

First Quarter Report

Condensed Interim Financial Statements for
the Three Months Period Ended March 31, 2021
(Unaudited)



Together,
without leaving anyone behind,
we must fight this pandemic!

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Company Information

Board of Directors

Towfiq Habib Chinoy
(Chairman)
(Non-Executive Director)

Syed Hyder Ali
(Chief Executive & Managing Director)
(Executive Director)

Syed Aslam Mehdi
(Executive Director)

Imran Khalid Niazi
(Non-Executive Director)

Josef Meinrad Mueller
(Non-Executive Director)

Syed Shahid Ali
(Non-Executive Director)

Tariq Iqbal Khan
(Non-Executive Director)

Hasan Askari
(Independent Director)

Saba Kamal
(Independent Director)

Irfan Mustafa
(Independent Director)

Advisor

Syed Babar Ali

Chief Financial Officer

Khurram Raza Bakhtayari

Company Secretary

Ms. Arjumand Ahmed Shah

Rating Agency

PACRA

Company Credit Rating

Long-Term : AA

Short-Term : A1+

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Hassan & Hassan - Lahore
Orr, Dignam & Co. – Karachi

Shares Registrar

FAMCO Associates (Pvt.) Ltd
8-F, Next to Hotel Faran
Nursery, Block 6, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-75400
PABX : (021) 34380101-5
 : (021) 34384621-3
Fax : (021) 34380106
Email : info.shares@famco.com.pk

Bankers & Lenders

Askari Bank Limited
Bank Al-Habib Limited
Deutsche Bank A.G.
Habib Bank Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited

Head Office

Shahrah-e-Roomi
P.O. Amer Sidhu
Lahore - 54760, Pakistan
PABX : (042) 35811541-46
Fax : (042) 35811195

Registered Office

4th Floor, The Forum
Suite No. 416 - 422, G-20, Block 9
Khayaban-e-Jami, Clifton
Karachi - 75600, Pakistan
PABX : (021) 35874047-49
 : (021) 35378650-51
 : (021) 35831618, 35833011,
 35831664
Fax : (021) 35860251

Web Presence

www.packages.com.pk

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Packages Limited (the 'Company') are pleased to submit to its shareholders, three months report along with the condensed interim unconsolidated unaudited financial statements of the Company for the three months ended March 31, 2021.

COMPANY PERFORMANCE REVIEW

Summarized financial performance is as follows:

	Jan - Mar 2021	Jan - Mar 2020
	(Rupees in million)	
Revenue from goods	-	6,413
Dividend income	782	-
Net Sales from Operations	782	6,413
EBITDA– Operations	667	889
Depreciation & amortization	(15)	(222)
EBIT– Operations	652	667
Finance costs	(38)	(301)
Other operating income / (expenses) – net	107	(46)
Earnings before tax	721	320
Taxation	(25)	(121)
Earnings after tax	696	199
Basic earnings per share - Rupees	7.79	2.22

Packages Limited is operating as a Holding Company and derives value for its shareholders from its equity participation in Nestle Pakistan Limited and group companies, namely, Packages Convertors Limited, Tri-Pack Films Limited, Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, Packages Power (Private) Limited and Anemone Holdings (Private) Limited. Dividend income constitutes major source of income of the Company and as a result, its income pattern follows the dividend distribution pattern of the subsidiaries. It is envisioned that the operating performance of the subsidiaries will result in better dividend payout to the Company.

During the period, the operating results of the Company are not comparable with the corresponding period of 2020 since the manufacturing operations of the Company were transferred to wholly owned subsidiary i.e. Packages Convertors Limited on July 01, 2020. As a result, the related revenue streams became part of standalone financial statements of that individual subsidiary, which is now reported under the consolidated financial statements of the Company.

The Company has earned dividend income from its subsidiaries amounting to Rs. 782 million during the three months' period ended March 31, 2021 whereas no dividends were declared by the subsidiaries and associates during corresponding period of 2020. This resulted in achieving earnings after tax of Rs. 696 million compared to that of Rs. 199 million earned during corresponding period of 2020 and attributed to increase in earnings after tax from PKR 2.22/share to PKR 7.79/share.

COVID-19 PANDEMIC

The management of the Company has established a crisis management team. This team is analyzing the situation on daily basis and taking prompt actions to implement all possible preventive measures to counter coronavirus and to ensure continuity of business operations. During this time, the Company has endeavored to maintain business performance despite slowed down economic activity.

COMPANY'S STAFF AND CUSTOMERS

The management is thankful to the Company's stakeholders especially its customers for their continuing confidence in its products and services.

The management also wishes to express its gratitude to all the Company's employees who have worked tirelessly. We appreciate their hard work, loyalty and dedication.



Towfiq Habib Chinoy
(Chairman)
Lahore, April 23, 2021



Syed Hyder Ali
(Chief Executive & Managing Director)
Lahore, April 23, 2021

کووڈ-19 کی عالمی وبا:

کمپنی کی انتظامیہ نے بحران کے انتظام کی ٹیم تشکیل دی ہے۔ کرائسٹیس مینجمنٹ ٹیم روزانہ کی بنیاد پر صورت حال کا جائزہ اور فوری اقدامات لے رہی ہے جس کا مقصد تمام حفاظتی اقدامات کا نفاذ اور کاروبار کے تسلسل کو یقینی بنایا جاسکے۔ اس دوران آپ کی کمپنی نے عالمی معیشت میں سست روی کے باوجود کاروباری کارکردگی کو برقرار رکھنے کی کاوش جاری رکھی ہے۔

کمپنی کا اسٹاف اور صارفین

انتظامیہ کمپنی کے اسٹیک ہولڈرز بالخصوص اپنے صارفین کی مصنوعات اور سروسز پر مکمل اعتماد کے لئے ان کی مشکور ہے۔ انتظامیہ اس امر پر بھی اپنی خوشی کا اظہار کرتی ہے کہ کمپنی کے تمام ملازمین نے غیر معمولی کارکردگی اور انتھک محنت کا مظاہرہ کیا۔ ہم ان کی محنت، ایمانداری اور عزم کو خراج تحسین پیش کرتے ہیں۔



(سید حیدر علی)

چیف ایگزیکٹو اور مینجنگ ڈائریکٹر

23 اپریل، 2021



(توفیق حبیب چنائے)

چیرمین

23 اپریل، 2021

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

پیکیز لمیٹڈ کے ڈائریکٹرز بہ مسرت سے ماہی رپورٹ بشمول کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات برائے مدت 31 مارچ 2021 پیش کر رہے ہیں۔

مالیاتی اور آپریشنل کارکردگی

مختصر مالیاتی کارکردگی درج ذیل ہے:

پہلی سہ ماہی	جنوری - مارچ 2021	جنوری - مارچ 2020
ریونیو	-	6,413
منقسم آمدن	782	-
آپریشنز سے خالص سیلز	782	6,413
آپریشنز (EBITDA) -	667	889
فروسوگی اور کساد بازاری	(15)	(222)
(EBIT) - آپریشنز	652	667
فنانس کی لاگت	(38)	(301)
دیگر (اخراجات) / آمدنی - خالص	107	(46)
آمدنی قبل از ٹیکس	721	320
ٹیکسیشن	(25)	(121)
آمدنی بعد از ٹیکس	696	199
بنیادی آمدنی فی شیئر - روپے	7.79	2.22

پیکیز لمیٹڈ ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور اپنے شیئر ہولڈرز کے لئے نیسلے پاکستان لمیٹڈ اور گروپ کمپنیز پیکیز کنورٹرز لمیٹڈ، ٹرائی پیک فلز لمیٹڈ، بے شاہ چکننگ (پرائیویٹ) لمیٹڈ، ڈی آئی سی پاکستان لمیٹڈ، پیکیز ریل اسٹیٹ (پرائیویٹ) لمیٹڈ، پیکیز لنگا (پرائیویٹ) لمیٹڈ، پیکیز پاور (پرائیویٹ) لمیٹڈ اور اینی مون ہولڈنگز (پرائیویٹ) لمیٹڈ میں اکیویٹی شراکت کے ذریعے ویلیو اخذ کرتی ہے۔ کمپنی کے آمدن بنیادی طور پر منافع منقسمہ پر مشتمل ہے نتیجتاً اسکی آمدن کا پیٹرن اسکے ذیلی اداروں کے منافع منقسمہ کے پیٹرن پر مبنی ہوگا خیال کیا جا رہا ہے کہ ذیلی اداروں کی کارکردگی کمپنی کے منافع منقسمہ میں بہتری لائے گی۔

موجودہ مدت کے دوران کمپنی کے آپریٹنگ نتائج کا تقابل 2020 کی اسی مدت سے ممکن نہیں ہے چونکہ کمپنی کے مینوفیکچرنگ آپریشنز یکم جولائی 2020 سے مکمل ملکیتی ذیلی ادارے ”پیکیز کنورٹرز لمیٹڈ“ میں منتقل ہو چکے ہیں۔ نتیجتاً متعلقہ ذرائع آمدن ذیلی ادارے کے انفرادی مالی حسابات کا حصہ بن چکے ہیں جس کو کمپنی کے مجموعی مالیاتی حسابات کے تحت رپورٹ کیا جاتا ہے۔

کمپنی نے 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کے دوران اپنے ذیلی اداروں سے 782 ملین روپے کا منافع منقسمہ حاصل کیا جبکہ 2020 کی اسی مدت کے دوران ذیلی اداروں نے منافع منقسمہ جاری نہیں کیا تھا۔ نتیجتاً 696 ملین روپے کا منافع بعد از ٹیکس حاصل ہوا جو کہ 2020 میں اسی مدت کے دوران 199 ملین روپے تھا۔ جس سے آمدن فی شیئر 2.22 فی شیئر سے بڑھ کر 7.79 فی شیئر ہو گئی ہے۔

PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2021

	Note	March 31, 2021 Un-audited	December 31, 2020 Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised share capital			
150,000,000 (December 31, 2020: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
22,000,000 (December 31, 2020: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000
Issued, subscribed and paid up share capital			
89,379,504 (December 31, 2020: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795
8,186,842 (December 31, 2020: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222
Other reserves		42,804,901	45,029,439
Revenue reserve: Un-appropriated profits		3,108,277	3,161,751
		47,413,195	49,691,207
NON-CURRENT LIABILITIES			
Long term finances	6	932,650	932,650
Long term advances		5,224	8,163
Employee retirement benefits		310,686	302,697
Deferred liabilities		42,745	39,381
		1,291,305	1,282,891
CURRENT LIABILITIES			
Current portion of non-current liabilities		4,083	2,173
Short term borrowings - secured		-	453,159
Trade and other payables		1,413,540	1,511,168
Unclaimed dividend		53,758	54,750
Accrued finance cost		194,331	172,603
		1,665,712	2,193,853
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		50,370,212	53,167,951

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	8	193,851	164,705
Investment properties		1,411,157	1,421,693
Intangible assets	9	2,484	2,611
Investments	10	43,211,865	46,186,402
Long term security deposits		5,344	5,344
Deferred taxation		239,818	262,476
		45,064,519	48,043,231

CURRENT ASSETS

Trade debts	19,064	74,418
Loans, advances, deposits, prepayments and other receivables	1,634,402	1,926,840
Income tax receivable	3,012,683	2,996,785
Cash and bank balances	639,544	126,677
	5,305,693	5,124,720
	50,370,212	53,167,951

The annexed notes 1 to 22 form an integral part of this condensed unconsolidated unaudited interim financial statements.

