



HALF YEARLY REPORT 2022

Condensed Interim Financial Statements for the Six Months Period
Ended June 30, 2022 (Unaudited)



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Board of Directors

Mr. Tawfiq Habib Chinoy
Chairman & Non-Executive Director

Syed Hyder Ali
Chief Executive & Managing Director -
Executive Director

Syed Aslam Mehdi
Executive Director

Mr. Imran Khalid Niazi
Non-Executive Director

Mr. Josef Meinrad Mueller
Non-Executive Director

Syed Shahid Ali
Non-Executive Director

Mr. Tariq Iqbal Khan
Non-Executive Director

Mr. Hasan Askari
Independent Director

Ms. Saba Kamal
Independent Director

Mr. Irfan Mustafa
Independent Director



IT & Digitization Committee

Ms. Saba Kamal
Chairperson

Mr. Irfan Mustafa
Member

Mr. Imran Khalid Niazi
Member

Mr. Asghar Abbas
Member

Mr. Khurram Raza Bakhtayari
Member

Mr. Shaheen Sadiq
Member



Audit Committee

Mr. Hasan Askari
Chairman

Mr. Imran Khalid Niazi
Member

Syed Aslam Mehdi
Member

Syed Shahid Ali
Member

Mr. Tariq Iqbal Khan
Member

Mr. Hammad Ahmed Butt
Secretary



Human Resource Committee

Ms. Saba Kamal
Chairperson

Mr. Tawfiq Habib Chinoy
Member

Syed Hyder Ali
Member

Mr. Josef Meinrad Mueller
Member

Mr. Irfan Mustafa
Member

Mr. Imran Khalid Niazi
Member

Mr. Kaifee Siddiqui
Secretary



Executive Committee

Syed Hyder Ali
Chairman

Syed Aslam Mehdi
Member

Ms. Iqra Sajjad
Secretary

OFFICES

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Legal Advisor

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



Chief Financial Officer

Mr. Khurram Raza Bakhtayari



Advisor

Syed Babar Ali



Rating Agency

PACRA



Company Secretary

Ms. Iqra Sajjad



Company Credit Rating

Long-Term: AA
Short-Term: A1+



Auditors

A.F. Ferguson & Co.
Chartered Accountants



Bankers & Lenders

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



Shares Registrar

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

PABX : (021) 34380101-5
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Handling Desk for Shareholders' Affairs

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

(Share Registrar)
Mr. Zeeshan Akhtar
Tel. (021) 34380101-5
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**DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2022**

The Directors of Packages Limited are pleased to submit to its shareholders, six monthly report along with the condensed interim un-audited financial statements of the Company for the half year ended June 30, 2022.

Financial and Operational Performance

A comparison of the un-audited financial results for the half year ended June 30, 2022 as against June 30, 2021 is as follows:

	April – June 2022	April – June 2021	Jan – June 2022	Jan – June 2021
	Rupees in million		Rupees in million	
Dividend income	1,906	1,684	2,781	2,466
Rental income	123	101	234	199
EBIT	1,843	1,654	2,667	2,405
Finance costs	(108)	(63)	(261)	(102)
Other (expenses) / income – net	19	62	61	71
Earnings before tax	1,754	1,653	2,467	2,374
Taxation	(219)	(307)	(250)	(331)
Earnings after tax	1,535	1,347	2,218	2,043
Basic earnings per share - PKR	17.17	15.07	24.10	22.57

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. 2,781 million during the six-month period ended June 30, 2022 as compared to Rs. 2,466 million during corresponding period of 2021. This resulted in achieving earnings after tax of Rs. 2,218 million compared to that of Rs. 2,043 million earned during corresponding period of 2021 and attributed to increase in earnings after tax from PKR 22.57/share to PKR 24.1/share. Finance cost of the Company has increased by Rs. 159 million during current period mainly due to long term loans availed for the purpose of making new investments.

Public offer for Sanofi-aventis Pakistan Limited

Packages Limited 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. upon conclusion of due diligence for a potential transaction 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 / 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 along with such shares as may be offered under the mandatory public offer in terms of applicable take-over laws.

The proposed acquisition has also been approved by the shareholders of the Company in an extraordinary general meeting held on May 30, 2022. The Company is currently in the process of completing its legal formalities under the terms of Share Purchase Agreement and under the applicable takeover laws, accordingly, the proposed acquisition will be executed upon completion of all the legal formalities.

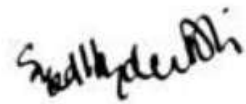
COMPANY'S STAFF AND CUSTOMERS

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, August 26, 2022



Syed Hyder Ali
(Chief Executive & Managing Director)
Lahore, August 26, 2022

30 جون 2022 ختم ہونے والی ششماہی کیلئے ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

چیکیز لمیٹڈ کے ڈائریکٹرز بہ مسرت ششماہی جائزہ رپورٹ بشمول کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات برائے مدت 30 جون 2022 پیش کر رہے ہیں۔

مالیاتی اور آپریشنل کارکردگی

مجموعی		برائے دوسری سہ ماہی		
جنوری-جون 2021	جنوری-جون 2022	اپریل-جون 2021	اپریل-جون 2022	
(روپے ملین میں)		(روپے ملین میں)		
2,466	2,781	1,684	1,906	منافع منقسمہ سے آمدنی
199	234	101	123	کرائے کی آمدنی
2,405	2,667	1,654	1,843	آمدنی قبل از انٹرسٹ اور ٹیکس
(102)	(261)	(63)	(108)	فنانس کی لاگت
71	61	62	19	دیگر (اخراجات) آمدنی
2,374	2,467	1,653	1,754	آمدنی قبل از ٹیکس
(331)	(250)	(307)	(219)	ٹیکسیشن
2,043	2,218	1,347	1,535	آمدنی بعد از ٹیکس
22.57	24.10	15.07	17.17	بنیادی آمدنی فی شیئر۔ روپے

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

کمپنی نے 30 جون 2022 کو ختم ہونے والی ششماہی کے دوران اپنے ذیلی اداروں سے 2,781 ملین روپے کا منافع منقسمہ حاصل کیا جبکہ 2021 کی اسی مدت کے دوران 2,466 ملین روپے تھا۔ نتیجتاً 2218 ملین روپے کا منافع بعد از ٹیکس حاصل ہوا جو کہ 2021 میں اسی مدت کے دوران 2,043 ملین روپے تھا۔ جس سے آمدن بعد از ٹیکس میں 22.57 فی شیئر سے 24.1 فی شیئر کا اضافہ ہوا۔ موجودہ مدت کے دوران کمپنی کی فنانس لاگت میں 159 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ سرمایہ کاری کے لئے طویل مدتی قرضہ جات کا حصول تھا۔

سانوئی ایونٹس پاکستان لمیٹڈ کے لئے عوامی پیشکش

چیکیز لمیٹڈ نے 28 اپریل 2022 کو مناسب تدریج کے بعد سانوئی فارن پارٹنیشن بی۔وی کے 52.87 فیصد شیئر جو کہ سانوئی ایونٹس پاکستان لمیٹڈ میں تھے کی مکمل خریداری کا عوامی اعلان کیا جس کے بعد انویسٹمنٹس اور سانوئی فارن پارٹنیشن بی۔وی کے مابین موجودہ لین دین کی خریداری کی قیمت اور شرائط و ضوابط کو حتمی شکل دی گئی۔ انویسٹمنٹس اور سانوئی فارن پارٹنیشن بی۔وی کے مابین موجودہ لین دین کی خریداری کی قیمت اور شرائط و ضوابط کو حتمی شکل دی گئی۔ انویسٹمنٹس اور سانوئی فارن پارٹنیشن بی۔وی کے مابین موجودہ لین دین کی خریداری کی قیمت اور شرائط و ضوابط کو حتمی شکل دی گئی۔ انویسٹمنٹس اور سانوئی فارن پارٹنیشن بی۔وی کے مابین موجودہ لین دین کی خریداری کی قیمت اور شرائط و ضوابط کو حتمی شکل دی گئی۔

مجوزہ لین دین کے لئے مزارقاتی 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 شیئر ہولڈنگ یعنی 17.87 فیصد انویسٹر کنسورشیم کے دیگر ممبران کے ذریعے حاصل کی جائے گی۔ کمپنی شیئر جو کہ انویسٹر کنسورشیم کے ممبران نے ناخریدے ہوں اور قابل اطلاق ٹیک اوور قوانین کے تحت جاری کردہ عوامی شیئر کی خریداری کے لئے پر عزم رہے گی۔

30 مئی 2022 کو منعقدہ غیر معمولی عمومی اجلاس میں شیئر ہولڈرز نے مجوزہ خریداری کی منظوری دے دی ہے کمپنی فی الحال شیئر کی خریداری کے معاہدے اور قابل اطلاق خریداری کے قوانین کے تحت قانونی تقاضے پورے کرنے میں مصروف عمل ہے اور تمام قانونی تقاضے پورے کرنے کے بعد مجوزہ خریداری کی تکمیل کی جائے گی۔

