

# FIRST QUARTER REPORT

2023

Condensed Interim Financial Statements  
for the Three Months Period Ended  
March 31, 2023 (Unaudited)



Packages Limited

**CREATING A  
BETTER TOMORROW!**



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# Company Information

## Board of Directors

**Mr. Tawfiq Habib Chinoy**  
(Chairman & Non-Executive Director)

**Syed Hyder Ali**  
(Executive Director)

**Syed Shahid Ali**  
(Non-Executive Director)

**Mr. Hasan Askari**  
(Independent Director)

**Mr. Atif Aslam Bajwa**  
(Non-Executive Director)

**Ms. Saba Kamal**  
(Independent Director)

**Mr. Tariq Iqbal Khan**  
(Non-Executive Director)

**Syed Aslam Mehdi**  
(Executive Director)

**Mr. Josef Meinrad Mueller**  
(Non-Executive Director)

**Mr. Irfan Mustafa**  
(Independent Director)

## Audit Committee

<b>Mr. Hasan Askari</b>	Chairman
<b>Syed Shahid Ali</b>	Member
<b>Mr. Atif Aslam Bajwa</b>	Member
<b>Mr. Tariq Iqbal Khan</b>	Member
<b>Syed Aslam Mehdi</b>	Member
<b>Mr. Hammad Ahmed Butt</b>	Secretary

## Human Resource and Remuneration Committee

<b>Ms. Saba Kamal</b>	Chairperson
<b>Syed Hyder Ali</b>	Member
<b>Mr. Atif Aslam Bajwa</b>	Member
<b>Mr. Tawfiq Habib Chinoy</b>	Member
<b>Mr. Josef Meinrad Mueller</b>	Member
<b>Mr. Irfan Mustafa</b>	Member
<b>Mr. Imran Fazal</b>	Secretary

## IT & Digitalization Committee

<b>Ms. Saba Kamal</b>	Chairperson
<b>Mr. Asghar Abbas</b>	Member
<b>Mr. Khurram Raza Bakhtayari</b>	Member
<b>Mr. Irfan Mustafa</b>	Member
<b>Mr. Shaheen Sadiq</b>	Member
<b>Mr. Faizan Mahmood</b>	Secretary

## Executive Committee

<b>Syed Hyder Ali</b>	Chairman
<b>Syed Aslam Mehdi</b>	Member
<b>Ms. Iqra Sajjad</b>	Secretary

## Advisor to the Board

**Syed Babar Ali**

## Chief Executive Officer and Managing Director

**Syed Hyder Ali**

## Chief Financial Officer

**Mr. Khurram Raza Bakhtayari**

## Company Secretary

**Ms. Iqra Sajjad**

## Rating Agency

**PACRA**

## Company Credit Rating

Long-Term : AA  
Short-Term : A1+

## Auditors

**A.F. Ferguson & Co.**  
Chartered Accountants

## Legal Advisors

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

## Shares Registrar

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

## Handling Desk for Shareholders' Affairs

(Corporate Secretarial Department)

### Mr. Ubaid Hussain

Tel: (021) 35874047-49 Ext: 237  
Email: shares.desk@packages.com.pk

(Share Registrar)

### Mr. Zeeshan Akhtar

Tel: (021) 34380101-5  
Fax: (021) 34380106  
Email: info.shares@famco.com.pk

## Bankers & Lenders

Allied Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Citibank N.A.  
Bank Al-Habib Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
International Finance Corporation (IFC)

## Offices

### Registered Office

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

### Head Office

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

## Web Presence

[www.packages.com.pk](http://www.packages.com.pk)

## DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Directors of Packages Limited (the 'Company') are pleased to submit to its 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, 2023.

### COMPANY PERFORMANCE REVIEW

Summarized financial performance is as follows:

	Jan - Mar 2023	Jan - Mar 2022
	(Rupees in million)	
Dividend income	1,088	876
Rental income	128	111
<b>Operating Revenue</b>	<b>1,216</b>	<b>987</b>
<b>Profit from operations</b>	<b>1,074</b>	<b>866</b>
Finance costs	(198)	(153)
Taxation	(75)	(31)
<b>Earnings after tax</b>	<b>801</b>	<b>683</b>
<b>Basic earnings per share – Rupees</b>	<b>8.96</b>	<b>7.64</b>

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. 1,088 million during the three-month period ended March 31, 2023 as compared to Rs. 876 million during corresponding period of 2022. Finance cost of the Company has increased by Rs 45 million during current period mainly due to increase in interest rates.

This resulted in achieving earnings after tax of Rs. 801 million compared to that of Rs. 683 million earned during corresponding period of 2022.

## COMPANY'S STAFF AND CUSTOMERS

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

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

## FUTURE OUTLOOK

The post-pandemic recovery of the global economy has been impacted by high inflation, aggressive monetary tightening, and uncertainties resulting from the Russia-Ukraine conflict. Pakistan's economy also faces mounting pressures on account of the aforementioned global situation coupled with political instability and uncertainty, trade deficit and depletion of foreign exchange reserves, all leading to significant pressure on the PKR against the US dollar which has adversely affected the availability of raw material and supplies for the operations. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check.

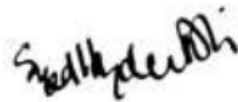
Going forward, the economic outlook is expected to be shaped largely by the the revival of the IMF programme, restoration of political stability, flood relief support from the international community, and support from friendly countries along with the continued implementation of reforms aimed at stabilising the economy.

Given all these challenges, your Company remains focused on minimizing the negative impacts of the same, serving its stakeholders by delivering value; strengthening relationships with customers and suppliers whilst also leveraging its diversified product portfolio to keep pursuing its profitable growth aspirations.



**Towfiq Habib Chinoy**  
(Chairman)

Karachi, April 26, 2023



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

Karachi, April 26, 2023

## شیئر ہولڈرز کو ڈائریکٹرز کی ریویو رپورٹ

پیکجز لمیٹڈ ('کمپنی') کے ڈائریکٹرز اپنے شیئر ہولڈرز کو کمپنی کی سہ ماہی ریویو رپورٹ کے ساتھ 31 مارچ 2023ء کو ختم ہونے والی سہ ماہی کے جامع عبوری غیر مربوط غیر آڈٹ شدہ مالیاتی گوشواروں کو پیش کرنے میں خوشی محسوس کرتے ہیں۔

### کمپنی کی کارکردگی کا جائزہ

مالی کارکردگی کا خلاصہ درج ذیل ہے:

جنوری - مارچ 2022	جنوری - مارچ 2023	
		(روپے ملین میں)
876	1,088	ڈیویڈنڈ کی آمدنی
111	128	کرایہ کی آمدنی
<b>987</b>	<b>1,216</b>	<b>آپریٹنگ آمدنی</b>
<b>866</b>	<b>1,074</b>	<b>آپریٹنگ سے منافع</b>
(153)	(198)	مالی اخراجات
(31)	(75)	ٹیکس
<b>683</b>	<b>801</b>	<b>بعد از ٹیکس آمدنی</b>
<b>7.64</b>	<b>8.96</b>	<b>فی حصص کی بنیادی آمدنی - روپے</b>

پیکجز لمیٹڈ ایک ہولڈنگ کمپنی کے طور پر کام کرتی ہے اور اس کی کارکردگی کا تعین پاکستان کے اندر اور باہر واقع اس کی گروپ کمپنیوں کی مالی کارکردگی سے ہوتا ہے، جو بالآخر عام معاشی حالات سے متاثر ہوگی۔ ڈیویڈنڈ آمدنی پیکجز لمیٹڈ کی آمدنی کا ایک بڑا ذریعہ ہے۔ چنانچہ اس کا طرز آمدنی ماتحت اداروں کے ڈیویڈنڈ کے طرز تقسیم کی پیروی کرے گا۔ یہ تصور کیا جاتا ہے کہ گروپ کمپنیوں کی آپریٹنگ کارکردگی کے نتیجے میں ہولڈنگ کمپنی کو بہتر ڈیویڈنڈ کی ادائیگی ہوگی۔ انتظامیہ کا ماننا ہے کہ کارپوریٹ ڈھانچہ ماتحت اداروں کے مرکوز انتظام کے لئے سازگار ہوگا جو بہتر آپریٹنگ کارکردگی کا باعث بنتا ہے۔

کمپنی نے 31 مارچ 2023ء کو ختم ہونے والی تین ماہ کی مدت کے دوران اپنے گروپ کی کمپنیوں سے 1,088 ملین روپے کا ڈیویڈنڈ منافع حاصل کیا ہے جبکہ 2022ء کے اسی عرصے کے دوران یہ رقم 876 ملین روپے تھی۔ رواں عرصے کے دوران کمپنی کی فنانس لاگت میں 45 ملین روپے کا اضافہ ہوا ہے جس کی بنیادی وجہ شرح سود میں اضافہ ہے۔

اس کے نتیجے میں 801 ملین روپے کی بعد از ٹیکس آمدنی حاصل ہوئی جو 2022 کے اسی عرصے کے دوران 683 ملین روپے تھی۔

## کمپنی کا عملہ اور صارفین

انتظامیہ کمپنی کے حصہ داروں، خاص طور پر اپنے صارفین کی شکر گزار ہے کہ انہوں نے کمپنی کی مصنوعات اور خدمات پر مسلسل اعتماد کا اظہار کیا۔

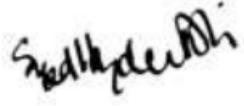
انتظامیہ کمپنی کے ان تمام ملازمین کا بھی شکریہ ادا کرنا چاہتی ہے جنہوں نے انتہک محنت کی ہے۔ ہم ان کی محنت، وفاداری اور لگن کو سراہتے ہیں۔

