا کرتی ہے کہ انہوں نے کمپنی کی مصنوعات پر اعتماد اور بھروسہ کیا۔ اس بھر ان میں مدد کرنے پر ہم اپنے سپلائرز، بینکرز سٹیک ہولڈرز، ملاز مین اور حکومت کا بھی دلی شکریہ ادا کرتے ہیں۔

کمپنی
چیف ایگزیکٹو آفیسر

ج ۱۶
چیئرمین

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2020

	Note	Un-audited 31 March 2020 Rupees	Audited 30 June 2019 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,543,555,323	4,635,533,011
Right of use assets	6	49,471,065	-
Intangible		717,010	1,780,282
Investment in subsidiary		111,376,130	111,376,130
Long term loan - unsecured	7	304,372,965	249,932,785
Long term deposits		18,594,493	16,253,723
		5,028,086,986	5,014,875,931
Current assets			
Stores and spares	8	177,229,350	172,865,543
Stock-in-trade		614,415,749	709,586,567
Contract assets		92,325,446	48,595,967
Trade debts - unsecured		1,322,582,884	1,269,505,348
Short term loan - unsecured		92,186,870	92,186,870
Advances, deposits, prepayments and other receivables		741,043,611	759,228,899
Cash and bank balances		729,581,336	1,138,630,069
		3,769,365,246	4,190,599,263
Total assets		8,797,452,232	9,205,475,194
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (30 June 2019: 150,000,000)			
ordinary shares of Rs 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital	9	1,419,000,000	1,419,000,000
Capital reserves			
Share premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		1,807,485,757	1,843,728,306
		3,802,274,814	3,838,517,363
Revenue reserve			
Un-appropriated profit		615,453,680	356,968,813
Total equity		5,836,728,494	5,614,486,176
Non-current liabilities			
Supplier's credit - unsecured		-	96,356,613
Lease liabilities		32,223,730	9,505,865
Deferred taxation		448,070,017	561,296,117
Deferred liabilities		100,405,520	73,592,237
		580,699,267	740,750,832
Current liabilities			
Current portion of long-term liabilities		282,517,775	493,541,100
Short term borrowings - secured		1,198,533,286	1,353,114,322
Trade and other payables		851,377,448	964,258,994
Contract liabilities		12,123,295	4,091,995
Unclaimed dividend		788,056	800,169
Accrued finance cost		34,684,611	34,431,606
		2,380,024,471	2,850,238,186
Total equity and liabilities		8,797,452,232	9,205,475,194
Commitments and contingencies	10		

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

ROSHAN PACKAGES LIMITED

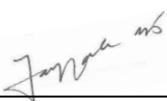
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

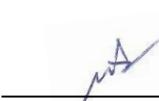
(UN-AUDITED)

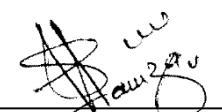
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020

	Note	Nine months period ended		Three months period ended	
		(Un-audited) 31 March 2020	(Un-audited) 31 March 2019	(Un-audited) 31 March 2020	(Un-audited) 31 March 2019
		Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers		4,580,544,999	4,901,890,910	1,654,436,286	1,688,985,632
Less:					
Sales tax		628,964,666	694,266,853	222,151,624	235,425,034
Discounts and commissions		9,270,471	8,018,483	1,154,329	1,358,902
		(638,235,137)	<u>(702,285,336)</u>	(223,305,953)	<u>(236,783,936)</u>
Net sales	11	3,942,309,862	4,199,605,574	1,431,130,333	1,452,201,696
Cost of revenue	12	(3,517,324,106)	<u>(3,934,197,375)</u>	(1,253,987,255)	<u>(1,356,374,311)</u>
Gross profit		424,985,756	265,408,199	177,143,078	95,827,385
Administrative expenses		(94,427,630)	(87,058,117)	(32,514,676)	(29,272,686)
Selling and distribution expenses		(122,684,305)	(124,274,840)	(48,808,507)	(48,225,114)
Other operating expenses		(8,621,497)	(46,902,649)	(2,634,907)	(184,809)
		(225,733,432)	<u>(258,235,606)</u>	(83,958,090)	<u>(77,682,609)</u>
Operating profit / (loss)		199,252,324	7,172,593	93,184,988	18,144,776
Other income		125,732,060	110,456,759	23,339,208	38,785,809
Finance cost		(178,920,306)	<u>(130,371,230)</u>	(52,504,238)	<u>(48,483,288)</u>
Profit / (Loss) before taxation		146,064,078	(12,741,878)	64,019,958	8,447,297
Taxation		76,178,240	<u>(52,487,753)</u>	(15,655,813)	<u>(15,109,112)</u>
Profit / (Loss) for the period		222,242,318	(65,229,631)	48,364,145	(6,661,815)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		222,242,318	<u>(65,229,631)</u>	48,364,145	<u>(6,661,815)</u>
Earnings / (Loss) per share - Basic and diluted		1.57	<u>(0.46)</u>	0.34	<u>(0.05)</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director

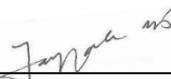

Chief Financial Officer

ROSHAN PACKAGES LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020**

	Capital reserves		Revenue reserve		Total
	Issued subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
	Rupees	Rupees	Rupees	Rupees	
Balance as on 01 July 2018 - Audited	1,182,500,000	2,231,665,370	1,078,519,283	649,996,341	5,142,680,994
Total comprehensive loss for the period	-	-	-	(65,229,631)	(65,229,631)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(14,931,794)	14,931,794	-
Transaction with owners of the Company					
Bonus shares issued	236,500,000	(236,500,000)	-	-	-
Expenses incurred on issuance of bonus shares	-	(376,317)	-	-	(376,317)
	<u>236,500,000</u>	<u>(236,876,317)</u>	<u>-</u>	<u>-</u>	<u>(376,317)</u>
Balance as on 31 March 2019 - Un-audited	1,419,000,000	1,994,789,053	1,063,587,489	599,698,504	5,077,075,046
Balance as on 01 July 2019 - Audited	1,419,000,000	1,994,789,057	1,843,728,306	356,968,813	5,614,486,176
Total comprehensive profit for the period	-	-	-	222,242,318	222,242,318
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(36,242,549)	36,242,549	-
Balance as on 31 March 2020 - Un-audited	1,419,000,000	1,994,789,057	1,807,485,757	615,453,680	5,836,728,494

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

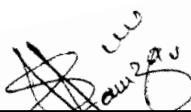
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020

		31 March 2020	31 March 2019
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	13	272,348,723	(79,355,704)
Finance costs paid		(178,667,301)	(114,307,924)
Taxes paid		(38,156,450)	(48,060,125)
Gratuity paid		(6,929,908)	(9,342,302)
Accumulated absences paid		(273,464)	(1,225,358)
Net (increase)/decrease in long term deposits		(2,340,770)	1,639,078
Net cash flows used in operating activities		(226,367,893)	(171,296,631)
		45,980,830	(250,652,335)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(38,346,929)	(58,783,535)
Increase in long term loan		(25,422,329)	-
Proceeds from disposal of property, plant and equipment		-	6,250,000
Profit on bank deposits received		76,438,690	110,519,583
Net cash flows generated from investing activities		12,669,432	57,986,048
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(250,599,963)	(105,500,046)
Repayment of supplier's credit		(51,208,427)	(74,767,650)
Expenses incurred on issuance of bonus shares		-	-
Dividend paid		(12,113)	(81,640)
(Repayment)/Proceeds from short term finances - net		(40,474,792)	4,421,805
Repayment of finance lease liabilities		(11,297,456)	(12,082,086)
Net cash flows used in financing activities		(353,592,751)	(188,009,617)
Net decrease in cash and cash equivalents		(294,942,489)	(380,675,904)
Cash and cash equivalents at the beginning of the period		696,748,452	1,277,734,079
Cash and cash equivalents at the end of the period		401,805,963	897,058,175

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****FOR THE NINE MONTH PERIOD ENDED 31 MARCH 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.

The Company is the parent company of Roshan Sun Tao Paper Mills (Private) Limited.

These condensed interim financial statements are the separate financial statements of the Company. Consolidated financial statements are prepared separately.

2 STATEMENT OF COMPLIANCE

- 2.1** 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 which comprise of International Accounting Standards (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act.

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

- 2.2** These unconsolidated condensed interim financial statements are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act").

- 2.3** 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 2019.

