



# THIRD QUARTER REPORT

2022

Condensed Interim Financial Statements for the Nine Months Period  
Ended September 30, 2022 (Unaudited)



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## Board of Directors

**Mr. Towfiq Habib Chinoy**  
Chairman & Non-Executive Director

**Syed Hyder Ali**  
Chief Executive & Managing Director -  
Executive Director

**Syed Aslam Mehdi**  
Executive Director

**Mr. Imran Khalid Niazi** (resigned on 26-8-2022)  
Non-Executive Director

**Mr. Atif Aslam Bajwa** (appointed on 26-8-2022)  
Non-Executive Director

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

**Syed Shahid Ali**  
Non-Executive Director

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

**Mr. Hasan Askari**  
Independent Director

**Ms. Saba Kamal**  
Independent Director

**Mr. Irfan Mustafa**  
Independent Director



## IT & Digitization Committee

**Ms. Saba Kamal**  
Chairperson

**Mr. Irfan Mustafa**  
Member

**Mr. Asghar Abbas**  
Member

**Mr. Khurram Raza Bakhtayari**  
Member

**Mr. Shaheen Sadiq**  
Member



## Audit Committee

**Mr. Hasan Askari**  
Chairman

**Mr. Atif Aslam Bajwa**  
Member

**Syed Aslam Mehdi**  
Member

**Syed Shahid Ali**  
Member

**Mr. Tariq Iqbal Khan**  
Member

**Mr. Hammad Ahmed Butt**  
Secretary



## Human Resource Committee

**Ms. Saba Kamal**  
Chairperson

**Mr. Towfiq Habib Chinoy**  
Member

**Syed Hyder Ali**  
Member

**Mr. Josef Meinrad Mueller**  
Member

**Mr. Irfan Mustafa**  
Member

**Mr. Atif Aslam Bajwa**  
Member

**Mr. Kaifee Siddiqui**  
Secretary



## Executive Committee

**Syed Hyder Ali**  
Chairman

**Syed Aslam Mehdi**  
Member

**Ms. Iqra Sajjad**  
Secretary

# OFFICES

### Head Office

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

### Web Presence

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### Registered Office

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



### Legal Advisor

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



### Chief Financial Officer

Mr. Khurram Raza Bakhtayari



### Advisor

Syed Babar Ali



### Rating Agency

PACRA



### Company Secretary

Ms. Iqra Sajjad



### Company Credit Rating

Long-Term: AA  
Short-Term: A1+



### Auditors

A.F. Ferguson & Co.  
Chartered Accountants



### Bankers & Lenders

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



### Shares Registrar

FAMCO Associates (Pvt.) Ltd  
8-F, Next to Hotel Faran  
Nursery, Block 6, P.E.C.H.S.  
Shahrah-e-Faisal  
Karachi - 75400

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Email : info.shares@famco.com.pk



### Handling Desk for Shareholders' Affairs

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

(Share Registrar)  
Mr. Zeeshan Akhtar  
Tel. (021) 34380101-5  
Fax: (021) 34380106  
Email: info.shares@famco.com.pk



**DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

The Directors of Packages Limited are pleased to submit to its shareholders, nine monthly report along with the condensed interim un-audited financial statements of the Company for the nine months period ended September 30, 2022.

**Financial and Operational Performance**

A comparison of the un-audited financial results for the three & nine months period ended September 30, 2022 as against September 30, 2021 is as follows:

	July – Sep 2022	July – Sep 2021	Jan – Sep 2022	Jan – Sep 2021
	Rupees in million		Rupees in million	
<b>Dividend income</b>	<b>1,371</b>	1,160	<b>4,152</b>	3,626
<b>EBIT</b>	<b>1,217</b>	1,066	<b>3,652</b>	3,273
Finance costs	<b>(193)</b>	(51)	<b>(453)</b>	(152)
Rental income	<b>129</b>	112	<b>362</b>	311
Other (expenses) / income – net	<b>34</b>	35	<b>95</b>	106
<b>Earnings before tax</b>	<b>1,188</b>	1,162	<b>3,656</b>	3,537
Taxation	<b>(89)</b>	(93)	<b>(340)</b>	(425)
<b>Earnings after tax</b>	<b>1,098</b>	1,069	<b>3,316</b>	3,112
<b>Basic earnings per share - PKR</b>	<b>12.29</b>	11.96	<b>36.39</b>	34.52

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 Company has earned dividend income from its group companies amounting to Rs. 4,152 million during the nine-month period ended September 30, 2022 as compared to Rs. 3,626 million during corresponding period of 2021. This resulted in achieving earnings after tax of Rs. 3,316 million compared to that of Rs. 3,112 million earned during corresponding period of 2021 and attributed to increase in earnings after tax from PKR 34.52/share to PKR 36.39/share. Finance cost of the Company has increased by Rs. 301 million during current period mainly due to long term loans availed for the purpose of making new investments and higher interest rates. Included in taxation is an amount of 86 million on account of super tax which has been introduced through the Finance Act, 2022. The Company has filed a writ petition in the Honourable Sindh High Court against its retrospective application and a stay has been granted to the Company on the same.

### **Public offer for Sanofi-aventis Pakistan Limited**

Packages Limited had made a public announcement of intention on April 28, 2022 of the finalization of purchase price and terms and conditions of the Proposed Transaction between the Investor Consortium and Sanofi Foreign Participants B.V. for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V. held in sanofi-aventis Pakistan Limited. The Investor Consortium is comprised of Packages Limited, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group. The Investor Consortium is led by Packages Limited. The negotiated purchase price for the Proposed Transaction is Rs 940 per share (excluding transaction costs) and the Company expects to acquire 35% of equity stake in Sanofi Pakistan. The remaining shareholding i.e. 17.87% (Remaining Shareholding) is expected to be taken by other members of the Investor Consortium. The Company shall also be committed to purchase Remaining Shareholding to the extent not taken-up by any other member of the Investor Consortium.

During the period, Packages Limited acquired 585,254 ordinary shares of sanofi-aventis Pakistan Limited comprising 6.07% of the issued ordinary share capital thereof pursuant to the mandatory public offer made by the Company on June 30, 2022 at an offer price of Rs 1,704 per ordinary share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the 'Regulations').

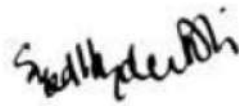
## COMPANY'S STAFF AND CUSTOMERS

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

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



**Towfiq Habib Chinoy**  
(Chairman)  
Lahore, October 28, 2022



**Syed Hyder Ali**  
(Chief Executive & Managing Director)  
Lahore, October 28, 2022

## 30 ستمبر 2022 ختم ہونے والے نو ماہ کیلئے

### ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکجز لمیٹڈ کے ڈائریکٹرز بہ مسرت نو ماہی جائزہ رپورٹ بشمول کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات برائے مدت 30 ستمبر 2022 پیش کر رہے ہیں۔

### مالیاتی اور آپریشنل کارکردگی

مجموعی		برائے تیسری سہ ماہی		
جنوری- ستمبر	جنوری- ستمبر	جولائی- ستمبر	جولائی- ستمبر	
2021	2022	2021	2022	
(روپے ملین میں)		(روپے ملین میں)		
3,626	4,152	1,160	1,371	منافع منقسمہ سی آمدنی
3,273	3,652	1,066	1,217	آمدنی قبل از انٹرسٹ اور ٹیکس
(152)	(453)	(51)	(193)	فنانس کی لاگت
311	362	112	129	کرائے سے آمدنی
106	95	35	34	دیگر اخراجات آمدنی
3,537	3,656	1,162	1,188	آمدنی قبل از ٹیکس
(425)	(340)	(93)	(89)	ٹیکسیشن
3,112	3,316	1,069	1,098	آمدنی بعد از ٹیکس
34.52	36.39	11.96	12.29	بنیادی آمدنی فی شیئر۔ روپے

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

کمپنی نے 30 ستمبر 2022 کو ختم ہونے والی نو ماہ کے دوران اپنے ذیلی اداروں سے 4,152 ملین روپے کا منافع منقسمہ حاصل کیا جبکہ 2021 کی اسی مدت کے دوران 3,626 ملین روپے تھا۔ نتیجتاً 3,316 ملین روپے کا منافع بعد از ٹیکس حاصل ہوا جو کہ 2021 میں اسی مدت کے دوران 3,112 ملین روپے تھا۔ جس سے آمدن بعد از ٹیکس میں 34.52 فی شیئر سے 36.39 فی شیئر میں اضافہ ہوا۔ موجودہ مدت کے دوران کمپنی کی فنانس لاگت میں 301 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ سرمایہ کاری کے لئے طویل مدتی قرضہ جات اور بلند شرح سود تھا۔ ٹیکسیشن میں 86 ملین روپے سپرنٹیکس کی مد میں شامل ہے جو کہ فنانس ایکٹ 2022 کے ذریعے متعارف کروایا گیا ہے۔ کمپنی نے اس کی سابقہ درخواست کے تحت معزز سندھ ہائی کورٹ میں رٹ کی درخواست دائر کی ہے اور اس کے تحت کمپنی کو حکم امتناعی مل گیا ہے



## سانونی ایونٹس پاکستان لیمیٹڈ کے لئے عوامی پیشکش

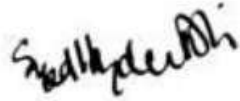
پیکجز لیمیٹڈ نے 28 اپریل 2022 کو مناسب تہہ ہی کے بعد سانونی فارن پارٹنیشن بی۔وی کے 52.87 فیصد شیئرز جو کہ سانونی ایونٹس پاکستان لیمیٹڈ میں تھے کی مکمل خریداری کا عوامی اعلان کیا جس کے بعد انویسٹر کنسورشیم اور سانونی فارن پارٹنیشن بی۔وی کے مابین موجودہ لین دین کی خریداری کی قیمت اور شرائط و ضوابط کو حتمی شکل دی گئی۔ انویسٹر کنسورشیم پیکجز لیمیٹڈ، IGI انویسٹمنٹ (پرائیویٹ) لیمیٹڈ اور ارشد علی گوہر گروپ سے منسلک اداروں پر مشتمل ہے۔ انویسٹر کنسورشیم کی قیادت پیکجز لیمیٹڈ کر رہا ہے۔

مجوزہ لین دین کے لئے مزاکراتی قیمت خرید (ماسوائے خریداری کے اخراجات) 940 روپے فی شیئر ہے اور کمپنی یہ توقع رکھتی ہے کہ وہ سانونی پاکستان میں 35 فیصد ایکویٹی حاصل کرے گی۔ باقی شیئرز ہولڈنگ یعنی 17.87 فیصد انویسٹر کنسورشیم کے دیگر ممبران کے ذریعے حاصل کی جائے گی۔ کمپنی وہ شیئرز جو کہ انویسٹر کنسورشیم کے ممبران نے ناخریدے ہوں ان شیئرز کی خریداری کے لئے پر عزم رہے گی۔

موجودہ مدت کے دوران پیکجز لیمیٹڈ نے 30 جون 2022 کو کی گئی لازمی عوامی آفر کے تحت سانونی ایونٹس پاکستان لیمیٹڈ کے 585,254 عمومی شیئرز خریدے جو کہ عمومی شیئرز کیپٹل کے 6.07 فیصد پر مشتمل تھے۔ ان شیئرز کی عمومی قیمت 1,704 روپے فی عمومی شیئر تھی جو کہ سیکورٹی ایکٹ 2015 اور لسٹڈ کمپنیز (Substantial Acquisition of Voting Shares and Takeovers) ریگولیشنز 2017 کے تحت تھی۔

## کمپنی کا اسٹاف اور اسٹیک ہولڈرز

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



سید حیدر علی

(چیف ایگزیکٹو اور مینجنگ ڈائریکٹر)

