



FIRST QUARTER REPORT 2022

Condensed Interim Financial Statements for the Three Months Period
Ended March 31, 2022 (Unaudited)



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Board of Directors

Mr. Tawfiq Habib Chinoy
Chairman & Non-Executive Director

Syed Hyder Ali
Chief Executive & Managing Director -
Executive Director

Syed Aslam Mehdi
Executive Director

Mr. Imran Khalid Niazi
Non-Executive Director

Mr. Josef Meinrad Mueller
Non-Executive Director

Syed Shahid Ali
Non-Executive Director

Mr. Tariq Iqbal Khan
Non-Executive Director

Mr. Hasan Askari
Independent Director

Ms. Saba Kamal
Independent Director

Mr. Irfan Mustafa
Independent Director



IT & Digitization Committee

Ms. Saba Kamal
Chairperson

Mr. Irfan Mustafa
Member

Mr. Imran Khalid Niazi
Member

Mr. Asghar Abbas
Member

Mr. Khurram Raza Bakhtayari
Member

Mr. Shaheen Sadiq
Member



Audit Committee

Mr. Hasan Askari
Chairman

Mr. Imran Khalid Niazi
Member

Syed Aslam Mehdi
Member

Syed Shahid Ali
Member

Mr. Tariq Iqbal Khan
Member

Mr. Hammad Ahmed Butt
Secretary



Human Resource Committee

Ms. Saba Kamal
Chairperson

Mr. Tawfiq Habib Chinoy
Member

Syed Hyder Ali
Member

Mr. Josef Meinrad Mueller
Member

Mr. Irfan Mustafa
Member

Mr. Imran Khalid Niazi
Member

Mr. Kaifee Siddiqui
Secretary



Executive Committee

Syed Hyder Ali
Chairman

Syed Aslam Mehdi
Member

Ms. Iqra Sajjad
Secretary

OFFICES

Head Office

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

Web Presence

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Karachi - 75600, Pakistan
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(021) 35378650-51
(021) 35831618, 35833011, 35831664
Fax: (021) 35860251



Legal Advisor

Hassan & Hassan
(Advocates) - Lahore
Orr, Dignam & Co.
Karachi



Chief Financial Officer

Mr. Khurram Raza Bakhtayari



Advisor

Syed Babar Ali



Rating Agency

PACRA



Company Secretary

Ms. Iqra Sajjad



Company Credit Rating

Long-Term: AA
Short-Term: A1+



Auditors

A.F. Ferguson & Co.
Chartered Accountants



Bankers & Lenders

Bank Al-Habib Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Standard Chartered Bank
(Pakistan) Limited
Allied Bank Limited
National Bank Limited
Habib Metropolitan Bank Limited
International Finance corporation (IFC)



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



Handling Desk for Shareholders' Affairs

(Company Shares Department)
Mr. Ubaid Hussain
Tel. (021) 35874049
Fax. (021) 35860251
Email: shares.desk@packages.com.pk

(Share Registrar)
Mr. Zeeshan Akhtar
Tel. (021) 34380101-5
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Email: info.shares@famco.com.pk



DIRECTORS' REVIEW REPORT ON THE CONDENSED INTERIM UN-AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

The Directors of Packages Limited (the 'Company') are pleased to submit to their shareholders, three months review report along with the condensed interim unconsolidated unaudited financial statements of the Company for the three-month period ended March 31, 2022.

COMPANY PERFORMANCE REVIEW

Summarized financial performance is as follows:

	Jan - Mar 2022	Jan – Mar 2021
	(Rupees in million)	
Dividend income	876	782
Rental income	111	98
Operating revenue	987	880
Finance costs	(153)	(38)
Earnings before tax	714	721
Taxation	(31)	(25)
Earnings after tax	683	696
Basic earnings per share – Rupees	7.64	7.79

Packages Limited is operating as a holding company and its performance is determined by the financial performance of its group companies located within & outside Pakistan, which in turn, would be influenced by the general economic environment. Dividend income constitutes major source of income of Packages Limited. As a result, its income pattern will follow dividend distribution pattern of the group companies. The management believes that this corporate structure is conducive to focused management of the group companies and leading to better operating performance.

The Company has earned dividend income from its group companies amounting to Rs. 876 million during the three-month period ended March 31, 2022 as compared to Rs. 782 million during corresponding period of 2021. This resulted in achieving earnings after tax of Rs. 683 million compared to that of Rs. 696 million earned during corresponding period of 2021. Finance cost of the Company has increased by Rs. 115 million during current period mainly due to long term loans availed for the purpose of making new investments which has resulted in slight decline of earnings after tax from PKR 7.79/share to PKR 7.64/share.

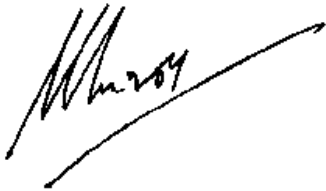
COMPANY'S STAFF AND STAKEHOLDERS

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

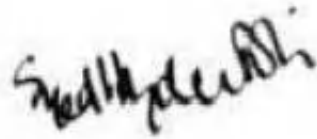
The management also wishes to express its gratitude to all the Company's employees who have worked tirelessly. We appreciate their hard work, loyalty and dedication.

Future Outlook

The Company would continue its efforts to improve shareholders' value by diversification into new investment ventures as well as prudent management of its existing investment portfolio.



Tawfiq Habib Chinoy
(Chairman)
Karachi, April 27, 2022



Syed Hyder Ali
(Chief Executive & Managing Director)
Karachi, April 27, 2022

31 مارچ 2022 ختم ہونے والی سہ ماہی کیلئے ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکجیڈ لمیٹڈ کے ڈائریکٹرز بہت سہ ماہی جائزہ رپورٹ بشمول کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات برائے مدت 31 مارچ 2022 پیش کر رہے ہیں۔

مالیاتی اور آپریشنل کارکردگی

پہلی سہ ماہی	مجموعی	جنوری-مارچ 2021	جنوری-مارچ 2022
		(روپے ملین میں)	
منافع منقسمہ سے آمدنی		782	876
کرائے سے آمدنی		98	111
آپریٹنگ ریونیو		880	987
فنانس کی لاگت		(38)	(153)
آمدنی قبل از ٹیکس		721	714
ٹیکسیشن		(25)	(31)
آمدنی بعد از ٹیکس		696	683
بنیادی آمدنی فی شیئر - روپے		7.79	7.64

پیکجیڈ لمیٹڈ ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور اس کی کارکردگی گروپ کمپنیز جو کہ پاکستان اور اس سے باہر واقع ہیں کی مالی کارکردگی پر منحصر ہے جو کہ عمومی اقتصادی عوامل سے اثر انداز ہوتی ہے۔ کمپنی کے آمدنی بنیادی طور پر منافع منقسمہ پر مشتمل ہے نتیجتاً اسکی آمدن کا پیٹرن اسکے ذیلی اداروں کے منافع منقسمہ کے پیٹرن پر مبنی ہے۔ خیال کیا جا رہا ہے کہ ذیلی اداروں کی کارکردگی کمپنی کے منافع منقسمہ میں بہتری لائے گی۔

کمپنی نے 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے دوران اپنے ذیلی اداروں سے 876 ملین روپے کا منافع منقسمہ حاصل کیا جبکہ 2021 کی اسی مدت کے دوران 782 ملین روپے تھا۔ نتیجتاً 683 ملین روپے کا منافع بعد از ٹیکس حاصل ہوا جو کہ 2021 میں اسی مدت کے دوران 696 ملین روپے تھا۔ موجودہ مدت کے دوران کمپنی کی فنانس لاگت میں 115 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ سرمایہ کاری کے لئے طویل مدتی قرضہ جات کا حصول تھا جس سے آمدنی فی شیئر 7.79 فی شیئر سے کم ہو کر 7.64 فی شیئر ہو گئی ہے۔

کمپنی کا اسٹاف اور اسٹیک ہولڈرز

انتظامیہ کمپنی کے اسٹیک ہولڈرز بالخصوص اپنے صارفین کا 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۔

مستقبل پر نظر

کمپنی نئی سرمایہ کاری اور موجودہ سرمایہ کاری پورٹ فولیو کے بہتر انتظام کے ذریعے شیئر ہولڈرز کی ویلیو میں بہتری کیلئے اپنی کوششیں جاری رکھے گی۔

(سید حیدر علی)

سید حیدر علی
(چیف ایگزیکٹو اور فنانس ڈائریکٹر)
کراچی، 27 اپریل 2022

(غنی حنیف چانے)

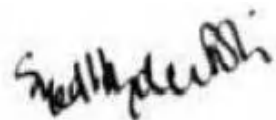
غنی حنیف چانے
(چیئر مین)
کراچی، 27 اپریل 2022

PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	March 31,	December 31,		Note	March 31,	December 31,
		2022	2021			2022	2021
		Un-audited	Audited			Un-audited	Audited
		(Rupees in thousand)				(Rupees in thousand)	
EQUITY AND LIABILITIES				ASSETS			
CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised share capital				Property, plant and equipment	8	222,077	187,388
150,000,000 (December 31, 2021: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000	Investment properties		1,437,607	1,457,966
22,000,000 (December 31, 2021: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000	Intangible assets		1,969	2,096
Issued, subscribed and paid up share capital				Investments	9	48,433,729	46,922,876
89,379,504 (December 31, 2021: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795	Long term security deposits		5,125	5,125
8,186,842 (December 31, 2021: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222			50,100,507	48,575,451
Other reserves		43,952,102	42,350,898				
Revenue reserve: Un-appropriated profits		3,740,137	4,307,565				
		49,192,256	48,158,480				
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Long term finances	6	3,682,650	2,482,650	Loans, advances, deposits, prepayments and other receivables		1,613,335	1,048,472
Long term advances		19,173	7,703	Income tax receivable		2,871,178	2,913,086
Deferred taxation		69,483	94,483	Short term investments		150,000	235,000
Employee retirement benefits		619,505	600,570	Cash and bank balances		759,639	368,165
Deferred liabilities		56,926	52,043			5,394,152	4,564,723
		4,447,737	3,237,449				
CURRENT LIABILITIES							
Current portion of non-current liabilities		-	8,927				
Short term borrowings - secured		-	21,136				
Trade and other payables		1,535,219	1,497,811				
Unclaimed dividend		57,605	58,875				
Accrued finance cost		261,842	157,496				
		1,854,666	1,744,245				
CONTINGENCIES AND COMMITMENTS							
	7						
		55,494,659	53,140,174			55,494,659	53,140,174

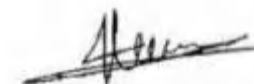
The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated unaudited financial statements.