Chief Executive & Managing Director

Director

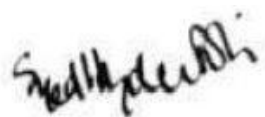
Chief Financial Officer

PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) for the three months ended March 31, 2021

	Note	Three months ended	
		March 31, 2021	March 31, 2020
		Un-audited (Rupees in thousand)	Un-audited (Rupees in thousand)
Revenue from goods	11	-	6,412,414
Dividend income	12	782,429	-
Net operating revenue		782,429	6,412,414
Cost of sales	13	-	(5,005,095)
Gross profit		782,429	1,407,319
Administrative expenses		(131,809)	(288,423)
Distribution and marketing costs		-	(421,509)
Net reversal / (impairment) losses on financial assets		2,129	(30,876)
Other expenses		(28,195)	(104,288)
Other income		134,852	58,463
Profit from operations		759,406	620,686
Finance cost		(38,367)	(301,008)
Profit before taxation		721,039	319,678
Taxation	14	(24,513)	(121,000)
Profit for the period		696,526	198,678
Earnings per share			
Basic	Rupees	7.79	2.22
Diluted	Rupees	7.42	2.22

The annexed notes 1 to 22 form an integral part of this condensed unconsolidated unaudited interim financial statements.



**Chief Executive &
Managing Director**



Director



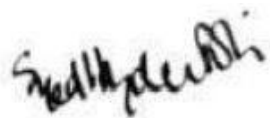
**Chief Financial
Officer**

PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) for the three months ended March 31, 2021

	Three months ended	
	March 31,	March 31,
	2021	2020
	(Rupees in thousand)	
Profit for the period	696,526	198,678
Other comprehensive loss		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Change in fair value of investments at fair value through other comprehensive income (FVOCI)	(2,974,538)	(4,926,484)
Total comprehensive loss for the period	(2,278,012)	(4,727,806)

The annexed notes 1 to 22 form an integral part of this condensed unconsolidated unaudited interim financial statements.



**Chief Executive &
Managing Director**



Director



Chief Financial Officer

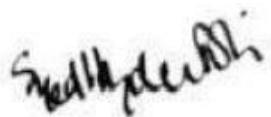
PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

for the three months ended March 31, 2021

	Issued, subscribed and paid up capital		Reserves					Capital and reserves
			Capital reserves			Revenue reserves		
	Ordinary share capital	Preference shares / convertible stock	Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	Total
(Rupees in thousand)								
Balance as on January 01, 2020 (audited)	893,795	606,222	3,766,738	25,391,541	1,615,000	18,310,333	2,338,349	52,921,978
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive (loss) / income for the period ended March 31, 2020								
Profit for the period	-	-	-	-	-	-	198,678	198,678
Other comprehensive loss for the period	-	-	-	(4,926,484)	-	-	-	(4,926,484)
	-	-	-	(4,926,484)	-	-	198,678	(4,727,806)
Balance as on March 31, 2020 (un-audited)	893,795	606,222	3,766,738	20,465,056	1,615,000	19,310,333	1,537,027	48,194,170
Balance as on January 01, 2021 (audited)	893,795	606,222	3,766,738	20,337,368	1,615,000	19,310,333	3,161,751	49,691,207
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	750,000	(750,000)	-
Total comprehensive (loss) / income for the period ended March 31, 2021								
Profit for the period	-	-	-	-	-	-	696,526	696,526
Other comprehensive loss for the period	-	-	-	(2,974,538)	-	-	-	(2,974,538)
	-	-	-	(2,974,538)	-	-	696,526	(2,278,012)
Balance as on March 31, 2021 (un-audited)	893,795	606,222	3,766,738	17,362,830	1,615,000	20,060,333	3,108,277	47,413,195

The annexed notes 1 to 22 form an integral part of this condensed unconsolidated unaudited interim financial statements.



Chief Executive & Managing Director



Director



Chief Financial Officer

PACKAGES LIMITED

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

for the three months ended March 31, 2021

	Note	Three months ended	
		March 31,	March 31,
		2021	2020
		Un-audited	Un-audited
		(Rupees in thousand)	
Cash flows from operating activities			
Cash used in operations	16	(65,920)	810,143
Finance cost paid		(16,639)	(213,692)
Income tax paid		(17,753)	(129,487)
Long term security deposits - net		-	2,432
Payments for accumulating compensated absences		(1,286)	(1,906)
Employee retirement benefits paid		(1,432)	(4,087)
Net cash (outflow) / inflow from operating activities		(103,030)	463,403
Cash flows from investing activities			
Fixed capital expenditure		(37,410)	(408,435)
Long term loans and deposits - net		-	63
Long term advances - net		(1,029)	3,648
Proceeds from disposal of property, plant and equipment		4,239	11,982
Dividends received		1,104,249	-
Net cash inflow / (outflow) from investing activities		1,070,048	(392,742)
Cash flows from financing activities			
Repayment of lease liabilities		-	(6,344)
Unclaimed dividend paid		(992)	(4,911)
Net cash outflow from financing activities		(992)	(11,255)
Net increase in cash and cash equivalents		966,026	59,406
Cash and cash equivalents at the beginning of the period		(326,482)	(5,478,016)
Cash and cash equivalents at the end of the period	17	639,544	(5,418,610)

The annexed notes 1 to 22 form an integral part of this condensed unconsolidated unaudited interim financial statements.

Chief Executive & Managing Director

Director

Chief Financial Officer

PACKAGES LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) for the three months ended March 31, 2021

1. Legal status and nature of business

Packages Limited (the 'Company') is a public company limited by shares incorporated in Pakistan. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 4th floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

The Company was principally engaged in the manufacture and sale of packaging materials and tissue and consumer products till the date of transfer of manufacturing business as at July 1, 2020.

The Company is now an investment holding company having investments in companies engaged in various businesses including packaging materials and tissue and consumer products, industrial inks, paper, paperboard products and corrugated boxes, biaxially oriented polypropylene ('BOPP') and cast polypropylene ('CPP') films, ground calcium carbonate products, insurance, power generation and real estate.

These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries, associates and joint venture have been accounted for at cost less accumulated impairment losses, if any. Condensed interim consolidated financial statements are prepared separately.

2. Basis of preparation

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended December 31, 2020.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

3.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

4. Taxation

Income tax expense comprises current and deferred tax. SECP vide its certificate dated November 06, 2019, has registered the Company and its wholly-owned subsidiaries, Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Converters Limited ('PCL') and Packages Investments Limited ('PIL') (together 'the Group') for group taxation. Consequent to the filing of declaration for group taxation for the tax year 2022 by the Group, the Group will be taxed as one fiscal unit for the tax year 2022.

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. Current and deferred taxes based on the consolidated results of the Group are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to condensed interim unconsolidated statement of profit or loss in the period in which they arise.

5. Critical accounting estimates and judgements

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

In preparing these condensed interim unconsolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2020, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in note 4.

6. Long term finances

Preference shares / convertible stock - unsecured

March 31, 2021	December 31, 2020
Un-audited	Audited
(Rupees in thousand)	
932,650	932,650
932,650	932,650

6.1 The Company signed a loan agreement with International Finance Corporation ('IFC') on June 12, 2020 for a five-year loan of USD 25 million for future funding needs. No disbursement has been made from the said facility till the date of authorization of these condensed unconsolidated un-audited interim financial statements.

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Company for the period ended March 31, 2021, except for the following:

- (i) Claims against the Company by ex-employees not acknowledged as debts amounting to Rs 17.427 million (December 31, 2020: Rs 17.427 million).

- (ii) Standby letter of credit issued by Habib Bank Limited - Pakistan ('HBL Pakistan') in favour of Habib Bank Limited Bahrain ('HBL Bahrain') on behalf of the Company amounting to USD 4.000 million equivalent to Rs 612.715 million (2020: USD 4.000 million equivalent to Rs 639.338 million) to secure long term finance facility provided by HBL Bahrain to Anemone Holdings Limited ('AHL'), wholly-owned subsidiary of the Company. The standby letter of credit is secured against pledge of Nestle Pakistan Limited's shares owned by the Company.
- (iii) Letters of guarantees issued to various parties aggregating Rs 91.080 million (December 31, 2020: Rs 96.114).