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۔

Syed H. Ali

سید حیدر علی
(چیف ایگزیکٹو اور مینجنگ ڈائریکٹر)
لاہور، 26 اگست، 2022

M. H. Chaudhry

توفیق حبیب چنائے
(چیرمین)
لاہور، 26 اگست، 2022



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACKAGES LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Packages Limited as at June 30, 2022 and the related 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 cash flows, and notes to the unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-month period ended June 30, 2021 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants,
Lahore

Date: August 29, 2022

UDIN: AR202210070SbNFdMcae

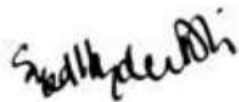
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PACKAGES LIMITED

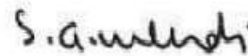
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	June 30, 2022	December 31, 2021		June 30, 2022	December 31, 2021	
Note	Un-audited	Audited		Un-audited	Audited	
	(Rupees in thousand)			(Rupees in thousand)		
EQUITY AND LIABILITIES			ASSETS			
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS			
Authorised share capital			Property, plant and equipment	9	292,330	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		1,479,410	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		1,840	2,096
Issued, subscribed and paid up share capital			Long term investments	10	48,997,993	46,922,876
89,379,504 (December 31, 2021: 89,379,504) ordinary shares of Rs 10 each	893,795	893,795	Long term security deposits		5,125	5,125
8,186,842 (December 31, 2021: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each	606,222	606,222			50,776,698	48,575,451
Other reserves	43,872,803	42,350,898				
Revenue reserve: Un-appropriated profits	2,753,493	4,307,565				
	48,126,313	48,158,480				
NON-CURRENT LIABILITIES						
Long term finances from financial institutions	3,488,900	2,482,650				
Long term advances	8,726	7,703				
Deferred taxation	95,697	94,483				
Employee retirement benefits	638,092	600,570				
Deferred liabilities	59,680	52,043				
	4,291,095	3,237,449				
CURRENT LIABILITIES			CURRENT ASSETS			
Current portion of non-current liabilities	202,270	8,927	Loans, advances, deposits, prepayments and other receivables		861,518	1,048,472
Short term borrowings from financial institutions - secured	566,297	21,136	Income tax receivable		2,878,175	2,913,086
Trade and other payables	1,538,602	1,497,811	Short term investments		150,000	235,000
Unclaimed dividend	75,066	58,875	Cash and bank balances		264,050	368,165
Accrued finance cost	130,798	157,496			4,153,743	4,564,723
	2,513,033	1,744,245				
CONTINGENCIES AND COMMITMENTS						
	54,930,441	53,140,174			54,930,441	53,140,174

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



Chief Executive Officer



Director



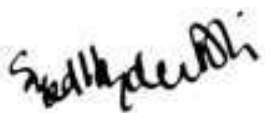
Chief Financial Officer

PACKAGES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2022

	Note	Three-month period ended		Six-month period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		Un-audited	Un-audited	Un-audited	Un-audited
		(Rupees in thousand)			
Dividend income	11	1,905,730	1,683,854	2,781,447	2,466,283
Operating revenue		1,905,730	1,683,854	2,781,447	2,466,283
Administrative expenses		(183,639)	(115,509)	(344,540)	(247,318)
Net impairment losses on financial assets		(1,712)	(14,339)	(3,483)	(12,210)
Other expenses		(29,211)	(1,138)	(29,980)	(29,333)
Rental and other income		171,200	163,882	325,163	298,734
Operating profit		1,862,368	1,716,750	2,728,607	2,476,156
Finance cost		(108,160)	(63,228)	(260,827)	(101,595)
Profit before taxation		1,754,208	1,653,522	2,467,780	2,374,561
Taxation		(219,166)	(306,935)	(250,166)	(331,448)
Profit for the period		1,535,042	1,346,587	2,217,614	2,043,113
Earnings per share in Rupees					
Basic	12	17.17	15.07	24.10	22.57
Diluted	12	16.02	14.20	23.29	21.73

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



Chief Executive Officer



Director



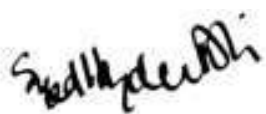
Chief Financial Officer

PACKAGES LIMITED

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

	Three month period ended		Six-month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in thousand)			
Profit for the period	2,217,614	1,346,587	2,217,614	2,043,113
Other comprehensive income/(loss) for the period:				
<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')	202,570	(182,098)	271,905	(3,156,636)
	202,570	(182,098)	271,905	(3,156,636)
Total comprehensive income/(loss) for the period	2,420,184	1,164,489	2,489,519	(1,113,523)

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



Chief Executive Officer



Director



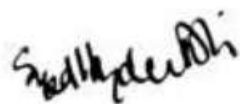
Chief Financial Officer

PACKAGES LIMITED

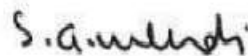
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

	Issued, subscribed and paid up share capital		Reserves					Capital and reserves
			Capital reserves			Revenue reserves		
	Ordinary share capital	Preference shares / convertible stock	Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	Total
	(Rupees in thousand)							
Balance as on January 01, 2021 (audited)	893,795	606,222	3,766,738	20,337,368	1,615,000	19,310,333	3,161,751	49,691,207
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	750,000	(750,000)	-
Transaction with preference shareholders								
Participating dividend on preference shares /convertible stock	-	-	-	-	-	-	(26,250)	(26,250)
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2020 of Rs 22.5 per ordinary share	-	-	-	-	-	-	(2,011,039)	(2,011,039)
Total comprehensive income/(loss) for the period ended June 30, 2021								
Profit for the period	-	-	-	-	-	-	2,043,113	2,043,113
Other comprehensive loss for the period	-	-	-	(3,156,636)	-	-	-	(3,156,636)
	-	-	-	(3,156,636)	-	-	2,043,113	(1,113,523)
Balance as on June 30, 2021 (un-audited)	893,795	606,222	3,766,738	17,180,732	1,615,000	20,060,333	2,417,575	46,540,395
Balance as at January 1, 2022 (audited)	893,795	606,222	3,766,738	16,908,827	1,615,000	20,060,333	4,307,565	48,158,480
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,250,000	(1,250,000)	-
Transaction with preference shareholders								
Participating dividend on preference shares /convertible stock	-	-	-	-	-	-	(63,749)	(63,749)
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2021 of Rs 27.5 per ordinary share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Total comprehensive income for the period ended June 30, 2022								
Profit for the period	-	-	-	-	-	-	2,217,614	2,217,614
Other comprehensive income for the period	-	-	-	271,905	-	-	-	271,905
	-	-	-	271,905	-	-	2,217,614	2,489,519
Balance as on June 30, 2022 (un-audited)	893,795	606,222	3,766,738	17,180,732	1,615,000	21,310,333	2,753,493	48,126,313

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



Chief Executive Officer



Director



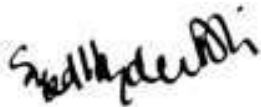
Chief Financial Officer

PACKAGES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022

	Note	Six-month period ended	
		June 30, 2022	June 30, 2021
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	14	89,641	113,298
Finance cost paid		(130,320)	(196,633)
Income tax paid		(214,041)	(125,458)
Long term security deposits - net		-	219
Net (payments for)/receipts from accumulated compensated absences		(1,793)	1,598
Employee retirement benefits paid		(3,236)	(3,053)
Dividends received		2,781,447	3,558,157
Net cash inflow from operating activities		2,521,698	3,348,128
Cash flows from investing activities			
Payments for property, plant and equipment		(182,532)	(59,113)
Investments made in equity securities		(1,803,212)	(192,214)
Investments made in debt securities		-	(130,000)
Long term advances - net		616	3,790
Proceeds from maturity of investments		85,000	-
Proceeds from sale of property, plant and equipment		34,649	8,920
Net cash outflow from investing activities		(1,865,479)	(368,617)
Cash flows from financing activities			
Proceeds from long term finances		1,200,000	-
Dividend paid		(2,505,495)	(2,028,903)
Net cash outflow from financing activities		(1,305,495)	(2,028,903)
Net (decrease)/increase in cash and cash equivalents		(649,276)	950,608
Cash and cash equivalents at the beginning of the period		347,029	(326,482)
Cash and cash equivalents at the end of the period	15	(302,247)	624,126

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 CONDENSED INTERIM UNCONSOLIDATED

FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 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 condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

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

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

3. Significant accounting policies

3.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended December 31, 2021 except for the estimation of income tax (see note 5) and adoption of new and amended standards as set out in note 3.2.