Chief Executive Officer



Director



Chief Financial Officer

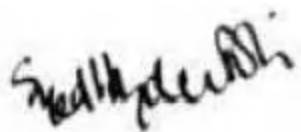
PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

for the three-month period ended March 31, 2022

	Note	Three months ended	
		March 31, 2022	March 31, 2021
		Un-audited (Rupees in thousand)	Un-audited
Dividend income	10	875,717	782,429
Rental income		110,925	97,662
Operating revenue		986,642	880,091
Administrative expenses		(160,901)	(131,809)
Net (impairment) / reversal of impairment on financial assets		(1,771)	2,129
Other expenses		(769)	(28,195)
Other income		43,038	37,190
Operating profit		866,239	759,406
Finance cost		(152,667)	(38,367)
Profit before taxation		713,572	721,039
Taxation		(31,000)	(24,513)
Profit for the period		682,572	696,526
Earnings per share	11		
Basic	Rupees	7.64	7.79
Diluted	Rupees	7.28	7.42


The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated unaudited financial statements.



Chief Executive Officer



Director



Chief Financial Officer

PACKAGES LIMITED

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) for the three-month period ended March 31, 2022

	Three months ended	
	March 31, 2022	March 31, 2021
	(Rupees in thousand)	
Profit for the period	682,572	696,526
Other comprehensive income / (loss) :		
<i>Items that may be reclassified subsequently to profit or loss:</i>	-	-
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Change in fair value of investments held at fair value through other comprehensive income ('FVOCI')	351,204	(2,974,538)
Other comprehensive income / (loss) for the period	351,204	(2,974,538)
Total comprehensive income / (loss) for the period	1,033,776	(2,278,012)

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated unaudited financial statements.

Chief Executive Officer

Director

Chief Financial Officer

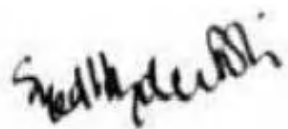
PACKAGES LIMITED

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

for the three-month period ended March 31, 2022

	Issued, subscribed and paid up share capital		Reserves				Capital and reserves	
	Ordinary share capital	Preference shares / convertible stock	Capital reserves		Revenue reserves		Total	
			Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	Total
(Rupees in thousand)								
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 income / (loss) 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
Balance as at January 1, 2022 (audited)	893,795	606,222	3,766,738	16,908,827	1,615,000	20,060,333	4,307,565	48,158,480
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,250,000	(1,250,000)	-
Total comprehensive income for the period ended March 31, 2022								
Profit for the period	-	-	-	-	-	-	682,572	682,572
Other comprehensive income for the period	-	-	-	351,204	-	-	-	351,204
	-	-	-	351,204	-	-	682,572	1,033,776
Balance as on March 31, 2022 (un-audited)	893,795	606,222	3,766,738	17,260,031	1,615,000	21,310,333	3,740,137	49,192,256

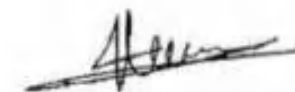
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Chief Executive Officer



Director



Chief Financial Officer

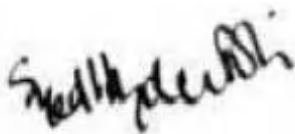
PACKAGES LIMITED

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

for the three-month period ended March 31, 2022

	Note	Three months ended	
		March 31, 2022	March 31, 2021
		Un-audited	Un-audited
		(Rupees in thousand)	
Cash flows from operating activities			
Cash used in operations	13	(19,419)	(65,920)
Finance cost paid		(48,321)	(16,639)
Income tax paid		(14,092)	(17,753)
Payments for accumulated compensated absences		(67)	(1,286)
Employee retirement benefits paid		(1,444)	(1,432)
Dividends received		399,982	1,104,249
Net cash inflow from operating activities		316,639	1,001,219
Cash flows from investing activities			
Fixed capital expenditure		(30,663)	(37,411)
Investments made in debt and equity securities		(1,074,649)	-
Long term advances - net		2,543	(1,029)
Proceeds from disposal of property, plant and equipment		10	4,239
Net cash outflow from investing activities		(1,102,759)	(34,201)
Cash flows from financing activities			
Proceeds from long term finances		1,200,000	-
Dividend paid		(1,270)	(992)
Net cash inflow / (outflow) from financing activities		1,198,730	(992)
Net increase in cash and cash equivalents		412,610	966,026
Cash and cash equivalents at the beginning of the period		347,029	(326,482)
Cash and cash equivalents at the end of the period	14	759,639	639,544

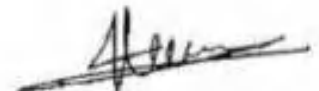
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Chief Executive Officer



Director



Chief Financial Officer

PACKAGES LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED

FINANCIAL STATEMENTS (UN-AUDITED)

for the three-month period ended March 31, 2022

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 Shahrāh-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

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.

The Company is an investment holding company and the principal activity of the Company is to manage investments in subsidiary companies, associated companies and joint ventures which are engaged in various businesses including manufacturing of packaging materials, tissue, 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. Consequently, the dividend and rental income of the Company is disclosed as a part of operating revenue.

2. Basis of preparation

2.1 Statement of compliance

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 (the 'Act'); and
- ii) Provisions of and directives issued under the Act

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

2.2 These condensed interim unconsolidated financial statements are un-audited and do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 In order to comply with the requirements of the International Accounting Standard 34, the condensed interim unconsolidated statement of financial position has been compared with the balances of annual financial statements of the immediately 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 cashflows have been compared with the balances of comparable period of the immediately preceding financial year.

2.4 These condensed interim unconsolidated financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

3. Significant accounting policies

3.1 The accounting policies and methods of computation adopted in the preparation of this 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, 2021, except for the adoption of new and amended standards as set out in note 3.2.1.

3.2. 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:

3.2.1. 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, 2022, 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.

3.2.2. 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, 2023, 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. Accounting estimates

The preparation of these condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing these condensed interim unconsolidated financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Company for the year ended December 31 2021, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 4.1

4.1. Taxation

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. SECP vide its certificate dated July 30, 2019, has registered the Company, Bulleh Shah Packaging (Private) Limited ('BSPLL'), Packages Investments Limited ('PIL') and Packages Convertors Limited ('PCL') (together the 'Group') as a Group and has also, vide its certificate dated November 6 2019, designated the Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequent to the filing of declaration for group taxation for the tax year 2022 by the Company, the Group will be taxed as one fiscal unit for the tax year 2022.

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes. 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. Seasonality of operations

The principal activity of the Company is to manage investments including in its subsidiary and associated companies. Revenue of the Company mainly comprises of dividend income which is dependent on the profitability and the decisions of directors and shareholders of the investee companies regarding the declaration and approval of dividends and interest income. Whereas the majority of costs of the Company are fixed and hence are more evenly spread throughout the year.

6. Long term finances

		March 31, 2022	December 31, 2021
		Un-audited	Audited
(Rupees in thousand)			
Preference shares / convertible stock - unsecured	- note 6.1	932,650	932,650
Long term loans - secured		2,750,000	1,550,000
		<u>3,682,650</u>	<u>2,482,650</u>

6.1. Preference shares / convertible stock - unsecured

During the year 2009, the Company issued 10.00% local currency non-voting preference shares / convertible stock at the rate of Rs 190 per share amounting to USD 50 million equivalent to Rs 4,120.50 million under "Subscription Agreement" dated March 25, 2009 with International Finance Corporation ('IFC').

Terms of redemption / conversion

Each holder of preference shares / convertible stock shall have a right to settle at any time, at the option of holder, either in the form of fixed number of ordinary shares, one ordinary share for one preference share / convertible stock, or cash. The Company may, on its discretion, refuse to purchase the preference shares / convertible stock offered to it for purchase in cash. In case of refusal by the Company, preference shareholders shall have the right to either retain the preference shares / convertible stock or to convert them into ordinary shares. The preference shares / convertible stock can be held till perpetuity if preference shareholders do not opt for the conversion or cash settlement.

Rate of return

The preference share / convertible stock holders have a preferred right of return at the rate of 10.00% per annum on a non-cumulative basis till the date of settlement of preference shares / convertible stock either in cash or ordinary shares. In case the amount of dividend paid to an ordinary shareholder exceeds that paid to a preference shareholder, the preference shareholders have the right to share the excess amount with the ordinary shareholders on an as-converted basis.

Preference shares / convertible stock are recognised in the condensed interim unconsolidated statement of financial position as follows:

	March 31, 2022	December 31, 2021
	Un-audited	Audited
	(Rupees in thousand)	
Face value of preference shares / convertible stock [8,186,842 (December 31, 2021: 8,186,842) shares of Rs 190 each]	1,555,500	1,555,500
Transaction costs	(16,628)	(16,628)
	1,538,872	1,538,872
Equity component - classified under capital and reserves	(606,222)	(606,222)
Liability component - classified under long term finances	932,650	932,650
Accrued return on preference shares / convertible stock - classified under accrued markup	193,905	155,550

The fair value of the liability component of the preference shares / convertible stock is calculated by discounting cash flows at a rate of approximately 16.50% till perpetuity which represents the rate of similar instrument with no associated equity component. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity as preference shares / convertible stock.

6.2 The Company has also signed a loan agreement with 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 interim unconsolidated financial statements.

