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

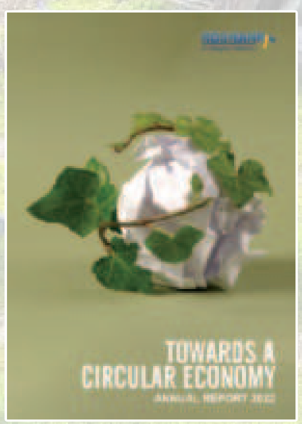
roshanpackagesltd RoshanPackages.LTD Roshan Packages Limited

ROSHAN
Packages Limited.

TOWARDS A CIRCULAR ECONOMY

ANNUAL REPORT 2022

In the linear economy, raw natural resources are taken, transformed into products and disposed off. On the other hand, a circular economy model aims to close the gap between the production and the natural ecosystems' cycles, ultimately eliminating 'waste'. Companies cannot create a circular economy on their own, and our stakeholders have an important role to play. We hope that along with our stakeholders, we can participate in this program in order to re-use, reduce and recycle, ultimately playing our part in fighting against climate change.



About This Report

Contents: This Report contains relevant background information about Roshan Packages Limited, and presents a comprehensive review of the Company's performance during the FY 2021-22, and its future plans. The financial data and figures are complemented by graphs, charts, and analyses to provide data visualization and necessary explanations. The write-ups capture the important aspects of the Company's operations in narrative form. The topics covered and where to find them in the Report have been provided on the next page.

Scope and Boundary: The Report covers the period from July 01, 2021 to June 30, 2022. However, subsequent events and developments up to the date of printing of the Report have been included, where relevant, to keep the information up-to-date. Financial analyses and reviews are based on the financial information contained in the approved Audited Financial Statements for the year ended June 30, 2022, with relevant comparative information. The Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Additional data and information have been included in line with the best corporate reports criteria prescribed by the Joint Committee of The Institute of Chartered Accountants of Pakistan / Institute of Cost and Management Accountants of Pakistan and the Pakistan Stock Exchange. The information contained in the forward looking statements is valid only till the date of publication of this Report. There have not been any significant changes to the scope, boundary and reporting basis since the last reporting date.

External Assurances/Reviews: The Financial Statements have been audited and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019, has been reviewed by the Company's statutory auditors M/s. EY Ford Rhodes, Chartered Accountants, and their reports are a part of this Annual Report.

Disclaimer: All forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Forward looking statements should not be relied upon for making investment or other decisions as the statements reflect conditions only as of the date they were made.

Towards A Circular Economy

Conscious of our contribution to society and the environment, we seek to continually expand our horizons while keeping sustainability and diversity at the heart of our efforts.

Our cover, a crumpled piece of paper surrounded by lush leaves, represents the importance that we as a company place on waste as a solution to climate degradation. In particular, we believe in reusing and recycling waste paper and paper products to create packaging solutions following the principles of a Green Circular Economy.

Pulp and paper is the 3rd largest industrial polluter of air, water and soil and when it rots, it emits methane gas which is 25 times more toxic than CO2. Moreover, 42% of all global wood harvest is used to make paper i.e. paper production is one of the main causes of deforestation. Worse of all, demand for paper is expected to double before 2030.

However, the solution is simple and has been available for decades: recycling. Recycling 1 tonne of paper saves around 1400 liters of oil, 26,500 liters of water and 17 trees as well combating pollution and climate change caused by deforestation. In an effort to highlight this solution and the importance RPL places on it, we have chosen this simple yet effective image to represent us this year.

As the climate crisis deepens, we must all, as consumers, producers and individuals, play our part. As companies set ambitious goals to use more recycled content in their packaging, there is more need than ever for partnerships and investments. Together, we must develop the infrastructure and processes that allow us to recover high-quality material that can be used for recycled packaging, since Pakistan in particular lags behind the world.

Roshan Sun Tao Paper Mills (Pvt) Ltd (RSTPML), a subsidiary of Roshan Packages Limited, is set to become one of the largest recycling paper mills in Pakistan and aims to actively drive the changes needed to transform the Pakistani recycling system and move towards a circular economy. At RSTPML, we aim to collect waste from large companies and supply chains and re-use it to make recycled paper and ultimately recycled packaging, offering clean, green and innovative packaging solutions to our customers.

In the linear economy, raw natural resources are taken, transformed into products and disposed off. On the other hand, a circular economy model aims to close the gap between the production and the natural ecosystems' cycles, ultimately eliminating 'waste'. Companies cannot create a circular economy on their own, and our stakeholders have an important role to play.

We hope that along with our stakeholders, we can participate in this program in order to re-use, reduce and recycle, ultimately playing our part in fighting against climate change.

Our strategy to make this a reality is closed-loop recycling model: a process where waste is collected, recycled and then used again to make the same product it came from.

To stretch the use of recovered paper as a raw material in papermaking, it is imperative that paper is source segregated and collected from reliable sources. This means that every source

plays a crucial part in the paper recycling and paper making process's success and to achieve high recovery percentages of paper.

Through our collaboration, we hope that the used corrugated boxes we collect from supply chains, will be recycled and turned into new corrugated boxes in our packaging division, creating a real closed-loop solution for our customers.

As one of the leading packaging companies in Pakistan, with over 20 years of experience in recycling and waste management, we will try our best to find a way to make 100% of the resources you send us into something useful once more. Thus, reducing waste sent to landfill and reducing company's impact on the environment.

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CORPORATE PROFILE

At A Glance

NET REVENUE RS. IN MILLION	2022 : 8,866	2021 : 6,996
GROSS PROFIT RS. IN MILLION	2022 : 915	2021 : 883
PBT RS. IN MILLION	2022 : 262	2021 : 468
PAT RS. IN MILLION	2022 : 265	2021 : 346
EBIT RS. IN MILLION	2022 : 429	2021 : 580
EBITDA RS. IN MILLION	2022 : 615	2021 : 737
EPS RS. PER SHARE	2022 : 1.87	2021 : 2.44
TOTAL EQUITY RS. IN MILLION	2022 : 7,245	2021 : 6,064
CURRENT RATIO RATIO	2022 : 1.62	2021 : 1.67
QUICK RATIO RATIO	2022 : 1.21	2021 : 1.33

Company Story

In 2002, Roshan Packages Limited installed the first of its kind corrugated box plant in Lahore. Our founders who were exporting fresh fruits and vegetables through Roshan Enterprises, observed that fruit was being wasted and damaged in the supply chain due to unhygienic wooden packaging. This was also the major factor behind limited export of Pakistani fruits globally and compelled farmers and exporters to accept low prices.

Our aim was to provide the farmers and growers of Pakistan and its surrounding regions with a trusted packaging partner who understood their needs. We worked to ensure the safety of the produce through quality and innovation and designed our boxes to attract consumers. Our corrugated boxes are specifically made to preserve the freshness of fruits and vegetables and increase their shelf life.
Roshan Packages Limited continued its journey of excellence by offering international standard packaging and continued to innovate and expand to become one of the leading packaging solution providers in Pakistan. Our state of the art corrugation and flexible manufacturing facilities cater to a wide array of packaging needs across industries.

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

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

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

Geographical Presence

Head Office:
325 G-III, M.A Johar Town, Lahore.

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

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

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

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

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

Our Legacy

1960

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

1970

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

1989

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

2000

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

2002

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

2010

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

2011

Roshan Packages Limited expanded into the packaging industry by investing in a European Flexible plant that caters to the FMCG sector.

2016

Roshan Packages Limited inaugurated a large-scale Extrusion Plant and a Rotogravure machine from Windmoller and Holscher.

2017

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

2018

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

2019

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

2020

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

2021

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

2022

Roshan Packages Limited joins Alibaba, setting its sights towards the global market.

Our Strategy

VISION

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

MISSION

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

CORE VALUES

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

Our Differentiation

SUSTAINABILITY

Sustainability is a part of our DNA. Our operations comply with international environmental protection standards and our processes focus on recycling.

QUALITY

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

INNOVATION

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

CUSTOMER SERVICE

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

ACCESS

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

Major Products
Flexible Packaging

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

Our Flexible Packaging product range includes:

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

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

Our Co-extruded Product range includes:

- High Oxygen Barrier Transparent Film with Nylon for Edible Oil, Cheese, Yeast.
- White Opaque Films for Detergent powder with high moisture barrier.
- Transparent Film for the laminate of Rice, Flour, Powder, Spices.
- White Opaque Film for diaper back sheet.
- Transparent and White Opaque Film for the laminates of hot filling liquid and past.
- High Oxygen and Moisture Barrier Film with EVOH for UHT milk, processed meat.

Major Products
Corrugated Packaging

Our European corrugated plant caters to all kinds of corrugated packaging needs.

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

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

We offer:

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

The Changing Consumer World

Supporting Startups and Small Businesses.
Roshpack prides itself in supporting small businesses and startups. Our Packaging Experts take great pains to find the right solution for first time business owners- no matter what the order size is. This year we designed packaging for a teenager starting his own green business, stay at home moms making resin art pieces and startups revolutionizing the tech industry. We were able to keep our prices to a break even and used leftover sheets from other projects to further push the prices down as well as meeting smaller order quantities.

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

Scan the QR Code to visit our website

About RoshPack

No order is too small. No customization is impossible.
At RoshPack, we've combined the best of both worlds: a startup culture backed by the resources of one of Pakistan's leading packaging companies. It is the first online packaging platform in Pakistan that provides customers with high quality and convenient packaging at their doorsteps.
RoshPack provides high quality packaging to SMEs, startups, restaurants, home businesses and retailers in Pakistan and abroad.

Our Products Fall Into 3 Main Categories

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

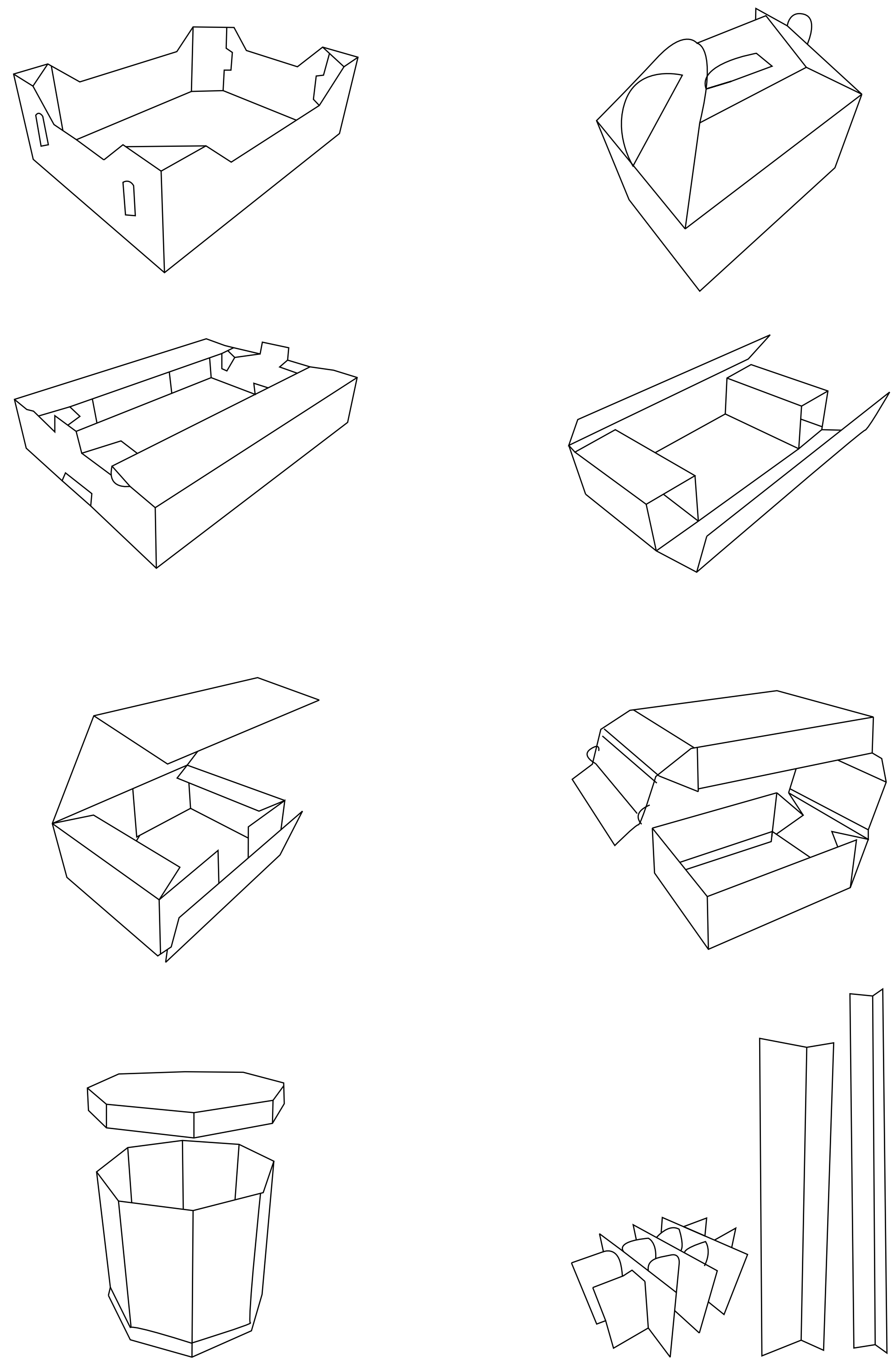
Semi-Customised.

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

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

Packaging Made Convenient

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



Making Products Circular

Our Research and Design Department along with Roshpack have been working on finding sustainable solutions to everyday products. Some of the products are pictured below and include: phone holder, file organisers, desk organisers and drink carriers.

**By using our circular designs,
Pakistan is shifting to sustainable alternatives.**

Vision of Quality & Innovation

**At Roshan, quality is our main differentiator. We focus on quality in order to provide you with strong, innovative and eco-friendly packaging products.
We work with some of the world's most visible and iconic brands. Our job is to add value to their products by making them attractive to customers thus allowing them to be sold at a premium price.**

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

Bursting Strength Test

Edge Crush Test 2 Single

Water Resistance of the Gluing

Cobb Sizing Tester

Paper Grammage and Thickness

Box Compression Test

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

Awards & Achievements

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

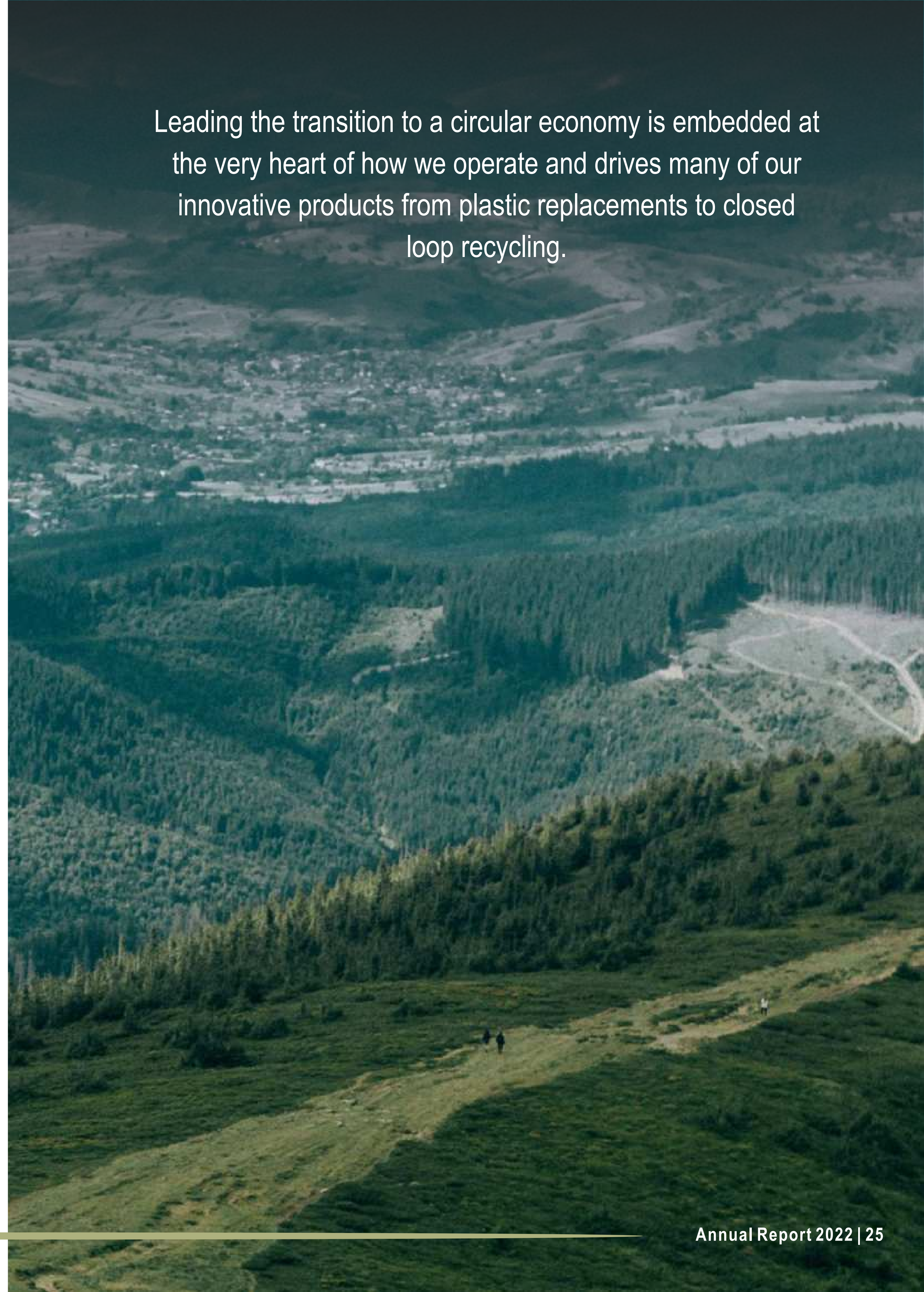
These are not simple awards for us. They are a testament to the passion and hard work of Team Roshan and a promise that the pursuit to quality and perfection at Roshan will only grow every year. Each one of these milestones inspires us to optimize our efforts for continued growth in the days ahead. Some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

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

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

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

SUSTAINABILITY REPORTING

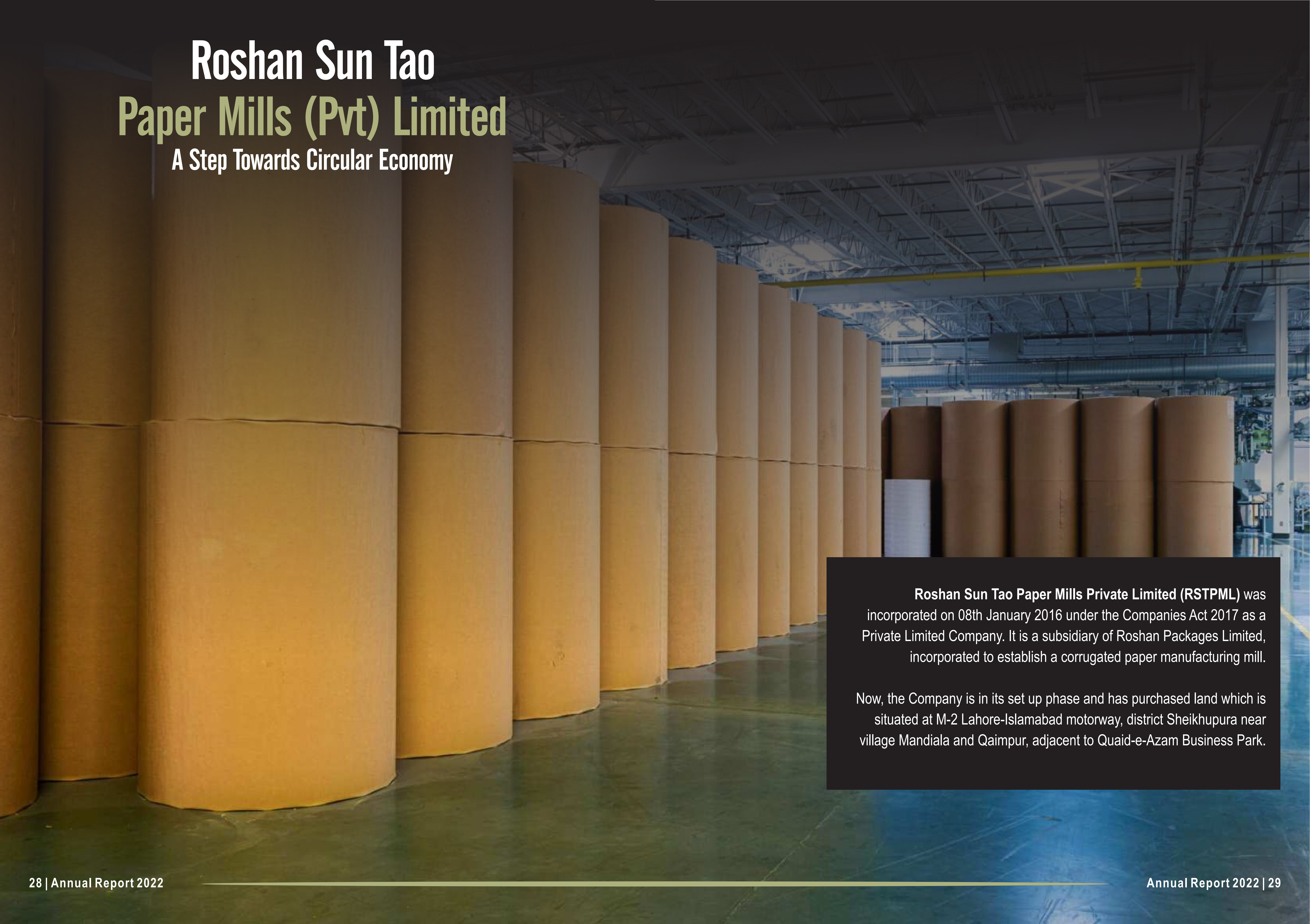


Leading the transition to a circular economy is embedded at the very heart of how we operate and drives many of our innovative products from plastic replacements to closed loop recycling.

Recycling Program & Circular Economy

Roshan Sun Tao Paper Mills, a subsidiary of **Roshan Packages Limited,** is set to become one of the largest recycling paper mills in Pakistan and is actively driving the changes needed to transform the Pakistani recycling system and move towards a circular economy.

Roshan Sun Tao Paper Mills is set to exemplify the synergy between growth & sustainability.

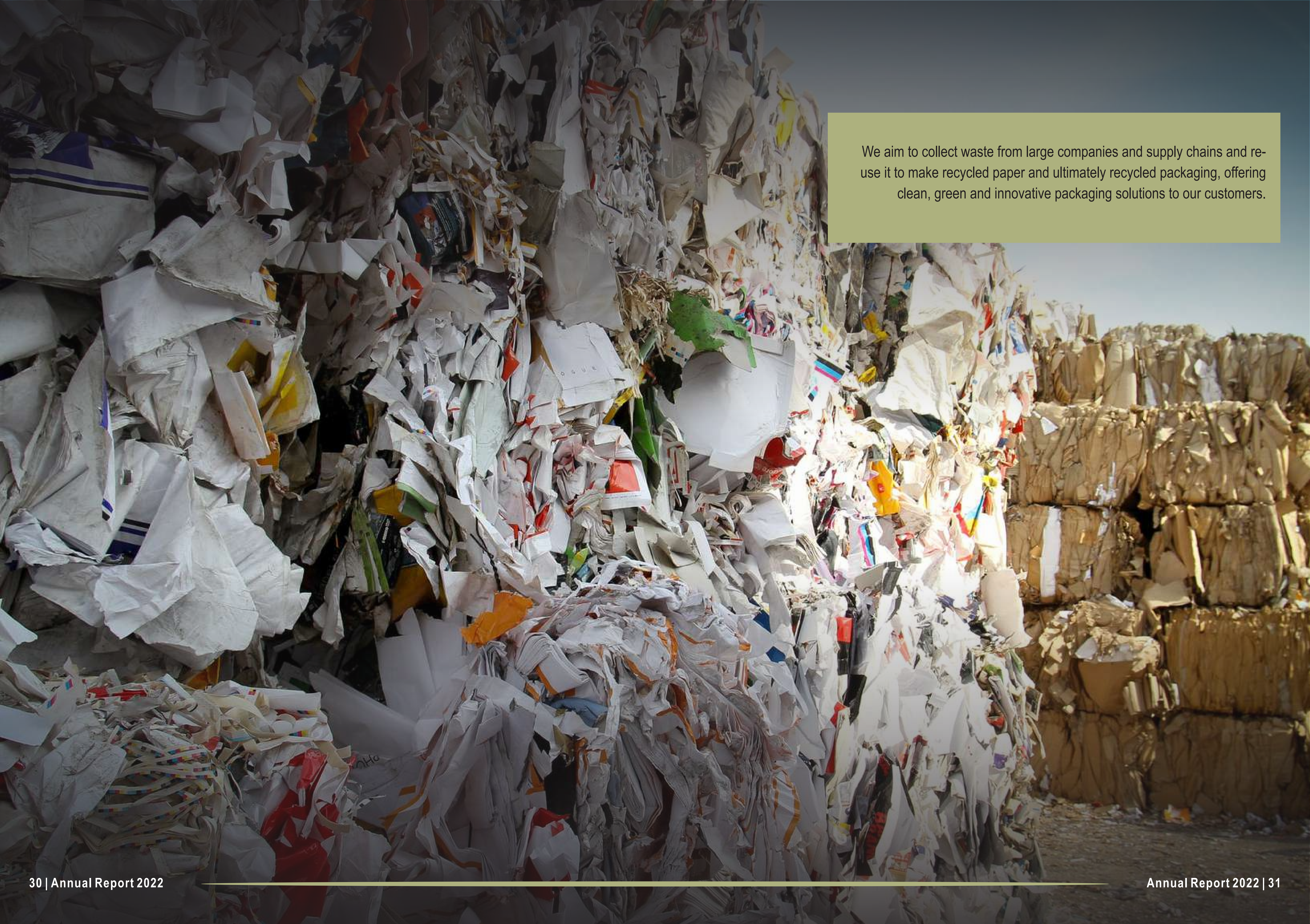


Roshan Sun Tao Paper Mills (Pvt) Limited

A Step Towards Circular Economy

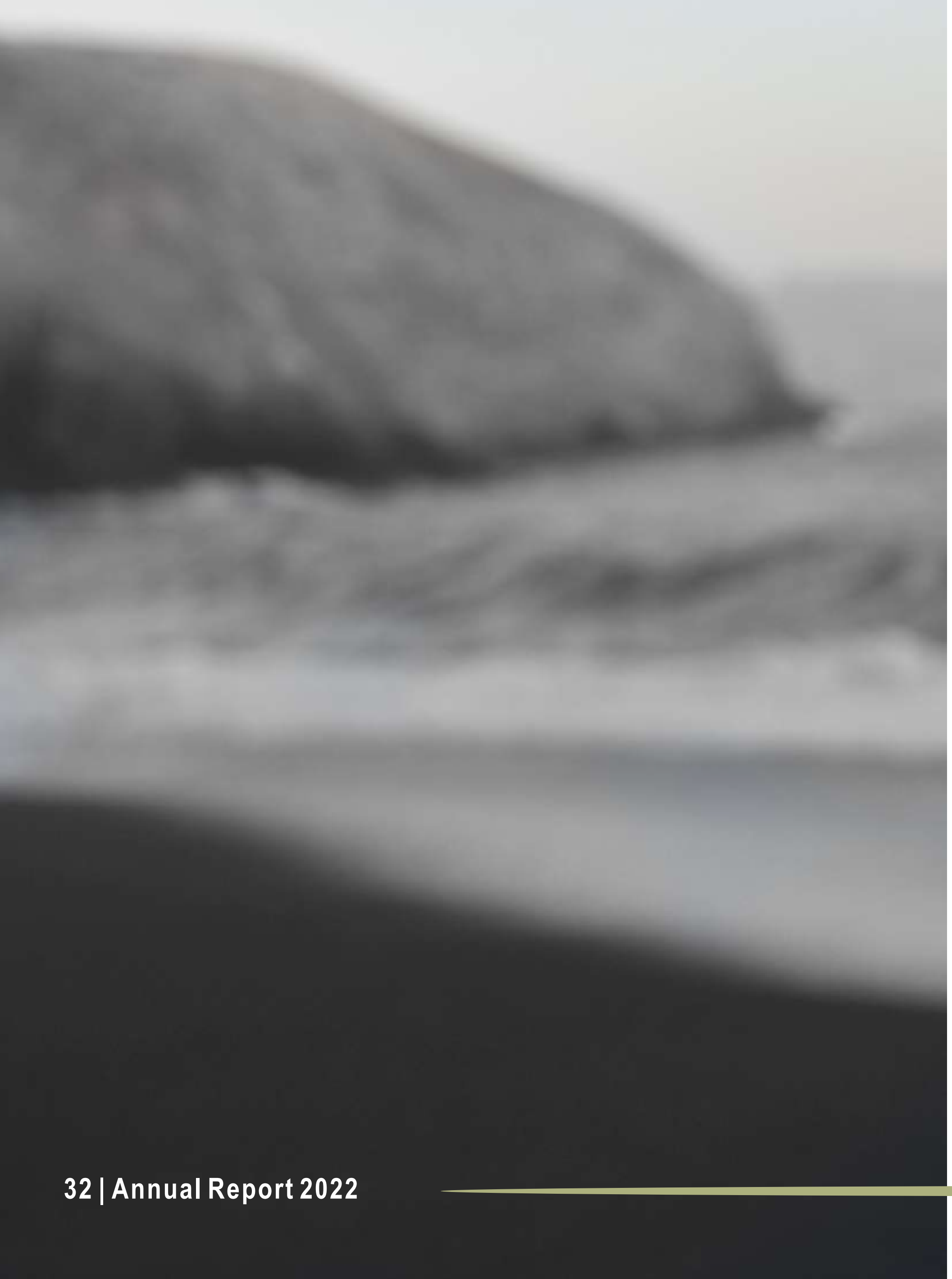
Roshan Sun Tao Paper Mills Private Limited (RSTPML) was incorporated on 08th January 2016 under the Companies Act 2017 as a Private Limited Company. It is a subsidiary of Roshan Packages Limited, incorporated to establish a corrugated paper manufacturing mill.

Now, the Company is in its set up phase and has purchased land which is situated at M-2 Lahore-Islamabad motorway, district Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Business Park.



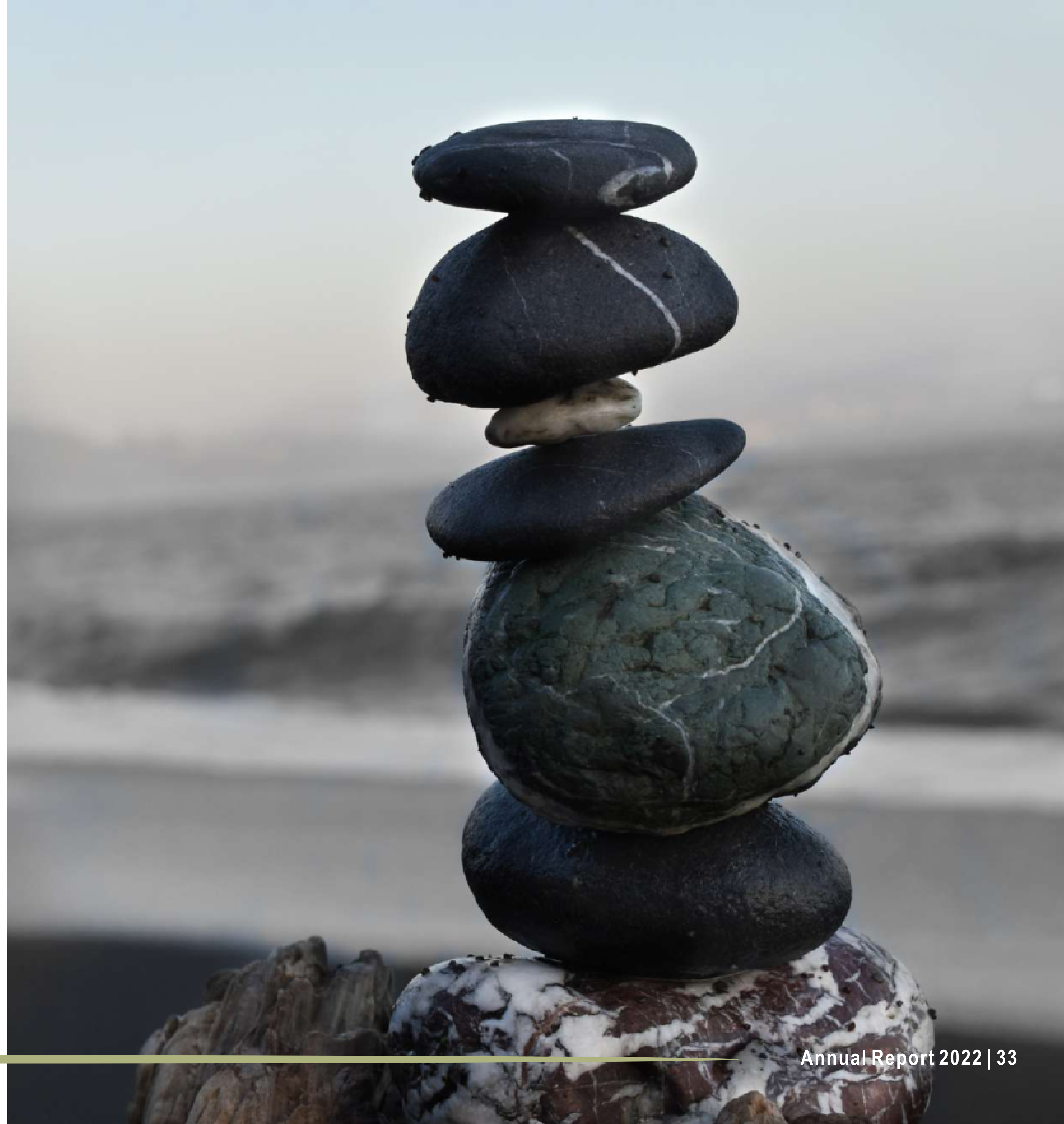
We aim to collect waste from large companies and supply chains and re-use it to make recycled paper and ultimately recycled packaging, offering clean, green and innovative packaging solutions to our customers.

CORPORATE GOVERNANCE & MANAGEMENT



Governance and Compliance Rooted in Our Values

RPL remains committed to the highest standards of Integrity and responsibility in all that it does. Our robust governance and compliance framework navigates us on our quest to be the best.



Roshan Packages Limited

Company Information

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

Board of Directors

Mr. Quasim Aijaz
Chairman

Mr. Tayyab Aijaz
Chief Executive Officer

Mr. Saadat Eijaz
Executive Director

Mr. Khalid Eijaz Qureshi
Non-Executive Director

Mr. Zaki Aijaz
Non-Executive Director

Ms. Ayesha Musaddaque Hamid
Independent/Non-Executive Director

Mr. Muhammad Naveed Tariq
Independent/Non-Executive Director

Company Secretary
Ms. Rabia Sharif

Chief Financial Officer (CFO)
Mr. Muhammad Adil

Tax Consultant
Zulfiqar Ahmad & Co

Website
www.roshanpackages.com.pk

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

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

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

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

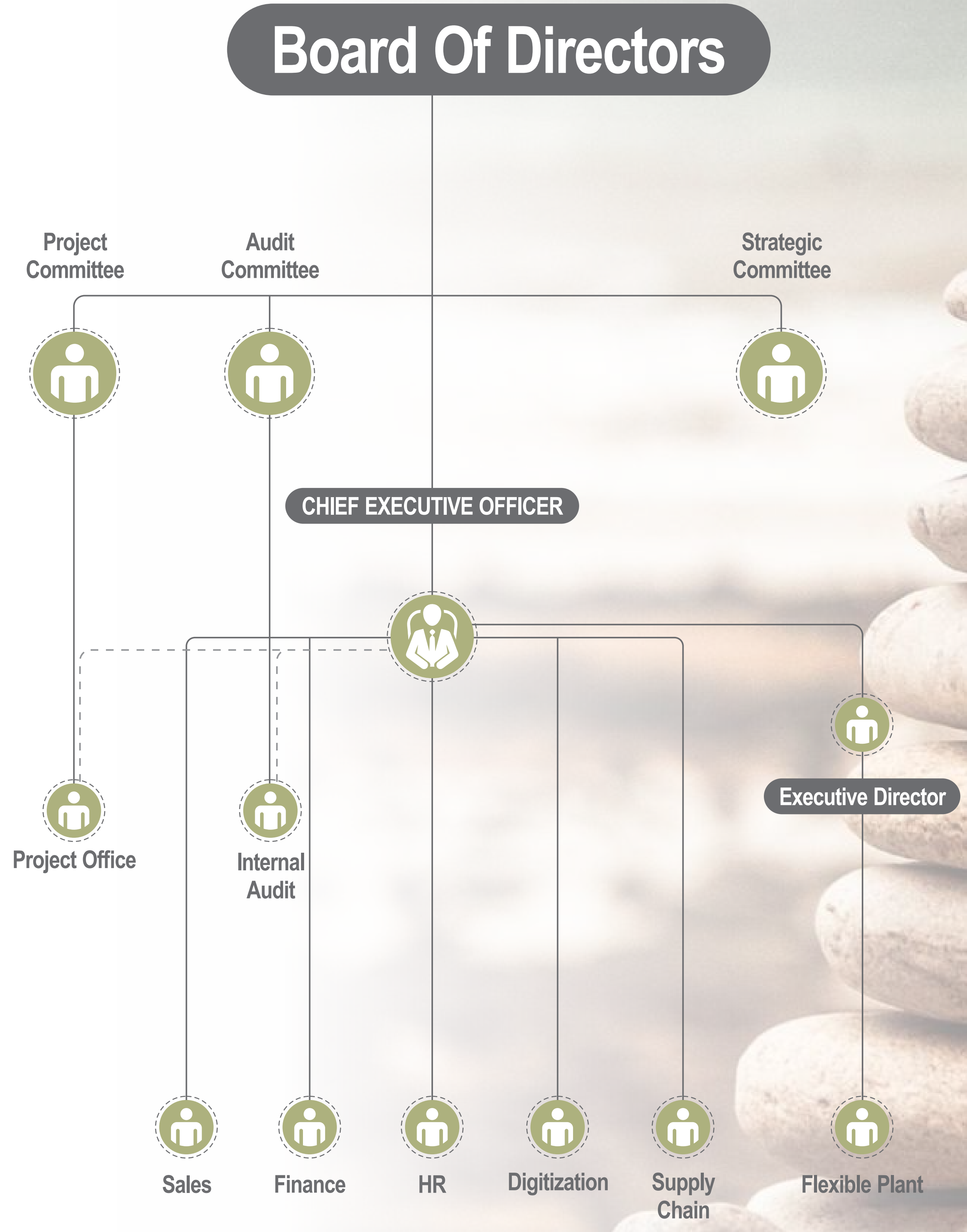
Statutory Auditor
EY Ford Rhodes, Chartered Accountants

Head of Internal Audit
Ms. Faiza Khalid

Legal Advisor
Zahid Irfan

Stock Symbol
RPL

Organogram



Directors' Profile

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

Quasim Aijaz

Chairman

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

Tayyab Aijaz

Chief Executive Officer

Mr. Khalid Eijaz Qureshi is a business graduate who started his professional career with Publishing. He has also acquired international certifications in various fields like Supply Chain Management, International Marketing & International Food Safety Management. He is also Director of Roshan Sun Tao Paper Mills & Chief Executive Officer of Roshan Enterprises. He is also a member of different organizations i.e. Karachi Chamber of Commerce, All Pakistan Fruits & Vegetables Merchant Association, Rotary International and Convener for the Agro Export Processing Zone.

Khalid Eijaz Qureshi

Non Executive Director

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

Saadat Eijaz

Executive Director

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

Zaki Aijaz

Non Executive Director

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

M. Naveed Tariq

Independent Non Executive Director.

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

Ayesha Musaddaque

Independent Non Executive Director

Board Committees

Audit Committee

Name	Designation
Ms. Ayesha Musaddaque Hamid	Chairman
Mr. Muhammad Naveed Tariq	Member
Mr. Khalid Eijaz Qureshi	Member
Mr. Quasim Aijaz	Member
Mr. Zaki Aijaz	Member

Project Committee

Name	Designation
Mr. Zaki Aijaz	Chairman
Mr. Tayyab Aijaz	Member
Mr. Saadat Eijaz	Member

Strategic Committee

Name	Designation
Mr. Tayyab Aijaz	Chairman
Mr. Saadat Eijaz	Member
Mr. Zaki Aijaz	Member

Audit Committee

The committee shall be responsible for:

1. Determination of appropriate measures to safeguard the company's assets.
2. Review of annual and interim financial statements of the company, prior to their approval by the board, focusing on,
   a. Major judgement areas;
   b. Significant adjustment resulting for the audit;
   c. Going concern assumption;
   d. Any changes in the accounting policies and practices;
   e. Compliance with applicable accounting standards;
   f. Compliance with these regulation and other statutory and regulatory requirement; and
   g. All related party transaction;
3. Review of preliminary announcements of the results prior to external communication and publication;
4. Facilitation the external audit and discussion with external auditors of major observation arising from interim and final audit and any matter that auditors may wish to highlight (in the absence of management, where necessary);
5. Review of management letter issued by external auditors and management response thereto;
6. Ensuring coordination between external and internal authors of the company;
7. Review the scope and extent of internal audit, audit plan, reporting framework and procedure and ensuring that the internal auditors function has adequate resources and in appropriately placed within the company;
8. Consideration of major finding of internal investigation of activities characterized by fraud, corruption and abuse of power and management's response thereto;
9. Ascertaining that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of purchase and sales, receipt and payments, asset and liabilities and the reporting structure are adequate and effective;
10. Review of the company's statement on internal control system prior to endorsement by the Board and internal audit reports

11. Instituting special projects, value of the money studies or other investigations on any matter specified by the board, in consultation with the chief executive officer and to consider remittance of any matter to the external auditor and to consider external body;
12. Determination of compliance with relevant statutory requirements;
13. Monitory compliance with these Regulation and identification of significant violations thereof
14. Review of arrangement of staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended Instituting remedial and mitigating measures;
15. Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any services permissible to be rendered to the company by the external auditors in additions to audit of its financial statements, measures for redressal and rectification of non-compliance with the regulations. The Board shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
16. Consideration of any other issue or matter as may be assigned by the Board;

Corporate Calendar

22nd September 2021	Board of Directors Meeting for Annual Results
27th October 2021	18th Annual General Meeting
29th October 2021	1st Quarter Board of Directors Meeting
25th November 2021	Corporate Briefing
1st March 2022	2nd Quarter Board of Directors Meeting
27th April 2022	3rd Quarter Board of Directors Meeting

Chairman Review Report

Despite continuing to operate in a Covid-19 environment at the beginning of the year and more recently dealing with the uncertainties brought on by the war in Russia and Ukraine and its effects on the macroeconomic climate, the business continued to perform well in FY 21–22. I am delighted with our performance, which has achieved through effective management of our supply chain, cost structure, and packaging prices to offset the dramatically rising input costs.

The preceding fiscal year has gotten off to a reasonable start despite the fact that the broader economic landscape was very unclear. Strong customer demand reinforces our confidence to invest in the business.

Growth combined with the benefits of ongoing pricing momentum and careful management of our cost base has given us confidence for the year ahead and is expected to result in a further substantial improvement in our performance.

The Board is responsible for overall management of the Company and carry out its fiduciary duties with sense of objective judgement in the best interest of the Company and its stake holders. The Board evaluate its own performance and of its committees in order to facilitate and enable the Board members to play an effective role as a coordinated team for the on-going success of the company.

The Board ensured that all the legal and regulatory requirements have been complied with by the management of the Company.

In closing, on behalf of the Board, I would like to offer my sincere gratitude to RPL stakeholders for their ongoing support and to recognize the dedication and imperative services provided by Company personnel's during these challenging times.

Role of Chairman

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

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

Message From The Cheif Executive Officer

Dear Shareholders,

As I write this message, we are in the throes of one of the worst natural disasters in our country's history- its effects only poised to get worse. My team and I are devastated and express our deepest condolences to all those affected. At RPL, we remain committed to serving our nation and people how ever we are able. To this end, we have announced free & subsidized cartons and boxes for NGOs and Organizations wanting to send goods to flood affectees across the region. Moreover, we hope to partner with Organizations in need as the crisis deepens and hope to rebuild a green Pakistan together.