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

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting period 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 condensed interim unconsolidated 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

	June 30, 2022	December 31, 2021
	Un-audited	Audited
	(Rupees in thousand)	
Preference shares / convertible stock - unsecured	932,650	932,650
Long term loans - secured	2,750,000	1,550,000
	<u>3,682,650</u>	<u>2,482,650</u>

7. Included in accrued liabilities is an amount of Rs 254.002 million (December 31, 2021: Rs 194.002 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to June 2022. There has been no change in the status as disclosed in note 15.3 of the preceding unconsolidated annual financial statements of the Company for the year ended December 31, 2021.

8. Contingencies and commitments

8.1 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.

8.2 Commitments in respect of

- (i) Letter of credit and contracts for other than capital expenditure is Rs 13.615 million (December 31, 2021: Rs 24.768 million)

		June 30, 2022	December 31, 2021
		Un-audited	Audited
		(Rupees in thousand)	

9. Property, plant and equipment

Operating fixed assets	- note 9.1	255,094	167,138
Capital work-in-progress	- note 9.2	37,236	20,250
		<u>292,330</u>	<u>187,388</u>

9.1 Operating fixed assets

Opening net book value		167,138	160,895
Additions during the period / year	- note 9.1.1	120,393	40,981
Disposals during the period / year at net book value		22,261	20,215
Depreciation charged during the period / year		10,176	14,523
		<u>32,437</u>	<u>34,738</u>
Closing net book value		<u>255,094</u>	<u>167,138</u>

9.1.1 Additions during the period / year

Leasehold land		-	175
Other equipment (computers and other office equipment)		8,782	4,722
Furniture and fixtures		47	-
Vehicles		111,564	36,084
		<u>120,393</u>	<u>40,981</u>

9.2 This represents advances to suppliers. The reconciliation of the carrying amount is as follows:

	June 30, 2022	December 31, 2021
	Un-audited	Audited
	(Rupees in thousand)	
Opening carrying value	20,250	3,810
Additions during the period / year	36,628	20,424
Transfers to operating fixed assets during the period / year	(19,642)	(3,984)
Closing carrying value	<u>37,236</u>	<u>20,250</u>

	June 30, 2022	December 31, 2021
	Un-audited	Audited
	(Rupees in thousand)	

10. Investments

Opening balance	46,922,876	46,186,404
Add: Investments made during the period / year - note 10.1	1,803,212	3,488,149
Changes in the fair value of equity investments at FVOCI	271,905	(3,428,541)
Reversal of impairment loss on equity instruments of associate	-	676,864
Closing balance	<u>48,997,993</u>	<u>46,922,876</u>

10.1 Investments made during the period / year

Anemone Holdings Limited - subsidiary	236,777	409,405
Systems Limited	6,785	-
Tri-Pack Films Limited - note 10.1.1	1,159,650	1,578,744
StarchPack (Private) Limited - subsidiary	400,000	1,500,000
	<u>1,803,212</u>	<u>3,488,149</u>

10.1.1 Packages Limited entered into an agreement with Mitsubishi Corporation ('MC') to purchase MC's stake of 19.33% in the shareholding of Tri-Pack Films Limited. However, this transfer of shares was to be executed after satisfaction of certain pre-conditions which were met on February 15, 2022. Packages Limited now has a total shareholding of 69.26% in Tri-Pack Films Limited due to which Tri-Pack Films Limited is now a subsidiary.

	Three-month period ended		Six-month period ended	
	June 30,	June 30,	June 30,	June 30,
	2022	2021	2022	2021
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
11. Dividend income				
Dividend income from related parties - note 11.1	1,577,298	1,461,150	2,453,015	2,243,579
Dividend income from others	328,432	222,704	328,432	222,704
	<u>1,905,730</u>	<u>1,683,854</u>	<u>2,781,447</u>	<u>2,466,283</u>
11.1 Dividend income from related parties				
DIC Pakistan Limited	-	158,731	274,908	158,731
Tri-Pack Films Limited	349,335	64,667	349,335	64,667
IGI Holdings Limited	52,616	75,165	52,616	75,165
Bulleh Shah Packaging (Private) Limited	800,344	700,001	900,796	1,219,951
Packages Converters Limited	375,003	462,586	774,985	712,690
OmyaPack (Private) Limited	-	-	24,750	12,375
Packages Real Estate (Private) Limited	-	-	75,625	-
	<u>1,577,298</u>	<u>1,461,150</u>	<u>2,453,015</u>	<u>2,243,579</u>

13. 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.

14. Transactions and balances with related parties

The related parties include the subsidiaries, joint ventures, associates, group companies, key management personnel including directors, related parties on the basis of common directorship and post-employment staff retirement plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Significant transactions and balances with related parties are as follows:

Relationship with the Company	Nature of transactions	Six months ended	
		June 30,	June 30,
		2022	2021
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	28	573
	Sale of goods and services	-	4,128
	Dividend income	2,375,649	2,091,371
	Investment made	1,796,427	-
	Rental income and others	228,486	184,450
	Management and technical fee	23,594	44,646
ii. Joint ventures	Dividend income	24,750	12,375
iii. Associates	Purchase of goods and services	-	79
	Insurance premium paid	20,328	15,038
	Dividend income	52,616	139,832
	Dividend paid	734,448	600,912
	Rental income and others	1,950	4,960
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	62,670	37,902
	Dividend paid	77,892	63,730
v. Key management personnel	Salaries and other employee benefits	24,061	28,251
	Dividend paid	87,692	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	June 30,	December 31,
	2022	2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Receivable from related parties		
- Subsidiaries	389,460	373,251
- Joint ventures	4,169	1,114
- Associates	41,910	26,343
Payable to related parties		
- Subsidiaries	4,462	6,324
- Associates	4,920	4,607
- Other related party	1,934	1,934
- Post employment benefit plans	-	5,422

15. Cash generated from operations

	Six months ended	
	June 30, 2022	June 30, 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	2,467,780	2,374,561
Adjustments for non-cash charges and other items:		
- Depreciation on owned assets	10,176	6,967
- Depreciation on investment properties	23,708	22,484
- Amortisation on intangible assets	257	257
- Provision for accumulating compensated absences	9,430	15,900
- Provision for retirement benefits	40,758	18,843
- Profit/(loss) on sale of operating fixed assets	(12,388)	76
- Exchange loss/(gain)	18,600	(5,642)
- Finance cost	260,827	101,595
- Net impairment losses on financial assets	3,483	12,210
- Liabilities no longer payable written back	(13,442)	(22,039)
- Dividend income	(2,781,447)	(2,466,283)
Profit before working capital changes	27,742	58,929

Effect on cash flow due to working capital changes

- Decrease in trade receivables	-	44,012
- Decrease in loans, advances, deposits, prepayments and other receivables	183,471	90,515
- Increase in trade and other payables	(121,572)	(80,158)
	61,899	54,369
	89,641	113,298

16. Cash and cash equivalents

	June 30, 2022		June 30, 2021	
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)			
Cash and bank balances	264,050	624,126		
Short term borrowings from financial institutions - secured	(566,297)	-		
	(302,247)	624,126		

17. Financial risk management**17.1 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 department or in risk management policies since the year ended December 31, 2021.

17.2 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 June 30, 2022 and December 31, 2021 on a recurring basis:

As at June 30, 2022	Un-audited			Total
	Level 1	Level 2	Level 3	
Assets				
Recurring fair value measurements				
Investments - FVOCI	21,172,423	-	5,025	21,177,448
Audited				
As at December 31, 2021	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
Investments - FVOCI	20,893,733	-	5,025	20,898,758

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.

18. Date of authorisation for issue

These condensed interim unconsolidated financial statements were authorised for issue on August 26, 2022 by the Board of Directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer

DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 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 half year ended June 30, 2022.

Comparison of the un-audited consolidated results of the half year ended June 30, 2022 as against June 30, 2021 is as follows:

	Jan- Jun 2022	Jan- Jun 2021
	(Rupees in million)	
Invoiced sales – net	57,777	39,124
Profit from operations	8,928	5,849
Other operating expense – net	(253)	(208)
Finance costs	(2,626)	(1,191)
Share of profits in associates and joint venture – net of tax	75	45
Investment Income	328	223
Net gain on acquisition of Tri-Pack Films	1,994	-
Profit before taxation	8,447	4,718
Taxation	(2,938)	(1,764)
Profit after tax	5,509	2,955

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. 57,777 million against net sales of Rs. 39,124 million achieved during corresponding period of last year representing sales growth of 48% with a profit before taxation of Rs 8,447 million as compared to Rs 4,718 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 1,434 million which is mainly attributable to increased bench-mark interest rates as compared to corresponding period of last year.