Mark up will be charged at the rate of London Inter-bank Offer Rate ('Libor') plus 2% from the date of disbursement. However, finance cost amounting to Rs 7.09 million (March 31, 2021 : Nil) has been recognised during the period on account of supervision and commitment fees on the undisbursed amount of facility availed from IFC as referred above.

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 year ended December 31, 2022, except for the following:

- (i) 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 1.250 million equivalent to Rs 226.937 million (2021: USD 1.250 million equivalent to Rs 220.642 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.
- (ii) The banks have issued the following guarantees on Company's behalf in favour of:
 - Sui Northern Gas Pipelines Limited against gas supply for Packages Limited amounting to Rs 7.50 million (December 31, 2021: Rs 7.50 million).
 - Shell Pakistan Limited against fuel cards amounting to Rs 2.0 million (December 31, 2021: Rs 2.0 million).
 - Director Excise and Taxation against customs clearing amounting to Rs 54.00 million (December 31, 2021: Rs 54.00 million).
 - Sindh High Court against stay order proceedings amounting to Rs 12.580 million (December 31, 2021: Rs 12.580 million).
 - Lahore Electric Supply Company against electricity supply for Packages Limited amounting to Rs 35.60 million (December 31, 2021: Rs 35.60).
- (iii) In respect of tax year 2021, an order dated March 31, 2022 had been issued by the Officer Inland Revenue, ('OIR') and a demand amounting to Rs 307.80 million has been raised under sections 161,205 and 182 of the Income Tax Ordinance 2001. The tax authorities have raised the demand primarily on account of non withholding of the income tax.

Being aggrieved by the decision of OIR, the Company decided to file an appeal before CIR-Appeals ('CIR-A') on grounds that the order of OIR is erred in holding the appellant as an "Assessee-In-Default" for not withholding tax on payments of salaries which are below taxable slab and pertain to the reimbursements for employees travelling & conveyance expenses and professional tax etc.

Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these condensed interim unconsolidated financial statements.

- (iv) In respect of tax periods from January 2019 to December 2019, the DCIR, through his order number 3/146/2021-22 dated February 28, 2022 has created a demand of Rs 515.70 million in respect of disallowance of input tax claimed by the Company, alleged default on charging of output sales tax and default on withholding of General Sales Tax along with penalty and default surcharge thereon.

Being aggrieved by the decision of DCIR, the Company decided to file an appeal before CIR-Appeals ('CIR-A') on grounds that the order of the DCIR is bad in law and erred due to : not following the due process for the conduct of audit under section 25 of the Sales Tax Act 1990, not considering the correct facts of the proceedings for the conduct of the audit despite the identification of the submissions available on record at various occasions during the proceedings and due to wrong applicability of various provisions of the Sales tax Act 1990.

Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these condensed interim unconsolidated financial statements.

7.2. Commitments in respect of

- (i) Letter of credit and contracts for other than capital expenditure is Rs. 18.025 million (2021: Rs. 24.768)

8. Property, plant and equipment

		March 31,	December 31,
		2022	2021
		Un-audited	Audited
(Rupees in thousand)			
Operating fixed assets	- note 8.1 & 8.2	187,250	167,138
Capital work-in-progress	- note 8.3	34,827	20,250
		222,077	187,388

8.1. Operating fixed assets

Opening net book value		167,138	160,895
Additions during the period / year	- note 8.1.1	24,564	40,981
Disposals during the period / year at net book value		-	20,215
Depreciation charged during the period / year		4,452	14,523
		4,452	34,738
Closing net book value		187,250	167,138

8.1.1. Additions during the period / year

		March 31,	December 31,
		2022	2021
		Un-audited	Audited
(Rupees in thousand)			
Leasehold land		-	175
Other equipment (computers, lab equipment and other office equipment)		2,718	4,722
Furniture and fixtures		47	-
Vehicles		21,799	36,084
		24,564	40,981

8.2 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 these unconsolidated financial statements. Moreover, the Court has further decided that the land shall be sold as an industrial land 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 30 million (2021: Rs 27.5 million) in respect of rent for the year from January 2022 to March 2022. The management is confident that the final amount of rent will be in congruence with the provision made in these condensed interim unconsolidated financial statements, inter alia based on the fair value determined by the independent valuers and the relevant facts and circumstances.

8.3. Capital work-in-progress

	March 31,	December 31,
	2022	2021
	Un-audited	Audited
	(Rupees in thousand)	
Civil works	1,185	-
Others	33,642	20,250
	34,827	20,250

9. Investments

Opening balance	46,922,876	46,186,404
Add: Investments made during the period / year - note 9.1	1,159,650	3,488,149
Changes in the fair value of equity investments at FVOCI	351,204	(3,428,541)
Reversal of impairment loss on equity instruments of associate	-	676,864
Closing balance	48,433,730	46,922,876

9.1. Investments made in related parties during the period / year

Anemone Holdings Limited	-	409,405
Tri-Pack Films Limited - note 9.1.1	1,159,650	1,578,744
StarchPack (Private) Limited	-	1,500,000
	1,159,650	3,488,149

9.1.1 In addition to the shares acquired on December 31, 2021 as mentioned in note 21.1.5 of the annual financial statements, the Company, on February 15, 2022 acquired 7,500,000 shares from Mitsubishi Corporation pursuant to the Share Purchase Agreement at a negotiated purchase price of Rs 154.62/share amounting to Rs 1,159.65 million (excluding transaction costs) which represents 19.33% of shareholding in Tri-pack Films Limited (TPFL).

The Company now has a total shareholding of 69.26% in TPFL and based on the concept of 'control' as stipulated in the International Financial Reporting Standard (IFRS) -10 'Consolidated Financial Statements', the Company concludes that since the Company has more than 50% voting rights in Tri-Pack Films Limited - and based on the number of representation on TPFL's Board of Directors, the Company has the ability to exercise control over TPFL. Accordingly, the Company is deemed to be the Parent company of TPFL.

9.2 As of March 31, 2022, an aggregate of 2,630,000 (December 31, 2021: 1,600,000) shares of Nestle Pakistan Limited having market value of Rs 15,058.039 million (December 31, 2021: 1,0664.016 million) have been pledged in favour of Habib Bank Limited Pakistan and Allied Bank Limited.

10. Dividend income

	Three months ended	
	March 31	March 31
	2022	2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Dividend income from related parties - note 10.1	875,717	782,429

10.1. Dividend income from related parties

DIC Pakistan Limited	274,908	-
Bulleh Shah Packaging (Private) Limited	100,452	519,950
Packages Converters Limited	399,982	250,104
Omyapack (Private) Limited	24,750	12,375
Packages Real Estate (Private) Limited	75,625	-
	875,717	782,429

		Three-month period ended	
		Mar 31, 2022	Mar 31, 2021
		Un-audited	Un-audited
11.	Earnings per share		
	Basic earnings per share		
Profit for the period	Rupees in thousand	682,572	696,526
Net profit attributable to ordinary shareholders	Rupees in thousand	682,572	696,526
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Basic earnings per share	Rupees	7.64	7.79
	Diluted earnings per share		
Profit for the period	Rupees in thousand	682,572	696,526
Return on preference shares / convertible stock - net of tax	Rupees in thousand	27,232	27,232
		709,804	723,758
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Weighted average number of notionally converted preference shares / convertible stock	Number	8,186,842	8,186,842
		97,566,346	97,566,346
Diluted earnings per share	Rupees	7.28	7.42

12. Transactions and balances with related parties

The related parties comprise of subsidiaries, joint ventures, associates, group companies, key management personnel including directors, related parties on the basis of common directorship 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 2022	March 31 2021
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	28	571
	Sale of goods and services	-	1,536
	Dividend income	850,967	770,054
	Rental income and others	107,608	92,120
	Management and technical fee	24,659	20,515
ii. Joint ventures	Dividend income	24,750	12,375
iii. Associates	Insurance claims received	12,450	8,279
	Investment made	1,159,650	-
	Rental income and others	990	2,480
iv. Retirement obligations	Expense charged in respect of defined benefit plans	29,494	18,869
v. Key management	Salaries and other employee benefits	5,885	12,149
vi. Other related party	Donations made	-	28,195

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

Period / year end balances

	March 31 2022	March 31 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Receivable from related parties		
- Subsidiaries	626,377	349,061
- Joint ventures	2,516	1,114
- Associates	51,574	26,615
Payable to related parties		
- Subsidiaries	8,543	4,591
- Associates	4,833	4,335
- Other related party	25,994	1,934
- Retirement benefit obligations	5,639	5,422

13. Cash flow information

13.1. Cash generated from operations

	Three months ended	
	March 31	March 31
	2022	2021
	Un-audited	Un-audited
(Rupees in thousand)		
Profit before taxation	713,572	721,039
Adjustments for non-cash items:		
- Depreciation on owned assets	4,452	3,404
- Depreciation on investment properties	11,879	11,242
- Amortisation on intangible assets	129	129
- Provision for accumulating compensated absences	4,950	4,650
- Provision for retirement benefits	20,379	9,421
- Profit on disposal of operating fixed asset	(10)	(87)
- Exchange adjustment net	769	(6,505)
- Finance cost	152,667	38,367
- Net impairment / (reversal) of impairment on financial assets	1,771	(2,129)
- Reversal of provision against pending claims	-	3,184
- Dividend income	(875,717)	(782,429)
Profit before working capital changes	34,841	286
Effect on cash flow due to working capital changes		
- (Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(90,899)	24,917
- Increase / (decrease) in trade and other payables	36,639	(91,123)
	(54,260)	(66,206)
	(19,419)	(65,920)

14. Cash and cash equivalents

	March 31	
	2022	2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Cash and bank balances	759,639	639,544

15. Financial risk management

15.1. 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, 2021.

There have been no significant changes in the risk management policies since the year ended December 31, 2021.