Tayyab Aijaz
Chief Executive Officer

As we try to mitigate the effects of the floods, we must remember that this is the beginning of what is purported to be a series of climate change disasters in the region. A move towards a green circular economy and way of life is the only sustainable solution to an otherwise disastrous future.

The months leading up to the floods have not been easy either, Pakistani individuals and companies alike have been managing rising inflation, a tanking currency and import restrictions. Our raw material, which is recycled paper made using waste from other countries, has thus seen a rapid increase in prices and lack of availability. However, we continue to operate in these uncertain times using our expertise and experience to provide our customers with uninterrupted service.

While the economic and physical devastation of our country is deeply worrying it also serves to confirm that the solution lies in a Green Pakistan. Our long term vision has always focused on a Green Circular Economy: using and thus curbing waste to create new products locally. This has allowed us to remain dynamic in response to these challenges, driving us to realize the growth opportunities within a rapidly changing world. We are currently partnering with all stakeholders to meet these challenges as efficiently as possible with the ultimate goal of securing the supply chain and ensuring the delivery of innovative and sustainable solutions.

To realize this green and sustainable vision of growth, we are increasing our investments in our people, digital platforms and sustainable research and design to meet the needs of our resilient FMCG and e-commerce customers. We are thus well positioned to respond to continued macroeconomic and geopolitical challenges as they arise-ready to meet the growing demand for sustainable packaging and driving the way in which customers value packaging.

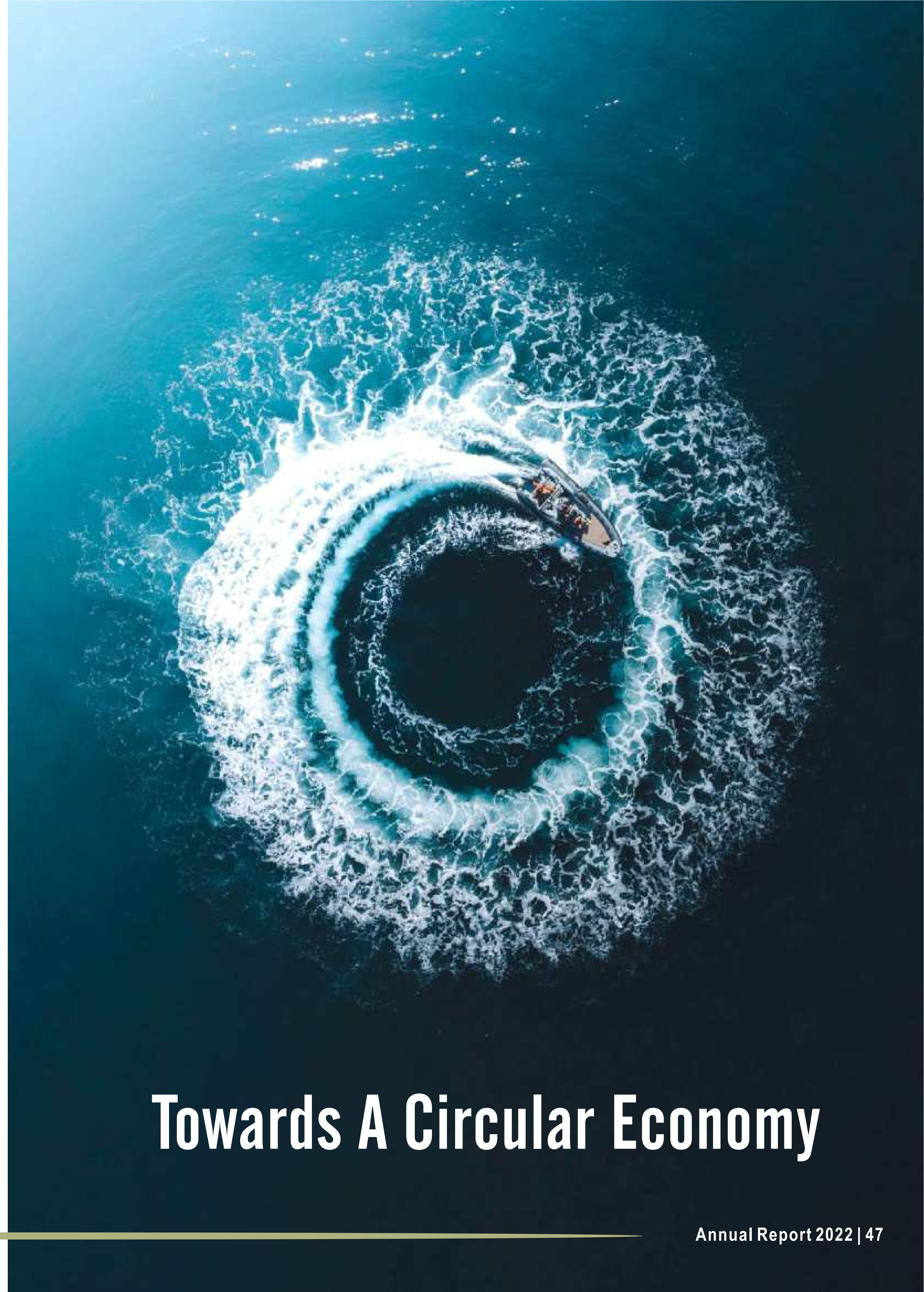
Moreover, I am happy to announce that we are satisfied with our response to numerous difficult challenges during the last year. None of which would have been possible without the commitment, professionalism and flexibility of our employees in these extraordinary times.

We consistently aim to delight our customers with our services and that is impossible without our people.

Role of Chief Executive Officer

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

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



Code Of Conduct

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

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

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

GENERAL PRINCIPLES AND ETHICAL STANDARDS

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

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

WHISTLE BLOWING POLICY

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

INVESTOR RELATIONS

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

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

Our Strategic Goals Are Well Align With The Requirements Of Our Stakeholders

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

Shareholders' Engagement

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

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

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

FINANCIAL OVERVIEW

Significant Ratios

SIGNIFICANT RATIOS			2017	2018	2019	2020	2021	2022
Other Information								
Sales growth		%age	13%	-2%	34%	-3%	34%	27%
Profitability Ratios								
Gross profit	(Gross profit/sales)	%age	13.5%	7.6%	6.9%	10.5%	12.6%	10.3%
Net profit	(PAT/sales)	%age	6.1%	-2.2%	-0.5%	4.7%	4.9%	3.0%
Operating profit Margin	(EBIT/sales)	%age	8.8%	1.2%	4.2%	7.6%	8.3%	4.8%
EBITDA to sales	(EBITDA/sales)	%age	13.3%	4.6%	6.9%	10.6%	10.5%	6.9%
Return on assets	(PAT/assets)	%age	3.0%	-1.1%	-0.3%	2.8%	3.7%	2.3%
Return on equity - Excluding surplus	(PAT/equity excluding surplus)	%age	5.9%	-2.2%	-0.7%	6.1%	8.0%	5.7%
Return on equity- Including surplus	(PAT/equity including surplus)	%age	4.7%	-1.8%	-0.5%	4.2%	5.7%	3.7%
Return on capital employed excluding revaluation surplus	(PBIT/capital employed excluding surplus)	%age	6.7%	1.0%	5.1%	8.4%	11.3%	7.8%
Return on capital employed including revaluation surplus	(PBIT/capital employed including surplus)	%age	5.6%	0.8%	3.6%	6.1%	8.4%	5.3%
Liquidity Ratios								
Current ratio	(Current assets/current liabilities)	times	2.33	1.68	1.47	1.73	1.67	1.62
Quick ratio	(Current assets-stocks)/ current liabilities	times	2.03	1.45	1.22	1.42	1.33	1.21
Cash & short term investment to current liabilities	(Cash & short term invest./current liabilities)	%age	103.9%	64.6%	39.9%	35.3%	33.4%	15.4%
Cash flow from operations to sales	(Cash flow from operations/sales)	%age	-4.03%	-10.96%	-6.05%	4.42%	5.13%	-10.51%
Activity Ratios								
Inventory turnover	(COS/stock)	times	6.95	6.17	7.50	6.61	7.79	7.19
Inventory days	(stock/COS)*365	days	52.53	59.16	48.69	55.24	46.86	50.76
Debtors turnover	(sales/debtors)	times	3.80	3.33	4.32	4.15	5.15	4.76
Debtors days	(debtors/sales)*365	days	95.98	109.69	84.57	88.05	70.82	76.70
Creditors turnover	(COS/creditors)	times	3.81	4.41	6.00	4.87	5.29	5.92
Creditors days	(creditors/COS)*365	days	95.72	82.79	60.84	74.94	68.97	61.70
Fixed assets turnover	(sales/ fixed assets)	times	1.14	1.11	1.16	1.14	1.55	1.63
Total assets turonver	(sales/ total assets)	times	0.49	0.48	0.59	0.59	0.74	0.78
Operating cycle	inventory days+debtors days-creditors days	days	52.78	86.05	72.42	68.35	48.71	65.76
Investment/Market ratios								
Breakup value per share (excluding revaluation surplus)	(equity-rev surplus/shares)	Rs.	39.40	34.37	26.57	28.66	30.43	32.55
Breakup value per share (including revaluation surplus)	(equity/shares)	Rs.	49.39	43.49	39.57	41.31	42.74	51.06
EPS (Earning Per Share)	(PAT/shares)	Rs.	2.34	-0.77	-0.19	1.75	2.44	1.87
Market value per share		Rs.	56.17	28.17	13.36	22.42	32.94	14.86
Capital structure ratio								
Debt to Equity ratio	(debt/equity)	times	0.26	0.36	0.30	0.20	0.18	0.27
Interest cover ratio	(PBIT/finance cost)	times	3.88	0.39	1.22	1.78	5.19	2.57

Six Years Financial Summary

Rupees in '000'

	2017	2018	2019	2020	2021	2022
ROSHAN PACKAGES LIMITED - UNCONSOLIDATED FINANCIAL STATEMENTS						
Statement of Financial Position						
Paid up Capital	1,075,000	1,182,500	1,419,000	1,419,000	1,419,000	1,419,000
No. of Shares	107,500	118,250	141,900	141,900	141,900	141,900
Non-Current assets	3,835,297	3,843,406	5,014,876	4,870,628	5,186,754	6,081,990
Current assets	4,558,991	4,548,780	4,190,599	3,991,558	4,252,056	5,343,635
Stores and Spares	108,302	146,560	172,866	171,999	182,915	278,701
Stocks in tarde	575,197	631,652	709,587	708,935	860,632	1,350,851
Debtors	1,191,626	1,231,374	1,269,505	1,255,085	1,459,777	2,266,048
Cash and bank balances including short term investment	2,034,191	1,749,293	1,138,630	814,581	851,427	505,250
Property plant and equipment including right of use assets	3,610,359	3,625,358	4,635,533	4,575,441	4,501,252	5,449,999
Total assets	8,394,288	8,392,186	9,205,475	8,862,186	9,438,810	11,425,625
Long-term debt	606,372	505,813	331,412	125,249	109,281	191,593
Lease liabilities	30,756	26,247	19,765	42,989	33,348	83,602
Short-term debt	755,640	1,333,809	1,353,114	1,048,294	966,453	1,728,821
Total debt	1,362,011	1,839,622	1,684,527	1,173,543	1,075,734	1,920,414
Current liabilities	1,958,225	2,709,849	2,850,238	2,305,460	2,551,768	3,289,413
Creditors	977,407	711,640	964,259	959,971	1,350,110	1,337,643
Non-Current liabilities	1,127,036	539,656	740,751	694,451	822,936	890,792
Capital employed	6,436,062	5,682,337	6,355,237	6,556,726	6,887,042	8,136,212
Capital employed excluding revaluation surplus	5,362,172	4,603,818	4,511,509	4,761,510	5,140,643	5,509,290
Equity (excluding revaluation surplus)	4,235,136	4,064,162	3,770,758	4,067,059	4,317,708	4,618,497
Surplus on revaluation	1,073,891	1,078,519	1,843,728	1,795,216	1,746,399	2,626,922
Equity (including revaluation surplus)	5,309,026	5,142,681	5,614,486	5,862,275	6,064,107	7,245,420
Statement of Profit or Loss						
Revenue	4,098,007	4,031,388	5,397,124	5,232,971	6,995,838	8,865,565
Cost of revenue	3,545,206	3,723,230	5,026,766	4,686,045	6,112,741	7,950,325
Gross Profit	552,801	308,157	370,358	546,926	883,098	915,239
Operating Expenses	233,968	375,941	299,439	304,722	408,575	494,459
Other Income	42,774	115,086	156,932	155,911	105,579	97,010
Other Expenses	-	-	-	-	364	88,649
EBIT	361,607	47,303	227,850	398,115	579,737	429,142
Finance Cost	93,144	120,527	186,633	223,124	111,636	167,249
Profit Before Taxation	268,463	(73,224)	41,217	174,991	468,101	261,892
Taxation	16,873	17,324	68,115	(72,971)	122,451	(2,817)
Profit after Taxation	251,590	(90,548)	(26,898)	247,962	345,650	264,709
EBITDA	545,595	185,943	370,233	554,184	737,226	614,918
Statement of cash flow						
Cash flow from Operating Activites	(165,068)	(441,852)	(326,648)	231,414	358,999	(931,616)
Cash flow from Investing Activites	(802,838)	(86,231)	22,372	22,549	(27,767)	(59,670)
Cash flow from Financing Activites	2,715,088	52,638	(276,710)	(376,511)	(269,550)	619,874
Opening cash and cash equivalents	5,998	1,753,180	1,277,734	696,748	574,201	635,883
Closing cash and cash equivalents	1,753,180	1,277,734	696,748	574,201	635,883	264,470

VERTICAL ANALYSIS

Rupees in '000'

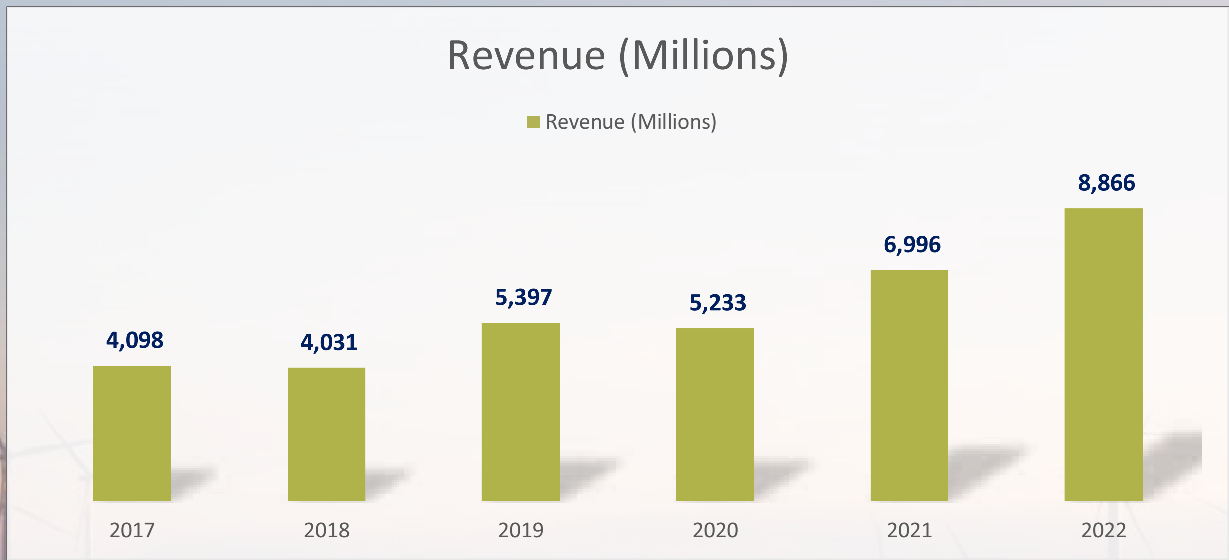
ROSHAN PACKAGES LIMITED - UNCONSOLIDATED FINANCIAL STATEMENTS	2017	%	2018	%	2019	%	2020	%	2021	%	2022	%
Statement of Financial Position												
Non Current Assets												
Property plant and equipment	3,575,850	42.6%	3,592,963	42.8%	4,608,439	50.1%	4,524,161	51.1%	4,467,820	47.3%	5,368,017	47.0%
Right of use assets	34,508	0.4%	32,395	0.4%	27,094	0.3%	51,280	0.6%	33,432	0.4%	81,982	0.7%
long term deposits	16,760	0.2%	20,502	0.2%	16,254	0.2%	14,902	0.2%	14,902	0.2%	21,354	0.2%
Intangible assets	4,616	0.1%	3,198	0.0%	1,780	0.0%	363	0.0%	-	0.0%	-	0.0%
Investment in subsidary	203,563	2.4%	111,376	1.3%	111,376	1.2%	111,376	1.3%	160,619	1.7%	160,619	1.4%
Long term loan - unsecured, considered good	-		82,972	1.0%	249,933	2.7%	168,547	1.9%	509,981	5.4%	450,019	3.9%
Current Assets:												
Stores and Spares	108,302	1.3%	146,560	1.7%	172,866	1.9%	171,999	1.9%	182,915	1.9%	278,701	2.4%
Stocks in tarde	575,197	6.9%	631,652	7.5%	709,587	7.7%	708,935	8.0%	860,632	9.1%	1,350,851	11.8%
Debtors	1,191,626	14.2%	1,231,374	14.7%	1,318,101	14.3%	1,335,964	15.1%	1,608,332	17.0%	2,465,304	21.6%
Short term loan - unsecured, considered good	-	0.0%	92,187	1.1%	92,187	1.0%	241,436	2.7%	-	0.0%	-	0.0%
Current portion of long term loans - related parties		0.0%		0.0%		0.0%		0.0%		0.0%	130,865	1.1%
Advances,deposits and prepayments	649,675	7.7%	697,715	8.3%	759,229	8.2%	718,642	8.1%	748,750	7.9%	612,665	5.4%
Cash and bank balances including short term investment	2,034,191	24.2%	1,749,293	20.8%	1,138,630	12.4%	814,581	9.2%	851,427	9.0%	505,250	4.4%
Total assets	**8,394,288**	100.0%	**8,392,186**	100.0%	**9,205,475**	100.0%	**8,862,186**	100.0%	**9,438,810**	100.0%	**11,425,625**	100.0%
Current portion of long term liabilities	213,227	2.5%	638,365	7.6%	493,541	5.4%	248,835	2.8%	199,747	2.1%	83,210	0.7%
Short-term debt	755,640	9.0%	1,333,809	15.9%	1,353,114	14.7%	1,048,294	11.8%	966,453	10.2%	1,728,821	15.1%
Creditors including contract liabilities	977,407	11.6%	715,502	8.5%	968,351	10.5%	975,890	11.0%	1,364,842	14.5%	1,422,192	12.4%
Accured finance cost	11,951	0.1%	21,290	0.3%	34,432	0.4%	31,653	0.4%	18,750	0.2%	53,389	0.5%
provision for taxation	-	-	-	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Unclaimed dividend	-	-	883	0.0%	800	0.0%	788	0.0%	1,977	0.0%	1,801	0.0%
Non-Current liabilities	1,127,036	13.4%	539,656	6.4%	740,751	8.0%	694,451	7.8%	822,936	8.7%	890,792	7.8%
Total Liabilities	**3,085,262**	**36.8%**	**3,249,505**	38.7%	3,590,989	39.0%	2,999,911	33.9%	3,374,704	35.8%	4,180,205	36.6%
Paid up Capital	1,075,000	12.8%	1,182,500	14.1%	1,419,000	15.4%	1,419,000	16.0%	1,419,000	15.0%	1,419,000	12.4%
Share Pemium	2,339,165	27.9%	2,231,665	26.6%	1,994,789	21.7%	1,994,789	22.5%	1,994,789	21.1%	1,994,789	17.5%
un appropriated profit	820,970	9.8%	649,996	7.7%	356,969	3.9%	653,270	7.4%	903,919	9.6%	1,204,708	10.5%
Surplus on revaluation of operating fixed assets	1,073,891	12.8%	1,078,519	12.9%	1,843,728	20.0%	1,795,216	20.3%	1,746,399	18.5%	2,626,922	23.0%
Equity	**5,309,026**	63.2%	**5,142,681**	61.3%	5,614,486	61.0%	5,862,275	66.1%	6,064,107	64.2%	7,245,420	63.4%
Total Equity+Liabilities	**8,394,288**	100.0%	**8,392,186**	100.0%	**9,205,475**	100.0%	**8,862,186**	100.0%	**9,438,810**	100.0%	**11,425,625**	100.0%
Statement of Profit or Loss												
Revenue	4,098,007	100%	4,031,388	100%	5,397,124	100.0%	5,232,971	100.0%	6,995,838	100.0%	8,865,565	100.0%
Cost of revenue	3,545,206	87%	3,723,230	92%	5,026,766	93.1%	4,686,045	89.5%	6,112,741	87.4%	7,950,325	89.7%
Gross Profit	552,801	13%	308,157	8%	370,358	6.9%	546,926	10.5%	883,098	12.6%	915,239	10.3%
Operating Expenses	233,968	6%	375,941	9%	299,439	5.5%	304,722	5.8%	408,575	5.8%	494,459	5.6%
Other income	42,774	1.0%	115,086	2.9%	156,932	2.9%	155,911	3.0%	105,579	1.5%	97,010	1.1%
Other Expenses	-	-	-	-	-	-	-	-	364	0.0%	88,649	1.0%
EBIT	361,607	8.8%	47,303	1.2%	227,850	4.2%	398,115	7.6%	579,737	8.3%	429,142	4.8%
Finance Cost	93,144	2.3%	120,527	3.0%	186,633	3.5%	223,124	4.3%	111,636	1.6%	167,249	1.9%
Profit Before Taxation	268,463	6.6%	(73,224)	-1.8%	41,217	0.8%	174,991	3.3%	468,101	6.7%	261,892	3.0%
Taxation	16,873	0.4%	17,324	0%	68,115	1.3%	(72,971)	-1.4%	122,451	1.8%	(2,817)	0.0%
Profit after Taxation	251,590	6.1%	(90,548)	-2%	(26,898)	-0.5%	247,962	4.7%	345,650	4.9%	264,709	3.0%
EBITDA	545,595	13.3%	185,943	5%	370,233	6.9%	554,184	10.6%	737,226	10.5%	614,918	6.9%

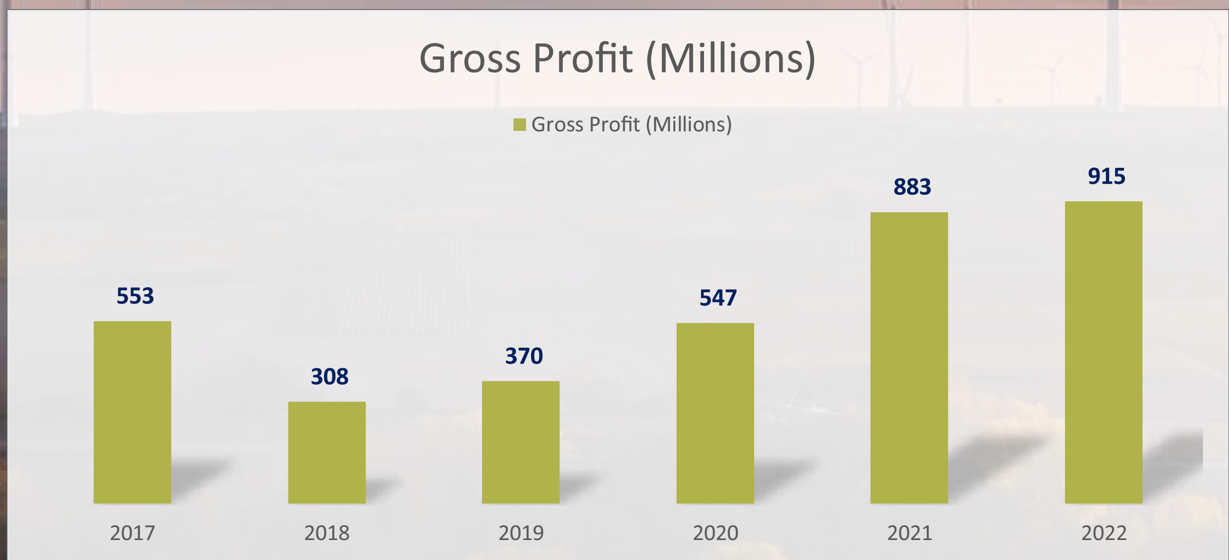
HORIZONTAL ANALYSIS

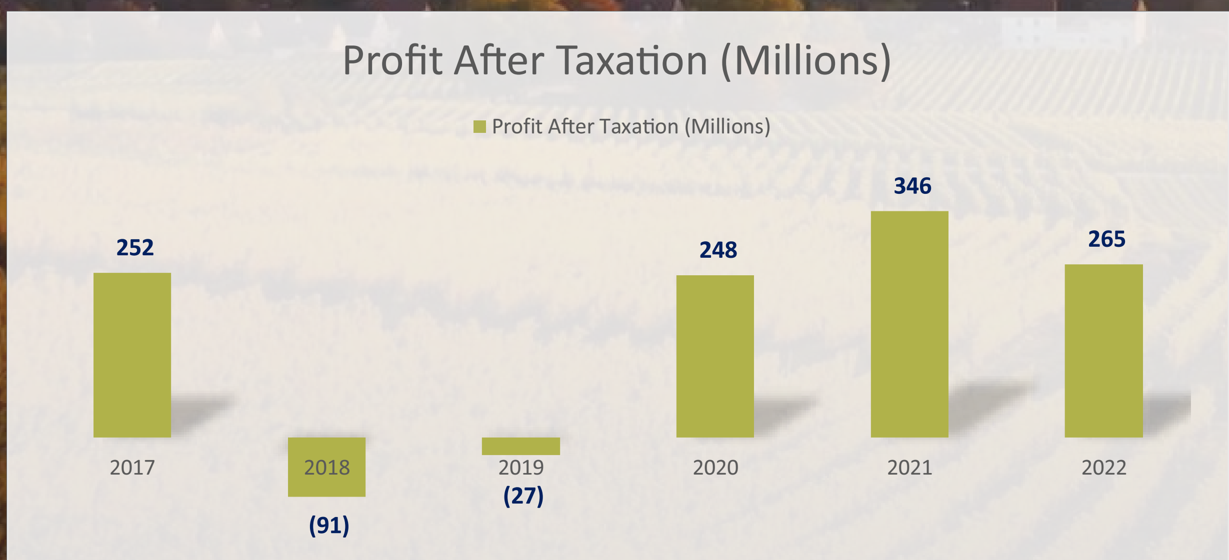
Rupees in '000'

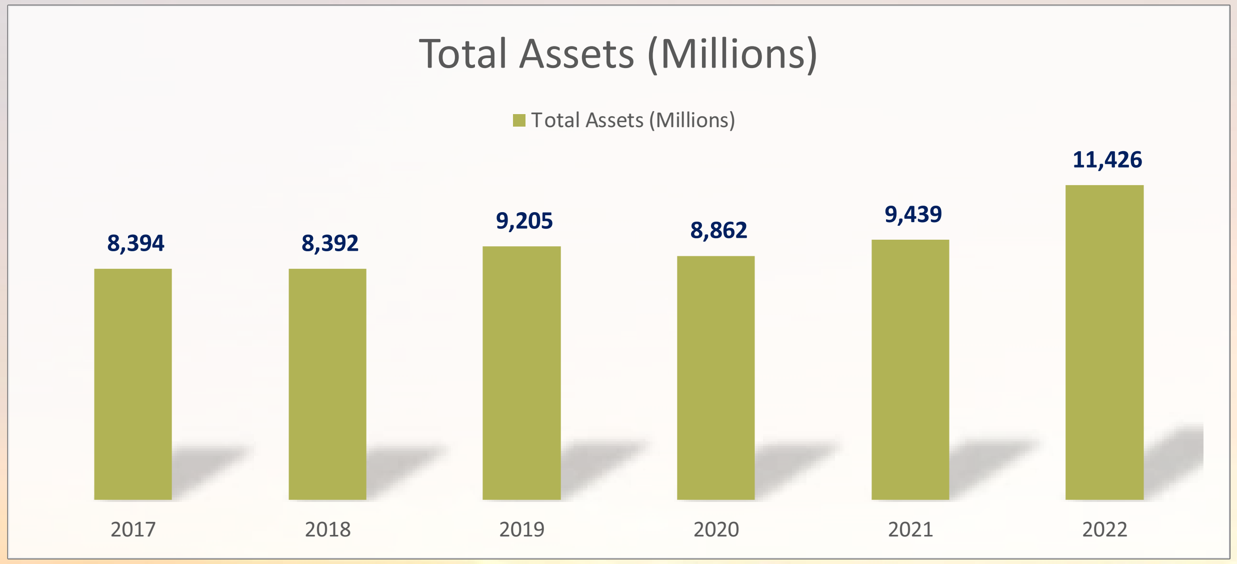
	2017	%	2018	%	2019	%	2020	%	2021	%	2022	%
Non Current Assets												
Property plant and equipment	3,575,850	22.47	3,592,963	0.48	4,608,439	28.26	4,524,161	(1.83)	4,467,820	(1.25)	5,368,017	20.15
Right of use assets	34,508	(23.59)	32,395	(6.12)	27,094	(16.36)	51,280	89.26	33,432	(34.80)	81,982	145.22
long term deposits	16,760	22.58	20,502	22.33	16,254	(20.72)	14,902	(8.32)	14,902	-	21,354	43.29
Intangible assets	4,616	(0.82)	3,198	(30.71)	1,780	(44.33)	363	(79.63)	-	(100.00)	-	-
Investment in subsidary	203,563	1.50	111,376	(45.29)	111,376	-	111,376	-	160,619	44.21	160,619	-
Long term loan - unsecured, considered good	-	-	82,972	100.00	249,933	201.22	168,547	(32.56)	509,981	202.58	450,019	(11.76)
Current Assets:	-		-						-			
Stores and Spares	108,302	94.35	146,560	35.33	172,866	17.95	171,999	(0.50)	182,915	6.35	278,701	52.37
Stocks in tarde	575,197	29.20	631,652	9.81	709,587	12.34	708,935	(0.09)	860,632	21.40	1,350,851	56.96
Debtors including contract assets	1,191,626	23.67	1,231,374	3.34	1,318,101	7.04	1,335,964	1.36	1,608,332	20.39	2,465,304	53.28
Short term loan - unsecured, considered good	-		92,187	100.00	92,187	-	241,436	161.90	-	(100.00)	-	-
Current portion of long term loans - related parties	-		-		-		-		-		130,865	100.00
Advances,deposits and prepayments	649,675	85.73	697,715	7.39	759,229	8.82	718,642	(5.35)	748,750	4.19	612,665	(18.17)
Cash and bank balances including short term investment	2,034,191	1,385.32	1,749,293	(14.01)	1,138,630	(34.91)	814,581	(28.46)	851,427	4.52	505,250	(40.66)
Total assets	**8,394,288**	63.47	**8,392,186**	(0.03)	**9,205,475**	9.69	**8,862,186**	(3.73)	**9,438,810**	6.51	**11,425,625**	21.05
Current portion of long term liabilities	213,227	48.39	638,365	199.38	493,541	(22.69)	248,835	(49.58)	199,747	(19.73)	83,210	(58.34)
Short-term debt	755,640	24.93	1,333,809	76.51	1,353,114	1.45	1,048,294	(22.53)	966,453	(7.81)	1,728,821	78.88
Creditors including contract liabilities	977,407	10.80	715,502	(26.80)	968,351	35.34	975,890	0.78	1,364,842	39.86	1,422,192	4.20
Accured finance cost	11,951	15.44	21,290	78.14	34,432	61.73	31,653	(8.07)	18,750	(40.76)	53,389	184.74
provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-
Unclaimed dividend	-		883	-	800	-	788	(1.51)	1,977	150.82	1,801	(8.88)
Non-Current liabilities	1,127,036	2.46	539,656	(52.12)	740,751	37.26	694,451	(6.25)	822,936	18.50	890,792	8.25
Total Liabilities	**3,085,262**	12.56	**3,249,505**	5.32	**3,590,989**	10.51	**2,999,911**	(16.46)	**3,374,704**	12.49	**4,180,205**	23.87
Paid up Capital	1,075,000	259.06	1,182,500	10.00	1,419,000	20.00	1,419,000	-	1,419,000	-	1,419,000	-
Share premium	2,339,165	-	2,231,665	(4.60)	1,994,789	(10.61)	1,994,789	-	1,994,789	-	1,994,789	-
un appropriated profit	820,970	(17.32)	649,996	(20.83)	356,969	(45.08)	653,270	83.00	903,919	38.37	1,204,708	33.28
Surplus on revaluation of operating fixed assets	1,073,891	(2.53)	1,078,519	0.43	1,843,728	70.95	1,795,216	(2.63)	1,746,399	(2.72)	2,626,922	50.42
Equity	**5,309,026**	121.76	**5,142,681**	(3.13)	**5,614,486**	9.17	**5,862,275**	4.41	**6,064,107**	3.44	**7,245,420**	19.48
Total Equity+Liabilities	**8,394,288**	63.47	**8,392,186**	(0.03)	**9,205,475**	9.69	**8,862,186**	(3.73)	**9,438,810**	6.51	**11,425,625**	21.05
Revenue	4,098,007	13.15	4,031,388	(1.63)	5,397,124	33.88	5,232,971	(3.04)	6,995,838	33.69	8,865,565	26.73
Cost of revenue	3,545,206	14.09	3,723,230	5.02	5,026,766	35.01	4,686,045	(6.78)	6,112,741	30.45	7,950,325	30.06
Gross Profit	552,801	7.43	308,157	(44.26)	370,358	20.18	546,926	47.67	883,098	61.47	915,239	3.64
Operating Expenses	233,968	23.90	375,941	60.68	299,439	(20.35)	304,722	1.76	408,575	34.08	494,459	21.02
Other Income	42,774	1,884.65	115,086	169.05	156,932	36.36	155,911	(0.65)	105,579	(32.28)	97,010	(8.12)
Other Expenses	-	-	-	-	-	-	-	-	364	100.00	88,649	24,233
EBIT	361,607	10.28	47,303	(86.92)	227,850	381.69	398,115	74.73	579,737	45.62	429,142	(25.98)
Finance Cost	93,144	104.02	120,527	29.40	186,633	54.85	223,124	19.55	111,636	(49.97)	167,249	49.82
Profit Before Taxation	268,463	(4.88)	(73,224)	(127.28)	41,217	(156.29)	174,991	324.56	468,101	167.50	261,892	(44.05)
Taxation	16,873	(17.70)	17,324	2.67	68,115	293.19	(72,971)	(207.13)	122,451	(267.81)	(2,817)	(102.30)
Profit after Taxation	251,590	(3.88)	(90,548)	(135.99)	(26,898)	(70.29)	247,962	(1,021.86)	345,650	39.40	264,709	(23.42)
EBITDA	545,595	32.31	185,943	(65.92)	370,233	99.11	554,184	49.69	737,226	33.03	614,918	(16.59)

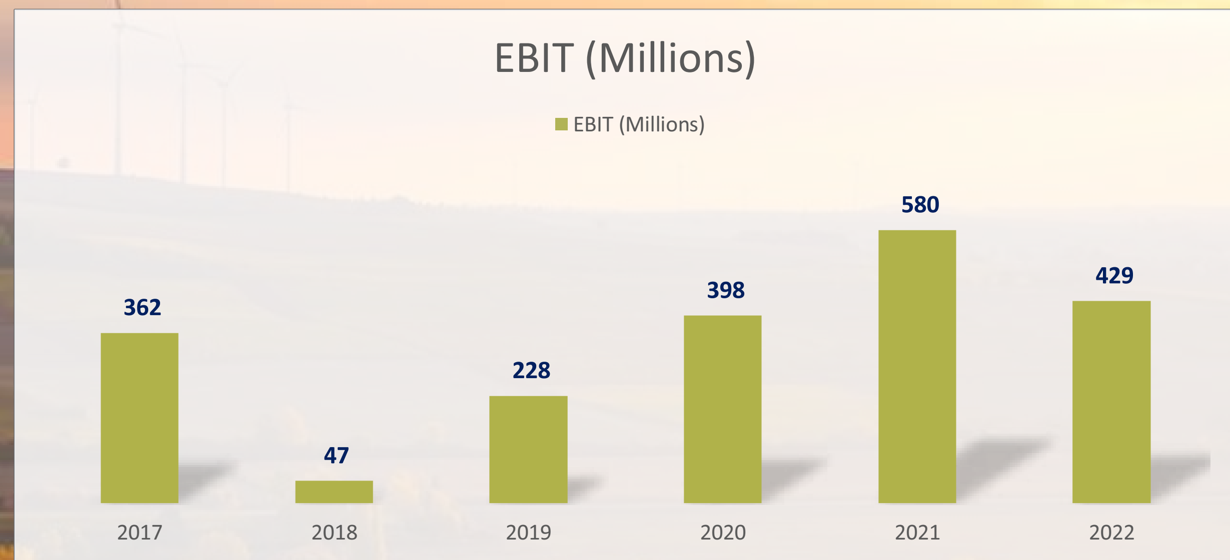
Graphical Analysis

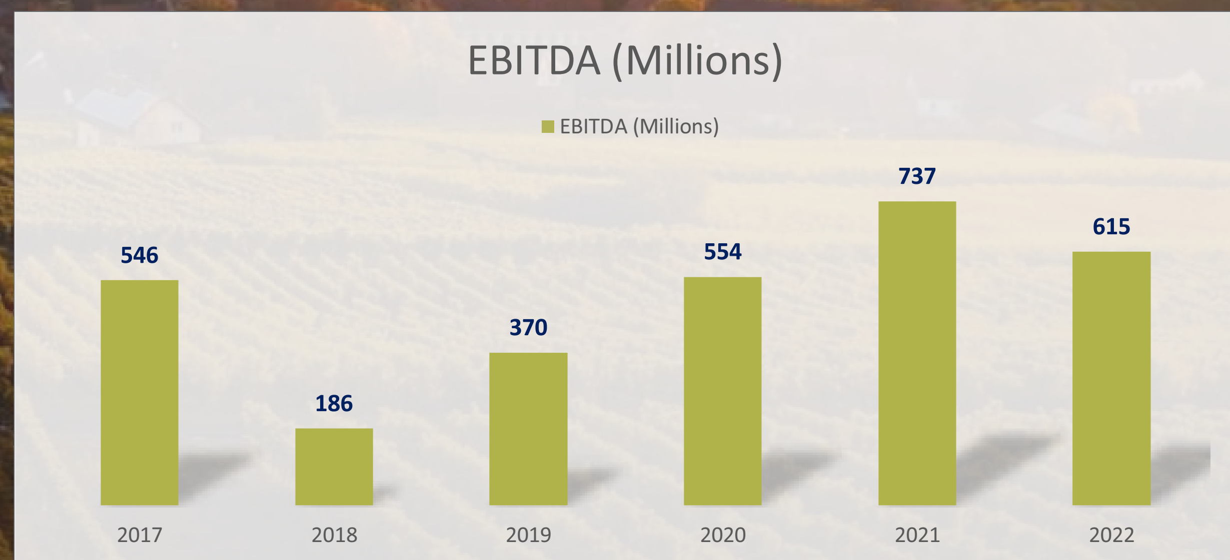






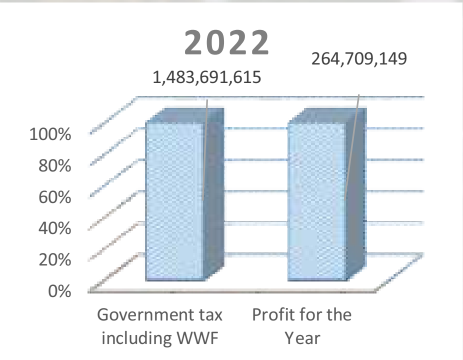


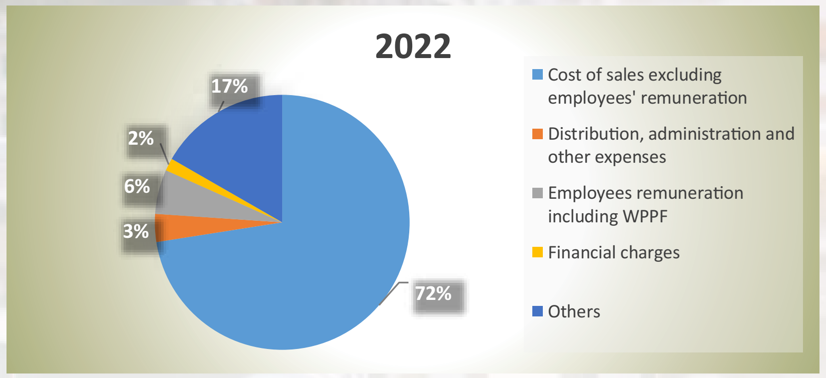


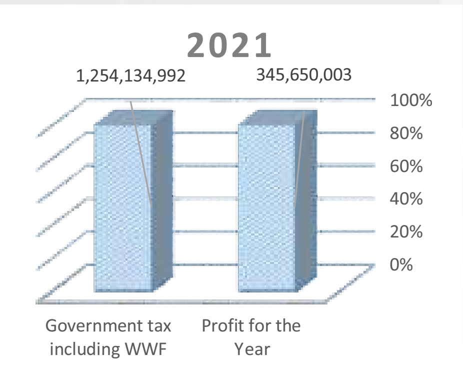


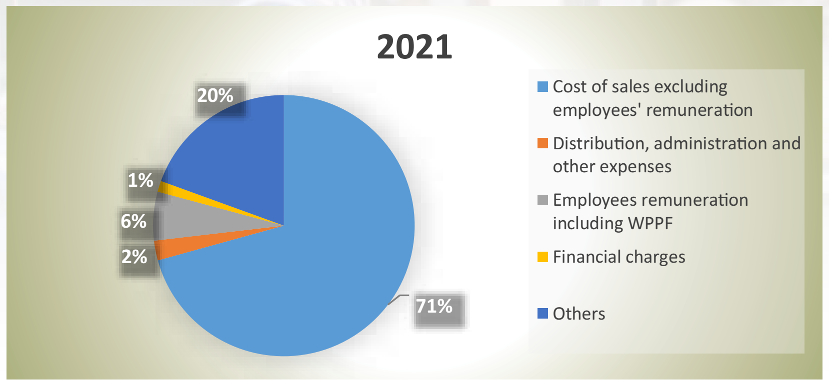
Statement Of Wealth Generated Statement And Distributed

	2022		2021	
	Rs	%	Rs	%
Total revenue inclusive of sales tax	10,349,295,793	99%	8,118,728,427	99%
Reversal of expected credit loss on trade debtors	16,868,047	0%		0%
Other income	97,009,884	1%	105,578,721	1%
	10,463,173,724	100%	8,224,307,148	100%
WEALTH DISTRIBUTION				
Cost of sales excluding employees' remuneration	7,587,714,719	72.52%	5,815,298,229	70.71%
Distribution, administration and other expenses	370,764,028	3.54%	201,076,382	2.44%
Employees remuneration including WPPF	589,044,818	5.63%	496,511,861	6.04%
Financial charges	167,249,395	1.60%	111,635,681	1.36%
Government tax including WWF	1,483,691,615	14.18%	1,254,134,992	15.25%
Profit for the Year	264,709,149	2.53%	345,650,003	4.20%
	10,463,173,724	100%	8,224,307,148	100%



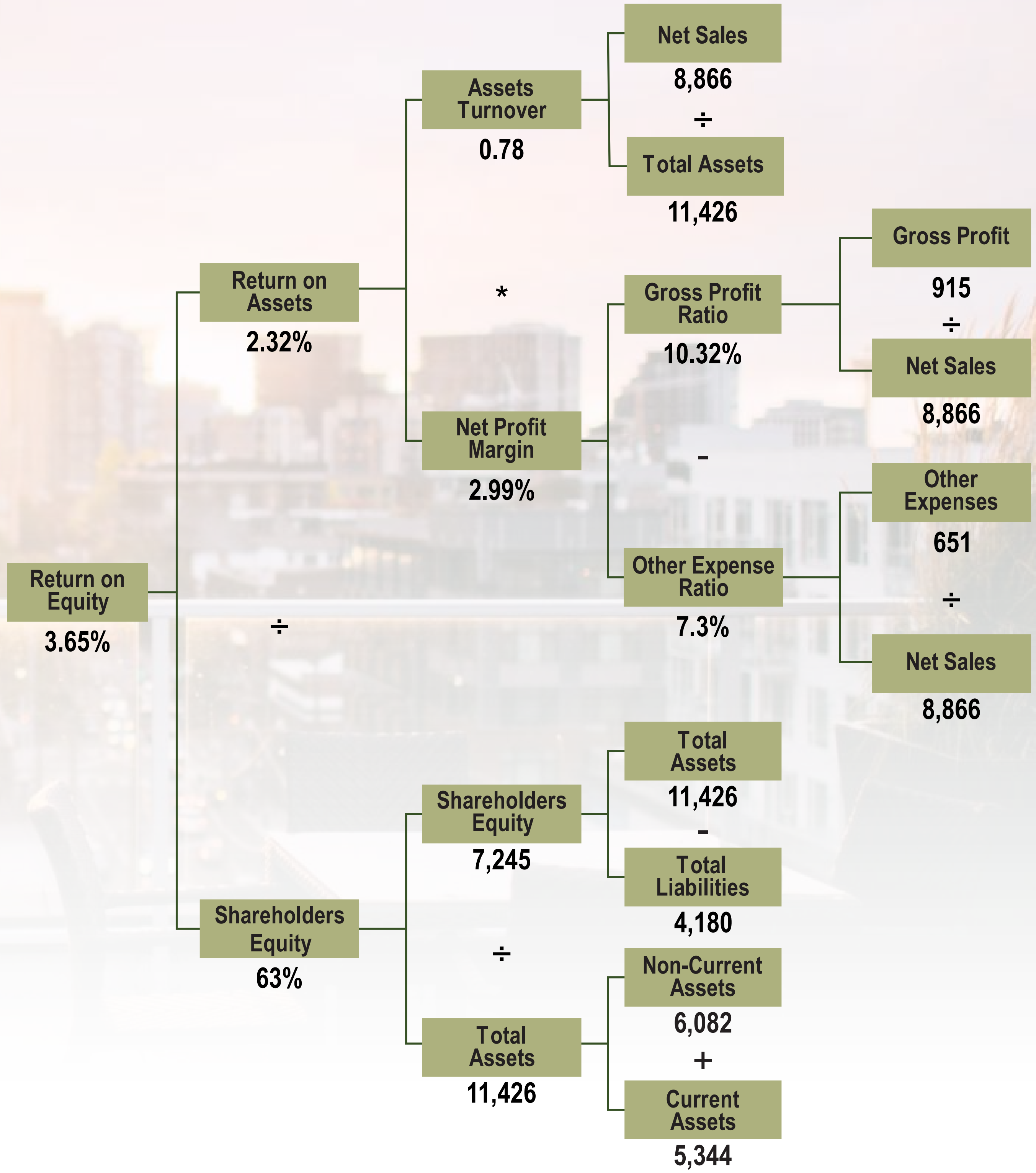






Dupont Analysis

As At 30 June 2022
Rupees in Million



Free Cash Flows

	2022	2021	2020	2019	2018	2017
	Rupees					
Profit / (loss) before taxation	261,892,463	468,101,295	174,990,642	41,217,174	-73,224,325	268,463,096
Adjustment for non-cash items	287,947,425	237,263,361	269,726,086	204,238,336	261,595,173	273,650,758
Working capital changes	(1,304,078,783)	(212,198,252)	61,057,412	(309,676,658)	(442,486,369)	(561,058,722)
Net cash generated from operating activities	(754,238,895)	493,166,404	505,774,140	(64,221,148)	(254,115,521)	(18,944,868)
Capital expenditure	(66,803,826)	(81,092,699)	(57,351,711)	(86,129,557)	(143,464,468)	(832,053,638)
Free cash flows	(821,042,721)	412,073,705	448,422,429	(150,350,705)	(397,579,989)	(850,998,506)

Comments

Free cash flows have significantly decreased due to working capital injection by the company during the current year, since the company is building up its inventories.