8. Property, plant and equipment

		March 31, 2021	December 31, 2020
		Un-audited	Audited
		(Rupees in thousand)	
Operating fixed assets - at net book value	- note 8.1 & 8.2	161,993	160,895
Capital work-in-progress	- note 8.3	31,858	3,810
		<u>193,851</u>	<u>164,705</u>

8.1 A portion of the land on which the Company's buildings are situated, measuring 231 kanals and 19 marlas, was leased out to the Company by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Company approached the Board of Revenue ('BoR'), GoPb to renew the lease; however, no adequate response was received. On January 5, 2019, the Supreme Court of Pakistan ('Court'), summoned BoR, to which the BoR stated that the new policy of the GoPb is not to lease state land but to sell it through open auction. Consequently, the Company was directed to deposit Rs 500 million with the BoR as security to the payment of outstanding amount of rent to be determined, with such amount being adjustable against final amount of rent. The Company deposited such amount in compliance with the direction on January 10, 2019. The Court has further directed Additional Advocate General, Punjab on January 16, 2019 that subject to the Court's approval, two surveyors be appointed for determination of rent based on industrial usage of the land for the period from December 2015 till date. The surveyors were appointed, who have submitted their independent valuation reports to BoR and the Court. The matter is pending for further action as of the date of the authorization for issue of unconsolidated financial statements. Moreover, the Court has further decided that the land shall be sold through an open auction with the Company getting the first right of refusal.

The management has, on the basis of assessment of fair value of the said portion of land by independent valuers, as appointed by the Court, and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, recognised an expense of Rs 27.5 million (2020: Rs 41.675 million) in respect of rent for the year from January 2021 to March 2021. The management is confident that the final amount of rent will be in congruence with the provision made in these unconsolidated financial statements, inter alia based on the fair value determined by the independent valuers and the relevant facts and circumstances.

8.2 Operating fixed assets

		March 31, 2020	December 31, 2020
		Un-audited	Audited
		(Rupees in thousand)	
Opening net book value		160,895	6,205,128
Additions during the period / year	- note 8.2.1	8,654	704,422
Disposals during the period / year at net book value		4,152	32,660
Transfer during the period / year at net book value		-	5,333,185
Transfer out to investment property		-	948,105
Depreciation charged during the period / year		3,404	434,705
		<u>7,556</u>	<u>6,748,655</u>
Closing net book value		<u>161,993</u>	<u>160,895</u>

8.2.1 Additions during the period / year

	March 31, 2021	December 31, 2020
	Un-audited	Audited
	(Rupees in thousand)	
Freehold land	-	37
Leasehold land	-	118
Buildings on freehold land	113	38,279
Plant and machinery	-	462,783
Other equipment (computers, lab equipment and other office equipment)	1,071	140,933
Furniture and fixtures	-	51
Vehicles	7,470	62,221
	<u>8,654</u>	<u>704,422</u>

8.3 Capital work-in-progress

Civil works	26,929	-
Advances to suppliers	4,929	3,810
	<u>31,858</u>	<u>3,810</u>

9. Intangible assets

Opening book value	2,611	65,129
Amortization charged during the period / year	(127)	(5,881)
Transfer out during the period / year	-	(56,637)
Closing book value	<u>2,484</u>	<u>2,611</u>

10. Investments

Opening balance	46,186,402	47,713,862
Add: Investments made during the period / year - note 10.1	-	3,526,712
Changes in the fair value of equity investments at fair value through other comprehensive income	(2,974,538)	(5,054,172)
Closing balance	<u>43,211,865</u>	<u>46,186,402</u>

10.1 Investments made in related parties during the period / year

Anemone Holdings Limited - subsidiary	-	443,810
Packages Convertors Limited - subsidiary	-	3,082,902
	<u>-</u>	<u>3,526,712</u>

10.2 As of March 31, 2021, an aggregate of 1,600,000 (2020: 1,600,000) shares of Nestle Pakistan Limited having market value of Rs 9,359.840 million (2020: 1,0664.016 million) have been pledged in favour of HBL Pakistan. Out of aggregate shares pledged, 182,000 (2020: 182,000) shares are pledged against issuance of standby letter of credit in favour of HBL Bahrain as referred to in note 7.1 (ii) and the remaining 1,418,000 shares (2020: 1,418,000) are pledged against the short term borrowings of the Company and long term loans of the wholly-owned subsidiary, Packages Convertors Limited.

11. Revenue from goods

Local sales
Export sales

Less: Sales tax
Trade discounts

Three-months ended	
March 31, 2021	March 31, 2020
Un-audited	Un-audited
(Rupees in thousand)	
-	7,651,465
-	55,144
-	7,706,609
-	1,179,713
-	114,482
-	1,294,195
-	6,412,414
782,429	-
782,429	-

12. Dividend income

From related parties

13. Cost of sales

Raw materials consumed
Salaries, wages and amenities
Travelling and conveyance
Fuel and power
Production supplies consumed
Rent and rates
Insurance
Repairs and maintenance
Packing expenses
Depreciation on operating fixed assets
Amortisation of intangible assets
Technical fees
Other expenses

Opening work-in-process
Closing work-in-process
Cost of goods manufactured

Opening stock of finished goods

Closing stock of finished goods

Three-months ended	
March 31, 2021	March 31, 2020
Un-audited	Un-audited
(Rupees in thousand)	
-	3,624,808
-	435,628
-	5,019
-	279,569
-	118,749
-	20,738
-	11,351
-	83,780
-	101,281
-	196,516
-	1,369
-	18,940
-	95,360
-	4,993,108
-	361,617
-	(448,298)
-	4,906,427
-	1,264,671
-	6,171,098
-	(1,166,003)
-	5,005,095

14. Taxation

Current
Deferred

1,856	97,000
22,657	24,000
24,513	121,000

15. Transactions and balances with related parties

The related parties comprise of subsidiaries, joint ventures, associates, key management personnel including directors and post-employment staff retirement plans. The Company in the normal course of business carries out transactions with various related parties. Significant transactions and balances with related parties other than those disclosed in respective notes are as follows:

Relationship with the Company	Nature of transactions	Three-months ended	
		March 31, 2021	March 31, 2020
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	571	1,312,052
	Sale of goods and services	1,536	69,457
	Dividend income	770,054	-
	Rental income and others	92,120	35,244
	Management and technical fee	20,515	15,408
ii. Joint ventures	Sale of goods and services	-	221
	Dividend income	12,375	-
	Rental income and others	-	296
	Purchase of goods and services	-	1,042
iii. Associates	Purchase of goods and services	-	325,198
	Sale of goods and services	-	1,722
	Insurance premium paid	8,279	70,438
	Insurance claims received	-	83
	Rental income and other income	2,480	3,617
iv. Retirement obligations	Expense charged in respect of retirement plans	18,869	52,590
v. Key management personnel	Salaries and other employee benefits	12,149	31,597
vi. Other related party	Donations made	28,195	16,957

All transactions with related parties have been carried out on mutually agreed terms and conditions.

There are no transactions with key management personnel other than under the terms of employment.

Period / year end balances

	March 31, 2021	December 31, 2020
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
- Subsidiaries	289,457	322,812
- Joint ventures	1,368	351
- Associates	51,648	32,442
- Other related parties	1,283	-
Payable to related parties		
- Subsidiaries	7,094	10,130
- Associates	3,992	8,227
- Retirement benefit obligations	6,906	4,398
- Other related party	1,934	1,934

These are in the normal course of business and are interest free.

16. Cash generated from / (used in) operations

Profit before taxation	
Adjustments for non-cash items:	
- Depreciation on owned assets	
- Depreciation on right-of-use asset	
- Depreciation on investment properties	
- Amortisation on intangible assets	
- Provision for accumulating compensated absences	
- Provision for retirement benefits	
- Profit on disposal of operating fixed asset	
- Exchange gain / (loss)	
- Finance cost	
- Net impairment losses on financial assets	
- Liabilities no longer payable written back	
- Reversal of provision against pending claims	
- Capital work-in-progress charged to condensed interim unconsolidated statement of profit or loss	
- Amortisation of deferred income	
- Dividend income	

Profit before working capital changes

Effect on cash flow due to working capital changes

- Decrease / (increase) in trade debts	
- Increase in stores and spares	
- Increase in stock-in-trade	
- Increase in loans, advances, deposits, prepayments and other receivables	
- (Decrease)/ increase in trade and other payables	

Three-months ended	
March 31, 2021	March 31, 2020
Un-audited	Un-audited
(Rupees in thousand)	
721,039	319,678
3,404	211,915
-	6,189
11,242	826
129	2,811
4,650	13,714
9,421	27,418
(87)	(511)
(6,505)	59,589
38,367	301,008
(2,129)	30,876
-	3,374
3,184	25,917
-	1,349
-	(5,722)
(782,429)	-
286	998,431
54,299	(731,306)
-	(19,182)
-	(664,735)
(29,382)	(38,113)
(91,123)	1,265,048
(66,206)	(188,288)
(65,920)	810,143

17. Cash and cash equivalents

Cash and bank balances	
Finances under mark up arrangements - secured	

March 31, 2021	March 31, 2020
Un-audited	Un-audited
(Rupees in thousand)	
639,544	136,108
-	(5,554,718)
639,544	(5,418,610)

18. Financial risk management

18.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim unconsolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2020.

There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2020.

18.2 Fair value estimation

a) Fair value hierarchy

The different levels for fair value estimation used by the Company have been defined as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed above. The following table presents the Company's significant financial assets measured and recognised at fair value at March 31, 2021 and December 31, 2020 on a recurring basis:

As at March 31, 2021	Un-audited			
	Level 1	Level 2 (Rupees in thousand)	Level 3	Total
Assets				
<i>Recurring fair value measurements</i>				
Investments - FVOCI	21,347,736	-	5,000	21,352,736
Liabilities	-	-	-	-

As at December 31, 2020	Audited			
	Level 1	Level 2	Level 3	Total
Assets				
<i>Recurring fair value measurements</i>				
Investments - FVOCI	24,322,274	-	5,000	24,327,274
Liabilities	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

19. Impact of COVID-19 (Corona virus)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments in these condensed interim unconsolidated financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these condensed interim unconsolidated financial statements.

20. Date of authorisation for issue

These condensed interim unconsolidated financial statements were authorised for issue on April 23, 2021 by the Board of Directors of the Company.

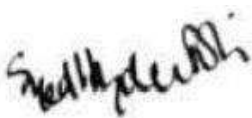
21. Events after the balance sheet date

The Board of Directors (BOD) has proposed a final cash dividend for the year ended December 31, 2020 of Rs 22.5 per share (2019: Rs 12.00 per share), amounting to Rs 2,011,039 million (2018: Rs 1,072.554 million) at their meeting held on March 19, 2021 for approval of the members at the annual general meeting to be held on April 30, 2021.

22. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim unconsolidated statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified wherever necessary, for the purpose of comparison and better presentation. The corresponding figures are not comparable as the assets and related liabilities of manufacturing business were transferred to Packages Convertors Limited with effect from July 1, 2020.



Chief Executive



Director



Chief Financial Officer

Packages Limited and its subsidiaries

Condensed Interim Consolidated
Unaudited Financial Statements

DIRECTORS' REPORT ON CONDENSED INTERIM UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021

The Directors of the Parent Company take pleasure in presenting the un-audited consolidated financial statements of the Group for the first quarter ended March 31, 2021.

Comparison of the un-audited consolidated results of the first quarter ended March 31, 2021 as against March 31, 2020 is as follows:

	Jan- Mar 2021 (Rupees in million)	Jan- Mar 2020
Invoiced sales – net	19,677	16,491
Profit from operations	2,904	1,354
Finance costs	(645)	(1037)
Share of profit / (loss) in associates and joint venture – net of tax	21	(77)
Profit before taxation	2,280	241
Taxation	(557)	(300)
Profit / (loss) after tax	1,723	(60)

We are pleased to report that the core manufacturing operations have shown significantly improved performance in a challenging and competitive environment. During the first quarter of 2021, the Group has achieved net sales of Rs. 19,677 million against net sales of Rs. 16,491 million achieved during corresponding period of last year representing sales growth of 19% with an operating profit of Rs 2,904 million as compared to Rs 1,354 million generated during corresponding period last year, mainly on account of revenue growth and cost controls.

The Group's finance cost has decreased by Rs 391 million which is mainly attributable to decreased interest rates as compared to corresponding period of last year.

A brief review of the operational performance of the Group subsidiaries is as follows:

Packages Convertors Limited

Packages Convertors Limited is an un-listed public limited subsidiary of Packages Limited. In 2019, the Board of Directors and Shareholders of Parent Company approved the internal restructuring of the Parent Company including transfer of its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities to PCL. In 2020, PCL received in-principle approval of Securities and Exchange Commission of Pakistan (SECP) subject to certain conditions being met against its application under regulation 7 of the Companies (Further Issue of Shares) Regulations, 2018 read with section 83(1) of the Companies Act, 2017. The Parent Company transferred its manufacturing operations at carrying value of Rs 3,083 million as of July 01, 2020 upon completion of formalities. On January 14, 2021, SECP granted the approval for the proposed issuance of 30,829,021 ordinary shares (of Rs 100 each) at par value, for a consideration other than cash i.e. against transfer of net assets of Packages Limited based on net carrying values as at July 1, 2020 and the shares have been issued in February 2021. As a result, the operations of Converting Business have now become part of PCL effective July 1, 2020. The Company has achieved net sales of Rs. 7,304 million during the first quarter of the year 2021. The Company has generated profit before tax of Rs. 720 million during the first quarter of the year 2021. Moving forward, the Company will focus on improving operating results through volume growth and price rationalization.

Bulleh Shah Packaging (Private) Limited

Bulleh Shah Packaging (Private) Limited is principally engaged in the manufacturing and conversion of paper and paper board and corrugated boxes. The Company has achieved sales of Rs. 9,372 million during the first quarter of 2021 as compared to Rs 7,431 million during 2020 representing sales growth of 26%. The Company has recorded an operating profit of Rs 1,535 million during the current period as compared to the operating profit of Rs 449 million in corresponding period last year, primarily due to revenue growth and tighter control over fixed costs. The Company is focusing on further improving operating results through increased sales volumes, product diversification and better product mix.

DIC Pakistan Limited

DIC Pakistan Limited is an un-listed public limited subsidiary of Packages Limited. It is principally engaged in manufacturing, processing and selling of industrial inks. The Company has achieved net sales of Rs. 1,563 million during the first quarter of the year 2021 as compared to Rs. 1,338 million of the corresponding period of last year representing sales growth of 17%. The Company has generated profit before tax of Rs. 260 million during the first quarter of the year 2021 as against Rs. 127 million generated during corresponding period of 2020. Moving forward, the Company will focus on improving operating results through volume growth, tighter cost control and price rationalization.

Packages Lanka (Private) Limited

Packages Lanka (Private) Limited is a Sri Lanka based subsidiary of Packages Limited. It is primarily engaged in production of flexible packaging. During the first quarter of 2021, the Company has achieved sales of SLR 648 million as compared to SLR 488 million in the corresponding period of last year. The Company has generated profit before tax of SLR 29 million during the first quarter of the year 2021 as against loss before tax of SLR 19 million generated during corresponding period of 2020. Moving forward, the Company will focus on improving operating results through volume growth, tighter cost control and price rationalization.

Flexible Packages Convertors (Pty) Limited

Flexible Packages Convertors (Pty) Limited is private limited company based in South Africa. It is principally engaged in the manufacture of flexible packaging material. During the first quarter of 2021, the company achieved net sales revenue of ZAR 148 million as compared to ZAR 124 million of the corresponding period of last year. The Company has recorded loss before tax of ZAR 7.6 million in first quarter of 2021 as compared to loss before tax of ZAR 4.6 million during the corresponding period of last year. This is primarily on account of reduced sales to customers due to the corona virus pandemic in South Africa. Moving forward, the Company will focus on improving operating results through volume growth and price rationalization.

Packages Real Estate (Private) Limited

Packages Real Estate (Private) Limited is a subsidiary of Packages Limited. It is primarily engaged in the business of all types of construction activities and development of real estate. It is currently operating a real estate project titled "Packages Mall". The Company has achieved net revenue of Rs 809 million during the first quarter of 2021 as compared to revenue of Rs 824 million achieved during the corresponding period of last year. The Company has recorded operating profit of Rs Rs 261 million as against Rs 253 million achieved during first quarter of last year. COVID-19 lockdown has caused disruptions/ closure of the tenant businesses and late receipt of trade debts.

COVID-19 Pandemic:

The pandemic of COVID-19 that has rapidly spread across the world has not only endangered human lives but has also adversely impacted the global economy.

In Pakistan, the Government announced a temporary lock down as a measure to reduce the spread of the COVID-19. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, Packages Limited and its local subsidiaries continue to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business.

The pandemic has affected the operations of Flexible Packages Convertors (Pty) Limited and Packages Lanka (Private) Limited which yielded lower profitability as extensive lock-downs measures were implemented in Sri Lanka as well as in South Africa. They were able to obtain permission to run a limited operation for production and distribution of essential items, ensuring compliance to health and hygiene requirements for prevention of COVID – 19 virus during the lockdown period, which increased the costs as well.

The Group management established a crisis management team which analysis the situation on daily basis and taking prompt actions to implement all possible preventive measures to counter coronavirus and to ensure continuity of business operations.



Towfiq Habib Chinoy
(Chairman)
Lahore, April 23, 2021



Syed Hyder Ali
(Chief Executive & Managing Director)
Lahore, April 23, 2021

کووڈ-19 کی عالمی وبا:

کووڈ-19 کی عالمی وبا میں تیزی سے اضافہ ہوا ہے عالمی وبائے ناسف انسانى زندگىوں كو خطرے سے دوچار كىا ہے بلكه عالمى معيشت كو برى طرح متاثر كىا ہے۔ پاکستان ميں حكومت نے عارضى لاك ڈاؤن كا اعلان كىا تاكه كووڈ-19 كے پھيلاؤ كو روكا جاسكه۔ ملازمين كى حفاظت كو يقينى بنانے كيلئے ضرورى معيارى آپريٹنگ طريقه اكر (SOPs) كے نفاذ كے بعد پيكچر لميٹڈ اور اس كے مقامى ذيلى ادارے نے اپنے آپريشن جارى ركھے اور كاروبار كے تسلسل كے تمام موضوع اقدامات كئے۔

جنوبى افريقه اور سرى لكامى وسيع پيمانے پر لاك ڈاؤن كيلئے كئے گئے اقدامات كى وجہ سے فليكس ائبل پيكچر كنورٹرز (پروپراٹرى) لميٹڈ اور پيكچر لكامى پرايويٹ لميٹڈ كے آپريشنز كو متاثر كىا ہے جس كے نتيجے ميں سيلز ميں كمى ہوئى ہے ان كمپنيز كو اشياے ضرورى كى پيداوار اور ترسيل كيلئے كووڈ-19 سے بچاؤ كيلئے دركار صحت وصفائى كے انتظام پر عمل در آمد كے بعد محدود آپريشنز چلانے كى اجازت ملي جس سے لاگت ميں اضافہ بهى هوا۔

گروپ كى انتظاميه نے بحران كے انتظام كى ٹيم تشكيل دهے۔ كراسيس مينجمنٹ ٹيم روانه كى بنيادى پر صورت حال كا جائزہ اور فورى اقدامات لے رهى ہے جسكا مقصد تمام حفاظتى اقدامات كا نفاذ ہے تاكه كورونا كا مقابلہ اور كاروبار كے تسلسل كو يقينى بنايا جاسكه۔



(سيد حيدر على)

چيف اگزيكيوٹو اور مينجنگ ڈائريڪٹر

كراچى، 23 اپريل 2021



(توفيق حبيب چنائے)