## مستقبل کا نقطہ نظر

وبائی بیماری کے بعد عالمی معیشت کی بحالی کو افراط زر کی بلند شرح، جارحانہ مالیاتی سختی اور روس - یوکرین تنازعے کے نتیجے میں پیدا ہونے والی غیر یقینی صورتحال نے شدید متاثر کیا ہے۔ پاکستان کی معیشت، جہاں گروپ کے خالص اثاثوں کا سب سے اہم حصہ موجود ہے، مذکورہ بالا عالمی صورتحال کے ساتھ ساتھ سیاسی عدم استحکام اور غیر یقینی صورتحال، تجارتی خسارے اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کی وجہ سے بڑھتے ہوئے دباؤ کا سامنا کر رہی ہے۔ یہ تمام اسباب امریکی ڈالر کے مقابلے میں روپے پر نمایاں دباؤ کا باعث بن رہے ہیں جس نے آپریشنز کے لئے خام مال اور رسد کی دستیابی کو بری طرح متاثر کیا ہے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل استعمال آمدنی کو متاثر کیا ہے اور توقع ہے کہ ان کے اخراجات تنگی کا شکار ہو جائیں۔

آگے بڑھتے ہوئے، توقع ہے کہ معاشی منظر نامہ بہت حد تک آئی ایم ایف پروگرام کی تجدید، سیاسی استحکام کی بحالی، بین الاقوامی برادری کی جانب سے سیلاب سے متعلق امداد اور دوست ممالک کی حمایت کے ساتھ ساتھ استحکام معیشت کے مقصد کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائیگا۔

ان تمام چیلنجز کو مد نظر رکھتے ہوئے گروپ کی انتظامیہ ان چیلنجز کے منفی اثرات کو کم سے کم کرنے، اپنے اسٹیک ہولڈرز کو نفع پہنچاتے ہوئے ان کی خدمت کرنے اور اپنے متنوع پورٹ فولیو سے بھرپور استفادہ کرتے ہوئے اپنی منافع بخش ترقی کی امنگوں کو پورا کرنے پر توجہ مرکوز کیے ہوئے ہے۔



سید حیدر علی  
(چیف ایگزیکٹو آفیسر اور مینجنگ ڈائریکٹر)  
کراچی، 26 اپریل، 2023ء



توفیق حبیب چنائے  
(چیرمین)  
کراچی، 26 اپریل، 2023ء

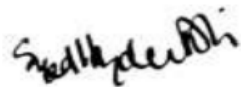


**PACKAGES LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023**

	March 31, 2023	December 31, 2022		March 31, 2023	December 31, 2022
Note	Un-audited	Audited		Un-audited	Audited
	(Rupees in thousand)			(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>		
Authorised share capital			Property, plant and equipment	8	333,012
150,000,000 (December 31, 2022: 150,000,000) ordinary shares of Rs 10 each	<u>1,500,000</u>	1,500,000	Investment properties		1,463,166
22,000,000 (December 31, 2022: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each	<u>4,180,000</u>	4,180,000	Intangible assets		1,583
			Long term investments	9	47,461,472
Issued, subscribed and paid up share capital			Long term security deposits		2,692
89,379,504 (December 31, 2022: 89,379,504) ordinary shares of Rs 10 each	<b>893,795</b>	893,795	Deferred taxation		-
8,186,842 (December 31, 2022: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each	<b>606,222</b>	606,222			4,676
Other reserves	<b>42,517,267</b>	44,128,251			<u>49,297,470</u>
Revenue reserve: Un-appropriated profits	<b>3,620,778</b>	4,320,002			52,383,446
	<b>47,638,062</b>	49,948,270			
<b>NON-CURRENT LIABILITIES</b>					
Long term finances from financial institutions	6	<b>4,045,150</b>	4,045,150		
Long term advances		<b>21,727</b>	19,310		
Deferred taxation		<b>7,324</b>	-		
Employee benefit obligations		<b>787,527</b>	758,526		
Accumulated compensated absences		<b>72,146</b>	67,534		
		<b>4,933,874</b>	4,890,520		
<b>CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>		
Current portion of non-current liabilities		<b>537,500</b>	537,500	Loans, advances, deposits, prepayments and other receivables	<b>2,322,050</b>
Trade and other payables		<b>574,278</b>	538,893	Income tax receivable	<b>2,160,411</b>
Unclaimed dividend		<b>62,818</b>	59,741	Short term investments	<b>90,000</b>
Accrued finance cost		<b>288,014</b>	242,901	Cash and bank balances	<b>164,615</b>
		<b>1,462,610</b>	1,379,035		<b>4,737,076</b>
<b>CONTINGENCIES AND COMMITMENTS</b>					<b>3,834,379</b>
	7	<b>54,034,546</b>	56,217,825		<b>54,034,546</b>
		<b>54,034,546</b>	56,217,825		<b>56,217,825</b>

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



**Chief Executive Officer**



**Director**



**Chief Financial Officer**

# PACKAGES LIMITED

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

for the three-month period ended March 31, 2023

	Note	Three-month period ended	
		March 31, 2023	March 31, 2022
		Un-audited (Rupees in thousand)	Un-audited
Dividend income	10	1,088,346	875,717
Rental income		128,284	110,925
<b>Operating revenue</b>		<b>1,216,630</b>	986,642
Administrative expenses		(189,238)	(160,901)
Net reversal of impairment on financial assets		(12)	(1,771)
Other expenses		(5,371)	(769)
Other incomes		51,678	43,038
<b>Operating profit</b>		<b>1,073,687</b>	866,239
Finance cost		(197,911)	(152,667)
<b>Profit before taxation</b>		<b>875,776</b>	713,572
Taxation		(75,000)	(31,000)
<b>Profit for the period</b>		<b>800,776</b>	682,572
<b>Earnings per share</b>	11		
Basic		Rupees 8.96	7.64
Diluted		Rupees 8.58	7.28

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

Chief Executive Officer

Director

Chief Financial Officer

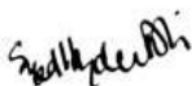
# PACKAGES LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)


for the three-month period ended March 31, 2023

	Three-month period ended	
	March 31, 2023	March 31, 2022
Profit for the period	800,776	682,572
<b>Other comprehensive (loss) / income :</b>		
<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')	(3,110,984)	351,204
<b>Other comprehensive (loss) / income for the period</b>	<b>(3,110,984)</b>	<b>351,204</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(2,310,208)</b>	<b>1,033,776</b>

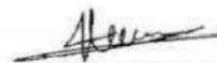
The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



**Chief Executive Officer**



**Director**



**Chief Financial  
Officer**

## PACKAGES LIMITED

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

for the three-month period ended March 31, 2023

	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)							
<b>Balance as on January 01, 2022 (audited)</b>	893,795	606,222	3,766,738	16,908,827	1,615,000	20,060,333	4,307,565	<b>48,158,480</b>
<b>Appropriation of reserves</b>								
Transfer to general reserve	-	-	-	-	-	1,250,000	(1,250,000)	-
<b>Total comprehensive income for the period ended March 31, 2022</b>								
Profit for the period	-	-	-	-	-	-	682,572	<b>682,572</b>
Other comprehensive income for the period	-	-	-	351,204	-	-	-	<b>351,204</b>
	-	-	-	351,204	-	-	682,572	<b>1,033,776</b>
<b>Balance as on March 31, 2022 (un-audited)</b>	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>17,260,031</u>	<u>1,615,000</u>	<u>21,310,333</u>	<u>3,740,137</u>	<b><u>49,192,256</u></b>
<b>Balance as at January 1, 2023 (audited)</b>	893,795	606,222	3,766,738	17,436,180	1,615,000	21,310,333	4,320,002	<b>49,948,270</b>
<b>Appropriation of reserves</b>								
Transfer to general reserve	-	-	-	-	-	1,500,000	(1,500,000)	-
<b>Total comprehensive (loss)/income for the period ended March 31, 2023</b>								
Profit for the period	-	-	-	-	-	-	800,776	<b>800,776</b>
Other comprehensive loss for the period	-	-	-	(3,110,984)	-	-	-	<b>(3,110,984)</b>
	-	-	-	(3,110,984)	-	-	800,776	<b>(2,310,208)</b>
<b>Balance as on March 31, 2023 (un-audited)</b>	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>14,325,196</u>	<u>1,615,000</u>	<u>22,810,333</u>	<u>3,620,778</u>	<b><u>47,638,062</u></b>

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

Chief Executive Officer

Director

Chief Financial Officer

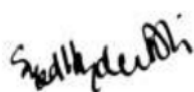
# PACKAGES LIMITED

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

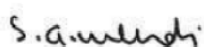
for the three-month period ended March 31, 2023

	Note	Three-month period ended	
		March 31,	March 31,
		2023	2022
		Un-audited	Un-audited
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Cash generated from operations	13	(151,148)	(19,419)
Finance cost paid		(152,798)	(48,321)
Income tax paid		(53,041)	(14,092)
Long term security deposits - net		90	-
Employee benefit obligations paid		(2,563)	(1,444)
Payment for accumulating compensated absences		(202)	(67)
Dividends received		350,000	399,982
Long term advances - net		2,417	2,543
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(7,245)</b>	<b>319,182</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(53,959)	(30,663)
Investments made in equity securities		-	(1,074,649)
Proceeds from maturity of investments		60,000	-
Proceeds from disposal of property, plant and equipment		2,783	10
<b>Net cash inflow/(outflow) from investing activities</b>		<b>8,824</b>	<b>(1,105,302)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finances		-	1,200,000
Unclaimed dividend reverted		3,077	(1,270)
<b>Net cash inflow from financing activities</b>		<b>3,077</b>	<b>1,198,730</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,656</b>	<b>412,610</b>
Cash and cash equivalents at the beginning of the period		159,959	347,029
<b>Cash and cash equivalents at the end of the period</b>	14	<b>164,615</b>	<b>759,639</b>

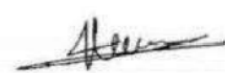
The annexed notes 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# **PACKAGES LIMITED**

## **NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) for the three-month period ended March 31, 2023**

### **1. Legal status and nature of business**

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

The principle activities of the Company are to rent out its land & building and 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, corn-based starch products, pharmaceutical products, insurance, power generation and real estate.