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

Packages Convertors Limited

Packages Convertors Limited ('PCL') is an un-listed public limited subsidiary of Packages Limited. It is principally engaged in the manufacture and sale of packaging materials and tissue products. The Company has achieved net sales of Rs. 19,564 million during the current period of the year 2022 while in the comparable period for the prior year, sales stood at Rs. 14,745 million. The Company has generated profit before tax of Rs. 1,789 million during the current period while in the corresponding period of the prior year the Company generated profit before tax of Rs. 1,556 million. 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.

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. 21,631 million during the current period of 2022 as compared to Rs 18,089 million during 2021 representing sales growth of 20%. The Company has recorded profit before tax of Rs 3,332 million during the current period as compared to the Rs 2,429 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. 4,325 million during the current period of the year 2022 as compared to Rs. 3,225 million of the corresponding period of last year representing sales growth of 34%. The Company has generated profit before tax of Rs. 455 million during the current period of the year 2022 as against Rs. 508 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 2,123 million during the current period of 2022 as compared to revenue of Rs 1,521 million achieved during the corresponding period of last year. The Company has recorded profit before tax of Rs 495 million as against Rs 246 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 11,881 million during the current period of 2022 as compared to sales of Rs 8,565 million achieved during the corresponding period of last year, representing sales growth of 39%. The Company has recorded a profit before tax of Rs 734 million as against Rs 899 million achieved during corresponding period of last year. From the revenue of the current period, a 135-day revenue of Rs 10,142 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 265 million from the acquisition of TPFL.

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 1,952 million as compared to SLR 1,222 million in the corresponding period of last year. The Company has generated profit before tax of SLR 260 million during the current period of the year 2022 as against profit before tax of SLR 60 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 294 million as compared to ZAR 322 million of the corresponding period of last year. The Company has recorded loss before tax of ZAR 11 million during current period of 2022 as compared to loss before tax of ZAR 13 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 is part of an Investor Consortium for the purpose of purchasing the 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 and is being led by Packages Limited. The negotiated purchase price for the Proposed Transaction is Rs 940 / share (excluding transaction costs) and the Parent Company expects to acquire at least 35% of equity stake along with such shares as may be offered under the mandatory public offer in terms of applicable take-over laws pursuant to the public announcement of offer made on the June 28, 2022. The proposed acquisition has also been approved by the shareholders of the Parent Company in an extraordinary general meeting held on May 30, 2022. The Parent Company is currently in the process of completing its legal formalities under the terms of Share Purchase Agreement and under the applicable takeover laws. Accordingly, the proposed acquisition will be executed upon completion of legal formalities.

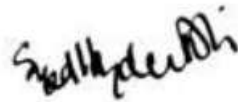
GROUP'S STAFF AND CUSTOMERS

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, August 26, 2022



(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, August 26, 2022

30 جون 2022 کو ختم ہونے والی ششماہی کے لئے

ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

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

گروپ کے نتائج

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

جنوری - جون	جنوری - جون	
2021	2022	
(روپے ملین میں)		
39,124	57,777	انوائسڈ سیلز - خالص
5,849	8,928	آپریٹنگ سے حاصل منافع جات
(208)	(253)	دیگر آپریٹنگ اخراجات
(1,191)	(2,626)	فنانس کی لاگت
45	75	منسلک اداروں اور مشترکہ منصوبے میں (اخراجات) / منافع کا حصہ -
223	328	سرمایہ کاری سے آمدن
-	1,994	ٹرائی پیک فلرز کی خریداری سے منافع
4,718	8,447	منافع قبل از ٹیکس
(1,764)	(2,938)	ٹیکسیشن
2,955	5,509	منافع بعد از ٹیکس

ہم با مسرت اطلاع دے رہے ہیں کہ گروپ کے کلیدی مینوفیکچرنگ آپریٹرز نے مشکل اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ 2022 کی پہلی ششماہی کے دوران گروپ نے 57,777 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اسی مدت کے دوران 39,124 ملین روپے کی خالص سیلز حاصل کی گئی تھی جو کہ 48 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ گروپ نے 8,447 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو گزشتہ سال کی اسی مدت میں 4,718 ملین روپے تھا جو کہ بنیادی طور پر ریونیو گروتھ اور مالیات پر کنٹرول اور ٹرائی پیک فلرز لمیٹڈ کے حصول جو کہ 1,994 ملین روپے ہے کے باعث ممکن ہوا۔

گروپ کی فنانس لاگت میں 1,434 ملین روپے کا اضافہ ہوا جسکی وجہ شرح سود کا موجودہ سال کے دوران اضافہ تھا۔

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

پیکجز کنورٹرز لمیٹڈ

پیکجز کنورٹرز لمیٹڈ پیکجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ادارہ ہے۔ یہ بنیادی طور پر پیکجنگ میٹریل اور ٹشو پروڈکٹس کی تیاری اور فروخت میں مصروف عمل ہے۔ 30 جون 2022 کو ختم ہونے والی ششماہی کے دوران کنورٹنگ کے کاروبار نے 19,564 ملین روپے کی سیلز جو کہ 2021 میں 14,745 ملین روپے تھی اور 1,789 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 میں 1,556 ملین روپے تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم، پراڈکٹ میں توسیع اور سیز پراڈکٹس کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔

بلھے شاہ پیکجنگ (پرائیویٹ) لمیٹڈ

بلھے 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 چھ ماہ کے دوران

21,631 ملین روپے کی سبز حاصل کی جو اس کے مقابلے میں 2021 کے دوران 18,089 ملین روپے تھی۔ جس سے 20 فیصد کی سبز گروتھ ظاہر ہوتی ہے۔ کمپنی نے موجودہ مدت کے دوران 3,332 ملین روپے کا منافع قبل از ٹیکس دیکھا۔ جو کہ گزشتہ مدت کے دوران 2,429 ملین روپے تھا۔ کمپنی بلند تر حجم، پروڈکٹ میں توسیع اور پروڈکٹ کس 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 فائر فائٹنگ سٹم کے استعمال اور مقامی لوگوں کی مدد سے آگ پر قابو پالیا گیا۔ کاروباری تسلسل کے منصوبے کو کامیابی کے ساتھ نافذ کیا گیا اور پلانٹ آپریشنز اور صارفین کو اشیاء کی ترسیل شروع کی گئی منافع قبل از ٹیکس میں آگ سے تباہ شدہ اثاثہ جات پر حاصل شدہ انشورنس گین جسکی مالیت 611 ملین روپے ہے شامل ہے۔

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ پیکیجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ بنیادی طور پر صنعتی انکس (inks) کی تیاری، پروسیسنگ اور سبز میں مصروف عمل ہے۔ کمپنی نے سال 2022 کی پہلے چھ ماہ کے دوران 4,325 ملین روپے کی خالص سبز حاصل کی۔ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 3,225 ملین روپے تھیں جو 34 فیصد کی سبز گروتھ کو ظاہر کرتی ہے۔ کمپنی نے 2022 کی موجودہ مدت کے دوران 455 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو 2021 کی اسی مدت میں 508 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 مالیت پر بہتر کنٹرول کے ذریعے نتائج کو بہتر بنائے گی۔

پیکیجز رینٹل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجز رینٹل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر تمام اقسام کی تعمیراتی سرگرمیوں اور رینٹل اسٹیٹ کے فروغ کے کاروبار میں سرگرم عمل ہے۔ اس وقت یہ رینٹل اسٹیٹ ”پیکیجز 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 چھ ماہ 2022 کے دوران 2,123 ملین روپے کی آمدن حاصل کی جو کہ 2021 کے اسی عرصہ کے دوران 1,521 ملین روپے تھی۔ اس نے موجودہ مدت 2022 کے دوران 495 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 میں 246 ملین روپے تھا۔

ٹرائی پیک فلز لمیٹڈ

ٹرائی پیک فلز لمیٹڈ بنیادی طور پر ہائی اگزیلی اور ہینڈلڈ پولی پروپیلین (BOPP) فلز اور کاسٹ پولی پروپیلین (CPP) فلم کی تیاری اور فروخت میں مصروف عمل ہے۔ 15 فروری 2022 کو مٹھوشی کارپوریشن سے TPFL کے 7,500,000 شیئرز (جو کہ 19.33 فیصد شراکت داری ظاہر کرتا ہے) کی خریداری کا عمل مکمل ہوا۔ بیزنٹ کمپنی اب TPFL میں 69.26 فیصد کی ملکیت رکھتی ہے جس سے وہ پیکیجز لمیٹڈ 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 پورٹنگ کی تاریخ یعنی 31 دسمبر 2021 سے شامل کیا گیا ہے اور خریداری کی تاریخ پر ایسوی ایبٹ 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 پہلی ششماہی کے دوران 11,881 ملین روپے کی سبز حاصل کی جو کہ گزشتہ سال کی اسی مدت کے دوران 8,565 ملین روپے تھی۔ جو کہ 39 فیصد اضافہ کو ظاہر کرتا ہے کمپنی نے موجودہ مدت کے دوران 734 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 899 ملین روپے تھا۔ موجودہ مدت کی آمدنی سے 135 دن کی آمدنی جو کہ 10,142 ملین روپے ہے اسکو 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 265 ملین روپے شامل ہیں۔