15.2. 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, 2022 and December 31, 2021 on a recurring basis:

As at March 31, 2022	Un-audited			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Assets				
Recurring fair value measurements				
Investments - FVOCI	21,244,937	-	5,025	21,249,962
Liabilities				
	-	-	-	-
As at December 31, 2021	Audited			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Assets				
Recurring fair value measurements				
Investments - FVOCI	20,893,733	-	5,025	20,898,758
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.

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

16. Date of authorisation for issue

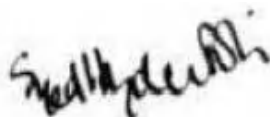
These condensed interim unconsolidated financial statements were authorised for issue on April 27, 2022 by the Board of Directors of the Company.

17. Events after the balance sheet date

The Board of Directors (BOD) has proposed a final cash dividend for the year ended December 31, 2021 of Rs 27.5 per share (2020: Rs 22.50 per share), amounting to Rs 2,457,039 million (2020: Rs 2,011.050 million) at their meeting held on March 29, 2022 for approval of the members at the annual general meeting to be held on April 29, 2022.

18. Corresponding figures

Corresponding figures have been re-arranged and reclassified wherever necessary, for the purpose of comparison and better presentation and for better collaboration with the principle activities of the Company as detailed in note 1. However, the effects of any such re-arrangement and reclassification are not material.



Chief Executive Officer



Director



Chief Financial Officer

DIRECTORS' REVIEW REPORT ON THE CONDENSED INTERIM UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

The Directors of Packages Limited (the 'Parent Company') take pleasure in presenting the condensed interim un-audited consolidated financial statements of the Group for the first quarter ended March 31, 2022.

Comparison of the un-audited consolidated results of the first quarter ended March 31, 2022 as against March 31, 2021 is as follows:

	Jan- Mar 2022	Jan- Mar 2021
	(Rupees in million)	
Invoiced sales – net	26,915	19,677
Profit from operations	3,626	2,904
Finance costs	(1,061)	(645)
Share of profit in associates and joint venture – net of tax	36	21
Net gain on acquisition of Tri-Pack Films	1,994	-
Profit before taxation	4,595	2,280
Taxation	(752)	(557)
Profit after tax	3,843	1,723

We are pleased to report that the core manufacturing operations have shown a significantly improved performance in a challenging and competitive environment. During the first quarter of 2022, the Group has achieved net sales of Rs. 26,915 million against net sales of Rs. 19,677 million achieved during corresponding period of last year representing sales growth of 37% with an operating profit of Rs 3,626 million as compared to Rs 2,904 million generated during corresponding period last year, mainly on account of revenue growth, cost controls and acquisition of Tri-Pack Films Limited ('TPFL').

On February 15, 2022, the transaction of acquiring 7,500,000 shares (representing 19.33% shareholding) of TPFL from Mitsubishi Corporation was completed. The Parent Company now owns 69.26% in TPFL resulting in becoming a subsidiary of Packages Limited and is therefore included within the Consolidated Financial Statements. From the revenue of the current period, a 44-day revenue of Rs 3,512 million, is included in the revenue of the Group after inter-group adjustments. During the current period - the profit after tax of the Group, includes Rs 56 million from the acquisition of TPFL. Identified assets acquired, liabilities assumed or incurred of TPFL have been carried at fair value at the latest reporting date i.e., December 31, 2021, and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a net gain under business combination amounting to Rs 1,994 million recognised in the financial statements of the Group. This amount is provisional as management is in the process of determining the fair value of assets and liabilities as at the date of acquisition i.e., February 15, 2022.

The Group's finance cost has increased by Rs 195 million which is mainly attributable to increased bench-mark 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 ('PCL') is an un-listed public limited subsidiary of Packages Limited. The Parent Company, on July 1, 2020, transferred its manufacturing operations to PCL after getting all the requisite approvals from the regulatory authorities. As a result, the operations of Converting Business have now become part of PCL. The Company has achieved net sales of Rs 9,873 during the first quarter of the year 2022 as compared to Rs. 7,304 million in the comparable period for the prior year. The Company has generated profit before tax of Rs. 1,087 million during the first quarter of the year 2022 as compared to Rs 720 million during the prior year of the same period. The improved performance of the company relates to improved cost control measures and effective manipulation of the price-volume sensitivity.

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 net sales of Rs. 9,852 million during the first quarter of 2022 as compared to Rs 9,372 million during 2021 representing sales growth of 5%. The Company has recorded profit before tax of Rs 1,123 million during the current period as compared to the profit before tax of Rs 1,350 million in corresponding period last year. The decreased profitability is on

account of increased finance cost and effect of exchange losses. The Company is focusing on further improving operating results through better cost control measures, product diversification and better product mix to translate the increase in revenue to an increase in the profit.

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. 2,083 million during the first quarter of the year 2022 as compared to Rs. 1,563 million of the corresponding period of last year, representing sales growth of 33%. The Company has generated profit before tax of Rs. 269 million during the first quarter of the year 2022 as against Rs. 260 million generated during the corresponding period of 2021 primarily due to a growth in revenue.

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 2022, the Company has achieved net sales of SLR 767 million as compared to SLR 648 million in the corresponding period of last year. The Company has generated profit before tax of SLR 85 million during the first quarter of the year 2022 as against loss before tax of SLR 29 million generated during corresponding period of 2021. The improved performance of the company relates to improved cost control measures and effective manipulation of the price-volume sensitivity.

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 2022, the company achieved net sales of ZAR 156 million as compared to ZAR 148 million of the corresponding period of last year. The Company has recorded loss before tax of ZAR 7.0 million in first quarter of 2022 as compared to loss before tax of ZAR 7.6 million during the corresponding period of last year. 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. The principle activity of the Company is to operate a real estate project titled "Packages Mall". The Company has achieved net sales of Rs 1,017 million during the first quarter of 2022 as compared to Rs 809 million achieved during the corresponding period of last year. The Company has recorded a profit before tax of Rs 221 million as against Rs 123 million achieved during first quarter of last year on account of effective marketing campaigns and improved situation of Global Pandemic of Covid-19.

Tri-Pack Films Limited

It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. The Company has achieved net sales of Rs 5,565 million during the first quarter of 2022 as compared to sales of Rs 4,717 million achieved during the corresponding period of last year, representing sales growth of 18%. The Company has recorded a profit before tax of Rs 340 million as against Rs 509 million achieved during first quarter of last year mainly on account of feedstock availability, pricing situation and resultant one-off gains recorded in first quarter of last year.

COMPANY'S STAFF AND STAKEHOLDERS

The management is thankful to all the Group Company's stakeholders especially for their continuing confidence in its products and services. The management also wishes to express its gratitude to all the Group's employees who have worked tirelessly. We appreciate their hard work, loyalty and dedication.

Future Outlook

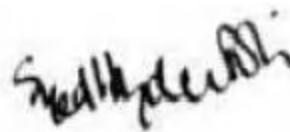
The Group would continue its efforts to improve shareholders' value by diversification into new investment ventures as well as prudent management of its existing investment portfolio with a focus on volumetric growth and effective manipulation of price-volume sensitivity.



(Towfiq Habib Chinoy)

Chairman

Karachi, April 27, 2022



(Syed Hyder Ali)

Chief Executive & Managing Director

Karachi, April 27, 2022

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لئے

ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکجز لمیٹڈ کے ڈائریکٹرز بہ مسرت 31 مارچ 2022 کو ختم ہونے والی سہ ماہی مدت کے لئے گروپ کے غیر آڈٹ شدہ مجموعی مالیاتی معلومات پیش کرنے پر خوشی محسوس کرتے ہیں۔

گروپ کے نتائج

31 مارچ 2022 کو ختم ہونے والی سہ ماہی مدت کے لئے غیر آڈٹ شدہ نتائج کا تقابل 31 مارچ 2021 کے مقابلے میں درج ذیل کے مطابق ہے:

جنوری-مارچ 2021	جنوری-مارچ 2022	
19,677	26,915	انوائسڈ سیلز - خالص
2,904	3,626	آپریٹنگ سے حاصل منافع جات
(645)	(1,061)	فنانس کی لاگت
21	36	منسلکہ اداروں اور مشترکہ منصوبے میں (اخراجات) / منافع کا حصہ - بعد از ٹیکس
-	1,994	کاروباری امتزاج پر خالص منافع
2,280	4,595	منافع قبل از ٹیکس
(557)	(752)	ٹیکسیشن
1,723	3,843	منافع بعد از ٹیکس

ہم با مسرت اطلاع دے رہے ہیں کہ گروپ کے کلیدی مینیجنگ ٹیم نے مشکل اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ 2022 کی پہلی سہ ماہی کے دوران گروپ نے 26,915 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اس مدت کے دوران 19,677 ملین روپے کی خالص سیلز حاصل کی گئی تھی جو کہ 37 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ گروپ نے 3,626 ملین روپے کا آپریٹنگ منافع حاصل کیا جو گزشتہ سال کی اسی مدت میں 2,904 ملین روپے تھا جو کہ بنیادی طور پر ریونیو گروتھ اور مالیات پر کنٹرول اور ڈرائی ٹیک فلیکس لمیٹڈ کے حصول کے باعث ممکن ہوا۔

15 فروری 2022 کو منڈوباشی کارپوریشن سے TPFL کے 7,500,000 حصص (جو کہ 19.33 فیصد کی نمائندگی ظاہر کرتا ہے) حاصل کرنے کا عمل مکمل ہوا۔ پیرنٹ کمپنی اب TPFL میں 69.26 فیصد کی مالک ہے جو کہ اب پیکجز لمیٹڈ کا ذیلی ادارہ بن گیا ہے اسی وجہ سے اسے مجموعی مالیاتی حسابات میں شامل کیا گیا ہے۔ موجودہ مدت کے ریونیو سے 44 دن کار ریونیو جن کہ 3,512 ملین روپے بنتا ہے گروپ میں باہمی ایڈجسٹمنٹ کے بعد گروپ ریونیو میں شامل کیا گیا ہے موجودہ مدت کے دوران گروپ کے منافع بعد از ٹیکس میں TPFL کے حصول سے 56 ملین روپے شامل ہیں۔ قابل شناخت اثاثہ جات اور واجبات کا اندراج مناسب قیمت پر ریورنگ کی تازہ ترین تاریخ 31 دسمبر 2021 کو کیا گیا اور ذیلی ادارے میں ہونے والی سرمایہ کاری کو خریداری کی تاریخ میں اس کی مناسب قیمت پر شمار کیا گیا ہے۔ چنانچہ کاروباری امتزاج کے تحت 1,994 ملین روپے کا خالص فائدہ حاصل ہوا جو کہ گروپ کے مالی حسابات میں تسلیم شدہ ہے یہ رقم عارضی ہے کیونکہ انتظامیہ اثاثوں اور واجبات کی حصول کی تاریخ یعنی 15 فروری 2022 کو قیمت کا تعین میں مصروف عمل ہے۔