- 2.4** These unconsolidated condensed interim financial statements comprise of condensed interim statement of financial position as at 31 March 2020, condensed interim statement of profit and loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the nine months period then ended. These condensed interim unconsolidated financial statements also include condensed interim profit or loss and other comprehensive income for the quarter ended 31 March 2020.

2.5

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 2019, whereas comparative unconsolidated condensed interim statement of profit or loss and 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 nine-month period ended 31 March 2019.

3 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

- 3.1** The accounting policies and method of computation adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2019, except for the adoption of new standards effective as of 01 July 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The spread of novel coronavirus (COVID-19), results in worldwide humanitarian and economic crisis. It is affecting economies, supply chains, production lines and equity markets, impacting every country, industry, business and life. The impact of this virus has proved to be devastating for many organizations, it is also providing opportunities to some businesses i.e. food, medicine, e-commerce and their supply chains. Being an important player in the supply chain of these industries, the Packaging Industry is among those which remains favorable and has been allowed to operate by the Government during this nationwide lockdown. Owing to these positive changes and favorable conditions, management of the Company is very optimistic about future of the Company under such socio- economic situation. Therefore, the financial statements of the Company have been prepared under Going Concern assumption as the current situation does not have material impact on the Company's operations or financial position.

Last year, the SECP had notified vide its S.R.O 299 (I)/2019 that the effective date for the applicability of IFRS 9 'Financial Instruments' would be for the reporting period/year ending on or after year ending June, 30 2019. Accordingly, the Company had not applied IFRS 9 while preparing condensed interim financial statements for the half year ended 31 March 2019.

As at 30 June 2019, the Company had applied IFRS 9 and the expected credit loss against financial assets had been recorded accordingly. The Company has also made assessment of the expected credit losses for the current period. Further, no adjustment has been made in the corresponding figures relating to the period ended 31 March 2019.

3.2 Standards, Interpretations and Amendments to Published Approved Accounting Standards that became Effective during the Period

The Company has adopted the following revised standard, amendments and interpretation of International Financial Reporting Standards (IFRS) which became effective for the current period:

Standard or Interpretation

IFRS 16 – Leases

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

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

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRS 11 - Joint Arrangements - Previously held interests in a joint operation - (AIP)

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization

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

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IFRS - 14 - Regulatory Deferral Accounts

The adoption of these standards did not have any material impact on these unconsolidated condensed interim financial statements except for IFRS 16 as explained below:

3.2.1 IFRS 16 - Leases

During the current year, the Company has adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Company has lease contracts for its vehicles and head office building. Before the adoption of IFRS 16, the Company classified its vehicles (as lessee) as finance lease as per IAS-17. In a finance lease, the leased assets were capitalized and the present value of lease payments were recognized as lease liability. Leased assets were depreciated according to IAS-16 "Property, Plant and Equipment" and lease liability was reduced with the payment of rentals. Further, lease arrangements of head office building were classified as operating lease against which rentals paid were expensed out to the statement of profit or loss.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (ROU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The right-of-use asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs. As on 01 July 2019, the Company recorded lease liabilities and related right of use assets at present value of future cash flows. Therefore, there is no impact on opening unappropriated profit of the Company due to adoption of IFRS 16.

The effect of adoption of IFRS 16 as at 1 July 2019 (increase / (decrease)) is as follows:

	01 July 2019 Rupees
Assets	
Right of use assets	54,325,351
Property, plant and equipment	(27,094,172)
Liabilities	
Lease liabilities	54,325,351

Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing at each reporting date.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

To calculate the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

Significant judgement in determining the lease term of contracts with renewal options

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

The Company has the option, under some of its leases to lease the assets for additional terms of five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew for one more term. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Company has included the renewal period as part of the lease term for leases of head office building due to the significance of these assets to its operations.

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

Standard	Effective date (Annual Periods Beginning or after)
IFRS 1 - First time adoption of IFRS 1	1 July 2019
IFRS 17 – Insurance Contracts	1 January 2021

4 USE OF JUDGMENTS AND ESTIMATES

The preparation of the 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 the unconsolidated condensed interim financial statements, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2019, except some additional judgements disclosed in Note 3.2.1.

5 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
		31 March	30 June
		2020	2019
Operating fixed assets	5.1	4, 454,520,496	4,545,885,536
Capital work in progress (CWIP)		89,034,827	89,647,475
		4,543,555,323	4,635,533,011

5.1 These include the cost of operating assets that have been added during the nine months period ended 31 March 2020. The movement in net book value of operating fixed assets during the period / year is follows:

	Note	(Un-audited)	(Audited)
		31 March	30 June
		2020	2019
Opening net book value		4,545,885,536	3,452,467,657
Transfer to right of use assets on 01 July 2019		(27,094,172)	-
Additions / transfer from CWIP and assets subject to finance lease during the period / year:			
Buildings on freehold land - owned		409,021	41,804,962
Plant and machinery - owned		35,609,478	84,319,687
Electric installations - owned		171,499	36,548,109
Vehicles - owned		-	9,732,774
Vehicles - leased		-	12,169,000
Furniture and fixture - owned		351,200	675,116
Office equipment - owned		2,418,379	6,024,568
		38,959,577	191,274,216
Disposals / transfer during the period / year - net book value		-	(12,175,836)
Revaluation surplus arising during the period / year		-	1,055,284,567
Less: Depreciation charge for the period / year		(103,230,445)	(140,965,068)
Closing net book value		4,454,520,496	4,545,885,536

		Note	(Un-audited) 31 March 2020	(Audited) 30 June 2019
			Rupees	Rupees
6	RIGHT OF USE ASSETS			
Opening net book value			-	-
Transfer from property, plant and equipment on 01 July 2019			27,094,172	
Additions during the period / year:				
Building			27,231,179	-
Vehicle			3,130,000	-
			30,361,179	-
Disposals / transfer to fixed assets			-	-
Less: Depreciation charge for the period / year			(7,984,286)	-
Closing net book value			49,471,065	-
7	LONG TERM LOAN - UNSECURED			
Loan to associated undertaking - Roshan Enterprises	7.1		145,625,809	132,838,400
Loan to subsidiary -				
Roshan Sun Tao Paper Mills (Private) Limited	7.2		158,747,156	117,094,385
			304,372,965	249,932,785
7.1	The loan carries markup at the rate of 1-Year KIBOR+2% (30 June 2019: KIBOR+2%). The principal and markup shall be received in two equal installments commencing from the effective date of loan. Movement during the period / year is as follows:			
Opening balance			132,838,400	122,722,688
Markup accrued during the period / year			12,787,409	10,115,712
Closing balance			145,625,809	132,838,400
7.2	This represents loan disbursed to finance capital expenditure, for setting up of the subsidiary's production facility, up to a maximum of Rs. 260 million. The loan carries interest at the rate of 1-Year KIBOR+2% (30 June 2019: 8%) per annum. The principal shall be received in two equal installments commencing from June 2021. The markup shall be received on a quarterly basis from the date of commencement of commercial operations of the subsidiary, which is expected in June 2021.			
Movement during the year is as follows:				
Opening balance			117,094,385	82,972,338
Loan disbursed during the period / year			25,422,329	26,868,547
Markup accrued during the period / year			16,230,442	7,253,500
Closing balance			158,747,156	117,094,385
8	STOCK-IN-TRADE			
Raw materials			611,903,337	693,322,162
Work-in-process			-	-
Finished goods			2,512,412	16,264,405
			614,415,749	709,586,567

9 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

(Un-audited) 31 March 2020 (Number of shares)	(Audited) 30 June 2019		Note	(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 Rupees
57,336,000	57,336,000	Ordinary shares of Rs. 10 each fully paid in cash		573,360,000	573,360,000
79,461,000	79,461,000	Ordinary shares of Rs. 10 each issued as bonus shares		794,610,000	794,610,000
5,103,000	5,103,000	Ordinary shares of Rs. 10 each fully paid for consideration other than cash	9.1	51,030,000	51,030,000
141,900,000	141,900,000			1,419,000,000	1,419,000,000

- 9.1** These right shares were issued against the fair value of land acquired measuring 48 kanals and 12 marlas and is situated opposite to Sundar Industrial Estate, Bhai Kot, Raiwind, Lahore.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in the contingencies since the date of preceding published annual financial statements.

10.2 Commitments in respect of:

- a) Contracts for capital expenditure amounting to Rs. 43.52 million (30 June 2019: Rs. 37.92)
- b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 95.91 million (30 June 2019: Rs. 147.87 million).