### **2. Basis of preparation**

#### **2.1 Statement of compliance**

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. 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 unconsolidated condensed interim 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, 2022. 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 unconsolidated condensed interim statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.

**2.4** The Company is required to issue consolidated condensed interim financial statements along with its condensed interim separate financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Consolidated condensed interim financial statements are prepared separately.

### **3. Significant accounting policies**

**3.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim 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, 2022, except for the estimation of income tax (note 5) and adoption of new and amended standards as set out in note 3.2

### 3.2. Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting periods beginning on January 01, 2023, 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 unconsolidated condensed interim financial statements

### 3.3. 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, 2024, 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 unconsolidated condensed interim financial statements

## 4. Accounting estimates

The preparation of these unconsolidated condensed interim 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.

In preparing these unconsolidated condensed interim 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 2022, 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 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.

The Securities and Exchange Commission of Pakistan ('SECP') vide its certificate dated July 30, 2019, has registered the 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. On September 23, 2022 SECP altered the composition of the Group to include Starch Pack (Private) Limited ('SPAC'), Packages Power (Private) Limited ('PPL') and Tri Pack Films Limited ('TPFL') as well. Furthermore SECP vide its certificate dated March 01, 2023, has approved the designation of SPAC and PPL for Group Taxation and TPFL for Group Relief.

## 6. Long term finances from financial institutions

		<b>Mar 31, 2023</b>	<b>December 31, 2022</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>(Rupees in thousand)</b>	
Preference shares / convertible stock - unsecured	- note 6.1	932,650	932,650
Long term loans - secured		3,650,000	3,650,000
		4,582,650	4,582,650
Current portion shown under current liabilities		(537,500)	(537,500)
		<u>4,045,150</u>	<u>4,045,150</u>

**6.1** The Company has also signed a loan agreement with IFC on June 12, 2020 which was revised on January 10, 2022 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 unconsolidated condensed interim financial statements.

## 7. Contingencies and commitments

### 7.1. Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Company for the year ended December 31, 2022, except for the following matters. 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 these matters. Consequently, no provision for these amounts has been made in these unconsolidated condensed interim financial statements.

- (i) In respect of sales tax periods from January 2019 to December 2019, the DCIR, through his order No. 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 order of DCIR, the Company has filed an appeal before CIR(A) on various grounds including that the order of the DCIR erred due to 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. During the current period CIR(A) reserved its order in favour of the Company.

- (ii) In respect of sales tax periods from January 2018 to December 2018, the DCIR through his order No. 4/146 dated April 27, 2022 has created a recovery demand of Rs 1,170 million in respect of disallowance of input tax claimed by the Company, alleged default on charging of output sales tax and default on claiming input sales tax along with penalty thereon.

Being aggrieved by the order of DCIR, the Company has filed an appeal before the CIR(A) on the grounds that various sections of input tax have been erroneously applied in disallowing the input tax. Furthermore, input tax related to specific suppliers has been disallowed more than once and alleged as inadmissible. DCIR has also held that sales tax along with further tax be recoverable on categories of fixed assets that were scrapped during the period. During the current period CIR(A) reserved its order in favour of the Company.

### 7.2. Commitments in respect of

- (i) Letter of credit and contracts for other than capital expenditure is Rs. 14.857 million (2022: Rs. 11.559)

## 8. Property, plant and equipment

		<b>Mar 31, 2023</b>	<b>December 31, 2022</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>(Rupees in thousand)</b>	
Operating fixed assets	- note 8.1 & 8.1.1	<b>332,800</b>	330,660
Capital work-in-progress		<b>212</b>	8,213
		<b>333,012</b>	<b>338,873</b>

### 8.1. Operating fixed assets

Opening net book value		<b>330,660</b>	245,410
Additions during the period / year	- note 8.1.1	<b>14,494</b>	220,506
Disposals during the period / year at net book value		<b>2,984</b>	51,757
Depreciation charged during the period / year		<b>9,370</b>	83,499
		<b>12,354</b>	135,256
Closing net book value		<b>332,800</b>	330,660

#### 8.1.1. Additions during the period / year

		<b>Mar 31, 2023</b>	<b>December 31, 2022</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>(Rupees in thousand)</b>	
Other equipment (computers and other office equipment)		<b>452</b>	21,073
Furniture and fixtures		-	47
Vehicles		<b>14,042</b>	199,386
		<b>14,494</b>	<b>220,506</b>



**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 22.500 million (2022: Rs 30.000 million) in respect of rent for the year from January 2023 to March 2023.

		<b>Three months ended</b>	
		<b>March 31</b>	March 31
		<b>2023</b>	2022
		<b>Un-audited</b>	Un-audited
		<b>(Rupees in thousand)</b>	
<b>9.</b>	<b>Long term investments</b>		
	Opening balance	<b>50,572,456</b>	46,922,876
	Add: Investments made during the period / year	-	3,809,348
	Changes in the fair value of equity investments at FVOCI	<b>(3,110,984)</b>	(159,768)
	Closing balance	<b>47,461,472</b>	50,572,456
<b>10.</b>	<b>Dividend income</b>		
	Dividend income from related parties	<b>1,088,346</b>	875,717
			- note 10.1
<b>10.1.</b>	<b>Dividend income from related parties</b>		
	DIC Pakistan Limited	<b>274,908</b>	274,908
	Bulleh Shah Packaging (Private) Limited	<b>350,000</b>	100,452
	Packages Convertors Limited	<b>350,000</b>	399,982
	Omyapack (Private) Limited	-	24,750
	Packages Real Estate (Private) Limited	<b>113,438</b>	75,625
		<b>1,088,346</b>	875,717
<b>11.</b>	<b>Earnings per share</b>		
	<b>Basic earnings per share</b>		
	Net profit attributable to ordinary shareholders	<b>Rupees in thousand</b>	800,776
	Weighted average number of ordinary shares	<b>Number</b>	89,379,504
		<b>8.96</b>	7.64
	Basic earnings per share	<b>Rupees</b>	7.64

**Diluted earnings per share**

Profit for the period	<b>Rupees in thousand</b>	800,776	682,572
Return on preference shares / convertible stock - net of tax	<b>Rupees in thousand</b>	36,821	27,232
		<u>837,597</u>	<u>709,804</u>
Weighted average number of ordinary shares	<b>Number</b>	89,379,504	89,379,504
Weighted average number of notionally converted preference shares / convertible stock	<b>Number</b>	8,186,842	8,186,842
		<u>97,566,346</u>	<u>97,566,346</u>
Diluted earnings per share	<b>Rupees</b>	<u><b>8.58</b></u>	<u>7.28</u>

**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. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. 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-month period ended	
		March 31	March 31
		2023	2022
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	48	28
	Rental income and others	125,186	107,608
	Management and technical fee	13,600	24,659
iii. Associates	Insurance premium paid	19,906	12,450
	Investment made	-	1,159,650
	Rental income and others	1,089	990
iv. Retirement obligations	Expense charged in respect of retirement benefit plans	24,554	29,494
v. Key management personnel	Salaries and other employee benefits	27,488	12,498
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**

	<b>March 31</b>	December 31
	<b>2023</b>	2022
	<b>Un-audited</b>	Audited
	<b>(Rupees in thousand)</b>	
<b>Receivable from related parties</b>		
- Subsidiaries	<b>1,319,824</b>	1,110,620
- Joint ventures	<b>4,964</b>	6,828
- Associates	<b>42,663</b>	15,746
<b>Payable to related parties</b>		
- Subsidiaries	<b>12,274</b>	15,029
- Associates	<b>5,682</b>	7,084
- Other related party	<b>1,934</b>	1,934
- Retirement benefit obligations	<b>12,096</b>	7,747

**13. Cash flow information**

**13.1. Cash generated from operations**

	<b>Three-month period ended</b>	
	<b>March 31</b>	March 31
	<b>2023</b>	2022
	<b>Un-audited</b>	Un-audited
	<b>(Rupees in thousand)</b>	
<b>Profit before taxation</b>	<b>875,776</b>	713,572
Adjustments for non-cash items:		
- Depreciation on owned assets	<b>9,370</b>	4,452
- Depreciation on investment properties	<b>11,720</b>	11,879
- Amortisation on intangible assets	<b>112</b>	129
- Provision for accumulating compensated absences	<b>4,814</b>	4,950
- Provision for employee benefit obligations	<b>31,564</b>	20,379
- Profit/(loss) on disposal of operating fixed asset	<b>201</b>	(10)
- Exchange adjustment net	<b>-</b>	769
- Finance cost	<b>197,911</b>	152,667
- Net reversal of impairment on financial assets	<b>12</b>	1,771
- Dividend income	<b>(1,088,346)</b>	(875,717)
<b>Profit before working capital changes</b>	<b>43,134</b>	34,841
<b>Effect on cash flow due to working capital changes</b>		
- Increase in loans, advances, deposits, prepayments and other receivables	<b>(229,667)</b>	(90,899)
- Increase in trade and other payables	<b>35,385</b>	36,639
	<b>(194,282)</b>	(54,260)
	<b>(151,148)</b>	(19,419)

**14. Cash and cash equivalents**

	<b>March 31</b>	March 31
	<b>2023</b>	2022
	<b>Un-audited</b>	Un-audited
	<b>(Rupees in thousand)</b>	
Cash and bank balances	<b>164,615</b>	759,639
	<b>164,615</b>	759,639

**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 unconsolidated condensed interim 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, 2022.

There have been no significant changes in the risk management policies since the year ended December 31, 2022.