Moreover, the trade receivables have increased, due to increased sales by the company.

Share Price Sensitivity Analysis

The share price of a company is driven by its performance, which in turn is dependent upon a number of internal and external factors associated with the products and markets in which it operates.

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

- **Energy Crisis:** Energy crisis directly impacts the operations of the Company. Hike in energy rates and continuous appreciation of fuel prices effects the financial performance of the Company.
- **Law & Order:** Company's performance is influenced by the political disturbances inside and outside the country. Uncertainty in political conditions and law and order situation have a quick effect on Company's performance and ultimately on share prices.
- **Exchange Fluctuation:** The Company is directly exposed to exchange rate fluctuations since the major raw materials are imported by Company. During the current year, exchange rate fluctuation impacted the Company results.
- **Plant Operations:** The Company has state-of-the-art production facilities which lead to higher production and better production efficiency. The Company believes in providing optimum job satisfaction to workers and staff which minimizes issues at production facilities.
- **Material Price Sensitivity:** The Company's performance is directly influenced by sensitivity in material prices. There are various raw materials which are used in the production which are locally procured or imported by the Company. Major raw materials are directly influenced by international crude oil and pulp prices and hence affect the financial performance of the Company.
- **Interest Rates:** The Company uses debt financing to finance its increased working capital requirements due to expanded operations. Due to these reasons, the Company is directly affected by any change in interest rates. Any increase in base points by SBP will negatively impact the financial performance of the Company and vice versa.

STAND ALONE FINANCIAL STATEMENTS

With renewed purpose, we forge the path forward, in constant pursuit of growth, success, and excellence.

Directors' Report

The Directors of the Company are pleased to submit their report, together with separate and consolidated audited financial statements of the Company for the year ended 30 June 2022.

Economic Overview

At the start of FY 2022, COVID-19 vaccination programs allowed countries to gradually relax economic restrictions. However, supply-demand imbalances coupled with surge in shipping costs and availability of containers continued to cause supply chain disruptions. International commodity prices responded abruptly to the economic rebound and accelerated inflation in most parts of the world. In the later part of FY 2022, the Russian-Ukraine conflict elevated global commodity prices, fueled inflation and domestic inflation rates further.

Pakistan's industry also experienced an interlude in business activity leading to a slowdown in its performance in FY2022. Although Pakistan survived the COVID-19 crisis, it faced daunting tasks in FY2022 such as controlling the fiscal deficit, curtailing the widening current account deficit, and managing the pressure on the exchange rate along with achieving a sustainable post-pandemic recovery.

Moreover, political instability has plunged the country into a serious economic crisis. The country's external sector's vulnerabilities have increased with a widening current account deficit compounded by the unprecedented surge in global commodity prices. Significantly increasing the import bill, putting pressure on the falling reserves, shooting interest rates and taking the currency to an all-time low. The State Bank increased the policy rate by a total of 675 basis points during the year to curb rising inflation to no avail.

Despite a challenging operating environment, including unprecedented inflationary headwinds, supply chain disruption, The Company's top line has shown a growth of 26.7 % with sales of Rs. 8.9 billion.

Directors' Report

Financial Overview

The operating results of the Company are summarized as under:

	2022	2021
	Rupees in '000'	
Turnover	8,865,565	6,995,838
Gross profit	915,239	883,098
Operating profit	420,781	474,158
Finance cost	167,249	111,636
Profit before tax	261,892	468,101
Profit after tax	264,709	345,650

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

During the year ended June 30, 2022, the Company registered a high double-digit growth in revenue of 26.7%, increasing the net revenue to Rs 8,866 million from Rs 6,996 million last year. We have successfully dispatched 44,884 metric tons in comparison to the 40,074 metric tons in FY 2021 which reflects a 12.0% growth in volumes. In addition to this increase, the Company has improved customers' portfolio by focusing on top tier local corporate and multinational customers which is a result of the Company's focus on customer satisfaction, provision of international quality products and increased market share.

The Company earned gross profit of Rs 915 million, which represents an increase of Rs 32 million against last year. The gross profit margin, however, has declined by 2.3%, mainly on account of increase in the cost of imported raw material, which is further aggravated by devaluation of the Pak Rupee. Moreover, the spike in fuel and energy rates resulted in an increase of Rs 192 million in the fuel and power cost, which accounts for 81% increase vs the same period last year.

The Company has incurred a finance cost of Rs. 167 million as compared to Rs. 112 million in the comparable period last year which had an unfavorable impact on our bottom line. This is due to significant increase in policy rate by State Bank of Pakistan. As a result, the Company earned a profit after tax of Rs 265 million as compared to Rs 346 million in the comparable period last year.

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

EARNING PER SHARE

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

EPS-2022: 1.87/share

EPS-2021: 2.44/share

DIVIDEND

The Board of Directors have not recommended any dividend for the year ended 30 June, 2022. The decision taken by the board is backed by various financial commitments by the Company in the upcoming period. This includes working capital requirements, long term credit payments, and investments in its wholly owned subsidiary. Considering the future prospects, business growth along with expansion plans, The Company is hopeful to be able to meet the expectations of its valued investors in the future.

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

Roshan Sun Tao Paper Mills Private Limited (RSTPML) was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a subsidiary of the Company which was incorporated to set up a Corrugated Paper Manufacturing Mill.

The Subsidiary plans to start procurement of plant and machinery and expects to start its commercial operations in due course subject to the approvals from concerned regulatory authorities. Considering the afore-mentioned, the management believes that a continued financial support from the Parent Company is available and the Board of Directors are committed to support the business activities of the Subsidiary based on which the Subsidiary would be able to start its operations as per plan.

HUMAN RESOURCE DEVELOPMENT

RPL believes in investing in the training and professional development of all its employees since such initiatives make them more efficient, satisfied, and engaged with the organization.

Our training programs are updated regularly and we use our finest resources to help our employees improve their abilities and enhance their skills. Our training program is built around

Directors' Report

on-the-job training (OJT) and only trained individuals with the necessary standards and abilities are permitted to carry out the task. This year, we also carried out trainings in Urdu for labour employed at our Plants.

CORPORATE SOCIAL RESPONSIBILITY

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

BOARD OF DIRECTORS

Names of Directors during the year:

i. Mr. Quasim Aijaz

ii. Mr. Tayyab Aijaz

iii. Mr. Saadat Eijaz

iv. Mr. Zaki Aijaz

v. Mr. Khalid Eijaz Qureshi

vi. Mr. Muhammad Naveed Tariq

vii. Ms. Ayesha Musaddaque Hamid

Total Number of Directors:

i. Male: 06

ii. Female: 01

Composition:

i. Independent Directors (Including Female Director): 02

ii. Non-Executive Directors: 03

iii. Executive Directors: 02

BOARD MEMBERS AND ATTENDANCE AT MEETINGS

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

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

Mr. Khalid Eijaz Qureshi resigned as Chairman and Board appointed Mr. Quasim Aijaz as new Chairman of Board of Directors'. Leave of absence was granted to the board members who could not attend the meeting.

AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

During the year under review, five (05) Audit Committee meetings were held and attendance by its members was as follows:

Name	Status	Meetings Attended
Ms. Ayesha Musaddaque Hamid	Chairman	05
Mr. Quasim Aijaz	Member	04
Mr. Khalid Eijaz Qureshi	Member	05
Mr. Muhammad Naveed Tariq	Member	04
Mr. Zaki Aijaz	Member	05

APPOINTMENT OF AUDITORS

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

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

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

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board ensures the adequacy of internal control activities either directly or through its committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND THE BOARD COMMITTEES

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

DIRECTORS' REMUNERATION

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

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

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

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

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

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	---------- Rupees ----------							
Short term employee benefits								
Managerial remuneration	**9,707,244**	9,455,160	**9,218,578**	8,982,408	**-**	-	**60,617,225**	54,813,522
House rent allowance	**4,368,260**	4,254,120	**4,148,360**	4,041,420	**-**	-	**27,277,751**	24,664,513
Medical expenses	**1,125,574**	1,425,345	**2,267,100**	1,905,148	**-**	-	**6,055,661**	5,478,626
Utilities	**971,695**	945,360	**922,780**	898,092	**-**	-	**6,067,784**	2,565,732
Meeting fee	**-**	-	**-**	-	**4,720,000**	5,220,000	**-**	-
Bonus	**1,575,758**	787,930	**1,496,970**	748,534	**-**	-	**6,167,950**	3,165,257
Vehicle maintenance allowance	**-**	-	**-**	-	**-**	-	**6,350,904**	8,046,015
Incentives	**-**	-	**-**	-	**-**	-	**4,124,189**	2,458,333
	17,748,531	16,867,915	**18,053,788**	16,575,602	**4,720,000**	5,220,000	**116,661,464**	101,191,998
Retirement and other long term benefits								
Gratuity	**1,334,746**	1,300,000	**1,267,555**	1,235,000	**-**	-	**6,613,452**	6,226,413
Accumulated compensated absences	**-**	-	**-**	-	**-**	-	**-**	1,473,305
	19,083,277	18,167,915	**19,321,343**	17,810,602	**4,720,000**	5,220,000	**123,274,916**	108,891,716
Number of persons	**1**	1	**1**	1	**5**	5	**49**	42

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

Directors' Report

RELATED PARTY TRANSACTIONS

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

PATTERN OF SHAREHOLDING

Information about the pattern of shareholding specified in form 34 is annexed to the report.

FORWARD LOOKING STATEMENT

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

We foresee that the current record-high commodity prices and global supply chain disruptions will continue, which is likely to keep inflation at an elevated level. Being cognisant of the operating environment, the Company is focussing on value chain efficiencies and optimizing raw material inventory levels to better manage the rising commodity costs which will help improve profitability, while driving growth in upcoming periods. The Company's management will continue to monitor the situation and ensure that the cost is effectively and fairly reflected in our prices.

SUBSEQUENT EVENTS

There have been no material changes since 30 June 2022 to the date of this report and the Company has not entered into any commitment during this period which would have an impact on the financial position of the Company.

ACKNOWLEDGMENT

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the management and the employees of the Company throughout the year.

On behalf of the Board of Directors and employees of the Company, we express our gratitude and appreciation to all our valued customers, suppliers and bankers for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years

Chief Executive Officer

Chairman

Roshan Packages Limited
Pattern Of Shareholding Report
As Of June 30, 2022

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors, Chief Executive Director and their spouse(s) and minor children				
1	1	TAYYAB AIJAZ	38,087,809	26.84
2	2	SADDAT EIJAZ	16,830,000	11.86
3	3	ZAKI AIJAZ	16,833,538	11.86
4	4	KHALID EIJAZ QURESHI	20,790,000	14.65
5	5	QUASIM AIJAZ	4,196,562	2.96
6	7	MUHAMMAD NAVEED TARIQ	2	0.00
7	2088	MS. AYESHA MUSSADAQUE HAMID	56	0.00
		7	**96,737,967**	**68.17**
Associated companies, undertakings and related parties				
		2	**6,214**	**0.00**
NIT & ICP				
1		**Nil**		
Government Holding				
1	04705-87224	FEDERAL BOARD OF REVENUE	145,958	0.10
		1	**145,958**	**0.10**
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.				
1	02832-32	MEEZAN BANK LIMITED	2,108,000	1.49
2	09944-24	AL BARAKA BANK (PAKISTAN) LIMITED	1,087,900	0.77
		2	**3,195,900**	**2.25**
Insurance Companies				
1		**Nil**		
Modarabas and Mutual Funds				
1	02113-21	FIRST EQUITY MODARABA	59,400	0.04
2	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	42,500	0.03
3	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	3,332,500	2.35
4	07450-521	B.R.R. GUARDIAN MODARABA	93,881	0.07
5	09480-21	CDC - TRUSTEE NBP STOCK FUND	1,494,500	1.05
6	09506-26	CDC - TRUSTEE NBP BALANCED FUND	68,000	0.05
7	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	199,500	0.14
8	12625-27	CDC - TRUSTEE NBP SARMAYA IZAFA FUND	95,000	0.07
9	14514-28	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	5,000	0.00
10	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	2,080,500	1.47
11	16402-20	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	115,500	0.08
12	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	56,500	0.04
		12	**7,642,781**	**5.39**
General Public Foreign				
		62	**462,287**	**0.33**
Foreign Companies				
1		**Nil**		
General Public/Others				
		5,184	**33,708,893**	**23.75**
Total		**5,270**	**141,900,000**	**100.00**

Roshan Packages Limited
Pattern Of Shareholding Report
As Of June 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
TAYYAB AIJAZ	1	38,087,809	26.84
SADDAT EIJAZ	1	16,830,000	11.86
ZAKI AIJAZ	1	16,833,538	11.86
KHALID EIJAZ QURESHI	1	20,790,000	14.65
QUASIM AIJAZ	1	4,196,562	2.96
MUHAMMAD NAVEED TARIQ	1	2	0.00
MS. AYESHA MUSSADAQUE HAMID	1	56	0.00
Associated Companies, undertakings and related parties	2	6,214	0.00
Governement Holding	1	145,958	0.10
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	2	3,195,900	2.25
Insurance Companies	-	-	-
Modarabas and Mutual Funds	12	7,642,781	5.39
General Public			
a. Local	5,150	28,596,828	20.15
b. Foreign	62	462,287	0.33
Foreign Companies	-	-	-
Others	34	5,112,065	3.60
Total	**5,270**	**141,900,000**	**100.00**

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

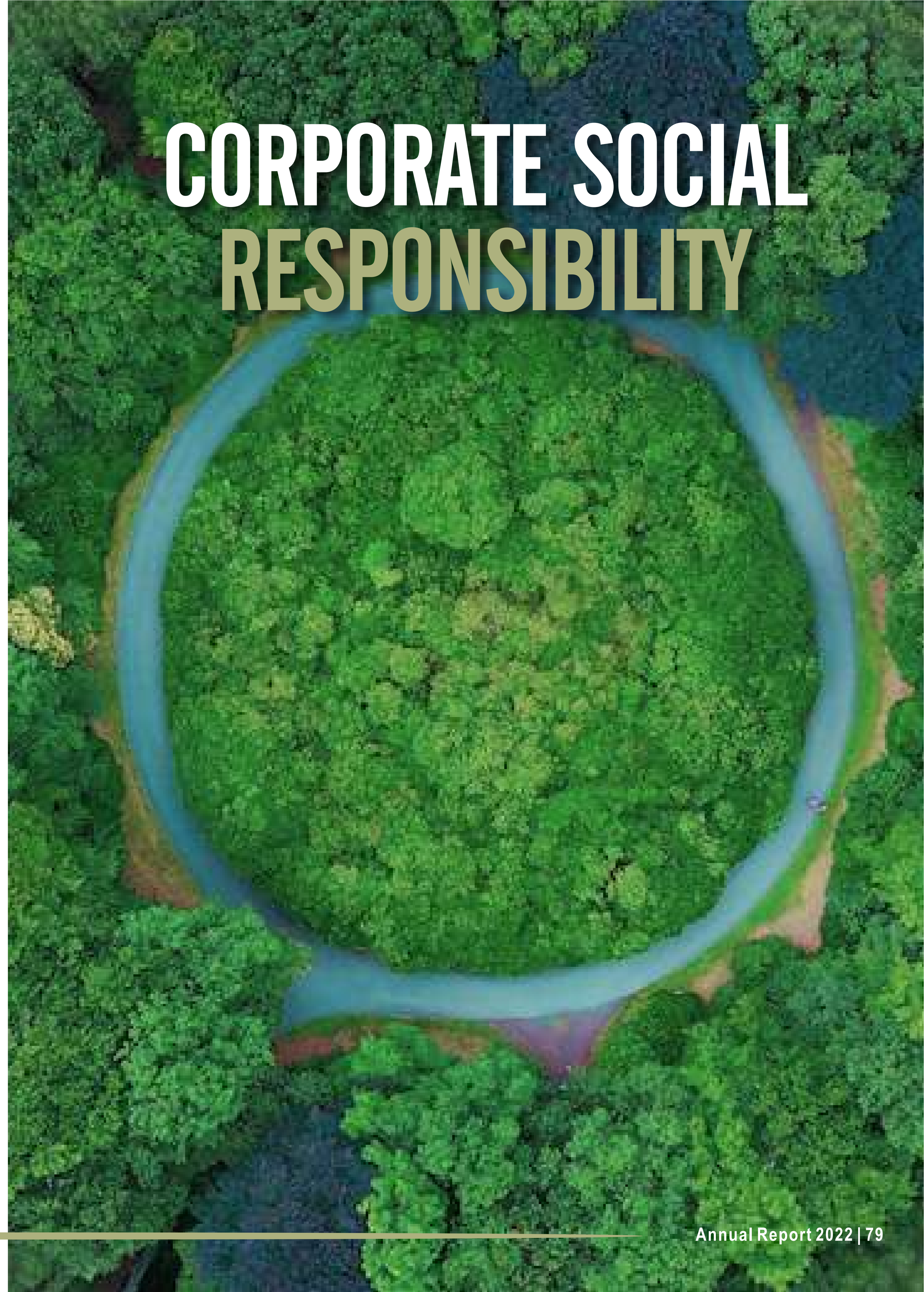
Roshan Packages Limited

Pattern Of Shareholding Report

As Of June 30, 2022

# Of Shareholders	Shareholdings'Slab			Total Shares Held
362	1	to	100	12,134
586	101	to	500	201,725
1899	501	to	1000	1,351,783
1556	1001	to	5000	3,428,439
319	5001	to	10000	2,403,060
174	10001	to	15000	2,213,894
111	15001	to	20000	1,942,564
65	20001	to	25000	1,471,014
24	25001	to	30000	660,156
17	30001	to	35000	554,249
19	35001	to	40000	727,969
15	40001	to	45000	643,423
17	45001	to	50000	814,234
4	50001	to	55000	213,150
11	55001	to	60000	639,723
3	60001	to	65000	189,700
7	65001	to	70000	467,688
3	70001	to	75000	217,891
2	75001	to	80000	158,064
3	80001	to	85000	250,652
7	85001	to	90000	610,320
2	90001	to	95000	188,881
9	95001	to	100000	893,761
1	100001	to	105000	102,664
4	105001	to	110000	432,300
2	110001	to	115000	229,000
3	115001	to	120000	352,051
1	120001	to	125000	125,000
2	125001	to	130000	254,000
1	130001	to	135000	132,000
1	135001	to	140000	140,000
3	145001	to	150000	444,958
2	150001	to	155000	305,610
2	170001	to	175000	345,762
1	175001	to	180000	178,377
1	190001	to	195000	192,456
3	195001	to	200000	599,500
2	205001	to	210000	415,000
1	215001	to	220000	218,499
1	235001	to	240000	238,000
2	240001	to	245000	488,000
1	265001	to	270000	266,500
1	305001	to	310000	310,000
1	320001	to	325000	325,000
1	395001	to	400000	400,000
1	415001	to	420000	416,820
1	560001	to	565000	561,500
1	605001	to	610000	606,410
1	660001	to	665000	662,000
1	750001	to	755000	753,940
1	805001	to	810000	808,110
1	1085001	to	1090000	1,087,900
1	1490001	to	1495000	1,494,500
1	2080001	to	2085000	2,080,500
1	2105001	to	2110000	2,108,000
1	2175001	to	2180000	2,177,760
1	2320001	to	2325000	2,323,000
1	3330001	to	3335000	3,332,500
1	4195001	to	4200000	4,196,562
1	16825001	to	16830000	16,830,000
1	16830001	to	16835000	16,833,538
1	20785001	to	20790000	20,790,000
1	38085001	to	38090000	38,087,809
		5,270		**141,900,000**

CORPORATE SOCIAL RESPONSIBILITY



Climate Action

Roshan Packages Limited is proud to report that our growth will be clean, green and renewable as we expand towards paper manufacturing and focus on a circular business model.

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

Furthermore, we take great care to ensure that all our sites are a part of regional and development planning leading to sustainable growth in cities and communities. All our factories are located in or around specified industrial zones ensuring that our growth does not hamper the health or safety of existing communities.

Waste Management System in Schools

In the absence of adequate garbage collection and waste management infrastructure, most of this garbage is incinerated or left to rot in dumps, often in the middle of cities. Roshan Packages Limited is proud to sponsor ecofriendly corrugated recycling bins at a local school. The school's Environment Society headed by our talented intern, Dania Hasan, will aim to sort and recycle plastic and paper waste as well as educating students about their environmental impact, personal responsibility, and solid waste management.

Domestic Violence Awareness

On the 10th of April, a workshop on domestic violence awareness was led by the young leaders at 'Himmat'. 'Himmat' is a youth-led initiative aiming to empower and equip those affected by domestic violence with the tools and skills they need to fight back as well as create awareness about domestic violence in society.

The workshop shed light upon several facts and statistics regarding domestic abuse, which many employees were unaware of. This information was shared with the employees with the help of a presentation and questionnaire. Firstly, the scale of domestic abuse in Pakistan was explained. The presentation then went on to explain the effects of abuse on women and children living in these households.
Their visit to Roshan was effective as it assisted in making an impact on the mindset through which others viewed domestic violence.

Breast Cancer Awareness

National Breast Cancer Awareness Month, globally known as **"Pinktober,"** is celebrated across the world in October every year. In this respect, RPL organized an awareness session on breast cancer. Employees were educated on the need for awareness about the disease. Our HR team also distributed discount vouchers to our employees for them and their families for Vitamin D testing and Mammograms to encourage early detection.

Let's Empower Women

To acknowledge the efforts of its female staff members and to honour their role in the company's overall success, RPL celebrated **International Women's Day** in March with a special lunch with its female employees. The day also marked the official inauguration of a Women's Committee at RPL.
Mr. Tayyab Aijaz, CEO was the chief guest on the occasion.

Diversity & Inclusion

RPL is committed to providing a safe and inclusive workplace that includes people from diverse backgrounds, regardless of any gender, disability, race, ethnicity, origin, religion, or economic status. We are especially cognizant of our female workforce and the dual burden of work and childcare that many women grapple with. We support them by authorizing flexible working hours and work from home whenever possible. Roshan is not only an equal opportunity employer but rather we have developed a comprehensive policy that promotes gender equality in the workplace. We focus on ensuring equal job training opportunities, career development, and equal remuneration. We also offer special maternity and medical leaves for our female employees and have implemented strict anti-harassment trainings and procedures.

Serving Community

At RPL, we believe that change starts at home. To this end, we have arranged numerous in house and external awareness sessions on topics such as domestic violence, breast cancer awareness and smoking. We hope that our employees are able to carry the information and tools they learnt from these workshops into their daily lives.

In addition, we are committed to supporting small/home businesses run by women and youngsters. Through Roshpack we have provided numerous high quality custom packaging solutions to SMEs at heavily discounted prices in order to promote their growth. We are also providing free and subsidized packaging to NGOs providing flood relief and free corrugated bins to a school wanting to set up a recycling system.

Furthermore, our R&D lab is continuously working on creating eco-friendly substitutes for plastic items that normally end up in the landfill such as desk organisers, bins and birthday signs.

Tree Plantation Pledge

Trees are the earth's lungs however, Pakistan continues to face epidemic levels of deforestation. According to Global Forest Watch less than 1.8% of Pakistan's area is tree cover. Keeping that in mind we planted 100 trees at our Corrugation Unit in Sundar Industrial Estate. We hope to continue this activity in years to come.

Student Internship Program

This year, we officially started our Student Internship Program in which we train and polish the young leaders of tomorrow. Youngsters enrolled in High School and College interned across departments such as Human Resources, Marketing, Sales and Finance at our Head Quarters working on new projects and honing their skills through the help of their mentors. Some were offered full time jobs along with flexible schedules that allowed them to pursue their studies and career simultaneously.

Management Trainee Program

The Management Trainee Program was launched for the first time with young talent deputed across the company in various departments. With over 2,000 applicants from across Pakistan, a stringent recruitment process saw the top 10 candidates join the Company. A diverse pool of business and engineering professionals, from universities such as LSE, UET, UMT were onboarded through an intensive week-long orientation at the Head Office. The program will see the participants rotate across different functions to develop their understanding of the value chain and equip them with a varied skill set.

Building Individual & Organisational Capacity

RPL believes in investing in the training and professional development of all its employees since such initiatives make them more efficient, satisfied, and engaged with the organization.

Our training programs are updated regularly and we use our finest resources to help our employees improve their abilities and enhance their skills. Our training program is built around on-the-job training (OJT) and only trained individuals with the necessary standards and abilities are permitted to carry out the task. This year, we also carried out trainings in Urdu for labour employed at our Plants.

Flood Relief

Around 33 million Pakistanis have been affected by this year's devastating floods and landslides. With rivers and dams overflowing homes, farms and critical infrastructure has been destroyed. RPL has pledged free and subsidised packaging to organistions working towards flood relief, transporting goods from Lahore to those affected. Moreover, we have set up donation boxes in our Head Office to collect goods that employees wish to donate, hoping to transport it to organisations for them.

Community Events

A look back at some of our training, team building and celebratory events across the organisation.

Business Competition

Color Day - Maroon

Zero Defect Campaign

Pakistan Defence Day

Job Fair at Expo Centre

Unlock Your Potential Training Session

Tree Plantation Campaign

MTO Orientation

Employee Appreciation Day

International Women's Day

Pakistan Resolution Day

MTO Iftar/Dinner

Team Building Activities

International Day of Peace

Risks And Opportunities

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

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

OPPORTUNITIES

Modern Technology

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

Strong Relationships

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

Backward Integration

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

One stop for all packaging needs

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

Production Capacity

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

E-commerce plat form

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

EY
Building a better working world

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Roshan Packages Limited (the Company) for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Muhammad Ahsan Shahzad
Lahore
Dated: 7 October 2022

UDIN: CR202210079KL7sMdQWw

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

Roshan Packages Limited | Year Ending June 30, 2022

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

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

2. The Composition of Board is as follows:
   a. Independent Directors: 02
      i. Mr. Muhammad Naveed Tariq
      ii. Ms. Ayesha Musaddaque Hamid

For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one-third is not rounded up as one since the fraction is below half (0.5). Furthermore, the two independent directors have the requisite skills, knowledge and are capable of protecting the interests of minority shareholders.

   b. Non-Executive Directors: 03
      i. Mr. Khalid Eijaz Qureshi
      ii. Mr. Quasim Aijaz
      iii. Mr. Zaki Aijaz

   c. Executive Directors: 02
      i. Mr. Tayyab Aijaz
      ii. Mr. Saadat Eijaz

   d. Female Director:01
      i. Ms. Ayesha Musaddaque Hamid

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by the Board / shareholder as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of the directors in accordance with the Act and the Regulations.

9. The Board has arranged Director's Training program for the following:
   i. Mr. Muhammad Naveed Tariq
   ii. Mr. Quasim Aijaz
   iii. Mr. Saadat Eijaz
   iv. Mr. Zaki Aijaz
   v. Mr. Tayyab Aijaz
   vi. Ms. Ayesha Musaddaque Hamid

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following mandatory committee comprising of members given below:

Audit Committee:

Name	Status
Ms. Ayesha Musaddaque Hamid	Chairman
Mr. Quasim Aijaz	Member
Mr. Khalid Eijaz Qureshi	Member
Mr. Muhammad Naveed Tariq	Member
Mr. Zaki Aijaz	Member

13. The terms of reference of the aforesaid Committee have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings (quarterly / half yearly / yearly) of the committee was as per following:

    a. Audit Committee (Quarterly)

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or the Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with

19. Explanation for non-compliance with requirements other than regulations 3,6,7,8,27,32,33,36 are below:.

Non-Mandatory Requirements	Regulation No.	Explanation
Directors' Training programme: By June 30, 2022 all the directors on their boards have acquired prescribed certification under any director training programme.	19 (iii)	Currently, 6 out of 7 directors have acquired the certification under Directors' Training programme. One Directors could not acquire the said certification up till now, which will be arranged next year.
Human Resource and Remuneration Committee:	28 (01)	Currently, the Board has not constituted a separate Human Resource and Remuneration Committee and functions are being performed by the Board itself.
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such members and class of the directors, as it may deem appropriate in its circumstances.	29 (01)	Currently, the Board has not constituted a separate nomination committee and functions are being performed by the Board itself.
Risk Management Committee: The Board may constitute risk management committee of such members and class of the directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (01)	Currently, the Board has not constituted a RMC and the Company's management performs requisite functions and apprise the Board accordingly.

Quasim Aijaz
Chairman

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of Roshan Packages Limited (the Company), which comprise the unconsolidated statement of financial position as at 30th June 2022, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the 'separate financial statements') and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Revenue from contracts with customers	
Refer to Note 33 to the unconsolidated financial statements and the accounting policy in Note 4.21 to the unconsolidated financial statements. For the year ended on 30 June 2022, the Company has recorded total net revenue from contracts with customers amounting to Rs. 8,865.5 million in which revenue amounting to Rs. 7,644.3 million recognized over time pertains to made-to-order products. The Company has recognized revenue in accordance with the guidance of IFRS 15 "Revenue from Contracts with Customers" during the year. IFRS 15 provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of this standard is to recognize revenue as performance obligations are fulfilled rather than based on the transfer of risk and rewards. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and due to the risk associated with the judgement in determining the timing of transfer of control of goods.	We performed following key audit procedures, among other procedures, in respect of revenue from contracts with customers: - Obtaining an understanding of the process relating to recording of revenue from contract with customers and testing the design, implementation and operating effectiveness of relevant key internal controls. - assessing the appropriateness of the Company's revenue accounting policies and compliance of those policies with the accounting and reporting standards as applicable in Pakistan; - obtaining an understanding of the types of contracts with the Company's customers and comparing on a sample basis, revenue transactions recorded during the year and around the year end with the sales orders, sales invoices, dispatch orders and other relevant underlying documents to assess whether the revenue was recorded in accordance with the five-step approach of IFRS 15 in appropriate financial reporting period; - inspecting, on a sample basis, credit notes issued during and around the year end to evaluate whether the variable elements of revenue from contract with customers had been accurately recorded in the appropriate financial reporting period; and - scanning for any manual journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and A member firm of Ernst & Young Global Limited Roshan Packages Limited

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

EY Ford Rhodes
Chartered Accountants
Lahore
Dated: 7 October 2022

UDIN: AR202210079qsL9dFXy2

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,368,016,668	4,467,820,001
Right-of-use assets	7	81,982,291	33,431,766
Intangible asset	8	-	-
Investment in subsidiary	9	160,618,966	160,618,966
Long-term loans - related parties	10	450,018,538	509,981,467
Long-term deposits		21,353,650	14,902,194
		6,081,990,113	5,186,754,394
Current assets			
Stores, spares and other consumables	11	278,700,831	182,914,819
Stock-in-trade	12	1,350,850,860	860,632,063
Contract assets	13	199,255,658	148,554,959
Trade receivables	14	2,266,048,213	1,459,777,356
Current portion of long term loans - related parties	10	130,864,885	-
Advances, deposits, prepayments and other receivables	15	237,568,277	227,284,685
Tax refunds due from Government	16	375,096,375	521,464,849
Short-term investments	17	-	545,852,250
Cash and bank balances	18	505,249,511	305,574,793
		5,343,634,610	4,252,055,774
TOTAL ASSETS		11,425,624,723	9,438,810,168
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	19	1,419,000,000	1,419,000,000
Capital reserves			
Share premium	20	1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment	21	2,626,922,292	1,746,398,900
		4,621,711,349	3,741,187,957
Revenue reserve			
Un-appropriated profit		1,204,708,319	903,918,570
TOTAL EQUITY		7,245,419,668	6,064,106,527
Non-current liabilities			
Supplier's credit	22	-	64,192,028
Long-term financing	23	138,784,287	18,522,370
Lease liabilities	24	53,809,165	24,753,229
Deferred tax liabilities	25	543,919,188	574,649,300
Deferred liabilities	26	154,279,763	140,818,763
		890,792,403	822,935,690
Current liabilities			
Current portion of non-current liabilities	27	83,209,878	199,746,644
Short-term borrowings	28	1,728,820,658	966,452,761
Trade and other payables	29	1,337,643,474	1,350,109,613
Contract liabilities	30	84,548,248	14,731,994
Accrued finance cost	31	53,389,378	18,750,357
Unclaimed dividend		1,801,016	1,976,582
		3,289,412,652	2,551,767,951
TOTAL LIABILITIES		4,180,205,055	3,374,703,641
TOTAL EQUITY AND LIABILITIES		11,425,624,723	9,438,810,168
CONTINGENCIES AND COMMITMENTS	32		

The annexed notes, 1 to 54, form an integral part of these unconsolidated financial statements.

Chief Executive	Director	Chief Financial Officer

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS AT 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Revenue from contracts with customers		**10,349,295,793**	8,118,728,427
Less: sales tax		**(1,483,731,282)**	(1,122,890,202)
Net revenue	**33**	**8,865,564,511**	6,995,838,225
Cost of revenue	**34**	**(7,950,325,280)**	(6,112,740,638)
Gross profit		**915,239,231**	883,097,587
Administrative expenses	**35**	**(209,968,287)**	(177,325,128)
Selling and distribution expenses	**36**	**(284,652,554)**	(197,356,671)
Reversal of allowance for expected credit losses	**14**	**16,868,047**	-
Other operating expenses	**37**	**(16,705,739)**	(33,893,224)
		(494,458,533)	(408,575,023)
Operating profit		**420,780,698**	474,522,564
Other income	**38**	**97,009,884**	105,578,721
Other expenses	**39**	**(88,648,724)**	(364,309)
Finance costs	**40**	**(167,249,395)**	(111,635,681)
Profit before taxation		**261,892,463**	468,101,295
Taxation	**41**	**2,816,686**	(122,451,292)
Profit for the year		**264,709,149**	345,650,003
Earnings per share - Basic and diluted	**42**	**1.87**	2.44

The annexed notes, 1 to 54, form an integral part of these unconsolidated financial statements.

Chief Executive **Director** **Chief Financial Officer**

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Profit for the year		**264,709,149**	345,650,003
Other comprehensive income / (loss):			
Items that will not be subsequently reclassified in profit or loss:			
Actuarial gain / (loss) on remeasurement of retirement benefits	**26.2**	**2,675,218**	(2,701,768)
- related deferred tax	**25**	**-**	783,513
Additional revaluation surplus on fixed assets		**996,578,959**	-
- related deferred tax		**(55,743,319)**	-
Increase in deferred tax liability on revaluation surplus on fixed assets resulting from change in rate		**(26,906,866)**	-
		916,603,992	(1,918,255)
Total comprehensive income for the year		**1,181,313,141**	343,731,748

The annexed notes, 1 to 54, form an integral part of these unconsolidated financial statements.

Chief Executive **Director** **Chief Financial Officer**

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
	----------	----------	Ru pees	----------	----------
Balance as on 01 July 2020	1,419,000,000	1,994,789,057	1,795,215,742	653,269,980	5,862,274,779
Profit for the year	-	-	-	345,650,003	345,650,003
Other comprehensive loss for the year	-	-	-	(1,918,255)	(1,918,255)
Total comprehensive income	-	-	-	343,731,748	343,731,748
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax (Note 21)	-	-	(48,816,842)	48,816,842	-
Final cash dividend for the year ended 30 June 2020 (Rs.1 per share)	-	-	-	(141,900,000)	(141,900,000)
Balance as on 30 June 2021	1,419,000,000	1,994,789,057	1,746,398,900	903,918,570	6,064,106,527
Profit for the year	**-**	**-**	**-**	**264,709,149**	**264,709,149**
Other comprehensive income for the year	**-**	**-**	**913,928,774**	**2,675,218**	**916,603,992**
Total comprehensive income	**-**	**-**	**913,928,774**	**267,384,367**	**1,181,313,141**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax (Note 21)	**-**	**-**	**(33,186,847)**	**33,186,847**	**-**
Transfer of revaluation surplus on plant and machinery disposed off to unappropriated profit	**-**	**-**	**(218,535)**	**218,535**	**-**
Balance as on 30 June 2022	**1,419,000,000**	**1,994,789,057**	**2,626,922,292**	**1,204,708,319**	**7,245,419,668**

The annexed notes, 1 to 54, form an integral part of these unconsolidated financial statements.

Chief Executive | Director | Chief Financial Officer

ROSHAN PACKAGES LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
OPERATING ACTIVITIES			
Profit before taxation		**261,892,463**	468,101,295
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of operating fixed assets	**6.1.4**	**163,774,086**	146,740,804
Depreciation of right-of-use assets	**7.1**	**22,002,468**	10,385,583
Interest income on loans	**38**	**(56,853,260)**	(40,997,951)
Finance costs	**40**	**167,249,395**	111,635,681
Provision for gratuity	**26.2.1**	**35,975,726**	31,293,341
Reversal of allowance for expected credit losses	**14.2**	**(16,868,047)**	-
Profit on bank deposits	**38**	**(10,803,890)**	(18,182,346)
Profit on short-term investments	**38**	**(23,719,962)**	(35,062,443)
Amortization of intangible asset	**8**	**-**	362,586
Provision for Worker's Profit Participation Fund	**37**	**13,928,720**	25,099,726
Provision for Worker's Welfare Fund	**37**	**2,777,019**	8,793,498
Grant income	**26.3**	**(2,363,407)**	(2,350,049)
Liabilities no longer payable written back	**38**	**(3,269,365)**	-
Gain on remeasurement of supplier's credit	**38**	**-**	(1,409,209)
Exchange loss - unrealized		**-**	142,548
Loss on disposal of property, plant and equipment	**39**	**2,468,336**	364,309
Provision for accumulating compensated absences	**26.1.1**	**(6,350,394)**	447,283
		549,839,888	705,364,656
Working capital adjustments:			
(Increase) / decrease in current assets:			
Stores, spares and other consumables		**(95,786,012)**	(10,915,717)
Stock-in-trade		**(490,218,797)**	(151,696,872)
Trade receivables		**(789,402,810)**	(204,691,945)
Contract assets		**(50,700,699)**	(67,676,221)
Advances, deposits, prepayments and other receivables		**5,541,238**	(67,656,732)
Sales tax receivable - net		**63,212,530**	18,023,926
Increase / (decrease) in current liabilities:			
Contract liabilities		**69,816,254**	(1,186,357)
Trade and other payables		**(16,540,487)**	273,601,666
		(1,304,078,783)	(212,198,252)
Net cash (used in) / generated from operations		**(754,238,895)**	493,166,404
Finance costs paid		**(121,275,938)**	(112,793,085)
Income tax paid		**(27,407,667)**	(7,209,957)
Workers' welfare fund paid		**(9,362,026)**	-
Gratuity paid		**(12,735,175)**	(13,943,906)
Accumulated absences paid		**(145,281)**	(220,328)
Net increase in long term-deposits		**(6,451,456)**	-
		(177,377,543)	(134,167,276)
Net cash (used in) / generated from operating activities		**(931,616,438)**	358,999,128

	Note	2022 Rupees	2021 Rupees
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(66,803,826)**	(81,092,699)
Proceeds from disposal of property, plant and equipment		**2,483,013**	553,999
Long-term loan given		**(70,901,956)**	(118,393,386)
Interest on long-term loan received		**38,817,830**	114,691,632
Profit on bank deposits received		**36,734,452**	56,473,294
Net cash used in investing activities		**(59,670,487)**	(27,767,160)
FINANCING ACTIVITIES			
Proceeds from long-term financing		**173,480,355**	25,601,002
Repayment of long-term financing		**(93,880,492)**	(45,170,294)
Repayment of supplier's credit		**(163,093,085)**	(34,553,667)
Dividend paid		**(175,566)**	(140,711,474)
Proceeds from / (repayment of) short-term borrowings - net		**737,132,397**	(57,005,212)
Repayment of lease liabilities		**(33,589,716)**	(17,710,168)
Net cash generated from / (used in) financing activities		**619,873,893**	(269,549,813)
Net (decrease) / increase in cash and cash equivalents		**(371,413,032)**	61,682,155
Cash and cash equivalents at the beginning of the year		**635,883,439**	574,201,284
Cash and cash equivalents at the end of the year	43	**264,470,407**	635,883,439

The annexed notes, 1 to 54, form an integral part of these unconsolidated financial statements.

Significant non-cash adjustment:

- Pursuant to the settlement agreement between the Company and Shandong Yongtai Paper Mills Limited and its directors (the previous joint shareholders in Roshan Sun Tao Paper Mills (Private) Limited - the Subsidiary), the Company had acquired their interest in the Subsidiary for Rs. 81.67 million. For details, please refer to Note 9.3.

Chief Executive | **Director** | **Chief Financial Officer**

1 THE COMPANY AND ITS OPERATIONS

1.1 Corporate and general information

Roshan Packages Limited (the Company) was incorporated in Pakistan as a private company limited by shares on 13 August 2002 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). The Company was converted into a public limited company on 23 September 2016 and got listed on Pakistan Stock Exchange Limited on 28 February 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and assumptions

The assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are described below:

The Company based its assumptions and estimates on the parameters under which these financial statements were prepared.