10.3 Guarantee

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

- a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 25.07 million (30 June 2019: Rs. 25.29 million).
- b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 8 million (30 June 2019: Rs. 8 million).

11 REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue from contracts with customers is disaggregated by timing of revenue recognition.

	Note	31 March 2020 Rupees	31 March 2019 Rupees
Major product lines:			
- Made-to-order products		3,487,606,836	3,764,222,310
- Standard packaging products		454,703,026	435,383,264
		3,942,309,862	4,199,605,574
Timing of revenue recognition:			
- Products transferred over time		3,487,606,836	3,764,222,310
- Products transferred at a point in time		454,703,026	435,383,264
Revenue from contracts with customers		3,942,309,862	4,199,605,574

12 COST OF REVENUE

	Nine months period ended		Three months period ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 March 2020 Rupees	31 March 2019 Rupees	31 March 2020 Rupees	31 March 2019 Rupees
Raw materials consumed	2,912,310,476	3,359,951,294	1,048,914,084	1,134,848,169
Carriage inward expenses	2,295,919	2,172,184	994,891	702,299
Packing material consumed	12,681,173	16,049,199	4,510,126	4,451,494
Production supplies	67,963,727	67,033,397	21,550,865	24,527,396
Fuel and power	170,625,212	143,964,677	56,358,832	48,772,642
Salaries, wages and other benefits	166,670,671	179,461,156	57,715,528	59,933,885
Repairs and maintenance	27,460,747	51,685,312	9,021,500	17,257,850
Printing and stationery	462,542	726,828	162,025	310,053
Insurance	3,949,834	5,714,921	1,345,689	2,232,089
Rent	997,833	762,699	376,814	113,400
Travelling and conveyance	19,185,482	18,337,882	5,696,466	6,932,698
Communication expenses	745,682	845,572	317,180	351,135
Vehicle running expenses	3,035,738	2,238,583	1,547,475	618,605
Depreciation on operating fixed assets	100,444,719	93,574,472	34,055,626	32,003,615
Depreciation on right of use asset / assets subject to finance lease	1,933,313	1,401,291	713,992	514,808
Others	12,809,045	10,170,858	2,961,543	3,462,462
	3,503,572,113	3,954,090,325	1,246,242,636	1,337,032,600
Opening work-in-process	-	20,776,488	-	65,443,612
Closing work-in-process	-	(40,116,936)	-	(40,116,936)
	-	(19,340,448)	-	25,326,676
Cost of goods manufactured	3,503,572,113	3,934,749,877	1,246,242,636	1,362,359,276
Opening stock of finished goods	16,264,405	41,789,793	10,257,031	36,357,330
Closing stock of finished goods	(2,512,412)	(42,342,295)	(2,512,412)	(42,342,295)
	13,751,993	(552,502)	7,744,619	(5,984,965)
	3,517,324,106	3,934,197,375	1,253,987,255	1,356,374,311

	(Un-audited) 31 March 2020 Rupees	(Un-audited) 31 March 2019 Rupees
13 CASH USED IN OPERATIONS		
Profit / (Loss) before taxation	146,064,078	(12,741,878)
Adjustment for non-cash charges and other items:		
Depreciation	111,214,731	96,857,231
Markup on loans	(41,942,450)	(14,042,514)
Finance costs	178,920,306	130,371,230
Provision for gratuity	13,564,995	14,028,622
Worker's Welfare Fund	2,578,948	-
Profit on bank deposits	(82,674,033)	(91,218,385)
Amortization of intangibles	1,063,272	906,023
Worker's Profit Participation Fund	7,959,955	-
Exchange gain	(1,917,406)	41,725,011
Gain on disposal of property, plant and equipment	-	(5,195,860)
Provision for accumulating compensated absences	2,179,874	2,298,843
Profit before working capital changes	337,012,270	162,988,323
Effect on cash flow due to working capital changes:		
- Increase in stores and spare parts	(4,363,807)	(8,469,232)
- Decrease / (increase) in stock-in-trade	95,170,818	(110,309,812)
- Increase in trade debts	(53,077,536)	(544,670,379)
- Increase in contract assets	(43,729,479)	-
- Decrease / (Increase) in advances, deposits, prepayments and other receivables	40,201,444	(48,454,037)
- Increase in contract liabilities	8,031,300	-
- (Decrease) / increase in trade and other payables	(106,896,287)	469,559,433
	(64,663,547)	(242,344,027)
	272,348,723	(79,355,704)

14 TRANSACTIONS WITH RELATED PARTIES

The related parties include the subsidiary company, associated undertakings, 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 is as follows:

Name of related party	Relationship with the Company	Nature of transaction	Nine months period ended		Three months period ended	
			31 March 2020 (Un-audited)	31 March 2019 (Un-audited)	31 March 2020 (Un-audited)	31 March 2019 (Un-audited)
		Rupees	Rupees	Rupees	Rupees	Rupees
Tayyab Aijaz	26.84% shareholding in the Company	Bonus shares issued	-	63,476,600	-	-
Zaki Aijaz	11.86% shareholding in the Company	Bonus shares issued	-	28,048,900	-	-
Saadat Ejaz	11.86% shareholding in the Company	Bonus shares issued	-	28,048,900	-	-
Khalid Ejaz	14.65% shareholding in the Company	Bonus shares issued	-	34,647,250	-	-
Quasim Aijaz	2.96% shareholding in the Company	Bonus shares issued	-	7,000,400	-	-
Roshan Sun Tao Paper Mills (Private) Limited	60% shareholding in subsidiary	Markup accrued on long term loan	16,230,442	3,017,783	6,742,797	2,801,665
		Markup accrued on short term loan	12,924,599	4,083,127	5,834,660	345,139
Associated Company	Common directorship	Sales	12,417,350	11,206,240	9,373,137	5,452,412
		Markup	12,787,409	6,759,447	4,684,938	4,116,975

15 FINANCIAL RISK MANAGEMENT

15.1 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 supplier's credit, 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, prepayments, deposits and other receivables, trade debts, short term loan, 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 2019.

15.2 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

31 March 2020		
Cash and cash equivalents	Amortized Cost	Total
Rupees		
Financial assets as per statement of financial position		
Long term loan - unsecured	-	304,372,965
Long term deposits	-	18,594,493
Trade debts - unsecured	-	1,322,582,884
Short term loan - unsecured	-	92,186,870
Deposits and other receivables	-	60,463,836
Cash and bank balances	729,581,336	-
Total	729,581,336	1,798,201,048

30 June 2019		
Cash and cash equivalents	Amortized Cost	Total
Rupees		

Financial assets as per statement of financial position

Long term loan - unsecured	-	249,932,785	249,932,785
Long term deposits	-	16,253,723	16,253,723
Trade debts - unsecured	-	1,269,505,348	1,269,505,348
Short term loan - unsecured	-	92,186,870	92,186,870
Deposits and other receivables	-	45,774,628	45,774,628
Cash and bank balances	1,138,630,069	-	1,138,630,069
Total	1,138,630,069	1,673,653,354	2,812,283,423

	Amortized Cost
Financial liabilities as per statement of financial position	
31 March 2020	
Lease liabilities	41,471,866
Long term finances	80,812,500
Supplier's credit	192,457,139
Short term borrowings	1,198,533,286
Trade and other payables	851,377,448
Unclaimed dividend	788,056
Accrued finance cost	<u>34,684,611</u>
	<u><u>2,400,124,906</u></u>

Financial liabilities as per statement of financial position

30 June 2019

Lease liabilities	19,764,577
Long term finances	331,412,463
Supplier's credit	248,226,538
Short term borrowings	1,353,114,322
Trade and other payables	964,258,994
Unclaimed dividend	800,169
Accrued finance cost	<u>34,431,606</u>
	<u><u>2,952,008,669</u></u>

15.3 Fair values of non-financial assets and liabilities

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair values are determined on the basis of objective evidence at each reporting date.

Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is determined on the basis of objective evidence at each reporting date.

The tables below analyze the non-financial assets carried at fair value as at 31 March 2020 and 30 June 2019.

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

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

Recurring fair value measurements of following items of operating fixed assets:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
31 March 2020				
Freehold land	-	941,755,000	-	941,755,000
Buildings on freehold land	-	-	914,072,714	914,072,714
Plant and machinery	-	-	2,517,923,864	2,517,923,864
Electric installations	-	-	92,144,833	92,144,833
	<u>-</u>	<u>941,755,000</u>	<u>3,524,141,411</u>	<u>4,465,896,411</u>

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

There are no transfers between levels 1, 2 and 3 during the period and there were no changes in valuation techniques during the period.