## 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, 2023 and December 31, 2022 on a recurring basis:

As at March 31, 2023	Un-audited			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
<b>Assets</b>				
<b>Recurring fair value measurements</b>				
Investments - FVOCI	18,310,102	-	5,025	18,315,127
<b>Liabilities</b>	-	-	-	-
	Audited			
As at December 31, 2022	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
<b>Assets</b>				
<b>Recurring fair value measurements</b>				
Investments - FVOCI	21,421,086	-	5,025	21,426,111
<b>Liabilities</b>	-	-	-	-

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 unconsolidated condensed interim financial statements were authorised for issue on **April 26, 2023** by the Board of Directors of the Company.

## 17. 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 CONSOLIDATED CONDENSED INTERIM  
UN-AUDITED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD  
ENDED MARCH 31, 2023**

The Directors of Packages Limited (the 'Parent Company') take pleasure in presenting the consolidated condensed interim un-audited financial statements of the Group for the first quarter ended March 31, 2023.

Comparison of the consolidated condensed interim un-audited results of the first quarter ended March 31, 2023 as against March 31, 2022 is as follows:

	<b>Jan- Mar 2023</b>	<b>Jan- Mar 2022</b>
	<b>(Rupees in million)</b>	
<b>Net Revenue</b>	<b>38,768</b>	<b>26,915</b>
<b>Profit from operations</b>	<b>5,504</b>	<b>3,626</b>
Finance costs	(2,813)	(1,061)
Share of profit in associates and joint venture – net of tax	31	36
Net gain on acquisition of Tri-Pack Films	-	1,994
<b>Profit before taxation</b>	<b>2,722</b>	<b>4,595</b>
Taxation	(1,340)	(752)
<b>Profit after tax</b>	<b>1,382</b>	<b>3,843</b>

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 2023, the Group has achieved net sales of Rs. 38,768 million against net sales of Rs. 26,915 million achieved during corresponding period of last year representing sales growth of 44% with an operating profit of Rs 5,504 million as compared to Rs 3,626 million generated during corresponding period last year, mainly on account of revenue growth and cost controls.

The Group has recorded profit before tax of Rs 2,722 million during the current period as compared to the profit before tax of Rs 4,595 million in corresponding period last year. The decreased profitability is primarily on account of finance cost which has increased by 1,752 million and a one-time bargain purchase gain of Rs 1,994 million recorded on acquisition of Tri-Pack Films Limited in the first quarter of the corresponding period.

A brief review on the operational performance of subsidiaries of the Parent Company is as follows:

### **PACKAGES CONVERTORS LIMITED**

Packages Convertors Limited is engaged in the manufacture and sale of packaging materials, tissue products & sanitary napkins. The Company has achieved net sales of Rs 13,537 during the first quarter of the year 2023 as compared to Rs. 9,873 million in the comparable period for the prior year representing sales growth of 37%. The Company has generated profit before tax of Rs. 2,079 million during the first quarter of the year 2023 as compared to Rs 1,087 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. 16,980 million during the first quarter of 2023 as compared to Rs 9,852 million during 2022 representing sales growth of 72%. The Company has recorded profit before tax of Rs 598 million during the current period as compared to the profit before tax of Rs 1,123 million in corresponding period last year. The decreased profitability is on account of increased finance cost and effect of exchange losses.

### **DIC PAKISTAN LIMITED**

DIC Pakistan Limited is principally engaged in manufacturing, processing and selling of industrial inks. The Company has achieved net sales of Rs. 2,559 million during the first quarter of the year 2023 as compared to Rs. 2,083 million of the corresponding period of last year, representing sales growth of 23%. The Company has generated profit before tax of Rs. 339 million during the first quarter of the year 2023 as against Rs. 269 million generated during the corresponding period of 2022 on account of growth in revenue.

### **TRI-PACK FILMS LIMITED**

Tri-Pack Films Limited is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) films. The Company has achieved net sales of Rs 5,886 million during the first quarter of 2023 as compared to sales of Rs 5,565 million achieved during the corresponding period of last year. The Company has recorded profit before tax of Rs 422 million during the first quarter of 2023 as against Rs 340 million achieved during first corresponding period of last year.

## **PACKAGES LANKA (PRIVATE) LIMITED**

Packages Lanka (Private) Limited is a Sri-Lankan based subsidiary which is engaged in production & sale of flexible packaging. During the first quarter of 2023, the Company has achieved net sales of SLR 1,326 million as compared to SLR 767 million in the corresponding period of last year. The Company has generated profit before tax of SLR 184 million during the first quarter of the year 2023 as against profit before tax of SLR 85 million generated during corresponding period of 2022. This has come in a tightening Sri-Lankan economy & is mainly on account of the effective pricing strategy of the management along with robust controls over the costs.

## **PACKAGES REAL ESTATE (PRIVATE) LIMITED**

Packages Real Estate (Private) Limited is primarily engaged in business of all types of construction activities and development of real estate. It is currently operating a real estate project titled "Packages Mall" and has also started leasing of office spaces to corporate customers. The Company has achieved net sales of Rs 1,246 million during the first quarter of 2023 as compared to Rs 1,017 million achieved during the corresponding period of last year. The Company has recorded profit before tax of Rs 203 million as against Rs 221 million achieved during first quarter of last year. The decrease in profitability is mainly on account of increase in finance costs.

## **FLEXIBLE PACKAGES CONVERTORS (PTY) LIMITED**

Flexible Packages Convertors (Pty) Limited is based in South Africa. It is principally engaged in the manufacture of flexible packaging material. During the first quarter of 2023, the company achieved net sales of ZAR 51 million as compared to ZAR 156 million of the corresponding period of last year. The Company has recorded loss before tax of ZAR 26 million in first quarter of 2023 as compared to loss before tax of ZAR 7 million during the corresponding period of last year. The Company is undergoing a restructuring process in order to assess its profitability prospects and viability of operations. This restructuring exercise is expected to be completed by June 30, 2023.

## **STARHPACK (PRIVATE) LIMITED**

StarchPack (Private) Limited is a wholly owned subsidiary of Packages Limited. It will be principally engaged in the manufacture and sale of corn-based starch products, its derivatives and by-products. The Company is expected to start commercial operations in the second half of 2023.

## FUTURE OUTLOOK

The post-pandemic recovery of the global economy has been impacted by high inflation, aggressive monetary tightening, and uncertainties resulting from the Russian-Ukraine conflict. Pakistan's economy, where the most significant portion of the net assets of the Group reside, faces mounting pressures on account of the aforementioned global situation coupled with political instability and uncertainty, trade deficit and depletion of foreign exchange reserves, all leading to significant pressure on the PKR against the US dollar which has adversely affected the availability of raw material and supplies for the operations. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check.

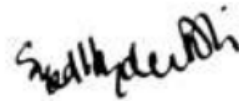
Going forward, the economic outlook of Pakistan is expected to be shaped largely by the revival of the IMF programme, restoration of political stability, flood relief support from the international community, and support from friendly countries along with the continued implementation of reforms aimed at stabilising the economy.

Given all these challenges, the Group's management remains focused on minimizing the negative impacts of the same, serving its stakeholders by delivering value and leveraging its diversified portfolio to keep pursuing its profitable growth aspirations.



**Towfiq Habib Chinoy**  
(Chairman)

Karachi, April 26, 2023



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

Karachi, April 26, 2023



## 31 مارچ 2023ء کو ختم ہونے والی سہ ماہی مدت کے لئے مربوط عبوری غیر آڈٹ شدہ مالیاتی گوشواروں پر ڈائریکٹرز کی ریویو رپورٹ

بیکنز لمیٹڈ ('ایئرٹ کمپنی') کے ڈائریکٹرز 31 مارچ 2023ء کو ختم ہونے والی پہلی سہ ماہی کے لیے گروپ کے مربوط جامع عبوری غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کرتے ہیں۔

31 مارچ 2023ء کو ختم ہونے والی پہلی سہ ماہی کے مربوط جامع عبوری غیر آڈٹ شدہ نتائج کے مقابلے میں 31 مارچ 2022ء کے نتائج کا موازنہ درج ذیل ہے:

جنوری - مارچ 2022	جنوری - مارچ 2023	
26,915	38,768	خالص آمدنی
3,626	5,504	آپریشنز سے منافع
(1,061)	(2,813)	مالی اخراجات
36	31	ایسوسی ایٹس اور جوائنٹ وینچر میں منافع کا حصہ - نیٹ آف ٹیکس
1,994	-	ٹرائی پیک فلمز کے حصول پر خالص منافع
<b>4,595</b>	<b>2,722</b>	قبل از ٹیکس منافع
<b>(752)</b>	<b>(1,340)</b>	ٹیکس
<b>3,843</b>	<b>1,382</b>	بعد از ٹیکس منافع

ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ بنیادی مینوفیکچرنگ آپریشنز نے ایک چیلنجنگ اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی دکھائی ہے۔ 2023ء کی پہلی سہ ماہی کے دوران گروپ نے 38,768 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران 26,915 ملین روپے کی خالص فروخت حاصل کی گئی تھی جو کہ 44% اضافے کی نشاندہی کرتی ہے۔ اس کے ساتھ ساتھ گزشتہ سال کے اسی عرصے کے دوران حاصل ہونے والے 3,626 ملین روپے کے مقابلے میں 5,504 ملین روپے کا آپریٹنگ منافع حاصل ہوا، جس کی بنیادی وجہ آمدنی میں اضافہ اور لاگت پر قابو ہے۔

گروپ نے رواں عرصے کے دوران 2,722 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ گزشتہ سال کے اسی عرصے میں 4,595 ملین روپے کا قبل از ٹیکس منافع حاصل ہوا تھا۔ منافع میں کمی کی بنیادی وجہ مالی لاگت ہے جس میں 1,752 ملین روپے کا اضافہ ہوا ہے اور ٹرائی پیک فلمز لمیٹڈ کے حصول پر واقع ہونے والا 1,994 ملین روپے کا ایک بار بارگین پرچیز گین (bargain purchase gain) ہے جو اسی مدت کی پہلی سہ ماہی میں ریکارڈ کیا گیا ہے۔