چيئر مين

كراچى، 23 اپريل 2021

جو کہ یکم جولائی 2020 کی کنٹرینگ ویلیو پر تھے کے عوض تبادلے کی منظوری دی۔ نتیجتاً کنٹرینگ کاروبار کے آپریشنز 1 جولائی 2020 سے PCL کا حصہ بن چکے ہیں۔ 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کے دوران کنٹرینگ کے کاروبار نے 7,304 ملین روپے کی سیلز اور 720 ملین روپے کا منافع قبل از ٹیکس حاصل کیا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم، پراڈکٹ میں توسیع اور سیزر پراڈکٹس کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ بنیادی طور پر پیپر اور پیپر بورڈ پروڈکٹس کی تیاری اور منتقلی میں مصروف عمل ہے۔ کمپنی نے 2021 کے پہلے تین ماہ کے دوران 9,372 ملین روپے کی سیلز حاصل کی جو اس کے مقابلے میں 2020 کے دوران 7,431 ملین روپے تھی۔ جس سے 26 فیصد کی سیلز گروتھ ظاہر ہوتی ہے۔ کمپنی نے موجودہ مدت کے دوران 1,535 ملین روپے کا آپریٹنگ منافع دیکھا۔ جو بنیادی طور پر ریونیو گروتھ اور طے کردہ مالیات پر سخت کنٹرول کے باعث ممکن ہوا۔ کمپنی بلند تر حجم، پراڈکٹ میں توسیع اور پراڈکٹس کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ پیکیجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ بنیادی طور پر صنعتی انکس (inks) کی تیاری، پروسیسنگ اور سیلز میں مصروف عمل ہے۔ کمپنی نے سال 2021 کے پہلے تین ماہ کے دوران 1,563 ملین روپے کی خالص سیلز حاصل کی۔ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 1,338 ملین روپے تھیں جو 17 فیصد کی سیلز گروتھ کو ظاہر کرتی ہے۔ کمپنی نے 2021 کی موجودہ مدت کے دوران 260 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو 2019 کی اسی مدت میں 127 ملین روپے تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم مالیات پر سخت کنٹرول اور قیمتوں میں استعداد کے ذریعے آپریٹنگ نتائج بہتر بنانے پر توجہ دے رہی ہے۔

پیکیجز لنکا (پرائیویٹ) لمیٹڈ

پیکیجز لنکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر فلیکس ایبل پیکیجنگ کی تیاری میں مصروف عمل ہے۔ کمپنی نے سال 2021 کے پہلے تین ماہ کے دوران 648 ملین سری لنکن روپے کی سیلز حاصل کی جو گزشتہ سال کی اس مدت میں 488 ملین سری لنکن روپے تھی۔ کمپنی نے سال 2021 کے پہلے تین ماہ میں 29 ملین سری لنکن روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2020 کی اسی مدت کے دوران 19 ملین سری لنکن روپے خسارہ قبل از ٹیکس تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم مالیات پر سخت کنٹرول اور قیمتوں میں استعداد کے ذریعے آپریٹنگ نتائج بہتر بنانے پر توجہ دے رہی ہے۔

فلیکس ایبل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ

فلیکس ایبل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلیکس ایبل پیکیجنگ میٹریل کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2021 کے پہلے تین ماہ کے دوران 148 ملین زار (ZAR) کا خالص سیلز ریونیو حاصل کیا جو گزشتہ سال کی اس مدت میں 124 ملین زار (ZAR) تھا۔ کمپنی کا خسارہ قبل از ٹیکس 2021 کے پہلے تین ماہ میں 7.6 ملین زار (ZAR) تھا جو گزشتہ سال کی اس مدت میں 4.6 ملین زار (ZAR) تھا، جس کی بنیادی وجہ کورونا وائرس کی عالمی وباء کا میں جنوبی افریقہ میں پھیلاؤ تھا جس کے نتیجے میں سیلز میں کمی ہوئی۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم مالیات پر سخت کنٹرول اور قیمتوں میں استعداد کے ذریعے آپریٹنگ نتائج بہتر بنانے پر توجہ دے رہی ہے۔

پیکیجز رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجز رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر تمام اقسام کی تعمیراتی سرگرمیوں اور رینیل اسٹیٹ کے فروغ کے کاروبار میں سرگرم عمل ہے۔ اس وقت یہ رینیل اسٹیٹ ”پیکیجز مال“ کے نام سے ایک پراجیکٹ آپریٹ کر رہا ہے۔ کمپنی نے پہلے تین ماہ 2021 کے دوران 809 ملین روپے کی آمدن حاصل کی جو کہ 2020 کے اسی عرصہ کے دوران 824 ملین روپے تھی۔ اس نے موجودہ مدت 2021 کے دوران 261 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ 2020 میں 253 ملین روپے تھا۔ کووڈ-19 کے لاک ڈاؤن نے کرایہ داری کے کاروبار میں رکاوٹ/بندش پیدا کی ہے جس کی وجہ سے محصولات میں تاخیر ہوئی ہے۔

31 مارچ 2021 کو ختم ہونے والی تین ماہ کی مدت کے لئے

ڈائریکٹرز کی رپورٹ بشمول مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکیجز لمیٹڈ کے ڈائریکٹرز بہ مسرت 31 مارچ 2021 کو ختم ہونے والی تین ماہ کی مدت کے لئے گروپ کے غیر آڈٹ شدہ مجموعی مالیاتی معلومات پیش کرنے پر خوشی محسوس کرتے ہیں۔

گروپ کے نتائج

31 مارچ 2021 کو ختم ہونے والی تین ماہ کی مدت کے لئے غیر آڈٹ شدہ نتائج کا مقابل 31 مارچ 2020 کے مقابلے میں درج ذیل کے مطابق ہے:

جنوری - مارچ 2020	جنوری - مارچ 2021	
(روپے ملین میں)		
16,491	19,677	انوائسڈ سیلز - خالص
1,354	2,904	آپریشنز سے حاصل منافع جات
(1,037)	(645)	فنانس کی لاگت
		منسلکہ اداروں اور مشترکہ منصوبے میں (اخراجات) / منافع کا حصہ -
(77)	21	بعد از ٹیکس
241	2,280	منافع قبل از ٹیکس
(300)	(557)	ٹیکسیشن
(60)	1,723	(خسارہ) / منافع بعد از ٹیکس

ہم با مسرت اطلاع دے رہے ہیں کہ گروپ کے کلیدی مینوفیکچرنگ آپریشنز نے مشکل اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ 2021 کی پہلی سہ ماہی کے دوران گروپ نے 19,677 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اس مدت کے دوران 16,491 ملین روپے کی خالص سیلز حاصل کی گئی تھی جو کہ 19 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ گروپ نے 2,904 ملین روپے کا آپریٹنگ منافع حاصل کیا جو گزشتہ سال کی اسی مدت میں 1,354 ملین روپے تھا جو کہ بنیادی طور پر ریونیو گروتھ اور مالیات پر کنٹرول کے باعث ممکن ہوا۔

گروپ کی فنانس لاگت میں 391 ملین روپے کی کمی ہوئی جسکی وجہ شرح سود کا موجودہ سال کے دوران کم ہونا ہے۔

گروپ کے ذیلی اداروں کی آپریشنل کارکردگی کا ایک مختصر جائزہ درج ذیل کے مطابق ہے:

پیکیجز کنورٹرز لمیٹڈ

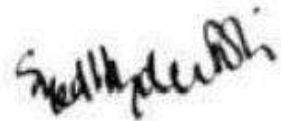
پیکیجز کنورٹرز لمیٹڈ پیکیجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ادارہ ہے 2019 میں بیرون کمپنی کے بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز نے اندرونی تنظیم نو بشمول اپنے مینوفیکچرنگ کاروبار بشمول فولڈنگ کارٹن، فلیکسیبل پیکیجنگ، کاروبار صارف اور مکینیکل فیبریکیشن رول کو مکمل طور پر متعلقہ اثاثہ جات، آپریشنز اور ان سے منسلک واجبات پیکیجز کنورٹرز لمیٹڈ (PCL) میں تبادلہ کی منظوری دی۔ 2020 میں PCL کو سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان سے اس کی درخواست جو کہ کمپنیز ریگولیشنز 2018 کے (شیئرز کا مزید اجراء) ریگولیشن 7 جس کو کمپنیز ایکٹ 2017 کے سیکشن (1) 83 کے ساتھ پڑھا جائے کی منظوری حاصل ہوئی۔ بیرون کمپنی نے اپنا کنورٹنگ کاروبار 1 جولائی 2020 کو 3,083 ملین روپے کی کیئرنگ ویلیو پہ مسلمہ تقاضوں کی تکمیل کے بعد منتقل کر دیا ہے۔ سال کے اختتام کے بعد مورخہ 14 جنوری 2021 کو SECP نے مجوزہ 30,829,021 عمومی حصص (100 روپے فی شیئر) برابر قیمت کے اجراء (ماسوائے کیش) جو کہ پیکیجز لمیٹڈ کے اثاثہ جات

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2021

		March 31, 2021	December 31, 2020
		Un-audited	Audited
Note	(Rupees in thousand)		
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2020: 150,000,000)			
ordinary shares of Rs. 10 each		1,500,000	1,500,000
22,000,000 (2020: 22,000,000)			
10% non-voting preference shares /			
convertible stock of Rs 190 each		4,180,000	4,180,000
Issued, subscribed and paid up capital			
89,379,504 (2020: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795
8,186,842 (2020: 8,186,842) 10% non-voting preference shares /			
convertible stock of Rs 190 each		606,222	606,222
Other reserves		44,991,009	47,604,899
Equity portion of loan from shareholder of the Parent Company	6	277,219	277,219
Revenue reserve: Un-appropriated profits		7,423,368	6,529,599
Attributable to owners of the Parent Company		54,191,613	55,911,734
Non-controlling interest		1,908,674	1,864,946
TOTAL EQUITY		56,100,287	57,776,680
NON-CURRENT LIABILITIES			
Long term finances	7	15,282,379	16,187,100
Loan from shareholder of			
the Parent Company - unsecured		269,107	260,107
Lease liabilities		312,898	435,510
Deferred government grant		14,452	19,459
Deferred taxation		1,730,250	1,612,241
Long term advances		89,910	84,071
Employee retirement benefits		847,050	807,523
Deferred revenue		271,824	284,229
Security deposits		405,677	371,797
Deferred liabilities		340,292	341,975
		19,563,839	20,404,012
CURRENT LIABILITIES			
Current portion of non-current liabilities		3,863,504	3,516,939
Short term borrowings - secured		8,947,692	9,959,308
Trade and other payables		11,132,563	9,488,819
Unclaimed dividend		53,963	54,955
Accrued finance cost		454,945	659,194
		24,452,667	23,679,215
CONTINGENCIES AND COMMITMENTS	8	-	-
		100,116,793	101,859,907

		March 31, 2021	December 31, 2020
		Un-audited	Audited
Note	(Rupees in thousand)		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	26,993,682	27,396,134
Right-of-use assets		452,672	614,541
Investment properties		10,385,362	10,601,452
Intangible assets	10	362,997	372,521
Investments accounted for using the equity method	11	6,317,342	6,627,424
Other long term investments	12	21,352,761	24,327,298
Long term security deposits		136,251	138,822
Long term loans		239	657
		66,001,306	70,078,849
CURRENT ASSETS			
Stores and spares		2,742,175	2,654,272
Stock-in-trade		12,970,408	13,416,931
Short term investments		650,000	1,450,000
Trade debts		10,254,974	7,586,305
Loans, advances, deposits, prepayments			
and other receivables		1,870,844	1,288,232
Income tax receivable		4,529,115	4,746,975
Cash and bank balances		1,097,971	638,343
		34,115,487	31,781,058
		100,116,793	101,859,907

The annexed notes 1 to 24 form an integral part of these condensed interim unaudited consolidated financial statements.