16 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on 27-Apr-2020 by the Board of Directors of the Company.

17 GENERAL

17.1 Figures have been rounded off to the nearest Rupees.

17.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangement or reclassification has been made during the nine months period ended 31 March 2020.



Chief Executive Officer



Director



Chief Financial Officer

Director's Report

The Directors of the Group are pleased to present their Directors' Report along with the unaudited Financial Statements of the Group for the period ended March 31, 2020.

Financial Overview

The economic environment of the country remained challenging during the period under review. However, despite these challenges, the Group delivered profitable growth and built capabilities and position for the future.

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

	Nine Month Ended		Quarter Ended	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Rupees in Million		Rupees in Million	
Sales-net	3,942	4,200	1,431	1,452
Cost of Sales	3,517	3,934	1,254	1,356
Gross Profit	425	265	177	96
Finance Cost	179	130	52.5	48
Net profit / (loss) before tax	116	(14)	51	4
Net profit / (loss) after tax	192	(67)	36	(11)

During the nine months period ended 31-Mar-2020, the Group has earned a profit after tax of Rs. 192 million as compared to a loss after tax of Rs. 67 million in same period last year. This shows an improvement of 389% and an increase in profit before tax by Rs. 130 million or 922%. The sales revenue stood at Rs. 3,942 million registering decline by 6.13% compared to same period last year. However, despite the decrease, the Group has improved gross profit margins by rationalizing its products and customers portfolio and increased its profit margins by managing effective cost reduction policy.

Our Group's gross margins have improved, we achieved a gross profit of Rs. 425 million in nine months period ended 31-Mar-2020 as compared to Rs. 265 million in 2019 and Rs. 262 million in 2018. This shows an increase of Rs. 160 million and Rs. 163 million respectively, which is 60% and 62% more than the same periods of 2019 and 2018. Gross profit margins increased to 10.78% as compared to 6.32% in the comparative period last year. The Group has lowered its cost of sales ratio to 89.22% as compared to 93.68% last year, which is 4.46% lower. This has been the result of comparatively low increase in the input cost of material, variable cost of sales and effective cost reduction initiatives. Despite high inflation, the Group has managed to control its cost.

Financial charges increased by Rs. 48.5 million, due to the rise in policy rate by The State Bank of Pakistan and the devaluation of local currency which had an unfavorable impact on our bottom line. However, due to efficient fund management, borrowings are gradually decreasing which will result in lower financial cost. Utility cost remains a challenge, the constant spike in rates resulted in an increase of Rs. 26.7 million and the cost recorded at 171 million as compared to Rs 144 million in comparable period last year.

Roshan Sun Tao Papers Mills (Pvt.) Limited

The management is fully committed to complete the project of our subsidiary and strongly believes that the paper mill project will bring prolific benefits to the group and its shareholders, on its completion. The management is resolutely working on the execution of the project and right now in process of negotiation with suppliers and financial institutions for financial close. During the period under review no significant financial activity took place.

Future Outlook

Our economic growth was hampered after a favorable period due to COVID 19's toll on the economy. It also caused country-wide lockdown, shutting down of factories, worker furloughs and slowdown of CPEC rollout plans caused a downturn in economic activity, drop in the GDP growth, devaluation of currency, decline in imports, exports, reduction in remittances, and disruptions in food supplies. However, the government has started to take actions to deal with the economic ramifications of this crisis. Different economic plans have been presented that focus on minimizing the economic damage, including tax refunds and deferred interest payments. The State Bank of Pakistan has also swiftly cut policy rates, giving breathing room to businesses facing cash flow problems.

Such stimulus programs by Government coupled with the International Monetary Fund's (IMF's) approval to provide a rapid facility fund to Pakistan of almost \$1.4 billion will spurred our economy and increase the confidence of investors. The international donors have also indicated deferral of loan repayments which may help further to stabilize the parity of Pak Rupee with US Dollar.

With the spread of novel coronavirus, we are witnessing a worldwide humanitarian and economic crisis, impacting every country, industry, business and life. Whereas the impact of the virus has proved to be devastating for many organizations, it is also providing opportunities to some businesses i.e. food, medicine and e-commerce. Being an important player in the supply chain of these industries, the Packaging Industry is among those which remains favorable and has been allowed to operate by the Government during this nationwide lockdown. Our employees have shown a sense of commitment and responsibility as they continue to come to work every day to run operations and dedicate our production capacity to serve customers. We have also allowed a significant number of employees, particularly women to work from home using technology. Thus, we are able to ensure there are no supply chain disruptions in retail stores, food markets and medical stores by providing a consistent supply of packaging products.

With a one third of world's population currently in lockdown, there are going to be structural changes in how society operates. Particularly with respect to purchasing habits and e-commerce, as more people switch to home deliveries while social distancing. Packaging is a crucial element in these supply chains. We are not only focusing on supplying the e-commerce sector, but our Group is also expanding its resources towards its own e-commerce facility with the name Rosh Pack to supply goods at customer's doorstep.

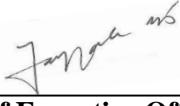
The SME and informal sector stand to lose the most amidst this crisis, due to strained cash flows, lack of working capital and a disorganized supply chain. This has created a gap in their supply, including the packaging industry. We are fully committed to increase our supply in this dire need and filling the gaps in supply and demand.

We are going through unprecedeted times, none of us has lived through a pandemic before. This uncertainty has no easy answers. However, we here at Roshan Packages are continually reviewing our business strategy to cope with the coming challenges and opportunities. Despite being designated as an essential manufacturer and having a mix of essential and non-essential customers, we consider the coming

period of time difficult. This time will require us to be agile and flexible that we continue to fulfil our important roles in manufacturing supply chains and supporting our customers.

Acknowledgment:

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


Chief Executive Officer


Chairman

ڈائریکٹران روپرٹ

گروپ کے ڈائریکٹران 31 مارچ 2020 کو ختم ہونے والی مدت کے لیے اپنی روپرٹ اور غیر آڈٹ شدہ فانشل اسٹیٹمنٹ پیش کر رہے ہیں۔

مالی جائزہ:

مکمل معاشری حالات کو اس مدت جائزہ کے دوران خاصے چینجز کا سامنا رہا۔ تاہم، اس سب کے باوجود، گروپ نے منافع بخش نشوونماکی اور مستقبل کے لیے اپنی صلاحیتوں اور مقام کی تشکیل کی۔

اس مدت کے دوران گروپ کی مالی کارگردگی کا جائزہ ذیل میں پیش کیا جاتا ہے:

سہ ماہی مختصرہ	نوماہی مختصرہ			
	2019 مارچ 31	2020 مارچ 31	2019 مارچ 31	2020 مارچ 31
میلن روپے				
1,452	1,431	4,200	3,942	مصنوعات کی کل فروخت
1,356	1,254	3,934	3,517	فروخت کی لاگت
96	177	265	425	مجموعی منافع
48	52.5	130	179	فانشل لاگت
4	51	(14)	116	نفع (نقصان) قبل از ٹکیس
(11)	36	(67)	192	اصل نفع (نقصان) بعد از ٹکیس