گروپ کی فنانس لاگت میں 195 ملین روپے کا اضافہ ہوا جسکی وجہ شرح سود کا موجودہ سال کے دوران اضافہ تھا۔

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

پیکجز کنورٹرز لمیٹڈ

پیکجز کنورٹرز لمیٹڈ پیکجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ادارہ ہے۔ پیرنٹ کمپنی نے یکم جولائی 2020 کو ریویو لٹری حکام سے تمام مطلوبہ منظوری حاصل کرنے کے بعد

اپنے مینوفیکچرنگ آپریشن کو PCL میں منتقل کر دیا ہے۔ جس کے نتیجے میں کنورٹنگ کے کاروبار کے معاملات اب PCL کا حصہ بن چکے ہیں۔ 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے دوران کنورٹنگ کے کاروبار نے 9,873 ملین روپے کی سیلز جو کہ 2021 میں 7,304 ملین روپے تھی اور 1,087 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 میں 720 ملین روپے تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم، پراڈکٹ میں توسیع اور سیز پراڈکٹ کس 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 2022 کے پہلے تین ماہ کے دوران 9,852 ملین روپے کی سیلز حاصل کی جو اس کے مقابلے میں 2021 کے دوران 9,372 ملین روپے تھی۔ جس سے 5 فیصد کی سیلز گروتھ ظاہر ہوتی ہے۔ کمپنی نے موجودہ مدت کے دوران 1,123 ملین روپے کا آپریٹنگ منافع دیکھا۔ جو کہ گزشتہ مدت کے دوران 1,350 ملین روپے تھا۔ کمپنی بلند تر حجم، پراڈکٹ میں توسیع اور پراڈکٹ کس کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ پیکیجنگ لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ بنیادی طور پر صنعتی انکس (inks) کی تیاری، پروسیڈنگ اور سیلز میں مصروف عمل ہے۔ کمپنی نے سال 2022 کے پہلے تین ماہ کے دوران 2,083 ملین روپے کی خالص سیلز حاصل کی۔ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 1,563 ملین روپے تھیں جو 33 فیصد کی سیلز گروتھ کو ظاہر کرتی ہے۔ کمپنی نے 2022 کی موجودہ مدت کے دوران 269 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو 2021 کی اسی مدت میں 260 ملین روپے تھا جس کی بنیادی وجہ ریونیو میں اضافہ تھا۔

پیکیجنگ لٹکا (پرائیویٹ) لمیٹڈ

پیکیجنگ لٹکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم پیکیجنگ لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجنگ کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے تین ماہ کے دوران 767 ملین سری لنکن روپے کی سیلز حاصل کی جو گزشتہ سال کی اسی مدت میں 648 ملین سری لنکن روپے تھی۔ کمپنی نے سال 2022 کے پہلے تین ماہ میں 85 ملین سری لنکن روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 کی اسی مدت کے دوران 29 ملین سری لنکن روپے خسارہ قبل از ٹیکس تھا۔ جو کہ طے کردہ مالیات پر بہتر کنٹرول اور قیمت اور حجم میں ترتیب کے تحت ممکن ہوا۔

فلکس ایبل پیکیجنگ کنورٹرز (پروپرائٹری) لمیٹڈ

فلکس ایبل پیکیجنگ کنورٹرز (پروپرائٹری) لمیٹڈ جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجنگ میٹریل کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے تین ماہ کے دوران 156 ملین زار (ZAR) کا خالص سیلز ریونیو حاصل کیا جو گزشتہ سال کی اسی مدت میں 148 ملین زار (ZAR) تھا۔ کمپنی کا خسارہ قبل از ٹیکس 2022 کے پہلے تین ماہ میں 7 ملین زار (ZAR) تھا جو گزشتہ سال کی اسی مدت میں 7.6 ملین زار (ZAR) تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم اور قیمتوں میں ترتیب کے ذریعے آپریٹنگ نتائج کی بہتری پر توجہ دے گی۔

پیکیجنگ رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجنگ رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکیجنگ 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 ”پیکیجنگ مال“ کے نام سے ایک پراجیکٹ آپریٹ کر رہا ہے۔ کمپنی نے پہلے تین ماہ 2022 کے دوران 1,017 ملین روپے کی آمدن حاصل کی جو کہ 2021 کے اسی عرصہ کے دوران 809 ملین روپے تھی۔ اس نے موجودہ مدت 2022 کے دوران 221 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ 2021 میں 123 ملین روپے تھا جس کی بنیادی وجہ موثر مارکیٹنگ اور کووڈ-19 کی عالمی وبائی صورت حال میں بہتری تھی۔

ٹرائی پیک فلمز لمیٹڈ

ٹرائی پیک فلمز لمیٹڈ بنیادی طور پر ہائی اگزیٹو پالی پروپیلین (BOPP) فلمز اور کاسٹ پالی پروپیلین (CPP) فلم کی تیاری اور فروخت میں مصروف عمل ہے۔ کمپنی نے 2022 کی پہلی سہ ماہی کے دوران 5,565 ملین روپے کی سیلز حاصل کی جو کہ گزشتہ سال کی اسی مدت کے دوران 4,717 ملین روپے تھی۔ جو کہ 18 فیصد اضافہ کو ظاہر کرتا ہے کمپنی نے موجودہ مدت کے دوران 340 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 509 ملین روپے تھا۔ جسکی بنیادی وجہ فیڈ اسٹاک کی دستیابی، قیمتوں کی صورت حال اور اسکے نتیجے میں گزشتہ سال کی پہلی سہ ماہی میں درج شدہ فائدہ تھا۔

کمپنی کا اسٹاف اور اسٹیک ہولڈرز

انتظامیہ گروپ کمپنی کے اسٹیک ہولڈرز بالخصوص اپنے صارفین کا 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۔

مستقبل پر نظر

گروپ کمپنی نئی سرمایہ کاری اور موجودہ سرمایہ کاری پورٹ فولیو کے بہتر انتظام کے ذریعے شیئر ہولڈرز کی ویلویو میں بہتری کیلئے اپنی کوششیں جاری رکھے گی۔



سید حیدر علی
(چیف ایگزیکٹو اور اینجنگ ڈائریکٹر)
کراچی، 27 اپریل 2022

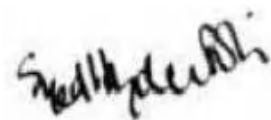


توفیق حبیب چنائے
(چیئرمین)
کراچی، 27 اپریل 2022

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	Note	March 31, 2022	December 31, 2021		Note	March 31, 2022	December 31, 2021
		Un-audited	Audited			Un-audited	Audited
(Rupees in thousand)				(Rupees in thousand)			
EQUITY AND LIABILITIES							
CAPITAL AND RESERVES							
Authorised capital							
150,000,000 (2021: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000				
22,000,000 (2021: 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 (2021: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795				
8,186,842 (2021: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222				
Other reserves		46,260,102	44,748,580				
Equity portion of loan from shareholder of the Parent Company		277,219	277,219				
Revenue reserve: Un-appropriated profits		12,895,070	10,474,905				
Attributable to owners of the Parent Company		60,932,408	57,000,721				
Non-controlling interests		5,171,991	2,025,433				
TOTAL EQUITY		66,104,399	59,026,154				
NON-CURRENT LIABILITIES							
Long term finances	6	20,067,845	15,270,036				
Lease liabilities		518,501	321,560				
Security deposits		537,873	154,637				
Deferred income		274,656	244,082				
Deferred government grant		493,035	230,419				
Deferred taxation		3,634,208	2,267,881				
Long term advances		93,463	154,738				
Employee retirement benefits		1,331,619	1,214,217				
Deferred liabilities		448,952	378,686				
		27,400,152	20,236,256				
CURRENT LIABILITIES							
Current portion of non-current liabilities		6,386,702	6,285,777				
Short term borrowings - secured		27,188,790	18,666,793				
Trade and other payables		18,427,231	12,647,371				
Unclaimed dividend		75,375	59,238				
Accrued finance cost		1,073,217	770,253				
		53,151,315	38,429,432				
CONTINGENCIES AND COMMITMENTS							
	7	-	-				
		146,655,866	117,691,842				
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	8	46,700,548	31,469,874				
Right-of-use assets		463,413	403,526				
Investment properties		11,357,578	11,270,230				
Intangible assets	9	408,435	383,154				
Investments accounted for using the equity method	10	4,633,663	8,787,331				
Other long term investments	11	21,249,961	20,898,757				
Long term security deposits		158,518	145,216				
Long term loans		2,197	561				
		84,974,313	73,358,649				
CURRENT ASSETS							
Stores and spares		2,804,400	3,170,406				
Stock-in-trade		24,144,296	21,071,871				
Short term investments		1,281,400	2,251,000				
Trade debts		15,219,247	9,843,484				
Loans, advances, deposits, prepayments and other receivables		8,800,807	2,292,705				
Income tax receivable		6,006,801	4,695,577				
Cash and bank balances		3,424,602	1,008,150				
		61,681,553	44,333,193				
		146,655,866	117,691,842				