پیرنٹ کمپنی کے ماتحت اداروں کی آپریشنل کارکردگی کا ایک مختصر جائزہ درج ذیل ہے:

### پیکجز کنورٹرز لمیٹڈ

پیکجز کنورٹرز لمیٹڈ پیکجنگ مواد، ٹشو مصنوعات اور سینیٹری نیپکنز کی تیاری اور فروخت میں مصروف عمل ہے۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 13,537 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کے اسی عرصے میں 9,873 ملین روپے کی خالص فروخت ہوئی تھی جو کہ فروخت میں 37% اضافہ ظاہر کرتی ہے۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 2,079 ملین روپے کا قبل از ٹیکس منافع کمایا ہے جبکہ گزشتہ سال اسی عرصے کے دوران یہ منافع 1,087 ملین روپے تھا۔ کمپنی کی بہتر کارکردگی کا تعلق لاگت پر قابو پانے کے بہتر اقدامات اور قیمت-حجم کی حساسیت کے مؤثر جوڑ توڑ سے ہے۔

### بلھے شاہ پیکجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکجنگ (پرائیویٹ) لمیٹڈ بنیادی طور پر کاغذ، پیپر بورڈ اور نالیڈار ڈبوں کی تیاری اور تبدیلی میں مصروف عمل ہے۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 16,980 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ سال 2022ء کے دوران اسی عرصے میں خالص فروخت 9,852 ملین روپے تھی جو کہ فروخت میں 72% اضافے کی نمائندگی کرتی ہے۔ کمپنی نے رواں عرصے کے دوران 598 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ گزشتہ سال کے اسی عرصے میں 1,123 ملین روپے کا قبل از ٹیکس منافع حاصل ہوا تھا۔ منافع میں کمی کی وجہ مالی لاگت میں اضافہ اور زر مبادلہ کے نقصانات کے اثرات ہیں۔

### ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ بنیادی طور پر صنعتی سیاہی کی تیاری، پروسیسنگ اور فروخت میں مصروف ہے۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 2,559 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کی اسی مدت کے دوران 2,083 ملین روپے کی خالص فروخت ہوئی تھی جو فروخت میں 23% اضافے کی نمائندگی کرتی ہے۔ آمدن میں اضافے کے سبب کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 339 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ سال 2022ء کی اسی مدت کے دوران 269 ملین روپے کا منافع حاصل ہوا تھا۔

## ٹرائی- پیک فلمز لمیٹڈ

ٹرائی - پیک فلمز لمیٹڈ بنیادی طور پر ہائی ایکسینلی اور نیٹڈ پولی پروپائلین (BOPP) فلم اور کاسٹ پولی پروپائلین (CPP) فلم کی تیاری اور فروخت میں مصروف ہے۔ کمپنی نے 2023ء کی پہلی سہ ماہی کے دوران 5,886 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران 5,565 ملین روپے کی فروخت حاصل کی گئی تھی۔ کمپنی نے 2023ء کی پہلی سہ ماہی کے دوران 422 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ گزشتہ سال کی پہلی سہ ماہی کے دوران 340 ملین روپے کا منافع حاصل کیا گیا تھا۔

## پیکجز لنکا (پرائیویٹ) لمیٹڈ

پیکجز لنکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم ایک ماتحت ادارہ ہے جو لچکدار پیکجنگ کی پیداوار اور فروخت میں مصروف ہے۔ 2023ء کی پہلی سہ ماہی کے دوران کمپنی نے 1,326 ملین سری لنکن روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کے اسی عرصے میں 767 ملین سری لنکن روپے کی فروخت ہوئی تھی۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 184 ملین سری لنکن روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ 2022ء کی اسی مدت کے دوران 85 ملین سری لنکن روپے کا قبل از ٹیکس منافع حاصل ہوا تھا۔ یہ نتائج سری لنکا کی تنگ ہوتی معیشت کے دوران سامنے آئے ہیں اور اس کی بنیادی وجہ قیمتوں کے تعین کے لئے انتظامیہ کی موثر حکمت عملی کے ساتھ ساتھ اخراجات پر مضبوط روک تھام ہے۔

## پیکجز ریئل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکجز ریئل اسٹیٹ (پرائیویٹ) لمیٹڈ بنیادی طور پر ہر قسم کی تعمیراتی سرگرمیوں اور ریئل اسٹیٹ کی ترقی کے کاروبار میں مصروف ہے۔ فی الحال یہ ادارہ "پیکجز مال" کے عنوان سے ایک ریئل اسٹیٹ پروجیکٹ چلا رہا ہے جہاں کارپوریٹ صارفین کو دفاتر کے لیے جگہیں لیز پر دینے کا عمل شروع کر دیا گیا ہے۔ کمپنی نے 2023ء کی پہلی سہ ماہی کے دوران 1,246 ملین روپے کی خالص فروخت حاصل کی ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران 1,017 ملین روپے کی خالص فروخت حاصل کی گئی تھی۔ کمپنی نے گزشتہ سال کی پہلی سہ ماہی کے دوران حاصل ہونے والے 221 ملین روپے کے قبل از ٹیکس منافع کے مقابلے میں اس سال 203 ملین روپے کا قبل از ٹیکس منافع حاصل کیا۔ منافع میں کمی بنیادی طور پر مالی اخراجات میں اضافے کی وجہ سے ہے۔

## فلیکسبل پیکجز کنورٹرز (پروپرائٹری) لمیٹڈ

فلیکسبل پیکجز کنورٹرز (پروپرائٹری) لمیٹڈ جنوبی افریقہ میں واقع ہے۔ یہ بنیادی طور پر لچکدار پیکجنگ مواد کی تیاری میں مصروف ہے۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 51 ملین افریقی رینڈ کی خالص فروخت حاصل کی جبکہ گزشتہ سال کے اسی عرصے کے دوران 156

ملین روپے کی خالص فروخت حاصل کی گئی تھی۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 26 ملین افریقی رینڈ کا قبل از ٹیکس خسارہ درج کیا جبکہ گزشتہ سال کے اسی عرصے کے دوران 7 ملین افریقی رینڈ کا قبل از ٹیکس خسارہ درج کیا گیا تھا۔ کمپنی اپنے منافع کے امکانات اور آپریشنز کی افادیت کا جائزہ لینے کے لئے تنظیم نو کے عمل سے گزر رہی ہے۔

## اسٹارچ پیک (پرائیویٹ) لمیٹڈ

اسٹارچ پیک (پرائیویٹ) لمیٹڈ، پیکجز لمیٹڈ کا مکمل ملکیتی ذیلی ادارہ ہے۔ یہ بنیادی طور پر مکئی پر مبنی نشاستہ کی مصنوعات، اس کے مشتقات اور ضمنی مصنوعات کی تیاری اور فروخت میں مصروف ہوگا۔ توقع ہے کہ کمپنی 2023ء کی دوسری ششماہی میں تجارتی آپریشن شروع کرے گی۔

## مستقبل کا نقطہ نظر

وبائی بیماری کے بعد عالمی معیشت کی بحالی کو افراط زر کی بلند شرح، جارحانہ مالیاتی سختی اور روس - یوکرین تنازعے کے نتیجے میں پیدا ہونے والی غیر یقینی صورتحال نے شدید متاثر کیا ہے۔ پاکستان کی معیشت، جہاں گروپ کے خالص اثاثوں کا سب سے اہم حصہ موجود ہے، مذکورہ بالا عالمی صورتحال کے ساتھ ساتھ سیاسی عدم استحکام اور غیر یقینی صورتحال، تجارتی خسارے اور غیر ملکی زرمبادلہ کے ذخائر میں کمی کی وجہ سے بڑھتے ہوئے دباؤ کا سامنا کر رہی ہے۔ یہ تمام اسباب امریکی ڈالر کے مقابلے میں روپے پر نمایاں دباؤ کا باعث بن رہے ہیں جس نے آپریشنز کے لئے خام مال اور رسد کی دستیابی کو بری طرح متاثر کیا ہے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل استعمال آمدنی کو متاثر کیا ہے اور توقع ہے کہ ان کے اخراجات تنگی کا شکار ہو جائیں۔

آگے بڑھتے ہوئے، توقع ہے کہ پاکستان کا معاشی منظر نامہ بہت حد تک آئی ایم ایف پروگرام کی تجدید، سیاسی استحکام کی بحالی، بین الاقوامی برادری کی جانب سے سیلاب سے متعلق امداد اور دوست ممالک کی حمایت کے ساتھ ساتھ استحکام معیشت کے مقصد کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائیگا۔

ان تمام چیلنجز کو مد نظر رکھتے ہوئے گروپ کی انتظامیہ ان چیلنجز کے منفی اثرات کو کم سے کم کرنے، اپنے اسٹیک ہولڈرز کو نفع پہنچاتے ہوئے ان کی خدمت کرنے اور اپنے متنوع پورٹ فولیو سے بھرپور استفادہ کرتے ہوئے اپنی منافع بخش ترقی کی امنگوں کو پورا کرنے پر توجہ مرکوز کیے ہوئے ہے۔

*Syed H. Ali*

سید حیدر علی  
(چیف ایگزیکٹو آفیسر اور مینیجنگ ڈائریکٹر)

کراچی، 26 اپریل، 2023ء

*M. H. Chaudhry*

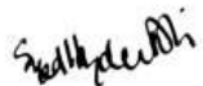
توفیق حبيب چنائے  
(چیئرمین)

کراچی، 26 اپریل، 2023ء

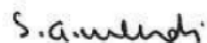
**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023**