لاہور، 28 اکتوبر، 2022



توفیق حبیب چنائے

(چیئرمین)

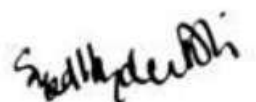
لاہور، 28 اکتوبر، 2022

**PACKAGES LIMITED**

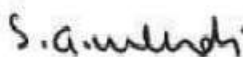
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022**

	September 30, 2022	December 31, 2021		September 30, 2022	December 31, 2021	
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	323,524	187,388
150,000,000 (December 31, 2021: 150,000,000) ordinary shares of Rs 10 each	1,500,000	1,500,000	Investment properties		1,471,269	1,457,966
22,000,000 (December 31, 2021: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each	4,180,000	4,180,000	Intangible assets		1,711	2,096
Issued, subscribed and paid up share capital			Long term investments	9	49,839,205	46,922,876
89,379,504 (December 31, 2021: 89,379,504) ordinary shares of Rs 10 each	893,795	893,795	Long term security deposits		2,692	5,125
8,186,842 (December 31, 2021: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each	606,222	606,222			51,638,401	48,575,451
Other reserves	43,507,879	42,350,898				
Revenue reserve: Un-appropriated profits	3,851,832	4,307,565				
	48,859,728	48,158,480				
<b>NON-CURRENT LIABILITIES</b>						
Long term finances from financial institutions	4,238,900	2,482,650				
Long term advances	21,773	7,703				
Deferred taxation	92,483	94,483				
Employee retirement benefits	656,476	600,570				
Deferred liabilities	63,363	52,043				
	5,072,995	3,237,449				
<b>CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>			
Current portion of non-current liabilities	345,411	8,927	Loans, advances, deposits, prepayments and other receivables		980,824	1,048,472
Short term borrowings from financial institutions - secured	235	21,136	Income tax receivable		2,890,136	2,913,086
Trade and other payables	1,417,028	1,497,811	Short term investments		260,000	235,000
Unclaimed dividend	75,088	58,875	Cash and bank balances		284,092	368,165
Accrued finance cost	282,968	157,496			4,415,052	4,564,723
	2,120,730	1,744,245				
<b>CONTINGENCIES AND COMMITMENTS</b>						
	56,053,453	53,140,174				
	56,053,453	53,140,174				

The annexed notes 1 to 18 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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

	Note	Three-month period ended		Nine-month period ended		
		September 30,	September 30,	September 30,	September 30,	
		2022	2021	2022	2021	
		Un-audited	Un-audited	Un-audited	Un-audited	
		(Rupees in thousand)				
Dividend income	10	1,370,700	1,159,923	4,152,147	3,626,206	
<b>Operating revenue</b>		<b>1,370,700</b>	1,159,923	<b>4,152,147</b>	3,626,206	
Administrative expenses		(156,692)	(119,131)	(501,233)	(366,449)	
Net reversal of impairment on financial assets		3,723	25,203	240	12,993	
Other expenses		(10,132)	(780)	(40,112)	(30,113)	
Rental and other income		172,748	147,839	497,911	446,573	
<b>Operating profit</b>		<b>1,380,347</b>	1,213,054	<b>4,108,953</b>	3,689,210	
Finance cost		(192,622)	(50,765)	(453,449)	(152,360)	
<b>Profit before taxation</b>		<b>1,187,725</b>	1,162,289	<b>3,655,504</b>	3,536,850	
Taxation		(89,385)	(93,552)	(339,551)	(425,000)	
<b>Profit for the period</b>		<b>1,098,340</b>	1,068,737	<b>3,315,953</b>	3,111,850	
<b>Earnings per share</b>	11					
<b>Basic</b>		Rupees	12.29	11.96	36.39	34.52
<b>Diluted</b>		Rupees	11.54	11.24	34.83	32.74

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

Chief Executive Officer

Director

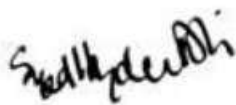
Chief Financial Officer

## PACKAGES LIMITED

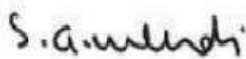
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

	Three month period ended		Nine-month period ended	
	September 30,	September 30,	September 30,	September 30,
	2022	2021	2022	2021
	(Rupees in thousand)			
Profit for the period	1,098,340	1,068,737	3,315,953	3,111,850
<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')	(364,924)	860,493	(93,019)	(2,296,143)
<b>Other comprehensive (loss) / income for the period</b>	<b>(364,924)</b>	<b>860,493</b>	<b>(93,019)</b>	<b>(2,296,143)</b>
<b>Total comprehensive income for the period</b>	<b>733,416</b>	<b>1,929,230</b>	<b>3,222,934</b>	<b>815,707</b>

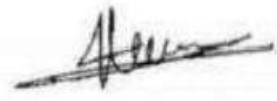
The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial  
Officer

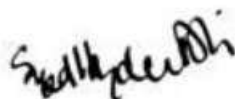
## PACKAGES LIMITED

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

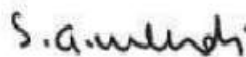
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

	Issued, subscribed and paid up share capital		Reserves					Capital and reserves
	Ordinary share capital	Preference shares / convertible stock	Capital reserves		Revenue reserves			Total
			Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	
	(Rupees in thousand)							
<b>Balance as on January 01, 2021 (audited)</b>	893,795	606,222	3,766,738	20,337,368	1,615,000	19,310,333	3,161,751	<b>49,691,207</b>
<b>Appropriation of reserves</b>								
Transfer to general reserve	-	-	-	-	-	750,000	(750,000)	-
<b>Transaction with preference shareholders</b>								
Participating dividend on preference shares /convertible stock							(26,250)	<b>(26,250)</b>
<b>Transaction with owners in their capacity as owners, recognised directly in equity</b>								
Final dividend for the year ended December 31, 2020 of Rs 22.5 per share	-	-	-	-	-	-	(2,011,039)	(2,011,039)
<b>Total comprehensive income / (loss) for the period ended September 30, 2021</b>								
Profit for the period	-	-	-	-	-	-	3,111,850	<b>3,111,850</b>
Other comprehensive loss for the period	-	-	-	(2,296,143)	-	-	-	<b>(2,296,143)</b>
	-	-	-	(2,296,143)	-	-	3,111,850	<b>815,707</b>
<b>Balance as on September 30, 2021 (un-audited)</b>	<b>893,795</b>	<b>606,222</b>	<b>3,766,738</b>	<b>18,041,225</b>	<b>1,615,000</b>	<b>20,060,333</b>	<b>3,486,312</b>	<b>48,469,625</b>
<b>Balance as at January 1, 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>Transaction with preference shareholders</b>								
Participating dividend on preference shares /convertible stock	-	-	-	-	-	-	(63,749)	<b>(63,749)</b>
<b>Transaction with owners in their capacity as owners, recognised directly in equity</b>								
Final dividend for the year ended December 31, 2021 of Rs.27.5 per share	-	-	-	-	-	-	(2,457,937)	<b>(2,457,937)</b>
Profit for the period	-	-	-	-	-	-	3,315,953	<b>3,315,953</b>
Other comprehensive income for the period	-	-	-	(93,019)	-	-	-	<b>(93,019)</b>
	-	-	-	(93,019)	-	-	3,315,953	<b>3,222,934</b>
<b>Balance as on September 30, 2022 (un-audited)</b>	<b>893,795</b>	<b>606,222</b>	<b>3,766,738</b>	<b>16,815,808</b>	<b>1,615,000</b>	<b>21,310,333</b>	<b>3,851,832</b>	<b>48,859,728</b>

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



Chief Executive Officer



Director



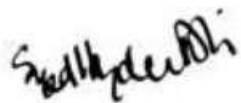
Chief Financial Officer

# PACKAGES LIMITED

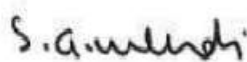
## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022

	Note	Nine-month period ended	
		September 30, 2022	September 30, 2021
		Un-audited	Un-audited
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Cash generated from operations	14	67,146	67,465
Finance cost paid		(341,191)	(173,877)
Income tax paid		(318,601)	(211,893)
Long term security deposits - net		2,433	219
Net (payments for)/receipts from accumulated compensated absences		(1,996)	735
Employee retirement benefits paid		(5,232)	(4,520)
Dividends received		4,152,147	4,717,967
<b>Net cash inflow from operating activities</b>		<b>3,554,706</b>	<b>4,396,096</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(232,498)	(105,610)
Investments made in debt and equity securities		(3,034,348)	(1,808,211)
Long term advances - net		9,339	4,110
Proceeds from disposal of property, plant and equipment		45,102	17,223
<b>Net cash outflow from investing activities</b>		<b>(3,212,405)</b>	<b>(1,892,488)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finances		2,100,000	-
Dividend paid		(2,505,473)	(2,029,133)
<b>Net cash outflow from financing activities</b>		<b>(405,473)</b>	<b>(2,029,133)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(63,172)</b>	<b>474,475</b>
Cash and cash equivalents at the beginning of the period		347,029	(326,482)
<b>Cash and cash equivalents at the end of the period</b>	15	<b>283,857</b>	<b>147,993</b>

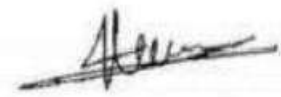
The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.



**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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022**

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

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

The Company is an investment holding company and the principal activity of the Company is to manage investments in subsidiary companies, associated companies and joint ventures which are engaged in various businesses including manufacturing of packaging materials, tissue, consumer products, industrial inks, paper, paperboard products and corrugated boxes, biaxially oriented polypropylene ('BOPP') and cast polypropylene ('CPP') films, ground calcium carbonate products, insurance, power generation and real estate.

#### **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, 2021. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual financial statements.

**2.3** In order to comply with the requirements of the International Accounting Standard 34, the 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 this 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, 2021, except for the 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 approved accounting standards are effective for accounting periods beginning on January 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these 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, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these 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 2021, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

### 5. Taxation

Income tax 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.

### 6. Long term finances from financial institutions

		<b>Sep 30, 2022 Un-audited</b>	<b>December 31, 2021 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	1,550,000
		<u>4,582,650</u>	<u>2,482,650</u>
Current portion shown under current liabilities		(343,750)	-
		<u>4,238,900</u>	<u>2,482,650</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.

Mark up will be charged at the rate of London Inter-bank Offer Rate ('Libor') plus 2% from the date of disbursement. However, finance cost amounting to Rs 31.499 million (September 30, 2021 Rs. 34.6 Million) has been recognised during the period as the nine monthly commitment fee on the undisbursed amount of facility availed from IFC as referred above.

### 7. Contingencies and commitments

#### 7.1. Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Company for the year ended December 31, 2021, 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 tax year 2021, a demand amounting to Rs 307.80 million has been raised under sections 161, 205 and 182 of the Income Tax Ordinance 2001 by the Deputy Commissioner Inland Revenue ('DCIR') through an order dated March 31, 2022. The tax authorities have raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) on the grounds that the order of the DCIR is erred in holding the Company as "Assessed-In-Default" for not withholding tax on payments of salaries which are below taxable slabs and pertains to the reimbursements for employees travelling and conveyance expenses, and professional taxes etc.



- (ii) In respect of sales tax periods from January 2019 to December 2019, the DCIR, through his order 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.

- (iii) In respect of sales tax periods from January 2018 to December 2018, the DCIR through his order 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.