Chief Executive



Director

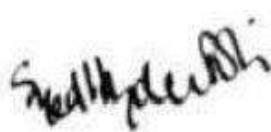


Chief Financial Officer

PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2021

		Three month period ended	
		March 31, 2021	March 31, 2020
		(Rupees in thousand)	
	Note		
Revenue from goods and services	13	19,676,647	16,491,146
Cost of sales and services	14	(15,421,447)	(13,564,064)
Gross profit		4,255,200	2,927,082
Administrative expenses		(649,046)	(608,959)
Distribution and marketing costs		(780,848)	(789,455)
Reversal of impairment losses / (net impairment losses) on financial assets		1,828	(30,876)
Other expenses		(8,747)	(183,168)
Other income		85,939	39,568
Profit from operations		2,904,326	1,354,192
Finance costs		(645,050)	(1,036,762)
Share of net profit / (loss) of associates and joint ventures accounted for using equity method		21,080	(76,503)
Profit before taxation		2,280,356	240,927
Taxation		(557,353)	(300,482)
Profit for the period		1,723,003	(59,555)
Profit / (loss) attributable to:			
Equity holders of the Parent Company		1,643,769	(66,611)
Non-controlling interests		79,234	7,056
		1,723,003	(59,555)
Earnings per share attributable to equity holders of the Parent Company during the period			
Basic	Rupees	18.39	(0.75)
Diluted	Rupees	17.17	(0.75)

The annexed notes 1 to 24 form an integral part of these condensed interim unaudited consolidated financial statements.



Chief Executive



Director

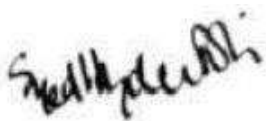


Chief Financial Officer

PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2021

	Three month period ended	
	March 31, 2021 (Rupees in thousand)	March 31, 2020
Profit for the period	1,723,003	(59,555)
Other comprehensive loss for the period		
Items that will not be subsequently reclassified to profit or loss:		
Change in fair value of equity investments at fair value through other comprehensive income (FVOCI)	(2,974,539)	(4,926,484)
	(2,974,539)	(4,926,484)
Items that might be reclassified subsequently to profit or loss:		
Net exchange differences on translation of foreign operations	(108,018)	(312,412)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method - net of tax	(316,839)	(681,812)
	(424,857)	(994,224)
Other comprehensive loss for the period	(3,399,396)	(5,920,708)
Total comprehensive loss for the period	(1,676,393)	(5,980,263)
Total comprehensive (loss) / profit attributable to:		
Owners of the Parent Company	(1,720,121)	(5,871,372)
Non-controlling interests	43,728	(108,891)
	(1,676,393)	(5,980,263)

The annexed notes 1 to 24 form an integral part of these condensed interim unaudited consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021

	Attributable to owners of the Parent Company										Capital and reserves		Non-controlling interests	Total equity
	Issued, subscribed and paid up capital		Reserves											
			Capital reserves					Revenue reserves						
	Ordinary share capital	Preference shares / convertible stock	Share premium	Exchange differences on translation of foreign operations	FVOCI reserve	Other reserves relating to associates and joint ventures	Transactions with non-controlling interests	Equity portion of loan from shareholder of the Parent Company	Capital redemption reserve	General reserve	Unappropriated profits	Total		
(Rupees in thousand)														
Balance as on January 1, 2020 (un-audited)	893,795	606,222	3,766,738	(143,768)	25,391,540	3,125,196	80,976	277,219	1,615,000	18,310,333	4,009,577	57,932,828	1,967,880	59,900,708
Appropriation of reserves	-	-	-	-	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/ income for the period ended March 31, 2020	-	-	-	-	-	-	-	-	-	-	(66,611)	(66,611)	7,056	(59,555)
Profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) for the period	-	-	-	(196,465)	(4,926,484)	(681,812)	-	-	-	-	(5,804,761)	(115,947)	(108,891)	(5,920,708)
	-	-	-	(196,465)	(4,926,484)	(681,812)	-	-	-	-	(66,611)	(5,871,372)	(108,891)	(5,980,263)
Balance as on March 31, 2020 (un-audited)	893,795	606,222	3,766,738	(340,233)	20,465,056	2,443,384	80,976	277,219	1,615,000	19,310,333	2,942,966	52,061,456	1,858,989	53,920,445
Balance as on January 1, 2021 (audited)	893,795	606,222	3,766,738	(154,125)	20,337,367	2,648,933	80,653	277,219	1,615,000	19,310,333	6,529,599	55,911,734	1,864,946	57,776,680
Appropriation of reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-	-	750,000	(750,000)	-	-	-
Total comprehensive income / (loss) for the period ended March 31, 2021	-	-	-	-	-	-	-	-	-	-	1,643,769	1,643,769	79,234	1,723,003
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	79,234	(3,399,396)
Other comprehensive loss for the period	-	-	-	(72,512)	(2,974,539)	(316,839)	-	-	-	-	-	(3,363,890)	(35,506)	(3,399,396)
	-	-	-	(72,512)	(2,974,539)	(316,839)	-	-	-	-	1,643,769	(1,720,121)	43,728	(1,676,393)
Balance as on March 31, 2021 (un-audited)	893,795	606,222	3,766,738	(226,637)	17,362,828	2,332,094	80,653	277,219	1,615,000	20,060,333	7,423,368	54,191,613	1,908,674	56,100,287

The annexed notes 1 to 24 form an integral part of these condensed interim unaudited consolidated financial statements.

Chief Executive

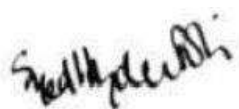
Director

Chief Financial Officer

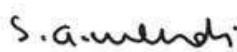
PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021

Note	Three month period ended	
	March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)
Cash flows from operating activities		
Cash generated from operations	2,947,002	3,476,788
Finance cost paid	(840,299)	(1,194,982)
Income tax paid	(221,484)	(268,960)
Settlement of derivative financial instruments	-	(3,505)
Long term security deposits - net	33,880	58,122
Payments for accumulating compensated absences	(148,595)	(182,577)
Retirement benefits paid	(78,478)	(145,025)
Net cash inflow from operating activities	1,692,026	1,739,861
Cash flows from investing activities		
Fixed capital expenditure	(487,094)	(823,586)
Proceeds from maturity of investments	800,000	-
Long term loans and deposits - net	2,406	4,456
Proceeds from disposal of property, plant and equipment	18,873	32,162
Dividends received	12,375	-
Long term advances - net	8,366	2,854
Net cash outflow from investing activities	354,926	(784,114)
Cash flows from financing activities		
Proceeds from long term finances - secured	32,232	46,853
Repayment of long term finances - secured	(476,934)	(1,007,167)
Repayment/(adjustment) of lease liabilities - net	(130,014)	(133,674)
Dividend paid to equity holders of the Parent Company	(992)	(18,418)
Net cash (outflow) / inflow from financing activities	(575,708)	(1,112,406)
Net decrease in cash and cash equivalents	1,471,244	(156,659)
Cash and cash equivalents at the beginning of the period	(9,320,965)	(10,968,891)
Cash and cash equivalents at the end of the period	(7,849,721)	(11,125,550)

The annexed notes 1 to 24 form an integral part of these condensed interim unaudited consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

PACKAGES GROUP
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021

1. Legal status and nature of business

Packages Limited (the 'Parent Company') and its subsidiaries, Packages Convertors Limited ('PCL'), Packages Investments Limited ('PIL'), DIC Pakistan Limited ('DIC'), Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Lanka (Private) Limited ('PLL'), Linnaea Holdings Inc. ('LHI'), Chantler Packages Inc. ('CPI'), Packages Real Estate (Private) Limited ('PREPL'), Packages Power (Private) Limited ('PPPL'), Anemone Holdings Limited ('AHL') and Flexible Packages Convertors (Proprietary) Limited ('FPCL') (together, the 'Group') are engaged in the following businesses:

Packaging:	Representing manufacture and sale of packaging materials and tissue products
Consumer products:	Representing manufacture and sale of tissue products
Inks:	Representing manufacture and sale of finished and semi finished inks
Construction:	Representing all types of construction activities and development of real estate
Paper and paperboard:	Representing manufacture and sale of paper and paperboard of all kinds
Investments:	Representing and managing investments
Power generation:	Representing the development and management of hydropower project

The Group also holds investment in companies engaged in the manufacture and sale of biaxially oriented polypropylene ('BOPP') films and cast polypropylene ('CPP') films, ground calcium carbonate products and insurance businesses.

The registered office of the Group is situated at 4th Floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

2. Basis of preparation

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim unaudited consolidated financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended December 31, 2020.

3.1 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's condensed interim unaudited consolidated financial statements covering annual periods, beginning on or after the following dates:

3.1.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2021, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

3.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim unaudited consolidated financial statements.

4. Taxation

Income tax expense comprises current and deferred tax. SECP vide its certificate dated November 06, 2019, has registered the Parent Company and its wholly-owned subsidiaries, BSPPL, PCL and PIL (together 'the Tax Group') for group taxation. Consequent to the filing of declaration for group taxation for the tax year 2021 by the Tax Group, the Tax Group will be taxed as one fiscal unit for the tax year 2021.

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. Current and deferred taxes based on the consolidated results of the Tax Group are allocated within the Tax Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Tax Group level. Any adjustments in the current and deferred taxes of the Tax Group on account of group taxation are credited or charged to condensed interim unaudited consolidated statement of profit or loss in the period in which they arise.