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



Chief Executive



Director

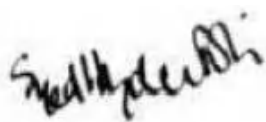


Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

	Note	Three-month period ended	
		March 31, 2022	March 31, 2021
(Rupees in thousand)			
Revenue	12	26,915,391	19,676,647
Cost of sales and services	13	(21,231,585)	(15,421,447)
Gross profit		5,683,806	4,255,200
Administrative expenses		(810,668)	(649,046)
Distribution and marketing costs		(1,049,750)	(780,848)
(Impairment losses) / reversal of impairment losses on financial assets		(15,249)	1,828
Other expenses		(341,020)	(8,747)
Other income		158,454	85,939
Share of net profit of associates and joint ventures accounted for using equity method		36,388	21,080
Profit from operations		3,661,961	2,925,406
Finance costs		(1,060,663)	(645,050)
Gains and losses relating to business combination	21	1,993,632	-
Profit before taxation		4,594,930	2,280,356
Taxation		(751,902)	(557,353)
Profit for the period		3,843,028	1,723,003
Profit attributable to:			
Equity holders of the Parent Company		3,670,165	1,643,769
Non-controlling interests		172,863	79,234
		3,843,028	1,723,003
Earnings per share attributable to equity holders of the Parent Company during the period			
Basic	Rupees	41.06	18.39
Diluted	Rupees	38.01	17.24

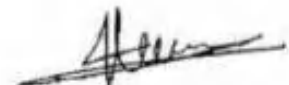
The annexed notes 1 to 24 form an integral part of these condensed interim unaudited consolidated financial statements.



Chief Executive



Director

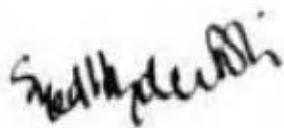


Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

	Three-month period ended	
	March 31, 2022 (Rupees in thousand)	March 31, 2021
Profit for the period	3,843,028	1,723,003
Other comprehensive profit / (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')	351,204	(2,974,539)
	351,204	(2,974,539)
Items that might be reclassified subsequently to profit or loss:		
Net exchange differences on translation of foreign operations	(112,529)	(108,018)
Share of other comprehensive (loss) of associates and joint ventures accounted for using equity method - net of tax	(6,383)	(316,839)
	(118,912)	(424,857)
Other comprehensive profit / (loss) for the period	232,292	(3,399,396)
Total comprehensive profit / (loss) for the period	4,075,320	(1,676,393)
Total comprehensive profit / (loss) attributable to:		
Owners of the Parent Company	3,931,687	(1,720,121)
Non-controlling interests	143,633	43,728
	4,075,320	(1,676,393)

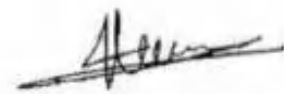
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Chief Executive



Director

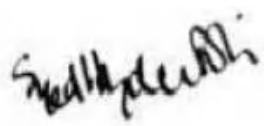


Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

	Attributable to owners of the Parent Company													Non-controlling interests	Total equity
	Issued, subscribed and paid up capital		Reserves							Capital and reserves					
			Capital reserves				Revenue reserves			Total					
	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				
	(Rupees in thousand)														
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															
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,643,769	1,643,769	79,434	1,723,003	
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	
Balance as on January 1, 2022 (audited)	893,795	606,222	3,766,738	(136,089)	16,908,826	2,453,119	80,653	277,219	1,615,000	20,060,333	10,474,905	57,000,721	2,025,433	59,026,154	
Appropriation of reserves															
Transferred to general reserve	-	-	-	-	-	-	-	-	-	1,250,000	(1,250,000)	-	-	-	
Transactions with owners recognized directly in equity															
Dividend relating to 2021 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(250,101)	(250,101)	
Acquisition of Subsidiary - note 23															
	-	-	-	-	-	-	-	-	-	-	-	-	3,253,026	3,253,026	
Total comprehensive income / (loss) for the period ended March 31, 2022															
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,670,165	3,670,165	172,863	3,843,028	
Other comprehensive income / (loss) for the period	-	-	-	(83,299)	351,204	(6,383)	-	-	-	-	-	261,522	(29,230)	232,292	
	-	-	-	(83,299)	351,204	(6,383)	-	-	-	-	3,670,165	3,931,687	143,633	4,075,320	
Balance as on March 31, 2022 (un-audited)	893,795	606,222	3,766,738	(219,388)	17,260,030	2,446,736	80,653	277,219	1,615,000	21,310,333	12,895,070	60,932,408	5,171,991	66,104,399	

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



Chief Executive



Director

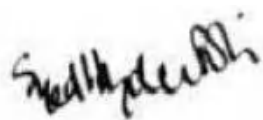


Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

	Note	Three-month period ended	
		March 31, 2022	March 31, 2021
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	17	1,801,223	2,947,002
Finance cost paid		(750,117)	(840,299)
Income tax paid		(827,344)	(221,484)
Long term security deposits - net		98,509	33,880
Payments for accumulating compensated absences		(17,429)	(148,595)
Retirement benefits paid		(17,478)	(78,478)
Net cash inflow from operating activities		287,364	1,692,026
Cash flows from investing activities			
Fixed capital expenditure		(3,079,441)	(487,094)
Proceeds from maturity of investments		969,600	800,000
Acquisitions under business combination, net of cash and cash equivalents		(6,587,613)	-
Long term loans and deposits - net		(8,555)	2,406
Proceeds from disposal of property, plant and equipment		319,926	18,873
Dividends received		-	12,375
Long term advances - net		(50,665)	8,366
Net cash (outflow) / inflow from investing activities		(8,436,748)	354,926
Cash flows from financing activities			
Proceeds from long term finances - secured		3,732,191	32,232
Repayment of long term finances - secured		(1,406,526)	(476,934)
Repayment of lease liabilities		(30,059)	(130,014)
Dividend paid to equity holders of the Parent Company		(1,666)	(992)
Dividend paid to non-controlling interest		(250,101)	-
Net cash inflow / (outflow) from financing activities		2,043,839	(575,708)
Net (decrease) / increase in cash and cash equivalents		(6,105,545)	1,471,244
Cash and cash equivalents at the beginning of the period		(17,658,643)	(9,320,965)
Cash and cash equivalents at the end of the period	18	(23,764,188)	(7,849,721)


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 LIMITED AND ITS SUBSIDIARIES
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022

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'), StarchPack (Private) Limited ('SPAC'), Flexible Packages Convertors (Proprietary) Limited ('FPCL') and Tri-Pack Films Limited ('TPFL') (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
Real estate:	Representing all types of construction activities and development of real estate
Paper and paperboard:	Representing manufacture and sale of paper and paperboard
Plastics:	Representing manufacture and sale of BOPP & CPP films

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.

The Parent Company is an investment holding company and the principal activity of the Parent Company is to manage investments in subsidiary companies, associated companies and joint ventures which are engaged in various businesses including manufacturing of packaging materials, tissue, 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.

- 1.1.** In addition to the shares acquired on December 31, 2021 as mentioned in note 21.1.5 of the annual unconsolidated financial statements, the Parent Company - on February 15, 2022, acquired 7,500,000 shares from Mitsubishi Corporation pursuant to the Share Purchase Agreement at a negotiated purchase price of Rs 154.62/share amounting to Rs 1,159.65 million (excluding transaction costs) which represents 19.33% of shareholding in Tri-pack Films Limited ('TPFL').

The Parent Company now has a total shareholding of 69.26% in TPFL and based on the concept of 'control' as stipulated in the International Financial Reporting Standard (IFRS) -10 'Consolidated Financial Statements', the Parent Company concludes that since the Parent Company has more than 50% voting rights in Tri-Pack Films Limited - and based on the number of representation on TPFL's Board of Directors, the Parent Company has the ability to exercise control over TPFL.

2. Basis of preparation

2.1. Statement of compliance

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 (the 'Act'); and
- ii) Provisions of and directives issued under the Act

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.

- 2.2.** These condensed interim consolidated financial statements are un-audited. These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2021. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual financial statements.
- 2.3.** In order to comply with the requirements of the International Accounting Standard 34, the condensed interim consolidated statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.
- 2.4.** These condensed interim consolidated financial statements are presented in Pakistan Rupee which is also the Parent Company's functional currency.

3. Significant accounting policies

The accounting policies and methods of computation 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, 2021, except for the adoption of new and amended standards as set out in note 3.1.1.

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, 2022, 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, 2023 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. Accounting estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Group for the year ended December 31 2021, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5

5. Taxation

Income tax comprises of current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. SECP vide its certificate dated July 30, 2019, has registered the Parent Company, Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Investments Limited ('PIL') and Packages Convertors Limited ('PCL') (together the 'Group') as a Group and has also, vide its certificate dated November 6 2019, designated the Group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. Consequent to the filing of declaration for group taxation for the tax year 2022 by the Company, the Group will be taxed as one fiscal unit for the tax year 2022.

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes. 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 consolidated statement of profit or loss in the period in which they arise.

6. Long term finances

	Note	March 31, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
Local currency loans - secured	6.1	25,435,530	19,864,696
Foreign currency loans - secured	6.2	463,783	484,081
		25,899,313	20,348,777
Preference shares / convertible stock - unsecured		932,650	932,650
		26,831,963	21,281,427
Current portion shown under current liabilities		(6,224,902)	- 5,731,138
Closing balance of deferred Government grant		(539,216)	(280,253)
		20,067,845	15,270,036
6.1. Local currency loans - secured			
Opening balance		19,864,696	17,383,798
Disbursements during the period / year		3,732,191	4,858,109
		23,596,887	22,241,907
Repayments during the period / year		(1,375,886)	(2,377,211)
Acquisition of subsidiary - TPFL		3,214,529	-
Closing balance		25,435,530	19,864,696
6.2. Foreign currency loans - secured			
Opening balance		484,081	1,161,021
Disbursements during the period / year		-	-
		484,081	1,161,021
Repayments during the period / year		(30,640)	(729,502)
Exchange adjustment on opening balances		10,342	52,562
Closing balance		463,783	484,081

7. Contingencies and commitments

7.1. Contingencies

- 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 1.250 million equivalent to Rs 226.937 million (2021: USD 1.250 million equivalent to Rs 220.642 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.
- Letters of guarantees issued to various parties aggregating to Rs 1,065,266 million (2021: Rs 1,097.260 million).
- In respect of tax year 2021, an order dated March 31, 2022 had been issued by the Officer Inland Revenue, ('OIR') and a demand amounting to Rs 307.80 million has been raised under sections 161,205 and 182 of the Income Tax Ordinance 2001 against the Parent Company. The tax authorities have raised the demand primarily on account of non withholding of the income tax.