## 7.2. Commitments in respect of

- (i) Letter of credit and contracts for other than capital expenditure is Rs. 10.555 million (2021: Rs. 24.768)

## 8. Property, plant and equipment

		<b>Sep 30, 2022</b>	<b>December 31, 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>(Rupees in thousand)</b>	
Operating fixed assets	- note 8.1 & 8.2	<b>301,061</b>	167,138
Capital work-in-progress		<b>22,463</b>	20,250
		<b><u>323,524</u></b>	<u>187,388</u>

### 8.1. Operating fixed assets

Opening net book value		<b>167,138</b>	160,895
Additions during the period / year	- note 8.1.1	<b>181,542</b>	40,981
Disposals during the period / year at net book value		<b>29,649</b>	20,215
Depreciation charged during the period / year		<b>17,970</b>	14,523
		<b><u>47,619</u></b>	<u>34,738</u>
Closing net book value		<b><u>301,061</u></b>	<u>167,138</u>

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

		<b>Sep 30, 2022</b>	<b>December 31, 2021</b>
		<b>Un-audited</b>	<b>Audited</b>
		<b>(Rupees in thousand)</b>	
Leasehold land		-	175
Other equipment (computers and other office equipment)		<b>17,456</b>	4,722
Furniture and fixtures		<b>47</b>	-
Vehicles		<b>164,039</b>	36,084
		<b><u>181,542</u></b>	<u>40,981</u>

**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 90 million (2021: Rs 78.187 million) in respect of rent for the year from January 2022 to September 2022.

## 9. Long term investments

Opening balance		<b>46,922,876</b>	46,186,404
Add: Investments made during the period / year	- note 9.1	<b>3,009,348</b>	3,488,149
Changes in the fair value of equity investments at FVOCI		<b>(93,019)</b>	(3,428,541)
Reversal of impairment loss on equity instruments of associate		-	676,864
Closing balance		<b>49,839,205</b>	46,922,876

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

Anemone Holdings Limited		<b>236,777</b>	409,405
Systems Limited		<b>15,648</b>	-
Tri-Pack Films Limited		<b>1,159,650</b>	1,578,744
StarchPack (Private) Limited		<b>600,000</b>	1,500,000
sanofi-aventis Pakistan Limited	- note 9.1.1	<b>997,273</b>	-
		<b>3,009,348</b>	3,488,149

**9.1.1** During the period, Packages Limited acquired 585,254 ordinary shares of sanofi aventis Pakistan Limited comprising 6.07% of the issued ordinary share capital thereof pursuant to the mandatory public offer made by the Company on June 30, 2022 at an offer price of Rs 1,704 per ordinary share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the 'Regulations').

## 10. Dividend income

	Three-month period ended		Nine-month period ended	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
Dividend income from related parties	- note 10.1	<b>805,066</b>	740,011	<b>3,258,081</b>
Dividend income from others		<b>565,634</b>	419,912	<b>894,066</b>
		<b>1,370,700</b>	1,159,923	<b>4,152,147</b>

### 10.1. Dividend income from related parties

DIC Pakistan Limited	-	-	<b>274,908</b>	158,731
Tri-Pack Films Limited	-	-	<b>349,335</b>	64,667
IGI Holdings Limited	<b>30,066</b>	30,066	<b>82,682</b>	105,231
Bulleh Shah Packaging (Private) Limited	<b>400,000</b>	350,054	<b>1,300,796</b>	1,570,005
Packages Converters Limited	<b>375,000</b>	359,891	<b>1,149,985</b>	1,072,581
Omyapack (Private) Limited	-	-	<b>24,750</b>	12,375
Packages Real Estate (Private) Limited	-	-	<b>75,625</b>	-
		<b>805,066</b>	740,011	<b>3,258,081</b>

		<b>Three-month period ended</b>		<b>Nine-month period ended</b>		
		<b>Sep 30,</b>	<b>Sep 30,</b>	<b>Sep 30,</b>	<b>Sep 30,</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	
<b>11.</b>	<b>Earnings per share</b>	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>	<b>Un-audited</b>	
<b>Basic earnings per share</b>						
	Profit for the period	<b>Rupees in thousand</b>	1,098,340	1,068,737	3,315,953	3,111,850
	Participating preference dividend	<b>Rupees in thousand</b>	-	-	(63,749)	(26,250)
	Net profit attributable to ordinary shareholders	<b>Rupees in thousand</b>	1,098,340	1,068,737	3,252,204	3,085,600
	Weighted average number of ordinary shares	<b>Number</b>	89,379,504	89,379,504	89,379,504	89,379,504
	Basic earnings per share	<b>Rupees</b>	12.29	11.96	36.39	34.52
<b>Diluted earnings per share</b>						
	Profit for the period	<b>Rupees in thousand</b>	1,098,340	1,068,737	3,315,953	3,111,850
	Return on preference shares / convertible stock - net of tax	<b>Rupees in thousand</b>	27,837	27,838	82,604	82,604
			1,126,177	1,096,575	3,398,557	3,194,454
	Weighted average number of ordinary shares	<b>Number</b>	89,379,504	89,379,504	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	8,186,842	8,186,842
			97,566,346	97,566,346	97,566,346	97,566,346
	Diluted earnings per share	<b>Rupees</b>	11.54	11.24	34.83	32.74

## 12. Transactions with preference shareholders

This represents the additional entitlement of the preference share holders. In addition to the preferred right of return at the rate of 10 percent per annum, either in cash or ordinary shares on a non-cumulative basis till the date of settlement of preference shares / convertible stock, the preference shareholders also have the right to share the excess amount with the ordinary shareholders on an as-converted basis in case the amount of dividend per share paid to an ordinary shareholder exceeds that paid to a preference shareholder. Since ordinary dividend of Rs 27.50 per share was approved for the year ended December 31, 2021 (December 31, 2020: dividend of Rs 22.50 per share), which exceeded the preferred return for that year, the additional preference dividend to be paid to the preference shareholders has been distributed to the preference shareholders as participating dividend and charged directly to the equity.

## 13. Transactions and balances with related parties

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

Relationship with the Company	Nature of transactions	Nine months ended	
		Sep 30 2022	Sep 30 2021
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	307	766
	Sale of goods and services	-	1,536
	Dividend income	3,150,649	2,801,317
	Investment made	1,759,650	-
	Rental income and others	354,010	293,589
	Management and technical fee	52,082	72,800
ii. Joint ventures	Dividend income	24,750	12,375
iii. Associates	Purchase of goods and services	2,100	79
	Insurance premium paid	30,213	21,067
	Dividend income	82,682	169,898
	Dividend paid	734,448	600,912
	Insurance claims received	4	-
	Rental income and others	2,940	7,541
iv. Retirement obligations	Expense charged in respect of retirement benefit plans	94,548	46,100
	Expense charged in respect of contribution plans	-	10,349
	Dividend paid	77,892	63,730
v. Key management personnel	Salaries and other employee benefits	32,832	35,211
	Directors' meeting fee	5,875	7,775
	Dividend paid	87,651	66,111
vi. Other related party	Donations made	24,040	28,195

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

**Period / year end balances**

	<b>Sep 30 2022</b>	Sep 30 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
<b>Receivable from related parties</b>		
- Subsidiaries	479,737	365,247
- Joint ventures	5,213	1,072
- Associates	37,114	47,194
<b>Payable to related parties</b>		
- Subsidiaries	18,099	779
- Associates	5,615	-
- Other related party	1,934	7,208
- Retirement benefit obligations	7,173	5,484

**14. Cash flow information**

**14.1. Cash generated from operations**

	Nine months ended	
	Sep 30 2022	Sep 30 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
<b>Profit before taxation</b>	3,655,504	3,536,850
Adjustments for non-cash items:		
- Depreciation on owned assets	17,970	10,675
- Depreciation on investment properties	35,439	35,765
- Amortisation on intangible assets	386	386
- Present value adjustment of long term liability	(4,608)	-
- Provision for accumulating compensated absences	13,316	20,550
- Provision for retirement benefits	61,138	28,264
- Profit on disposal of operating fixed asset	(15,453)	(1,382)
- Exchange adjustment net	28,732	3
- Finance cost	453,449	152,360
- Net reversal of impairment on financial assets	(240)	(12,993)
- Liabilities no longer payable written back	(17,353)	(22,039)
- Dividend income	(4,152,147)	(3,626,206)
<b>Profit before working capital changes</b>	76,133	122,233
<b>Effect on cash flow due to working capital changes</b>		
- Decrease in trade receivables	-	74,815
- Decrease in loans, advances, deposits, prepayments and other receivables	67,888	9,750
- Decrease in trade and other payables	(76,875)	(139,333)
	(8,987)	(54,768)
	67,146	67,465

**15. Cash and cash equivalents**

	Sep 30 2022	Sep 30 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Cash and bank balances	284,092	147,993
Finances under mark up arrangements - secured	(235)	-
	283,857	147,993

**16. Financial risk management**

**16.1. 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, 2021.

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

**16.2. 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 September 30, 2022 and December 31, 2021 on a recurring basis:

As at September 30, 2022	Un-audited			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
<b>Assets</b>				
<b>Recurring fair value measurements</b>				
Investments - FVOCI	20,800,714	-	5,025	20,805,739
<b>Liabilities</b>	-	-	-	-
	Audited			
<b>As at December 31, 2021</b>	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
<b>Assets</b>				
<b>Recurring fair value measurements</b>				
Investments - FVOCI	20,893,733	-	5,025	20,898,758
<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.

**17. Date of authorisation for issue**

These unconsolidated condensed interim financial statements were authorised for issue on October 28, 2022 by the Board of Directors of the Company.

**18. Corresponding figures**

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

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

**DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

The Directors of Packages Limited (the 'Parent Company') take pleasure in presenting the condensed interim un-audited consolidated financial statements of the Group for the nine months ended September 30, 2022.

Comparison of the un-audited consolidated results of the nine months ended September 30, 2022 as against September 30, 2021 is as follows:

	<b>Jan- Sep 2022</b>	<b>Jan- Sep 2021</b>
	<b>(Rupees in million)</b>	
Invoiced sales – net	<b>90,250</b>	59,440
Other operating expense – net	<b>(1,158)</b>	(609)
Share of profits in associates and joint venture – net of tax	<b>141</b>	110
Investment Income	<b>894</b>	643
Profit from operations	<b>13,378</b>	8,949
Finance costs	<b>(4,717)</b>	(1,845)
Net gain on acquisition of Tri-Pack Films	<b>1,994</b>	-
Profit before taxation	<b>10,654</b>	7,104
Taxation	<b>(3,326)</b>	(2,351)
Profit after tax	<b>7,328</b>	4,753

We are pleased to report that the core manufacturing operations have shown significantly improved performance in a challenging and competitive environment. During the current period of 2022, the Group has achieved net sales of Rs. 90,250 million against net sales of Rs. 59,440 million achieved during corresponding period of last year representing sales growth of 52% with profit before tax of Rs 10,654 million as compared to Rs 7,104 million generated during corresponding period last year, mainly on account of revenue growth, cost controls and a one-time net gain under business combination amounting to Rs 1,994 million on acquisition of Tri-Pack Films Limited ('TPFL').

The Group's finance cost has increased by Rs 2,872 million which is mainly attributable to increased bench-mark interest rates and loans availed for the purpose of making capital expenditure and new investments.

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

### **Packages Convertors Limited**

Packages Convertors Limited ('PCL') is an un-listed public limited subsidiary of Packages Limited. It is principally engaged in the manufacture and sale of packaging materials and tissue products. The Company has achieved net sales of Rs. 29,678 million during the current period of the year 2022 while in the comparable period for the prior year, sales stood at Rs. 22,330 million. The Company has generated profit before tax of Rs. 2,108 million during the current period while in the corresponding period of the prior year the Company generated profit before tax of Rs. 2,194 million. Despite higher sales, profit before tax is almost at the same level as that of last year on account of higher finance cost and exchange loss due to adverse exchange rate movements.