Existing circumstances and assumptions about the future development may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

		Note
a)	Depreciation method, rates and useful lives of operating fixed and right-of-use assets	4.2, 4.3, 6.1 & 7
b)	Revaluation of land, building, plant and machinery and electric installations	4.2, 6.1 & 48.2
c)	Employee retirement and other benefits	4.12 & 26
d)	Revenue recognition: Whether revenue from products recognized over time or at point in time	4.21 & 33
e)	Taxation	4.23, 16.2, 25, 32 & 41
f)	Impairment of financial assets	4.10, 4.25, 10.1, 10.3, 46.1.2, 46.1.3 & 46.1.5
g)	Contingencies	4.19 & 16.1

Judgments

In the process of applying Company's accounting policies, management has made judgments, as mentioned below, which have most significant effects on the amounts recognized in financial statements:

		Note
a)	Classification of 'Loan to associate' and 'Tax refunds due from Government' as current	10.1 & 16
b)	Indicators of impairment - investment in subsidiary company	9

4 SIGNIFICANT ACCOUNTING POLICIES

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

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

The accounting policies adopted in the preparation of these financial statements are consistent with those in the previous financial year except that the Company has adopted the following accounting amendments which became effective for the current year:

IFRS 9 & IFRS 16	Financial Instruments & Leases - Interest Rate Benchmark Reform Phase 2 (Amendments)
IFRS 7	Financial Instruments Disclosures - Interest Rate Benchmark Reform Phase 2 (Amendments
IFRS 16	Leases: Covid-1 9-Related Rent Concessions beyond 30 June 2021 - (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on these unconsolidated financial statements.

4.2 Property, plant and equipment

Operating fixed assets

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

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

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

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

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

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

Depreciation on additions to operating assets is charged from the month in which the item becomes available for use whereas it is discontinued from the month in which the asset is retired from active use.

The residual value, depreciation method and the useful lives of each part of operating assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date. The Company's estimate of residual values and useful life of its operating fixed assets during the year has not required any adjustment as its impact is considered insignificant.

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

Capital work-in-progress

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

4.3 Leases

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

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

a) Right-of-use assets

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

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

b) Lease liabilities

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

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

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

d) Judgement and estimate:

Determining the lease term of contracts

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

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

4.4 Intangible asset

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

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

The Company's estimate of residual values and useful life of its intangible asset during the year has not required any adjustment as its impact is considered insignificant.

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

4.5 Investment in subsidiary

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

4.6 Impairment of non-financial assets

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

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

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

4.7 Long term deposits

The long-term deposits include deposits against lease arrangements and those recoverable from utility companies. Long-term deposits were not discounted at initial recognition as the impact of discounting is not material.

4.8 Stores, spares and other consumables

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

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4.9 Stock-in-trade

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

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

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

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

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

4.10 Trade receivables

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

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

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

4.11 Cash and cash equivalents

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

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

4.12 Employee benefits

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

a) <u>Gratuity</u>

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

The entity recognizes the defined benefit liability in the unconsolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. Actuarial valuation is conducted every year. The latest valuation was carried out as at 30 June 2022 using the projected unit credit method.

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

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

b) Accumulated compensated absences

The Company provides leave encashment benefit to its non-management staff. The non-management staff is entitled to 15 days leave per annum. The un-utilized leaves are accumulated subject to a maximum of 15 days. The un-utilized accumulated leaves are encashable at the time of leaving the service.

Uptil 30 June 2021, the un-utilized leaves were accumulated subject to a maximum of 30 days, for management as well as non-management staff. Please refer to Note 26.1, for impact of change in this policy.

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

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

- **Salary increase / inflation risk:**

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

- **Discount rate risk:**

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

- **Mortality risk:**

  Actual mortality experience may be different than that assumed in the calculation.

- **Withdrawal risk:**

  Actual withdrawals experience may be different than that assumed in the calculation.

4.12.1 Estimates and judgments

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

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

4.13 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.15 Deferred income - Government grant

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

4.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.17 Contract liabilities

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

4.18 Dividend

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

4.19 Provisions

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

4.20 Contingent liabilities

Contingent liability is disclosed when:

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

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

4.21 Revenue from contracts with customers

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

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

Made-to-order packaging products:

The Company has determined that for made-to-order packaging products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts, products are made to a customer's specification and if a contract is terminated by the customer, then the Company is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Revenue and associated costs are recognized over time – i.e. before the goods are delivered to the customers' premises. Progress is determined based on the cost-to-cost method. In case of credit sales, invoices are issued according to contractual terms and are usually payable within 7 to 365 days. Un-invoiced amounts are presented as contract assets.

Standard packaging products:

The Company recognizes revenue when it transfers control of the goods. The customers obtain control of standard packaging products when the goods are either dispatched or delivered to them and have been accepted at their premises. Invoices are generated at that point in time. In case of credit sales, invoices are usually payable within 7 to 90 days. No discounts are provided for standard packaging products.

4.22 Foreign currency translation

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

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

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

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

4.23 Taxation

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

Current tax

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

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

Deferred

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

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

4.24 Sales tax

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

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

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4.25 Financial instruments

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

4.25.1 Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

Financial assets at fair value through OCI (debt instruments)

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Impairment of financial assets

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

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

4.25.2 Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities at amortized cost (loans and borrowings)

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

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

4.25.3 Derecognition

4.25.3.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

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

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

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

4.25.3.2 Financial liabilities

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

4.25.4 Offsetting of financial instruments

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

4.26 Earnings per share (EPS)

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

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

4.27 Events after the reporting period

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

4.28 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;

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

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

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

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

The new and amended standards that are issued, but not yet effective, up to the date ofi ssuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards, if applicable, when they become effective.

Standard		Effective date (annual periods beginning on or after)
IAS 1	Presentation of Financial Statements - Disclosure of Accounting Policies (Amendments): the amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	01 January 2023
IAS 1	Presentation of Financial Statements - 'Classification of Liabilities as Current or Non-current' (Amendments): to clarify how to classify debt and other liabilities as current or non-current.	01 January 2022
IFRS 3	Business Combinations - Definition of a Business (Amendments)	01 January 2022
	The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	01 January 2022
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment).	Not yet finalized
IAS 12	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments) - which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.	01 January 2023
IAS 16	Property, Plant and Equipment - Proceeds before Intended Use (Amendments): to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	01 January 2022
IAS 37	Provisions, Contingent liabilities and Contingent assets - Onerous Contracts – Costs of Fulfilling a Contract (Amendments): to specify which costs should be included in an entity's assessment whether a contract will be loss-making.	01 January 2022
IFRS 9	Financial Instruments – Fees in the '10 per cent' test for derecognition offi nancial liabilities (IFRS Annual Improvement Cycle 2018-2020): the amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.	01 January 2022
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (Amendments): The amendments introduces a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	01 January 2023

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The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application, except for requirement to disclose 'material' accounting policies instead to 'significant' accounting policies.

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

Standard / IFRIC		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

		Note	2022 Rupees	2021 Rupees
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	6.1	5,365,747,906	4,467,326,597
	Capital work in progress	6.2	2,268,762	493,404
			5,368,016,668	4,467,820,001

6.1 Operating fixed assets

	Owned: Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture and fixtures	Office equipment	Vehicles	Total
	Rupees							
Cost / revalued amount								
As at 01 July 2020	941,755,000	1,161,918,508	3,826,440,946	125,281,694	10,069,454	53,870,463	50,939,567	6,170,275,632
Additions / transfers	1,233,200	640,912	77,273,039	959,739	1,742,495	96,495,237	-	178,344,622
Transfers from right of use assets	-	-	-	-	-	-	22,379,333	22,379,333
Disposals	-	-	(35,641)	(23,715)	(1,004,070)	(209,733)	(1,845,500)	(3,118,659)
As at 30 June 2021	942,988,200	1,162,559,420	3,903,678,344	126,217,718	10,807,879	150,155,967	71,473,400	6,367,880,928
Additions / transfers	**-**	**6,088,272**	**33,275,037**	**4,454,824**	**1,501,455**	**18,182,228**	**1,526,652**	**65,028,468**
Transfers from right of use assets	**-**	**-**	**-**	**-**	**-**	**-**	**12,169,000**	**12,169,000**
Disposals / written off (Note 6.1.6)	**-**	**-**	**(5,490,016)**	**-**	**-**	**(22,400)**	**(2,259,068)**	**(7,771,484)**
Revaluation adjustment	**816,761,800**	**228,567,669**	**30,971,084**	**13,145**	**-**	**-**	**-**	**1,076,313,698**
As at 30 June 2022	**1,759,750,000**	**1,397,215,361**	**3,962,434,449**	**130,685,687**	**12,309,334**	**168,315,795**	**82,909,984**	**7,513,620,610**
Depreciation								
As at 01 July 2020	-	276,618,979	1,362,550,522	36,277,551	4,671,565	26,231,796	37,509,416	1,743,859,829
Charge for the year	-	33,939,057	97,428,830	3,208,391	637,727	6,957,837	4,568,962	146,740,804
Transfers from right of use assets	-	-	-	-	-	-	12,154,049	12,154,049
Disposals	-	-	(16,274)	(13,256)	(822,861)	(132,395)	(1,215,565)	(2,200,351)
As at 30 June 2021	-	310,558,036	1,459,963,078	39,472,686	4,486,431	33,057,238	53,016,862	1,900,554,331
Charge for the year	**-**	**34,028,264**	**106,999,494**	**3,364,444**	**674,391**	**13,928,987**	**4,778,506**	**163,774,086**
Transfers from right of use assets	**-**	**-**	**-**	**-**	**-**	**-**	**6,629,683**	**6,629,683**
Disposals / written off (Note 6.1.6)	**-**	**-**	**(1,135,470)**	**-**	**-**	**(677)**	**(1,683,988)**	**(2,820,135)**
Revaluation adjustment	**-**	**67,395,236**	**12,335,194**	**4,309**	**-**	**-**	**-**	**79,734,739**
As at 30 June 2022	**-**	**411,981,536**	**1,578,162,296**	**42,841,439**	**5,160,822**	**46,985,548**	**62,741,063**	**2,147,872,704**
Net book value								
As at 30 June 2022	**1,759,750,000**	**985,233,825**	**2,384,272,153**	**87,844,248**	**7,148,512**	**121,330,247**	**20,168,921**	**5,365,747,906**
As at 30 June 2021	942,988,200	852,001,384	2,443,715,266	86,745,032	6,321,448	117,098,729	18,456,538	4,467,326,597
Depreciation rate	**-**	**3% - 20%**	**3% - 50%**	**3% - 10%**	**10%**	**10% - 50%**	**20%**	

6.1.1 The gross carrying value of fully depreciated assets that are still in use amounted to Rs. 6.52 million (2021: Rs. 2.63 million).

6.1.2 The latest revaluation on freehold land, buildings on freehold land, plant and machinery and electric installations carried out on 30 June 2022 by an independent professional valuer, Unicorn International Surveyors. The carrying amounts of the following classes of assets would have been as follows:

	2022 Rupees	2021 Rupees
Freehold land	**128,060,277**	128,060,277
Buildings on freehold land	**409,741,605**	423,920,778
Plant and machinery	**1,533,502,089**	1,577,255,626
Electric installations	**56,438,165**	55,337,190
	2,127,742,136	2,184,573,871

6.1.3 The forced sale values of assets as determined by the independent valuer as of 30 June 2022 are as follows:

	Forced sale value Rupees
Freehold land	1,495,787,000
Buildings on freehold land	836,879,435
Plant and machinery	2,093,116,279
Electric installations	515,399
	4,426,298,113

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

	Note	2022 Rupees	2021 Rupees
Cost of revenue	34	**158,514,323**	141,200,163
Administrative expenses	35	**4,243,952**	4,088,592
Selling and distribution expenses	36	**1,015,811**	1,452,049
		163,774,086	146,740,804

6.1.5 Particulars of immovable fixed assets are as follows:

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

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

6.1.6 The aggregate net book value of operating fixed assets disposed off during the year have not exceeded five million, therefore, particulars of such assets have not been disclosed.

6.2 Capital work in progress

	Opening balance	Additions	Transfers	Closing balance
2022	Rupees			
Plant and machinery	**493,404**	**-**	**(53,715)**	**439,689**
Civil works	**-**	**1,829,073**	**-**	**1,829,073**
Electrical installations	**-**	**-**	**-**	**-**
Office equipment	**-**	**295,956**	**(295,956)**	**-**
	493,404	**2,125,029**	**(349,671)**	**2,268,762**

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

7 RIGHT-OF-USE ASSETS

	Note	Leasehold Buildings	Vehicles	Total
Cost		------------------------ Rupees ------------------------		
As at 01 July 2020		38,480,671	37,890,000	76,370,671
Additions	7.2	-	2,763,000	2,763,000
Transfers to operating fixed assets		-	(22,379,333)	(22,379,333)
As at 30 June 2021		38,480,671	18,273,667	56,754,338
Additions	7.2	**71,908,243**	**4,209,000**	**76,117,243**
Transfers to operating fixed assets		**-**	**(12,169,000)**	**(12,169,000)**
Re-assessment		**(24,933)**	**-**	**(24,933)**
As at 30 June 2022		**110,363,981**	**10,313,667**	**120,677,648**
Depreciation				
As at 01 July 2020		7,601,985	17,489,053	25,091,038
Charge for the year		7,596,704	2,788,879	10,385,583
Transfers to operating fixed assets		-	(12,154,049)	(12,154,049)
As at 30 June 2021		15,198,689	8,123,883	23,322,572
Charge for the year		**20,311,166**	**1,691,302**	**22,002,468**
Transfers to operating fixed assets		**-**	**(6,629,683)**	**(6,629,683)**
As at 30 June 2022		**35,509,855**	**3,185,502**	**38,695,357**
Net book value				
As at 30 June 2022		**74,854,126**	**7,128,165**	**81,982,291**
As at 30 June 2021		23,281,982	10,149,784	33,431,766
Rate of depreciation (per annum)		**20% - 33%**	**20%**	

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

	Note	2022 Rupees	2021 Rupees
Cost of revenue	34	**16,429,550**	1,812,078
Administrative expenses	35	**3,660,742**	6,722,289
Selling and distribution expenses	36	**1,912,176**	1,851,216
		22,002,468	10,385,583

7.2 These represent non-cash additions recognized against corresponding lease liabilities, as referred to in Note 24.1.

8 INTANGIBLE ASSET

	Note	2022 Rupees	2021 Rupees
Cost			
Opening balance		**7,088,486**	7,088,486
Addition		**-**	-
Closing balance		**7,088,486**	7,088,486
Amortization			
Opening balance		**7,088,486**	6,725,900
Charge for the year	35	**-**	362,586
Closing balance		**7,088,486**	7,088,486
Net book value as at 30 June		**-**	-
Amortization rate		**20%**	20%

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

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9 INVESTMENT IN SUBSIDIARY

	2022 Rupees	2021 Rupees
At cost:		
Roshan Sun Tao Paper Mills (Private) Limited	**160,618,966**	160,618,966

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

9.2 The subsidiary company has prepared a revised business plan, wherein, it intends to commence construction of plant site, with procurement of plant and machinery, in calendar year 2022. Under the business plan, the capital expenditure will be financed by a combination of equity and long-term loan facilities. The Company has already approved financing facilities up to Rs. 500 million (refer to Note 10.3), out of which the subsidiary company has drawn a loan of Rs. 450 million. During the year, the subsidiary company has obtained the financing facilities up to Rs. 1,250 million and is also negotiating further financing facilities with commercial banks to finance its capital expenditure. The subsidiary company is in the process ofi ncreasing its authorized share capital, enabling the Company to convert the loan facility into/ inject further equity, upon completion ofi egal requirements. Majority portion of the planned output is expected to be utilized by the Company, substituting the need for external procurement. The subsidiary company expects to commence production by calendar year 2024.

Based upon analysis of updated business plan, underlying cashflow projections, current market conditions and the Company's ability to arrange additional financial resources for successful completion of the project, management of the Company has assessed that, as of reporting date, no indicators ofi mpairment exist, in accordance with requirements of the IAS 36 'Impairment of assets'.

9.3 The Company had entered into a settlement agreement on 05 March 2021 with the Shandong Yongtai Paper Mills Limited and its directors (the previous joint shareholders in the subsidiary company) to acquire their interest in the subsidiary company for Rs. 81.68 million in a full and final settlement. The Company is confident that it will be able to obtain necessary regulatory approvals for payment offi nal settlement amount, in due course. The reconciliation of carrying amount ofi nvestment in subsidiary company is as follows:

	Note	2022 Rupees	2021 Rupees
Opening balance		**160,618,966**	111,376,130
Total amount of full and final settlement		**-**	81,675,825
Recognized as long term loan	10.4	**-**	(32,432,989)
Further acquisition of 40% shares in Subsidiary		**-**	49,242,836
Closing balance		**160,618,966**	160,618,966

10 LONG-TERM LOANS - RELATED PARTIES

	Note	2022	2021
At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	10.1 & 10.2	**-**	130,864,885
Loan to subsidiary - Roshan Sun Tao Paper Mills (Private) Limited	10.3 & 10.4	**450,018,538**	379,116,582
		450,018,538	509,981,467

10.1 This unsecured loan carries markup at the rate of 1-Year KIBOR+2% (2021:1-Year KIBOR+2%) per annum or average borrowing cost of the Company, whichever is higher. The effective interest rate was 10.06% to 17.1% (2021: 9.21% to 10.06%) per annum. The Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has granted extension of two years to associated undertaking in repayment ofl oan and as per revised terms and conditions, Roshan Enterprises would repay the entire principal amount by 28 October 2022. Currently, the Company and related party are finalizing the mode of settlement. Based on the Company's discussion with partners of Roshan Enterprises, who are also the directors of the Company, full settlement through transfer of a non-financial asset (a piece of commercial land) of adequate value is expected, within next financial year. Accordingly, as of reporting date, allowance for expected credit loss has been estimated to be insignificant and has not been recognized in these unconsolidated financial statements.

10.2 Movement during the year is as follows:	Note	2022 Rupees	2021 Rupees
Opening balance		**130,864,885**	149,249,281
Markup accrued during the year	38	**15,213,982**	11,925,889
Markup received during the year		**-**	(30,310,285)
Closing balance		**146,078,867**	130,864,885
Less: Current portion of principal shown under current assets		**(130,864,885)**	-
Less: Accrued markup shown under Advances, Deposits, Prepayments and Other Receivables		**(15,213,982)**	-
		-	130,864,885

10.2.1 The maximum aggregate amount outstanding during the year with reference to month end balance amounted to Rs. 146.07 million (2021: Rs. 153.03 million).

10.3 This represents unsecured loan disbursed to finance capital expenditure, for setting up of the subsidiary's production facility. The loan carries interest at the rate of 1-Year KIBOR+2% (2021:1-Year KIBOR+2%) per annum or average borrowing cost of the Company, whichever is higher and shall be received on quarterly basis. The effective interest rate was 9.32% to 10.04% (2021: 9.32% to 16.37%) per annum.

As per terms and conditions of the loan agreement (revised), it is repayable on 30 June 2024 or within one year of the commercial operations of the Subsidiary, whichever is later. However, the Company is considering to convert this amount into equity, subject to approvals as referred to in Note 9.2.

Furthermore, in relation to assessment ofi ndicators ofi mpairment for the Company's equity investment in the subsidiary company, as of reporting date, the Company estimates that an allowance for expected credit loss is insignificant and has not been recognized in these unconsolidated financial statements. For details, please refer to Note 9.2.

10.4	Movement during the year is as follows:	Note	2022 Rupees	2021 Rupees
	Opening balance		**387,697,897**	168,546,690
	Loan disbursed during the year		**70,901,956**	118,393,386
	Markup accrued during the year		**41,639,278**	8,581,315
	Markup received during the year		**(38,817,830)**	(32,443,353)
	Short term loan reclassified from current assets		**-**	92,186,870
	Loan acquired due to further acquisition	9.3	**-**	32,432,989
	Closing balance		**461,421,301**	387,697,897
	Less: Accrued markup shown under Advances, Deposits, Prepayments and Other Receivables		**(11,402,763)**	(8,581,315)
			450,018,538	379,116,582

10.4.1 The maximum aggregate amount outstanding during the year with reference to month end balance amounted to Rs. 450.01 million (2021: Rs. 380.09 million).

11	STORES, SPARES AND OTHER CONSUMABLES	Note	2022 Rupees	2021 Rupees
	Stores		**215,880,336**	133,733,209
	Spares		**48,666,252**	36,633,953
	Packing material		**14,154,243**	12,547,657
			278,700,831	182,914,819

12	STOCK-IN-TRADE			
	Raw materials	12.1	**1,259,396,367**	812,394,007
	Finished goods		**79,888,455**	48,238,056
	Waste stock		**11,566,038**	-
			1,350,850,860	860,632,063

12.1 This includes raw material in transit amounting to Rs. 119.15 million (2021: Rs. 115.42 million).

13 CONTRACT ASSETS

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

14	TRADE RECEIVABLES	Note	2022 Rupees	2021 Rupees
	Unsecured			
	Trade receivables from contract with customers	14.1	**2,483,045,071**	1,693,642,261
	Less: Allowance for expected credit losses	14.2	**(216,996,858)**	(233,864,905)
			2,266,048,213	1,459,777,356

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14.1	Balances with related parties:	2022 Rupees	2021 Rupees
14.1.1	Outstanding balance from related party are as follows:		
	Roshan Enterprises	**3,188,237**	3,181,846
	Al-Firdusi Exporters	**1,507,253**	1,124,924
		4,695,490	4,306,770

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

	2022 Rupees	2021 Rupees
Roshan Enterprises	**5,115,976**	5,237,066
Al-Firdusi Exporters	**3,188,237**	7,154,934
	8,304,213	12,392,000

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

	2022	2021
Not yet due	**-**	4,306,770
Past due for 0 to 180 days	**388,720**	-
Past due for more than 365 days	**4,306,770**	-
	4,695,490	4,306,770

14.2 Movement of allowance for expected credit losses:

	2022	2021
Opening balance	**233,864,905**	233,864,905
Reversal during the year	**(16,868,047)**	-
Closing balance	**216,996,858**	233,864,905

This includes allowance against balances due from related parties and contract assets, amounting to Rs. 0.37 million (2021: Rs. 0.07 million) and Rs. 1.26 million (2021: Rs. Nil).

15	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2022 Rupees	2021 Rupees
	Advances :			
	- to employees	15.1	**6,890,057**	9,487,548
	- to suppliers		**190,191,919**	199,907,626
			197,081,976	209,395,174
	Prepayments		**5,126,888**	3,888,343
	Security deposits		**1,903,507**	2,570,641
	Interest receivable on:			
	- savings accounts		**638,612**	109,172
	- short term investments		**-**	2,740,040
	Interest receivable from subsidiary	10.4	**11,402,763**	8,581,315
	Interest receivable from associated undertaking	10.2	**15,213,982**	-
	Other receivables		**6,200,549**	-
			237,568,277	227,284,685

15.1 This includes advances paid to executives amounting to Nil (2021: Rs.1.18 million).

16	TAX REFUNDS DUE FROM GOVERNMENT	Note	2022 Rupees	2021 Rupees
	Sales tax receivable - net	16.1	**37,855,492**	101,068,022
	Income tax receivable - net	16.2	**337,240,883**	420,396,827
			375,096,375	521,464,849

16.1 During the year, upon the Company's appeal, Commissioner Inland Revenue (Appeals) [CIR(A)] has remanded back an assessment order, issued by tax authorities, disallowing sale tax refund amounting to Rs. 41.72 million, relating to tax year 2017, for reconsideration. The management of the Company is confident of early recovery of the refunds, based upon the advice ofi ts tax advisor.

16.2 During the current and previous years, upon the Company's appeal, CIR(A) has remanded back assessment orders, issued by tax authorities, disallowing income tax refunds amounting to Rs. 143.40 million, relating to tax years 2011, 2016, 2017, 2019 and 2020, for reconsideration based on documentary evidences. The management of the Company is confident of early recovery of the refunds, based upon the advice of its tax advisor.

The Company is in the process offi ling income tax refunds, amounting to Rs. 123.1 million, relating to tax years 2007 to 2010, 2013 to 2015 and 2018. Based on documentary evidences and relevant precedents, the Company is confident off ull and early recovery of the refunds.

		Note	2022 Rupees	2021 Rupees
17	**SHORT-TERM INVESTMENTS**			
	At amortized cost			
	Term deposit	17.1	-	300,000,000
	Treasury bill	17.2	-	245,852,250
			-	545,852,250

17.1 It carried markup at the rate 7.5% (2021: 7.5%) per annum.

17.2 It carried markup at the rate ranging from 7.3% to 12.2% (2021: 6.98% to 8%) per annum.

		Note	2022 Rupees	2021 Rupees
18	**CASH AND BANK BALANCES**			
	Cash in hand		1,160,144	112,592
	Balances with banks:			
	- saving accounts	18.1	337,829,597	240,303,589
	- current accounts		166,259,770	65,158,612
			504,089,367	305,462,201
			505,249,511	305,574,793

18.1 The savings accounts earn interest at floating rates based on daily bank deposit rates ranging from 5.83% to 13.35% (2021: 3% to 7%) per annum.

19 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2022	2021	2022	2021
	---------- No. of shares ----------		------------ Rupees ------------	
Ordinary shares of Rs. 10 each fully paid in cash	57,336,000	57,336,000	573,360,000	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	79,461,000	79,461,000	794,610,000	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 19.1)	5,103,000	5,103,000	51,030,000	51,030,000
	141,900,000	141,900,000	1,419,000,000	1,419,000,000

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

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

	2022	2021	2022	2021
	--------- No. of shares ---------		------------ Rupees ------------	
Tayyab Aijaz	38,087,809	38,087,809	380,878,090	380,878,090
Khalid Eijaz Qureshi	20,790,000	20,790,000	207,900,000	207,900,000
Zaki Aijaz	16,833,538	16,833,538	168,335,380	168,335,380
Saddat Aijaz	16,830,000	16,830,000	168,300,000	168,300,000
Quasim Aijaz	4,196,562	4,196,562	41,965,620	41,965,620
Ayesha Mussadaque Ahmed	56	56	560	560
Muhammad Naveed Tariq	2	2	20	20
	96,737,967	96,737,967	967,379,670	967,379,670

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		2022 Rupees	2021 Rupees
20	**SHARE PREMIUM**	1,994,789,057	1,994,789,057

This share premium reserve can be utilized by the Company only for the purposes specified in sections 81(2) and 81(3) of the Companies Act, 2017. Share premium arose against the initial public offering made during the year 2017.

21 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations. This has been adjusted by incremental depreciation arising out of revaluation of above-mentioned assets except freehold land. The latest valuation was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2022, which resulted in net of tax surplus of Rs. 940.84 million (30 June 2019: 1,055.28.million). The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017. For details of related fair value determination, refer to note 48.3.

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

	Note	2022 Rupees	2021 Rupees
Opening balance - net of tax		1,746,398,900	1,795,215,742
Surplus transferred to unappropriated profit for the year on account of incremental depreciation - net of tax		(33,186,847)	(48,816,842)
Additional revaluation surplus - net of tax, during the year		940,835,640	-
Increase in deferred tax liability on revaluation surplus on fixed assets resulting from change in rate		(26,906,866)	-
Transfer of revaluation surplus on electric installations disposed off to unappropriated profit		(218,535)	-
Closing balance - net of tax		2,626,922,292	1,746,398,900

		Note	2022	2021
22	**SUPPLIER'S CREDIT**			
	Supplier's credit	22.1	-	162,221,952
	Less: current portion shown under current liabilities	27	-	(98,029,924)
			-	64,192,028

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

	Note	2022 Rupees	2021 Rupees
Varex II 5-Layer Co-Extrusion Line machine	22.2	-	97,716,720
Gravure Printing Press Heliostar SH machine		-	64,505,232
		-	162,221,952

22.2 The reconciliation of the carrying amounts is as follows:

	Varex II 5-Layer Co-Extrusion Line machine		Gravure Printing Press Heliostar SH machine	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Supplier's credit	209,682,946	210,369,804	209,684,193	210,406,544
Discounting adjustment	(9,565,283)	(9,565,283)	(9,566,953)	(9,566,953)
	200,117,663	200,804,521	200,117,240	200,839,591
Unwinding of discount on liability	10,538,369	10,113,758	10,460,251	10,013,729
Exchange loss	75,746,862	70,267,550	65,434,995	60,829,262
Payments	(286,402,894)	(182,782,251)	(276,012,486)	(206,454,999)
	-	98,403,578	-	65,227,583
Remeasurement adjustment	-	(686,858)	-	(722,351)
	-	97,716,720	-	64,505,232
Less: current portion shown under current liabilities	-	(65,616,605)	-	(32,413,319)
	-	32,100,115	-	32,091,913

22.3 The outstanding balance has been wholly settled during the year, including the amount of Rs. 64.19 million, that was due on 8 September 2022.

23 LONG-TERM FINANCING	Note	2022 Rupees	2021 Rupees
Dubai Islamic Bank Limited - Diminishing musharakah	23.1	-	55,812,500
Dubai Islamic Bank Limited - Refinance scheme	23.2	18,112,586	53,467,967
Allied Bank Limited - Supplier credit loan	23.3	173,480,355	-
		191,592,941	109,280,467
Current portion shown under current liabilities	27	(52,808,654)	(90,758,097)
		138,784,287	18,522,370

23.1 Dubai Islamic Bank Limited - Diminishing musharakah	Note	2022 Rupees	2021 Rupees
Opening balance		55,812,500	80,812,500
Repaid during the year		(55,812,500)	(25,000,000)
	23.1.1	-	55,812,500
Current portion shown under current liabilities		-	(55,812,500)
		-	-

23.1.1 This represented diminishing musharakah facility of Rs. 400 million for financing the expansion of flexible packaging facility. Mark up was payable quarterly at the rate of three months KIBOR plus 0.9% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 8.29% to 10.64% (2021: 8.14% to 9.04%) per annum. It was secured against a first exclusive charge over fixed assets of the Company's flexible packaging facility located at Sundar Industrial Estate, Lahore and first hypothecation charge over plant and machinery of the flexible packaging facility of the Company located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore.

23.2 Dubai Islamic Bank Limited - Refinance scheme	Note	2022 Rupees	2021 Rupees
Opening balance		53,467,967	44,436,134
Obtained during the year		-	25,601,002
Deferred grant recognized	26.3	-	(1,558,992)
Interest accrued during the year		2,712,611	5,160,117
Repaid during the year		(38,067,992)	(20,170,294)
	23.2.1	18,112,586	53,467,967
Current portion shown under current liabilities		(18,112,586)	(34,945,597)
		-	18,522,370

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

23.3 Allied Bank Limited - Supplier Credit Loan	Note	2022 Rupees	2021 Rupees
Opening balance		-	-
Obtained during the year		173,480,355	-
Repaid during the year		-	-
	23.3.1	173,480,355	-
Current portion shown under current liabilities		(34,696,068)	-
		138,784,287	-

23.3.1 This represents long term loan facility of Rs. 200 million obtained to settle the outstanding amount of supplier credit (refer to Note 22). The Company has availed an amount of Rs. 173.48 million from the sanctioned limit. The loan is repayable in twenty equal quarterly installments beginning on 31 August 2022 and ending on 31 May 2027. Mark up is payable quarterly at the rate of three months KIBOR+1.5% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 13.5% to 14.35% per annum. It is secured against a first exclusive charge over fixed assets of the Company's corrugation packaging facility located at 7KM Raiwind Road, Sundar Industrial Estate, Lahore.

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24 LEASE LIABILITIES	Note	2022 Rupees	2021 Rupees
Present value of lease liabilities against:			
- vehicles		2,676,002	3,426,990
- leasehold buildings		80,925,729	29,921,455
		83,601,731	33,348,445
Less: Current portion shown under current liabilities	27	(29,792,566)	(8,595,216)
		53,809,165	24,753,229

24.1 **Movement of lease liabilities**

	Note	Vehicles	Leasehold Building	Total
2022		---- Rupees ----		
Opening balance		3,426,990	29,921,455	33,348,445
Additions	7.2	4,209,000	71,908,243	76,117,243
Finance cost charge	40	879,860	6,870,832	7,750,692
Payments	24.2	(5,839,848)	(27,749,868)	(33,589,716)
Re-assessment		-	(24,933)	(24,933)
Closing balance		2,676,002	80,925,729	83,601,731
Less: current portion shown under current liabilities	27	(2,070,880)	(27,721,686)	(29,792,566)
		605,122	53,204,043	53,809,165
2021				
Opening balance		7,802,514	35,186,933	42,989,447
Additions	7.2	2,763,000	-	2,763,000
Finance cost charge	40	975,195	4,330,971	5,306,166
Payments		(8,113,719)	(9,596,449)	(17,710,168)
Closing balance		3,426,990	29,921,455	33,348,445
Less: current portion shown under current liabilities	27	(2,629,528)	(5,965,688)	(8,595,216)
		797,462	23,955,767	24,753,229

24.2 As of reporting date, the Company has no current obligation to transfer economic resources in respect ofl eases that have not yet commenced.

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

25 **DEFERRED TAX LIABILITIES**

	Opening balance	Charged / (credited) to profit or loss	Charge to other comprehensive income	Closing balance
2022	---- Rupees ----			
Taxable temporary difference				
Accelerated tax depreciation	321,200,062	36,244,661	-	357,444,723
Revaluation surplus	390,149,555	(14,910,033)	82,650,185	457,889,707
Right-of-use assets	9,695,212	15,719,298	-	25,414,510
Deductible temporary difference				
Allowance for ECL on trade receivables	(67,820,822)	551,796	-	(67,269,026)
Deferred liabilities	(41,444,442)	41,444,442	-	-
Lease liabilities	(9,671,049)	(16,245,488)	-	(25,916,537)
Minimum tax	(15,272,266)	(176,184,973)	-	(191,457,239)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	574,649,300	(113,380,297)	82,650,185	543,919,188

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

25.1 The Company, being prudent, has not recognized deferred tax asset on minimum tax for the tax year 2018 amounting to Rs. 22.05 million, as the management has assessed that the Company might not be able to set-off minimum tax expiring in 2023. However, based on the analysis of the Company's projections of taxable profits, the Company's management is confident that it will be able to set-off the minimum tax for the tax years 2019 and onwards against excess tax payable, under the Normal Tax Regime (NTR), before their expiry.

Expiry of alternate corporate tax and minimum tax is as follows:

Nature	Tax Year	2022 Rupees	2021 Rupees
Alternate corporate tax	2026	**12,186,950**	12,186,950
Minimum tax	2024	**68,087,717**	-
Minimum tax	2025	**50,526,074**	15,272,266
Minimum tax	2027	**72,843,448**	-
		191,457,239	15,272,266

26 DEFERRED LIABILITIES

	Note	2022	2021
Employee retirement and other benefits:			
- accumulated compensated absences	**26.1**	**2,761,100**	9,256,775
- gratuity	**26.2**	**151,518,663**	130,953,330
		154,279,763	140,210,105
Deferred income - Government grant	**26.3**	**-**	608,658
		154,279,763	140,818,763

26.1 Accumulated compensated absences

	Note	2022	2021
Opening balance		**9,256,775**	9,029,820
Current service cost		**372,620**	1,301,411
Past service cost	**4.12**	**(7,659,784)**	-
Interest cost		**918,413**	891,966
Actuarial loss / (gain)		**18,357**	(1,746,094)
Benefits paid		**(145,281)**	(220,328)
Closing balance		**2,761,100**	9,256,775

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

	2022	2021
Current service cost	**372,620**	1,301,411
Past service cost	**(7,659,784)**	-
Interest cost	**918,413**	891,966
Actuarial gain	**18,357**	(1,746,094)
	(6,350,394)	447,283

26.1.1.1 The charge for the year has been allocated as follows:

	2022	2021
Cost of revenue	**(3,679,506)**	259,162
Administrative expenses	**(1,921,561)**	135,343
Selling and distribution expenses	**(749,327)**	52,778
	(6,350,394)	447,283

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

		2022	2021
Discount rate	**Per annum**	**13.25%**	10.00%
Expected rate of increase in salary	**Per annum**	**12.25%**	9.00%
Average duration of liability	**Number of years**	**9**	9
Average expected remaining working lifetime of members	**Number of years**	**9**	9
Average accumulation of earned leave	**Number of leaves per annum**	**4**	4

26.1.3 Undiscounted expected future benefit payments:

Year 1	Year 2	Year 3	Year 4	Year 5+
---------- Rupees ----------				
152,435	186,117	250,715	316,971	2,933,243

26.1.4 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2022, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	**2022 Present value of defined benefit obligation**	**2022 Percentage change**
	Rupees	**%**
Present value of defined benefit obligations as at 30 June	**2,761,100**	
+1% Discount rate	**2,524,553**	**-9%**
-1% Discount rate	**3,019,737**	**9%**
+1% salary increase rate	**3,019,812**	**9%**
-1% salary increase rate	**2,524,584**	**-9%**

26.2 Gratuity

	2022 Rupees	2021 Rupees
Opening balance	**130,953,330**	110,902,127
Current service cost	**23,498,658**	22,461,779
Interest cost	**12,477,068**	8,831,562
Remeasurement - actuarial (gain) / loss	**(2,675,218)**	2,701,768
Benefits paid during the year	**(12,735,175)**	(13,943,906)
Closing balance	**151,518,663**	130,953,330

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

	2022	2021
Current service cost	**23,498,658**	22,461,779
Interest cost	**12,477,068**	8,831,562
	35,975,726	31,293,341

26.2.1.1 The charge for the year has been allocated as follows:

	2022	2021
Cost of revenue	**21,239,681**	18,475,251
Administrative expenses	**10,312,501**	8,970,288
Selling and distribution expenses	**4,423,544**	3,847,802
	35,975,726	31,293,341

26.2.2 The amounts recognized in the unconsolidated statement of comprehensive income are as follows:

	2022	2021
Actuarial (gain) / losses due to experience adjustments	**(2,675,218)**	2,701,768

26.2.3 Maturity profile:

	2022 Rupees	2021 Rupees
Year 1	**20,371,062**	14,127,851
Year 2	**25,148,325**	18,012,885
Year 3	**30,211,739**	21,789,063
Year 4	**35,609,264**	26,415,336
Year 5+	**163,185,270**	129,758,552
	274,525,660	210,103,687

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

		2022	2021
Discount rate	**Per annum**	**13.25%**	10.00%
Expected rate of increase in salary	**Per annum**	**12.25%**	9.00%
Average duration of liability	**Number of years**	**9**	9
Average expected remaining working lifetime of members	**Number of years**	**9**	9

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

26.2.5 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2022, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	2022	2021	2022	2021
	Percentage change		Present value of defined benefit obligation	
	%	%	Rupees	Rupees
Present value of defined benefit obligations as at 30 June			**151,518,663**	130,953,330
+1% Discount rate	**-8.31%**	-8.61%	**138,929,857**	119,683,499
-1% Discount rate	**9.68%**	9.32%	**166,180,598**	143,158,764
+1% salary increase rate	**9.68%**	9.32%	**166,184,681**	143,155,598
-1% salary increase rate	**-8.31%**	-8.61%	**138,931,564**	119,682,029

26.3 Deferred income - Government grant

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

	Note	2022 Rupees	2021 Rupees
Opening balance		**2,972,065**	3,763,122
Recognized during the year		**-**	1,558,992
Grant amortized during the year	38	**(2,363,407)**	(2,350,049)
Closing balance		**608,658**	**2,972,065**
Less: current portion shown under current liabilities	27	**(608,658)**	(2,363,407)
		-	608,658

27 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2022 Rupees	2021 Rupees
Supplier's credit	22	**-**	98,029,924
Long-term financing	23	**52,808,654**	90,758,097
Lease liabilities	24	**29,792,566**	8,595,216
Deferred income - Government grant	26.3	**608,658**	2,363,407
		83,209,878	199,746,644

28 SHORT-TERM BORROWINGS

	Note	2022 Rupees	2021 Rupees
Running finance	28.1	**240,779,104**	215,543,604
Term finances:			
- import finance / murabaha	28.2	**310,233,786**	28,508,122
- istisna / wakala	28.3	**1,177,807,768**	722,401,035
		1,488,041,554	750,909,157
	28.4	**1,728,820,658**	966,452,761

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28.1 Running finance

This represents short term running finance facilities available from various commercial banks under mark-up arrangements at mark-up rates ranging from one to three months KIBOR+1.25% (2021: one to three months KIBOR+0.75% to 1%) per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 8.45% to 15.9% (2021: 8.07% to 9.33%) per annum.

28.2 Import finance / Murabaha

This represents import finance facilities available from various commercial banks under profit arrangements at mark-up rates ranging from one to three months KIBOR plus 0.5% to 1.5% (2021: one to three months KIBOR plus 0.5% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.45% to 16.74% (2021: 7.45% to 11.94%) per annum.

28.3 Istisna / Wakala

This represents Istisna / Wakala facilities available from various commercial banks under profit arrangements at mark-up rates ranging from three month to six month KIBOR plus 0.50% to 1.5% (2021: six months KIBOR plus 0.50% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Company. The mark-up rate charged during the year on the outstanding balance ranged from 7.66% to 16.74% (2021: 7.28% to 14.95%) per annum.

28.4 Aggregate limits of borrowings

Aggregate sanctioned limit of all above facilities including limit for opening letters of credit and guarantees is Rs. 3,690 million (2021: Rs. 2,765 million) in which un-availed credit limit as at 30 June 2022 is Rs. 1,961 million (2021: Rs. 1,292 million). The aggregate facilities for opening letters of credit and guarantees are secured by a first pari passu charge over current assets of the Company and lien over import documents.

29 TRADE AND OTHER PAYABLES

	Note	2022 Rupees	2021 Rupees
Trade creditors		**1,032,181,219**	1,105,543,899
Accrued liabilities		**160,055,058**	107,416,441
Payable to Shandong Yongtai Paper Mills Limited	9.3	**81,675,825**	81,675,825
Withholding tax payable		**8,752,012**	5,651,915
Workers' Profit Participation Fund payable	29.1	**50,761,234**	36,832,514
Workers' Welfare Fund payable	29.2	**2,839,134**	9,424,141
Advances from employees		**1,292,787**	3,478,673
Retention money payable		**86,205**	86,205
		1,337,643,474	1,350,109,613

29.1 Workers' Profit Participation Fund Payable

	Note	2022 Rupees	2021 Rupees
Opening balance		**36,832,514**	10,765,212
Charge for the year	37	**13,928,720**	25,099,726
Interest charge for the year	40	**-**	967,576
Closing balance		**50,761,234**	36,832,514

29.2 Workers' Welfare Fund payable

	Note	2022 Rupees	2021 Rupees
Opening balance		**9,424,141**	630,643
Charge for the year	37	**2,777,019**	8,793,498
Paid during the year		**(9,362,026)**	-
Closing balance		**2,839,134**	9,424,141

30 CONTRACT LIABILITIES

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

31 ACCRUED FINANCE COST

	2022 Rupees	2021 Rupees
Accrued markup on:		
- long term financing	**5,358,012**	253,174
- short term borrowings	**48,031,366**	18,497,183
	53,389,378	18,750,357

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

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

32.2 Commitments in respect of:

(a) Letters of credit and contracts other than for capital expenditure amounting to Rs. 183.5 million (2021: Rs. 129.16 million).

32.3 Guarantees

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

(a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 30.07 million (2021: Rs. 25.07 million).

(b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 14.5 million (2021: Rs. 14.5 million).

33 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

33.1 Disaggregation of Revenue:

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

Major product lines:	Note	2022 Rupees	2021 Rupees
Made-to-order packaging products	33.2	7,644,352,896	6,460,042,563
Standard packaging products		1,221,211,615	535,795,662
Total revenue from contracts with customers - net		8,865,564,511	6,995,838,225
Timing of revenue recognition:			
Products transferred over time	33.2	7,644,352,896	6,460,042,563
Products transferred at a point in time		1,221,211,615	535,795,662
Total revenue from contracts with customers - net		8,865,564,511	6,995,838,225
Geographical market:			
Pakistan	33.2	8,865,564,511	6,995,838,225

33.2 This includes unbilled revenue amounting to Rs. 82.46 million (2021: Rs. 69.66 million).

33.3 Contract balances	Note	2022 Rupees	2021 Rupees
Trade receivables	33.3.1	2,266,048,213	1,459,777,356
Contract assets	33.3.2	199,255,658	148,554,959
Contract liabilities	33.3.3	(84,548,248)	(14,731,994)
		2,380,755,623	1,593,600,321

33.3.1 Trade receivables are non-interest bearing and become due after 7 to 365 days of the invoice date. The increase in trade receivables pertains to increase in overall revenue from customers during the year.