5. Critical accounting estimates and judgements

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

In preparing these condensed interim unaudited consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2020, with the exception of the following:

- changes in estimates that are required in determining the provision for income taxes as referred to in note 4.

6. This represents loan repayable to Babar Ali Foundation (BAF) and is interest free.

7. Long term finances

	Note	March 31, 2021 Un-audited (Rupees in thousand)	December 31, 2020 Audited
Local currency loans - secured	7.1	17,018,509	17,383,798
Foreign currency loans - secured	7.2	1,023,122	1,161,021
		18,041,631	18,544,819
Preference shares / convertible stock - unsecured		932,650	932,650
Current portion shown under current liabilities		18,974,281	19,477,469
		(3,691,902)	(3,290,369)
		15,282,379	16,187,100
7.1 Local currency loans - secured			
Opening balance		17,383,798	16,359,325
Disbursements during the period / year		32,230	3,338,353
		17,416,028	19,697,678
Repayments during the period / year		(397,519)	(2,313,880)
Closing balance		17,018,509	17,383,798
7.2 Foreign currency loans - secured			
Opening balance		1,161,021	1,803,106
Disbursements during the period / year		-	64,127
		1,161,021	1,867,233
Repayments during the period / year		(79,415)	(718,875)
Exchange adjustment on opening balances		(58,484)	12,663
Closing balance		1,023,122	1,161,021

7.3 The Parent Company signed a loan agreement with International Finance Corporation (IFC) on June 12, 2020 for a five-year loan of USD 25 million for future funding needs. No disbursement has been made from the said facility till the date of authorization of these condensed consolidated un-audited interim financial statements.

8. Contingencies and commitments

8.1 Contingencies

- Claims against the Group by ex-employees not acknowledged as debts Rs 17.427 million (2020: Rs 17.427 million).
- Letters of guarantees issued to various parties aggregating to Rs 1,355.513 million (2020: Rs 1,084.560 million).
- Standby letter of credit issued by Habib Bank Limited - Pakistan ('HBL Pakistan') in favour of Habib Bank Limited - Bahrain ('HBL Bahrain') on behalf of the Parent Company amounting to USD 4.000 million equivalent to Rs 612.715 million (2020: USD 4.000 million equivalent to Rs 639.338 million) to secure long term finance facility provided by HBL Bahrain to Anemone Holdings Limited ('AHL') wholly-owned subsidiary of the Parent Company. The standby letter of credit is secured against pledge of Nestle Pakistan Limited's shares owned by the Parent Company as referred to in note 12.2.

8.2 Commitments in respect of

- Letters of credit and contracts for capital expenditure Rs 3,862.110 million (2020: Rs 953.026 million)
- Letters of credit and contracts for other than capital expenditure Rs 3,875.608 million (2020: Rs 2,836.527 million)

9. Property, plant and equipment

		March 31, 2021 Un-audited (Rupees in thousand)	December 31, 2020 Audited
Note			
Operating fixed assets - at net book value	9.2	23,760,835	24,346,801
Capital work-in-progress	9.3	3,232,847	2,914,827
Major spare parts and stand-by equipment		-	134,506
		<u>26,993,682</u>	<u>27,396,134</u>

- 9.1** A portion of the land on which the Parent Company's buildings are situated, measuring 231 kanals and 19 marlas, was leased out to the Parent Company by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Parent Company approached the Board of Revenue ('BoR'), GoPb to renew the lease; however, no adequate response was received. On January 5, 2019, the Supreme Court of Pakistan ('Court'), summoned BoR, to which the BoR stated that the new policy of the GoPb is not to lease state land but to sell it through open auction. Consequently, the Parent Company was directed to deposit Rs 500 million with the BoR as security to the payment of outstanding amount of rent to be determined, with such amount being adjustable against final amount of rent. The Parent Company deposited such amount in compliance with the direction on January 10, 2019. The Court has further directed Additional Advocate General, Punjab on January 16, 2019 that subject to the Court's approval, two surveyors be appointed for determination of rent based on industrial usage of the land for the period from December 2015 till date. The surveyors were appointed, who have submitted their independent valuation reports to BoR and the Court. The matter is pending for further action as of the date of the authorization for issue of consolidated financial statements. Moreover, the Court has further decided that the land shall be sold through an open auction with the Parent Company getting the first right of refusal.

		March 31, 2021 Un-audited (Rupees in thousand)	December 31, 2020 Audited
Note			
9.2 Operating fixed assets			
Opening net book value		24,346,801	25,183,824
Additions during the period / year	9.2.1	379,411	2,212,733
Transfer in at book value - net		-	3,406
		<u>379,411</u>	<u>2,216,139</u>
		24,726,212	27,399,963
Disposals during the period / year at book value		(18,745)	(76,531)
Depreciation charged during the period / year		(761,159)	(2,961,978)
Exchange adjustment on opening book value - net		(185,473)	(14,653)
		<u>(965,377)</u>	<u>(3,053,162)</u>
Closing net book value		<u>23,760,835</u>	<u>24,346,801</u>
9.2.1 Additions during the period / year			
Freehold land		-	118
Buildings on freehold land		72,971	111,315
Plant and machinery		144,338	1,515,787
Other equipment (computers, lab equipment and other office equipment)		130,325	327,233
Furniture and fixtures		724	18,091
Vehicles		31,053	240,189
		<u>379,411</u>	<u>2,212,733</u>
9.3 Capital work-in-progress			
Civil works		136,042	157,092
Plant and machinery		3,022,689	2,502,462
Advances to suppliers		17,610	254,348
Others		56,506	925
		<u>3,232,847</u>	<u>2,914,827</u>

		March 31, 2021 Un-audited (Rupees in thousand)	December 31, 2020 Audited
Note			
10. Intangible assets			
Opening book value		372,521	405,617
Additions during the period / year		12,540	99
Amortization charged during the period / year		(7,480)	(33,142)
Exchange difference		(14,584)	(53)
Closing book value		<u>362,997</u>	<u>372,521</u>
11. Investments accounted for using the equity method			
Investments in associates	11.1	5,820,333	6,133,933
Investments in joint ventures	11.2	497,009	493,491
		<u>6,317,342</u>	<u>6,627,424</u>

11.1 Investments in associates

Cost	3,386,278	3,386,278
Post acquisition share of profits and reserves net of impairment losses		
Opening balance	2,747,655	3,149,669
Share of profit from associates - net of tax	195,950	303,973
Share of other comprehensive loss - net of tax	(316,839)	(476,594)
Impairment loss	(192,711)	(184,294)
Dividends received during the period / year	-	(45,099)
Closing balance	2,434,055	2,747,655

11.1.1

11.1.1 Investment in equity instruments of associates - Quoted

IGI Holdings Limited, Pakistan

15,033,041 (2020: 15,033,041) fully paid ordinary shares of Rs 10 each

Equity held 10.54% (2020: 10.54%)

Market value - Rs. 2,553.813 million (2020: Rs. 3,058.322 million)

11.3

3,989,297

4,302,897

Tri-Pack Films Limited, Pakistan

12,933,333 (2020: 12,933,333) fully paid ordinary shares of Rs 10 each

Equity held 33.33% (2020: 33.33%)

Market value - Rs. 2,167.378 million (2020: Rs. 2,105.029 million)

1,831,036

1,831,036

5,820,333

6,133,933

11.2 Investments in joint ventures

Opening balance	493,491	455,760
Share of profit / (loss) from joint ventures - net of tax	17,841	37,400
Share of other comprehensive income / (loss) from joint ventures - net of tax	(1,948)	331
Dividends received during the period / year	(12,375)	-
Closing balance	497,009	493,491

11.2.1

11.2.1 Investment in equity instruments of joint ventures - Unquoted

Plastic Extrusions (Proprietary) Limited, South Africa

500 (2020: 500) fully paid ordinary shares of ZAR 1 each

Equity held 50% (2019: 50%)

22,489

24,437

OmyaPack (Private) Limited, Pakistan

49,500,000 (2020: 49,500,000) fully paid ordinary shares of Rs 10 each

Equity held 50% (2019: 50%)

474,520

469,054

497,009

493,491

- 11.3 The Parent Company's investment in IGI Holdings Limited is less than 20% but it is considered to be an associate as per the requirement of IAS 28 'Investments in Associates' because the Parent Company has significant influence over the financial and operating policies through representation on the board of directors of IGI Holdings Limited.

12. Other long-term investments

Quoted

Nestle Pakistan Limited

3,649,248 (2020: 3,649,248) fully paid ordinary shares of Rs 10 each

Equity held 8.05% (2020: 8.05%)

Market value - Rs. 21,347.736 million (2019: 24,322.274 million)

12.1 & 12.2

21,347,736

24,322,274

Unquoted

Pakistan Tourism Development Corporation Limited

2,500 (2020: 2,500) fully paid ordinary shares of Rs 10 each

25

25

Orient Match Company Limited

1,900 (2019: 1,900) fully paid ordinary shares of Rs 100 each

-

-

Coca-Cola Beverages Pakistan Limited

500,000 (2020: 500,000) fully paid ordinary shares of Rs 10 each

Equity held 0.0185% (2020: 0.0185%)

5,000

5,000

21,352,761

24,327,299

- 12.1** Nestle Pakistan Limited is an associated undertaking under the Companies Act, 2017. However, for the purpose of measurement, this has been classified as available for sale investment as the Group does not have a significant influence over its operations.
- 12.2** As of March 31, 2021, an aggregate of 1,600,000 (2020: 1,600,000) shares of Nestle Pakistan Limited having market value of Rs 9,359.840 million (2020: 10,664.016 million) have been pledged in favour of HBL Pakistan against financing facilities obtained from HBL Pakistan. Out of aggregate shares pledged, 182,000 (2020: 182,000) shares are pledged against issuance of standby letter of credit in favour of HBL Bahrain as referred to in note 8.1 (iii) and the remaining 1,418,000 shares (2020: 1,418,000) are pledged against the short term borrowings of the Company and long term loans of the wholly-owned subsidiary, Packages Convertors Limited.