### **Bulleh Shah Packaging (Private) Limited**

Bulleh Shah Packaging (Private) Limited is principally engaged in the manufacturing and conversion of paper and paper board and corrugated boxes. The Company has achieved sales of Rs. 34,713 million during the current period of 2022 as compared to Rs 27,155 million during 2021 representing sales growth of 28%. The Company has recorded profit before tax of Rs 4,475 million during the current period as compared to the Rs 3,356 million in corresponding period last year, primarily due to revenue growth and tighter control over fixed costs. A fire incident occurred at its warehouse situated in Kasur on February 9, 2022. The fire was brought under control using the in-house firefighting system and with the help of local administration. The business continuity plan was successfully implemented and plant operations and supplies to its customers resumed. The profit before tax includes the insurance gain recorded to date on the assets destroyed in fire amounting to Rs. 611 million.

### **DIC Pakistan Limited**

DIC Pakistan Limited is an un-listed public limited subsidiary of Packages Limited. It is principally engaged in manufacturing, processing and selling of industrial inks. The Company has achieved net sales of Rs. 6,734 million during the current period of the year 2022 as compared to Rs. 4,919 million of the corresponding period of last year representing sales growth of 37%. The Company has generated profit before tax of Rs. 703 million during the current period of the year 2022 as against Rs. 737 million generated during corresponding period of 2021. The decrease is mainly attributable to the rupee devaluation and the resultant



exchange loss incurred by the Company. Moving forward, the Company will focus on improving operating results through volume growth, tighter cost control and price rationalization.

### **Packages Real Estate (Private) Limited**

Packages Real Estate (Private) Limited is a subsidiary of Packages Limited. It is primarily engaged in the business of all types of construction activities and development of real estate. It is currently operating a real estate project titled “Packages Mall” and has also started leasing of office space to corporate customers. The Company has achieved net revenue of Rs 3,326 million during the current period of 2022 as compared to revenue of Rs 2,360 million achieved during the corresponding period of last year. The Company has recorded profit before tax of Rs 583 million as against Rs 351 million achieved during current period of last year.

### **Tri-Pack Films Limited**

It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. On February 15, 2022, the transaction of acquiring 7,500,000 shares (representing 19.33% shareholding) of TPFL from Mitsubishi Corporation was completed. The Parent Company now owns 69.26% in TPFL resulting in becoming a subsidiary of Packages Limited and is therefore included within the Consolidated Financial Statements. Identified assets acquired, liabilities assumed or incurred of TPFL have been carried at fair value at the latest reporting date i.e., December 31, 2021, and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a one-time net gain under business combination amounting to Rs 1,994 million recognised in the financial statements of the Group. This amount is provisional as management is in the process of determining the fair value of assets and liabilities as at the date of acquisition i.e., February 15, 2022. The Company has achieved net sales of Rs 18,419 million during the current period of 2022 as compared to sales of Rs 13,890 million achieved during the corresponding period of last year, representing sales growth of 33%. The Company has recorded a profit before tax of Rs 1,052 million as against Rs 1,176 million achieved during corresponding period of last year. From the revenue of the current period, a 227-day revenue of Rs 16,678 million, is included in the revenue of the Group after inter-group adjustments. During the current period - the profit before tax of the Group, includes Rs 430 million from the acquisition of TPFL. Despite higher sales, profit before tax is almost at the same level as that of last year on account of higher finance cost and exchange loss due to adverse exchange rate movements.

### **Packages Lanka (Private) Limited**

Packages Lanka (Private) Limited is a Sri Lankan based subsidiary of Packages Limited. It is primarily engaged in production of flexible packaging. During the current period of 2022, the Company has achieved sales of SLR 3,566 million as compared to SLR 1,840 million in the corresponding period of last year. The Company has generated profit before tax of SLR 639 million during the current period of the year 2022 as against profit before tax of SLR 51 million generated during corresponding period of 2021. The improved performance of the company relates to improved cost control measures, timely passing on the price increases to customers and effective working capital management.

### **Flexible Packages Convertors (Pty) Limited**

Flexible Packages Convertors (Pty) Limited is a private limited company based in South Africa. It is principally engaged in the manufacture of flexible packaging material. During the current period of 2022, the company achieved net sales revenue of ZAR 419 million as compared to ZAR 512 million of the corresponding period of last year. The Company has recorded loss before tax of ZAR 16 million during current period of 2022 as compared to loss before tax of ZAR 8 million during the corresponding period of last year. This is primarily on account of lower sales to key customers as well as unprecedented raw material increases coupled with general economic conditions in South Africa. Moving forward, the Company will focus on improving operating results through volume growth, tighter cost controls and price rationalization.

### **Public offer for sanofi-aventis Pakistan Limited**

The Parent Company had made a public announcement of intention on April 28, 2022 of the finalization of purchase price and terms and conditions of the Proposed Transaction between the Investor Consortium and Sanofi Foreign Participants B.V. for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V. held in sanofi-aventis Pakistan Limited. The Investor Consortium is comprised of the Parent Company, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group. The Investor Consortium is led by the Parent Company. The negotiated purchase price for the Proposed Transaction is Rs 940 per share (excluding transaction costs) and the Parent Company expects to acquire 35% of equity stake in Sanofi Pakistan. The remaining shareholding i.e. 17.87% (Remaining Shareholding) is expected to be taken by other members of the Investor Consortium. The Company shall also be committed to purchase Remaining Shareholding to the extent not taken-up by any other member of the Investor Consortium.

During the period, the Parent Company acquired 585,254 ordinary shares of sanofi-aventis Pakistan Limited comprising 6.07% of the issued ordinary share capital thereof pursuant to the mandatory public offer made by the Parent Company on June 30, 2022 at an offer price of Rs 1,704 per ordinary share pursuant to the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the 'Regulations').

## **GROUP'S STAFF AND CUSTOMERS**

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

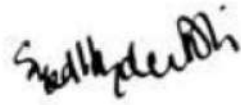
The management also wishes to express its gratitude to all the Group's employees who have worked tirelessly. We appreciate their hard work, loyalty and dedication.



**(Towfiq Habib Chinoy)**

Chairman

Lahore, October 28, 2022



**(Syed Hyder Ali)**

Chief Executive & Managing Director

Lahore, October 28, 2022

# 30 ستمبر 2022 کو ختم ہونے والی نو ماہی کے لئے ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکیجز لمیٹڈ کے ڈائریکٹرز بہ مسرت 30 ستمبر 2022 کو ختم ہونے والی نو ماہی مدت کے لئے گروپ کے غیر آڈٹ شدہ مجموعی مالیاتی معلومات پیش کرنے پر خوشی محسوس کرتے ہیں۔

## گروپ کے نتائج

30 ستمبر 2022 کو ختم ہونے والی نو ماہی مدت کے لئے غیر آڈٹ شدہ نتائج کا تقابل 30 ستمبر 2021 کے مقابلے میں درج ذیل کے مطابق ہے:

جنوری - ستمبر 2021	جنوری - ستمبر 2022	
(روپے ملین میں)		
59,440	90,250	انوائسڈ سیلز - خالص
(609)	(1,158)	دیگر آپریٹنگ اخراجات
110	141	منسلکہ اداروں اور مشترکہ منصوبے میں (اخراجات)/ منافع کا حصہ
643	894	سرمایہ کاری سے آمدن
8,949	13,378	آپریٹنگ سے حاصل منافع جات
(1,845)	(4,717)	فنانس کی لاگت
-	1,994	ٹرائی پک فلمز کی خریداری سے منافع
7,104	10,654	منافع قبل از ٹیکس
(2,351)	(3,326)	ٹیکسیشن
4,753	7,328	منافع بعد از ٹیکس

ہم با مسرت اطلاع دے رہے ہیں کہ گروپ کے کلیدی مینوفیکچرنگ آپریٹنگ سے منافع اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ 2022 کے پہلے نو ماہ کے دوران گروپ نے 90,250 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اس مدت کے دوران 59,440 ملین روپے کی خالص سیلز حاصل کی گئی تھی جو کہ 52 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ گروپ نے 10,654 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو گزشتہ سال کی اسی مدت میں 7,104 ملین روپے تھا جو کہ بنیادی طور پر یونیورسٹی گروتھ اور مالیات پر کنٹرول اور ٹرائی پک فلمز لمیٹڈ کے حصول جو کہ 1994 ملین روپے ہے کے باعث ممکن ہوا۔

گروپ کی فنانس لاگت میں 2,872 ملین روپے کا اضافہ ہوا جسکی وجہ شرح سود کا موجودہ سال کے دوران اضافہ، طویل مدتی اخراجات کے لئے قرضوں کا حصول اور نئی سرمایہ کاری تھا۔

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

## پیکجز کنورٹرز لمیٹڈ

پیکجز کنورٹرز لمیٹڈ پیکجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ادارہ ہے۔ یہ بنیادی طور پر پیکجنگ میٹریل اور ٹشو پروڈکٹس کی تیاری اور فروخت میں مصروف عمل ہے۔ 30 ستمبر 2022 کو ختم ہونے والے نو ماہ کے دوران کنورٹنگ کے کاروبار نے 29,678 ملین روپے کی سیلز جو کہ 2021 میں 22,330 ملین روپے تھی اور 2,108 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 میں 2,194 ملین روپے تھا۔ سیلز میں اضافے کے باوجود منافع قبل از ٹیکس کے اسی سطح پر ہونے کی بنیادی وجہ اضافی فنانس لاگت اور پیسے کی قدر میں شدید تبدیلی کی وجہ سے تبادلہ کا نقصان تھا۔

## بلسہ شاہ پیکجنگ (پرائیویٹ) لمیٹڈ

بلسہ شاہ پیکجنگ (پرائیویٹ) لمیٹڈ بنیادی طور پر پیپر اور پیپر بورڈ پروڈکٹس کی تیاری اور منتقلی میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے نو ماہ کے دوران 34,713 ملین روپے کی سیلز حاصل کی جو اس کے مقابلے میں 2021 کے دوران 27,155 ملین روپے تھی۔ جس سے 28 فیصد کی سیلز گروتھ ظاہر ہوتی ہے۔ کمپنی نے موجودہ مدت کے دوران 4,475 ملین روپے کا منافع قبل از ٹیکس دیکھا۔ جو کہ گزشتہ مدت کے دوران 3,356 ملین روپے تھا۔ کمپنی بلند تر حجم، پروڈکٹ میں توسیع اور پروڈکٹس کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔ 9 فروری 2022 کو اس کے قصور میں واقع گودام میں آگ لگنے کا واقعہ پیش آیا اندرون خانہ فار فائیننگ سسٹم کے استعمال اور مقامی لوگوں کی مدد سے آگ پر قابو پایا گیا۔ کاروباری تسلسل کے منصوبے کو کامیابی کے ساتھ نافذ کیا گیا اور پلانٹ آپریشنز اور صارفین کو شفاء کی ترسیل شروع کی گئی منافع قبل از ٹیکس میں آگ سے تباہ شدہ اثاثہ جات پر حاصل شدہ انشورنس کیم جسکی مالیت 611 ملین روپے ہے شامل ہے۔

## ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ پیکجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ بنیادی طور پر صنعتی انکس (inks) کی تیاری، پروسیسنگ اور سیلز میں مصروف عمل ہے۔ کمپنی نے سال 2022 کی پہلے نو ماہ کے دوران 6,734 ملین روپے کی خالص سیلز حاصل کی۔ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 4,919 ملین روپے تھیں جو 37 فیصد کی سیلز گروتھ کو ظاہر کرتی ہے۔ کمپنی نے 2022 کی موجودہ مدت کے دوران 703 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو 2021 کی اسی مدت میں 737 ملین روپے تھا۔ اس کی بنیادی وجہ روپے کی قدر میں کمی اور اس کے نتیجے میں تبادلے کا نقصان تھا۔ آگے بڑھتے ہوئے کمپنی کے بلند تر حجم، طے کردہ مالیات پر بہتر کنٹرول کے ذریعے نتائج کو بہتر بنائے گی۔