33.3.2 Contract assets are initially recognized for revenue earned against Company's right to consideration for work completed but not billed and for goods delivered but not received by customers at the reporting date on made to order packing products recognized as per requirements of IFRS 15. Upon acknowledgement of delivery of goods to customers, the amounts recognized as contract assets are treated as trade receivables. Increase in contract assets is mainly due to overall increase in revenue from made-to-order packaging products, wherein, actual delivery was made after the reporting date.

33.3.3 Contract liabilities represents short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 14.73 million (2021: Rs. 7.55 million), was recognized as revenue, during the year.

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		Note	2022 Rupees	2021 Rupees
34	**COST OF REVENUE**			
	Raw materials consumed		6,659,465,290	5,215,817,219
	Carriage inward expenses		5,239,697	3,277,207
	Packing material consumed		33,862,967	22,601,185
	Production supplies		168,354,834	126,801,052
	Fuel and power		428,212,805	236,361,930
	Salaries, wages and other benefits		362,610,561	297,442,409
	Repair and maintenance		93,573,000	58,967,972
	Printing and stationery		1,356,258	975,843
	Insurance		4,687,123	4,961,346
	Rent, rate and taxes		1,624,766	918,397
	Travelling and conveyance		33,774,865	21,113,519
	Communication expenses		1,148,999	1,364,016
	Vehicle running expenses		9,835,424	4,664,779
	Depreciation of operating fixed assets	6.1.4	158,514,323	141,200,163
	Depreciation of right-of-use assets	7.1	16,429,550	1,812,078
	Others		14,851,255	10,971,697
	Cost of goods manufactured		7,993,541,717	6,149,250,812
	Opening stock of finished goods and waste stock		48,238,056	11,727,882
	Closing stock of finished goods and waste stock	12	(91,454,493)	(48,238,056)
			(43,216,437)	(36,510,174)
			7,950,325,280	6,112,740,638
35	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		143,671,236	108,001,562
	Legal and professional charges		12,540,603	13,094,838
	Fees and subscription		5,486,397	8,174,408
	Travelling and conveyance		7,484,081	6,870,974
	Insurance		848,095	820,206
	Printing and stationery		1,703,748	1,603,110
	Repair and maintenance		2,470,728	3,102,583
	Vehicle running and maintenance		9,672,476	7,145,140
	Utilities		3,554,986	2,380,413
	Auditor's remuneration	35.1	4,510,000	3,750,000
	Communication expenses		4,548,784	4,070,053
	Depreciation of operating fixed assets	6.1.4	4,243,952	4,088,592
	Depreciation of right-of-use assets	7.1	3,660,742	6,722,289
	Amortization on intangible asset	8	-	362,586
	Entertainment expenses		2,044,694	1,599,392
	Others		3,527,765	5,538,982
			209,968,287	177,325,128
35.1	**Auditor's remuneration**			
	Statutory audit		3,560,000	2,800,000
	Half year review		800,000	800,000
	Other certifications		150,000	150,000
			4,510,000	3,750,000
36	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and other benefits		68,834,301	65,968,164
	Travelling and conveyance		16,690,732	10,023,236
	Freight and transportation		174,731,575	100,247,513
	Vehicle running and maintenance		3,094,174	3,643,049
	Postage and telephone		814,057	492,756
	Advertisement and business promotion		14,889,916	10,079,107
	Entertainment expenses		1,777,934	1,761,746
	Depreciation of operating fixed assets	6.1.4	1,015,811	1,452,049
	Depreciation of right-of-use assets	7.1	1,912,176	1,851,216
	Others		891,878	1,837,835
			284,652,554	197,356,671

		Note	2022 Rupees	2021 Rupees
37	**OTHER OPERATING EXPENSES**			
	Workers' Profit Participation Fund	29.1	13,928,720	25,099,726
	Workers' Welfare Fund	29.2	2,777,019	8,793,498
			16,705,739	33,893,224
38	**OTHER INCOME**			
	Profit on bank deposits		10,803,890	18,182,346
	Profit on short term investments		23,719,962	35,062,443
	Exchange gain - net		-	7,576,723
	Interest income on loans to related parties:			
	Roshan Sun Tao Paper Mills (Private) Limited		41,639,278	29,072,062
	Roshan Enterprises	10.2	15,213,982	11,925,889
			56,853,260	40,997,951
	Gain on remeasurement of supplier's credit	22.1	-	1,409,209
	Grant income	26.3	2,363,407	2,350,049
	Liabilities no longer payable written back		3,269,365	-
			97,009,884	105,578,721
39	**OTHER EXPENSES**			
	Exchange loss - net		86,180,388	-
	Loss on disposal of operating fixed assets		2,468,336	364,309
			88,648,724	364,309
40	**FINANCE COSTS**			
	Interest / mark up on:			
	- long term financing		9,166,286	12,365,284
	- lease liabilities	24.1	7,750,692	5,306,166
	- short term borrowings		140,339,944	84,523,832
	- Workers Profit Participation Fund	29.1	-	967,576
	Unwinding of discount on supplier's credit		871,133	311,838
	Bank charges and others		9,121,340	8,160,985
			167,249,395	111,635,681
41	**TAXATION**			
	Income tax:			
	- current year		110,819,556	-
	- prior year		(255,945)	641,152
			110,563,611	641,152
	Deferred tax relating to origination and reversal of temporary differences			
	- current year		(63,969,122)	121,810,140
	- prior year		(49,411,175)	-
		25	(113,380,297)	121,810,140
		41.1	(2,816,686)	122,451,292
41.1	**Tax charge reconciliation:**			
	Profit before taxation		261,892,463	468,101,295
	Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)		75,948,814	135,749,376
	Tax effect of:			
	- permanent differences		7,595,303	(2,489,000)
	- change in expected rate		17,532,663	-
	- reassessment of recoverability of minimum tax		(53,674,405)	(11,450,236)
	- prior year income tax charge		(49,667,120)	641,152
	- others		(551,941)	-
	Average tax expense charged to profit or loss	41	(2,816,686)	122,451,292

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42 EARNINGS PER SHARE - BASIC AND DILUTED

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

		2022	2021
Profit attributable to owners of the Company	Rupees	264,709,149	345,650,003
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000
Basic earnings per share	Rupees	1.87	2.44

43 CASH AND CASH EQUIVALENTS

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

	Note	2022 Rupees	2021 Rupees
Short term investments		-	545,852,250
Cash and bank balances	18	505,249,511	305,574,793
Short term borrowings - running finance	28.1	(240,779,104)	(215,543,604)
		264,470,407	635,883,439

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Director		Non Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees							
Short term employee benefits								
Managerial remuneration	**9,707,244**	9,455,160	**9,218,578**	8,982,408	**-**	-	**60,617,225**	54,813,522
House rent allowance	**4,368,260**	4,254,120	**4,148,360**	4,041,420	**-**	-	**27,277,751**	24,664,513
Medical expenses	**1,125,574**	1,425,345	**2,267,100**	1,905,148	**-**	-	**6,055,661**	5,478,626
Utilities	**971,695**	945,360	**922,780**	898,092	**-**	-	**6,067,784**	2,565,732
Meeting fee	**-**	-	**-**	-	**4,720,000**	5,220,000	**-**	-
Bonus	**1,575,758**	787,930	**1,496,970**	748,534	**-**	-	**6,167,950**	3,165,257
Vehicle maintenance allowance	**-**	-	**-**	-	**-**	-	**6,350,904**	8,046,015
Incentives	**-**	-	**-**	-	**-**	-	**4,124,189**	2,458,333
	17,748,531	16,867,915	**18,053,788**	16,575,602	**4,720,000**	5,220,000	**116,661,464**	101,191,998
Retirement and other long term benefits								
Gratuity	**1,334,746**	1,300,000	**1,267,555**	1,235,000	**-**	-	**6,613,452**	6,226,413
Accumulated compensated absences	**-**	-	**-**	-	**-**	-	**-**	1,473,305
	19,083,277	18,167,915	**19,321,343**	17,810,602	**4,720,000**	5,220,000	**123,274,916**	108,891,716
Number of persons	**1**	1	**1**	1	**5**	5	**49**	42

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

45 TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist ofi ts wholly owned subsidiary, assoicated undertakings with common directorship and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from related parties are shown under Note 10 and Note 14. Other transactions with related parties during the year are as follows:

Name of related party	Relationship with the Company	Percentage of shareholding	Nature of Transactions	2022 Rupees	2021 Rupees
Roshan Sun Tao Paper Mills (Private) Limited	Wholly owned subsidiary	100%	Long term loan given	**70,901,956**	150,826,375
			Markup accrued on long term loan	**41,639,278**	29,072,062
			Markup received during the year	**38,817,830**	84,381,347
Roshan Enterprises	Associated undertaking by virtue of common directorship	N/A	Markup accrued on long term loan	**15,213,982**	11,925,889
			Markup received during the year	**-**	30,310,285
			Sale of packaging material	**2,623,316**	9,551,410
			Receipts during the year	**2,623,316**	13,201,521
Al-Firdusi Exporters	Associated undertaking by virtue of common directorship	N/A	Sale of packaging material	**40,584,088**	28,972,739
			Receipts during the year	**40,201,759**	34,382,825
Ammad Ul Haq Siddiqui Mohammad Ahad Muhammad Adil	Key management personnel	N/A	Renumeration - Note 45.1	**57,436,827**	50,786,856

45.1 These represent remuneration of the Chief Executive, Executive director and certain executives that are included in the remuneration disclosed in note 44 to these financial statements.

46 FINANCIAL RISK MANAGEMENT

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

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

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

46.1 Credit risk

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

46.1.1 Exposure to credit risk

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

Financial assets at amortized cost - unsecured	2022 Rupees	2021 Rupees
Long term loans	**580,883,423**	509,981,467
Long term deposits	**21,353,650**	14,902,194
Trade receivables and contract assets - gross amount	**2,682,300,729**	1,842,197,220
Deposits, interest receivable and other receivable	**35,359,413**	14,001,168
Short term investments	**-**	545,852,250
Bank balances	**504,089,367**	305,462,201
	3,823,986,582	3,232,396,500

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

	2022 Rupees	2021 Rupees
Trade receivables and contract assets	**2,682,300,729**	1,842,197,220
Banking companies and financial institutions	**505,586,367**	853,878,950
Loans to subsidiary and associate	**607,500,168**	518,562,782
Others	**28,599,318**	17,757,548
	3,823,986,582	3,232,396,500

46.1.2 Trade receivables and contract assets

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

The Company based on the provision matrix assessed that the allowance for ECL on contract assets is immaterial, accordingly allowance for ECL on contract assets has not been separately presented in these financial statements. The Company's credit risk mainly arises from long outstanding trade receivables as the Company is making full recoveries from the current customers and hence, default rate in case of such customers is minimal. Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

30 June 2022	Weighted average loss rate	Gross carrying amount	Expected credit loss
	Rupees		
Future Remit	**0.62%**	**1,880,023,870**	**11,626,387**
0 - 30 Days	**3.93%**	**369,355,749**	**14,527,481**
31-60 Days	**16.62%**	**152,972,189**	**25,425,283**
61-90 Days	**32.21%**	**13,515,266**	**4,353,181**
91 - 120 Days	**45.72%**	**15,997,413**	**7,313,888**
121+ days	**61.39%**	**250,436,242**	**153,750,638**
		2,682,300,729	**216,996,858**

30 June 2021	Weighted average loss rate	Gross carrying amount	Expected credit loss
	----------	Rupees	----------
Not past due	1.52%	1,171,071,406	15,547,217
1 - 90 Days	5.86%	392,719,537	23,032,924
91 - 180 Days	33.93%	102,051,449	34,624,294
181 - 270 Days	56.76%	20,311,222	11,529,194
271 - 365 Days	90.04%	9,396,488	8,460,803
366 - Above Days	95.92%	146,647,118	140,670,473
		1,842,197,220	233,864,905

46.1.3 Counterparties with external credit ratings

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

Bank	Rating Short term	Rating Long term	Rating Agency	2022 Rupees	2021 Rupees
Allied Bank Limited	A-1+	AAA	PACRA	**-**	300,000,190
Askari Bank Limited	A-1+	AA+	PACRA	**1,536,543**	1,088,482
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	**35,294,212**	26,753,922
Habib Bank Limited	A-1+	AAA	JCR-VIS	**11,976,546**	246,480,731
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	**5,928,654**	11,410,087
MCB Bank Limited	A-1+	AAA	PACRA	**5,243,721**	959,635
Meezan Bank Limited	A-1+	AAA	JCR-VIS	**60,894,399**	15,234,625
National Bank of Pakistan	A-1+	AAA	PACRA	**122,924**	122,925
Standard Chartered Bank Limited	A-1+	AAA	PACRA	**19,412,168**	10,172,511
The Bank of Punjab Limited	A-1+	AA+	PACRA	**19,126,738**	65,091
United Bank Limited	A-1+	AAA	JCR-VIS	**6,568,208**	1,809,094
Bank Islami Pakistan Limited	A-1	A+	PACRA	**1,737,523**	6,128,235
Soneri Bank Limited	A-1+	AA-	PACRA	**17,088,822**	1,000,000
JS Bank Limited	A-1+	AA-	PACRA	**315,858,107**	230,088,923
Bank Alfalah Limited	A-1+	AA+	PACRA	**3,300,802**	-
				504,089,367	851,314,451

46.1.4 Loans to subsidiary and associate

Refer to Notes 10.1 and 10.3 for detailed discussion of estimate of allowance of expected credit losses.

46.1.5 Deposits, interest receivable and other receivable

The Company has assessed, based on historical experience, that the expected credit loss associated with deposits, interest receivable and other receivable is trivial and therefore no impairment charge has been accounted for.

46.1.6 Concentration risk

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

	2022 Rupees	2021 Rupees
Banking companies	**505,586,367**	853,878,950
Subsidiary and associated undertaking	**607,500,168**	518,562,782
Others	**2,710,900,047**	1,859,954,768
	3,823,986,582	3,232,396,500

46.2 Liquidity risk

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

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

46.2.1 Exposure to liquidity risk

	Carrying amount	Contractual cash flows	Up to one year	One to five years	More than five years
30 June 2022	----------	----------	Rupees	----------	----------
Lease liabilities	**83,601,731**	**99,992,890**	**37,769,851**	**62,223,039**	**-**
Long term finances - secured	**191,592,941**	**257,531,028**	**76,361,410**	**181,169,618**	**-**
Short term borrowings - secured	**1,728,820,658**	**1,728,820,658**	**1,728,820,658**	**-**	**-**
Trade and other payables	**1,273,998,307**	**1,273,998,307**	**1,273,998,307**	**-**	**-**
Unclaimed dividend	**1,801,016**	**1,801,016**	**1,801,016**	**-**	**-**
Accrued finance cost	**53,389,378**	**53,389,378**	**53,389,378**	**-**	**-**
	3,333,204,031	**3,415,533,277**	**3,172,140,620**	**243,392,657**	**-**
30 June 2021					
Lease liabilities	33,348,445	43,484,129	12,385,804	31,098,325	-
Long term finances - secured	109,280,467	112,747,990	94,322,588	18,425,402	-
Supplier's credit - unsecured	162,221,952	162,221,952	162,221,952	-	-
Short term borrowings - secured	966,452,761	966,452,761	966,452,761	-	-
Trade and other payables	1,294,722,370	1,294,722,370	1,294,722,370	-	-
Unclaimed dividend	1,976,582	1,976,582	1,976,582	-	-
Accrued finance cost	18,750,357	18,750,357	18,750,357	-	-
	2,586,752,934	2,600,356,141	2,550,832,414	49,523,727	-

46.3 Market risk

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

46.3.1 Currency risk

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

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

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

46.3.1(a) Exposure to currency risk

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

	2022				
	CNY	**USD**	**EUR**	**SEK**	**GBP**
Statement of financial position:					
- Advances to suppliers	**-**	**5,988**	**16,940**	**-**	**-**
- trade and other payables	**-**	**(815,320)**	**(17,526)**	**(206,696)**	**(1,353)**
Net exposure	**-**	**(809,332)**	**(586)**	**(206,696)**	**(1,353)**

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

46.3.1(b) Exchange rate applied during the year

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

	Average rate		Reporting date rate	
	2022	2021	**2022**	2021
USD to PKR	**181.20**	160.33	**204.85**	157.54
EUR to PKR	**200.54**	191.16	**213.81**	187.27
SEK to PKR	**19.25**	18.70	**20.00**	18.49
GBP to PKR	**233.23**	215.63	**248.48**	217.98
CNY to PKR	**-**	24.21	**-**	24.39

46.3.1(c) Sensitivity analysis

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

Effect on unconsolidated statement of profit or loss	2022 Rupees	2021 Rupees
USD	**(16,579,166)**	(18,423,783)
EUR	**(12,529)**	(18,024,606)
SKR	**(413,392)**	(3,772)
GBP	**(29,493)**	(8,260)
CNY	**-**	(149,688)
	(17,034,580)	(36,610,109)

46.3.2 Interest rate risk

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

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

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

	2022	2021
	Carrying amount	
Financial assets	**----------- (Rupees) -----------**	
Fixed rate instruments:		
- bank balances - saving accounts	**337,829,597**	240,303,589
- short term investments	**-**	545,852,250
Variable rate instruments:		
- long term loan - associate	**130,864,885**	130,864,885
- long term loan - subsidiary	**450,018,538**	379,116,582
	918,713,020	1,296,137,306
Financial liabilities		
Fixed rate instruments:		
- supplier's credit	**-**	162,221,952
Variable rate instruments:		
- long term finances	**191,592,941**	109,280,467
- lease liabilities	**83,601,731**	33,348,445
- short term borrowings	**1,728,820,658**	966,452,761
	2,004,015,330	1,271,303,625

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

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

	100 bps	
	Increase	Decrease
	-------------- Rupees --------------	
Effect on profit before tax - 30 June 2022	**(14,231,319)**	**14,231,319**
Effect on profit before tax - 30 June 2021	(5,991,002)	5,991,002

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

46.3.2.1(c) Interest rate risk management

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

46.4 Price risk

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

46.5 Offsetting financial assets and financial liabilities

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

46.6 Financial instruments by categories

	Cash and cash equivalents	**At amortized cost**	**Total**
2022	-------------------------- Rupees --------------------------		
Financial assets			
Long term loans	**-**	**580,883,423**	**580,883,423**
Long term deposits	**-**	**21,353,650**	**21,353,650**
Trade receivables and contract assets	**-**	**2,465,303,871**	**2,465,303,871**
Deposits, interest receivable and other receivable	**-**	**35,359,413**	**35,359,413**
Cash and bank balances	**505,249,511**	**-**	**505,249,511**
	505,249,511	**3,102,900,357**	**3,608,149,868**
Financial liabilities			
Lease liabilities	**-**	**83,601,731**	**83,601,731**
Long term finances - secured	**-**	**191,592,941**	**191,592,941**
Short term borrowings - secured	**240,779,104**	**1,488,041,554**	**1,728,820,658**
Trade and other payables	**-**	**1,273,998,307**	**1,273,998,307**
Unclaimed dividend	**-**	**1,801,016**	**1,801,016**
Accrued finance cost	**-**	**53,389,378**	**53,389,378**
	240,779,104	**3,092,424,927**	**3,333,204,031**

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

47 CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

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

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

The Company's strategy is to ensure compliance with agreements executed with financial institutions so that the total debt to equity ratio does not exceed the lender covenants.

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

	Note	2022 Rupees	2021 Rupees
Supplier's credit	22	**-**	162,221,952
Long term financing	23	**191,592,941**	109,280,467
Lease liabilities - vehicles	24	**2,676,002**	3,426,990
Short term borrowings	28	**1,728,820,658**	966,452,761
		1,923,089,601	1,241,382,170
Less:			
Cash and bank balances	18	**(505,249,511)**	(305,574,793)
Short term investments	17	**-**	(545,852,250)
		(505,249,511)	(851,427,043)
Net debt		**1,417,840,090**	389,955,127
Total equity		**7,245,419,668**	6,064,106,527
Gearing ratio		**20%**	6%

48 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

48.1 Fair value hierarchy

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

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees			
Freehold land	**-**	**1,759,750,000**	**-**	**1,759,750,000**
Buildings on freehold land	**-**	**-**	**985,233,825**	**985,233,825**
Plant and machinery	**-**	**-**	**2,384,272,153**	**2,384,272,153**
Electric installations	**-**	**-**	**87,844,248**	**87,844,248**
	-	**1,759,750,000**	**3,457,350,226**	**5,217,100,226**

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

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

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

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

48.3 Valuation inputs and relationship to fair value

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

Description	2022 Rupees	2021 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	**985,233,825**	852,001,384	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	**2,384,272,153**	2,443,715,266	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	**87,844,248**	86,745,032	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

48.4 Fair values estimation

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company's financial assets consist ofl ong term loans and deposits, short term deposits, interest receivable, trade receivables and cash and bank balances. Its financial liabilities consist of lease liabilities, long term finances, short term borrowings, trade and other payables (excluding statutory payables), unclaimed dividend and accrued finance cost. The above financial assets and liabilities (except non-current portion ofl ong term loans and deposits, long term finances and supplier's credit and lease liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non-current portion ofl ong term loans, long term finances and lease liabilities is not significantly different from its carrying value as these financial instruments bear interest at floating rates which gets re-priced at regular intervals. Management has concluded that carrying value of long term deposits approximates its fair value.

49 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES INCLUDING CURRENT PORTION

	Note	Opening balance	Cash flows	Others	Closing balance
2022		----------	Rupees	----------	
Supplier's credit		**162,221,952**	**(163,093,085)**	**871,133**	**-**
Long term financing	**49.1**	**109,280,467**	**79,599,863**	**2,712,611**	**191,592,941**
Lease liabilities	**49.2**	**33,348,445**	**(33,589,716)**	**83,843,002**	**83,601,731**
Short term borrowings*		**750,909,157**	**737,132,397**	**-**	**1,488,041,554**
		1,055,760,021	**620,049,459**	**87,426,746**	**1,763,236,226**
2021					
Supplier's credit		197,730,442	(34,553,667)	(954,823)	162,221,952
Long term financing	**49.1**	125,248,634	(19,569,292)	3,601,125	109,280,467
Lease liabilities	**49.2**	42,989,447	(17,710,168)	8,069,166	33,348,445
Short term borrowings*		807,914,369	(57,005,212)	-	750,909,157
		1,173,882,892	(128,838,339)	10,715,468	1,055,760,021

49.1 The 'others' pertains to interest expense accrued on loan during the year.

49.2 The 'others' mainly pertain to addition in the lease liabilities and finance cost recognized during the year.

* Short term borrowings exclude running finance facilities.

50 NUMBER OF EMPLOYEES

	2022	2021
	(Number of person)	
Number of employees as at 30 June	**565**	483
Average number of employees during the year	**524**	459

51 PLANT CAPACITY AND ANNUAL PRODUCTION

	Corrugation Plant (Metric Tonnes)		Flexible Plant (Metric Tonnes)	
	2022	2021	**2022**	2021
Installed capacity	**60,000**	60,000	**12,240**	12,240
Actual production	**37,523**	32,115	**7,361**	7,959

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

52 OPERATING SEGMENTS

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

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

Revenue from none of the customers (2021: one customer) of the Company represents more than 10% of (2021: Rs. 1,111.85 million) of the Company's total revenue.

53 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation.

Significant reclassifications consist of the following:

From	To	Rupees
Advances, deposits, prepayments and other receivables	Tax refunds due from Government	521,464,849
Other operating expenses	Other expenses	364,309

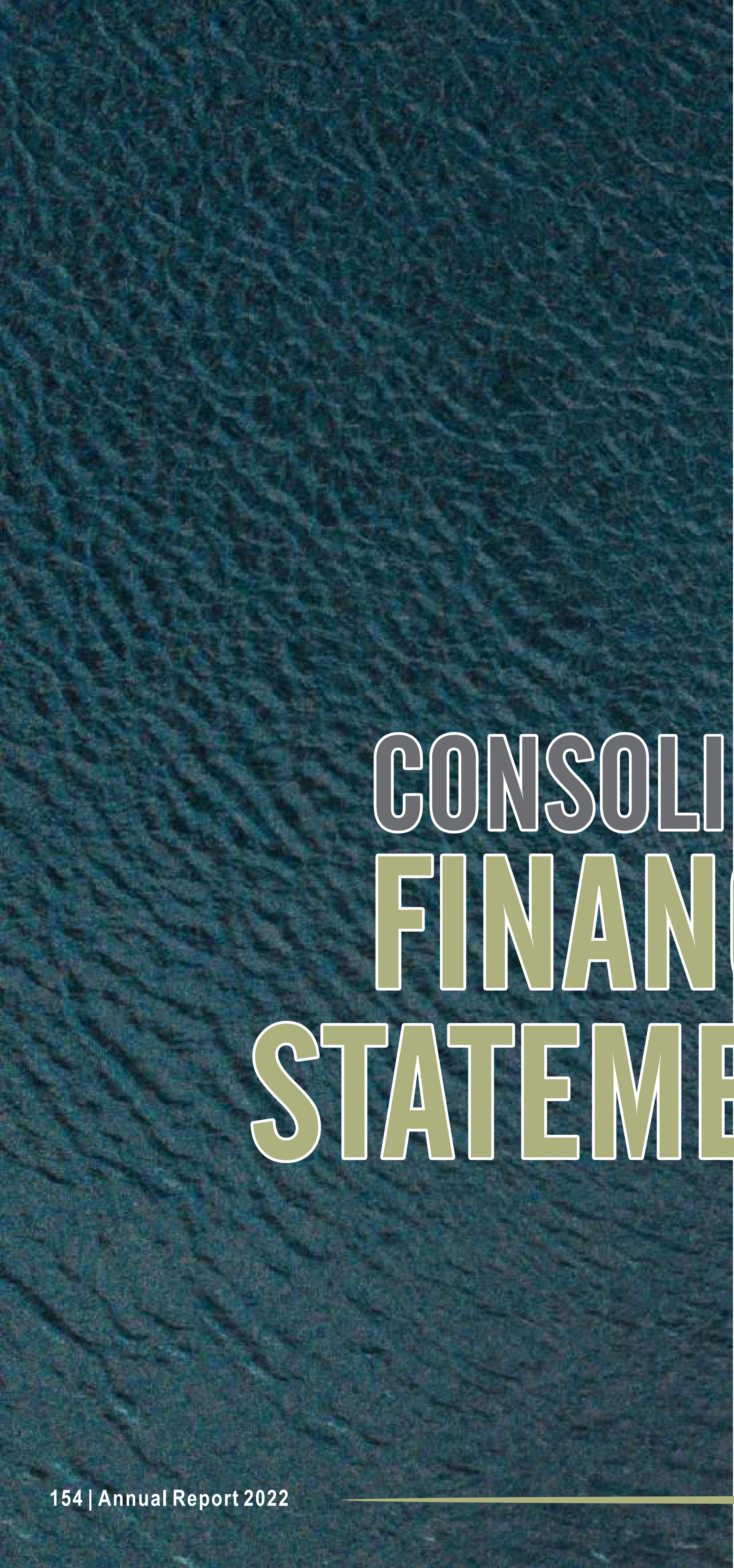
The impact of above-mentioned reclassifications on financial position as of 01 July 2020 is not significant, accordingly no statement of financial position as of that date has been included in these financial statements.

Comparative amounts in statement of cash flows have also been re-arranged for better and fair presentation, however, there were no material reclassification.

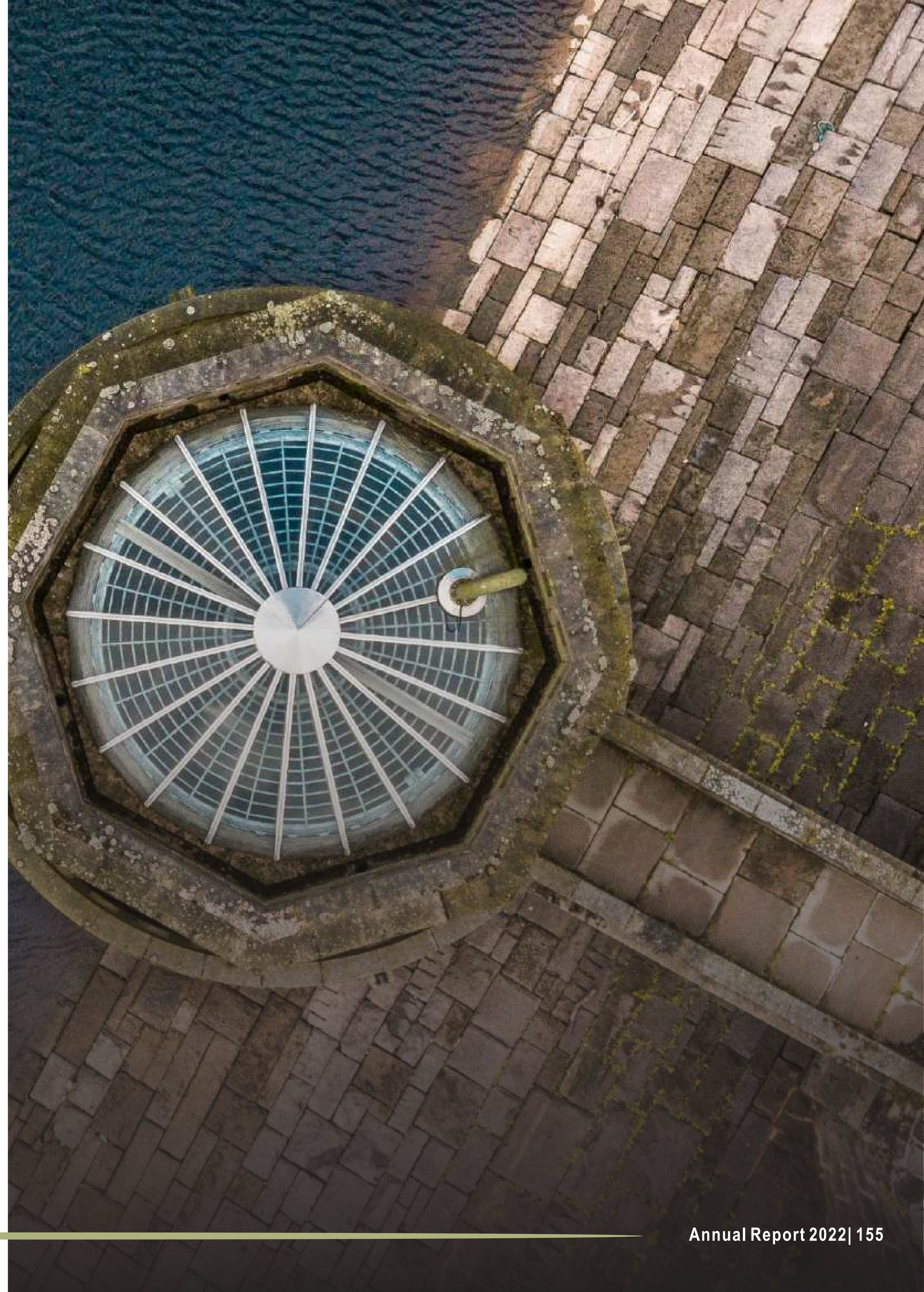
54 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were approved by the Company's Board of Directors and authorized for issue on 30th September 2022.

Chief Executive | **Director** | **Chief Financial Officer**



CONSOLIDATED FINANCIAL STATEMENTS



Economic Overview

The operating results of the Group are summarized as under:

	2022	2021
	Rupees in '000'	
Turnover	8,865,565	6,995,838
Gross profit	915,239	883,098
Operating profit	391,656	445,783
Finance cost	168,138	111,636
Profit before tax	187,360	410,574
Profit after tax	190,177	288,123

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

During the year ended June 30, 2022, the Group registered a high double-digit growth in revenue of 26.7%, increasing the revenue to Rs 8,866 million from Rs 6,996 million last year. We have successfully dispatched 44,884 metric tons in comparison to the 40,074 metric tons in FY 2021 which reflects a 12.0% growth in volumes. In addition to this increase, the Group has improved customers' portfolio by focusing on top tier local corporate and multinational customers which is a result of the Group's focus on customer satisfaction, provision of international quality products and increased market share.

The Group earned gross profit of Rs. 915 million, which represents an increase of Rs 32 million against last year. The gross profit margin, however, has declined by 2.3%, mainly on account of increase in the cost of imported raw material, which is further aggravated by devaluation of the Pak Rupee. Moreover, the spike in fuel and energy rates resulted in an increase of Rs 192 million in the fuel and power cost, which accounts for 81% increase vs the same period last year.

The Group has incurred a finance cost of Rs. 168 million as compared to Rs. 112 million in the comparable period last year which had an unfavorable impact on our bottom line. This is due to significant increase in policy rate by State Bank of Pakistan. As a result, the Group earned a profit after tax of Rs 190 million as compared to Rs 288 million in the comparable period last year,

No changes have occurred during the financial year concerning the nature of the business of

Directors' Report

the Group. Further, there are no material changes or commitments affecting the financial position of the Group between the end of the financial year and the date of this report.

EARNING PER SHARE

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

EPS-2022: 1.34/share

EPS-2021: 2.13/share

DIVIDEND

The Board of Directors has not recommended any dividend for the year ended 30 June, 2022 . The decision taken by the board is backed by various financial commitments by the Group in the upcoming period. This includes working capital requirements, long term credit payments, and investments in its wholly owned subsidiary. Considering the future prospects, business growth along with expansion plans, The Group is hopeful to be able to meet the expectations of its valued investors in the future.

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

Roshan Sun Tao Paper Mills Private Limited (RSTPML) was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a wholly subsidiary of the Parent Company which was incorporated to set up a Corrugated Paper Manufacturing Mill.

The Subsidiary plans to start procurement of plant and machinery and expects to start its commercial operations within two years subject to the approvals from concerned regulatory authorities. Considering the afore-mentioned, the management believes that a continued financial support from the Parent Company is available and the Board of Directors are committed to support the business activities of the Subsidiary based on which the Subsidiary would be able to start its operations as per plan.

FORWARD LOOKING STATEMENT

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

Directors' Report

We foresee that the current record-high commodity prices and global supply chain disruptions will continue, which is likely to keep inflation at an elevated level. Being cognisant of the operating environment, the Group is focussing on value chain efficiencies and optimizing raw material inventory levels to better manage the rising commodity costs which will help improve profitability, while driving growth in upcoming periods. The Group's management will continue to monitor the situation and ensure that the cost is effectively and fairly reflected in our prices.

SUBSEQUENT EVENTS

There have been no material changes since 30 June 2022 to the date of this report and the Group has not entered into any commitment during this period which would have an impact on the financial position of the Group.

ACKNOWLEDGMENT

The Board of Directors of the Parent Company is grateful to all of its stakeholders for their invaluable continued support to the Group. The Board would also like to acknowledge the dedication, diligence and hard work of the Group's employees.

Chief Executive Officer

Chairman

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ROSHAN PACKAGES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of Roshan Packages Limited and its Subsidiary (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Revenue from contracts with customers	
Refer to Note 32 to the consolidated financial statements and the accounting policy in Note 4.22 to the consolidated financial statements. For the year ended on 30th June 2022, the Group has recorded total net revenue from contracts with customers amounting to Rs. 8,865.5 million in which revenue amounting to Rs. 7,644.3 million recognized over time pertains to made-toorder products. The Group has recognized revenue in accordance with the guidance of IFRS 15 "Revenue from Contracts with Customers" during the year. IFRS 15 provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of this standard is to recognize revenue as performance obligations are fulfilled rather than based on the transfer of risk and rewards. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control at a point in time or over time requires judgement. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and due to the risk associated with the judgement in determining the timing of transfer of control of goods.	We performed following key audit procedures, among other procedures, in respect of revenue from contracts with customers: - Obtaining an understanding of the process relating to recording of revenue from contract with customers and testing the design, implementation and operating effectiveness of relevant key internal controls. - assessing the appropriateness of the Group's revenue accounting policies and compliance of those policies with the accounting and reporting standards as applicable in Pakistan; - obtaining an understanding of the types of contracts with the Group's customers and comparing on a sample basis, revenue transactions recorded during the year and around the year end with the sales orders, sales invoices, dispatch orders and other relevant underlying documents to assess whether the revenue was recorded in accordance with the five-step approach of IFRS 15 in appropriate financial reporting period; - inspecting, on a sample basis, credit notes issued during and around the year end to evaluate whether the variable elements of revenue from contract with customers had been accurately recorded in the appropriate financial reporting period; and - scanning for any manual journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

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

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

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

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

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

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

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

Board of directors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve A member firm of Ernst & Young Global Limited Roshan Packages Limited and its Subsidiary (the Group) collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease tocontinue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the our audit opinion.

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

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

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

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

EY Ford Rhodes
Chartered Accountants
Lahore
Dated: 7th October 2022

UDIN: AR202210079qKS|5taO|

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

ASSETS	Note	2022 Rupees	2021 Rupees
Non-current assets			
Property, plant and equipment	6	7,005,666,365	6,118,934,547
Right-of-use assets	7	81,982,291	33,431,766
Intangible asset	8	-	-
Long-term loan to related party	9	-	130,864,885
Long-term deposits		22,463,630	16,012,174
		7,110,112,286	6,299,243,372
Current assets			
Stores, spares and other consumables	10	278,700,831	182,914,819
Stock-in-trade	11	1,350,850,860	860,632,063
Contract assets	12	199,255,658	148,554,959
Trade receivables	13	2,266,048,213	1,459,777,356
Current portion of long term loan to related party	9	130,864,885	-
Advances, deposits, prepayments and other receivables	14	228,079,246	221,261,632
Tax refunds due from Government	15	399,842,320	545,943,128
Short-term investments	16	-	545,852,250
Cash and bank balances	17	505,279,477	305,848,616
		5,358,921,490	4,270,784,823
TOTAL ASSETS		12,469,033,776	10,570,028,195
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2021: 200,000,000) ordinary shares of Rs. 10 each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	18	1,419,000,000	1,419,000,000
Capital reserves			
Share premium	19	1,994,789,057	1,994,789,057
Surplus on revaluation of property, plant and equipment	20	3,783,703,410	2,903,180,018
		5,778,492,467	4,897,969,075
Revenue reserve			
Un-appropriated profit		1,082,408,607	856,151,106
TOTAL EQUITY - ATTRIBUTABLE TO OWNERS OF THE HOLDING COMPANY		8,279,901,074	7,173,120,181
Non-current liabilities			
Supplier's credit	21	-	64,192,028
Long-term financing	22	138,784,287	18,522,370
Lease liabilities	23	53,809,165	24,753,229
Deferred tax liabilities	24	543,919,188	574,649,300
Deferred liabilities	25	154,279,763	140,818,763
		890,792,403	822,935,690
Current liabilities			
Current portion of non-current liabilities	26	83,209,878	199,746,644
Short-term borrowings	27	1,728,820,658	966,452,761
Trade and other payables	28	1,346,571,121	1,372,313,986
Contract liabilities	29	84,548,248	14,731,994
Accrued finance cost	30	53,389,378	18,750,357
Unclaimed dividend		1,801,016	1,976,582
		3,298,340,299	2,573,972,324
TOTAL LIABILITIES		4,189,132,702	3,396,908,014
TOTAL EQUITY AND LIABILITIES		12,469,033,776	10,570,028,195
CONTINGENCIES AND COMMITMENTS	31		

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

Chief Executive	Director	Chief Financial Officer

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Revenue from contracts with customers		10,349,295,793	8,118,728,427
Less: sales tax		(1,483,731,282)	(1,122,890,202)
Net revenue	32	8,865,564,511	6,995,838,225
Cost of revenue	33	(7,950,325,280)	(6,112,740,638)
Gross profit		915,239,231	883,097,587
Administrative expenses	34	(239,093,355)	(206,064,554)
Selling and distribution expenses	35	(284,652,554)	(197,356,671)
Reversal of allowance for expected credit losses	13	16,868,047	-
Other operating expenses	36	(16,705,739)	(33,893,224)
		(523,583,601)	(437,314,449)
Operating profit		391,655,630	445,783,138
Other income	37	55,370,606	76,790,795
Other expenses	38	(91,527,906)	(364,309)
Finance costs	39	(168,138,115)	(111,635,681)
Profit before taxation		187,360,215	410,573,943
Taxation	40	2,816,686	(122,451,292)
Profit for the year		190,176,901	288,122,651
Profit / (loss) attributable to:			
Owners of the Holding Company		190,176,901	302,346,462
Non-controlling interests		-	(14,223,811)
		190,176,901	288,122,651
Earnings per share - Basic and diluted	41	1.34	2.13

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

Chief Executive	Director	Chief Financial Officer

ROSHAN PACKAGES LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Profit for the year		**190,176,901**	288,122,651
Other comprehensive income / (loss):			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gain / (loss) on remeasurement of retirement benefits	25	**2,675,218**	(2,701,768)
- related deferred tax	24	**-**	783,513
Additional revaluation surplus on fixed assets		**996,578,959**	1,156,781,118
- related deferred tax		**(55,743,319)**	-
Increase in deferred tax liability on revaluation surplus on fixed assets resulting from change in rate		**(26,906,866)**	-
		916,603,992	1,154,862,863
Total comprehensive income for the year		**1,106,780,893**	1,442,985,514
Total comprehensive income / (loss) attributable to:			
Owners of the Holding Company		1,106,780,893	1,457,209,325
Non-controlling interests		**-**	(14,223,811)
		1,106,780,893	1,442,985,514

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

Chief Executive **Director** **Chief Financial Officer**

ROSHAN PACKAGES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Issued, subscribed and paid-up share capital	Capital reserves		Revenue reserve	Total equity attributable to the owners of Holding Company	Non-controlling interests	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit			
	Rupees						
Balance as on 01 July 2020	1,419,000,000	1,994,789,057	1,795,215,742	644,121,246	5,853,126,045	100,584,447	5,953,710,492
Profit for the year	-	-	-	302,346,462	302,346,462	(14,223,811)	288,122,651
Other comprehensive income / (loss) for the year	-	-	1,156,781,118	(1,918,255)	1,154,862,863	-	1,154,862,863
Total comprehensive income	-	-	1,156,781,118	300,428,207	1,457,209,325	(14,223,811)	1,442,985,514
Adjustments due to further acquisition of interest in subsidiary (Note 28.3)	-	-	-	4,684,811	4,684,811	(86,360,636)	(81,675,825)
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax (Note 20)	-	-	(48,816,842)	48,816,842	-	-	-
Final cash dividend for the year ended 30 June 2020 (Rs.1 per share)	-	-	-	(141,900,000)	(141,900,000)	-	(141,900,000)
Balance as on 30 June 2021	1,419,000,000	1,994,789,057	2,903,180,018	856,151,106	7,173,120,181	-	7,173,120,181
Profit for the year	**-**	**-**	**-**	**190,176,901**	**190,176,901**	-	**190,176,901**
Other comprehensive income for the year	**-**	**-**	**913,928,774**	**2,675,218**	**916,603,992**	-	**916,603,992**
Total comprehensive income	**-**	**-**	**913,928,774**	**192,852,119**	**1,106,780,893**	**-**	**1,106,780,893**
Surplus transferred to un-appropriated profit on account of incremental depreciation charged during the year - net of tax (Note 20)	**-**	**-**	**(33,186,847)**	**33,186,847**	**-**	**-**	**-**
Transfer of revaluation surplus on plant and machinery disposed off to unappropriated profit	**-**	**-**	**(218,535)**	**218,535**	**-**	**-**	**-**
Balance as on 30 June 2022	**1,419,000,000**	**1,994,789,057**	**3,783,703,410**	**1,082,408,607**	**8,279,901,074**	**-**	**8,279,901,074**

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

Chief Executive **Director** **Chief Financial Officer**

	Note	2022 Rupees	2021 Rupees
OPERATING ACTIVITIES			
Profit before taxation		**187,360,215**	410,573,943
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of operating fixed assets	**6.1.4**	**163,939,198**	146,772,459
Depreciation of right-of-use assets	**7.1**	**22,002,468**	10,385,583
Interest income on loan to related party	**37**	**(15,213,982)**	(11,925,889)
Finance costs	**39**	**168,138,115**	111,635,681
Provision for gratuity	**25.2.1**	**35,975,726**	31,293,341
Reversal of allowance for expected credit losses	**13.2**	**(16,868,047)**	-
Profit on bank deposits	**37**	**(10,803,890)**	(18,182,346)
Profit on short-term investments	**37**	**(23,719,962)**	(35,062,443)
Amortization of intangible asset	**8**	**-**	362,586
Provision for Worker's Profit Participation Fund	**36**	**13,928,720**	25,099,726
Provision for Worker's Welfare Fund	**36**	**2,777,019**	8,793,498
Grant income	**25.3**	**(2,363,407)**	(2,350,049)
Liabilities no longer payable written back	**37**	**(3,269,365)**	-
Gain on remeasurement of supplier's credit	**37**	**-**	(1,409,209)
Exchange gain - unrealized		**-**	(141,588)
Loss on disposal of property, plant and equipment	**38**	**2,468,336**	364,309
Provision for accumulating compensated absences	**25.1.1**	**(6,350,394)**	447,283
		330,640,535	266,082,942
		518,000,750	676,656,885
Working capital adjustments:			
(Increase) / decrease in current assets:			
Stores, spares and other consumables		**(95,786,012)**	(10,915,717)
Stock-in-trade		**(490,218,797)**	(151,696,872)
Trade receivables		**(789,402,810)**	(204,691,945)
Contract assets		**(50,700,699)**	(67,676,221)
Advances, deposits, prepayments and other receivables		**6,185,768**	(70,197,656)
Sales tax receivable - net		**62,967,557**	17,773,513
Increase / (decrease) in current liabilities:			
Contract liabilities		**69,816,254**	(1,186,357)
Trade and other payables		**(29,817,213)**	276,944,466
		(1,316,955,952)	(211,646,789)
Net cash (used in) / generated from operations		**(798,955,202)**	465,010,096
Finance costs paid		**(122,164,658)**	(118,099,251)
Income tax paid		**(27,430,360)**	(7,272,187)
Workers' welfare fund paid		**(9,362,026)**	-
Gratuity paid		**(12,735,175)**	(13,943,906)
Accumulated absences paid		**(145,281)**	(220,328)
Net increase in long term-deposits		**(6,451,456)**	(1,109,980)
		(178,288,956)	(140,645,652)
Net cash (used in) / generated from operating activities		**(977,244,158)**	324,364,444

	Note	2022 Rupees	2021 Rupees
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(53,504,089)**	(85,547,785)
Proceeds from disposal of property, plant and equipment		**2,483,013**	553,999
Interest on long-term loan received		**-**	30,310,285
Profit on bank deposits received		**36,734,452**	56,473,294
Net cash (used in) / generated from investing activities		**(14,286,624)**	1,789,793
FINANCING ACTIVITIES			
Proceeds from long-term financing		**173,480,355**	25,601,002
Repayment of long-term financing		**(93,880,492)**	(45,170,294)
Repayment of supplier's credit		**(163,093,085)**	(34,553,667)
Dividend paid		**(175,566)**	(140,711,474)
Proceeds from / (repayment of) short-term borrowings - net		**737,132,397**	(57,005,212)
Repayment of lease liabilities		**(33,589,716)**	(12,404,002)
Net cash generated from / (used in) financing activities		**619,873,893**	(264,243,647)
Net (decrease) / increase in cash and cash equivalents		**(371,656,889)**	61,910,590
Cash and cash equivalents at the beginning of the year		**636,157,262**	574,246,672
Cash and cash equivalents at the end of the year	**42**	**264,500,373**	636,157,262

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

Significant non-cash adjustment:

- Pursuant to the settlement agreement between the Holding Company and Shandong Yongtai Paper Mills Limited and its directors (the previous minority shareholders in the Subsidiary), the Holding Company had acquired their interest in the Subsidiary for Rs. 81.67 million. For detail refer to Notes 1.1 and 28.3.