زیر غور مدت کے دوران، گروپ نے 192 میلن روپے بعد از ٹکیس منافع کمایا جو کہ پچھلے سال اسی مدت کے دوران بعد از ٹکیس 67 میلن روپے نقصان تھا۔ یہ 389 فیصد کی بہتری اور ٹکیس سے پہلے منافع میں 130 میلن روپے اضافہ ظاہر کرتا ہے۔ جو 922 فیصد بتا ہے۔ فروخت سے ہونے والی آمدنی 3942 میلن روپے رہی جو پچھلے سال کے اسی عرصے کے مقابلے میں 6.3 فیصد کم رہی۔ تاہم، اس کی کے باوجود، گروپ اپنی مصنوعات اور صارفین کے پورٹ فولیو کو بہتر بنانے کا مجھوںی منافع میں بہتری لایا ہے اور اس کے ساتھ ساتھ لاگت میں موثر انداز سے کمی کر کے منافع میں اضافہ کیا ہے۔ ہمارے گروپ کے مجھوںی منافع میں بہتری آئی ہے، ہم نے 425 میلن روپے مجھوںی منافع حاصل کیا ہے جو سال 2019 میں 265 میلن روپے اور سال 2018 میں 262 میلن روپے تھا۔ یہ بالترتیب 160 میلن روپے اور 163 میلن روپے کا اضافہ ہے۔ سال 2018 اور سال 2019 کی اسی مدت سے 60 فیصد اور 62 فیصد زیادہ بنتا ہے۔ پچھلے سال اسی مدت میں 6.32 فیصد کے مقابلہ میں اس سال مجھوںی منافع بڑھ کر 10.78 فیصد رہا۔ گروپ نے اپنی فروخت کی لاگت کے تناسب کو کم کیا ہے جو اس سال 22.89 فیصد ہے جبکہ پچھلے سال اسی مدت میں یہ 93.68 فیصد تھی جو کہ 4.46 فیصد کم رہی۔ یہ تمام نتائج خام مال کی قیمتیوں میں بلکہ سے اضافے، فروخت کی لاگت میں تغیر اور اشیا کی لاگت پر موثر کنٹرول سے حاصل ہوئے۔ باوجود افراط از کی بلند شرح کے گروپ اپنی پیداواری لاگت کو کنٹرول کرنے میں کامیاب رہا۔

فانشل چار جز 48.5 میلن روپے بڑھ گئے۔ اس کی وجہ اسٹیٹ بnk آف پاکستان کی طرف سے شرح سود میں اضافہ، مقامی کرنی کی قدر میں

کی کاہونا تھا۔ جس نے اصل منافع کو بھی متاثر کیا۔ تاہم، فنڈز کی بہتر میمنٹ سے قرضہ جات کو کم سے کم کیا جا رہا ہے جس کی وجہ سے فناشل لاگت میں کمی آئے گی۔ تو انائی کی مد میں لاگت کو کمزور کرنا ہمارے لیے ایک چیخ رہا ہے۔ مسلسل بڑھتے ہوئے زخوں کی وجہ سے اس کی لاگت میں 26.7 ملین روپے اضافہ ہوا ہے۔ جو کہ اس سال 171 ملین روپے رہی جبکہ پچھلے سال اسی مدت میں یہ لاگت 144 ملین روپے تھی۔

روشن سن تاؤ پپر ملز (پرائیوریت) لمیٹیڈ

گروپ انتظامیہ اپنی ذیلی کمپنی کے پراجیکٹ کو مکمل کرنے میں سنبھیڈ ہے۔ ہمارا پختہ یقین ہے کہ اس پپر ملز پر وجوہیکٹ کی تکمیل سے گروپ اور اس کے حصہ داران کو فائدہ پہنچے گا۔ انتظامیہ پروجیکٹ کو مکمل کرنے کے لیے اپنی بھروسہ پور کوشش کر رہی ہے اور آج کل مختلف سپلائرز اور مالیاتی اداروں کے ساتھ بات چیت جاری ہے۔ زیر جائزہ مدت میں پپر ملز پر اجیکٹ کے حوالے سے کوئی مالی سرگرمی نہ ہوئی ہے۔
مستقبل کا منظر نامہ

ایک مدت کے بعد معیشت میں جو بہتری ہوئی تھی وہ COVID-19 کی وبا کی وجہ سے رک گئی۔

یہ ملک گیر لاک ڈاؤن، فیکٹریوں کا بند ہونا، کارکنوں کی عدم دستیابی، سی پیک روت کے منصوبوں کی سست روی، معاشی سرگرمیوں میں مندی، جی ڈی پی کی نمو میں کمی، کرنی کی تدریمیں کمی، درآمدات میں کمی، برآمدات، ترسیلات زر میں کمی اور خوراک کی فراہمی میں رکاوٹ کا باعث ہوا۔ تاہم، حکومت نے اس بھرمان سے نہیں کے لئے اقدامات کرنا شروع کر دیئے ہیں۔ مختلف معاشی منصوبے پیش کیے گئے ہیں جن میں ٹکیں کے ریفند، سود کی ادائیگیوں کو موخر کرنا شامل ہیں تاکہ معاشی نقصان کو کم سے کم کیا جاسکے۔ اسیٹ بینک آف پاکستان نے بھی شرح سود میں تیزی سے کمی کی ہے، جس سے کاروباری حلقوں کو کیش فلوکی پریشان کو کرنے میں مدد ملے گی۔

حکومت کی طرف سے اس طرح کے پروگراموں اور بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کی طرف سے پاکستان کو تقریباً 1.4 بلین ڈالر فراہم کرنے کی منظوری سے ہماری معیشت کو تقویت ملے گی اور سرمایہ کاروں کے اعتماد میں اضافہ ہو گا۔ بین الاقوامی مالیاتی اداروں کی طرف سے قرضوں کی ادائیگیوں کو موخر کرنے کا عنديہ بھی دیا ہے جو امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر کو مستحکم کرنے میں مزید مدد گارثابت ہو سکتا ہے۔ نوول کورونا وائرس کے پھیلاؤ کے پس منظر میں ہم دنیا بھر میں انسانی اور معاشی بھرمان دیکھ رہے ہیں۔ جو ہر ملک، صنعت، کاروبار اور زندگی پر اثر انداز ہو رہا ہے۔ جہاں اس وائرس کے اثرات بہت سارے اداروں کے لئے تباہ کن ثابت ہوئے ہیں، وہیں بچھ کاروبار جیسے خوراک، ادویہ سازی اور ای کامر س کے لیے نئے موقع بھی پیدا ہو رہے ہیں۔ پیکچنگ انڈسٹری کی اہمیت کے پیش نظر اس ملک گیر لاک ڈاؤن کے دوران حکومت نے اسے کام کرنے کی اجازت دی ہے۔ ہمارے ادارے کے ملازمتیں نے عزم اور ذمہ داری کا ثبوت دیا ہے اور وہ کاروباری آپریشن چلانے اور اپنی پیداواری صلاحیت کو صارفین کی خدمت کے لئے وقف کرنے کے لئے ہر روز کام کرنے آتے ہیں۔ ہم نے نمایاں تعداد میں اپنے ملازمتیں خصوصاً خواتین کو شکننا لو جی کا استعمال کر کے گھر سے کام کرنے کی اجازت دی ہے۔ اس طرح، ہم یہ یقین سے کہہ سکتے ہیں کہ پیکچنگ مصنوعات کی مستقل فراہمی کے ذریعہ ریٹیل اسٹورز، فوڈمارکیٹس اور میڈیکل اسٹورز کی سپلائی چین میں رکاوٹیں نہیں ہیں۔

اس وقت دنیا کی ایک تہائی آبادی لاک ڈاؤن میں ہے، جس کی وجہ سے معاشرتی طور پر اہم تبدیلیاں واقع ہو رہی ہیں۔ خاص طور پر خریداری کی عادات اور ای کامر س کے حوالے سے، کیونکہ سماجی فاصلے کے دوران زیادہ سے زیادہ لوگ گھروں میں اشیا کی ترسیل کو ترجیح دیں گے۔ انکی سپلائی چین میں پیکچنگ ایک اہم عصر ہے۔ ہم نہ صرف ای کامر س سیکٹر کو اپنی پروڈکٹ کی فراہمی پر توجہ دے رہے ہیں، بلکہ ہمارا گروپ اپنے وسائل کو اپنی ای کامر س سہولت کی طرف بڑھا رہا ہے جس میں گاہک کے گھر کی دہنیز پریکچنگ مصنوعات کی فراہمی کے لئے ”روشن پیک“ کے نام سے ایک پروجیکٹ

شروع کیا ہے۔

اس بھر ان میں ایس ایم ای اور غیر سی شعبہ جات کیش فلو، ورنگ سرمائے کی کمی اور سپلائی چین کی عدم فراہمی کی وجہ سے سب سے زیادہ متاثر ہوں گے۔ اس سے پیکنگ انڈسٹری سمیت ان کی رسید میں خلاپیدا ہو گا۔ ہم اس اشد ضرورت میں رسید اور طلب میں موجود خلاء کو پُر کرنے کے لئے پوری طرح پر عزم ہیں۔