## پیکجز رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکجز رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر تمام اقسام کی تعمیراتی سرگرمیوں اور رینیل اسٹیٹ کے فروغ کے کاروبار میں سرگرم عمل ہے۔ اس وقت یہ رینیل اسٹیٹ ”پیکجز مال“ کے نام سے ایک پراجیکٹ آپریٹ کر رہا ہے اور کارپوریٹ صارفین کو آفس کی جگہ لیز پر دینا شروع کر دی ہے۔ کمپنی نے پہلے نو ماہ 2022 کے دوران 3,326 ملین روپے کی آمدن حاصل کی جو کہ 2021 کے اسی عرصہ کے دوران 2,360 ملین روپے تھی۔ اس نے موجودہ مدت 2022 کے دوران 583 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 میں 351 ملین روپے تھا۔

## ٹرائی پیک فلز لمیٹڈ

ٹرائی پیک فلز لمیٹڈ بنیادی طور پر بائی آگزیلی اور اینٹھ پولی پروپیلین (BOPP) فلز اور کاسٹ پولی پروپیلین (CPP) فلم کی تیاری اور فروخت میں مصروف عمل ہے۔ 15 فروری 2022 کو مٹسوبی کارپوریشن سے TPFL کے 7,500,000 شیئرز (جو کہ 19.33 فیصد شراکت داری ظاہر کرتا ہے) کی خریداری کا عمل

مکمل ہوا۔ پیرنٹ کمپنی اب TPFL میں 69.26 فیصد کی ملکیت رکھتی ہے جس سے وہ پیکیجز لیمیٹڈ کا ذیلی ادارہ بن گیا ہے اور اسی وجہ سے اسے مجموعی مالی حسابات میں شامل کیا گیا ہے TPFL کے حاصل کردہ اثاثہ جات اور قابل ادہ اخراجات کو انکی کیئرنگ ویلیو پر پورنگ کی تاریخ یعنی 31 دسمبر 2021 پہ شامل کیا گیا ہے اور خریداری کی تاریخ پراپیوسٹی ایٹ میں سرمایہ کاری کو اس کی مناسب قیمت پر تصرف سمجھا جاتا ہے۔ اس کے نتیجے میں کاروباری امتزاج کے تحت ایک بار کا خالص فائدہ ہوا ہے جس کی مالیت 1,994 ملین روپے ہے اور یہ گروپ کے مالی حسابات میں تسلیم شدہ ہے یہ رقم عارضی کیونکہ انتظامیہ حصول کی تاریخ یعنی 15 فروری 2022 کو اثاثوں اور واجبات کی مناسب قیمت کا تعین کرنے کے عمل میں ہے۔ کمپنی نے 2022 کی پہلے نو ماہ کے دوران 18,419 ملین روپے کی سیلز حاصل کی جو کہ گزشتہ سال کی اسی مدت کے دوران 13,890 ملین روپے تھی۔ جو کہ 33 فیصد اضافہ کو ظاہر کرتا ہے کمپنی نے موجودہ مدت کے دوران 1,052 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 1,176 ملین روپے تھا۔ موجودہ مدت کی آمدنی سے 227 دن کی آمدنی جو کہ 16,678 ملین روپے ہے جو گروپ کی آمدن میں انٹرگروپ ایڈجسٹمنٹ کے بعد شامل کیا گیا ہے۔ موجودہ مدت کے دوران گروپ کے منافع قبل از ٹیکس میں TPFL کے حصول سے 430 ملین روپے شامل ہیں۔ سیلز میں اضافے کے باوجود منافع قبل از ٹیکس کے اسی سطح پر ہونے کی بنیادی وجہ اضافی فنانس لاگت اور پیسے کی قدر میں شدید تبدیلی کی وجہ سے تبادلہ کا نقصان تھا۔

## پیکیجز لنکا (پرائیویٹ) لمیٹڈ

پیکیجز لنکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر فلیکس ایبل پیکیجنگ کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے نو ماہ کے دوران 3,566 ملین سری لنکن روپے کی سیلز حاصل کی جو گزشتہ سال کی اس مدت میں 1,840 ملین سری لنکن روپے تھی۔ کمپنی نے سال 2022 کے پہلے نو ماہ میں 639 ملین سری لنکن روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 کی اسی مدت کے دوران 51 ملین سری لنکن روپے منافع قبل از ٹیکس تھا۔ جو کہ طے کردہ مالیات پر بہتر کنٹرول اور قیمت اور حجم میں ترتیب کے تحت ممکن ہوا۔

## فلیکس ایبل پیکیجز کنورٹرز (پروپرائیٹری) لمیٹڈ

فلیکس ایبل پیکیجز کنورٹرز (پروپرائیٹری) لمیٹڈ جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلیکس ایبل پیکیجنگ میٹریل کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے نو ماہ کے دوران 419 ملین زار (ZAR) کا خالص سیلز ریونیو حاصل کیا جو گزشتہ سال کی اس مدت میں 512 ملین زار (ZAR) تھا۔ کمپنی کا خسارہ قبل از ٹیکس 2022 کے پہلے نو ماہ میں 16 ملین زار (ZAR) تھا جو گزشتہ سال کی اس مدت میں 8 ملین زار (ZAR) تھا۔ جسکی وجہ صارفین کو سیلز میں کمی، خام مال کی قیمت میں اضافہ جو کہ جنوبی افریقہ میں اقتصادی عوامل سے منسلک تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم اور قیمتوں میں ترتیب کے ذریعے آپریٹنگ نتائج کی بہتری پر توجہ دے گی۔

## سانوفی ایویٹنس پاکستان لیمیٹڈ کے لئے عوامی پیشکش

پیرنٹ کمپنی نے 28 اپریل 2022 کو مناسب تہذیبی کے بعد سانوفی فارن پارٹنیشن بی۔وی کے 52.87 فیصد شیئر جو کہ سانوفی ایویٹنس پاکستان لیمیٹڈ میں تھے کی ممکنہ خریداری کا عوامی اعلان کیا جسکے بعد انویسٹر کنسورشیم اور سانوفی فارن پارٹنیشن بی۔وی کے مابین موجودہ لین دین کی خریداری کی قیمت اور شرائط و ضوابط کو حتمی شکل دی گئی۔ انویسٹر کنسورشیم پیرنٹ کمپنی، IGI انویسٹمنٹ (پرائیویٹ) لیمیٹڈ اور ارشد علی گوہر گروپ سے منسلک اداروں پر مشتمل ہے۔ انویسٹر کنسورشیم کی قیادت پیرنٹ کمپنی کر رہی ہے۔

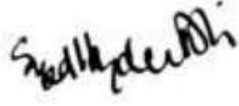
مجوزہ لین دین کے لئے مزاکراتی قیمت خرید (ماسوائے خریداری کے اخراجات) 940 روپے فی شیئر ہے اور پیرنٹ کمپنی یہ توقع رکھتی ہے کہ وہ سانوفی پاکستان میں 35 فیصد ایکویٹی حاصل کرے گی۔ باقی شیئر ہولڈنگ یعنی 17.87 فیصد انویسٹر کنسورشیم کے دیگر ممبران کے ذریعے حاصل کی جائے گی۔ کمپنی وہ شیئر جو کہ انویسٹر کنسورشیم کے ممبران نے ناخریدے ہوں ان شیئر کی خریداری کے لئے پر عزم رہے گی۔

موجودہ مدت کے دوران پیرنٹ کمپنی نے 30 جون 2022 کو کی گئی لازمی عوامی آفر کے تحت سائوفی ایونٹس پاکستان لیمیٹڈ کے 585,254 عمومی شیئرز خریدے جو کہ عمومی شیئر کیپیٹل کے 6.07 فیصد پر مشتمل تھے۔ ان شیئرز کی عمومی قیمت 1,704 روپے فی عمومی شیئر تھی جو کہ سیکورٹی ایکٹ 2015 اور لسٹڈ کمپنیز (Substantial Acquisition of Voting Shares and Takeovers) ریگولیشنز 2017 کے تحت تھی۔

## کمپنی کا اسٹاف اور اسٹیک ہولڈرز

انتظامیہ گروپ کمپنی کے اسٹیک ہولڈرز بالخصوص اپنے صارفین کا سروسز پر مکمل اعتماد کے لئے ان کی مشکور ہے۔

انتظامیہ اس امر پر بھی اپنی خوشی کا اظہار کرتی ہے کہ کمپنی کے تمام ملازمین نے غیر معمولی کارکردگی اور انتھک محنت کا مظاہرہ کیا۔ ہم ان کی محنت، ایمانداری اور عزم کو خراج تحسین پیش کرتے ہیں۔



سید حیدر علی

(چیف ایگزیکٹو اور مینجنگ ڈائریکٹر)

لاہور، 28 اکتوبر، 2022



توفیق حبیب چنائے

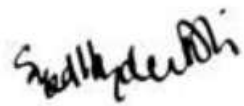
(چیئر مین)

لاہور، 28 اکتوبر، 2022

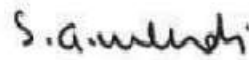
**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022**

	Note	September 30, 2022	December 31, 2021	Note	September 30, 2022	December 31, 2021	
		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	55,425,123	31,469,874
150,000,000 (2021: 150,000,000)				Right-of-use assets		394,231	403,526
ordinary shares of Rs. 10 each		1,500,000	1,500,000	Investment properties		11,977,751	11,270,230
				Intangible assets	9	400,628	383,154
22,000,000 (2021: 22,000,000)				Investments accounted for using the equity method	10	4,611,399	8,787,331
10% non-voting preference shares /				Other long term investments	11	21,818,659	20,898,757
convertible stock of Rs 190 each		4,180,000	4,180,000	Long term security deposits		184,234	145,216
				Long term loans		2,121	561
Issued, subscribed and paid up capital						94,814,146	73,358,649
89,379,504 (2021: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795				
8,186,842 (2021: 8,186,842) 10% non-voting preference shares /							
convertible stock of Rs 190 each		606,222	606,222				
Other reserves		45,810,592	44,748,580				
Equity portion of loan from shareholder of the Parent Company		277,219	277,219				
Revenue reserve: Un-appropriated profits		13,712,947	10,474,905				
Attributable to owners of the Parent Company		61,300,775	57,000,721				
Non-controlling interests		5,140,608	2,025,433				
<b>TOTAL EQUITY</b>		<b>66,441,383</b>	<b>59,026,154</b>				
<b>NON-CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Long term finances	6	28,250,471	15,270,036	Stores and spares		3,367,485	3,170,406
Lease liabilities		272,185	321,560	Stock-in-trade		32,296,974	21,071,871
Security deposits		470,534	154,637	Short term investments		679,000	2,251,000
Deferred income		392,411	244,082	Trade debts		16,643,485	9,843,484
Deferred government grant		500,174	230,419	Loans, advances, deposits, prepayments			
Deferred taxation		3,380,395	2,267,881	and other receivables		10,078,608	2,292,705
Long term advances		122,761	154,738	Income tax receivable		4,629,605	4,695,577
Employee retirement benefits		1,449,349	1,214,217	Cash and bank balances		1,495,921	1,008,150
Deferred liabilities		516,786	378,686			69,191,078	44,333,193
		<b>35,355,066</b>	<b>20,236,256</b>				
<b>CURRENT LIABILITIES</b>							
Current portion of non-current liabilities		7,036,166	6,285,777				
Short term borrowings - secured		32,644,086	18,666,793				
Trade and other payables		20,622,127	12,647,371				
Unclaimed dividend		97,503	59,238				
Accrued finance cost		1,808,893	770,253				
		<b>62,208,775</b>	<b>38,429,432</b>				
<b>CONTINGENCIES AND COMMITMENTS</b>							
	7	-	-				
		<b>164,005,224</b>	<b>117,691,842</b>			<b>164,005,224</b>	<b>117,691,842</b>