پیکیجز انکا (پرائیویٹ) لمیٹڈ

پیکیجز انکا (پرائیویٹ) لمیٹڈ سری انکا میں قائم پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجز کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے چھ ماہ کے دوران 1,952 ملین سری روپے کی سبز حاصل کی جو گزشتہ سال کی اسی مدت میں 1,222 ملین سری روپے تھی۔ کمپنی نے سال 2022 کے پہلے چھ ماہ میں 260 ملین سری روپے کا منافع قبل از ٹیکس حاصل کیا جو کہ 2021 کی اسی مدت کے دوران 60 ملین سری روپے خسارہ قبل از ٹیکس تھا۔ جو کہ طے کردہ مالیت پر بہتر کنٹرول اور قیمت اور حجم میں ترتیب کے تحت ممکن ہوا۔

فلیکس ایہیل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ

فلیکس ایہیل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلیکس ایہیل پیکیجنگ میٹریل کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2022 کے پہلے چھ ماہ کے دوران 294 ملین زار (ZAR) کا خالص سیلز ریویو حاصل کیا جو گزشتہ سال کی اس مدت میں 322 ملین زار (ZAR) تھا۔ کمپنی کا خسارہ قبل از ٹیکس 2022 کے پہلے چھ ماہ میں 11 ملین زار (ZAR) تھا جو گزشتہ سال کی اس مدت میں 13 ملین زار (ZAR) تھا۔ جسکی وجہ صارفین کو سبزیوں 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 لمیٹڈ کے لئے عوامی پیشکش

پیرنٹ کمپنی سانوفی فارن پارٹنیشنڈ بی۔وی کی سانوفی ایویٹنس پاکستان لمیٹڈ میں مکمل 52.87 فیصد شیئرز ہولڈنگ کی خریداری کے لئے انویسٹر کنسورشیم کا حصہ ہے۔ انویسٹر کنسورشیم پیکیجز لمیٹڈ، IGI انویسٹمنٹس (پرائیویٹ) لمیٹڈ اور ارشد علی گورنر گروپ سے منسلک اداروں پر مشتمل ہے جسکی قیادت پیکیجز لمیٹڈ کر رہا ہے۔ مجوزہ لین دین کے لئے مذاکراتی قیمت خرید 940 روپے فی شیئر (ماسوائے خریداری کے اخراجات) ہے اور پیرنٹ کمپنی یہ توقع رکھتی ہے کہ وہ کم از کم 35 فیصد ایکویٹی شیئرز اور 28 جون کو عوامی پیشکش کے اعلان کے تحت جاری کردہ عوامی شیئرز کو قابل اطلاق ٹیک اور کے قوانین کے تحت جاری کئے گئے ہوں کی خریداری کے لئے پر عزم رہے گی۔ کمپنی فی الحال شیئرز کی خریداری کے معاہدے اور قابل اطلاق خریداری کے قوانین کے تحت قانونی تقاضے پورے کرنے میں مصروف عمل ہے اور تمام قانونی تقاضے پورے کرنے کے بعد مجوزہ خریداری کی تکمیل کی جائے گی۔

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، 26 اگست، 2022



توفیق حبیب چنائے

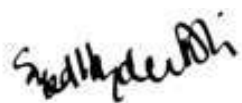
(چیئرمین)

لاہور، 26 اگست، 2022

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

	Note	June 30,	December 31,	Note	June 30,	December 31,
		2022	2021		2022	2021
		Un-audited	Audited		Un-audited	Audited
		(Rupees in thousand)			(Rupees in thousand)	
EQUITY AND LIABILITIES						
CAPITAL AND RESERVES						
Authorised capital						
150,000,000 (2021: 150,000,000)						
ordinary shares of Rs. 10 each		1,500,000	1,500,000			
22,000,000 (2021: 22,000,000)						
10% non-voting preference shares /						
convertible stock of Rs 190 each		4,180,000	4,180,000			
Issued, subscribed and paid up capital						
89,379,504 (2021: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795			
8,186,842 (2021: 8,186,842) 10% non-voting preference shares /						
convertible stock of Rs 190 each		606,222	606,222			
Other reserves		46,135,482	44,748,580			
Equity portion of loan from shareholder of the Parent Company		277,219	277,219			
Revenue reserve: Un-appropriated profits		11,976,803	10,474,905			
Attributable to owners of the Parent Company		59,889,521	57,000,721			
Non-controlling interests		5,021,144	2,025,433			
TOTAL EQUITY		64,910,665	59,026,154			
NON-CURRENT LIABILITIES						
Long term finances	6	23,056,906	15,270,036			
Lease liabilities		335,647	321,560			
Security deposits		414,231	154,637			
Deferred income		418,637	244,082			
Deferred government grant		731,427	230,419			
Deferred taxation		3,436,998	2,267,881			
Long term advances		181,318	154,738			
Employee retirement benefits		1,416,596	1,214,217			
Deferred liabilities		489,950	378,686			
		30,481,710	20,236,256			
CURRENT LIABILITIES						
Current portion of non-current liabilities		6,968,651	6,285,777			
Short term borrowings - secured		27,999,503	18,666,793			
Trade and other payables		18,738,318	12,647,371			
Unclaimed dividend		97,481	59,238			
Accrued finance cost		1,529,282	770,253			
		55,333,235	38,429,432			
CURRENT ASSETS						
Stores and spares		3,448,841	3,170,406			
Stock-in-trade		27,514,325	21,071,871			
Short term investments		796,000	2,251,000			
Trade debts		14,962,926	9,843,484			
Loans, advances, deposits, prepayments						
and other receivables		9,347,106	2,292,705			
Income tax receivable		4,470,454	4,695,577			
Cash and bank balances		1,682,456	1,008,150			
		62,222,108	44,333,193			
CONTINGENCIES AND COMMITMENTS	7	-	-			
		150,725,610	117,691,842		150,725,610	117,691,842

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



Chief Executive



Director

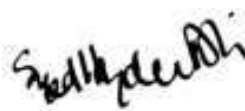


Chief Financial Officer

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

	Note	Three month period ended		Six month period ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Rupees in thousand)		(Rupees in thousand)	
Revenue	12	30,861,937	19,447,337	57,777,328	39,123,984
Cost of sales and services	13	(23,598,580)	(15,148,358)	(44,830,165)	(30,569,805)
Gross profit		7,263,357	4,298,979	12,947,163	8,554,179
Administrative expenses		(994,404)	(665,522)	(1,805,072)	(1,314,568)
Distribution and marketing costs		(1,114,655)	(626,120)	(2,164,405)	(1,406,968)
(Impairment losses) / reversal of impairment losses on financial assets		(34,328)	15,070	(49,577)	16,898
Other expenses		(991,930)	(436,436)	(1,332,950)	(445,183)
Other income		921,037	151,656	1,079,491	237,595
Investment income		328,432	222,704	328,432	222,704
Share of net profit of associates and joint ventures accounted for using equity method		39,337	23,881	75,725	44,961
Profit from operations		5,416,846	2,984,212	9,078,807	5,909,618
Finance costs		(1,564,913)	(546,095)	(2,625,576)	(1,191,145)
Gains and losses relating to business combination	21	-	-	1,993,637	-
Profit before taxation		3,851,933	2,438,117	8,446,868	4,718,473
Taxation		(2,186,250)	(1,206,175)	(2,938,152)	(1,763,528)
Profit for the period		1,665,683	1,231,942	5,508,716	2,954,945
Profit attributable to:					
Equity holders of the Parent Company		1,603,414	1,148,805	5,273,584	2,792,574
Non-controlling interests		62,269	83,137	235,132	162,371
		1,665,683	1,231,942	5,508,716	2,954,945
Earnings per share attributable to equity holders of the Parent Company during the period					
Basic	Rupees	17.94	12.56	58.29	30.95
Diluted	Rupees	16.72	12.17	54.61	29.41

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



Chief Executive



Director

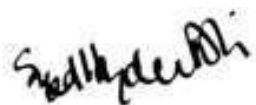


Chief Financial Officer

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

	Three month period ended		Six month period ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,665,683	1,231,942	5,508,716	2,954,945
Other comprehensive profit / (loss) for the period				
<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')	(79,299)	(182,097)	271,905	(3,156,636)
	(79,299)	(182,097)	271,905	(3,156,636)
<i>Items that might be reclassified subsequently to profit or loss:</i>				
Net exchange differences on translation of foreign operations	(59,496)	67,418	(172,025)	(40,600)
Share of other comprehensive (loss) of associates and joint ventures accounted for using equity method - net of tax	(43,894)	66,906	(50,277)	(249,933)
	(103,390)	134,324	(222,302)	(290,533)
Other comprehensive profit / (loss) for the period	(182,689)	(47,773)	49,603	(3,447,169)
Total comprehensive profit / (loss) for the period	1,482,994	1,184,169	5,558,319	(492,224)
Total comprehensive profit / (loss) attributable to:				
Owners of the Parent Company	1,478,794	1,073,366	5,410,486	(646,755)
Non-controlling interests	4,200	110,803	147,833	154,531
	1,482,994	1,184,169	5,558,319	(492,224)