Being aggrieved by the decision of OIR, the Parent Company decided to file an appeal before CIR-Appeals ('CIR-A') on grounds that the order of OIR is erred in holding the appellant as an "Assessee-In-Default" for not withholding tax on payments of salaries which are below taxable slab and pertain to the reimbursements for employees travelling & conveyance expenses and professional tax etc.

Based on the advice of the Parent Company's tax advisor, the management believes that there are meritorious grounds to support the Parent Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these condensed interim consolidated financial statements.

- (iv) In respect of tax periods from January 2019 to December 2019, the DCIR, through his order number 3/146/2021-22 dated February 28, 2022 has created a demand of Rs 515.70 million in respect of disallowance of input tax claimed by the Parent Company, alleged default on charging of output sales tax and default on withholding of General Sales Tax along with penalty and default surcharge thereon.

Being aggrieved by the decision of DCIR, the Parent Company decided to file an appeal before CIR-Appeals ('CIR-A') on grounds that the order of the DCIR is bad in law and erred due to: not following the due process for the conduct of audit under section 25 of the Sales Tax Act 1990, not considering the correct facts of the proceedings for the conduct of the audit despite the identification of the submissions available on record at various occasions during the proceedings and due to wrong applicability of various provisions of the Sales tax Act 1990.

Based on the advice of the Parent Company's tax advisor, the management believes that there are meritorious grounds to support the Parent Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these condensed interim consolidated financial statements.

7.2. Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs 7,774.228 million (2021: Rs 7,629.950 million)
(ii) Letters of credit and contracts for other than capital expenditure Rs 8,612.799 million (2021: Rs 6,791.070 million)

8. Property, plant and equipment

	Note	March 31, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
Operating fixed assets	8.1. & 8.2.	36,418,672	24,371,684
Capital work-in-progress	8.3.	10,112,450	6,939,724
Major spare parts and stand-by equipment		169,426	158,466
		46,700,548	31,469,874

- 8.1. 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 as an industrial land through an open auction with the Parent Company getting the first right of refusal.

The management of the Parent Company 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 30.0 million (2021: Rs 27.5 million) in respect of rent for the period from January 2022 to March 2022. The management is confident that the final amount of rent will be in congruence with the provision made in these condensed interim unaudited consolidated 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

	Note	March 31, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
Opening net book value		24,371,684	24,346,801
Additions during the period / year	8.2.1.	312,180	3,460,588
Transfer in at book value - net		-	(160,014)
		312,180	3,300,574
		24,683,864	27,647,375
Disposals during the period / year at book value		(309,889)	(157,409)
Transfer to investment property		(11,307)	-
Acquisition of subsidiary		13,019,230	-
Depreciation charged during the period / year		(965,987)	(3,165,665)
Exchange adjustment on opening book value - net		2,761	47,383
		11,734,808	(3,275,691)
Closing net book value		36,418,672	24,371,684
8.2.1. Additions during the period / year			
Freehold land		-	51,125
Leasehold Land		-	979
Buildings on freehold land		1,033	19,953
Buildings on leasehold land		-	18,844
Plant and machinery		153,081	2,641,334
Other equipment (computers, lab equipment and other office equipment)		59,466	480,080
Furniture and fixtures		11,648	33,426
Vehicles		86,952	214,847
		312,180	3,460,588

	Note	March 31,	December 31,
		2022	2021
		Un-audited	Audited
		(Rupees in thousand)	
8.3. Capital work-in-progress			
Civil works		517,521	483,802
Plant and machinery		8,577,598	5,870,957
Advances to suppliers		31,735	558,215
Others		985,596	26,750
		10,112,450	6,939,724
9. Intangible assets			
Opening book value		383,154	372,521
Additions during the period / year		-	38,941
Acquisition of subsidiary		6,113	
Amortization charged during the period / year		(8,637)	(31,519)
Exchange difference		27,805	3,211
Closing book value		408,435	383,154
10. Investments accounted for using the equity method			
Investments in associates	10.1.	4,079,762	8,239,595
Investments in joint ventures	10.2.	553,901	547,736
		4,633,663	8,787,331
10.1. Investments in associates			
Cost		4,965,022	4,965,022
Post acquisition share of profits			
Opening balance		3,274,573	2,747,655
Share of profit from associates - net of tax		21,787	429,866
Share of other comprehensive loss - net of tax		(6,383)	(200,615)
Bargain purchase gain		-	176,096
Interest in associate transferred to interest in subsidiary - Tripack Films Limited (at carrying value)	10.4.	(4,175,237)	-
Impairment reversal		-	291,469
Dividends received during the period / year		-	(169,898)
Reversal of impairment on investments in associates		-	-
Closing balance		(885,260)	3,274,573
	10.1.1.	4,079,762	8,239,595
10.1.1. Investment in equity instruments of associates - Quoted			
IGI Holdings Limited, Pakistan			
15,033,041 (2021: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2021: 10.54%)			
Market value - Rs. 2,065,840 million (2021: Rs. 2,909.975 million)	10.3.	4,079,762	4,089,597
Tri-Pack Films Limited, Pakistan			
Nil (2021: 19,371,931) fully paid ordinary shares of Rs 10 each			
Equity held Nil (2021: 49.93%)			
Market value - Nil (2021: Rs. 3,933.470 million)	10.4.	-	4,149,998
		4,079,762	8,239,595
10.2. Investments in joint ventures			
Opening balance		547,736	493,491
Share of profit from joint ventures - net of tax		14,601	67,330
Share of other comprehensive income from joint ventures - net of tax		16,314	4,801
Dividends received during the period / year		(24,750)	(17,886)
Closing balance	10.2.1.	553,901	547,736
10.2.1. Investment in equity instruments of joint ventures - Unquoted			
Plastic Extrusions (Proprietary) Limited, South Africa			
500 (2021: 500) fully paid ordinary shares of ZAR 1 each			
Equity held 50% (2021: 50%)		55,223	38,909
OmyaPack (Private) Limited, Pakistan			
49,500,000 (2021: 49,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 50% (2021: 50%)		498,678	508,827
		553,901	547,736

- 10.3.** 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.
- 10.4.** As mentioned in note 1.1 of these condensed interim consolidated financial statements, the Parent Company acquired the business of TPFL during the period and accordingly, the business combination has been accounted for as per the acquisition method of accounting. The cost of acquisition has been measured at the cash payment made by the Parent Company against the purchase of shares as well as the fair value of the pre-existing equity interest in the associate (at the date of transaction) and the non-controlling interest acquired. Identified assets acquired, liabilities assumed or incurred have been carried at fair value at the latest reporting date i.e. December 31, 2021 and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a net gain under business combination amounting to Rs 1,993.637 million recognised in the financial statements of the Group. This amount is provisional as management is in the process of determining the fair value of assets and liabilities. For the details of the Business Combination, please refer note 21 of these condensed interim consolidated financial statements.

11. Other long-term investments

Quoted

Nestle Pakistan Limited

3,649,248 (2021: 3,649,248) fully paid ordinary shares of Rs 10 each
Equity held 8.05% (2021: 8.05%)
Market value - Rs. 21,244.936 million (2021: 20,893.733 million)

Unquoted

Pakistan Tourism Development Corporation Limited

2,500 (2021: 2,500) fully paid ordinary shares of Rs 10 each

Orient Match Company Limited

1,900 (2021: 1,900) fully paid ordinary shares of Rs 100 each

Coca-Cola Beverages Pakistan Limited

500,000 (2021: 500,000) fully paid ordinary shares of Rs 10 each
Equity held 0.0185% (2021: 0.0185%)

	March 31, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
	21,244,936	20,893,732
	25	25
	-	-
	5,000	5,000
	21,249,961	20,898,757

12. Net Operating Revenue

Local sales of goods and services

Export sales

Less: Sales tax
Trade discounts
Commission

Net Operating Revenue

	Three-month period ended	
	March 31, 2022 (Rupees in thousand)	March 31, 2021
	30,343,356	22,502,823
	1,100,569	456,689
	31,443,925	22,959,512
	4,303,219	3,109,917
	221,741	170,000
	3,574	2,948
	4,528,534	3,282,865
	26,915,391	19,676,647

13. Cost of sales and services

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

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

Opening stock of finished goods
Closing stock of finished goods

	12,653,812	9,440,525
	1,423,947	1,151,898
	9,827	4,298
	2,186,763	1,506,651
	362,076	391,217
	70,995	60,006
	68,932	57,960
	325,062	348,475
	298,803	274,099
	766,597	930,372
	6,544	-
	5,021	4,376
	221,589	-
	50,870	38,810
	368,261	318,421
	18,819,099	14,527,108
	1,300,807	1,208,809
	(957,521)	(921,955)
	19,162,385	14,813,962
	5,327,376	4,678,237
	(3,258,176)	(4,070,752)
	21,231,585	15,421,447

		Three-month period ended	
		March 31, 2022	March 31, 2021
		(Rupees in thousand)	
14. Earnings per share			
Basic earnings per share			
Profit for the period	Rupees in thousand	3,670,165	1,643,769
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Basic earnings per share	Rupees	41.06	18.39
Diluted earnings per share			
Profit for the period	Rupees in thousand	3,670,165	1,643,769
Return on preference shares / convertible stock - net of tax	Rupees in thousand	38,355	38,355
		3,708,520	1,682,124
Weighted average number of ordinary shares	Number	89,379,504	89,379,504
Weighted average number of notionally converted preference shares / convertible stock	Number	8,186,842	8,186,842
		97,566,346	97,566,346
Diluted earnings per share	Rupees	38.01	17.24