ہم سب ایسی صورتحال سے گزر رہے ہیں جس کی ماضی میں کوئی مثال نہیں ملتی۔ اس سے پہلے ہم میں سے کوئی بھی اس طرح کی وبا کیفیت سے دوچار نہیں ہوا۔ اس غیر یقینی صورتحال کا کوئی آسان جواب نہیں ہے۔ تاہم، ہم آنے والے چینجوں سے نمٹنے اور موقع سے فائدہ اٹھانے کے لیے اپنی کاروباری حکمت عملی کا مستقل جائزہ لے رہے ہیں۔ لازمی کارخانہ دار کی حیثیت سے نامزد ہونے اور لازمی اور غیر ضروری صارفین کے مرکب ہونے کے باوجود، ہم آنے والے وقت کو مشکل سمجھتے ہیں۔ اس وقت ہمیں ہر طرح سے تیار رہنا ہے تاکہ ہم سپلائی چین برقرار رکھیں اور اپنے صارفین کو مدد فراہم کرنے میں اپنا کردار ادا کرتے رہیں۔

اظہار تشکر

گروپ انتظامیہ اس موقع پر اپنے قابل قدر گرگاہوں کا شکریہ ادا کرتی ہے کہ انہوں نے گروپ کی مصنوعات پر اعتماد اور بھروسہ کیا۔ اس بھر ان میں مدد کرنے پر ہم اپنے سپلائرز، مینکرز، سٹیک ہولڈرز، ملاز مین اور حکومت کا بھی دلی شکریہ ادا کرتے ہیں۔

جیف ایگزیکیو ٹیو آفیسر

چین میں

ROSHAN PACKAGES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2020

		Un-audited	Audited
		31 March 2020	30 June 2019
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,036,161,633	5,107,417,885
Right of use assets	6	49,471,065	-
Intangible		717,010	1,780,282
Long term loan - unsecured	7	145,625,809	132,838,400
Long term deposits		18,594,493	16,253,723
		5,250,570,010	5,258,290,290
Current assets			
Stores and spares	8	177,229,350	172,865,543
Stock-in-trade		614,415,749	709,586,567
Contract assets		92,325,446	48,595,967
Trade debts - unsecured		1,322,582,884	1,269,505,348
Advances, deposits, prepayments and other receivables		740,566,463	768,452,371
Cash and bank balances		729,626,724	1,138,675,457
		3,676,746,616	4,107,681,253
Total assets		8,927,316,626	9,365,971,543
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
150,000,000 (30 June 2019: 150,000,000) ordinary shares of Rs 10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital	9	1,419,000,000	1,419,000,000
Capital reserves			
Share premium		1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment		1,807,485,757	1,843,728,306
		3,802,274,814	3,838,517,363
Revenue reserve			
Un-appropriated profit		557,300,281	328,339,476
Attributable to owners of the Holding Company			
Non-controlling interest		5,778,575,095	5,585,856,839
Total equity		166,824,399	167,070,413
		5,945,399,494	5,752,927,252
Non-current liabilities			
Supplier's credit - unsecured		-	96,356,613
Lease liabilities		32,223,730	9,505,865
Deferred taxation		448,070,017	561,296,117
Deferred liabilities		100,405,520	73,592,237
		580,699,267	740,750,832
Current liabilities			
Current portion of long-term liabilities		282,517,775	493,541,100
Short term borrowings - secured		1,198,533,286	1,353,114,322
Trade and other payables		872,570,842	986,314,267
Contract liabilities		12,123,295	4,091,995
Unclaimed dividend		788,056	800,169
Accrued finance cost		34,684,611	34,431,606
		2,401,217,865	2,872,293,459
Total equity and liabilities		8,927,316,626	9,365,971,543
Commitments and contingencies	10		

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer

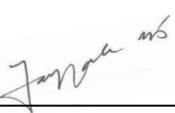

Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020

Note	Nine months period ended		Three months period ended	
	(Un-audited) 31 March 2020	(Un-audited) 31 March 2019	(Un-audited) 31 March 2020	(Un-audited) 31 March 2019
	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers	4,580,544,999	4,901,890,910	1,654,436,286	1,688,985,632
Less:				
Sales tax	628,964,666	694,266,853	222,151,624	235,425,034
Discounts and commissions	9,270,471	8,018,483	1,154,329	1,358,902
	(638,235,137)	(702,285,336)	(223,305,953)	(236,783,936)
Net sales	3,942,309,862	4,199,605,574	1,431,130,333	1,452,201,696
Cost of revenue	(3,517,324,106)	(3,934,197,375)	(1,253,987,255)	(1,356,374,311)
Gross profit	424,985,756	265,408,199	177,143,078	95,827,385
Administrative expenses	(95,042,665)	(88,465,772)	(32,514,676)	(30,680,341)
Selling and distribution expenses	(122,684,305)	(124,274,840)	(48,808,507)	(48,225,114)
Other operating expenses	(8,621,497)	(46,902,649)	(2,634,907)	(3,146,804)
	(226,348,467)	(259,643,261)	(83,958,090)	(82,052,259)
Operating profit / (loss)	198,637,289	5,764,938	93,184,988	13,775,126
Other income	96,577,019	110,456,759	10,761,751	38,601,000
Finance cost	(178,920,306)	(130,371,230)	(52,504,238)	(48,483,288)
Profit / (Loss) before taxation	116,294,002	(14,149,533)	51,442,501	3,892,838
Taxation	76,178,240	(52,487,753)	(15,655,813)	(15,109,112)
Profit / (Loss) for the period	192,472,242	(66,637,286)	35,786,688	(11,216,274)
Profit / (Loss) attributable to:				
Owners of the Holding Company	192,718,256	(66,074,224)	35,786,688	(11,159,876)
Non-controlling interest	(246,014)	(563,062)	-	(56,398)
	192,472,242	(66,637,286)	35,786,688	(11,216,274)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	192,472,242	(66,637,286)	35,786,688	(11,216,274)
Attributable to:				
Owners of the Holding Company	192,718,256	(66,074,224)	35,786,688	(11,159,876)
Non-controlling interest	(246,014)	(563,062)	-	(56,398)
	192,472,242	(66,637,286)	35,786,688	(11,216,274)
Earnings / (Loss) per share - Basic and diluted	1.36	(0.47)	0.25	(0.08)

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020

	Attributable to the owners of the Holding Company					Non-controlling interest	Total equity		
	Capital Reserves		Revenue reserve						
	Issued subscribed and paid-up capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Total				
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Balance as on 01 July 2018 - Audited	1,182,500,000	2,231,665,370	1,078,519,283	637,429,084	5,130,113,737	168,026,167	5,298,139,904		
Total comprehensive loss for the period	-	-	-	(66,637,286)	(66,637,286)	(563,062)	(67,200,348)		
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(14,931,794)	14,931,794	-	-	-		
 Transaction with owners of the Company									
Bonus shares issued	236,500,000	(236,500,000)	-	-	-	-	-		
Expenses incurred on issuance of bonus shares	-	(376,317)	-	-	(376,317)	-	(376,317)		
	236,500,000	(236,876,317)	-	-	(376,317)	-	(376,317)		
Balance as on 31 March 2019 - Un-audited	1,419,000,000	1,994,789,053	1,063,587,489	585,723,592	5,063,100,134	167,463,105	5,230,563,239		
Balance as on 01 July 2019 - Audited	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 profit for the period	-	-	-	192,718,256	192,718,256	(246,014)	192,472,242		
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the period - net of tax	-	-	(36,242,549)	36,242,549	-	-	-		
Balance as on 31 March 2020 - Un-audited	1,419,000,000	1,994,789,057	1,807,485,757	557,300,281	5,778,575,095	166,824,399	5,945,399,494		

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020

		31 March 2020	31 March 2019
CASH FLOWS FROM OPERATING ACTIVITIES	Note	Rupees	Rupees
Cash used in operations	13	267,640,058	(51,237,951)
Finance costs paid		(178,667,301)	(101,396,710)
Taxes paid		(38,148,678)	(48,060,125)
Gratuity paid		(6,929,908)	(9,342,302)
Accumulated absences paid		(273,464)	(1,225,358)
Net increase in long term deposits		(2,340,770)	1,639,078
		(226,360,121)	(158,385,417)
Net cash flows used in operating activities		41,279,937	(209,623,368)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(59,068,365)	(99,654,082)
Proceeds from disposal of property, plant and equipment		-	6,250,000
Profit on bank deposits received		76,438,690	110,519,583
Net cash flows generated from investing activities		17,370,325	17,115,501
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		(250,599,963)	(105,500,046)
Repayment of supplier's credit		(51,208,427)	(74,767,650)
Expenses incurred on issuance of bonus shares		-	-
Dividend paid		(12,113)	(81,640)
Proceeds from short term finances - net		(40,474,792)	4,421,805
Repayment of finance lease liabilities		(11,297,456)	(12,082,086)
Net cash flows used in financing activities		(353,592,751)	(188,009,617)
Net decrease in cash and cash equivalents		(294,942,489)	(380,517,484)
Cash and cash equivalents at the beginning of the period		696,793,840	1,277,734,079
Cash and cash equivalents at the end of the period		401,851,351	897,216,595

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

ROSHAN PACKAGES LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2020

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".