Chief Executive | **Director** | **Chief Financial Officer**

1 THE GROUP AND ITS OPERATIONS

1.1 Corporate and general information

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

Holding Company

Roshan Packages Limited (the Company) was incorporated in Pakistan as a private Company limited by shares on 13 August 2002 under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). The Company was converted into a public limited Company on 23 September 2016 and got listed on Pakistan Stock Exchange Limited on 28 February 2017. It is principally engaged in the manufacture and sale of corrugation and flexible packaging materials.

Subsidiary

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

1.2 Consolidated financial statements

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

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

Holding Company

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

Subsidiary

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates and assumptions

The assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are described below:

The Group based its assumptions and estimates on the parameters under which these financial statements were prepared.

Existing circumstances and assumptions about the future development may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

		Note
a)	Depreciation method, rates and useful lives of operating fixed and right-of-use assets	4.4, 4.5, 6.1 & 7
b)	Revaluation of land, building, plant and machinery and electric installations	4.4, 6.1 & 47.2
c)	Employee retirement and other benefits	4.13 & 25
d)	Revenue recognition: Whether revenue from products recognized over time or at point in time	4.22 & 32
e)	Taxation	4.24, 15.2, 24, 31 & 40
f)	Impairment of financial assets	4.11, 4.26, 9.1, 45.1.2, 45.1.3 & 45.1.5
g)	Contingencies	4.20 & 15.1

Judgments

In the process of applying Group's accounting policies, management has made judgments, as mentioned below, which have most significant effects on the amounts recognized in financial statements:

		Note
a)	Classification of 'Loan to related party' and 'Tax refunds due from Government' as current	9.1 & 15
b)	Classification / recognition of free hold land "Held for sale"	6.1.7
c)	Indicator of Impairment (Capital work-in-progress, amounting to Rs. 306.21 million)	6.2

Based upon analysis of updated business plan (refer to point (d) below), underlying cashflow projections, current market conditions and the Subsidiary's ability to arrange additional financial resources for successful completion of the project, management of the Group has assessed that, as of reporting date, no indicators ofi mpairment exist, in accordance with requirements of the IAS 36 'Impairment of assets'.

d) Going concern - Subsidiary

During the year, the Subsidiary incurred a loss of Rs. 78.32 million (2021: Rs. 57.53 million), resulting in accumulated losses, as of reporting date, of Rs. 212.94 million (2021: Rs. 134.62 million). Further, the Subsidiary's operations are hindered due to delayed approvals from the regulatory authorities, delays in infrastructural development from the Government of Punjab and financial closure. These conditions and events indicate the existence of uncertainty that may cause doubt on the Subsidiary's ability to continue as going concern.

The Subsidiary's management has prepared a revised business plan, wherein, it intends to commence construction of plant site, with procurement of plant and machinery, in calendar year 2022. Under the latest feasibility, total capital expenditure requirement is estimated to be Rs. 2,970 billion (excluding interest expense). Majority portion of the planned output is expected to be utilized by the Holding Company, substituting the need for external procurement. The Subsidiary expects to commence production by calendar year 2024. Under the business plan, the capital expenditure will be financed by a combination of equity and long-term loan facilities.

Previously, the Holding Company in its Annual General Meeting held on 28 October 2020 had approved additional equity investment of Rs. 900 million in the Subsidiary and increased the limit of the long term loan to the Subsidiary, up to Rs. 500 million. During the year, the Subsidiary has obtained the financing facilities up to Rs. 1,250 million and is also negotiating further financing facilities with commercial banks to meet its capital expenditure requirements. Moreover, the Subsidiary has an unutilized limit ofi nterest bearing borrowings from the Holding Company amounting to Rs. 49.98 million, as of reporting date, to meet its operational expenditure. The Subsidiary is in the process of increasing its authorized share capital, enabling the Holding Company to convert the loan facility into/ inject further equity, upon completion of legal requirements.

The Holding Company has provided a formal letter of support to the Subsidiary, committing to provide continued financial support to enable the Subsidiary to complete its manufacturing facility and discharge its obligations, as and when they fall due. The Board of Directors of the Subsidiary remains committed to implement the revised business plan. Based on these factors, the Subsidiary is confident that it would be able to continue operations for foreseeable future.

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Basis of consolidation

4.1.1 Subsidiary

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

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

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

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

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

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

4.1.3 Disposal of subsidiary

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

4.2 Business combinations and goodwill

4.2.1 Acquisition method of accounting

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

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

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

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4.2.2 Goodwill

The excess of the:

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

4.2.3 Deferred or contingent consideration

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

4.2.4 Business combination achieved in stages

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

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

The accounting policies adopted in the preparation of these financial statements are consistent with those in the previous financial year except that the Group has adopted the following accounting amendments which became effective for the current year:

IFRS 9 & IFRS 16	Financial Instruments & Leases - Interest Rate Benchmark Reform Phase 2 (Amendments)
IFRS 7	Financial Instruments Disclosures - Interest Rate Benchmark Reform Phase 2 (Amendments
IFRS 16	Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 - (Amendments)

The adoption of the above amendments to accounting standards did not have any material effect on these consolidated financial statements.

4.4 Property, plant and equipment

Operating fixed assets

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

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

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

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

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

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

Depreciation on additions to operating assets is charged from the month in which the item becomes available for use whereas it is discontinued from the month in which the asset is retired from active use.

The residual value, depreciation method and the useful lives of each part of operating assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date. The Group's estimate of residual values and useful life of its operating fixed assets during the year has not required any adjustment as its impact is considered insignificant.

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

Capital work-in-progress

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

4.5 Leases

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

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

a) Right-of-use assets

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

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

b) Lease liabilities

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

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

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

d) Judgement and estimate:

Determining the lease term of contracts

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

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

4.6 Intangible asset

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

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

The Group's estimate of residual values and useful life of its intangible asset during the year has not required any adjustment as its impact is considered insignificant.

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

4.7 Impairment of non-financial assets

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

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

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

4.8 Long term deposits

The long-term deposits include deposits against lease arrangements and those recoverable from utility companies. Long-term deposits were not discounted at initial recognition as the impact of discounting is not material.

4.9 Stores, spares and other consumables

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

4.10 Stock-in-trade

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

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

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

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

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

4.11 Trade receivables

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

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

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

4.12 Cash and cash equivalents

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

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

4.13 Employee benefits

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

a) <u>Gratuity</u>

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

The entity recognizes the defined benefit liability in the consolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. Actuarial valuation is conducted every year. The latest valuation was carried out as at 30 June 2022 using the projected unit credit method.

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

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

b) <u>Accumulated compensated absences</u>

The Group provides leave encashment benefit to its non-management staff. The non-management staff is entitled to 15 days leave per annum. The un-utilized leaves are accumulated subject to a maximum of 15 days. The un-utilized accumulated leaves are encashable at the time of leaving the service.

Uptil 30 June 2021, the un-utilized leaves were accumulated subject to a maximum of 30 days, for management as well as non-management staff. Please refer to Note 26.1, for impact of change in this policy.

The entity recognizes the defined benefit liabilities in Note 25.1 the consolidated statement of financial position. The cost of providing benefits under the defined benefit plan is determined by an independent qualified actuary using the projected unit credit method. All actuarial remeasurements, current and past service costs and interest cost are recognized in consolidated statement of profit or loss. The valuation is based on the assumptions mentioned in Note 25.1 to these consolidated financial statements.

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

- **Salary increase / inflation risk:**

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

- **Discount rate risk:**

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

- **Mortality risk:**

  Actual mortality experience may be different than that assumed in the calculation.

- **Withdrawal risk:**

  Actual withdrawals experience may be different than that assumed in the calculation.

4.13.1 Estimates and judgments

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

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

4.14 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.16 Deferred income - Government grant

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

4.17 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.18 Contract liabilities

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

4.19 Dividend

Dividend distribution to the Group's members is recognized as a liability in the period in which the dividends are approved.

4.20 Provisions

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

4.21 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.22 Revenue from contracts with customers

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

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

Made-to-order packaging products:

The Group has determined that for made-to-order packaging products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contracts, products are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Revenue and associated costs are recognized over time – i.e. before the goods are delivered to the customers' premises. Progress is determined based on the cost-to-cost method. In case of credit sales, invoices are issued according to contractual terms and are usually payable within 7 to 365 days. Un-invoiced amounts are presented as contract assets.

Standard packaging products:

The Group recognizes revenue when it transfers control of the goods. The customers obtain control of standard packaging products when the goods are either dispatched or delivered to them and have been accepted at their premises. Invoices are generated at that point in time. In case of credit sales, invoices are usually payable within 7 to 90 days. No discounts are provided for standard packaging products.

4.23 Foreign currency translation

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

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

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

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

4.24 Taxation

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

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Current tax

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

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

Deferred

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

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

4.25 Sales tax

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

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

4.26 Financial instruments

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

4.26.1 Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

Financial assets at fair value through OCI (debt instruments)

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Impairment of financial assets

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

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

4.26.2 Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities at amortized cost (loans and borrowings)

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

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

4.26.3 Derecognition

4.26.3.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

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

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

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

4.26.3.2 Financial liabilities

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

4.26.4 Offsetting of financial instruments

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

4.27 Earnings per share (EPS)

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

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

4.28 Events after the reporting period

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

4.29 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement offi nancial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

The new and amended standards that are issued, but not yet effective, up to the date ofi ssuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

Standard		**Effective date (annual periods beginning on or after)**
IAS 1	Presentation of Financial Statements - Disclosure of Accounting Policies (Amendments): the amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	01 January 2023
IAS 1	Presentation of Financial Statements - 'Classification of Liabilities as Current or Non-current' (Amendments): to clarify how to classify debt and other liabilities as current or non-current.	01 January 2022
IFRS 3	Business Combinations - Definition of a Business (Amendments)	01 January 2022
	The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	01 January 2022
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment).	Not yet finalized
IAS 12	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments) - which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.	01 January 2023

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IAS 16	Property, Plant and Equipment - Proceeds before Intended Use (Amendments): to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	01 January 2022
IAS 37	Provisions, Contingent liabilities and Contingent assets - Onerous Contracts – Costs of Fulfilling a Contract (Amendments): to specify which costs should be included in an entity's assessment whether a contract will be loss-making.	01 January 2022
IFRS 9	Financial Instruments – Fees in the '10 per cent' test for derecognition offi nancial liabilities (IFRS Annual Improvement Cycle 2018-2020): the amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.	01 January 2022
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (Amendments): The amendments introduces a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	01 January 2023

The above amendments are not expected to have any material impact on the Group's financial statements in the period of initial application, except for requirement to disclose 'material' accounting policies instead to 'significant' accounting policies.

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

Standard / IFRIC		**Effective date (annual periods beginning on or after)**
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004

The Group expects that the adoption of the above standard will have no material effect on the Group's financial statements, in the period of initial application.

		Note	2022 Rupees	2021 Rupees
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	6.1	**6,697,182,739**	5,798,792,542
	Capital work in progress	6.2	**308,483,626**	320,142,005
			7,005,666,365	6,118,934,547

6.1 Operating fixed assets

	Owned: Freehold land	Owned: Buildings on freehold land	Owned: Plant and machinery	Owned: Electric installations	Owned: Furniture and fixtures	Owned: Office equipment	Owned: Vehicles	Total
	------ Rupees ------							
Cost / revalued amount								
As at 01 July 2020	941,755,000	1,161,918,508	3,826,440,946	125,281,694	10,069,454	53,870,463	50,939,567	6,170,275,632
Additions / transfers	175,339,582	640,912	77,273,039	959,739	1,742,495	97,105,337	-	353,061,104
Transfers from right of use assets	-	-	-	-	-	-	22,379,333	22,379,333
Revaluation adjustment	1,156,781,118	-	-	-	-	-	-	1,156,781,118
Disposals	-	-	(35,641)	(23,715)	(1,004,070)	(209,733)	(1,845,500)	(3,118,659)
As at 30 June 2021	2,273,875,700	1,162,559,420	3,903,678,344	126,217,718	10,807,879	150,766,067	71,473,400	7,699,378,528
Additions / transfers	**-**	**6,088,272**	**33,275,037**	**4,454,824**	**1,501,455**	**18,316,228**	**1,526,652**	**65,162,468**
Transfers from right of use assets	**-**	**-**	**-**	**-**	**-**	**-**	**12,169,000**	**12,169,000**
Revaluation adjustment	**816,761,800**	**228,567,669**	**30,971,084**	**13,145**	**-**	**-**	**-**	**1,076,313,698**
Disposals / written off (Note 6.1.6)	**-**	**-**	**(5,490,016)**	**-**	**-**	**(22,400)**	**(2,259,068)**	**(7,771,484)**
As at 30 June 2022	**3,090,637,500**	**1,397,215,361**	**3,962,434,449**	**130,685,687**	**12,309,334**	**169,059,895**	**82,909,984**	**8,845,252,210**
Depreciation								
As at 01 July 2020	-	276,618,979	1,362,550,522	36,277,551	4,671,565	26,231,796	37,509,416	1,743,859,829
Charge for the year	-	33,939,057	97,428,830	3,208,391	637,727	6,989,492	4,568,962	146,772,459
Transfers from right of use assets	-	-	-	-	-	-	12,154,049	12,154,049
Disposals	-	-	(16,274)	(13,256)	(822,861)	(132,395)	(1,215,565)	(2,200,351)
As at 30 June 2021	-	310,558,036	1,459,963,078	39,472,686	4,486,431	33,088,893	53,016,862	1,900,585,986
Charge for the year	**-**	**34,028,264**	**106,999,494**	**3,364,444**	**674,391**	**14,094,099**	**4,778,506**	**163,939,198**
Transfers from right of use assets	**-**	**-**	**-**	**-**	**-**	**-**	**6,629,683**	**6,629,683**
Revaluation adjustment	**-**	**67,395,236**	**12,335,194**	**4,309**	**-**	**-**	**-**	**79,734,739**
Disposals / written off (Note 6.1.6)	**-**	**-**	**(1,135,470)**	**-**	**-**	**(677)**	**(1,683,988)**	**(2,820,135)**
As at 30 June 2022	**-**	**411,981,536**	**1,578,162,296**	**42,841,439**	**5,160,822**	**47,182,315**	**62,741,063**	**2,148,069,471**
Net book value								
As at 30 June 2022	**3,090,637,500**	**985,233,825**	**2,384,272,153**	**87,844,248**	**7,148,512**	**121,877,580**	**20,168,921**	**6,697,182,739**
As at 30 June 2021	2,273,875,700	852,001,384	2,443,715,266	86,745,032	6,321,448	117,677,174	18,456,538	5,798,792,542
Depreciation rate	**-**	**3% - 20%**	**3% - 50%**	**3% - 10%**	**10%**	**10% - 50%**	**20%**	

6.1.1 The gross carrying value of fully depreciated assets that are still in use amounted toRs. 6.52 million (2021: Rs. 2.63 million).

6.1.2 The latest revaluation on freehold land, buildings on freehold land, plant and machinery and electric installations of the Holding Company was carried out on 30 June 2022 and off reehold land of Subsidiary was carried out on 30 June 2021. These revaluations have been carried out by an independent professional valuer, Unicorn International Surveyors. The carrying amounts of the following classes of assets would have been as follows:

	2022 Rupees	2021 Rupees
Freehold land	**302,166,659**	302,166,659
Buildings on freehold land	**409,741,605**	423,920,778
Plant and machinery	**1,533,502,089**	1,577,255,626
Electric installations	**56,438,165**	55,337,190
	2,301,848,518	2,358,680,253

6.1.3 The forced sale values of assets as determined by the independent valuer as of 30 June 2022 are as follows:

	Forced sale value Rupees
Freehold land	2,560,497,000
Buildings on freehold land	836,879,435
Plant and machinery	2,093,116,279
Electric installations	515,399
	5,491,008,113

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

	Note	2022 Rupees	2021 Rupees
Cost of revenue	**33**	**158,514,323**	141,200,163
Administrative expenses	**34**	**4,409,064**	4,120,247
Selling and distribution expenses	**35**	**1,015,811**	1,452,049
		163,939,198	146,772,459

6.1.5 Particulars of immovable fixed assets are as follows:

Description	Location	Area
Holding Company:		
Corrugation plant site	7 K.M. Sundar Raiwind Road, opposite Sundar Industrial Estate, Mauza Bhai Kot, District Lahore.	8.22 acres
Flexible plant site	Plot No. 141, 142 & 142-B, Sundar Industrial Estate, Sundar Raiwind Road, Lahore.	7.73 acres
Subsidiary:		
Paper plant site (Note 6.1.7)	M-2 Lahore-Islamabad motorway, district Sheikhupura near village Mandiala and Qaimpur, adjacent to Quaid-e-Azam Industrial Apparel Park.	57 acres

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

6.1.6 The aggregate net book value of operating fixed assets disposed off during the year have not exceeded five million, therefore, particulars of such assets have not been disclosed.

6.1.7 This includes freehold land awarded by the Government of Punjab under the Land Acquisition Act, 1894 (the Act) in adjoining areas of village Mandialla (84 kanals and 10 marlas) and Qaimpur (371 kanals and 4 marlas) of tehsil Sheikhupura for setting up Paper Mill, Coal based Power Generation Plant and Effluent Treatment Plant.

During the year, the Government of Punjab informed the Subsidiary ofi ts intention to re-acquire 17 kanal and 19 marlas of the above mentioned piece ofl and, for expansion of highway, under the Act. Subsequent to the reporting date, Government of Punjab has also notified the financial award for such acquisition, subject to conclusion of any proceeding resulting from the Subsidiary's effort to negotiate market based price. Resultingly, as of reporting date, Government of Punjab had not communicated a firm purchase commitment, specifying all significant terms, including the price and timing of the transactions, under the Act. Accordingly, as the performance of transfer of portion ofl and, was not highly probable, the Subsidiary has not classified it as 'non-current asset held for sale', in accordance with requirements of IFRS 5 'Non-current assets held for sale and Discontinued operations'. The Subsidiary does not expect any loss from such transaction, in future.

6.2 Capital work in progress

	Opening balance	Additions/ (Adjustment) Note 6.2.1)	Transfers	Closing balance
2022	-----------	Rupees	-----------	
Plant and machinery	**187,430,865**	**(11,663,731)**	**(53,715)**	**175,713,419**
Land and civil works	**78,917,824**	**5,158,082**	**-**	**84,075,906**
Electrical installations	**1,708,600**	**-**	**-**	**1,708,600**
Office equipment	**52,084,716**	**(4,803,059)**	**(295,956)**	**46,985,701**
	320,142,005	**(11,308,708)**	**(349,671)**	**308,483,626**

	Opening balance	Additions	Transfers	Closing balance
2021	-----------	Rupees	-----------	
Plant and machinery	206,103,669	18,971,274	(37,644,078)	187,430,865
Land and civil works	274,406,951	2,636,636	(198,125,763)	78,917,824
Electrical installations	3,759,708	1,708,600	(3,759,708)	1,708,600
Office equipment	103,384,996	-	(51,300,280)	52,084,716
	587,655,324	23,316,510	(290,829,829)	320,142,005

6.2.1 During the year, pursuant to a reassessment of work performed on purchased items of plant and machinery, the Subsidiary has derecognized amount payable to a foreign vendor, amounting to Rs. 13.88 million, against capital work in progress, amounting to Rs. 16.76 million, and exchange loss, amounting to Rs. 2.88 million.

7 RIGHT-OF-USE ASSETS

	Note	Leasehold Buildings	Vehicles	Total
Cost		-----------	Rupees	-----------
As at 01 July 2020		38,480,671	37,890,000	76,370,671
Additions	**7.2**	-	2,763,000	2,763,000
Transfers to operating fixed assets		-	(22,379,333)	(22,379,333)
As at 30 June 2021		38,480,671	18,273,667	56,754,338
Additions	**7.2**	**71,908,243**	**4,209,000**	**76,117,243**
Transfers to operating fixed assets		**-**	**(12,169,000)**	**(12,169,000)**
Re-assessment		**(24,933)**	**-**	**(24,933)**
As at 30 June 2022		**110,363,981**	**10,313,667**	**120,677,648**
Depreciation				
As at 01 July 2020		7,601,985	17,489,053	25,091,038
Charge for the year		7,596,704	2,788,879	10,385,583
Transfers to operating fixed assets		-	(12,154,049)	(12,154,049)
As at 30 June 2021		15,198,689	8,123,883	23,322,572
Charge for the year		**20,311,166**	**1,691,302**	**22,002,468**
Transfers to operating fixed assets		**-**	**(6,629,683)**	**(6,629,683)**
As at 30 June 2022		**35,509,855**	**3,185,502**	**38,695,357**
Net book value				
As at 30 June 2022		**74,854,126**	**7,128,165**	**81,982,291**
As at 30 June 2021		23,281,982	10,149,784	33,431,766
Rate of depreciation (per annum)		**20% - 33%**	**20%**	

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

	Note	2022 Rupees	2021 Rupees
Cost of revenue	**33**	**16,429,550**	1,812,078
Administrative expenses	**34**	**3,660,742**	6,722,289
Selling and distribution expenses	**35**	**1,912,176**	1,851,216
		22,002,468	10,385,583

7.2 These represent non-cash additions recognized against corresponding lease liabilities, as referred to in Note 23.1.

8 INTANGIBLE ASSET

	Note	2022 Rupees	2021 Rupees
Cost			
Opening balance		**7,088,486**	7,088,486
Addition		**-**	-
Closing balance		**7,088,486**	7,088,486
Amortization			
Opening balance		**7,088,486**	6,725,900
Charge for the year	**34**	**-**	362,586
Closing balance		**7,088,486**	7,088,486
Net book value as at 30 June		**-**	-
Amortization rate		**20%**	20%

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

9 LONG-TERM LOAN TO RELATED PARTY

At amortized cost:			
Loan to associated undertaking - Roshan Enterprises	9.1 & 9.2	-	130,864,885
		-	130,864,885

9.1 This unsecured loan carries markup at the rate of 1-Year KIBOR+2% (2021:1-Year KIBOR+2%) per annum or average borrowing cost of the Group, whichever is higher. The effective interest rate was 10.06% to 17.1% (2021: 9.21% to 10.06%) per annum. The Holding Company in its Annual General Meeting held on 28 October 2020 through special resolution and in accordance with requirements of Section 199 of the Companies Act 2017, has granted extension of two years to associated undertaking in repayment ofl oan and as per revised terms and conditions, Roshan Enterprises would repay the entire principal amount by 28 October 2022. Currently, the Group and related party are finalizing the mode of settlement. Based on the Group's discussion with partners of Roshan Enterprises, who are also the directors of the Group, full settlement through transfer of a non-financial asset (a piece of commercial land) of adequate value is expected, within next financial year. Accordingly, as of reporting date, allowance for expected credit loss has been estimated to be insignificant and has not been recognized in these consolidated financial statements.

9.2 Movement during the year is as follows:	Note	2022 Rupees	2021 Rupees
Opening balance		130,864,885	149,249,281
Markup accrued during the year	37	15,213,982	11,925,889
Markup received during the year		-	(30,310,285)
Closing balance		146,078,867	130,864,885
Less: Current portion of principal shown under current assets		(130,864,885)	-
Less: Accrued markup shown under Advances, Deposits, Prepayments and Other Receivables		(15,213,982)	-
		-	130,864,885

9.2.1 The maximum aggregate amount outstanding during the year with reference to month end balance amounted to Rs. 146.07 million (2021: Rs. 153.03 million).

10 STORES, SPARES AND OTHER CONSUMABLES	Note	2022 Rupees	2021 Rupees
Stores		215,880,336	133,733,209
Spares		48,666,252	36,633,953
Packing material		14,154,243	12,547,657
		278,700,831	182,914,819

11 STOCK-IN-TRADE

Raw materials	11.1	1,259,396,367	812,394,007
Finished goods		79,888,455	48,238,056
Waste stock		11,566,038	-
		1,350,850,860	860,632,063

11.1 This includes raw material in transit amounting to Rs. 119.15 million (2021: Rs. 115.42 million).

12 CONTRACT ASSETS

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

13 TRADE RECEIVABLES	Note	2022 Rupees	2021 Rupees
Unsecured			
Trade receivables from contract with customers	13.1	2,483,045,071	1,693,642,261
Less: Allowance for expected credit losses	13.2	(216,996,858)	(233,864,905)
		2,266,048,213	1,459,777,356

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13.1 Balances with related parties:	2022 Rupees	2021 Rupees
13.1.1 Outstanding balances from related parties are as follows:		
Roshan Enterprises	3,188,237	3,181,846
Al-Firdusi Exporters	1,507,253	1,124,924
	4,695,490	4,306,770

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

	2022 Rupees	2021 Rupees
Roshan Enterprises	5,115,976	5,237,066
Al-Firdusi Exporters	3,188,237	7,154,934
	8,304,213	12,392,000

13.1.3 The aging analysis of balances due from related parties are as follows:

Not yet due	-	4,306,770
Past due for 0 to 180 days	388,720	-
Past due for more than 365 days	4,306,770	-
	4,695,490	4,306,770

13.2 Movement of allowance for expected credit losses:

Opening balance	233,864,905	233,864,905
Reversal during the year	(16,868,047)	-
Closing balance	216,996,858	233,864,905

This includes allowance against balances due from related parties and contract assets, amounting to Rs. 0.37 million (2021: Rs. 0.07 million) and Rs. 1.26 million (2021: Rs. Nil).

14 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2022 Rupees	2021 Rupees
Advances :			
- to employees	14.1	7,813,508	11,135,316
- to suppliers		191,166,277	200,801,479
		198,979,785	211,936,795
Prepayments		5,142,811	3,904,984
Security deposits		1,903,507	2,570,641
Interest receivable on:			
- savings accounts		638,612	109,172
- short term investments		-	2,740,040
Interest receivable from associated undertaking	9.2	15,213,982	-
Other receivables		6,200,549	-
		228,079,246	221,261,632

14.1 This includes advances paid to executives amounting to Nil (2021: Rs.1.18 million).

15 TAX REFUNDS DUE FROM GOVERNMENT	Note	2022 Rupees	2021 Rupees
Sales tax receivable - net	15.1	53,012,012	115,979,569
Income tax receivable - net	15.2	346,830,308	429,963,559
		399,842,320	545,943,128

15.1 During the year, upon the Group's appeal, Commissioner Inland Revenue (Appeals) [CIR(A)] has remanded back an assessment order, issued by tax authorities, disallowing sale tax refund amounting to Rs. 41.72 million, relating to tax year 2017, for reconsideration. The management of the Group is confident of early recovery of the refunds, based upon the advice ofi ts tax advisor.

15.2 During the current and previous years, upon the Group's appeal, CIR(A) has remanded back assessment orders, issued by tax authorities, disallowing income tax refunds amounting to Rs. 143.40 million, relating to tax years 2011, 2016, 2017, 2019 and 2020, for reconsideration based on documentary evidences. The management of the Group is confident of early recovery of the refunds, based upon the advice of its tax advisor.

The Group is in the process offi ling income tax refunds, amounting to Rs. 123.1 million, relating to tax years 2007 to 2010, 2013 to 2015 and 2018. Based on documentary evidences and relevant precedents, the Group is confident off ull and early recovery of the refunds.

		Note	2022 Rupees	2021 Rupees
16	**SHORT-TERM INVESTMENTS**			
	At amortized cost			
	Term deposit	16.1	-	300,000,000
	Treasury bill	16.2	-	245,852,250
			-	545,852,250

16.1 It carried markup at the rate of 7.5% (2021: 7.5%) per annum.

16.2 It carried markup at the rates ranging from 7.3% to 12.2% (2021: 6.98% to 8%) per annum.

		Note	2022 Rupees	2021 Rupees
17	**CASH AND BANK BALANCES**			
	Cash in hand		**1,188,042**	139,895
	Balances with banks:			
	- saving accounts	17.1	**337,829,597**	240,303,589
	- current accounts		**166,261,838**	65,405,132
			504,091,435	305,708,721
			505,279,477	305,848,616

17.1 The savings accounts earn interest at floating rates based on daily bank deposit rates ranging from 5.83% to 13.35% (2021: 3% to 7%) per annum.

18 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2022	2021	2022	2021
	---------- No. of shares ----------		------------ Rupees ------------	
Ordinary shares of Rs. 10 each fully paid in cash	**57,336,000**	57,336,000	**573,360,000**	573,360,000
Ordinary shares of Rs. 10 each issued as bonus shares	**79,461,000**	79,461,000	**794,610,000**	794,610,000
Ordinary shares of Rs. 10 each fully paid for consideration other than cash (Note 18.1)	**5,103,000**	5,103,000	**51,030,000**	51,030,000
	141,900,000	141,900,000	**1,419,000,000**	1,419,000,000

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

18.2 Detail of shares of the Group held by Directors is as follows:

	2022	2021	2022	2021
	--------- No. of shares ---------		------------ Rupees ------------	
Tayyab Aijaz	**38,087,809**	38,087,809	**380,878,090**	380,878,090
Khalid Eijaz Qureshi	**20,790,000**	20,790,000	**207,900,000**	207,900,000
Zaki Aijaz	**16,833,538**	16,833,538	**168,335,380**	168,335,380
Saddat Aijaz	**16,830,000**	16,830,000	**168,300,000**	168,300,000
Quasim Aijaz	**4,196,562**	4,196,562	**41,965,620**	41,965,620
Ayesha Mussadaque Ahmed	**56**	56	**560**	560
Muhammad Naveed Tariq	**2**	2	**20**	20
	96,737,967	96,737,967	**967,379,670**	967,379,670

		2022 Rupees	2021 Rupees
19	**SHARE PREMIUM**	**1,994,789,057**	1,994,789,057

This share premium reserve can be utilized by the Group only for the purposes specified in sections 81(2) and 81(3) of the Companies Act, 2017. Share premium arose against the initial public offering made during the year 2017.

20 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents surplus arising on revaluation off reehold land, buildings on freehold land, plant and machinery and electric installations. This has been adjusted by incremental depreciation arising out of revaluation of above-mentioned assets except freehold land. The latest valuation of Holding Company's assets was carried out by an independent professional valuer, Unicorn International Surveyors, on 30 June 2022, which resulted in net of tax surplus of Rs. 940.84 million (30 June 2019: 1,055.28.million). Further, revaluation off reehold land of the Subsidiary was carried out on 30 June 2021 by the afore-mentioned valuer, which resulted in surplus of Rs. 1,156.78 million. The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017 for details of related fair value determination, refer to note 47.3.

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

	Note	2022 Rupees	2021 Rupees
Opening balance - net of tax		**2,903,180,018**	1,795,215,742
Surplus transferred to unappropriated profit for the year on account of incremental depreciation - net of tax		**(33,186,847)**	(48,816,842)
Additional revaluation surplus - net of tax, during the year		**940,835,640**	1,156,781,118
Increase in deferred tax liability on revaluation surplus on fixed assets resulting from change in rate		**(26,906,866)**	-
Transfer of revaluation surplus on electric installations disposed off to unappropriated profit		**(218,535)**	-
Closing balance - net of tax		**3,783,703,410**	2,903,180,018

		Note	2022 Rupees	2021 Rupees
21	**SUPPLIER'S CREDIT**			
	Supplier's credit	21.1	-	162,221,952
	Less: current portion shown under current liabilities	26	-	(98,029,924)
			-	64,192,028

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

	Note	2022 Rupees	2021 Rupees
Varex II 5-Layer Co-Extrusion Line machine	21.2	-	97,716,720
Gravure Printing Press Heliostar SH machine		-	64,505,232
		-	162,221,952

21.2 The reconciliation of the carrying amounts is as follows:

	Varex II 5-Layer Co-Extrusion Line machine		Gravure Printing Press Heliostar SH machine	
	2022 Rupees	2021 Rupees	**2022 Rupees**	2021 Rupees
Supplier's credit	**209,682,946**	210,369,804	**209,684,193**	210,406,544
Discounting adjustment	**(9,565,283)**	(9,565,283)	**(9,566,953)**	(9,566,953)
	200,117,663	200,804,521	**200,117,240**	200,839,591
Unwinding of discount on liability	**10,538,369**	10,113,758	**10,460,251**	10,013,729
Exchange loss	**75,746,862**	70,267,550	**65,434,995**	60,829,262
Payments	**(286,402,894)**	(182,782,251)	**(276,012,486)**	(206,454,999)
	-	98,403,578	-	65,227,583
Remeasurement adjustment	-	(686,858)	-	(722,351)
	-	97,716,720	-	64,505,232
Less: current portion shown under current liabilities	-	(65,616,605)	-	(32,413,319)
	-	32,100,115	-	32,091,913

21.3 The outstanding balance has been wholly settled during the year, including the amount of Rs. 64.19 million, that was due on 8 September 2022.

		Note	2022 Rupees	2021 Rupees
22	**LONG-TERM FINANCING**			
	Dubai Islamic Bank Limited - Diminishing musharakah	22.1	-	55,812,500
	Dubai Islamic Bank Limited - Refinance scheme	22.2	18,112,586	53,467,967
	Allied Bank Limited - Supplier credit loan	22.3	173,480,355	-
			191,592,941	109,280,467
	Current portion shown under current liabilities	26	(52,808,654)	(90,758,097)
			138,784,287	18,522,370

		Note	2022 Rupees	2021 Rupees
22.1	**Dubai Islamic Bank Limited - Diminishing musharakah**			
	Opening balance		55,812,500	80,812,500
	Repaid during the year		(55,812,500)	(25,000,000)
		22.1.1	-	55,812,500
	Current portion shown under current liabilities		-	(55,812,500)
			-	-

22.1.1 This represented diminishing musharakah facility of Rs. 400 million for financing the expansion offl exible packaging facility. Mark up was payable quarterly at the rate of three months KIBOR plus 0.9% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 8.29% to 10.64% (2021: 8.14% to 9.04%) per annum. It was secured against a first exclusive charge over fixed assets of the Group's flexible packaging facility located at Sundar Industrial Estate, Lahore and first hypothecation charge over plant and machinery of the flexible packaging facility of the Group located at Sundar, Raiwind Road, opposite to Sundar Industrial Estate, Lahore.

		Note	2022 Rupees	2021 Rupees
22.2	**Dubai Islamic Bank Limited - Refinance scheme**			
	Opening balance		53,467,967	44,436,134
	Obtained during the year		-	25,601,002
	Deferred grant recognized	25.3	-	(1,558,992)
	Interest accrued during the year		2,712,611	5,160,117
	Repaid during the year		(38,067,992)	(20,170,294)
		22.2.1	18,112,586	53,467,967
	Current portion shown under current liabilities		(18,112,586)	(34,945,597)
			-	18,522,370

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

		Note	2022 Rupees	2021 Rupees
22.3	**Allied Bank Limited - Supplier Credit Loan**			
	Opening balance		-	-
	Obtained during the year		173,480,355	-
	Repaid during the year		-	-
		22.3.1	173,480,355	-
	Current portion shown under current liabilities		(34,696,068)	-
			138,784,287	-

22.3.1 This represents long term loan facility of Rs. 200 million obtained to settle the outstanding amount of supplier credit (refer to Note 22). The Group has availed an amount of Rs. 173.48 million from the sanctioned limit. The loan is repayable in twenty equal quarterly installments beginning on 31 August 2022 and ending on 31 May 2027. Mark up is payable quarterly at the rate of three months KIBOR+1.5% per annum. The mark-up rate charged during the year on the outstanding balance ranged from 13.5% to 14.35% per annum. It is secured against a first exclusive charge over fixed assets of the Group's corrugation packaging facility located at 7KM Raiwind Road, Sundar Industrial Estate, Lahore.

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		Note	2022 Rupees	2021 Rupees
23	**LEASE LIABILITIES**			
	Present value of lease liabilities against:			
	- vehicles		2,676,002	3,426,990
	- leasehold buildings		80,925,729	29,921,455
			83,601,731	33,348,445
	Less: Current portion shown under current liabilities	26	(29,792,566)	(8,595,216)
			53,809,165	24,753,229

23.1 Movement of lease liabilities

	Note	Vehicles	Leasehold Building	Total
2022		-------------	Rupees	-------------
Opening balance		3,426,990	29,921,455	33,348,445
Additions	7	4,209,000	71,908,243	76,117,243
Finance cost charge	39	879,860	6,870,832	7,750,692
Payments	23.2	(5,839,848)	(27,749,868)	(33,589,716)
Re-assessment		-	(24,933)	(24,933)
Closing balance		2,676,002	80,925,729	83,601,731
Less: current portion shown under current liabilities	26	(2,070,880)	(27,721,686)	(29,792,566)
		605,122	53,204,043	53,809,165
2021				
Opening balance		7,802,514	35,186,933	42,989,447
Additions	7	2,763,000	-	2,763,000
Finance cost charge	39	975,195	4,330,971	5,306,166
Payments		(8,113,719)	(9,596,449)	(17,710,168)
Closing balance		3,426,990	29,921,455	33,348,445
Less: current portion shown under current liabilities	26	(2,629,528)	(5,965,688)	(8,595,216)
		797,462	23,955,767	24,753,229

23.2 As of reporting date, the Group has no current obligation to transfer economic resources in respect of leases that have not yet commenced.

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

24 DEFERRED TAX LIABILITIES

	Opening balance	Charged / (credited) to profit or loss	Charged to other comprehensive income	Closing balance
2022	-------------	Rupees	-------------	
Taxable temporary difference				
Accelerated tax depreciation	321,200,062	36,244,661	-	357,444,723
Revaluation surplus	390,149,555	(14,910,033)	82,650,185	457,889,707
Right-of-use assets	9,695,212	15,719,298	-	25,414,510
Deductible temporary difference				
Allowance for ECL on trade receivables	(67,820,822)	551,796	-	(67,269,026)
Deferred liabilities	(41,444,442)	41,444,442	-	-
Lease liabilities	(9,671,049)	(16,245,488)	-	(25,916,537)
Minimum tax	(15,272,266)	(176,184,973)	-	(191,457,239)
Alternate corporate tax	(12,186,950)	-	-	(12,186,950)
	574,649,300	(113,380,297)	82,650,185	543,919,188

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

24.1 The Group, being prudent, has not recognized deferred tax asset on minimum tax for the tax year 2018 amounting to Rs. 22.05 million, as the management has assessed that the Group might not be able to set-off minimum tax expiring in 2023. However, based on the analysis of the Group's projections of taxable profits, the Group's management is confident that it will be able to set-off the minimum tax for the tax years 2019 and onwards against excess tax payable, under the Normal Tax Regime (NTR), before their expiry.