15. Transactions and balances with related parties

Relationship with the Group	Nature of transactions		
(i) Associates	Purchase of goods and services	24,714	559,402
	Sale of goods and services	2,810	6,481
	Insurance premium paid	355,652	206,273
	Rental and other income	4,675	7,681
	Insurance claims received	3,152	2,285
	Management and technical fee - income	5,700	-
	Dividend paid	25,000	-
(ii) Joint ventures	Purchase of goods and services	104,059	106,349
	Sale of goods and services	2,326	39,452
	Rental and other income	1,138	1,118
	Dividend income	24,750	12,375
(iii) Other related parties	Purchase of goods and services	554,785	283,008
	Sale of goods and services	70,173	50,842
	Rental and other income	545	462
	Royalty and technical fee - expense	16,654	21,180
	Commission earned	215	648
	Commission expense	-	218
	Donations	-	34,184
(iv) Retirement benefit obligations	Expenses charged in respect of retirement plans	116,158	52,666
(v) Key management personnel	Salaries and other employee benefits	123,411	12,149

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, 2022	December 31, 2021
	Un-audited	Audited
	(Rupees in thousand)	
Period-end balances		
Receivable from related parties		
Associates	5,524,956	63,592
Joint ventures	65,881	106,149
Other related parties	14,597	17,002
Payable to related parties		
Associates	100,710	216,405
Joint venture	54,438	55,816
Other related parties	310,422	338,325
Retirement benefit obligations	41,757	41,163

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

17. **Cash flow information**

17.1. **Cash generated from operations**

	Three-month period ended	
	March 31, 2022	March 31, 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before tax	4,594,930	2,280,356
Adjustments for non-cash items:		
Depreciation on owned assets	965,987	761,159
Depreciation on right-of-use assets	89,634	77,581
Depreciation on investment properties	212,614	212,007
Amortization on intangible assets	8,637	7,480
Provision for accumulating compensated absences	56,824	146,912
Provision for retirement benefits	49,606	118,005
Amortization of deferred income	(14,882)	(12,405)
Profit on disposal of operating fixed assets	(10,037)	(128)
Finance costs	1,060,663	645,050
Amortization of deferred government grant	(11,006)	(52,573)
Provision against pending claims	-	932
Net impairment losses on financial assets	(15,249)	22,862
Exchange adjustments - net	(134,013)	(24,280)
Bargain purchase gain	(1,993,633)	-
Share of profits of associates and joint ventures accounted for using the equity method	(36,388)	(21,080)
Profit before working capital changes	4,823,687	4,161,878
Effect on cash flow due to working capital changes		
Increase in trade debts	(2,203,977)	(2,692,463)
Decrease / (increase) in stores and spares	366,006	(87,903)
Decrease in stock-in-trade	1,139,981	446,523
Increase in loans, advances, deposits, prepayments and other receivables	(5,814,283)	(582,612)
Increase in trade and other payables	3,489,809	1,701,579
	(3,022,464)	(1,214,876)
	1,801,223	2,947,002
18. Cash and cash equivalents		
Cash and bank balances	3,424,602	1,097,971
Finances under markup arrangements - secured	(27,188,790)	(8,947,692)
	(23,764,188)	(7,849,721)
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, 2021.		
There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2021.		
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 Group's significant financial assets measured and recognised at fair value at Marh 31, 2022 and December 31, 2021 on a recurring basis:		

As at March 31, 2022

Assets

Recurring fair value measurement

Investments - FVOCI

Liabilities

	Un-audited			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
Investments - FVOCI	21,244,936	-	5,025	21,249,961
Liabilities	-	-	-	-

As at December 31, 2021

Rupees in thousand

Assets

Recurring fair value measurement

Investments - FVOCI

	Audited			Total
	Level 1	Level 2	Level 3	
Investments - FVOCI	20,893,732	-	5,025	20,898,757
Liabilities	-	-	-	-

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

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

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
StarchPack (Private) Limited	December 31	100.00%	Pakistan
Tri-Pack Films Limited	December 31	69.26%	Pakistan

21. Business combinations

21.1. Acquisition of Tri-Pack Films Limited

On February 15, 2022 the Parent Company acquired control of Tri-Pack Films Limited ("TPFL"), a company principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. The acquisition was made considering the growth potential in the business of the TPFL along with the benefit cost synergies which could be achieved due to the operations of the Group being in line with that of TPFL, providing a significant benefit due to the ability of the management to use their core competencies to further the business of TPFL.

Gains and losses relating to business combination

Gain on bargain purchase	2,090,106
Loss on deemed disposal of previously held equity interest	(81,367)
Acquisition related costs	(15,107)
Gains and losses relating to business combination	1,993,632

The Group recognised a gain on bargain purchase due to the improved performance of TPFL along with the better negotiated purchase price of the equity instruments, which has been recognised in gains and losses relating to business combinations in the consolidated profit and loss account for the period ended March 31, 2022. However this gain is based on provisional figures as mentioned in note 10.4 of these condensed interim consolidated financial statements.

Details of the purchase consideration, the net assets acquired and bargain purchase gain are as follows:

	(Rupees in thousand)
Purchase consideration	
Cash (net of acquisition-related costs)	1,144,543
Fair value of equity interest held in TPFL held before the business combination	4,093,870
Total purchase consideration	5,238,413

The Group recognised a loss of Rs 81,367 million as a result of measuring at fair value its 49.93% equity interest in TPFL held before the business combination. The loss has been recognised in gains and losses relating to business combinations in the consolidated statement of profit and loss for the period ended March 31, 2022.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Carrying amounts as at February 15, 2022	Fair value and other adjustments	Fair value as at February 15, 2022
(Rupees in thousand)			
Assets			
Property, plant and equipment	6,819,202	7,019,090	13,838,292
Right-of-use asset	44,047	(8,509)	35,538
Intangible assets	6,113	-	6,113
Long term loans and deposits	6,383	-	6,383
Inventories & Stores and spares	4,212,406	-	4,212,406
Trade debts	3,131,787	-	3,131,787
Loans, advances, deposits, prepayments and other receivables	693,819	-	693,819
Income tax receivable	1,432,997	-	1,432,997
Cash and bank balances	233,623	-	233,623
	16,580,377	7,010,581	23,590,958

	Carrying amounts as at February 15, 2022	Fair value and other adjustments	Fair value as at February 15, 2022
	(Rupees in thousand)		
Liabilities			
Long term finances - secured	2,606,160	-	2,606,160
Deferred income - Government grant	151,545	-	151,545
Lease liability	33,003	938	33,941
Deferred taxation	375,775	1,187,767	1,563,542
Retirement benefits	85,274	-	85,274
Deferred liabilities	30,871	-	30,871
Trade and other payables	2,331,459	-	2,331,459
Unclaimed dividend	17,803	-	17,803
Accrued finance cost	68,810	-	68,810
Finances under mark-up arrangements - secured	5,661,586	-	5,661,586
Current portion of long-term lease liability	3,335	(1,737)	1,598
Current portion of long term finances - secured	456,824	-	456,824
	11,822,445	1,186,968	13,009,413
Net assets acquired	4,757,932	5,823,613	10,581,545
Non controlling interest acquired (measured at proportionate share of net assets)			(3,253,026)
			7,328,519
Gain on bargain purchase			(2,090,106)

Acquisition-related costs of Rs 15.107 million have been recognised in gains and losses relating to business combinations in the consolidated profit and loss account for the period ended March 31, 2022

The fair value of acquired trade receivables is Rs 3,131.787 million which is equal to its carrying amount. The gross contractual amount for trade receivables due is Rs 3,131.787 million, of which an immaterial amount is expected to be uncollectible. The fair value of all other acquired receivables is also equal to their gross contractual amounts.

The carrying value of identifiable assets acquired and liabilities assumed, except leasehold land, buildings and plant and machinery included in property, plant and equipment, approximate their fair values. The Parent Company has carried fair valuation exercise and incorporated provisional fair value adjustments in these consolidated financial statements based on the fair valuation carried out as at December 31, 2021.

There were no other acquisitions in the period ended March 31, 2021.

The acquired business contributed revenues of Rs 3,511.655 million and net profit of Rs 56.396 million to the Group for the period from February 16, 2022 to March 31, 2022.

If the acquisition had occurred on January 1, 2022, consolidated pro-forma revenue and profit for the period ended March 31, 2022 would have been Rs 28,463.410 million and Rs 3,868.340 million respectively. These amounts have been calculated using TPFL's revenues adjusted for intergroup sales and Group's share of TPFL's total comprehensive income and TPFL's profit before acquisition date.

No measurement period adjustments have been recognised in the consolidated financial statements for the period ended March 31, 2022.

22. Date of authorization for issue

These condensed interim unaudited consolidated financial statements were authorized for issue on April 27, 2022 by the Board of Directors of the Parent Company.

23. Events after the balance sheet date

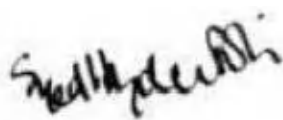
The Board of Directors of the Parent Company (BOD) has proposed a final cash dividend for the year ended December 31, 2021 of Rs 27.5 per share (2020: Rs 22.50 per share), amounting to Rs 2,457,039 million (2020: Rs 2,011.050 million) at their meeting held on March 29, 2022 for approval of the members at the annual general meeting to be held on April 29, 2022.

24. Corresponding figures

Corresponding figures have been re-arranged and reclassified wherever necessary, for the purpose of comparison and better presentation. However, the effects of any such re-arrangement and reclassification are not material.



Chief Executive



Director



Chief Financial Officer

First Quarter Report

Condensed Interim Financial Statements for the Three
Months Period Ended March 31, 2022 (Unaudited)



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