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



Chief Executive



Director



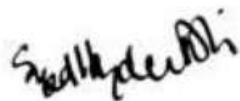
Chief Financial Officer



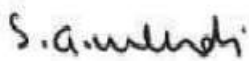
**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022**

	Note	Three month period ended		Nine month period ended	
		September 30, 2022 (Rupees in thousand)	September 30, 2021	September 30, 2022 (Rupees in thousand)	September 30, 2021
Revenue	12	32,472,641	20,316,351	90,249,969	59,440,335
Cost of sales and services	13	(25,921,975)	(15,913,225)	(70,752,140)	(46,483,030)
<b>Gross profit</b>		<b>6,550,666</b>	4,403,126	<b>19,497,829</b>	12,957,305
Administrative expenses		(995,019)	(700,228)	(2,800,091)	(2,014,796)
Distribution and marketing costs		(885,225)	(774,139)	(3,049,630)	(2,181,107)
(Impairment losses) / reversal of impairment losses on financial assets		(98,056)	26,549	(147,633)	43,447
Other expenses		(1,027,339)	(417,487)	(2,360,289)	(862,670)
Other income		123,061	16,288	1,202,552	253,883
Investment income		565,634	419,912	894,066	642,616
Share of net profit of associates and joint ventures accounted for using equity method		65,314	65,470	141,039	110,431
<b>Profit from operations</b>		<b>4,299,036</b>	3,039,491	<b>13,377,843</b>	8,949,109
Finance costs		(2,091,638)	(653,821)	(4,717,214)	(1,844,966)
Gains and losses relating to business combination	20	-	-	1,993,637	-
<b>Profit before taxation</b>		<b>2,207,398</b>	2,385,670	<b>10,654,266</b>	7,104,143
Taxation		(387,959)	(587,749)	(3,326,111)	(2,351,277)
<b>Profit for the period</b>		<b>1,819,439</b>	1,797,921	<b>7,328,155</b>	4,752,866
<b>Profit attributable to:</b>					
Equity holders of the Parent Company		1,736,144	1,694,546	7,009,728	4,487,120
Non-controlling interests		83,295	103,375	318,427	265,746
		<b>1,819,439</b>	1,797,921	<b>7,328,155</b>	4,752,866
<b>Earnings per share attributable to equity holders of the Parent Company during the period</b>	13				
Basic	Rupees	19.42	18.96	77.71	49.91
Diluted	Rupees	18.08	17.65	72.69	46.84

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



**Chief Executive**



**Director**

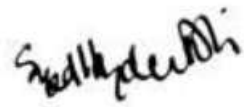


**Chief Financial Officer**

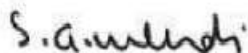
PACKAGES LIMITED AND ITS SUBSIDIARIES  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

	Three month period ended		Nine month period ended	
	September 30, 2022 (Rupees in thousand)	September 30, 2021	September 30, 2022 (Rupees in thousand)	September 30, 2021
<b>Profit for the period</b>	<b>1,819,439</b>	1,797,921	<b>7,328,155</b>	4,752,866
<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')	(364,924)	860,493	(93,019)	(2,296,143)
	(364,924)	860,493	(93,019)	(2,296,143)
<i>Items that might be reclassified subsequently to profit or loss:</i>				
Net exchange differences on translation of foreign operations	74,799	52,937	(97,226)	12,337
Share of other comprehensive (loss) of associates and joint ventures accounted for using equity method - net of tax	1,404	163,642	(48,873)	(86,291)
	76,203	216,579	(146,099)	(73,954)
<b>Other comprehensive (loss) / profit for the period</b>	<b>(288,721)</b>	1,077,072	<b>(239,118)</b>	(2,370,097)
<b>Total comprehensive profit for the period</b>	<b>1,530,718</b>	2,874,993	<b>7,089,037</b>	2,382,769
<b>Total comprehensive profit attributable to:</b>				
Owners of the Parent Company	1,411,254	2,766,023	6,821,740	2,119,268
Non-controlling interests	119,464	108,970	267,297	263,501
	<b>1,530,718</b>	2,874,993	<b>7,089,037</b>	2,382,769

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



Chief Executive



Director

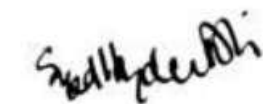


Chief Financial Officer

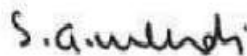
**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022**

	Attributable to owners of the Parent Company											Non-controlling interests	Total equity	
	Issued, subscribed and paid up capital		Reserves								Capital and reserves			
			Capital reserves				Revenue reserves				Total			
	Ordinary share capital	Preference shares / convertible stock	Share premium	Exchange differences on translation of foreign operations	FVOCI reserve	Other reserves relating to associates and joint ventures	Transactions with non-controlling interests	Equity portion of loan from shareholder of the Parent Company	Capital redemption reserve	General reserve	Unappropriated profits			
	(Rupees in thousand)													
<b>Balance as on January 1, 2021 (audited)</b>	893,795	606,222	3,766,738	(154,125)	20,337,367	2,648,933	80,653	277,219	1,615,000	19,310,333	6,529,599	55,911,734	1,864,946	57,776,680
<b>Appropriation of reserves</b>														
Transferred to general reserve	-	-	-	-	-	-	-	-	750,000	(750,000)	-	-	-	-
<b>Transactions with preference shareholders</b>														
Participating dividend on preference shares / convertible stock	-	-	-	-	-	-	-	-	-	(26,250)	(26,250)	-	-	(26,250)
<b>Transactions with owners recognized directly in equity</b>														
Final dividend for the year ended December 31, 2020 Rs. 22.5 per share	-	-	-	-	-	-	-	-	-	(2,011,039)	(2,011,039)	-	-	(2,011,039)
Adjustment on account of Group taxation	-	-	-	-	-	-	-	-	-	332,727	332,727	-	-	332,727
Dividend relating to 2020 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(129,976)	(129,976)	(129,976)
	-	-	-	-	-	-	-	-	-	(1,678,312)	(1,678,312)	(129,976)	(129,976)	(1,808,288)
<b>Total comprehensive income / (loss) for the period ended September 30, 2021</b>														
Profit for the period	-	-	-	-	-	-	-	-	-	4,487,120	4,487,120	265,746	265,746	4,752,866
Other comprehensive loss for the period	-	-	-	14,582	(2,296,143)	(86,291)	-	-	-	-	(2,367,852)	(2,367,852)	(2,245)	(2,370,097)
	-	-	-	14,582	(2,296,143)	(86,291)	-	-	-	4,487,120	2,119,268	263,501	263,501	2,382,769
<b>Balance as on September 30, 2021 (un-audited)</b>	893,795	606,222	3,766,738	(139,543)	18,041,224	2,562,642	80,653	277,219	1,615,000	20,060,333	8,562,157	56,326,440	1,998,471	58,324,911
<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 Rs. 27.5 per share	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	-	(2,457,937)
Dividend relating to 2021 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(405,148)	(405,148)	(405,148)
	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(405,148)	(405,148)	(2,863,085)
<b>Acquisition of Subsidiary - note 23</b>														
	-	-	-	-	-	-	-	-	-	-	-	-	3,253,026	3,253,026
<b>Total comprehensive income / (loss) for the period ended September 30, 2022</b>														
Profit for the period	-	-	-	-	-	-	-	-	-	-	7,009,728	7,009,728	318,427	7,328,155
Other comprehensive income / (loss) for the period	-	-	-	(46,096)	(93,019)	(48,873)	-	-	-	-	-	(187,988)	(51,130)	(239,118)
	-	-	-	(46,096)	(93,019)	(48,873)	-	-	-	-	7,009,728	6,821,740	267,297	7,089,037
<b>Balance as on September 30, 2022 (un-audited)</b>	893,795	606,222	3,766,738	(182,185)	16,815,807	2,404,246	80,653	277,219	1,615,000	21,310,333	13,712,947	61,300,775	5,140,608	66,441,383

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



Chief Executive



Director

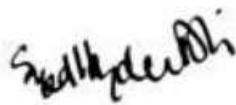


Chief Financial Officer

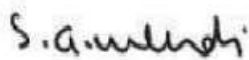
**PACKAGES LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022**

	Note	Nine month period ended	
		September 30, 2022	September 30, 2021
		(Rupees in thousand)	
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	2,725,234	6,880,193
Finance cost paid		(4,957,010)	(1,929,618)
Income tax paid		(2,278,170)	(1,116,560)
Long term loans and security deposits - net		277,115	59,252
Payments for accumulating compensated absences		(8,311)	(20,955)
Retirement benefits paid		(24,088)	(17,537)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(4,265,230)</b>	<b>3,854,775</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(14,573,207)	(5,133,893)
Proceeds from maturity of investments / (investment made)		1,572,000	(1,021,000)
Acquisitions under business combination, net of cash and cash equivalents		(6,587,613)	-
Investments made		(1,012,921)	-
Insurance claim received		1,500,000	-
Proceeds from disposal of property, plant and equipment		948,750	101,861
Dividends received		1,001,498	824,776
Long term advances - net		(36,286)	13,187
<b>Net cash outflow from investing activities</b>		<b>(17,187,779)</b>	<b>(5,215,069)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long term finances - secured		16,128,474	2,174,965
Repayment of long term finances - secured		(5,221,489)	(2,359,346)
Repayment of lease liabilities		(37,126)	(94,909)
Participating dividend on preference shares		(63,749)	(26,250)
Dividend paid to equity holders of the Parent Company		(2,437,475)	(2,003,088)
Dividend paid to non-controlling interest		(405,148)	(129,976)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>7,963,487</b>	<b>(2,438,604)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(13,489,522)</b>	<b>(3,798,898)</b>
Cash and cash equivalents at the beginning of the period		(17,658,643)	(9,320,965)
<b>Cash and cash equivalents at the end of the period</b>	17	<b>(31,148,165)</b>	<b>(13,119,863)</b>

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



**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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 2022**

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

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

Packaging:	Representing manufacture and sale of packaging materials and tissue products
Consumer products:	Representing manufacture and sale of tissue products
Inks:	Representing manufacture and sale of finished and semi finished inks
Real estate:	Representing all types of construction activities and development of real estate
Paper and paperboard:	Representing manufacture and sale of paper and paperboard
Plastics:	Representing manufacture and sale of BOPP & CPP films

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

The Parent Company is an investment holding company and the principal activity of the Parent Company is to manage investments in subsidiary companies, associated companies and joint ventures which are engaged in various businesses including manufacturing of packaging materials, tissue, consumer products, industrial inks, paper, paperboard products and corrugated boxes, biaxially oriented polypropylene ('BOPP') and cast polypropylene ('CPP') films, ground calcium carbonate products, insurance, power generation and real estate.

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

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

**2. Basis of preparation**

**2.1. Statement of compliance**

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

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

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

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

**3. Significant accounting policies**

The accounting policies and methods of computation adopted for the preparation of these condensed interim unaudited consolidated financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended December 31, 2021, except for the adoption of new and amended standards as set out in note 3.1.1.

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

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

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2022, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim unaudited consolidated financial statements.

#### 4. Accounting estimates

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

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

#### 5. Taxation

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

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes. Current and deferred taxes based on the consolidated results of the Group are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to condensed interim consolidated statement of profit or loss in the period in which they arise.