Expiry of alternate corporate tax and minimum tax is as follows:

Nature	Tax Year	2022 Rupees	2021 Rupees
Alternate corporate tax	2026	**12,186,950**	12,186,950
Minimum tax	2024	**68,087,717**	-
Minimum tax	2025	**50,526,074**	15,272,266
Minimum tax	2027	**72,843,448**	-
		191,457,239	15,272,266

25 DEFERRED LIABILITIES

	Note	2022	2021
Employee retirement and other benefits:			
- accumulated compensated absences	25.1	**2,761,100**	9,256,775
- gratuity	25.2	**151,518,663**	130,953,330
		154,279,763	140,210,105
Deferred income - Government grant	25.3	**-**	608,658
		154,279,763	140,818,763

25.1 Accumulated compensated absences

	Note	2022	2021
Opening balance		**9,256,775**	9,029,820
Current service cost		**372,620**	1,301,411
Past service cost	4.13	**(7,659,784)**	-
Interest cost		**918,413**	891,966
Actuarial loss / (gain)		**18,357**	(1,746,094)
Benefits paid		**(145,281)**	(220,328)
Closing balance		**2,761,100**	9,256,775

25.1.1 The amounts recognized in the consolidated statement of profit or loss are as follows:

	2022	2021
Current service cost	**372,620**	1,301,411
Past service cost	**(7,659,784)**	-
Interest cost	**918,413**	891,966
Actuarial gain	**18,357**	(1,746,094)
	(6,350,394)	447,283

25.1.1.1 The charge for the year has been allocated as follows:

	2022	2021
Cost of revenue	**(3,679,506)**	259,162
Administrative expenses	**(1,921,561)**	135,343
Selling and distribution expenses	**(749,327)**	52,778
	(6,350,394)	447,283

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

		2022	2021
Discount rate	**Per annum**	**13.25%**	10.00%
Expected rate of increase in salary	**Per annum**	**12.25%**	9.00%
Average duration of liability	**Number of years**	**9**	9
Average expected remaining working lifetime of members	**Number of years**	**9**	9
Average accumulation of earned leave	**Number of leaves per annum**	**4**	4

25.1.3 Undiscounted expected future benefit payments:	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5+**
	---------------------------------- Rupees ----------------------------------				
	152,435	186,117	250,715	316,971	2,933,243

25.1.4 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2022, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	**2022** Present value of defined benefit obligation	**2022** Percentage change
	Rupees	**%**
Present value of defined benefit obligations as at 30 June	**2,761,100**	
+1% Discount rate	**2,524,553**	**-9%**
-1% Discount rate	**3,019,737**	**9%**
+1% salary increase rate	**3,019,812**	**9%**
-1% salary increase rate	**2,524,584**	**-9%**

25.2 Gratuity

	2022 Rupees	2021 Rupees
Opening balance	**130,953,330**	110,902,127
Current service cost	**23,498,658**	22,461,779
Interest cost	**12,477,068**	8,831,562
Remeasurement - actuarial (gain) / loss	**(2,675,218)**	2,701,768
Benefits paid during the year	**(12,735,175)**	(13,943,906)
Closing balance	**151,518,663**	130,953,330

25.2.1 The amounts recognized in the consolidated statement of profit or loss are as follows:

	2022	2021
Current service cost	**23,498,658**	22,461,779
Interest cost	**12,477,068**	8,831,562
	35,975,726	31,293,341

25.2.1.1 The charge for the year has been allocated as follows:

	2022	2021
Cost of revenue	**21,239,681**	18,475,251
Administrative expenses	**10,312,501**	8,970,288
Selling and distribution expenses	**4,423,544**	3,847,802
	35,975,726	31,293,341

25.2.2 The amounts recognized in the consolidated statement of comprehensive income are as follows:

	2022	2021
Actuarial (gain) / loss due to experience adjustments	**(2,675,218)**	2,701,768

25.2.3 Maturity profile:

	2022 Rupees	2021 Rupees
Year 1	**20,371,062**	14,127,851
Year 2	**25,148,325**	18,012,885
Year 3	**30,211,739**	21,789,063
Year 4	**35,609,264**	26,415,336
Year 5+	**163,185,270**	129,758,552
	274,525,660	210,103,687

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

		2022	2021
Discount rate	**Per annum**	**13.25%**	10.00%
Expected rate of increase in salary	**Per annum**	**12.25%**	9.00%
Average duration of liability	**Number of years**	**9**	9
Average expected remaining working lifetime of members	**Number of years**	**9**	9

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

25.2.5 Sensitivity analysis

The following sensitivity analysis is about actuarial assumptions as at 30 June 2022, showing how the defined benefit obligation would have been affected by the changes in the relevant actuarial assumption that were reasonably possible at that date:

Particulars	2022	2021	2022	2021
	Percentage change		Present value of defined benefit obligation	
	%	%	**Rupees**	Rupees
Present value of defined benefit obligations as at 30 June			**151,518,663**	130,953,330
+1% Discount rate	**-8.31%**	-8.61%	**138,929,857**	119,683,499
-1% Discount rate	**9.68%**	9.32%	**166,180,598**	143,158,764
+1% salary increase rate	**9.68%**	9.32%	**166,184,681**	143,155,598
-1% salary increase rate	**-8.31%**	-8.61%	**138,931,564**	119,682,029

25.3 Deferred income - Government grant

This represented deferred government grant recognized in respect of the benefit of below-market interest rate on long term finances as referred to in Note 22.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

	Note	2022 Rupees	2021 Rupees
Opening balance		**2,972,065**	3,763,122
Recognized during the year		**-**	1,558,992
Grant amortized during the year	37	**(2,363,407)**	(2,350,049)
Closing balance		**608,658**	**2,972,065**
Less: current portion shown under current liabilities	26	**(608,658)**	(2,363,407)
		-	608,658

26 CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2022 Rupees	2021 Rupees
Supplier's credit	21	**-**	98,029,924
Long-term financing	22	**52,808,654**	90,758,097
Lease liabilities	23	**29,792,566**	8,595,216
Deferred income - Government grant	25.3	**608,658**	2,363,407
		83,209,878	199,746,644

27 SHORT-TERM BORROWINGS

	Note	2022 Rupees	2021 Rupees
Running finance	27.1	**240,779,104**	215,543,604
Term finances:			
- import finance / murabaha	27.2	**310,233,786**	28,508,122
- istisna / wakala	27.3	**1,177,807,768**	722,401,035
		1,488,041,554	750,909,157
	27.4	**1,728,820,658**	966,452,761

27.1 Running finance

This represents short term running finance facilities available from various commercial banks under mark-up arrangements at mark-up rates ranging from one to three months KIBOR+1.25% (2021: one to three months KIBOR+0.75% to 1%) per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first and joint pari passu charge over present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 8.45% to 15.9% (2021: 8.07% to 9.33%) per annum.

27.2 Import finance / Murabaha

This represents import finance facilities available from various commercial banks under profit arrangements at mark-up rates ranging from one to three months KIBOR plus 0.5% to 1.5% (2021: one to three months KIBOR plus 0.5% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate import finances are secured against first and joint pari passu charge over all present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.45% to 16.74% (2021: 7.45% to 11.94%) per annum.

27.3 Istisna / Wakala

This represents Istisna / Wakala facilities available from various commercial banks under profit arrangements at mark-up rates ranging from three month to six month KIBOR plus 0.50% to 1.5% (2021: six months KIBOR plus 0.50% to 1.5%) per annum, payable at the maturity of the respective transaction. The aggregate murabaha/istisna finances are secured against first and joint pari passu charge over all present and future current assets of the Group. The mark-up rate charged during the year on the outstanding balance ranged from 7.66% to 16.74% (2021: 7.28% to 14.95%) per annum.

27.4 Aggregate limits of borrowings

Aggregate sanctioned limit of all above facilities including limit for opening letters of credit and guarantees is Rs. 3,690 million (2021: Rs. 2,765 million) in which un-availed credit limit as at 30 June 2022 is Rs. 1,961 million (2021: Rs. 1,292 million). The aggregate facilities for opening letters of credit and guarantees are secured by a first pari passu charge over current assets of the Group and lien over import documents.

28 TRADE AND OTHER PAYABLES

	Note	2022 Rupees	2021 Rupees
Trade creditors		**1,037,712,558**	1,125,136,515
Accrued liabilities		**162,476,428**	109,644,290
Withholding tax payable		**9,726,950**	6,035,823
Workers' Profit Participation Fund payable	28.1	**50,761,234**	36,832,514
Workers' Welfare Fund payable	28.2	**2,839,134**	9,424,141
Payable to Shandong Yongtai Paper Mills Limited	28.3	**81,675,825**	81,675,825
Advances from employees		**1,292,787**	3,478,673
Retention money payable		**86,205**	86,205
		1,346,571,121	1,372,313,986

28.1 Workers' Profit Participation Fund Payable

	Note	2022	2021
Opening balance		**36,832,514**	10,765,212
Charge for the year	36	**13,928,720**	25,099,726
Interest charge for the year	39	**-**	967,576
Closing balance		**50,761,234**	36,832,514

28.2 Workers' Welfare Fund payable

	Note	2022	2021
Opening balance		**9,424,141**	630,643
Charge for the year	36	**2,777,019**	8,793,498
Paid during the year		**(9,362,026)**	-
Closing balance		**2,839,134**	9,424,141

28.3 The Holding Company had entered into a settlement agreement on 05 March 2021 with the Shandong Yongtai Paper Mills Limited and its directors (the previous minority shareholders in the Subsidiary Company) to acquire their interest in the Subsidiary Company for Rs. 81.68 million in a full and final settlement. In accordance with requirements of IFRS 10 "Consolidated financial statements", the impact of adjustment resulting from acquisition of minority shareholding has been recognized in consolidated unappropriated profits. The Holding Company is confident that it will be able to obtain necessary regulatory approvals for payment of final settlement amount, in due course.

29 CONTRACT LIABILITIES

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

		2022 Rupees	2021 Rupees
30	**ACCRUED FINANCE COST**		
	Accrued markup on:		
	- long term financing	**5,358,012**	253,174
	- short term borrowings	**48,031,366**	18,497,183
		53,389,378	18,750,357

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

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

31.2 Commitments in respect of:

(a) Letters of credit and contracts other than for capital expenditure amounting to Rs. 183.5 million (2021: Rs. 129.16 million).

31.3 Guarantees

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

(a) Letter of guarantee issued in favor of Sui Northern Gas Pipelines Limited amounting to Rs. 30.07 million (2021: Rs. 25.07 million).

(b) Letter of guarantee issued in favor of Total Parco Pakistan Limited amounting to Rs. 14.5 million (2021: Rs. 14.5 million).

32 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

32.1 Disaggregation of Revenue:

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

	Note	2022 Rupees	2021 Rupees
Major product lines:			
Made-to-order packaging products	32.2	**7,644,352,896**	6,460,042,563
Standard packaging products		**1,221,211,615**	535,795,662
Total revenue from contracts with customers - net		**8,865,564,511**	6,995,838,225
Timing of revenue recognition:			
Products transferred over time	32.2	**7,644,352,896**	6,460,042,563
Products transferred at a point in time		**1,221,211,615**	535,795,662
Total revenue from contracts with customers - net		**8,865,564,511**	6,995,838,225
Geographical market:			
Pakistan	32.2	**8,865,564,511**	6,995,838,225

32.2 This includes unbilled revenue amounting to Rs. 82.46 million (2021: Rs. 69.66 million).

		Note	2022 Rupees	2021 Rupees
32.3	**Contract balances**			
	Trade receivables	32.3.1	**2,266,048,213**	1,459,777,356
	Contract assets	32.3.2	**199,255,658**	148,554,959
	Contract liabilities	32.3.3	**(84,548,248)**	(14,731,994)
			2,380,755,623	1,593,600,321

32.3.1 Trade receivables are non-interest bearing and become due after 7 to 365 days of the invoice date. The increase in trade receivables pertains to increase in overall revenue from customers during the year.

32.3.2 Contract assets are initially recognized for revenue earned against Group's right to consideration for work completed but not billed and for goods delivered but not received by customers at the reporting date on made to order packing products recognized as per requirements of IFRS 15. Upon acknowledgement of delivery of goods to customers, the amounts recognized as contract assets are treated as trade receivables. Increase in contract assets is mainly due to overall increase in revenue from made-to-order packaging products, wherein, actual delivery was made after the reporting date.

32.3.3 Contract liabilities represents short term advances received from customers against delivery of goods in future. Contract liabilities as at the beginning of the year, aggregating to Rs. 14.73 million (2021: Rs. 7.55 million), was recognized as revenue, during the year.

		Note	2022 Rupees	2021 Rupees
33	**COST OF REVENUE**			
	Raw materials consumed		**6,659,465,290**	5,215,817,219
	Carriage inward expenses		**5,239,697**	3,277,207
	Packing material consumed		**33,862,967**	22,601,185
	Production supplies		**168,354,834**	126,801,052
	Fuel and power		**428,212,805**	236,361,930
	Salaries, wages and other benefits		**362,610,561**	297,442,409
	Repair and maintenance		**93,573,000**	58,967,972
	Printing and stationery		**1,356,258**	975,843
	Insurance		**4,687,123**	4,961,346
	Rent, rate and taxes		**1,624,766**	918,397
	Travelling and conveyance		**33,774,865**	21,113,519
	Communication expenses		**1,148,999**	1,364,016
	Vehicle running expenses		**9,835,424**	4,664,779
	Depreciation of operating fixed assets	6.1.4	**158,514,323**	141,200,163
	Depreciation of right-of-use assets	7.1	**16,429,550**	1,812,078
	Others		**14,851,255**	10,971,697
	Cost of goods manufactured		**7,993,541,717**	6,149,250,812
	Opening stock of finished goods and waste stock		**48,238,056**	11,727,882
	Closing stock of finished goods and waste stock	11	**(91,454,493)**	(48,238,056)
			(43,216,437)	(36,510,174)
			7,950,325,280	6,112,740,638
34	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		**168,834,496**	133,924,793
	Legal and professional charges		**12,975,473**	13,991,478
	Fees and subscription		**5,486,397**	8,274,408
	Travelling and conveyance		**8,514,366**	7,026,459
	Insurance		**880,648**	852,738
	Printing and stationery		**1,703,748**	1,603,110
	Repair and maintenance		**2,510,228**	3,143,168
	Vehicle running and maintenance		**9,852,316**	7,890,641
	Utilities		**3,814,361**	2,439,950
	Auditor's remuneration	34.1	**5,310,000**	4,450,000
	Communication expenses		**4,548,784**	4,070,053
	Depreciation of operating fixed assets	6.1.4	**4,409,064**	4,120,247
	Depreciation of right-of-use assets	7.1	**3,660,742**	6,722,289
	Amortization on intangible asset	8	**-**	362,586
	Entertainment expenses		**2,044,694**	1,599,392
	Others		**4,548,038**	5,593,242
			239,093,355	206,064,554
34.1	**Auditor's remuneration**			
	Statutory audit		**4,360,000**	3,500,000
	Half year review		**800,000**	800,000
	Other certifications		**150,000**	150,000
			5,310,000	4,450,000
35	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and other benefits		**68,834,301**	65,968,164
	Travelling and conveyance		**16,690,732**	10,023,236
	Freight and transportation		**174,731,575**	100,247,513
	Vehicle running and maintenance		**3,094,174**	3,643,049
	Postage and telephone		**814,057**	492,756
	Advertisement and business promotion		**14,889,916**	10,079,107
	Entertainment expenses		**1,777,934**	1,761,746
	Depreciation of operating fixed assets	6.1.4	**1,015,811**	1,452,049
	Depreciation of right-of-use assets	7.1	**1,912,176**	1,851,216
	Others		**891,878**	1,837,835
			284,652,554	197,356,671

		Note	2022 Rupees	2021 Rupees
36	**OTHER OPERATING EXPENSES**			
	Workers' Profit Participation Fund	28.1	13,928,720	25,099,726
	Workers' Welfare Fund	28.2	2,777,019	8,793,498
			16,705,739	33,893,224
37	**OTHER INCOME**			
	Profit on bank deposits		10,803,890	18,182,346
	Profit on short term investments		23,719,962	35,062,443
	Exchange gain - net		-	7,860,859
	Interest income on loan to related party	9.2	15,213,982	11,925,889
	Gain on remeasurement of supplier's credit	21.1	-	1,409,209
	Grant income	25.3	2,363,407	2,350,049
	Liabilities no longer payable written back		3,269,365	-
			55,370,606	76,790,795
38	**OTHER EXPENSES**			
	Exchange loss - net		89,059,570	-
	Loss on disposal of operating fixed assets		2,468,336	364,309
			91,527,906	364,309
39	**FINANCE COSTS**			
	Interest / mark up on:			
	- long term financing		9,166,286	12,365,284
	- lease liabilities	23.1	7,750,692	5,306,166
	- short term borrowings		140,339,944	84,523,832
	- Workers Profit Participation Fund	28.1	-	967,576
	Unwinding of discount on supplier's credit		871,133	311,838
	Bank charges and others		10,010,060	8,160,985
			168,138,115	111,635,681
40	**TAXATION**			
	Income tax:			
	- current year		110,819,556	-
	- prior year		(255,945)	641,152
			110,563,611	641,152
	Deferred tax relating to origination and reversal of temporary differences			
	- current year		(63,969,122)	121,810,140
	- prior year		(49,411,175)	-
		24	(113,380,297)	121,810,140
		40.1	(2,816,686)	122,451,292
40.1	**Tax charge reconciliation:**			
	Profit before taxation		187,360,215	410,573,943
	Tax expense on accounting profit (29% as per Income Tax Ordinance, 2001)		54,334,462	119,066,443
	Tax effect of:			
	- permanent differences		7,595,303	(2,489,000)
	- non-deductible expenses		21,614,352	16,682,932
	- change in expected rate		17,532,663	-
	- reassessment of recoverability of minimum tax		(53,674,405)	(11,450,235)
	- prior year income tax charge		(49,667,120)	641,152
	- others		(551,941)	-
	Average tax expense charged to profit or loss	40	(2,816,686)	122,451,292

41 EARNINGS PER SHARE - BASIC AND DILUTED

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

		2022	2021
Profit attributable to owners of the Holding Company	Rupees	190,176,901	302,346,462
Weighted-average number of ordinary shares	Number	141,900,000	141,900,000
Basic earnings per share	Rupees	1.34	2.13

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

42 CASH AND CASH EQUIVALENTS

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

	Note	2022 Rupees	2021 Rupees
Short term investments	16	-	545,852,250
Cash and bank balances	17	505,279,477	305,848,616
Short term borrowings - running finance	27.1	(240,779,104)	(215,543,604)
		264,500,373	636,157,262

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Directors		Non Executive Directors		Executives	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	Rupees							
Short term employee benefits								
Managerial remuneration	**9,707,244**	9,455,160	**18,200,410**	17,964,240	**-**	-	**63,303,964**	58,328,726
House rent allowance	**4,368,260**	4,254,120	**8,190,188**	8,083,248	**-**	-	**28,486,672**	26,246,249
Medical expenses	**1,125,574**	1,425,345	**3,165,276**	2,803,324	**-**	-	**6,344,829**	5,829,974
Utilities	**971,695**	945,360	**1,820,956**	1,796,268	**-**	-	**6,357,156**	2,917,444
Meeting fee	**-**	-	**-**	-	**4,720,000**	5,220,000	**-**	-
Bonus	**1,575,758**	787,930	**2,993,791**	1,497,068	**-**	-	**6,167,950**	3,165,257
Vehicle maintenance allowance	**-**	-	**-**	-	**-**	-	**6,350,904**	8,046,015
Incentives	**-**	-	**-**	-	**-**	-	**4,124,189**	2,458,333
	17,748,531	16,867,915	**34,370,621**	32,144,148	**4,720,000**	5,220,000	**121,135,664**	106,991,998
Retirement and other long term benefits								
Gratuity	**1,334,746**	1,300,000	**1,267,555**	1,235,000	**-**	-	**6,613,452**	6,226,413
Accumulated compensated absences	**-**	-	**-**	374,267	**-**	-	**-**	1,473,305
	19,083,277	18,167,915	**35,638,176**	33,753,415	**4,720,000**	5,220,000	**127,749,116**	114,691,716
Number of persons	**1**	1	**2**	2	**5**	5	**51**	44

43.1 The Chief Executive of the Holding Company, Executive Directors and certain executives are provided with the Group maintained vehicles and mobile phones for official use. Further, no remuneration is being paid to Chief Executive of the Subsidiary.

44 TRANSACTIONS WITH RELATED PARTIES

The Group's related parties consist ofi ts wholly owned subsidiary, assoicated undertakings with common directorship and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Amounts due from related parties are shown under Note 9 and Note 13. Other transactions with related parties during the year are as follows:

Name of related party	Relationship with the Group	Percentage of shareholding	Nature of Transactions	2022 Rupees	2021 Rupees
Roshan Enterprises	Associated undertaking by virtue of common directorship	N/A	Markup accrued on long term loan	**15,213,982**	11,925,889
			Markup received during the year	**-**	30,310,285
			Sale of packaging material	**2,623,316**	9,551,410
			Receipts during the year	**2,623,316**	13,201,521
Al-Firdusi Exporters	Associated undertaking by virtue of common directorship	N/A	Sale of packaging material	**40,584,088**	28,972,739
			Receipts during the year	**40,201,759**	34,382,825
Ammad Ul Haq Siddiqui Mohammad Ahad Muhammad Adil	Key management personnel	N/A	Renumeration - Note 44.1	**57,436,827**	50,786,856

44.1 These represent remuneration of the Chief Executive of Holding Company, Executive directors and certain executives that are included in the remuneration disclosed in note 43 to these consolidated financial statements.

45 FINANCIAL RISK MANAGEMENT

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

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

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

45.1 Credit risk

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

45.1.1 Exposure to credit risk

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

Financial assets at amortized cost - unsecured	**2022 Rupees**	2021 Rupees
Long term loans	**130,864,885**	130,864,885
Long term deposits	**22,463,630**	16,012,174
Trade receivables and contract assets - gross amount	**2,682,300,729**	1,842,197,220
Deposits, interest receivable and other receivable	**23,956,650**	5,419,853
Short term investments	**-**	545,852,250
Bank balances	**504,091,435**	305,708,721
	3,363,677,329	2,846,055,103

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

	2022 Rupees	2021 Rupees
Trade receivables and contract assets	**2,682,300,729**	1,842,197,220
Banking companies and financial institutions	**505,588,435**	854,125,470
Loan to related party	**146,078,867**	130,864,885
Others	**29,709,298**	18,867,528
	3,363,677,329	2,846,055,103

45.1.2 Trade receivables and contract assets

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

The Group based on the provision matrix assessed that the allowance for ECL on contract assets is immaterial, accordingly allowance for ECL on contract assets has not been separately presented in these financial statements. The Group's credit risk mainly arises from long outstanding trade receivables as the Group is making full recoveries from the current customers and hence, default rate in case of such customers is minimal. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Weighted average loss rate	**Gross carrying amount**	**Expected credit loss**
30 June 2022		**Rupees**	
Future Remit	**0.62%**	**1,880,023,870**	**11,626,387**
0 - 30 Days	**3.93%**	**369,355,749**	**14,527,481**
31-60 Days	**16.62%**	**152,972,189**	**25,425,283**
61-90 Days	**32.21%**	**13,515,266**	**4,353,181**
91 - 120 Days	**45.72%**	**15,997,413**	**7,313,888**
121+ days	**61.39%**	**250,436,242**	**153,750,638**
		2,682,300,729	**216,996,858**

30 June 2021	Weighted average loss rate	Gross carrying amount	Expected credit loss
	----------	Rupees	----------
Not past due	1.52%	1,171,071,406	15,547,217
1 - 90 Days	5.86%	392,719,537	23,032,924
91 - 180 Days	33.93%	102,051,449	34,624,294
181 - 270 Days	56.76%	20,311,222	11,529,194
271 - 365 Days	90.04%	9,396,488	8,460,803
366 - Above Days	95.92%	146,647,118	140,670,473
		1,842,197,220	233,864,905

45.1.3 Counterparties with external credit ratings

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

Bank	Rating Short term	Rating Long term	Rating Agency	2022 Rupees	2021 Rupees
Allied Bank Limited	A-1+	AAA	PACRA	**-**	300,000,190
Askari Bank Limited	A-1+	AA+	PACRA	**1,536,543**	1,088,482
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	**35,294,723**	26,998,885
Habib Bank Limited	A-1+	AAA	JCR-VIS	**11,976,546**	246,480,731
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	**5,928,654**	11,410,087
MCB Bank Limited	A-1+	AAA	PACRA	**5,243,721**	959,635
Meezan Bank Limited	A-1+	AAA	JCR-VIS	**60,897,366**	15,237,592
National Bank of Pakistan	A-1+	AAA	PACRA	**122,924**	122,925
Standard Chartered Bank Limited	A-1+	AAA	PACRA	**19,412,168**	10,172,511
The Bank of Punjab Limited	A-1+	AA+	PACRA	**19,126,738**	65,091
United Bank Limited	A-1+	AAA	JCR-VIS	**6,564,798**	1,805,684
Bank Islami Pakistan Limited	A-1	A+	PACRA	**1,739,523**	6,130,235
Soneri Bank Limited	A-1+	AA-	PACRA	**17,088,822**	1,000,000
JS Bank Limited	A-1+	AA-	PACRA	**315,858,107**	230,088,923
Bank Alfalah Limited	A-1+	AA+	PACRA	**3,300,802**	-
				504,091,435	851,560,971

45.1.4 Loan to related party

Refer to Note 9.1 for detailed discussion of estimate of allowance of expected credit losses.

45.1.5 Deposits, interest receivable and other receivable

The Group has assessed, based on historical experience, that the expected credit loss associated with deposits, interest receivable and other receivable is trivial and therefore no impairment charge has been accounted for.

45.1.6 Concentration risk

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

	2022 Rupees	2021 Rupees
Banking companies and financial instituitions	**505,588,435**	854,125,470
Loan to related party	**146,078,867**	130,864,885
Others	**2,712,010,027**	1,861,064,748
	3,363,677,329	2,846,055,103

45.2 Liquidity risk

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

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

45.2.1 Exposure to liquidity risk

	Carrying amount	Contractual cash flows	Up to one year	One to five years	More than five years
30 June 2022	----------	----------	Rupees	----------	----------
Lease liabilities	**83,601,731**	**99,992,890**	**37,769,851**	**62,223,039**	**-**
Long term finances - secured	**191,592,941**	**257,531,028**	**76,361,410**	**181,169,618**	**-**
Short term borrowings - secured	**1,728,820,658**	**1,728,820,658**	**1,728,820,658**	**-**	**-**
Trade and other payables	**1,281,951,016**	**1,281,951,016**	**1,281,951,016**	**-**	**-**
Unclaimed dividend	**1,801,016**	**1,801,016**	**1,801,016**	**-**	**-**
Accrued finance cost	**53,389,378**	**53,389,378**	**53,389,378**	**-**	**-**
	3,341,156,740	**3,423,485,986**	**3,180,093,329**	**243,392,657**	**-**
30 June 2021					
Lease liabilities	33,348,445	43,484,129	12,385,804	31,098,325	-
Long term finances - secured	109,280,467	112,747,990	94,322,588	18,425,402	-
Supplier's credit - unsecured	162,221,952	162,221,952	162,221,952	-	-
Short term borrowings - secured	966,452,761	966,452,761	966,452,761	-	-
Trade and other payables	1,316,542,835	1,316,542,835	1,316,542,835	-	-
Unclaimed dividend	1,976,582	1,976,582	1,976,582	-	-
Accrued finance cost	18,750,357	18,750,357	18,750,357	-	-
	2,608,573,399	2,622,176,606	2,572,652,879	49,523,727	-

45.3 Market risk

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

45.3.1 Currency risk

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

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

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

45.3.1(a) Exposure to currency risk

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

			2022		
	CNY	**USD**	**EUR**	**SEK**	**GBP**
Consolidated statement of financial position:					
- Advances to suppliers	**-**	**5,988**	**16,940**	**-**	**-**
- trade and other payables	**-**	**(815,320)**	**(17,526)**	**(206,696)**	**(1,353)**
Net exposure	**-**	**(809,332)**	**(586)**	**(206,696)**	**(1,353)**

			2021		
	CNY	USD	EUR	SEK	GBP
Consolidated statement of financial position:					
- supplier's credit	-	-	(873,629)	-	-
- trade and other payables	(63,000)	(1,251,817)	(88,864)	(2,040)	(400)
Net exposure	(63,000)	(1,251,817)	(962,493)	(2,040)	(400)

45.3.1(b) Exchange rate applied during the year

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

	Average rate		Reporting date rate	
	2022	2021	**2022**	2021
USD to PKR	**181.20**	160.33	**204.85**	157.54
EUR to PKR	**200.54**	191.16	**213.81**	187.27
SEK to PKR	**19.25**	18.70	**20.00**	18.49
GBP to PKR	**233.23**	215.63	**248.48**	217.98
CNY to PKR	**-**	24.21	**-**	24.39

45.3.1(c) Sensitivity analysis

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

Effect on consolidated statement of profit or loss	2022 Rupees	2021 Rupees
USD	**(16,579,166)**	(19,721,125)
EUR	**(12,529)**	(18,024,606)
SKR	**(413,392)**	(3,772)
GBP	**(29,493)**	(8,260)
CNY	**-**	(149,688)
	(17,034,580)	(37,907,451)

45.3.2 Interest rate risk

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

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

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

	2022	2021
	Carrying amount	
Financial assets	----------- (Rupees) -----------	
Fixed rate instruments:		
- bank balances - saving accounts	**337,829,597**	240,303,589
- short term investments	**-**	545,852,250
Variable rate instruments:		
- long term loan - associate	**130,864,885**	130,864,885
- long term loan - subsidiary	**-**	-
	468,694,482	917,020,724
Financial liabilities		
Fixed rate instruments:		
- supplier's credit	**-**	162,221,952
Variable rate instruments:		
- long term finances	**191,592,941**	109,280,467
- lease liabilities	**83,601,731**	33,348,445
- short term borrowings	**1,728,820,658**	966,452,761
	2,004,015,330	1,271,303,625

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

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

	100 bps	
	Increase	Decrease
	-------------- Rupees --------------	
Effect on profit before tax - 30 June 2022	**(18,731,504)**	**18,731,504**
Effect on profit before tax - 30 June 2021	(9,782,168)	9,782,168

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

45.3.2.1(c) Interest rate risk management

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

45.4 Price risk

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

45.5 Offsetting financial assets and financial liabilities

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

45.6 Financial instruments by categories

	Cash and cash equivalents	**At amortized cost**	**Total**
2022	-------------------------- Rupees --------------------------		
Financial assets			
Long term loan to related party	**-**	**130,864,885**	**130,864,885**
Long term deposits	**-**	**22,463,630**	**22,463,630**
Trade receivables and contract assets	**-**	**2,465,303,871**	**2,465,303,871**
Deposits, interest receivable and other receivable	**-**	**23,956,650**	**23,956,650**
Cash and bank balances	**505,279,477**	**-**	**505,279,477**
	505,279,477	**2,642,589,036**	**3,147,868,513**
Financial liabilities			
Lease liabilities	**-**	**83,601,731**	**83,601,731**
Long term finances - secured	**-**	**191,592,941**	**191,592,941**
Short term borrowings - secured	**240,779,104**	**1,488,041,554**	**1,728,820,658**
Trade and other payables	**-**	**1,281,951,016**	**1,281,951,016**
Unclaimed dividend	**-**	**1,801,016**	**1,801,016**
Accrued finance cost	**-**	**53,389,378**	**53,389,378**
	240,779,104	**3,100,377,636**	**3,341,156,740**

	Cash and cash equivalents	At amortized cost	Total
2021	-------------------------- Rupees --------------------------		
Financial assets			
Long term loan to related party	-	130,864,885	130,864,885
Long term deposits	-	16,012,174	16,012,174
Trade receivables and contract assets	-	1,608,332,315	1,608,332,315
Deposits and interest receivable	-	5,419,853	5,419,853
Short term investments	545,852,250	-	545,852,250
Cash and bank balances	305,848,616	-	305,848,616
	851,700,866	1,760,629,227	2,612,330,093
Financial liabilities			
Lease liabilities	-	33,348,445	33,348,445
Long term finances - secured	-	109,280,467	109,280,467
Supplier's credit - unsecured	-	162,221,952	162,221,952
Short term borrowings - secured	215,543,604	750,909,157	966,452,761
Trade and other payables	-	1,316,542,835	1,316,542,835
Unclaimed dividend	-	1,976,582	1,976,582
Accrued finance cost	-	18,750,357	18,750,357
	215,543,604	2,393,029,795	2,608,573,399

46 CAPITAL MANAGEMENT

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

The Group's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

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

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

The Group's strategy is to ensure compliance with agreements executed with financial institutions so that the total debt to equity ratio does not exceed the lender covenants.

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

	Note	2022 Rupees	2021 Rupees
Supplier's credit	21	-	162,221,952
Long term financing	22	191,592,941	109,280,467
Lease liabilities - vehicles	23	2,676,002	3,426,990
Short term borrowings	27	1,728,820,658	966,452,761
		1,923,089,601	1,241,382,170
Less:			
Cash and bank balances	17	(505,279,477)	(305,848,616)
Short term investments	16	-	(545,852,250)
		(505,279,477)	(851,700,866)
Net debt		1,417,810,124	389,681,304
Total equity		8,279,901,074	7,173,120,181
Gearing ratio		17%	5%

47 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

47.1 Fair value hierarchy

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

	2022			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Freehold land	-	3,090,637,500	-	3,090,637,500
Buildings on freehold land	-	-	985,233,825	985,233,825
Plant and machinery	-	-	2,384,272,153	2,384,272,153
Electric installations	-	-	87,844,248	87,844,248
	-	3,090,637,500	3,457,350,226	6,547,987,726

	2021			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
Freehold land	-	2,273,875,700	-	2,273,875,700
Buildings on freehold land	-	-	852,001,384	852,001,384
Plant and machinery	-	-	2,443,715,266	2,443,715,266
Electric installations	-	-	86,745,032	86,745,032
	-	2,273,875,700	3,382,461,682	5,656,337,382

Movements of the above mentioned assets and surplus on revaluation of these assets have been disclosed in Note 6.1 and Note 20, respectively to these consolidated financial statements. There were no transfers between levels 1, 2 and 3 during the year and there were no changes in valuation techniques during the years.

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

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

47.3 Valuation inputs and relationship to fair value

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

Description	2022 Rupees	2021 Rupees	Significant unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings on freehold land	**985,233,825**	852,001,384	Cost of construction of a new similar building. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using a suitable depreciation factor on cost of constructing a similar new building. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.
Plant and machinery	**2,384,272,153**	2,443,715,266	Cost of acquisition of similar plant and machinery with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar plant and machinery with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of plant and machinery. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.
Electric installations	**87,844,248**	86,745,032	Cost of acquisition of similar electric installations with similar level of technology. Suitable depreciation rate to arrive at depreciated replacement value.	The market value has been determined by using cost of acquisition of similar electric installations with similar level of technology and applying a suitable depreciation factor based on remaining useful lives of electric installations. The higher the cost of acquisition of similar electric installations, higher the fair value of tools and equipment. Further, higher the depreciation rate, the lower the fair value of electric installations.

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47.4 Fair values estimation

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Group's financial assets consist of long term loan and deposits, short term deposits, interest receivable, trade receivables and cash and bank balances. Its financial liabilities consist of lease liabilities, long term finances, short term borrowings, trade and other payables (excluding statutory payables), unclaimed dividend and accrued finance cost. The above financial assets and liabilities (except non-current portion of long term loans and deposits, long term finances and supplier's credit and lease liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non-current portion of long term loans, long term finances and lease liabilities is not significantly different from its carrying value as these financial instruments bear interest at floating rates which gets re-priced at regular intervals. Management has concluded that carrying value of long term deposits approximates its fair value.

48 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES INCLUDING CURRENT PORTION

	Note	Opening balance	Cash flows	Others	Closing balance
2022		------------ Rupees ------------			
Supplier's credit		**162,221,952**	**(163,093,085)**	**871,133**	**-**
Long term financing	**48.1**	**109,280,467**	**79,599,863**	**2,712,611**	**191,592,941**
Lease liabilities	**48.2**	**33,348,445**	**(33,589,716)**	**83,843,002**	**83,601,731**
Short term borrowings*		**750,909,157**	**737,132,397**	**-**	**1,488,041,554**
		1,055,760,021	**620,049,459**	**87,426,746**	**1,763,236,226**
2021					
Supplier's credit		197,730,442	(34,553,667)	(954,823)	162,221,952
Long term financing	48.1	125,248,634	(19,569,292)	3,601,125	109,280,467
Lease liabilities	48.2	42,989,447	(17,710,168)	8,069,166	33,348,445
Short term borrowings*		807,914,369	(57,005,212)	-	750,909,157
		1,173,882,892	(128,838,339)	10,715,468	1,055,760,021

48.1 The 'others' pertains to interest expense accrued on loan during the year.

48.2 The 'others' mainly pertain to addition in the lease liabilities and finance cost recognized during the year.

* Short term borrowings exclude running finance facilities.

	2022	2021
49 NUMBER OF EMPLOYEES	**(Number of person)**	
Number of employees as at 30 June	**565**	488
Average number of employees during the year	**527**	464

	Corrugation Plant (Metric Tonnes)		Flexible Plant (Metric Tonnes)	
50 PLANT CAPACITY AND ANNUAL PRODUCTION	**2022**	2021	**2022**	2021
Installed capacity	**60,000**	60,000	**12,240**	12,240
Actual production	**37,523**	32,115	**7,361**	7,959

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

50.2 The Subsidiary is in the process of setting up a manufacturing facility. The installed capacity of the project once completed will be 66,000 tonnes per annum.

51 OPERATING SEGMENTS

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

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

Revenue from none of the customers (2021: one customer) of the Group represents more than 10% of (2021: Rs. 1,111.85 million) of the Group's total revenue.

52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for better and fair presentation.

Significant reclassifications consist of the following:

From	To	Rupees
Advances, deposits, prepayments and other receivables	Tax refunds due from Government	545,943,128
Other operating expenses	Other expenses	364,309

The impact of above-mentioned reclassifications on financial position as of 01 July 2020 is not significant, accordingly no statement of financial position as of that date has been included in these financial statements.

Comparative amounts in consolidated statement of cash flows have also been re-arranged for better and fair presentation, however, there were no material reclassifications.

53 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were approved by the Holding Company's Board of Directors and authorized for issue on 30th September 2022.

Chief Executive	Director	Chief Financial Officer

19th ANNUAL GENERAL MEETING

Notice of Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting **("AGM")** of **Roshan Packages Limited** (the **"Company"**) will be held on Friday, October 28, 2022 at 11:00AM at Emerald Hall, Falettis Hotel, Lahore and via video link facility to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements of the Company for the year ended 30 June, 2022.
2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of M/s. EY Ford Rhodes., Chartered Accountants as auditors of the Company.

Special Business:

3. To consider, ratify and approve the transactions carried out with related parties during financial year ended 30 June, 2022 under the authority of the special resolution passed in the annual general meeting held on 27 October, 2021 and to authorize the Chief Executive to approve all the transactions with the related parties carried out or to be carried out during the financial year ending 30 June 2023 and till the next Annual General Meeting and if thought fit, to pass, with or without modification, resolutions as Special Resolutions as proposed in the Statement of Material Facts.

Attached to this Notice is a statement of material facts along with draft resolutions proposed to be passed as special resolutions in relation to the aforesaid special businesses, as required under Section 134(3) of the Companies Act, 2017.

BY ORDER OF THE BOARD

Lahore
Date:07 October 2022

Rabia Sharif
Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 21 October, 2022 to 28 October, 2022 (both days inclusive). Transfers received in order at the office of our Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi by the close of business on 20 October 2022 will be treated in time to attend, speak and vote at AGM.

2. Online Participation in the Annual General Meeting:

As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the AGM. The meeting can be attended using smart phones/tablets/computers. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders with the subject "Registration for Roshan Packages Limited AGM" through email corporate@roshanpackages.com.pk on or before 26 October 2022.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity.

4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting.

Form of proxy in English and Urdu languages are attached to the notice of meeting sent to the shareholders.

5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity as per above procedure.
b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be as per above procedure.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
d. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company.

6. CNIC/IBAN for E-Dividend Payment. The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

7. Zakat Declarations. The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through CD/DVD/USB/ Email. Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in its annual general held on 22 November, 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company the request form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website:www.roshanpackages.com.pk

9. Unclaimed Dividend and Bonus Shares. Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend or pending shares, if any

10.Replacement of Physical Shares into Book Entry Form. As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholder holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the address given herein above.

11. Placement of Financial Statements on the website of the Company. The Company has placed a copy of the Annual Report which inter alia includes Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2022 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company:www.roshanpackages.com.pk

Statement of Material Facts under Section 134(3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on 28 October, 2022.

Item 3 of the Agenda: Approval & Authorization of Related Party Transactions

Since the majority of the Company Directors were interested in the related party transactions carried out with Roshan Enterprises and Roshan Sun Tao Paper Mills (Pvt) Limited in the ordinary course of business at arm's length basis, these transactions were executed during the financial year ended June 30, 2022 under the authority of the Special Resolution passed in the annual general meeting held on 27 October, 2021. Accordingly, these transactions are being placed before the members of the Company for their approval pursuant to the aforesaid special resolution.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

"Resolved that the following transactions carried out in the ordinary course of business at arm's length basis with Roshan Enterprises and Roshan Sun Tao Paper Mills (Pvt) Limited during the financial year ended June 30, 2022 be and are hereby ratified, approved and confirmed"

Transaction detail of Roshan Enterprises:

Name of related party	Name of interested directors	Nature of relationship	Pricing policy	Time frame	Description of transaction	Amount Rupees
Roshan Enterprises	Saadat Eijaz Zaki Aijaz Quasim Aijaz Khalid Eijaz Qureshi	Common Directors/ partners	(Arms length) As per special resolution passed under Section 199	July21-June 22	Sale of packaging materials Receipts during the year Markup accrued on long term loan	2.62 Million 2.62 Million 15.21 Million

Mr. Khalid Eijaz, Mr. Quasim Aijaz, Mr. Saadat Eijaz, Mr. Zaki Aijaz, the Directors of the Company, are interested in transactions with Roshan Enterprises as they are partners in the related party. The shareholding of these Directors in the Company and extent of interests in Roshan Enterprises is detailed hereinafter.

Name of Director	% interest in Roshan Enterprises	% interest in company
SADDAT EIJAZ	27	11.86
ZAKI AIJAZ	10	11.86
KHALID EIJAZ QURESHI	36	14.65
QUASIM AIJAZ	27	2.96

Transaction detail of Roshan Sun Tao Paper Mills (Pvt) Limited:

Name of related party	Name of interested directors	Nature of relationship	Pricing policy	Time frame	Description of transaction	Amount Rupees
Roshan Sun Tao Paper Mills (Pvt) Limited	Tayyab Aijaz Saadat Eijaz Zaki Aijaz Quaism Aijaz Khalid Eijaz Qureshi	Common directors	As per special resolution passed under Section 199.	July21-June 22	Long Term Loan Given **Markup:** Accrued Received	70.90 Million 41.63 Million 38.82 Million

Mr. Khalid Eijaz, Mr. Quasim Aijaz, Mr. Tayyab Aijaz, Mr. Saadat Eijaz, Mr. Zaki Aijaz, the Directors of the Company, are interested in transactions with Roshan Sun Tao Paper Mills (Pvt) Limited as they are Directors in the related party. The shareholding of these Directors in the company and extent of interests in Roshan Sun Tao Paper Mills (Pvt) Limited is detailed hereinafter.

Name of Director	% interest in Roshan Sun Tao Paper Mills (Pvt) Limited	% interest in company
TAYYAB AIJAZ	0.0010	26.84
SADDAT EIJAZ	0.0003	11.86
ZAKI AIJAZ	0.0003	11.86
KHALID EIJAZ QURESHI	0.000	14.65
QUASIM AIJAZ	0.000	2.96

The transactionsreferred to above were executed on an arm's length basis in the ordinary course of business.

The Company shall continue to carry out transactions with the related parties in its ordinary course of business at arm's length basis during the year ending June 30, 2023 and till the date of next annual general meeting. As mentioned herein above, the majority of the Directors are interested in these transactions, therefore, these transactions with related party have to be approved by the shareholders.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with Roshan Enterprises and Roshan Sun Tao Paper Mills (Pvt) Limited during the financial year ending June 30, 2023 and till the date of next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

"Resolved that Roshan Packages Limited be and is hereby authorized to carry out transactions with related parties as and when required during the year ending 30 June, 2022 and till the date of next annual general meeting without any limitation on amounts of transaction and the the Chief Executive of the Company be and is hereby authorized to undertake the transactions to be conducted with the Related Parties and take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement this resolution.

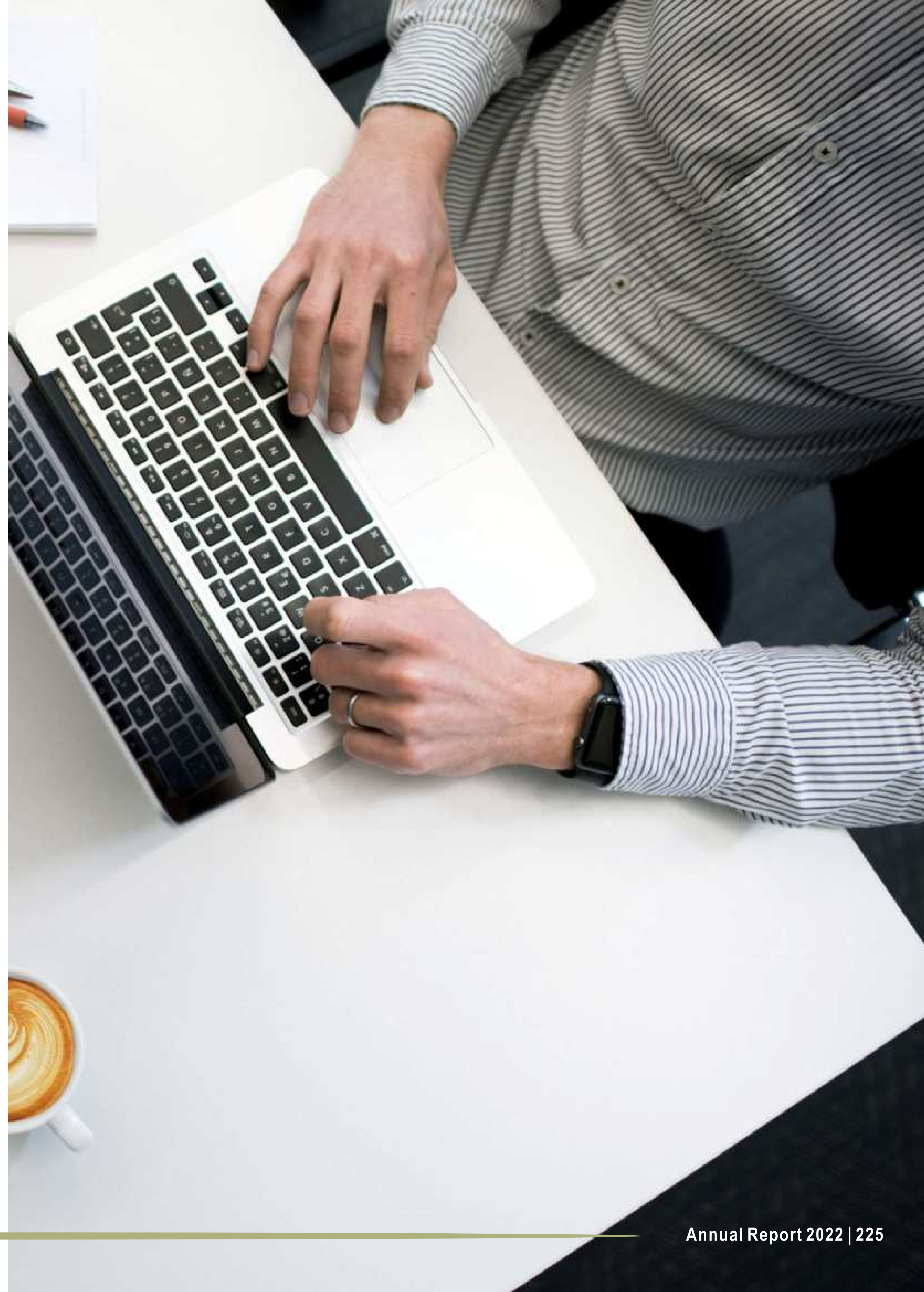
Resolved further that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval."