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



Chief Executive



Director

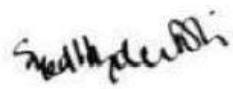


Chief Financial Officer

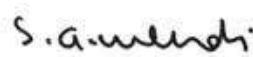
PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2022

	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)													
Balance as on January 1, 2021 (audited)	893,795	606,222	3,766,738	(154,125)	20,337,367	2,648,933	80,653	277,219	1,615,000	19,310,333	6,529,599	55,911,734	1,864,946	57,776,680
Appropriation of reserves														
Transferred to general reserve	-	-	-	-	-	-	-	-	-	750,000	(750,000)	-	-	-
Transactions with preference shareholders														
Participating dividend on preference shares / convertible stock	-	-	-	-	-	-	-	-	-	-	(26,250)	(26,250)	-	(26,250)
Transactions with owners recognized directly in equity														
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)
	-	-	-	-	-	-	-	-	-	-	(1,678,312)	(1,678,312)	(129,976)	(1,808,288)
Total comprehensive income / (loss) for the period ended June 30, 2021														
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,792,574	2,792,574	162,371	2,954,945
Other comprehensive loss for the period	-	-	-	(32,760)	(3,156,636)	(249,933)	-	-	-	-	2,792,574	(3,439,329)	(7,840)	(3,447,169)
	-	-	-	(32,760)	(3,156,636)	(249,933)	-	-	-	-	2,792,574	(646,755)	154,531	(492,224)
Balance as on June 30, 2021 (un-audited)	893,795	606,222	3,766,738	(186,885)	17,180,731	2,399,000	80,653	277,219	1,615,000	20,060,333	6,867,611	53,560,417	1,880,501	55,449,918
Balance as on January 1, 2022 (audited)	893,795	606,222	3,766,738	(136,089)	16,908,826	2,453,119	80,653	277,219	1,615,000	20,060,333	10,474,905	57,000,721	2,025,433	59,026,154
Appropriation of reserves														
Transferred to general reserve	-	-	-	-	-	-	-	-	-	1,250,000	(1,250,000)	-	-	-
Transactions with owners recognized directly in equity														
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)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(405,148)	(2,863,085)
Acquisition of Subsidiary - note 23														
	-	-	-	-	-	-	-	-	-	-	-	-	3,253,026	3,253,026
Total comprehensive income / (loss) for the period ended June 30, 2022														
Profit for the period	-	-	-	-	-	-	-	-	-	-	5,273,584	5,273,584	235,132	5,508,716
Other comprehensive income / (loss) for the period	-	-	-	(84,726)	271,905	(50,277)	-	-	-	-	-	136,902	(87,299)	49,603
	-	-	-	(84,726)	271,905	(50,277)	-	-	-	-	5,273,584	5,410,486	147,833	5,558,319
Balance as on June 30, 2022 (un-audited)	893,795	606,222	3,766,738	(220,815)	17,180,731	2,402,842	80,653	277,219	1,615,000	21,310,333	11,976,803	59,889,521	5,021,144	64,910,665

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



Chief Executive



Director

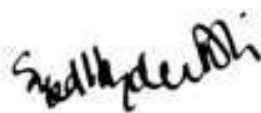


Chief Financial Officer

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

	Note	Six month period ended	
		June 30, 2022 (Rupees in thousand)	June 30, 2021
Cash flows from operating activities			
Cash generated from operations	17	3,057,864	4,721,680
Finance cost paid		(2,364,933)	(1,229,759)
Income tax paid		(1,674,457)	(628,069)
Long term security deposits - net		227,154	27,128
Payments for accumulating compensated absences		(2,299)	(20,942)
Retirement benefits paid		(16,872)	(6,904)
Net cash inflow from operating activities		(773,543)	2,863,134
Cash flows from investing activities			
Fixed capital expenditure		(8,242,355)	(2,714,369)
Proceeds from maturity of investments		1,455,000	354,000
Acquisitions under business combination, net of cash and cash equivalents		(6,587,613)	-
Investment made		(6,785)	-
Insurance claim received		1,500,000	-
Long term loans and deposits - net		(36,931)	(1,059)
Proceeds from disposal of property, plant and equipment		579,826	54,250
Dividends received		381,048	374,911
Long term advances - net		29,222	7,930
Net cash (outflow) / inflow from investing activities		(10,928,588)	(1,924,337)
Cash flows from financing activities			
Proceeds from long term finances - secured		10,775,070	34,888
Repayment of long term finances - secured		(4,763,145)	(930,755)
Repayment of lease liabilities		(61,804)	(55,881)
Participating dividend on preference shares		(63,749)	(26,250)
Dividend paid to equity holders of the Parent Company		(2,437,497)	(2,002,494)
Dividend paid to non-controlling interest		(405,148)	(129,976)
Net cash inflow / (outflow) from financing activities		3,043,727	(3,110,468)
Net (decrease) / increase in cash and cash equivalents		(8,658,404)	(2,171,671)
Cash and cash equivalents at the beginning of the period		(17,658,643)	(9,320,965)
Cash and cash equivalents at the end of the period	18	(26,317,047)	(11,492,636)

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



Chief Executive



Director



Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 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	June 30, 2022 Un-audited (Rupees in thousand)	December 31, 2021 Audited
Local currency loans - secured	6.1	29,155,218	19,864,696
Foreign currency loans - secured	6.2	404,965	484,081
		29,560,183	20,348,777
Preference shares / convertible stock - unsecured		932,650	932,650
		30,492,833	21,281,427
Current portion shown under current liabilities		(6,704,500)	5,731,138
Closing balance of deferred Government grant		(731,427)	(280,253)
		23,056,906	15,270,036
6.1. Local currency loans - secured			
Opening balance		19,864,696	17,383,798
Disbursements during the period / year		10,561,942	4,858,109
		30,426,638	22,241,907
Repayments during the period / year		(4,485,949)	(2,377,211)
Acquisition of subsidiary - TPFL		3,214,529	-
Closing balance		29,155,218	19,864,696
6.2. Foreign currency loans - secured			
Opening balance		484,081	1,161,021
Disbursements during the period / year		213,128	-
		697,209	1,161,021
Repayments during the period / year		(277,196)	(729,502)
Exchange adjustment on opening balances		(15,048)	52,562
Closing balance		404,965	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 2008, an order dated May 30, 2014 u/s 122(5A) issued by the Deputy Commissioner Inland Revenue, ('DCIR') and a demand amounting Rs 56 million has been raised under section 137(2) of the Income Tax Ordinance 2001. The tax authorities have raised the demand primarily by stating that withholding tax was short deducted against miscellaneous expense heads. The company being aggrieved of the order, filed an appeal before CIR(A), because assessment was made after due time period which is 5 years from the respective financial year end (i.e. income tax return filed as on 24th November 2008 while DCIR issued order as on 30th May 2014.

CIR(A) through order dated September 10, 2015 annulled the order passed by DCIR on the basis of time limitation. The department went to appeal before ATIR against the CIR(A) order. ATIR vide order 416/KB/2016 dated 17-June-2022 maintained the order of CIR(A). Meanwhile, DCIR has issued an appeal effect order in pursuance to the order passed by CIR(A).

The company filed the refund application for rectifying the amount of Rs 10 million vide DT-5549 dated 22 June 2021.

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

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

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

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

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

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

- (iv) In respect of tax period from January 2018 to December 2018, the Deputy Commissioner Inland Revenue, Federal Board of Revenue, through his order 4/146 dated April 27, 2022 has created a recovery 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 decision of DCIR, the Company decided to file an appeal before CIR-Appeals ('CIR-A') on the basis of following major grounds:

- Input tax under sections 2(4), 7, 8(ca),8(A), 21(2) and 73 of the Act has been wrongly disallowed.
- Holding sales tax along with further tax recoverable under sections 2(9), 3, 3(1A), 6, 22, 23 and 26 of the Act on categories of fixed assets which were scrapped during the year.
- Disallowing claim of input tax related to certain specific suppliers more than once due to alleged violation of section 73 of the Act, invoices not declared by the respective suppliers in FBR portal and alleged as inadmissible under section 8(1) of the Act read with S.R.O. 490(I)/2004 dated the 12th June 2004 and SRO 450(I)/2013 dated May 27, 2013.

- (v) Letters of guarantees issued to various parties aggregating to Rs 1,660.529 million (2021: Rs 1,097.260 million).

