

# 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
<b>Technological Obsolescence</b>	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.
<b>Business Risk</b>	The company stays competitive and up to date to face this risk.
<b>Foreign Exchange Risk</b>	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 its level best to negotiate prices with customers to pass on these fluctuations.
<b>Liquidity Risk</b>	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.
<b>Credit Risk</b>	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.
<b>Diversification Risk</b>	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 platform

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



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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**

**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
<b>Directors' Training programme:</b> 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.
<b>Human Resource and Remuneration Committee:</b>	28 (01)	Currently, the Board has not constituted a separate Human Resource and Remuneration Committee and functions are being performed by the Board itself.
<b>Nomination Committee:</b> 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.
<b>Risk Management Committee:</b> 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**