13. Revenue from goods and services

Local sale of goods and services
Export sales

Less: Sales tax
Trade discounts
Commission

Revenue from goods and services

Three month period ended	
March 31, 2021 (Rupees in thousand)	March 31, 2020 (Rupees in thousand)
22,502,823	18,855,293
456,689	368,744
22,959,512	19,224,037
3,109,917	2,615,898
170,000	114,482
2,948	2,511
3,282,865	2,732,891
19,676,647	16,491,146

14. Cost of sales and services

Raw materials consumed
Salaries, wages and amenities
Travelling and conveyance
Fuel and power
Production supplies consumed
Rent, rates and taxes
Insurance
Repairs and maintenance
Packing expenses
Depreciation on operating fixed assets
Amortization of intangible assets
Technical fee and royalty
Other expenses

Opening work-in-process
Closing work-in-process

Opening stock of finished goods
Closing stock of finished goods

Three month period ended	
March 31, 2021 Un-audited (Rupees in thousand)	March 31, 2020 Un-audited (Rupees in thousand)
9,440,525	7,556,172
1,151,898	1,158,725
4,298	10,994
1,506,651	1,602,899
391,217	308,637
60,006	43,640
57,960	50,577
348,475	277,438
274,099	227,236
930,372	1,031,817
4,376	3,863
38,810	43,200
318,421	312,571
14,527,108	12,627,769
1,208,809	1,197,511
(921,955)	(736,059)
14,813,962	13,089,221
4,678,237	4,546,110
(4,070,752)	(4,071,267)
15,421,447	13,564,064

15. Transactions and balances with related parties

		Three month period ended	
		March 31, 2021 Un-audited	March 31, 2020 Un-audited
		(Rupees in thousand)	
Relationship with the Group	Nature of transactions		
(i) Associates	Purchase of goods and services	559,402	327,489
	Sale of goods and services	6,481	3,640
	Insurance premium paid	206,273	196,012
	Rental and other income	7,681	7,418
	Insurance claims received	2,285	5,876
	Commission earned	-	1,567
(ii) Joint ventures	Purchase of goods and services	106,349	69,040
	Sale of goods and services	39,452	39,539
	Rental and other income	1,118	1,084
	Dividend income	12,375	-
(iii) Other related parties	Purchase of goods and services	283,008	248,808
	Sale of goods and services	50,842	71,371
	Rental and other income	462	1,547
	Royalty and technical fee - expense	21,180	14,215
	Commission earned	648	55
	Commission expense	218	237
	Donations	34,184	16,957
(iv) Retirement benefit obligations	Expenses charged in respect of retirement plans	52,666	84,476
(v) Key management personnel	Salaries and other employee benefits	12,149	31,597

All transactions with related parties have been carried out on mutually agreed terms and conditions.
There are no transactions with key management personnel other than under the terms of employment.

	March 31, 2021 Un-audited (Rupees in thousand)	December 31, 2020 Audited
Period-end balances		
Receivable from related parties		
Associates	193,939	99,070
Joint ventures	34,466	31,244
Other related parties	7,061	11,924
Payable to related parties		
Associates	324,929	223,902
Joint venture	47,629	47,946
Other related parties	646,278	621,088
Retirement benefit obligations	40,597	38,768

These are in the normal course of business and are interest free.

16. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Paper and Paperboard		Real estate		Unallocated		Total	
	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,	March 31,
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
(R u p e e s i n t h o u s a n d)														
Revenue from external customers	10,414,341	8,817,616	1,760,881	1,592,260	1,291,647	1,103,606	5,349,321	4,131,539	806,454	821,226	54,003	24,899	19,676,647	16,491,146
Intersegment revenue	264,251	192,246	-	-	271,236	234,636	1,249,664	1,047,957	2,484	2,226	-	4,743	1,787,635	1,481,808
	10,678,592	9,009,862	1,760,881	1,592,260	1,562,883	1,338,242	6,598,985	5,179,496	808,938	823,452	54,003	29,642	21,464,282	17,972,954
Segment profit / (loss) before tax	800,597	442,641	288,662	208,749	259,909	127,197	1,013,917	(153,229)	123,174	(7,167)	623,062	(227,462)	3,109,321	390,729
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
Segment assets	22,123,140	20,387,100	2,727,319	2,756,080	3,289,536	2,988,716	25,722,386	25,772,238	11,801,970	12,773,266	34,452,442	37,182,507	100,116,793	101,859,907

Reconciliation of profit

	March 31,	March 31,
	2021	2020
	Un-audited	Un-audited
(Rupees in thousand)		
Profit for reportable segments	3,109,321	390,729
Profit / (loss) from associates and joint ventures - net of dividends	8,705	(76,503)
Intercompany consolidation adjustments	(837,670)	(73,299)
Profit before tax	2,280,356	240,927

17. Cash generated from operations

Profit before tax	2,280,356	240,927
Adjustments for non-cash items:		
Depreciation on owned assets	761,159	848,883
Depreciation on right-of-use assets	77,581	46,826
Depreciation on investment properties	212,007	211,082
Amortization on intangible assets	7,480	8,766
Provision for accumulating compensated absences	146,912	207,075
Provision for retirement benefits	118,005	178,755
Amortization of deferred income	(12,405)	-
Profit on disposal of operating fixed assets	(128)	(17,608)
Finance costs	645,050	1,036,762
Amortization of deferred government grant	(52,573)	-
Amortisation of govt. grant- Expense portion	-	-
Provision against pending claims	932	25,917
Net impairment losses on financial assets	22,862	72,148
Liabilities no longer payable written back	-	(6,410)
Exchange adjustments - net	(24,280)	188,124
Share of (profits) / losses of associates and joint ventures accounted for using the equity method	(21,080)	76,503
Profit before working capital changes	4,161,878	3,117,750

Effect on cash flow due to working capital changes

Increase in trade debts	(2,692,463)	(1,541,757)
(Increase)/decrease in stores and spares	(87,903)	121,038
Decrease / (increase) in stock-in-trade	446,523	(1,474,884)
(Increase)/decrease in loans, advances, deposits, prepayments and other receivables	(582,612)	68,439
Decrease in trade and other payables	1,701,579	3,186,202
	(1,214,876)	359,038
	2,947,002	3,476,788

18. Cash and cash equivalents

Cash and bank balances	1,097,971	287,588
Finances under markup arrangements - secured	(8,947,692)	(11,413,138)
	(7,849,721)	(11,125,550)

19. Financial risk management

19.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim unaudited consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2020.

There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2020.

19.2 Fair value estimation

a) Fair value hierarchy

The different levels for fair value estimation used by the Group have been explained as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed above. The following table presents the Company's significant financial assets measured and recognised at fair value at March 31, 2021 and December 31, 2020 on a recurring basis:

As at March 31, 2021	Un-audited			
	Level 1	Level 2 (Rupees in thousand)	Level 3	Total
Assets				
<i>Recurring fair value measurement</i>				
Investments - FVOCI	21,347,736	-	5,025	21,352,761
Liabilities	-	-	-	-

As at December 31, 2020	Audited			
	Level 1	Level 2	Level 3	Total
Rupees in thousand				
Assets				
<i>Recurring fair value measurement</i>				
Investments - FVOCI	24,322,274	-	5,025	24,327,299
Liabilities	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

20. Detail of subsidiaries

Name of the subsidiaries	Accounting year end	Percentage of holding	Country of incorporation
Anemone Holdings Limited	December 31	100.00%	Mauritius
Bulleh Shah Packaging (Private) Limited	December 31	100.00%	Pakistan
Chantler Packages Inc.	December 31	72.07%	Canada
DIC Pakistan Limited	December 31	54.98%	Pakistan
Flexible Packages Converters (Proprietary) Limited	December 31	63.50%	South Africa
Linnaea Holdings Inc.	December 31	79.07%	Canada
Packages Convertors Limited	December 31	100.00%	Pakistan
Packages Investments Limited	December 31	100.00%	Pakistan
Packages Lanka (Private) Limited	December 31	79.07%	Sri Lanka
Packages Power (Private) Limited	December 31	100.00%	Pakistan
Packages Real Estate (Private) Limited	December 31	75.16%	Pakistan

21. Impact of COVID-19 (Corona virus)

The pandemic of COVID-19 that has rapidly spread across the world has not only endangered human lives but has also adversely impacted the global economy.

In Pakistan, the Government announced a temporary lock down as a measure to reduce the spread of the COVID-19. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, Packages Limited and its local subsidiaries continue to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business.

The pandemic has affected the operations of Flexible Packages Convertors (Pty) Limited and Packages Lanka (Private) Limited which yielded lower profitability as extensive lock-downs measures were implemented in Sri Lanka as well as in South Africa. They were able to obtain permission to run a limited operation for production and distribution of essential items, ensuring compliance to health and hygiene requirements for prevention of COVID – 19 virus during the lockdown period, which increased the costs as well.

The Group management established a crisis management team which analysis the situation on daily basis and taking prompt actions to implement all possible preventive measures to counter coronavirus and to ensure continuity of business operations.

22. Date of authorization for issue

These condensed interim unaudited consolidated financial statements were authorized for issue on April 23, 2021 by the Board of Directors of the Parent Company.

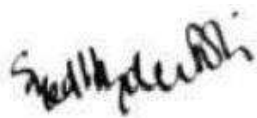
23. Events after the balance sheet date

The Board of Directors (BOD) of the Parent Company has proposed a final cash dividend for the year ended December 31, 2020 of Rs 22.5 per share (2019: Rs 12.00 per share), amounting to Rs 2,011,039 million (2019: Rs 1,072.554 million) at their meeting held on March 19, 2021 for approval of the members at the annual general meeting to be held on April 30, 2021.

24. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim unaudited consolidated statement of financial position has been compared with the balances of annual consolidated audited financial statements of preceding financial year, whereas, the condensed interim unaudited consolidated profit or loss account, condensed consolidated interim unaudited statement of comprehensive income, condensed interim unaudited consolidated statement of changes in equity and condensed interim unaudited consolidated cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.



Chief Executive



Director



Chief Financial Officer

First Quarter Report

Condensed Interim Financial Statements for
the Three Months Period Ended March 31, 2021
(Unaudited)



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