ROSHAN PACKAGES LIMITED

The Holding Company Roshan Packages Limited ("the Company") was incorporated in Pakistan as a private company limited by shares on 13 August 2002 under the Companies 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.

ROSHAN SUN TAO PAPER MILLS (PRIVATE) LIMITED

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

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

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 Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.

2 STATEMENT OF COMPLIANCE

- 2.1** 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 which comprise of International Accounting Standards (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act.

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

- 2.2** These consolidated condensed interim financial statements are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act").
- 2.3** 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 2019.
- 2.4** These consolidated condensed interim financial statements comprise of condensed interim statement of financial position as at 31 March 2020, condensed interim statement of profit and loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the nine months period then ended. These condensed interim consolidated financial statements also include condensed interim profit or loss and other comprehensive income for the quarter ended 31 March 2020.
- 2.5** 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 2019, whereas comparative consolidated condensed interim statement of profit or loss and 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 nine month period ended 31 March 2019.

3 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

- 3.1** The accounting policies and method of computation adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2019, except for the adoption of new standards effective as of 01 July 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The spread of novel coronavirus (COVID-19), results in worldwide humanitarian and economic crisis. It is affecting economies, supply chains, production lines and equity markets, impacting every country, industry, business and life. The impact of this virus is proved to be devastating for many organizations, it is also providing opportunities to some businesses i.e. food, medicine, e-commerce and their supply chains. Being an important player in the supply chain of these industries, the Packaging Industry is among those which remains favorable and has been allowed to operate by the Government during this nationwide lockdown. Owing to these positive changes and favorable conditions, management of the Company is very optimistic about future of the Company under such socio-economic situation. Therefore, the financial statements of the Company have been prepared under Going Concern assumption as the current situation does not have material impact on the Company's operations or financial position.

Last year, the SECP had notified vide its S.R.O 299 (I)/2019 that the effective date for the applicability of IFRS 9 'Financial Instruments' would be for the reporting period/year ending on or after year ending June, 30 2019. Accordingly, the Group had not applied IFRS 9 while preparing condensed interim financial statements for the half year ended 31 March 2019.

As at 30 June 2019, the Group had applied IFRS 9 and the expected credit loss against financial assets had been recorded accordingly. The Group has also made assessment of the expected credit losses for the current period. Further, no adjustment has been made in the corresponding figures relating to the period ended 31 March 2019.

3.2 Standards, Interpretations and Amendments to Published Approved Accounting Standards that became Effective during the Period

The Group has adopted the following revised standard, amendments and interpretation of International Financial Reporting Standards (IFRS) which became effective for the current period:

Standard or Interpretation

IFRS 16 – Leases

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

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

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRS 11 - Joint Arrangements - Previously held interests in a joint operation - (AIP)

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization

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

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IFRS - 14 - Regulatory Deferral Accounts

The adoption of these standards did not have any material impact on these consolidated condensed interim financial statements except for IFRS 16 as explained below:

3.2.1 IFRS 16 - Leases

During the current year, the Group has adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group has lease contracts for its vehicles and head office building. Before the adoption of IFRS 16, the Group classified its vehicles (as lessee) as finance lease as per IAS-17. In a finance lease, the leased assets were capitalized and the present value of lease payments were recognized as lease liability. Leased assets were depreciated according to IAS-16 "Property, Plant and Equipment" and lease liability was reduced with the payment of rentals. Further, lease arrangements of head office building were classified as operating lease against which rentals paid were expensed out

to the statement of profit or loss.

Upon adoption of IFRS 16, the Group initially recognized a lease liability for the obligation to make lease payments and a right-of-use (ROU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The right-of-use asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs. As on 01 July 2019, the Group recorded lease liabilities and related right of use assets at present value of future cash flows. Therefore, there is no impact on opening unappropriated profit of the Group due to adoption of IFRS 16.

The effect of adoption of IFRS 16 as at 1 July 2019 (increase / (decrease)) is as follows:

	01 July 2019 Rupees
Assets	
Right of use assets	54,325,351
Property, plant and equipment	(27,094,172)
Liabilities	
Lease liabilities	54,325,351

Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing at each reporting date.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

To calculate the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

Significant judgement in determining the lease term of contracts with renewal options

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

The Group has the option, under some of its leases to lease the assets for additional terms of five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew for one more term. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group has included the renewal period as part of the lease term for leases of head office building due to the significance of these assets to its operations.

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

Standard	Effective date (Annual Periods Beginning or after)
IFRS 1 - First time adoption of IFRS 1	1 July 2019
IFRS 17 – Insurance Contracts	1 January 2021

4 USE OF JUDGMENTS AND ESTIMATES

The preparation of the 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 the consolidated condensed interim financial statements, the significant judgements made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual consolidated financial statements of the Group for the year ended 30 June 2019, except some additional judgements disclosed in Note 3.2.1.

5 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited)	(Audited)
		31 March 2020	30 June 2019
		Rupees	Rupees
Operating fixed assets	5.1	4,628,626,878	4,719,991,918
Capital work in progress (CWIP)		407,534,755	387,425,967
		5,036,161,633	5,107,417,885

- 5.1 These include the cost of operating assets that have been added during the nine months period ended 31 March 2020. The movement in net book value of operating fixed assets during the period / year is follows:

	Note	(Un-audited)	(Audited)
		31 March 2020	30 June 2019
		Rupees	Rupees
Opening net book value		4,719,991,918	3,626,574,039
Transfer to right of use assets on 01 July 2019		(27,094,172)	-
Additions / transfer from CWIP and assets subject to finance lease during the period / year:			
Buildings on freehold land - owned		409,021	41,804,962
Plant and machinery - owned		35,609,478	84,319,687
Electric installations - owned		171,499	36,548,109
Vehicles - leased		-	12,169,000
Furniture and fixture - owned		351,200	675,116
Office equipment - owned		2,418,379	6,024,568
		38,959,577	181,541,442
Disposals / transfer during the period / year - net book value		-	(2,443,062)
Revaluation surplus arising during the period / year		-	1,055,284,567
Less: Depreciation charge for the period / year		(103,230,445)	(140,965,068)
Closing net book value		4,628,626,878	4,719,991,918

		Note	(Un-audited) 31 March 2020	(Audited) 30 June 2019
			Rupees	Rupees
6	RIGHT OF USE ASSETS			
Opening net book value			-	-
Transfer from property, plant and equipment on 01 July 2019			27,094,172	
Additions during the period / year:				
Building			27,231,179	-
Vehicle			3,130,000	-
			30,361,179	-
Disposals / transfer to fixed assets			-	-
Less: Depreciation charge for the period / year			(7,984,286)	-
Closing net book value			49,471.065	-
7	LONG TERM LOAN - UNSECURED			
Loan to associated undertaking - Roshan Enterprises	7.1		145,625,809	132,838,400
			145,625,809	132,838,400
7.1	The loan carries markup at the rate of 1-Year KIBOR+2% (30 June 2019: KIBOR+2%). The principal and markup shall be received in two equal installments commencing from the effective date of loan. Movement during the period / year is as follows:			
Opening balance			132,838,400	122,722,688
Markup accrued during the period / year			12,787,409	10,115,712
Closing balance			145,625,809	132,838,400
8	STOCK-IN-TRADE			
Raw materials			611,903,337	693,322,162
Work-in-process			-	-
Finished goods			2,512,412	16,264,405
			614,415,749	709,586,567

9 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

(Un-audited) 31 March 2020 (Number of shares)	(Audited) 30 June 2019		Note	(Un-audited) 31 March 2020 Rupees	(Audited) 30 June 2019 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	9.1	51,030,000	51,030,000
5,103,000	5,103,000			1,419,000,000	1,419,000,000
141,900,000	141,900,000				

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

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no material change in the contingencies since the date of preceding published annual financial statements.