#### 6. Long term finances

	Note	September 30, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
Local currency loans - secured	6.1	34,087,902	19,864,696
Foreign currency loans - secured	6.2	412,053	484,081
		<b>34,499,955</b>	20,348,777
Preference shares / convertible stock - unsecured		932,650	932,650
		<b>35,432,605</b>	21,281,427
Current portion shown under current liabilities		(6,619,554)	5,731,138
Closing balance of deferred Government grant		(562,580)	(280,253)
		<b>28,250,471</b>	15,270,036
<b>6.1. Local currency loans - secured</b>			
Opening balance		19,864,696	17,383,798
Disbursements during the period / year		15,904,356	4,858,109
		35,769,052	22,241,907
Repayments during the period / year		(4,895,679)	(2,377,211)
Acquisition of subsidiary - TPFL		3,214,529	-
Closing balance		34,087,902	19,864,696
<b>6.2. Foreign currency loans - secured</b>			
Opening balance		484,081	1,161,021
Disbursements during the period / year		224,118	-
		708,199	1,161,021
Repayments during the period / year		(325,810)	(729,502)
Exchange adjustment on opening balances		29,664	52,562
Closing balance		412,053	484,081

#### 7. Contingencies and commitments

##### 7.1. Contingencies

There is no significant change in contingencies from the preceding annual audited consolidated financial statements of the Group for the year ended December 31, 2021, except for the following:

- (i) In respect of tax year 2021, a demand amounting to Rs 307.80 million has been raised under sections 161, 205 and 182 of the Income Tax Ordinance 2001 by the Deputy Commissioner Inland Revenue ('DCIR') through an order dated March 31, 2022. The tax authorities have raised the demand primarily on account of non-withholding of the income tax.

Being aggrieved by the order of the DCIR, the Parent Company has filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A) on the grounds that the order of the DCIR is erred in holding the Company as "Assessed-In-Default" for not withholding tax on payments of salaries which are below taxable slabs and pertains to the reimbursements for employees travelling and conveyance expenses, and professional taxes etc.

- (ii) In respect of sales tax periods from January 2019 to December 2019, the DCIR, through his order 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 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.

- (iii) In respect of sales tax periods from January 2018 to December 2018, the DCIR through his order 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 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.

## 7.2. Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs 7,309.942 million (2021: Rs 8,743.292 million)  
(ii) Letters of credit and contracts for other than capital expenditure Rs 11,363.503 million (2021: Rs 7,051.737 million)

## 8. Property, plant and equipment

	Note	September 30,	December 31,
		2022 Un-audited (Rupees in thousand)	2021 Audited
Operating fixed assets	8.1. & 8.2.	35,754,432	24,371,684
Capital work-in-progress	8.3.	19,553,851	6,939,724
Major spare parts and stand-by equipment		116,840	158,466
		<b>55,425,123</b>	<b>31,469,874</b>

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

The management of the Parent Company has, on the basis of assessment of fair value of the said portion of land by independent valuers, as appointed by the Court, and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, recognised an expense of Rs 90.0 million (2021: Rs 78.197 million) in respect of rent for the period from January 2022 to September 2022. The management is confident that the final amount of rent will be in congruence with the provision made in these condensed interim unaudited consolidated financial statements, inter alia based on the fair value determined by the independent valuers and the relevant facts and circumstances.

	Note	September 30,	December 31,
		2022 Un-audited (Rupees in thousand)	2021 Audited
<b>8.2. Operating fixed assets</b>			
Opening net book value		24,371,684	24,346,801
Additions during the period / year	8.2.1.	1,403,005	3,460,588
Transfer in at book value - net		-	(160,014)
		<b>1,403,005</b>	<b>3,300,574</b>
		<b>25,774,689</b>	<b>27,647,375</b>
Disposals during the period / year at book value		(630,552)	(157,409)
Transfer to investment property		(33,725)	-
Acquisition of subsidiary		13,019,230	-
Depreciation charged during the period / year		(2,433,442)	(3,165,665)
Exchange adjustment on opening book value - net		58,232	47,383
		<b>9,979,743</b>	<b>(3,275,691)</b>
Closing net book value		<b>35,754,432</b>	<b>24,371,684</b>
<b>8.2.1. Additions during the period / year</b>			
Freehold land		-	51,125
Leasehold Land		-	979
Buildings on freehold land		25,960	19,953
Buildings on leasehold land		-	18,844
Plant and machinery		566,398	2,641,334
Other equipment (computers, lab equipment and other office equipment)		220,526	480,080
Furniture and fixtures		24,846	33,426
Vehicles		565,275	214,847
		<b>1,403,005</b>	<b>3,460,588</b>
<b>8.3. Capital work-in-progress</b>			
Civil works		854,482	483,802
Plant and machinery		15,729,660	5,870,957
Advances to suppliers		2,901,282	558,215
Others		68,427	26,750
		<b>19,553,851</b>	<b>6,939,724</b>

	Note	September 30,	December 31,
		2022	2021
		Un-audited	Audited
		(Rupees in thousand)	
<b>9. Intangible assets</b>			
Opening book value		383,154	372,521
Additions during the period / year		6,225	38,941
Acquisition of subsidiary		6,113	
Amortization charged during the period / year		(25,941)	(31,519)
Exchange difference		31,077	3,211
Closing book value		400,628	383,154
<b>10. Investments accounted for using the equity method</b>			
Investments in associates	10.1.	4,041,130	8,239,595
Investments in joint ventures	10.2.	570,269	547,736
		4,611,399	8,787,331
<b>10.1. Investments in associates</b>			
Cost		4,965,022	4,965,022
Post acquisition share of profits			
Opening balance		3,274,573	2,747,655
Share of profit from associates - net of tax		108,327	429,866
Share of other comprehensive loss - net of tax		(48,873)	(200,615)
Bargain purchase gain		-	176,096
Interest in associate transferred to interest in subsidiary - Tripack Films Limited (at carrying value)	10.4.	(4,175,237)	-
Impairment reversal		-	291,469
Dividends received during the period / year		(82,682)	(169,898)
Reversal of impairment on investments in associates		-	-
Closing balance	10.1.1.	(923,892)	3,274,573
		4,041,130	8,239,595
<b>10.1.1. Investment in equity instruments of associates - Quoted</b>			
<b>IGI Holdings Limited, Pakistan</b>			
15,033,041 (2021: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2021: 10.54%)			
Market value - Rs. 1,550,357 million (2021: Rs. 2,909,975 million)	10.3.	4,041,130	4,089,597
<b>Tri-Pack Films Limited, Pakistan</b>			
Nil (2021: 19,371,931) fully paid ordinary shares of Rs 10 each			
Equity held Nil (2021: 49.93%)			
Market value - Nil (2021: Rs. 3,933,470 million)	10.4.	-	4,149,998
		4,041,130	8,239,595
<b>10.2. Investments in joint ventures</b>			
Opening balance		547,736	493,491
Share of profit from joint ventures - net of tax		32,712	67,330
Share of other comprehensive income from joint ventures - net of tax		14,571	4,801
Dividends received during the period / year		(24,750)	(17,886)
Closing balance	10.2.1.	570,269	547,736
<b>10.2.1. Investment in equity instruments of joint ventures - Unquoted</b>			
<b>Plastic Extrusions (Proprietary) Limited, South Africa</b>			
500 (2021: 500) fully paid ordinary shares of ZAR 1 each			
Equity held 50% (2021: 50%)		53,480	38,909
<b>OmyaPack (Private) Limited, Pakistan</b>			
49,500,000 (2021: 49,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 50% (2021: 50%)		516,789	508,827
		570,269	547,736
<b>10.3.</b>			
The Parent Company's investment in IGI Holdings Limited is less than 20% but it is considered to be an associate as per the requirement of IAS 28 'Investments in Associates' because the Parent Company has significant influence over the financial and operating policies through representation on the board of directors of IGI Holdings Limited.			



- 10.4. As mentioned in note 1.1 of these condensed interim consolidated financial statements, the Parent Company acquired the business of TPFL during the period and accordingly, the business combination has been accounted for as per the acquisition method of accounting. The cost of acquisition has been measured at the cash payment made by the Parent Company against the purchase of shares as well as the fair value of the pre-existing equity interest in the associate (at the date of transaction) and the non-controlling interest acquired. Identified assets acquired, liabilities assumed or incurred have been carried at fair value at the latest reporting date i.e. December 31, 2021 and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a net gain under business combination amounting to Rs 1,993.637 million recognised in the financial statements of the Group. This amount is provisional as management is in the process of determining the fair value of assets and liabilities. For the details of the Business Combination, please refer note 20 of these condensed interim consolidated financial statements.

	September 30, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
<b>11. Other long-term investments</b>		
<b>Quoted</b>		
<b>Nestle Pakistan Limited</b>		
3,649,248 (2021: 3,649,248) fully paid ordinary shares of Rs 10 each		
Equity held 8.05% (2021: 8.05%)		
Market value - Rs. 20,800.713 million (2021: 20,893.733 million)	<b>20,800,713</b>	<b>20,893,732</b>
<b>Unquoted</b>		
<b>Pakistan Tourism Development Corporation Limited</b>		
2,500 (2021: 2,500) fully paid ordinary shares of Rs 10 each	<b>25</b>	<b>25</b>
<b>Systems Limited</b>		
46,050 (2021: Nil) fully paid ordinary shares	<b>15,648</b>	-
<b>sanofi-aventus Pakistan Limited</b>		
585,254 (2021: Nil) fully paid ordinary shares of Rs.1,704.00 each		
Equity held 6.07% (2021: Nil)	<b>997,273</b>	-
<b>Coca-Cola Beverages Pakistan Limited</b>		
500,000 (2021: 500,000) fully paid ordinary shares of Rs 10 each		
Equity held 0.0185% (2021: 0.0185%)	<b>5,000</b>	<b>5,000</b>
	<b>21,818,659</b>	<b>20,898,757</b>

12. Net Operating Revenue	Three month period ended		Nine month period ended	
	September 30, 2022 (Rupees in thousand)	September 30, 2021	September 30, 2022 (Rupees in thousand)	September 30, 2021
Local sales of goods and services	<b>37,311,158</b>	23,406,296	<b>102,257,390</b>	68,309,053
Export sales	<b>2,445,089</b>	397,838	<b>3,307,758</b>	1,328,794
	<b>39,756,247</b>	23,804,134	<b>105,565,148</b>	69,637,847
Less: Sales tax	<b>6,909,158</b>	3,104,952	<b>14,476,821</b>	9,473,897
Trade discounts	<b>356,772</b>	173,876	<b>774,795</b>	508,205
Commission	<b>17,676</b>	208,955	<b>63,563</b>	215,410
	<b>7,283,606</b>	3,487,783	<b>15,315,179</b>	10,197,512
Net Operating Revenue	<b>32,472,641</b>	20,316,351	<b>90,249,969</b>	59,440,335

### 13. Earnings per share

#### Basic earnings per share

Profit for the period	<b>Rupees in thousand</b>	<b>1,736,144</b>	1,694,546	<b>7,009,728</b>	4,487,120
Preference dividend paid			-	<b>(63,749)</b>	(26,250)
Weighted average number of ordinary shares	<b>Number</b>	<b>89,379,504</b>	89,379,504	<b>89,379,504</b>	89,379,504
Basic earnings per share	<b>Rupees</b>	<b>19.42</b>	18.96	<b>77.71</b>	49.91

#### Diluted earnings per share

Profit for the period	<b>Rupees in thousand</b>	<b>1,736,144</b>	1,694,546	<b>7,009,728</b>	4,487,120
Return on preference shares / convertible stock - net of tax	<b>Rupees in thousand</b>	<b>27,837</b>	27,838	<b>82,604</b>	82,604
		<b>1,763,981</b>	1,722,384	<b>7,092,332</b>	4,569,724
Weighted average number of ordinary shares	<b>Number</b>	<b>89,379,504</b>	89,379,504	<b>89,379,504</b>	89,379,504
Weighted average number of notionally converted preference shares / convertible stock	<b>Number</b>	<b>8,186,842</b>	8,186,842	<b>8,186,842</b>	8,186,842
		<b>97,566,346</b>	97,566,346	<b>97,566,346</b>	97,566,346
Diluted earnings per share	<b>Rupees</b>	<b>18.08</b>	17.65	<b>72.69</b>	46.84