7.2. Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs 10,204.196 million (2021: Rs 7,629.950 million)
(ii) Letters of credit and contracts for other than capital expenditure Rs 9,427.247 million (2021: Rs 6,791.070 million)

8. Property, plant and equipment

	June 30, 2022	December 31, 2021
Note	Un-audited (Rupees in thousand)	Audited
Operating fixed assets	8.1 & 8.2. 35,586,350	24,371,684
Capital work-in-progress	8.3. 13,947,857	6,939,724
Major spare parts and stand-by equipment	199,506	158,466
	<u>49,733,713</u>	<u>31,469,874</u>

- 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 60.0 million (2021: Rs 27.5 million) in respect of rent for the period from January 2022 to June 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.

	June 30, 2022	December 31, 2021
Note	Un-audited (Rupees in thousand)	Audited
8.2. Operating fixed assets		
Opening net book value	24,371,684	24,346,801
Additions during the period / year	780,375	3,460,588
Transfer in at book value - net	-	(160,014)
	<u>780,375</u>	<u>3,300,574</u>
	25,152,059	27,647,375
Disposals during the period / year at book value	(569,789)	(157,409)
Transfer to investment property	(22,566)	-
Acquisition of subsidiary	13,019,230	-
Depreciation charged during the period / year	(1,969,319)	(3,165,665)
Exchange adjustment on opening book value - net	(23,265)	47,383
	<u>10,434,291</u>	<u>(3,275,691)</u>
Closing net book value	<u>35,586,350</u>	<u>24,371,684</u>

8.2.1. Additions during the period / year

Freehold land	-	51,125
Leasehold Land	-	979
Buildings on freehold land	4,183	19,953
Buildings on leasehold land	-	18,844
Plant and machinery	325,680	2,641,334
Other equipment (computers, lab equipment and other office equipment)	93,228	480,080
Furniture and fixtures	11,659	33,426
Vehicles	345,625	214,847
	<u>780,375</u>	<u>3,460,588</u>

8.3. Capital work-in-progress

Civil works	698,731	483,802
Plant and machinery	11,098,988	5,870,957
Advances to suppliers	2,028,829	558,215
Others	121,309	26,750
	<u>13,947,857</u>	<u>6,939,724</u>

		June 30, 2022	December 31, 2021
	Note	Un-audited (Rupees in thousand)	Audited
9. Intangible assets			
Opening book value		383,154	372,521
Additions during the period / year		3,704	38,941
Acquisition of subsidiary		6,627	
Amortization charged during the period / year		(16,333)	(31,519)
Exchange difference		30,033	3,211
Closing book value		<u>407,185</u>	<u>383,154</u>
10. Investments accounted for using the equity method			
Investments in associates	10.1.	4,011,330	8,239,595
Investments in joint ventures	10.2.	565,651	547,736
		<u>4,576,981</u>	<u>8,787,331</u>
10.1. Investments in associates			
Cost		4,965,022	4,965,022
Post acquisition share of profits			
Opening balance		3,274,573	2,747,655
Share of profit from associates - net of tax		49,865	429,866
Share of other comprehensive loss - net of tax		(50,277)	(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		(52,616)	(169,898)
Reversal of impairment on investments in associates		-	-
Closing balance	10.1.1.	<u>(953,692)</u>	<u>3,274,573</u>
		<u>4,011,330</u>	<u>8,239,595</u>
10.1.1. Investment in equity instruments of associates - Quoted			
IGI Holdings Limited, Pakistan			
15,033,041 (2021: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2021: 10.54%)			
Market value - Rs. 2,065,840 million (2021: Rs. 2,909,975 million)	10.3.	4,011,330	4,089,597
Tri-Pack Films Limited, Pakistan			
Nil (2021: 19,371,931) fully paid ordinary shares of Rs 10 each			
Equity held Nil (2021: 49.93%)			
Market value - Nil (2021: Rs. 3,933.470 million)	10.4.	-	4,149,998
		<u>4,011,330</u>	<u>8,239,595</u>
10.2. Investments in joint ventures			
Opening balance		547,736	493,491
Share of profit from joint ventures - net of tax		25,860	67,330
Share of other comprehensive income from joint ventures - net of tax		16,805	4,801
Dividends received during the period / year		(24,750)	(17,886)
Closing balance	10.2.1.	<u>565,651</u>	<u>547,736</u>

10.2.1. Investment in equity instruments of joint ventures - Unquoted

Plastic Extrusions (Proprietary) Limited, South Africa

500 (2021: 500) fully paid ordinary shares of ZAR 1 each

Equity held 50% (2021: 50%)

55,714 38,909

OmyaPack (Private) Limited, Pakistan

49,500,000 (2021: 49,500,000) fully paid ordinary shares of Rs 10 each

Equity held 50% (2021: 50%)

509,937 508,827

565,651 547,736

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

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

11. Other long-term investments	June 30,	December 31,
	2022 Un-audited	2021 Audited
	(Rupees in thousand)	
Quoted		
Nestle Pakistan Limited		
3,649,248 (2021: 3,649,248) fully paid ordinary shares of Rs 10 each		
Equity held 8.05% (2021: 8.05%)		
Market value - Rs. 21,165.638 million (2021: 20,893.733 million)	21,165,637	20,893,732
Unquoted		
Pakistan Tourism Development Corporation Limited		
2,500 (2021: 2,500) fully paid ordinary shares of Rs 10 each	25	25
Orient Match Company Limited		
1,900 (2021: 1,900) fully paid ordinary shares of Rs 100 each	-	-
Systems Limited		
20,000 (2021: Nil) fully paid ordinary shares of Rs. 329.86 each	6,785	-
Coca-Cola Beverages Pakistan Limited		
500,000 (2021: 500,000) fully paid ordinary shares of Rs 10 each	5,000	5,000
Equity held 0.0185% (2021: 0.0185%)		
	21,177,447	20,898,757

12. Net Operating Revenue	Three month period ended		Three-month period ended	
	June 30, 2022 (Rupees in thousand)	June 30, 2021	June 30, 2022 (Rupees in thousand)	June 30, 2021
Local sales of goods and services	34,602,876	22,399,934	64,946,232	44,902,757
Export sales	(237,900)	474,267	862,669	930,956
	34,364,976	22,874,201	65,808,901	45,833,713
Less:				
Sales tax	3,264,444	3,259,028	7,567,663	6,368,945
Trade discounts	196,282	164,329	418,023	334,329
Commission	42,313	3,507	45,887	6,455
	3,503,039	3,426,864	8,031,573	6,709,729
Net Operating Revenue	30,861,937	19,447,337	57,777,328	39,123,984

13. Cost of sales and services

Raw materials consumed	19,196,483	9,693,106	31,850,295	19,133,631
Salaries, wages and amenities	1,417,908	1,251,160	2,841,855	2,403,058
Travelling and conveyance	40,100	33,044	49,927	37,342
Fuel and power	2,189,278	1,566,159	4,376,041	3,072,810
Production supplies	394,012	438,327	756,088	829,544
Rent, rates and taxes	64,493	41,644	135,488	101,650
Insurance	77,380	61,687	146,312	119,647
Repairs and maintenance	527,128	314,922	852,190	663,397
Packing expenses	153,795	95,897	452,598	369,996
Depreciation on operating fixed assets	750,212	950,718	1,516,809	1,881,090
Depreciation on right-of-use assets	43,896	-	50,440	-
Amortization of intangible assets	4,993	4,369	10,014	8,745
Depreciation on investment property	214,222	-	435,811	-
Technical fee and royalty	66,236	33,943	117,106	72,753
Other expenses	290,441	359,962	658,702	678,383
	25,430,577	14,844,938	44,249,676	29,372,046
Opening work-in-process	957,521	921,955	1,300,807	1,208,809
Closing work-in-process	(1,136,322)	(989,370)	(1,136,322)	(989,370)
	25,251,776	14,777,523	44,414,161	29,591,485
Opening stock of finished goods	3,258,176	4,070,752	5,327,376	4,678,237
Closing stock of finished goods	(4,911,372)	(3,699,917)	(4,911,372)	(3,699,917)
	23,598,580	15,148,358	44,830,165	30,569,805

14. Earnings per share

Basic earnings per share

Profit for the period	Rupees in thousand	1,603,414	1,148,805	5,273,584	2,792,574
Preference dividend paid			(26,250)	(63,749)	(26,250)
Weighted average number of ordinary shares	Number	89,379,504	89,379,504	89,379,504	89,379,504
Basic earnings per share	Rupees	17.94	12.56	58.29	30.95