Note	March 31, 2023	December 31, 2022	Note	March 31, 2023	December 31, 2022	
	Un-audited	Audited		Un-audited	Audited	
	(Rupees in thousand)			(Rupees in thousand)		
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>			
Authorised capital			Property, plant and equipment	8	63,103,217	60,929,247
150,000,000 (2021: 150,000,000)			Right-of-use assets		306,737	287,999
ordinary shares of Rs. 10 each	<b>1,500,000</b>	1,500,000	Investment properties		12,025,084	12,044,054
22,000,000 (2021: 22,000,000)			Intangible assets	9	147,378	150,024
10% non-voting preference shares /			Investments accounted for using the equity method	10	5,392,570	5,817,480
convertible stock of Rs 190 each	<b>4,180,000</b>	4,180,000	Other long term investments	11	18,330,774	21,441,759
Issued, subscribed and paid up capital			Long term security deposits		187,251	191,152
89,379,504 (2021: 89,379,504) ordinary shares of Rs 10 each	<b>893,795</b>	893,795	Long term loans		2,200	316
8,186,842 (2021: 8,186,842) 10% non-voting preference shares /					<b>99,495,211</b>	100,862,031
convertible stock of Rs 190 each	<b>606,222</b>	606,222				
Other reserves	<b>44,670,180</b>	46,591,959				
Equity portion of loan from shareholder of the Parent Company	<b>277,219</b>	277,219				
Revenue reserve: Un-appropriated profits	<b>13,355,244</b>	13,492,287				
Attributable to equity holders of the Parent Company	<b>59,802,660</b>	61,861,482				
Non-controlling interests	<b>4,654,807</b>	4,847,940				
<b>TOTAL EQUITY</b>	<b>64,457,467</b>	66,709,422				
<b>NON-CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>			
Long term finances from financial institutions	6	<b>31,802,715</b>	29,455,752	Stores and spares	<b>4,907,316</b>	3,810,529
Lease liabilities		<b>305,284</b>	279,789	Stock-in-trade	<b>35,175,753</b>	37,180,876
Security deposits		<b>390,745</b>	395,309	Short term investments	<b>145,000</b>	521,695
Deferred income		<b>486,633</b>	380,169	Trade debts	<b>16,700,374</b>	16,083,009
Deferred government grant		<b>1,184,023</b>	1,195,487	Loans, advances, deposits, prepayments	<b>12,634,534</b>	7,161,541
Deferred taxation		<b>5,487,003</b>	5,489,139	and other receivables	<b>4,593,044</b>	4,680,025
Long term advances		<b>220,776</b>	215,404	Income tax receivable	<b>1,600,583</b>	2,189,577
Employee benefit obligations		<b>1,730,745</b>	1,627,639	Cash and bank balances	<b>75,756,604</b>	71,627,252
Accumulated compensated absences		<b>460,582</b>	470,408			
		<b>42,068,506</b>	39,509,096			
<b>CURRENT LIABILITIES</b>						
Current portion of non-current liabilities		<b>5,987,695</b>	7,149,479			
Short term borrowings from financial institutions - secured		<b>32,970,427</b>	35,662,097			
Trade and other payables		<b>27,431,360</b>	20,863,580			
Unclaimed dividend		<b>84,397</b>	82,041			
Accrued finance cost		<b>2,251,963</b>	2,513,568			
		<b>68,725,842</b>	66,270,765			
<b>CONTINGENCIES AND COMMITMENTS</b>						
	7	-	-			
		<b>175,251,815</b>	172,489,283		<b>175,251,815</b>	172,489,283

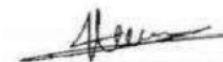
The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.



**Chief Executive**



**Director**



**Chief Financial Officer**

**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

	Note	Three-month period ended	
		March 31, 2023	March 31, 2022
		(Rupees in thousand)	
Revenue	12	38,768,447	26,915,391
Cost of sales and services		(29,006,093)	(21,231,585)
<b>Gross profit</b>		<b>9,762,354</b>	<b>5,683,806</b>
Administrative expenses		(1,115,144)	(810,668)
Distribution and marketing costs		(1,349,520)	(1,049,750)
Net impairment losses on financial assets		(30,514)	(15,249)
Other expenses		(1,936,844)	(341,020)
Other income		173,706	158,454
Share of net profit of associates and joint ventures accounted for using equity method		30,999	36,388
<b>Operating profit</b>		<b>5,535,037</b>	<b>3,661,961</b>
Finance costs		(2,812,737)	(1,060,663)
Gains and losses relating to business combination		-	1,993,637
<b>Profit before taxation</b>		<b>2,722,300</b>	<b>4,594,935</b>
Taxation		(1,339,947)	(751,902)
<b>Profit for the period</b>		<b>1,382,353</b>	<b>3,843,033</b>
<b>Profit attributable to:</b>			
Equity holders of the Parent Company		1,362,957	3,670,170
Non-controlling interests		19,396	172,863
		<b>1,382,353</b>	<b>3,843,033</b>
<b>Earnings per share attributable to equity holders of the Parent Company during the period</b>	13		
Basic	Rupees	15.25	41.06
Diluted	Rupees	14.23	37.90

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

Chief Executive

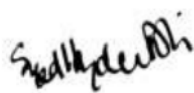
Director

Chief Financial Officer

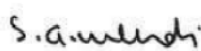
PACKAGES LIMITED AND ITS SUBSIDIARIES  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

	Three-month period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
<b>Profit for the period</b>	<b>1,382,353</b>	3,843,033
<b>Other comprehensive (loss) / profit for the period</b>		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Change in fair value of equity investments at fair value through other comprehensive income ('FVOCI')	<b>(3,110,984)</b>	351,204
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net exchange differences on translation of foreign operations	<b>205,728</b>	(112,529)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method - net of tax	<b>(466,454)</b>	(6,383)
	<b>(260,726)</b>	(118,912)
<b>Other comprehensive (loss) / profit for the period</b>	<b>(3,371,710)</b>	232,292
<b>Total comprehensive (loss) / profit for the period</b>	<b>(1,989,357)</b>	4,075,325
<b>Total comprehensive profit attributable to:</b>		
Equity holders of the Parent Company	<b>(2,058,822)</b>	3,931,692
Non-controlling interests	<b>69,465</b>	143,633
	<b>(1,989,357)</b>	4,075,325

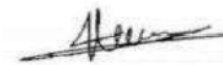
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Chief Executive



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, 2023

	Attributable to equity holders 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 reserve	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)														
<b>Balance as on January 1, 2022 (audited)</b>	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	
<b>Appropriation of reserves</b>															
Transferred to general reserve	-	-	-	-	-	-	-	-	-	1,250,000	(1,250,000)	-	-	-	
<b>Transactions with owners recognized directly in equity</b>															
Final dividend for the year ended December 31, 2021 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(250,101)	(250,101)	
<b>Acquisition of subsidiary</b>															
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	3,253,026	3,253,026	
<b>Total comprehensive income / (loss) for the period ended March 31, 2022</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,670,170	3,670,170	172,863	3,843,033	
Other comprehensive (loss) / income for the period	-	-	-	(83,299)	351,204	(6,383)	-	-	-	-	-	261,522	(29,230)	232,292	
	-	-	-	(83,299)	351,204	(6,383)	-	-	-	-	3,670,170	3,931,692	143,633	4,075,325	
<b>Balance as on March 31, 2022 (un-audited)</b>	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	12,895,075	60,932,413	5,171,991	66,104,404	
<b>Balance as on January 1, 2023 (audited)</b>	893,795	606,222	3,766,738	(172,535)	17,436,179	2,555,591	80,653	277,219	1,615,000	21,310,333	13,492,287	61,861,482	4,847,940	66,709,422	
<b>Appropriation of reserves</b>															
Transferred to general reserve	-	-	-	-	-	-	-	-	-	1,500,000	(1,500,000)	-	-	-	
<b>Transactions with owners recognized directly in equity</b>															
Final dividend for the year ended December 31, 2022 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(262,598)	(262,598)	
	-	-	-	-	-	-	-	-	-	-	-	-	(262,598)	(262,598)	
<b>Total comprehensive income / (loss) for the period ended March 31, 2023</b>															
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,362,957	1,362,957	19,396	1,382,353	
Other comprehensive income / (loss) for the period	-	-	-	155,659	(3,110,984)	(466,454)	-	-	-	-	-	(3,421,779)	50,069	(3,371,710)	
	-	-	-	155,659	(3,110,984)	(466,454)	-	-	-	-	1,362,957	(2,058,822)	69,465	(1,989,357)	
<b>Balance as on March 31, 2023 (un-audited)</b>	893,795	606,222	3,766,738	(16,876)	14,325,195	2,089,137	80,653	277,219	1,615,000	22,810,333	13,355,244	59,802,660	4,654,807	64,457,467	

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

*S. G. Mehta*

Chief Executive

*S. G. Mehta*

Director

*A. K. Mehta*

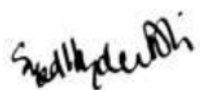
Chief Financial Officer



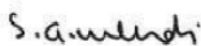
**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

	Note	Three-month period ended	
		March 31, 2023	March 31, 2022
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	8,648,022	1,801,223
Finance cost paid		(3,047,477)	(750,117)
Income tax paid		(1,255,102)	(827,344)
Long term loans and security deposits - net		21,620	89,954
Payments for accumulating compensated absences		(46,025)	(17,429)
Long term advances - net		(12,593)	(50,665)
Employee benefit obligations paid		(5,296)	(17,478)
<b>Net cash inflow from operating activities</b>		<b>4,303,149</b>	<b>228,144</b>
<b>Cashflow from investing activities</b>			
Fixed capital expenditure		(3,590,599)	(3,079,441)
Proceeds from maturity of investments		-	969,600
Payment for acquisition of subsidiary - net of cash acquired		-	(6,587,613)
Proceeds from disposal of property, plant and equipment		35,906	319,926
<b>Net cash outflow from investing activities</b>		<b>(3,554,693)</b>	<b>(8,377,528)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finances		3,631,723	3,732,191
Repayment of long term finances		(2,386,625)	(1,406,526)
Payment of lease liabilities		(7,331)	(30,059)
Unclaimed dividend reverted by equity holders of the Parent Company		2,356	(1,666)
Dividend paid to non-controlling interest		(262,598)	(250,101)
<b>Net cash inflow from financing activities</b>		<b>977,525</b>	<b>2,043,839</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,725,981</b>	<b>(6,105,545)</b>
Cash and cash equivalents at the beginning of the period		(32,950,825)	(17,658,643)
<b>Cash and cash equivalents at the end of the period</b>	17	<b>(31,224,844)</b>	<b>(23,764,188)</b>

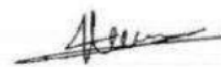
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**Chief Executive**



**Director**



**Chief Financial Officer**

**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

**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 and sanitary napkins
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 Group also holds investment in companies engaged in the manufacture and sale of pharmaceutical products, ground calcium carbonate products, corn-based starch products, power generation and insurance business.