10.2 Commitments in respect of:

- a) Contracts for capital expenditure amounting to Rs. 43.52 million (30 June 2019: Rs. 37.92)
- b) Letters of credit and contracts other than for capital expenditure amounting to Rs. 95.91 million (30 June 2019: Rs. 147.87 million).

10.3 Guarantee

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

- a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 25.07 million (30 June 2019: Rs. 25.29 million).
- b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 8 million (30 June 2019: Rs. 8 million).

11 REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue from contracts with customers is disaggregated by timing of revenue recognition.

	Note	31 March 2020 Rupees	31 March 2019 Rupees
Major product lines:			
- Made-to-order products		3,487,606,836	3,764,222,310
- Standard packaging products		454,703,026	435,383,264
		3,942,309,862	4,199,605,574
Timing of revenue recognition:			
- Products transferred over time		3,487,606,836	3,764,222,310
- Products transferred at a point in time		454,703,026	435,383,264
Revenue from contracts with customers		3,942,309,862	4,199,605,574

12 COST OF REVENUE

	Nine months period ended		Three months period ended	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	31 March 2020 Rupees	31 March 2019 Rupees	31 March 2020 Rupees	31 March 2019 Rupees
Raw materials consumed	2,912,310,476	3,359,951,294	1,048,914,084	1,134,848,169
Carriage inward expenses	2,295,919	2,172,184	994,891	702,299
Packing material consumed	12,681,173	16,049,199	4,510,126	4,451,494
Production supplies	67,963,727	67,033,397	21,550,865	24,527,396
Fuel and power	170,625,212	143,964,677	56,358,832	48,772,642
Salaries, wages and other benefits	166,670,671	179,461,156	57,715,528	59,933,885
Repairs and maintenance	27,460,747	51,685,312	9,021,500	17,257,850
Printing and stationery	462,542	726,828	162,025	310,053
Insurance	3,949,834	5,714,921	1,345,689	2,232,089
Rent	997,833	762,699	376,814	113,400
Travelling and conveyance	19,185,482	18,337,882	5,696,466	6,932,698
Communication expenses	745,682	845,572	317,180	351,135
Vehicle running expenses	3,035,738	2,238,583	1,547,475	618,605
Depreciation on operating fixed assets	100,444,719	93,574,472	34,055,626	32,003,615
Depreciation on right of use asset / assets subject to finance lease	1,933,313	1,401,291	713,992	514,808
Others	12,809,045	10,170,858	2,961,543	3,462,462
	3,503,572,113	3,954,090,325	1,246,242,636	1,337,032,600
Opening work-in-process	-	20,776,488	-	65,443,612
Closing work-in-process	-	(40,116,936)	-	(40,116,936)
	-	(19,340,448)	-	25,326,676
Cost of goods manufactured	3,503,572,113	3,934,749,877	1,246,242,636	1,362,359,276
Opening stock of finished goods	16,264,405	41,789,793	10,257,031	36,357,330
Closing stock of finished goods	(2,512,412)	(42,342,295)	(2,512,412)	(42,342,295)
	13,751,993	(552,502)	7,744,619	(5,984,965)
	3,517,324,106	3,934,197,375	1,253,987,255	1,356,374,311

	(Un-audited) 31 March 2020 Rupees	(Un-audited) 31 March 2019 Rupees
13 CASH USED IN OPERATIONS		
Profit / (Loss) before taxation	116,294,002	(14,149,533)
Adjustment for non-cash charges and other items:		
Depreciation	111,214,731	96,857,231
Markup on loans	(12,787,409)	(14,042,514)
Finance costs	178,920,306	130,371,230
Provision for gratuity	13,564,995	14,028,622
Worker's Welfare Fund	2,578,948	-
Profit on bank deposits	(82,674,033)	(91,218,385)
Amortization of intangibles	1,063,272	906,023
Worker's Profit Participation Fund	7,959,955	-
Exchange (gain) / loss	(1,917,406)	41,725,011
Gain on disposal of property, plant and equipment	-	(5,195,860)
Provision for accumulating compensated absences	2,179,874	2,298,843
Profit before working capital changes	336,397,235	161,580,668
Effect on cash flow due to working capital changes:		
- Increase in stores and spare parts	(4,363,807)	(8,469,232)
- Decrease / (increase) in stock-in-trade	95,170,818	(110,309,812)
- Increase in trade debts	(53,077,536)	(517,045,012)
- Increase in contract assets	(43,729,479)	-
- Increase in advances, deposits, prepayments and other receivables	36,977,465	(48,454,037)
- Increase in contract liabilities	8,031,300	-
- (Decrease) / increase in trade and other payables	(107,765,938)	471,459,474
	(68,757,177)	(212,818,619)
	267,640,058	(51,237,951)

14 TRANSACTIONS WITH RELATED PARTIES

The related parties include the associated undertakings, 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 is as follows:

Name of related party	Relationship with the Company	Nature of transaction	Nine months period ended		Three months period ended	
			31 March 2020 (Un-audited)	31 March 2019 (Un-audited)	31 March 2020 (Un-audited)	31 March 2019 (Un-audited)
			Rupees	Rupees	Rupees	Rupees
Tayyab Aijaz	26.84% shareholding in the Company	Bonus shares issued	-	63,476,600	-	-
Zaki Aijaz	11.86% shareholding in the Company	Bonus shares issued	-	28,048,900	-	-
Saadat Ejaz	11.86% shareholding in the Company	Bonus shares issued	-	28,048,900	-	-
Khalid Ejaz	14.65% shareholding in the Company	Bonus shares issued	-	34,647,250	-	-
Quasim Aijaz	2.96% shareholding in the Company	Bonus shares issued	-	7,000,400	-	-
Associated Company	Common directorship	Sales	12,417,350	11,206,240	9,373,137	5,452,412
		Markup	12,787,409	6,759,447	4,684,938	4,116,975

15 FINANCIAL RISK MANAGEMENT

15.1 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 supplier's credit, 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 subsidiary, prepayments, deposits and other receivables, trade debts, short term loan, 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 2019.

15.2 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

31 March 2020		
Cash and cash equivalents	Amortized Cost	Total
Rupees		

Financial assets as per statement of financial position

Long term loan - unsecured	-	145,625,809	145,625,809
Long term deposits	-	18,594,493	18,594,493
Trade debts - unsecured	-	1,322,582,884	1,322,582,884
Deposits and other receivables	-	35,789,337	35,789,337
Cash and bank balances	<u>729,626,724</u>	-	<u>729,626,724</u>
Total	<u>729,626,724</u>	<u>1,522,592,523</u>	<u>2,252,219,247</u>

30 June 2019		
Cash and cash equivalents	Amortized Cost	Total
Rupees		

Financial assets as per statement of financial position

Long term loan - unsecured	-	132,838,400	132,838,400
Long term deposits	-	16,253,723	16,253,723
Trade debts - unsecured	-	1,269,505,348	1,269,505,348
Deposits and other receivables	-	31,024,728	31,024,728
Cash and bank balances	<u>1,138,675,457</u>	-	<u>1,138,675,457</u>
Total	<u>1,138,675,457</u>	<u>1,449,622,199</u>	<u>2,588,297,656</u>

	Amortized Cost
Financial liabilities as per statement of financial position	
31 March 2020	
Lease liabilities	41,471,866
Long term finances	80,812,500
Supplier's credit	192,457,139
Short term borrowings	1,198,533,286
Trade and other payables	872,570,842
Unclaimed dividend	788,056
Accrued finance cost	<u>34,684,611</u>
	<u><u>2,421,318,300</u></u>

Financial liabilities as per statement of financial position

30 June 2019

Lease liabilities	19,764,577
Long term finances	331,412,463
Supplier's credit	248,226,538
Short term borrowings	1,353,114,322
Trade and other payables	986,314,267
Unclaimed dividend	800,169
Accrued finance cost	<u>34,431,606</u>
	<u><u>2,974,063,942</u></u>

15.3 Fair values of non-financial assets and liabilities

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair values are determined on the basis of objective evidence at each reporting date.

Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is determined on the basis of objective evidence at each reporting date.

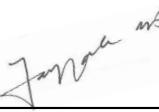
16 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on 27-Apr-2020 by the Board of Directors of the Group.

17 GENERAL

17.1 Figures have been rounded off to the nearest Rupees.

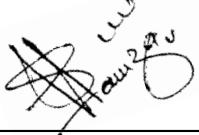
17.2 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangement or reclassification has been made during the nine months period ended 31 March 2020.



Chief Executive Officer



Director



Chief Financial Officer