The names of interested directors and their respective interests have been disclosed herein above.

Statement Under Rule 4(2) of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	**Roshan Sun Tao Paper Mills (Pvt) Limited**
Total Investment Approved:	For Equity: up to 900 Million For Loan and advances: 500 Million
Amount of Investment Made to date:	Equity: 160.62 Million Loans: 450 Million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	There is no such deviation from investment as the resolution was passed on 28 October 2020 and is valid for 4 years.
Material changes in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	No material changes. The project of the Subsidiary is greenfield.

URDU CONTENT & FORMS



کے کام کے دائرہ کار اور ذمہ داریوں میں اضافے کے پیش نظر متعلقہ قابلیت کی بنیاد پر تیار کی گئی ہے۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کے مطابق، بورڈ، ڈائریکٹران کے معاوضے کا تعین کرنے کا مجاز ہے۔

انڈی پینڈنٹ ڈائریکٹر اور نان ایگزیکٹو ڈائریکٹر، بورڈ یا اس کی کسی بھی کمیٹی کے اجلاس میں شرکت کے لیے میٹنگ فیس وصول کرنے کے حقدار ہوں گے جو کہ بورڈ کی طرف سے وقتاً فوقتاً منظور شدہ سکیل کے مطابق ہوگی۔ تاہم، وہ ڈائریکٹر جو معاوضے کے حقدار ہیں وہ میٹنگ فیس لینے کے مجاز نہ ہوں گے۔

اگر کوئی نان ایگزیکٹو ڈائریکٹر اضافی خدمات سرانجام دے تو وہ معاوضے کا حقدار ہوگا۔

ایگزیکٹو ڈائریکٹران کا معاوضہ بورڈ نے منظور کیا ہے۔ تاہم، کارپوریٹ گورننس کے ضابطے کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے فیصلہ کرنے کے عمل میں حصہ نہ لے۔

شفافیت کو برقرار رکھنے کے لیے بورڈ کسی بھی ڈائریکٹر کے معاوضے کا تعین کرتے ہوئے درج ذیل اصولوں پر عمل کرے گا:

1) معاوضہ پیکیج، کمپنی کے اندر بہتری لانے کی حوصلہ افزائی کرے گا۔

2) معاوضہ پیکیج، کمپنی کو کامیابی سے چلانے کے لیے درکار ڈائریکٹرز کو کام کے لیے مائل کرنے اور انھیں کمپنی میں برقرار رکھنے کے لیے مناسب ہوگا۔

3) معاوضہ ایسا نہ ہوگا جو ان کی آزادی پر سمجھوتہ کرنے کے لیے سمجھا جاسکتا ہیں۔

4) اس ضمن میں بورڈ انسانی وسائل اور معاوضہ کمیٹی کی سفارشات پر مناسب غور کرے گا۔

5) کوئی بھی ڈائریکٹر اجلاس کے کسی ایسے مرحلے میں حصہ نہیں لے گا جس میں اس کا اپنا معاوضہ طے کیا جائے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹران کی مجموعی اجرت/معاوضہ کی تفصیلات، بشمول تنخواہ، میٹنگ فیس، فوائد اور کارکردگی سے منسلک مراعات۔ روشن پیکجز لمیٹڈ کی سالانہ رپورٹ میں الگ سے ظاہر کی گئی ہیں۔

(نوٹ: یہاں پر ڈائریکٹران کے معاوضے والا شیڈول اسی طرح پرنٹ کروائیں: زاہد)

متعلقہ پارٹیوں کے ساتھ لین دین

تمام متعلقہ پارٹیوں سے لین دین کرتے وقت arm`s length کے اصول کو مدنظر رکھا گیا اور اس حوالے سے تمام منظوریاں حاصل کی گئیں۔

شیئر ہولڈنگ کا پیٹرن

فارم 34 میں بیان کردہ شیئر ہولڈنگ کے پیٹرن کے بارے میں معلومات رپورٹ سے منسلک ہے۔

مستقبل کا منظرنامہ:

آگے بڑھتے ہوئے، کمپنی اپنی پالیسی جاری رکھے گی اور پائیدار ترقی کی طرف توجہ دے گی۔ ہمیں امید ہے کہ ہم اپنی کوششیں جاری رکھتے ہوئے پاکستان کی نئی ماحول دوست معیشت (Green Economy) میں ایک اہم کھلاڑی کے طور پر ابھریں گے، ہم نہ صرف ماحول پر اپنے ادارے کے اثرات کو کم کرنے کے لیے کوشاں ہیں، بلکہ ہمارے ری سائیکلنگ پروگرام اور ری سائیکلنگ کے قابل پیکیجنگ آپشنز کے ذریعے دیگر صنعتوں کے بھی ماحول پر اثرات کو کم کرنے میں بھی مدد ملے گی۔ روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ میں سرمایہ کاری اسی سمت میں ایک کلیدی اقدام ہے کیونکہ یہ مکمل طور پر ری سائیکل شدہ اور قابل ریسائیکلنگ کوروگیٹڈ مصنوعات پیش کرے گی۔

ہم دیکھ رہے ہیں کہ مستقبل میں بھی اجناس کی موجودہ ریکارڈ بلند قیمتیں اور عالمی سپلائی چین میں رکاوٹیں جاری رہیں گی، جس سے افراط زر کا بلند سطح پر رہنے کا امکان ہے۔ آپریٹنگ ماحول سے باخبر ہونے کے ناطے، کمپنی ویلیو چین کو بہتر بنانے پر توجہ اور خام مال کی انوینٹری کی سطح کو بہتر بنا رہی ہے تا کہ

اجناس کی بڑھتی ہوئی قیمتوں کو بہتر طریقے سے منظم کیا جا سکے جس سے منافع کو بہتر بنانے میں مدد ملے گی، جبکہ آنے والے ادوار میں ترقی کی رفتار بڑھے گی۔ کمپنی کی انتظامیہ صورتحال پر مسلسل نظر رکھے گی اور اس بات کو یقینی بنائے گی کہ لاگت ہماری قیمتوں میں مؤثر اور منصفانہ طور پر ظاہر ہو۔

مابعد واقعات

30 جون 2022 سے اس رپورٹ کی تاریخ تک کوئی مادی تبدیلی نہیں آئی ہے اور نہ ہی کمپنی نے اس عرصے کے دوران کوئی ایسی یقین دہانی کروائی ہے، جس کا کمپنی کی مالی پوزیشن پر کوئی اثر پڑے گا۔

اظہار تشکر

کمپنی کے ڈائریکٹران، انتظامیہ اور کمپنی کے ملازمین کی سال بھر محنت اور لگن سے کام کرنے کے لیے تہہ دل سے ان کے مشکور ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز اور ملازمین کی جانب سے، ہم اپنے تمام قابل قدر صارفین، سپلائرز اور بینکرز کا کمپنی پر اعتماد کے لیے شکریہ ادا کرتے ہیں اور آنے والے برسوں میں پائیدار ترقی کے لیے ان کی مسلسل حمایت اور شرکت کے منتظر ہیں۔

ڈائریکٹرز رپورٹ

سماجی کاروباری ذمہ داری

کمپنی کی انتظامیہ نے رواں برس کے دوران ماحولیات کے تحفظ اور سکلز ڈویلپمنٹ کو اپنی توجہ کا مرکز رکھا۔ کمپنی سماجی، ماحولیاتی اور اخلاقی معاملات کو کسی بھی کاروباری سرگرمی کے اہم عناصر کے طور پر سمجھتی ہے۔اس رپورٹ میں سماجی کاروباری ذمہ داریوں کی سرگرمیوں کا مزید تفصیلی جائزہ لیا گیا ہے۔

بورڈ آف ڈائریکٹرز

رواں برس کے ڈائریکٹران کے اسمائے گرامی ذیل میں ہیں:

1۔ جناب قاسم اعجاز

2۔ جناب طیب اعجاز

3۔ جناب سعادت اعجاز

4۔ جناب ذکی اعجاز

5۔ جناب خالد اعجاز قریشی

6۔ جناب محمد نوید طارق

7۔ محترمہ عائشہ مصدق حامد

ڈائریکٹران کی تعداد:

مرد ڈائریکٹران:06

خواتین ڈائریکٹران:01

بورڈ کی تشکیل:

1۔ انڈی پینڈنٹ ڈائریکٹران (بشمول خاتون ڈائریکٹر):02

2۔ نان ایگزیکٹو ڈائریکٹران:03

3۔ ایگزیکٹو ڈائریکٹران:02

بورڈ کے ممبران اور اجلاس کے دوران ان کی حاضریاں

زیرِ جائزہ برس میں بورڈ کے 04 اجلاس منعقد ہوئے جن میں شرکت کرنے والے ڈائریکٹران کی تفصیل ذیل میں ہے:

نام	عہدہ	جتنے اجلاس میں شرکت کی
جناب قاسم اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب طیب اعجاز	سی ای او/ ایگزیکٹو ڈائریکٹر	04
جناب سعادت اعجاز	ایگزیکٹو ڈائریکٹر	04
جناب ذکی اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب خالد اعجاز	نان ایگزیکٹو ڈائریکٹر	04
جناب محمد نوید طارق	انڈی پینڈنٹ نان ایگزیکٹو ڈائریکٹر	03
محترمہ عائشہ مصدق حامد	انڈی پینڈنٹ نان ایگزیکٹو ڈائریکٹر	04

ڈائریکٹرز رپورٹ

جناب خالد اعجاز قریشی نے بطور چیئرمین بورڈ، اپنے عہدے سے استعفا دے دیا تھا اور بورڈ نے جناب قاسم اعجاز کو نیا چیئرمین مقرر کیا۔ بورڈ کے جو ممبران اجلاس میں شرکت نہ کر سکے انھیں غیر حاضری کی رخصت دی گئی۔

آڈٹ کمیٹی اور اجلاس کی حاضری

زیر جائزہ برس کے دوران آڈٹ کمیٹی کے 05 اجلاس منعقد ہوئے۔کمیٹی کے ممبران کی حاضریوں تفصیل ذیل میں ہے:

نام	عہدہ	جتنے اجلاس میں شرکت کی
محترمہ عائشہ مصدق حامد	چیئرمین	05
جناب قاسم اعجاز	ممبر	04
جناب خالد اعجاز	ممبر	05
جناب محمد نوید طارق	ممبر	04
جناب ذکی اعجاز	ممبر	05

آڈیٹر کی تقرری

موجودہ آڈیٹر میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز ای وائی فورڈ رہوڈز، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے،جس کی منظوری آئندہ اجلاس عام میں لی جائے گی۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال۔

ایسے عوامل (Risks) جو کمپنی کی مستقبل کی کارکردگی پر اثر انداز ہو سکتے ہیں۔اس رپورٹ کے ساتھ منسلک ہیں۔

ماحول پر کمپنی کے کاروبار کا اثر

کمپنی کی پیداوار کا ماحول پر کوئی منفی اثر نہیں پڑتا کیونکہ ہمارے پلانٹ اور آپریشن بین الاقوامی اور قومی ماحولیاتی معیارات کے مطابق ہیں۔اس رپورٹ کے کارپوریٹ سماجی ذمہ داری سیکشن میں ہمارے ماحولیاتی اقدامات کے بارے میں تفصیل سے درج ہے۔

انٹرنل فنانشل کنٹرول

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے انٹرنل فنانشل کنٹرول کی سرگرمیوں کی جانچ کو یقینی بناتا ہے۔بورڈ عبوری اکاؤنٹس، رپورٹس، منافع کے جائزے اور دیگر مالیاتی اور شماریاتی معلومات کے ذریعے باقاعدہ وقفوں سے کمپنی کے فنانشل آپریشنز اور پوزیشن کا بھی جائزہ لیتا ہے۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

متعلقہ قواعد وضوابط کی تعمیل کرتے ہوئے، بورڈ نے ازخود ایک ایسا ضابطہ تیار کیا ہے جو بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ لیتا ہے۔سال کے دوران، اس مقصد کے لیے تمام ممبران کے درمیان ایک جامع سوالنامہ جاری کیا گیا۔جس کی بنیاد پر بورڈ کی کارکردگی کی اوسط درجہ بندی تسلی بخش پائی جاتی ہے۔بہتری ایک متواتر عمل ہے اور بورڈ نے بہترین کارکردگی کے بین الاقوامی طریقہ کار کے مطابق بہتری کے شعبوں کی نشاندہی کی ہے۔

ڈائریکٹران کا معاوضہ

بورڈ آف ڈائریکٹرز، ایگزیکٹو، نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹران لیے اجرت کی پالیسی تیار کی گئی ہے۔ پالیسی مارکیٹ کے معیارات، ڈائریکٹران

ڈائریکٹرز رپورٹ

کمپنی (روشن پیکجز لمیٹڈ) کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے الگ الگ اور یکجا آڈٹ شدہ مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معاشی منظر نامہ:

مالی سال 2022 کے آغاز میں، کووڈ 19 کے ویکسینیشن پروگراموں نے دنیا بھر کے ممالک کو معاشی پابندیوں میں بتدریج نرمی کرنے کی طرف مائل کیا۔ تاہم، ترسیل کے اخراجات میں اضافے اور کنٹینرز کی عدم دستیابی کی وجہ سے سپلائی اور ڈیمانڈ کا عدم توازن سپلائی چین میں رکاوٹوں کا سبب بنتا رہا۔ معاشی بحالی سے بین الاقوامی اجناس کی قیمتوں میں ہونے والے اچانک اضافے سے دنیا کے بیشتر حصوں میں مہنگائی کی تیز لہر آئی۔ مالی سال 2022 کے اواخر میں، روس اور یوکرین کے تنازعہ نے بھی اجناس کی عالمی قیمتوں میں اضافہ کیا، افراط زر کی شرح کو مزید ہوا دی۔

اس صورتحال میں پاکستان کی صنعتوں کو بھی کاروباری سرگرمیوں میں خلل کا سامنا کرنا پڑا جس کی وجہ سے مالی سال 2022 میں ان کی کارکردگی میں کمی آئی۔ اگرچہ پاکستان کووڈ 19 کے بحران سے تو بچ گیا، لیکن اسے مالی سال 2022 میں کئی طرح کی مشکلات کا سامنا کرنا پڑا جیسا کہ مالیاتی خسارے کو کنٹرول کرنا، کرنٹ اکاؤنٹ کے بڑھتے ہوئے خسارے کو کم کرنا، اور کووڈ وبا کے بعد پائیدار بحالی کے حصول کے ساتھ شرح مبادلہ پر دباؤ کو کم رکھنے کا انتظام کرنا۔

مزید یہ کہ سیاسی عدم استحکام نے بھی ملک کو سنگین معاشی بحران میں دھکیل دیا ہے۔ عالمی اجناس کی قیمتوں میں غیر معمولی اضافے سے بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کے ساتھ ملک کے بیرونی شعبے کی کمزوریوں میں اضافہ ہوا ہے۔ درآمدی بل میں نمایاں اضافہ، کم ہوتے زرمبادلہ کے ذخائر پر دباؤ، شرح سود میں بے پناہ اضافہ اور روپے کی قدر کم ترین سطح پر ہونا۔ اسٹیٹ بینک نے بڑھتی ہوئی مہنگائی کو روکنے کے لیے رواں سال کے دوران پالیسی ریٹ میں مجموعی طور پر 675 بیسز پوائنٹس کا اضافہ کیا، جس کا کوئی فائدہ نہیں ہوا۔

چیلنجز سے بھرپور کام کے ماحول، بے تحاشہ افراط زر اور سپلائی چین میں خلل کے باوجود کمپنی کی ٹاپ لائن نے 8.9 ارب روپے کی فروخت کے ساتھ 26.7 فیصد کی شرح نمو ظاہر کی ہے۔

کمپنی کے آپریٹنگ نتائج کا خلاصہ ذیل میں دیا گیا ہے:

	2022	2021
	('000' روپے)	
کاروباری حجم	8,865,565	6,995,838
مجموعی منافع	915,239	883,098
آپریٹنگ منافع	420,781	474,158
مالیاتی لاگت	167,249	111,636
منافع قبل از ٹیکس	261,892	468,101
منافع بعد از ٹیکس	264,709	345,650

ان کنسولیڈیٹڈ مالیاتی گوشواروں پر مبنی کاروبار کی بنیادی سرگرمیاں، ترقی اور کارکردگی:

30 جون 2022 کو ختم ہونے والے مالی سال کے دوران، کمپنی کی آمدن میں 26.7 فیصد کے دوہرے ہندسے کا بہترین اضافہ ہوا۔ جس سے خالص آمدن جو گزشتہ سال 6,996 ملین روپے تھی بڑھ کر 8,866 ملین روپے ہوگئی۔ رواں برس کمپنی نے 44,884 میٹرک ٹن سامان ڈسپیچ کیا جو گزشتہ برس 40,074 میٹرک ٹن تھا اس طرح ڈسپیچ کے حجم میں 12.0 فیصد کا اضافہ ہوا۔ اس اضافے کے علاوہ، کمپنی اعلیٰ درجے کے مقامی کارپوریٹ اور ملٹی

نیشنل صارفین پر توجہ مرکوز کرتے ہوئے صارفین کے پورٹ فولیو میں بہتری لائی ہے جو کمپنی کی جانب سے صارفین کے اطمینان، بین الاقوامی معیار کی مصنوعات کی فراہمی اور مارکیٹ شیئر میں اضافہ کا نتیجہ ہے۔

کمپنی نے 915 ملین روپے کا مجموعی منافع کمایا، جو گزشتہ سال کے مقابلے میں 32 ملین روپے زیادہ ہے۔ تاہم، مجموعی منافع کے مارجن میں 2.3 فیصد کی کمی واقع ہوئی ہے، ایسا بنیادی طور پر درآمد شدہ خام مال کی قیمتوں میں اضافے اور روپے کی قدر میں کمی سے ہوا۔ مزید برآں، ایندھن اور توانائی کے نرخوں میں اضافے کے نتیجے میں ایندھن اور بجلی کی لاگت میں 192 ملین روپے کا اضافہ ہوا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 81 فیصد زیادہ ہے۔

رواں برس کمپنی نے 167 ملین روپے کی مالیاتی لاگت کو برداشت کیا جو گزشتہ برس اسی مدت کے دوران 112 ملین روپے تھی جس نے ہمارے باٹم لائن پر برا اثر پڑا۔ اس کی وجہ اسٹیٹ بینک آف پاکستان کی جانب سے شرح سود میں نمایاں اضافہ ہے۔ نتیجتاً، کمپنی نے 265 ملین روپے کا بعد از ٹیکس منافع کمایا جو کہ گزشتہ برس اسی مدت میں 346 ملین روپے تھا۔

رواں مالی سال کے دوران کمپنی یا اس کے ذیلی ادارے کے کاروبار کی نوعیت سے متعلق کوئی تبدیلی نہیں آئی ہے۔ مزید، مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہیں۔

منافع فی شیئر

گذشتہ اور رواں برس فی شیئر منافع ذیل میں دیا گیا ہے:

منافع فی شیئر مالی سال 2022: 1.87 روپے

منافع فی شیئر مالی سال 2021: 2.44 روپے

حتمی منافع منقسمہ (DIVIDEND)

بورڈ آف ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کسی منافع منقسمہ کی سفارش نہیں کی ہے۔ بورڈ کی جانب سے کیے گئے اس فیصلے کے پس منظر میں مستقبل میں کمپنی کی جانب سے مختلف مالیاتی commitments ہیں۔ اس میں ورکنگ کیپیٹل کی ضروریات، طویل مدتی قرضہ جات کی ادائیگیاں، اور مکمل ملکیت والی ذیلی کمپنی میں سرمایہ کاری شامل ہے۔ مستقبل کے امکانات، توسیعی منصوبوں کے ساتھ کاروباری ترقی کو مدنظر رکھتے ہوئے، کمپنی مستقبل میں اپنے قابل قدر سرمایہ کاروں کی توقعات پر پورا اترنے کے قابل ہوگی۔

روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ (ذیلی کمپنی) اور کنسولیڈیٹڈ مالیاتی گوشوارے

روشن سن تاؤ پیپر ملز (پرائیویٹ) لمیٹڈ (RSTPML) کو 08 جنوری 2016 کو کمپنیز ایکٹ 2017 کے تحت ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر تشکیل دیا گیا۔ ذیلی کمپنی پلانٹ اور مشینری کی خریداری شروع کرنے کا ارادہ رکھتی ہے اور متعلقہ ریگولیٹری اتھارٹیز کی منظوریوں سے مشروط وقت پر کمرشل آپریشنز شروع ہونے کی توقع ہے۔ مذکورہ بالا کو مدنظر رکھتے ہوئے، انتظامیہ کا خیال ہے کہ بانی کمپنی (روشن پیکجز لمیٹڈ) کی طرف سے مسلسل مالی اعانت موجود ہے اور بورڈ آف ڈائریکٹرز ذیلی کمپنی کی کاروباری سرگرمیوں کی حمایت کے لیے پرعزم ہے جس کی بنیاد پر ذیلی ادارہ منصوبہ کے مطابق اپنا کام شروع کر سکے گا۔

انسانی وسائل کی ترقی

لاک ڈاؤن کے دوران روشن پیکجز لمیٹڈ کو ضروری کاروبار کی کیٹیگری میں شامل رکھا گیا اور ہم اس وقت سے لے کر اب تک کام کر رہے ہیں اور اپنے صارفین کے اطمینان کو یقینی بنانے کے لیے سخت محنت کر رہے ہیں۔ ہمارے ملازمین دواسازی اور خوراک جیسے ضروری کاروباروں کی سپلائی چین کو محفوظ بنانے کے لیے دن رات جانفشانی سے کام کرتے رہے۔

سالانہ اجلاسِ عام کی اطلاع (روشن پیکجز لمیٹڈ)

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ روشن پیکجز لمیٹڈ (''کمپنی'') کا انیسواں سالانہ اجلاسِ عام بروز جمعہ 28 اکتوبر 2022 بمقام ایمر یلڈ ہال، فلیٹیز ہوٹل لاہور میں بوقت 11 بجے دن، اور بذریعہ ویڈیو لنک کی سہولت کے ذریعے درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

عمومی امور

1۔ چیئر مین کی جائزہ رپورٹ' ڈائریکٹرز اور آڈیٹرز کی رپورٹس مع 30 جون 2022ء کو مکمل ہونے والے سال کے آڈٹ شدہ سالانہ جداگانہ اور مجموعی مالیاتی گوشواروں کی وصولی' غور وخوص اور منظوری دینا۔

2۔ کمپنی کے آڈیٹرز کا تقرر اور ان کا مشاہرہ مقرر کرنا۔ اس حوالے سے ارکان کو اطلاع دی جاتی ہے کہ بورڈ اور آڈٹ کمیٹی نے میسرز ای وائے فورڈ روڈز چارٹرڈ اکاؤنٹنٹس کو دوبارہ بطور آڈیٹر تقرری کی سفارش کی ہے۔

خصوصی امور

3۔ غور کرنا، توثیق کرنا اور منظوری دینا، گذشتہ برس 27 اکتوبر 2021 کو ہونے والے سالانہ اجلاس عام میں ایک خصوصی قرارداد کے ذریعے کمپنی کے چیف ایگزیکٹو آفیسر کو متعلقہ اداروں (Related Party) کے ساتھ کاروباری امور کی انجام دہی کے لیے بااختیار کیا گیا، سال مختتمہ 30 جون 2022 کے دوران یا سال مختتمہ 30 جون 2023 یا اگلے اجلاس عام تک متعلقہ اداروں کے ساتھ کیے گئے لین دین/امور پر غور کرنا، توثیق کرنا اور منظوری دینا۔ اگر مناسب سمجھا جائے تو جس طرح کہ اسٹیٹمنٹ آف مٹیریل فیکٹس پیش کیا گیا ہے کی خصوصی قرارداد منظور کرنا۔

کمپنی ایکٹ 2017 کی شق 134(3) کے تحت میٹریل فیکٹس کا ایک بیان اور منظور کی جانے والی خصوصی قراردادوں کے مسودے اجلاس کی اطلاع کے ساتھ منسلک ہیں جو ارکان کو بھیجی جائے گی۔ ایک خصوصی قرارداد کو تبدیلیوں یا بغیر کسی تبدیلی کی منظور کرنا۔

بحکم بورڈ

لاہور، مورخہ: 7 اکتوبر 2022

رابعہ شریف

کمپنی سیکرٹری

ضروری گزارشات:

1۔ شیئرز بک کی بندش

کمپنی کے شیئرز منتقلی کی کتابیں 21 اکتوبر 2022ء سے 28 اکتوبر 2022ء تک بند رہیں گی (بشمول دونوں دن)۔ اس سلسلہ میں جو منتقلی ہمارے شیئرز رجسٹرار کے دفتر سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ' سی ڈی سی ہاؤس' B-99' بلاک بی' مین شاہراہ فیصل کراچی میں 20 اکتوبر 2022 کے کاروباری دن کے اختتام تک وصول ہوجائے گی، وہ منقول الیہ کو سالانہ اجلاسِ عام (اے جی ایم) میں شرکت، خطاب اور ووٹ کے استحقاق کے لیے بروقت تصور کی جائے گی۔

2۔ سالانہ اجلاس عام میں آن لائن شرکت

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق کمپنی نے اپنے ممبران کی سالانہ اجلاس عام میں آن لائن شرکت کے لیے ویڈیو لنک کا انتظام کیا ہے۔ اجلاس میں سمارٹ فون، ٹیبلٹ اور کمپیوٹر کے ذریعے شرکت کی جاسکتی ہے۔ اجلاس میں ویڈیو لنک کے ذریعے شرکت کے لیے ممبران سے درخواست ہے کہ وہ مندرجہ ذیل معلومات اپنے شناختی کارڈ / پاسپورٹ / کارپوریٹ حصص داران کی صورت میں تصدیق شدہ نقل بورڈ ریزولوشن یا مختارنامہ، ''رجسٹریشن سالانہ اجلاس عام روشن پیکجز لمیٹڈ'' کے عنوان کے ساتھ 26 اکتوبر 2022 تک corporate@roshanpackages.com.pk پر ای میل کر کے خود کو رجسٹرڈ کروائیں:

ممبر کا نام	شناختی کارڈ نمبر	سی ڈی سی اکاؤنٹ / فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ضروری جانچ کے بعد رجسٹرڈ ممبران کو اسی ای میل کے ذریعے ویڈیو لنک مہیا کیا جائے گا، جس سے انھوں نے کمپنی کو میل کی ہوگی۔ Login کی سہولت اجلاس کے آغاز سے ختم ہونے تک رہے گی۔

3۔ اس اجلاس میں شرکت اور رائے دہی کا استحقاق رکھنے والا ممبر اپنی جانب سے شرکت اور رائے دہی کے لیے کوئی ممبر یا نائب (Proxy) مقرر کرسکتا ہے۔ نائب کے لیے ضروری ہے کہ وہ کمپنی ممبر ہو۔ اس طرح سے مقرر کیا جانے والا نائب ان تمام حقوق جیسا کہ اجلاس میں شرکت، خطاب اور رائے دہی جو کسی ممبر کو حاصل ہیں، کا مستحق ہوتا ہے۔ نائب اپنی شناخت کے ثبوت کے طور پر اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ دکھائے گا۔

4۔ نائب کے تقرر کی دستاویز اور پاور آف اٹارنی یا دیگر دستاویز جس کے تحت تقرری عمل میں، کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کروانے ہوں گے۔ نائب کے تقرر کے لیے فارم انگریزی اور اردو دونوں زبانوں میں حصہ داران کو بھیجی گئی اجلاس کی اطلاع کے ساتھ منسلک ہے۔

5۔ ایسے ارکان جنھوں نے اپنے حصص سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (''سی ڈی سی'') میں جمع کروائے ہیں، انھیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(الف) اجلاس میں شرکت کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات جو سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں، مندرجہ بالا طریقہ کار کے مطابق اپنی شناخت کی تصدیق کریں گے۔

(ii) کارپوریٹ ادارے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس کے موقع پر پیش کرنا ہوگا۔

(ب) نائب (Proxy) کی تقرری کے لیے:

(i) فرد کی صورت میں اکاؤنٹ ہولڈر اور/ یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن تفصیلات جو سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں' نائب کے تقرر کا فارم اوپر دی گئی شرائط کے مطابق جمع کرانا ہوگا۔

(ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی جن کے نام' پتے اور شناختی کارڈ نمبر فارم میں درج ہونے چاہئیں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوں گی۔

(iv) کارپوریٹ ادارے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوگا۔

6۔ الیکٹرانک منافع منقسمہ کی ادائیگی کے لیے سی این آئی سی/ آئی بی اے این:

کمپنیز ایکٹ 2017ء کی شق 242 کے مطابق کمپنی کے لیے یہ لازم ہے کہ وہ اپنے حصہ داران کو نقد منافع منقسمہ کی ادائیگی ان کے بینک اکاؤنٹ میں براہ راست صرف اور صرف بذریعہ الیکٹرانک موڈ ہی کرے گی۔ اس کے مطابق مادی حصص رکھنے والے حصہ داران سے درخواست کی جاتی ہے کہ کمپنی کے شیئرز رجسٹرار کے دفتر کے اوپر دیے گئے پتا پر الیکٹرانک منافع منقسمہ کے فارم پر الیکٹرانک منافع منقسمہ مینڈیٹ فراہم کریں۔ یہ فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔ سی ڈی سی میں موجود حصص کے معاملے میں، سی ڈی ایس کے شرکاء کو کمپنی کو اپ ڈیٹ کرنے اور آگے بھیجنے کے لیے وہی معلومات فراہم کی جانی چاہیے۔ مطلوبہ معلومات جمع نہ کرانے کی صورت میں مستقبل کی تمام منافع منقسمہ ادائیگی روکی جاسکتی ہے۔

7۔ زکوٰۃ کا تحریری بیان: زکوٰۃ اور عشر آرڈیننس مجریہ 1980ء کی رو سے کمپنی کے ارکان کو زکوٰۃ سے استثنا کے لیے تحریری بیان جمع کرانا ہوگا۔

8۔ سالانہ رپورٹ کی بذریعہ سی ڈی/ ڈی وی ڈی/ یو ایس بی/ ای میل ترسیل:

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشن ایس آر او نمبری 2016(I)470 مجریہ 31 مئی 2016ء کے مطابق، کمپنی کے حصہ داران نے کمپنی کے سالانہ اجلاس عام منعقدہ 22 نومبر 2017ء میں سالانہ رپورٹ مع سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کی اطلاع اور کمپنی کی کوئی بھی دوسری معلومات مجلد صورت کے بجائے بذریعہ سی ڈی، ڈی وی ڈی یا یو ایس بی ترسیل کے لیے رضامندی دی تھی۔ ایسے تمام حصہ داران جو پہلے بیان کی گئی تمام دستاویزات کو مجلد شکل میں وصول کرنا چاہتے ہیں، وہ کمپنی کی ویب سائٹ پر دیا گیا اسٹینڈرڈ ریکوسٹ فارم کمپنی سیکرٹری یا شیئر رجسٹرار کو بھیج سکتے ہیں اور کمپنی پہلے بیان کی گئی تمام دستاویزات مجلد شکل میں حصہ داران کو ان کے مطالبہ پر بلا معاوضہ ایسے کسی بھی مطالبے کے ایک ہفتے کے اندر اندر مہیا کرے گی۔ وہ تمام حصہ داران جو سالانہ رپورٹ مع اجلاس عام کی اطلاع بذریعہ ای میل وصول کرنا چاہتے ہیں، سے درخواست کی جاتی ہے کہ وہ اپنی تحریری رضامندی اسٹینڈرڈ ریکوسٹ فارم کے ذریعے فراہم کریں۔ یہ فارم کمپنی کی ویب سائٹ www.roshanpackages.com.pk پر دستیاب ہے۔

9۔ بے نامی منافع منقسمہ اور بونس شیئرز:

ایسے حصہ داران جو کسی بھی وجہ سے اپنا منافع منقسمہ یا بونس حصص کا مطالبہ نہیں کر سکے یا اپنے کوئی بھی مادی حصص (اگر کوئی ہوں تو) وصول نہیں کر سکے، سے درخواست کی جاتی ہے کہ وہ زیر التوا حصص اور اپنے بے نامی منافع منقسمہ کو وصول یا اس کے بارے معلومات کے لیے ہمارے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس 99۔ بی بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی سے رابطہ کریں۔

10۔ مادی حصص کی بُک انٹری فارم میں تبدیلی:

کمپنیز ایکٹ 2017ء کی شق 72 کے مطابق، ہر موجودہ کمپنی اپنے مادی حصص کو بیان کیے گئے طریقہ کار کے مطابق اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے دی گئی تاریخ کمپنیز ایکٹ 2017 (31 مئی 2017ء) کے آغاز سے زیادہ سے زیادہ چار سال کی مدت کے اندر بُک انٹری فارم میں تبدیل کرے گی۔ ایسے شیئر ہولڈرز جن کے پاس مادی حصص موجود ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے حصص بُک انٹری فارم میں تبدیل کروالیں۔ اس مقصد کے لیے، شیئر ہولڈرز کسی بھی بروکر کے ساتھ سی ڈی سی سب اکاؤنٹ یا سی ڈی سی کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول کر اپنے مادی حصص کو scrip-less شکل میں رکھ سکتے ہیں۔ اس سے انہیں بہت سے فوائد حاصل ہوں گے بشمول یقینی حفاظت اور حصص کی اپنی مرضی کے مطابق فروخت کی سہولت، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ قوانین کے مطابق مادی حصص کی خرید وفروخت کی اجازت نہیں ہے۔ اس سے شیئرز سرٹیفکیٹ کی حفاظت پر اٹھنے والے اخراجات میں کمی، سرٹیفکیٹس کے گم یا چوری ہونے کے خدشے سے بچاؤ کے ساتھ ساتھ شیئرز کی جعلی منتقلی کے خطرات بھی کم ہوتے ہیں۔ مادی حصص کو بُک انٹری فارم میں تبدیل کرنے کے طریقہ کار کے لیے، آپ اوپر دیے گئے پتے پر ہمارے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

11۔ مالیاتی گوشواروں کی دستیابی:

کمپنی نے سالانہ اجلاس عام کی اطلاع کی نقل، آڈٹ شدہ سالانہ علیحدہ اور مجموعی مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2022 مع آڈیٹر اور ڈائریکٹر رپورٹس اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ (www.roshanpackages.com.pk) پر فراہم کردی ہیں۔

FORM OF PROXY

I ________________ of ________________ being a member of Roshan Packages Limited, hereby appoint ________________ of ________________ (or failing him ________________ of ________________) as my proxy in absence to attend and vote for me and on my behalf at the Annual General Meeting of the company to be held on the day of ________________ and at any adjournment thereof.

As Witnessed my hand this ________________ day of ________________

1. Name ________________________________

C.N.I.C ________________________________

Address ________________________________

____

Signed by the said
In the presence of

2. Name ________________________________

C.N.I.C ________________________________

Address ________________________________

____

AFFix Revenue Stamp of Rs. 5

Member Signature

Note:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Share Registrar Office of the Company, CDC Share Registerar Services Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 74400 not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular# 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for appointing Proxies:

i) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

نائب کی تقرری کا فارم

میں ________________ بحیثیت رکن روشن پیکجز لمیٹڈ، جناب ________________ (یا ان کی عدم دستیابی کی صورت میں جناب ________________ کو کمپنی کے سالانہ اجلاس عام جو ________________ دن منعقد ہو رہا ہے یا کسی ابھی التوا کی صورت میں میں شرکت کرنے اور حق رائے دہی استعمال کرنے اپنا بطور نائب مقرر کرتا ہوں۔

میں ________________ مورخہ ________________ بطور گواہ اس امر کی تصدیق کرتا ہوں۔

________________ کی موجودگی میں دستخط کیے گئے۔

1. نام ________________

کمپیوٹرائزڈ شناختی کارڈ نمبر ________________

پتہ ________________

____

5 روپے کی رسیدی
ٹکٹ یہاں چسپاں کریں

2. نام ________________

کمپیوٹرائزڈ شناختی کارڈ نمبر ________________

پتہ ________________

____

رکن کے دستخط

ضروری بیان:

1. ایک رکن جو اجلاسِ عام میں شرکت اور ووٹ دینے کا مجاز ہو اپنی جگہ کسی کو بطور نائب مقرر کر سکتا ہے۔
2. نائب کی تقرری کی دستاویز مع پاور آف اٹارنی اگر کوئی ہو جس کے تحت تقرری ہوئی یا پاور آف اٹارنی کی نوٹری پبلک سے تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار کے دفتر' سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس' 99-B' بلاک بی' سندھی مسلم کوآپریٹو ہاؤسنگ سوسائٹی' میں شاہراہ فیصل کراچی-74400 میں جمع کروانے ہوں گے۔
3. ایسے ارکان جنھوں نے اپنے شیئرز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کروائے ہیں انھیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 1 مورخہ 26 جنوری 2000ء کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

(i) فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات اور سیکورٹیز سی ڈی سی کے ضابطوں کے مطابق اپ لوڈ ہیں نائب کی تقرری کا فارم درج بالا ہدایات کی روشنی میں جمع کروائیں۔

(ii) نائب کی تقرری کے فارم پر دو افراد کی گواہی ہوگی اور ان کے نام' پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(iii) اصل مالک اور نائب کے شناختی کارڈ کی تصدیق شدہ کاپیاں نائب کی تقرری کے فارم کے ساتھ منسلک کرنا ہوں گی۔

(iv) نائب کو اجلاس کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(v) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ کی قرارداد/ پاور آف اٹارنی مع نائب کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیا گیا ہو) نائب کی تقرری کے فارم کے ہمراہ منسلک کرنا ہوگا۔

ROSHAN PACKAGES LIMITED
FORM FOR VIDEO CONFERENCE FACILITY

In this regard, please fill the following form and submit to registered address of the Company 07 days before holding of the Annual General Meeting.

Annual General Meeting along with complete information necessary to enable them to access the facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

The Company Secretary/Share Registrar,

I/we,_________________________, of ____________________, being the registered shareholder(s) of the company under Folio No(s). _________________/ CDC Participant ID No.___ and Sub Account No.___ CDC Investor Account ID No., and holder of ___________ Ordinary Shares, hereby request for video conference facility at ________________ for the Annual General Meeting of the Company to be held on November 27, 2019.

Date:__________________ ____________________
Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

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

Company Secretary
325 GIII MA Johar Town Lahore

روشن پیکیجز لمیٹڈ

ای- فارم برائے ویڈیو کانفرنس سہولت

اس سلسلے میں برائے مہربانی مندرجہ ذیل فارم بھر کر اسے کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام کے انعقاد سے 07 دن قبل جمع کر دیں۔ اگر کمپنی کو اجلاس سے 07 دن قبل کسی جغرافیائی جگہ پر رہائش پزیر ممبران جو 10 فیصد یا اس سے زائد حصص کے حامل ہوں کی جانب سے رضامندی موصول ہوتی ہے کہ وہ اجلاس میں بذریعہ وڈیو کانفرنس کا انتظام کر دیا جائے گا جس کا انحصار اس شہر میں مذکورہ سہولت کی دستیابی پر ہوگا۔

کمپنی سالانہ اجلاس عام کے انعقاد سے 5 دن قبل ممبران کو وڈیو کانفرنس کے مقام سے مطلع کردے گی بمعہ ان تمام مکمل معلومات کے جو انہیں مذکورہ سہولت تک رسائی کے قابل کرسکیں۔

دی کمپنی سیکرٹری/شیئر رجسٹرار،

میں/ہم __________ حامل __________ عام حصص فولیو نمبر (نمبرز) __________ / سی ڈی سی پارٹیسپینٹ ID نمبر __________ اور سب اکاونٹ نمبر __________
سی ڈی سی انویسٹر اکاؤنٹ ID نمبر __________ رہائش ____________________
کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے 27-11-2019 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام کے لیے __________ میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں/ کرتے ہیں۔

تاریخ: __________________ __________________
ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپینڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جا سکتا ہے۔

شیئر رجسٹرار آفس
سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ،
سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس۔ایم۔سی۔ایچ۔ایس
مین شاہراہ فیصل، کراچی 74400

کمپنی سیکرٹری
325 جی تھری، ایم اے جوہر ٹاؤن، لاہور

CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Pursuant to the allowance granted through SRO 787(1)/2014 of September 8, 2014 by the Securities Exchange Commission of Pakistan, the Company can circulate it's balance sheet and profit and loss accounts, auditors report and Director's report shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a complete consent form to the Company's Share Registrar, Roshan Packages Limited.

CONSENT FORM FOR ELECTRONIC TRANSMISSION **OF ANNUAL REPORT AND NOTICE OF AGM**

Dear Sirs,

I/we, being the shareholder(s) of Roshan Packages Limited. ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

1. Name of Shareholder(s): ______________________________
2. Fathers / Husband Name: ______________________________
3. CNIC: ______________________________
4. NTN: ______________________________
5. Participant ID / Folio No: ______________________________
6. E-mail address: ______________________________
7. Telephone: ______________________________
8. Mailing address: ______________________________
____

Date: ____________________

____
Signature:
(In case of corporate shareholders,
the authorized signatory must sign)

سالانہ رپورٹ اوراے جی ایم نوٹس کی

الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

سیکیورٹیز ایکسچینج آف پاکستان کے ایس آر او 2014(1)787 مورخہ 8 ستمبر 2014 کے بموجب سہولت مہیا کی گئی ہے کہ کمپنی اپنی سالانہ بیلنس شیٹ اور نفع ونقصان کے گوشوارے محاسب وتظمہ کی مرتب کردہ اطلاعی معلومات (پڑتال شدہ مالیاتی حسابات) بشمول سالانہ اجلاس عام کی اطلاع اپنے حصص یافتگان کو بذریعہ ای میل ارسال کرسکتی ہے۔ وہ تمام حصص داران جو کمپنی کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنے کے خواہشمند ہیں ان سے التماس ہے کہ تکمیل شدہ رضامندی کے فارم کمپنی کے شیئر رجسٹرار روشن پیکجز لمیٹڈ کو مہیا کریں۔

یاد رہے کہ سالانہ رپورٹ کی بذریعہ ای میل وصولی اختیاری ہے لازمی نہیں ہے۔

عنوان: سالانہ رپورٹ اوراے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جناب عالی،

میں/ہم، بذریعہ ہذا روشن پیکجز لمیٹڈ ("کمپنی") کا/کے شیئر ہولڈر (ہولڈرز) ہونے کے ناتے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمینٹس بمع سالانہ اجلاس عام کے نوٹس کی، ذیل میں دیئے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/ کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمینٹس بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا کمپنیز ایکٹ 2017، کی دفعات کے تحت ذکر کیا گیا ہے۔

1. شیئر ہولڈر (ہولڈرز) کا نام: ______________________________
2. والد/شوہر کا نام: ______________________________
3. سی این آئی سی: ______________________________
4. این ٹی این: ______________________________
5. پارٹیسپینٹ آئی ڈی/فولیو نمبر: ______________________________
6. ای میل ایڈریس: ______________________________
7. فون نمبر: ______________________________
8. میلنگ ایڈریس: ______________________________
____

تاریخ: ____________________

____
دستخط:
(کارپوریٹ شیئر ہولڈرز کی صورت میں،
مجاز دستخط کنندہ لازمی دستخط کرے)

شیئر رجسٹرار آفس

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ،
سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس۔ایم۔سی۔ایچ۔ایس
مین شاہراہ فیصل، کراچی 74400

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