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

The principle activities of the Parent Company are to rent out its land & building and to manage investments in subsidiary companies, associated companies and joint ventures which are engaged in various businesses as mentioned above.

**2. Basis of preparation**

**2.1. Statement of compliance**

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. 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 consolidated condensed interim 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, 2022. 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 consolidated condensed interim statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, condensed interim consolidated statement of changes in equity and consolidated condensed interim statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.
- 2.4.** These consolidated condensed interim 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 consolidated condensed interim 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, 2022, except for the adoption of new and amended standards as set out in note 3.1.

**3.1. 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, 2023, 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 consolidated condensed interim financial statements.

**3.2. 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, 2024 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 consolidated condensed interim financial statements.

**4. Accounting estimates**

The preparation of these consolidated condensed interim 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 consolidated condensed interim 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 2022, 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 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 consolidated condensed interim statement of profit or loss in the period in which they arise.

The Securities and Exchange Commission of Pakistan ('SECP') vide its certificate dated July 30, 2019, has registered the Company, Bulleh Shah Packaging (Private) Limited ('BSPPL'), Packages Investments Limited ('PIL') and Packages Convertors Limited ('PCL') (together the 'Tax group') as a group and has also, vide its certificate dated November 6, 2019, designated the Tax group for the purpose of group taxation under Section 59AA of the Income Tax Ordinance, 2001. On September 23, 2022 SECP altered the composition of the Tax group to include Starch Pack (Private) Limited ('SPAC'), Packages Power (Private) Limited ('PPL') and Tri Pack Films Limited ('TPFL') as well. Furthermore SECP vide its certificate dated March 01, 2023, has approved the designation to include SPAC and PPL for Group Taxation and TPFL for Group Relief.

## 6. Long term finances

	Note	March 31, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
Local currency loans - secured	6.1	36,196,884	34,944,123
Foreign currency loans - secured	6.2	235,394	202,546
		36,432,278	35,146,669
Preference shares / convertible stock - unsecured		932,650	932,650
Current portion shown under current liabilities		37,364,928	36,079,319
		(5,562,213)	(6,623,567)
		31,802,715	29,455,752
<b>6.1. Local currency loans - secured</b>			
Opening balance		34,944,123	19,813,255
Disbursements during the period / year		3,596,629	19,136,776
		38,540,752	38,950,031
Repayments during the period / year		(2,343,868)	(7,143,022)
Acquisition of subsidiary - TPFL		-	3,137,114
Closing balance		36,196,884	34,944,123
<b>6.2. Foreign currency loans - secured</b>			
Opening balance		202,546	255,269
Disbursements during the period / year		35,094	44,182
		237,640	299,451
Repayments during the period / year		(42,757)	(43,699)
Exchange adjustment on opening balances		40,511	(53,206)
Closing balance		235,394	202,546

## 7. Contingencies and commitments

### 7.1. Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Parent Company for the year ended December 31, 2022, except for the following matters. 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 these matters. Consequently, no provision for these amounts has been made in these consolidated condensed interim financial statements.

- (i) In respect of sales tax periods from January 2019 to December 2019, the DCIR, through his order No. 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 order of DCIR, the Parent Company has filed an appeal before CIR(A) on various grounds including that the order of the DCIR erred due to 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. During the current period CIR(A) reserved its order in favour of the Parent Company.

- (ii) In respect of sales tax periods from January 2018 to December 2018, the DCIR through his order No. 4/146 dated April 27, 2022 has created a recovery demand of Rs 1,170 million in respect of disallowance of input tax claimed by the Parent Company, alleged default on charging of output sales tax and default on claiming input sales tax along with penalty thereon.

Being aggrieved by the order of DCIR, the Parent Company has filed an appeal before the CIR(A) on the grounds that various sections of input tax have been erroneously applied in disallowing the input tax. Furthermore, input tax related to specific suppliers has been disallowed more than once and alleged as inadmissible. DCIR has also held that sales tax along with further tax be recoverable on categories of fixed assets that were scrapped during the period. During the current period CIR(A) reserved its order in favour of the Company.

### 7.2. Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs 9,382.343 million (2022: Rs 7,774.228 million)  
(ii) Letters of credit and contracts for other than capital expenditure Rs 14,511.343 million (2022: Rs 8,612.799 million)

## 8. Property, plant and equipment

	Note	March 31, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
Operating fixed assets	8.1. & 8.2.	42,372,118	43,124,512
Capital work-in-progress	8.3.	20,584,509	17,325,877
Major spare parts and stand-by equipment		146,590	478,858
		<b>63,103,217</b>	<b>60,929,247</b>

8.1. A portion of the land on which the Group's buildings are situated, measuring 231 kanals and 19 marlas, was leased out to the Group by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Group 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 Group 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 Group 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 consolidated condensed interim financial statements. Moreover, the Court has further decided that the land shall be sold as an industrial land through an open auction with the Group 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 22.500 million (2022: Rs 30.000 million) in respect of rent for the year from January 2023 to March 2023.

	Note	March 31, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
8.2. Operating fixed assets			
Opening net book value		43,124,512	24,371,684
Additions during the period / year	8.2.1.	350,599	10,718,910
Transfer in at book value - net		-	-
		<b>350,599</b>	<b>10,718,910</b>
		<b>43,475,111</b>	<b>35,090,594</b>
Disposals during the period / year at book value		(33,296)	(612,243)
Transfer to investment property		53,264	-
Acquisition of subsidiary		-	13,969,367
Impairment charge for the year		-	(715,932)
Depreciation charged during the period / year		(1,380,394)	(4,895,623)
Exchange adjustment on opening book value - net		257,433	288,349
		<b>(1,102,993)</b>	<b>8,033,918</b>
Closing net book value		<b>42,372,118</b>	<b>43,124,512</b>

### 8.2.1. Additions during the period / year

Freehold land	-	130,427
Buildings on freehold land	526	371,462
Buildings on leasehold land	1,028	5,546
Plant and machinery	133,485	8,782,656
Other equipment (computers, lab equipment and other office equipment)	113,640	535,943
Furniture and fixtures	5,979	36,346
Vehicles	95,941	856,530
	<b>350,599</b>	<b>10,718,910</b>

### 8.3. Capital work-in-progress

Civil works	2,595,024	1,865,723
Plant and machinery	17,158,521	12,163,161
Advances to suppliers	759,172	3,301,691
Others	71,792	(4,698)
	<b>20,584,509</b>	<b>17,325,877</b>

## 9. Intangible assets

Opening book value	150,024	383,154
Additions during the period / year	7,701	22,452
Acquisition of subsidiary	-	5,771
Impairment during the year	-	(266,363)
Amortization charged during the period / year	(10,347)	(38,425)
Exchange difference	-	43,435
Closing book value	<b>147,378</b>	<b>150,024</b>

		March 31, 2023	December 31, 2022
		Un-audited	Audited
		(Rupees in thousand)	
<b>10. Investments accounted for using the equity method</b>	<b>Note</b>		
Investments in associates	10.1.	4,772,400	5,229,326
Investments in joint ventures	10.2.	620,170	588,154
		<u>5,392,570</u>	<u>5,817,480</u>
<b>10.1. Investments in associates</b>			
Cost		1,875,651	1,875,651
Post acquisition share of profits			
Opening balance		3,353,675	3,274,573
Share of profit from TPFL adjusted on acquisition			(63,354)
Share of profit from associates - net of tax		9,528	128,913
Share of other comprehensive loss - net of tax		(466,454)	96,225
Dividends received during the period / year		-	(82,682)
Closing balance		2,896,749	3,353,675
	10.1.1.	<u>4,772,400</u>	<u>5,229,326</u>
<b>10.1.1. Investment in equity instruments of associates - Quoted</b>			
<b>IGI Holdings Limited, Pakistan</b>			
15,033,041 (2022: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2022: 10.54%)			
Market value - Rs. 1,351.470 million (2022: Rs. 1,428.139 million)	10.3.	3,770,668	4,229,505
<b>Sanofi-Aventis Pakistan Limited, Pakistan</b>			
585,254 (2022: 585,254) fully paid ordinary shares of Rs.1,704.00 each			
Equity held 6.07% (2022: Nil)			
Market value - Rs. 421.383 million (2022: Rs. 560.673 million)		1,001,732	999,821
		<u>4,772,400</u>	<u>5,229,326</u>
<b>10.2. Investments in joint ventures</b>			
Opening balance		588,154	547,736
Share of profit from joint ventures - net of tax		21,471	58,921
Share of other comprehensive income from joint ventures - net of tax		10,545	6,247
Dividends received during the period / year		-	(24,750)
Closing balance	10.2.1.	<u>620,170</u>	<u>588,154</u>
<b>10.2.1. Investment in equity instruments of joint ventures - Unquoted</b>			
<b>Plastic Extrusions (Proprietary) Limited, South Africa</b>			
500 (2022: 500) fully paid ordinary shares of ZAR 1 each			
Equity held 50% (2022: 50%)		63,574	53,029
<b>OnyaPack (Private) Limited, Pakistan</b>			
49,500,000 (2022: 49,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 50% (2022: 50%)		556,596	535,125
		<u>620,170</u>	<u>588,154</u>
<b>10.3.</b> The Parent Company's investment in IGI Holdings Limited & sanofi-aventus Pakistan 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.			
<b>11. Other long-term investments</b>			
<b>Quoted</b>			
<b>Nestle Pakistan Limited</b>			
3,649,248 (2022: 3,649,248) fully paid ordinary shares of Rs 10 each			
Equity held 8.05% (2022: 8.05%)			
Market Value Rs. 18,310.102 million (2022: 21,421.085)		18,310,101	21,421,086
<b>Systems Limited</b>			
46,050 (2022: 45,050) fully paid ordinary shares			
Equity held 0.0159% (2022: 0.0159%)			
Market Value Rs. 21.278 million (2022: 22.285)		15,648	15,648
<b>Unquoted</b>			
<b>Pakistan Tourism Development Corporation Limited</b>			
2,500 (2022: 2,500) fully paid ordinary shares of Rs 10 each		25	25
<b>Coca-Cola Beverages Pakistan Limited</b>			
500,000 (2022: 500,000) fully paid ordinary shares of Rs 10 each		5,000	5,000
Equity held 0.0185% (2022: 0.0185%)			
		<u>18,330,774</u>	<u>21,441,759</u>