Diluted earnings per share

Profit for the period	Rupees in thousand	1,603,414	1,148,805	5,273,584	2,792,574
Return on preference shares / convertible stock - net of tax	Rupees in thousand	27,535	38,568	54,767	77,135
		1,630,949	1,187,373	5,328,351	2,869,709
Weighted average number of ordinary shares	Number	89,379,504	89,379,504	89,379,504	89,379,504
Weighted average number of notionally converted preference shares / convertible stock	Number	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	Rupees	16.72	12.17	54.61	29.41

15. Transactions and balances with related parties

Relationship with the Group

Nature of transactions

(i) Associates

Purchase of goods and services	15,770	1,286,757
Sale of goods and services	3,324	18,185
Dividend income	52,616	139,832
Insurance premium paid	626,793	325,765
Rental and other income	8,787	15,111
Insurance claims received	1,508,345	5,500
Management and technical fee - income	10,600	9,823
Dividend paid	808,203	600,912

(ii) Joint ventures

Purchase of goods and services	243,512	192,435
Sale of goods and services	166,461	40,525
Rental and other income	2,748	2,304
Dividend income	24,750	12,375

(iii) Other related parties

Purchase of goods and services	914,247	797,675
Sale of goods and services	160,812	103,016
Rental and other income	1,089	866
Royalty and technical fee - expense	46,228	33,744
Commission earned	987	611
Commission expense	1,629	218

	Donations	92,191	67,940
	Dividend paid	247,448	129,808
(iv) Retirement benefit obligations	Expenses charged in respect of retirement plans	249,994	71,699
	Dividend paid	77,892	63,730
(v) Key management personnel	Salaries and other employee benefits	302,198	28,251
	Dividend paid	87,651	66,111

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.

	June 30, 2022 Un-audited	December 31, 2021 Audited
Period-end balances	(Rupees in thousand)	
Receivable from related parties		
Associates	5,073,979	63,592
Joint ventures	118,052	106,149
Other related parties	8,859	17,002
Payable to related parties		
Associates	144,207	216,405
Joint venture	75,889	55,816
Other related parties	186,374	338,325
Retirement benefit obligations	45,894	41,163

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

16. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Paper and Paperboard		Real estate		Plastics		Unallocated		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 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	25,927,470	21,929,617	4,756,183	3,393,939	4,324,975	3,225,197	15,100,617	12,440,036	2,123,432	1,521,254	11,296,081	-	310,273	472,486	63,839,031	42,982,529
Intersegment revenue	(1,096,061)	(528,983)	-	-	(438,975)	(578,813)	(3,356,711)	(2,522,705)	(15,712)	(5,340)	(1,154,244)	-	-	-	(6,061,703)	(3,635,841)
	24,831,409	21,400,634	4,756,183	3,393,939	3,886,000	2,646,384	11,743,906	9,917,331	2,107,720	1,515,914	10,141,837	-	310,273	472,486	57,777,328	39,346,688

Segment profit / (loss) before tax	2,206,691	1,715,100	668,748	647,884	454,600	507,619	2,856,490	1,794,308	495,206	246,409	338,819	-	2,045,939	2,116,354	9,066,493	7,027,674
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	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 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	26,592,393	24,393,190	3,796,509	3,611,890	4,411,665	3,725,317	40,483,549	12,693,625	13,461,331	32,639,257	23,870,300	-	38,109,862	38,541,903	150,725,609	115,605,182
Segment liabilities	15,167,217	7,969,802	906,788	702,126	2,997,017	2,069,234	14,294,479	4,806,077	9,995,864	9,259,974	13,681,413	-	31,787,989	35,824,909	88,830,767	60,632,122

Reconciliation of profit

	June 30, 2022	June 30, 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	9,066,493	7,027,674
Profit from associates and joint ventures - net of dividends and impairment losses	75,725	44,961
Gains relating to business combination	1,993,637	-
Intercompany consolidation adjustments	(2,688,987)	(2,354,162)
Profit before tax	8,446,868	4,718,473

17. **Cash flow information**

17.1. **Cash generated from operations**

	Six month period ended	
	June 30, 2022	June 30, 2021
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before tax	8,446,868	4,718,473
Adjustments for non-cash items:		
Depreciation on owned assets	1,969,319	1,489,977
Depreciation on right-of-use assets	122,675	166,402
Depreciation on investment properties	417,752	424,563
Amortization on intangible assets	16,333	15,371
Provision for accumulating compensated absences	82,692	57,855
Provision for retirement benefits	133,977	77,747
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	13,171	146,824
Amortization of deferred income	(15,736)	(6,080)
Insurance gain on assets destroyed in fire	(610,503)	-
Profit on disposal of operating fixed assets	(10,037)	(7,295)
Finance costs	2,625,576	1,191,145
Amortization of deferred government grant	(56,605)	(54,298)
Provision against pending claims	-	932
Net impairment losses on financial assets	(49,577)	22,862
Liabilities no longer payable written back	(23,607)	(22,437)
Exchange adjustments - net	310,376	(113,392)
Bargain purchase gain	(1,993,633)	-
Share of profits of associates and joint ventures accounted for using the equity method	(75,725)	(44,961)
Dividend income	(328,432)	(222,704)
Profit before working capital changes	10,989,087	7,937,595
Effect on cash flow due to working capital changes		
Increase in trade debts	(1,913,328)	(2,919,526)
Increase in stores and spares	(278,435)	(90,529)
Increase in stock-in-trade	(2,257,422)	(2,647,068)
Increase in loans, advances, deposits, prepayments and other receivables	(7,250,079)	(20,682)
Increase in trade and other payables	3,768,041	2,461,890
	(7,931,223)	(3,215,915)
	3,057,864	4,721,680
18. Cash and cash equivalents		
Cash and bank balances	1,682,456	950,025
Finances under markup arrangements - secured	(27,999,503)	(12,442,661)
	(26,317,047)	(11,492,636)
19. Financial risk management		
19.1. Financial risk factors		
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.		
The condensed interim unaudited consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2021.		
There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2021.		
19.2. Fair value estimation		
a) Fair value hierarchy		
The different levels for fair value estimation used by the Group have been explained as follows:		
- The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.		
- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.		
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.		
To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed above. The following table presents the Group's significant financial assets measured and recognised at fair value at June 30, 2022 and December 31, 2021 on a recurring basis:		

As at June 30, 2022

	Un-audited			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
Assets				
Recurring fair value measurement				
Investments - FVOCI	21,172,422	-	5,025	21,177,447
Liabilities	-	-	-	-

As at December 31, 2021

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

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

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

20. Detail of subsidiaries

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

21. Business combinations

21.1. Acquisition of Tri-Pack Films Limited

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

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

	(Rupees in thousand)
Purchase consideration	
Cash (net of acquisition-related costs)	1,144,543
Fair value of equity interest held in TPFL held before the business combination	4,093,870
Total purchase consideration	<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 June 30, 2022.

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

	Carrying amounts as at February 15, 2022	Fair value and other adjustments	Fair value as at February 15, 2022
	(Rupees in thousand)		
Assets			
Property, plant and equipment	6,819,202	7,019,090	13,838,292
Right-of-use asset	44,047	(8,509)	35,538
Intangible assets	6,113	-	6,113
Long term loans and deposits	6,383	-	6,383
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
	16,580,377	7,010,581	23,590,958
Liabilities			
Long term finances - secured	2,606,160	-	2,606,160
Deferred income - Government grant	151,545	-	151,545
Lease liability	33,003	938	33,941
Deferred taxation	375,775	1,187,767	1,563,542
Retirement benefits	85,274	-	85,274
Deferred liabilities	30,871	-	30,871
Trade and other payables	2,331,459	-	2,331,459
Unclaimed dividend	17,803	-	17,803
Accrued finance cost	68,810	-	68,810
Finances under mark-up arrangements - secured	5,661,586	-	5,661,586
Current portion of long-term lease liability	3,335	(1,737)	1,598
Current portion of long term finances - secured	456,824	-	456,824
	11,822,445	1,186,968	13,009,413

Net assets acquired	4,757,932	5,823,613	10,581,545
Non controlling interest acquired (measured at proportionate share of net assets)			<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 June 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 June 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 June 30, 2022.

The acquired business contributed revenues of Rs 10,141.840 million and net profit of Rs 265.020 million to the Group for the period from February 16, 2022 to June 30, 2022.

If the acquisition had occurred on January 1, 2022, consolidated pro-forma revenue and profit for the period ended June 30, 2022 would have been Rs 58,201.500 million and Rs 5,502.500 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.

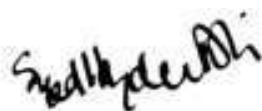
No measurement period adjustments have been recognised in the consolidated financial statements for the period ended June 30, 2022.

22. Date of authorization for issue

These condensed interim unaudited consolidated financial statements were authorized for issue on **August 26, 2022** by the Board of Directors of the Parent Company.

23. 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

HALF YEARLY REPORT 2022

Condensed Interim Financial Statements for the Six Months Period
Ended June 30, 2022 (Unaudited)



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