### 14. Transactions and balances with related parties

#### Relationship with the Group

#### Nature of transactions

<b>(i) Associates</b>	Purchase of goods and services		<b>26,409</b>	1,759,191
	Sale of goods and services		<b>24,768</b>	31,747
	Dividend income		<b>82,682</b>	169,898
	Insurance premium paid		<b>715,589</b>	460,542
	Rental and other income		<b>13,122</b>	23,740
	Insurance claims received		<b>2,970,855</b>	8,707
	Management and technical fee - income		<b>17,840</b>	15,469
	Dividend paid		<b>808,203</b>	600,912
<b>(ii) Joint ventures</b>	Purchase of goods and services		<b>376,401</b>	275,569
	Sale of goods and services		<b>255,611</b>	6,321
	Rental and other income		<b>3,854</b>	2,495
	Dividend income		<b>24,750</b>	12,375
<b>(iii) Other related parties</b>	Purchase of goods and services		<b>1,340,937</b>	997,962
	Sale of goods and services		<b>256,772</b>	165,277
	Rental and other income		<b>1,634</b>	27,881
	Royalty and technical fee - expense		<b>71,766</b>	51,880
	Commission earned		<b>1,391</b>	729
	Commission expense		<b>1,629</b>	218
	Investment		<b>997,000</b>	-
	Donations		<b>86,392</b>	67,940
	Repayment of loan		<b>-</b>	100,000
Dividend paid		<b>247,448</b>	129,808	
<b>(iv) Retirement benefit obligations</b>	Expenses charged in respect of retirement plans		<b>376,159</b>	90,247
	Dividend paid		<b>77,892</b>	63,730
<b>(v) Key management personnel</b>	Salaries and other employee benefits		<b>403,228</b>	35,211
	Dividend paid		<b>87,651</b>	66,111
	Meeting fee		<b>5,875</b>	-

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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>Un-audited</b>	<b>Audited</b>
<b>Period-end balances</b>	<b>(Rupees in thousand)</b>	
<b>Receivable from related parties</b>		
Associates	<b>4,348,579</b>	63,592
Joint ventures	<b>140,436</b>	106,149
Other related parties	<b>24,019</b>	17,002
<b>Payable to related parties</b>		
Associates	<b>90,265</b>	216,405
Joint venture	<b>66,481</b>	55,816
Other related parties	<b>292,798</b>	338,325
Retirement benefit obligations	<b>45,895</b>	41,163

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	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	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
	( R u p e e s i n t h o u s a n d )															
Revenue from external customers	39,664,521	34,406,032	7,326,050	5,163,982	6,734,474	5,832,273	24,240,134	22,434,324	3,325,968	2,365,390	18,716,463	-	486,637	378,210	100,494,247	70,580,211
Intersegment revenue	(1,640,912)	(849,023)	-	-	(1,306,498)	(913,158)	(5,237,884)	(3,802,308)	(20,226)	(5,449)	(2,038,758)	-	-	-	(10,244,278)	(5,569,938)
	38,023,609	33,557,009	7,326,050	5,163,982	5,427,976	4,919,115	19,002,250	18,632,016	3,305,742	2,359,941	16,677,705	-	486,637	378,210	90,249,969	65,010,273

Segment profit / (loss) before tax	3,100,720	2,648,397	957,483	843,532	702,533	736,563	3,605,545	2,354,082	582,598	351,293	429,560	-	2,951,349	3,189,459	12,329,788	10,123,326
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	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
	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	32,760,639	24,393,190	6,720,544	3,611,890	4,622,476	3,725,317	46,420,701	12,693,625	13,855,740	32,639,257	22,946,204	-	36,678,920	38,541,903	164,005,224	115,605,182
Segment liabilities	20,152,811	7,969,802	589,677	702,126	3,042,577	2,069,234	24,216,586	4,806,077	10,322,183	9,259,974	12,711,055	-	29,697,206	35,824,909	100,732,095	60,632,122

Reconciliation of profit

	September 30, 2022	September 30, 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	12,329,788	10,123,326
Profit from associates and joint ventures - net of dividends and impairment losses	141,039	110,431
Gains relating to business combination	1,993,637	-
Intercompany consolidation adjustments	(3,810,198)	(3,129,614)
<b>Profit before tax</b>	<b>10,654,266</b>	<b>7,104,143</b>

**16. Cash flow information**

**16.1. Cash generated from operations**

	<b>Nine month period ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	<b>Un-audited</b>	<b>Un-audited</b>
	<b>(Rupees in thousand)</b>	
Profit before tax	10,654,266	7,104,143
Adjustments for non-cash items:		
Depreciation on owned assets	2,433,442	2,267,894
Depreciation on right-of-use assets	122,675	223,609
Depreciation on investment properties	658,901	637,095
Amortization on intangible assets	25,941	23,422
Provision for accumulating compensated absences	115,540	81,924
Provision for retirement benefits	173,946	116,620
Provision for obsolete / slow-moving stores and spares	14,203	28,907
Stock-in-trade written off	-	67,704
Provision for NRV write-down of stock-in-trade	25,394	146,824
Amortization of deferred income	(23,604)	(33,930)
Insurance gain on assets destroyed in fire	(610,503)	-
Profit on disposal of operating fixed assets	(318,198)	(19,079)
Finance costs	4,717,214	1,844,966
Amortization of deferred government grant	(17,558)	(63,051)
Net impairment losses on financial assets	147,633	58,192
Liabilities no longer payable written back	(26,612)	(23,385)
Exchange adjustments - net	1,053,238	(14,822)
Bargain purchase gain	(1,993,633)	-
Share of profits of associates and joint ventures accounted for using the equity method	(141,039)	(110,431)
Dividend income	(894,066)	(642,616)
<b>Profit before working capital changes</b>	<b>16,117,180</b>	<b>11,693,986</b>
<b>Effect on cash flow due to working capital changes</b>		
Increase in trade debts	(3,815,847)	(3,535,236)
Increase in stores and spares	(197,079)	(317,044)
Increase in stock-in-trade	(7,052,294)	(4,160,802)
Increase in loans, advances, deposits, prepayments and other receivables	(7,981,581)	(582,988)
Increase in trade and other payables	5,654,855	3,782,277
	<b>(13,391,946)</b>	<b>(4,813,793)</b>
	<b>2,725,234</b>	<b>6,880,193</b>
<b>17. Cash and cash equivalents</b>		
Cash and bank balances	1,495,921	722,433
Finances under markup arrangements - secured	(32,644,086)	(13,842,296)
	<b>(31,148,165)</b>	<b>(13,119,863)</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 condensed interim unaudited consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2021.		
There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2021.		
<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 September 30, 2022 and December 31, 2021 on a recurring basis:		

As at September 30, 2022

	Un-audited			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
<b>Assets</b>				
<b>Recurring fair value measurement</b>				
Investments - FVOCI	<u>20,816,361</u>	<u>-</u>	<u>5,025</u>	<u>20,821,386</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at December 31, 2021

Rupees in thousand	Audited			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<b>Recurring fair value measurement</b>				
Investments - FVOCI	<u>20,893,732</u>	<u>-</u>	<u>5,025</u>	<u>20,898,757</u>
<b>Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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. Business combinations

### 20.1. Acquisition of Tri-Pack Films Limited

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

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

	<b>(Rupees in thousand)</b>
Purchase consideration	
Cash (net of acquisition-related costs)	1,144,543
Fair value of equity interest held in TPFL held before the business combination	4,093,870
Total purchase consideration	<u>5,253,520</u>

The Group recognised a loss of Rs 81.37 million as a result of measuring at fair value its 49.93% equity interest in TPFL held before the business combination. The loss has been recognised in gains and losses relating to business combinations in the consolidated statement of profit and loss for the period ended September 30, 2022.

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

	<b>Carrying amounts as at February 15, 2022</b>	<b>Fair value and other adjustments</b>	<b>Fair value as at February 15, 2022</b>
	<b>(Rupees in thousand)</b>		
<b>Assets</b>			
Property, plant and equipment	6,819,202	7,019,090	13,838,292
Right-of-use asset	44,047	(8,509)	35,538
Intangible assets	6,113	-	6,113
Long term loans and deposits	6,383	-	6,383
Stores and spares	-	-	-
Inventories	4,212,406	-	4,212,406
Trade debts	3,131,787	-	3,131,787
Loans, advances, deposits, prepayments and other receivables	693,819	-	693,819
Income tax receivable	1,432,997	-	1,432,997
Cash and bank balances	233,623	-	233,623
	<u>16,580,377</u>	<u>7,010,581</u>	<u>23,590,958</u>
<b>Liabilities</b>			
Long term finances - secured	2,606,160	-	2,606,160
Deferred income - Government grant	151,545	-	151,545
Lease liability	33,003	938	33,941
Deferred taxation	375,775	1,187,767	1,563,542
Retirement benefits	85,274	-	85,274
Deferred liabilities	30,871	-	30,871
Trade and other payables	2,331,459	-	2,331,459
Unclaimed dividend	17,803	-	17,803
Accrued finance cost	68,810	-	68,810
Finances under mark-up arrangements - secured	5,661,586	-	5,661,586
Current portion of long-term lease liability	3,335	(1,737)	1,598
Current portion of long term finances - secured	456,824	-	456,824
	<u>11,822,445</u>	<u>1,186,968</u>	<u>13,009,413</u>
Net assets acquired	4,757,932	5,823,613	10,581,545
Non controlling interest acquired (measured at proportionate share of net assets)			<u>(3,253,026)</u>
			7,328,519
Gain on bargain purchase			<u>(2,074,999)</u>
			8,506,546

The Group recognised a gain on bargain purchase due to the improved performance of TPFL along with the better negotiated purchase price of the equity instruments, which has been recognised in gains and losses relating to business combinations in the consolidated profit and loss account for the period ended September 30, 2022.

Acquisition-related costs of Rs 15.11 million have been recognised in gains and losses relating to business combinations in the consolidated profit and loss account for the period ended September 30, 2022

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

The carrying value of identifiable assets acquired and liabilities assumed, except leasehold land, buildings and plant and machinery included in property, plant and equipment, approximate their fair values. The Parent Company has carried fair valuation exercise and incorporated fair value adjustments in these consolidated financial statements.

There were no other acquisitions in the period ended September 30, 2022.

The acquired business contributed revenues of Rs 16,677.700 million and profit before tax of Rs 317.860 million to the Group for the period from February 16, 2022 to September 30, 2022.

If the acquisition had occurred on January 1, 2022, consolidated pro-forma revenue and profit for the period ended September 30, 2022 would have been Rs 90,545.66 million and Rs 7,247.590 million respectively. These amounts have been calculated using TPFL's revenues adjusted for intergroup sales and Group's share of TPFL's total comprehensive income and TPFL's profit before acquisition date.

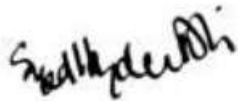
No measurement period adjustments have been recognised in the consolidated financial statements for the period ended September 30, 2022.

**21. Date of authorization for issue**

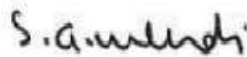
These condensed interim unaudited consolidated financial statements were authorized for issue on October 28, 2022 by the Board of Directors of the Parent Company.

**22. 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**

# THIRD QUARTER REPORT 2022

Condensed Interim Financial Statements for the Nine Months Period  
Ended September 30, 2022 (Unaudited)



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