12. Revenue	Three-month period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
Local sales of goods and services	44,812,203	30,343,356
Export sales	<u>1,012,251</u>	<u>1,100,569</u>
	<u>45,824,454</u>	<u>31,443,925</u>
Less: Sales tax	6,533,123	4,303,219
Trade discounts	518,015	221,741
Commission	<u>4,860</u>	<u>3,574</u>
Net Revenue	<u>7,056,007</u>	<u>4,528,534</u>
	<u>38,768,447</u>	<u>26,915,391</u>
13. Earnings per share		
Basic earnings per share		
Profit for the period	Rupees in thousand 1,362,957	3,670,170
Weighted average number of ordinary shares	Number 89,379,504	89,379,504
Basic earnings per share	Rupees 15.25	41.06
Diluted earnings per share		
Profit for the period	Rupees in thousand 1,362,957	3,670,170
Return on preference shares / convertible stock - net of tax	Rupees in thousand 25,698	27,232
	<u>1,388,655</u>	<u>3,697,402</u>
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
	<u>97,566,346</u>	<u>97,566,346</u>
Diluted earnings per share	Rupees 14.23	37.90

14. Transactions and balances with related parties

The related parties comprise of Joint ventures, associates, group companies, key management personnel including directors, related parties on the basis of common directorship and post-employment staff retirement plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that Group. The Group, 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 Group	Nature of transactions		
(i) Associates	Purchase of goods and services	20,764	24,714
	Sale of goods and services	6,994	2,810
	Insurance premium paid	1,035,967	355,652
	Rental and other income	4,221	4,675
	Insurance claims received	589,345	3,152
	Management and technical fee - income	-	5,700
	Dividend paid	-	25,000
(ii) Joint ventures	Purchase of goods and services	172,758	104,059
	Sale of goods and services	196	2,326
	Rental and other income	1,023	1,138
	Dividend income	-	24,750
(iii) Other related parties	Purchase of goods and services	275,827	554,785
	Sale of goods and services	129,086	70,173
	Rental and other income	599	545
	Royalty and technical fee - expense	29,602	16,654
	Commission earned	-	215
	Dividend paid	225,091	-
(iv) Retirement benefit obligations	Expenses charged in respect of retirement plans	152,535	116,158
(v) Key management personnel	Salaries and other employee benefits	254,954	123,411

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

	March 31, 2023	December 31, 2022
	Un-audited	Audited
	(Rupees in thousand)	
Period-end balances		
Receivable from related parties		
Associates	206,624	56,170
Joint ventures	102,776	176,625
Other related parties	19,374	15,125
Payable to related parties		
Associates	328,055	101,741
Joint venture	72,817	70,938
Other related parties	655,597	638,475
Retirement benefit obligations	180,543	53,352

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

15. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Paper and Paperboard		Real estate		Plastics		Unallocated		Total		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	
	( Rupees in thousand )																
Revenue from external customers	15,534,754	13,623,245	4,182,147	2,440,692	2,559,202	2,485,097	12,470,339	8,220,945	1,246,177	1,027,527	6,702,550	4,370,122	241,210	168,011	42,936,379	32,335,639	
Intersegment revenue	(660,521)	(474,846)	-	-	(185,831)	(401,966)	(2,496,553)	(1,550,899)	(8,235)	(10,204)	(816,792)	(272,209)	-	-	(4,167,932)	(2,710,124)	
	14,874,233	13,148,399	4,182,147	2,440,692	2,373,371	2,083,131	9,973,786	6,670,046	1,237,942	1,017,323	5,885,758	4,097,913	241,210	168,011	38,768,447	29,625,515	
Segment profit / (loss) before tax	1,895,224	1,206,698	755,357	372,124	338,864	268,569	395,717	834,393	203,424	221,065	422,133	157,331	286,435	528,420	4,297,154	3,588,600	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	
Segment assets	34,745,891	30,891,577	7,215,523	7,606,161	4,627,704	4,802,406	56,810,217	53,157,169	13,198,906	13,532,066	23,734,837	23,727,077	34,918,736	38,733,938	175,251,814	172,450,394	
Segment liabilities	23,166,540	9,720,959	1,227,860	1,183,564	3,080,641	2,978,994	35,668,362	9,059,409	9,624,866	9,916,178	11,545,862	13,664,429	26,480,217	63,548,662	110,794,348	110,072,195	
<b>Reconciliation of profit</b>			March 31, 2023	March 31, 2022													
			Un-audited	Un-audited													
			(Rupees in thousand)														
Profit for reportable segments			4,297,154	3,588,600													
Profit from associates and joint ventures - net of dividends and impairment losses			30,999	36,388													
Gains relating to business combination				1,993,692													
Intercompany consolidation adjustments			(1,605,853)	(1,023,685)													
<b>Profit before tax</b>			2,722,300	4,594,935													

**16. Cash flow information**

**16.1. Cash generated from operations**

	<b>Three-month period ended</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
	<b>Un-audited</b>	<b>Un-audited</b>
	<b>(Rupees in thousand)</b>	
Profit before tax	2,722,300	4,594,935
Adjustments for non-cash items:		
Depreciation on owned assets	1,380,394	965,987
Depreciation on right-of-use assets	6,913	89,634
Depreciation on investment properties	245,991	212,614
Amortization on intangible assets	10,347	8,637
Provision for accumulating compensated absences	36,199	56,824
Provision for employee benefit obligations	108,402	49,606
Amortization of deferred income	(7,868)	(14,882)
Profit on disposal of operating fixed assets	(2,610)	(10,037)
Finance costs	2,812,737	1,060,663
Amortization of deferred government grant	(26,807)	(11,006)
Net impairment losses/(reversal) on financial assets	30,514	(15,249)
Exchange adjustments - net	1,409,560	(134,013)
Bargain purchase gain	-	(1,993,633)
Share of profits of associates and joint ventures accounted for using the equity method	(30,999)	(36,388)
<b>Profit before working capital changes</b>	<b>8,695,073</b>	<b>4,823,692</b>
<b>Effect on cash flow due to working capital changes</b>		
Increase in trade debts	(647,879)	(2,203,977)
(Increase)/decrease in stores and spares	(1,096,787)	366,006
Decrease in stock-in-trade	2,005,123	1,139,981
Increase in loans, advances, deposits, prepayments and other receivables	(5,472,993)	(5,814,283)
Increase in trade and other payables	5,165,485	3,489,804
	(47,051)	(3,022,469)
	<b>8,648,022</b>	<b>1,801,223</b>
<b>17. Cash and cash equivalents</b>		
Cash and bank balances	1,600,583	3,424,602
Short term investments	145,000	
Finances under markup arrangements - secured	(32,970,427)	(27,188,790)
	<b>(31,224,844)</b>	<b>(23,764,188)</b>
<b>18. Financial risk management</b>		
<b>18.1. Financial risk factors</b>		
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 consolidated condensed interim 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, 2022.		
There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2022.		
<b>18.2. Fair value estimation</b>		
a) <b>Fair value hierarchy</b>		
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 March 31, 2023 and December 31, 2022 on a recurring basis:		

**As at March 31, 2023**

	<b>Un-audited</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
	<b>(Rupees in thousand)</b>			
<b>Assets</b>				
<b>Recurring fair value measurement</b>				
Investments - FVOCI	18,325,749	-	5,025	18,330,774
<b>Liabilities</b>	-	-	-	-



As at December 31, 2022

Rupees in thousand	Audited			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<b>Recurring fair value measurement</b>				
Investments - FVOCI	21,436,734	-	5,025	21,441,759
<b>Liabilities</b>				
	-	-	-	-

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.

**19. Detail of subsidiaries**

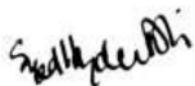
Name of the subsidiaries	Accounting year end	Percentage of holding	Country of incorporation
Anemone Holdings Limited	December 31	100.00%	Mauritius
Bulleh Shah Packaging (Private) Limited	December 31	100.00%	Pakistan
Chantler Packages Inc.	December 31	73.03%	Canada
DIC Pakistan Limited	December 31	54.98%	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

**20. Date of authorization for issue**

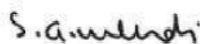
These condensed interim unaudited consolidated financial statements were authorized for issue on April 26, 2023 by the Board of Directors of the Parent Company.

**21. Corresponding figures**

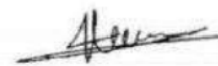
Corresponding figures have been re-arranged and reclassified wherever necessary, for the purpose of comparison and better presentation. However, the effects of any such re-arrangement and reclassification are not material.



**Chief Executive**



**Director**



**Chief Financial Officer**



Packages Limited

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