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COMPANY INFORMATION

Board of Directors

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

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

Imran Khalid Niazi
(Non-Executive Director)

Josef Meinrad Mueller
(Non-Executive Director)

Syed Aslam Mehdi
(Non-Executive Director)

Syed Shahid Ali
(Non-Executive Director)

Tariq Iqbal Khan
(Non-Executive Director)

Hasan Askari
(Independent Director)

Saba Kamal
(Independent Director)

Irfan Mustafa
(Independent Director)

Advisor

Syed Babar Ali

Chief Financial Officer

Khurram Raza Bakhtayari

Company Secretary

Adi J. Cawasji

Rating Agency

PACRA

Company Credit Rating

Long Term : AA
Short Term : A1+

Auditors

A.F. Ferguson & Co.
(Chartered Accountants)

Legal Advisors

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

Shares Registrar

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

PABX : (021) 34380101-5
: (021) 34384621-3

Fax : (021) 34380106

Email : info.shares@famco.com.pk

Bankers & Lenders

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

Head Office

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

Registered Office

4th Floor, The Forum
Suite No. 416 - 422, G-20, Block 9
Khayaban-e-Jami, Clifton
Karachi-75600, Pakistan

PABX : (021) 35874047-49
: (021) 35378650-51
: (021) 35831618, 35833011, 35831664
Fax : (021) 35860251

Web Presence

www.packages.com.pk

DIRECTORS' REPORT ON CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2020

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, 2020.

Financial and Operational Performance

A comparison of the un-audited financial results for the half year ended June 30, 2020 as against June 30, 2019 is as follows:

	April - June 2020	April - June 2019	Jan - June 2020	Jan - June 2019
	(Rupees in million)		(Rupees in million)	
Sales from operations	6,508	5,675	13,035	11,532
Trade discounts	(144)	(87)	(258)	(172)
Net Sales from operations	6,364	5,588	12,777	11,360
EBITDA - operations	876	708	1,765	1,460
Depreciation and amortization	(227)	(200)	(449)	(400)
EBIT - operations	649	508	1,316	1,060
Impairment charged on investment	-	(500)	-	(500)
Finance costs	(274)	(227)	(575)	(433)
Other (expenses) / income - net	(26)	(18)	(72)	(59)
Investment income	339	437	339	1,533
Earnings before tax	688	200	1,008	1,601
Taxation	(127)	(26)	(248)	(350)
Earnings after tax	561	174	760	1,251
Basic earnings per share - Rupees	6.29	1.95	8.51	14.00

We are pleased to report that the core manufacturing operations of the Company showed improved performance in a difficult and competitive environment. The Company has achieved net sales of Rs. 12,777 million against net sales of Rs. 11,360 million of corresponding period of last year, representing sales growth of 12.5%.

The operations have generated Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of Rs. 1,765 million during first half of the current period as compared to Rs. 1,460 million during the corresponding period of 2019, showing an increase of Rs. 305 million (20.8%) mainly due to revenue growth, profit margin management and tighter controls over fixed costs.

The Company's investment income decreased by Rs. 1,194 million in the current period as compared to the corresponding period of the last year mainly on account of discontinuation of dividend income from an investee company. This has resulted in decline in earnings after tax and earnings per share.

A brief review of the operations of the Company's business divisions is as follows:

Consumer Products Division

Consumer Products Division has registered net sales of Rs. 2,758 million during first half of 2020 as compared to Rs 2,574 million in corresponding period of 2019, reflecting sales growth of 7.4%. This growth has been partially impact due to closure of restaurants, hotels and retail establishments on account of COIVD-19.

The Division's EBITDA increased by Rs. 245 million reflecting 78.5% improvement in operating results in current period of 2020 as compared to corresponding period of 2019 mainly on account of revenue growth and tighter controls over costs.

Packaging Division

Packaging Division have achieved net sales of Rs. 9,959 million in current period of 2020 as compared to Rs. 8,879 million in corresponding period of year 2019 representing sales growth of 12.2%. Resultantly, operating results (EBITDA) improved by 14.5%.

Comparative statement of production in the period under review and the corresponding period is as follows:

	Jan - June 2020	Jan - June 2019
Consumer products produced - tons	7,659	7,069
Carton Board & Consumer Products converted - tons	20,326	20,718
Plastics all sorts converted - tons	11,085	10,233

Internal restructuring

The Board of Directors and Shareholders of your Company approved an internal restructuring with the objective of creating a holding company. An application was filed with SECP under regulation 7 of the Companies (Further Issue of Shares) Regulations, 2018 read with section 83(1) of the Companies Act, 2017 for approval of the above transaction. SECP through order dated January 22, 2020 approved the transaction after it was approved by Board of Directors and shareholders.

Through the restructuring, your Company was to incorporate a wholly owned subsidiary, Packages Convertors Limited (the 'PCL') and transfer its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities at carrying values. The transfer date was set for July 01, 2020 and relevant assets along with the corresponding liabilities have been transferred to PCL on the said date.

COVID-19

The COVID-19 outbreak has developed rapidly in 2020. The pandemic has not only resulted in significant number of infections but has also adversely impacted the global economy. Punjab Government through Notification NO. SO (IS-II) dated March 23, 2020 ordered lockdown in entire province giving exemptions to specific institutes and industries.

Packages Limited being engaged in provision of essential services comes under the exemption given by the Government through continuation of the above notification dated March 25, 2020. Accordingly, your Company is operational even in difficult circumstances without compromising the health and well-being of employees.

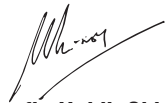
The management of your Company has established a crisis management team. This team is analyzing the situation on daily basis and taking prompt actions to implement all possible preventive measures to counter coronavirus and to ensure continuity of business operations.

Future Outlook

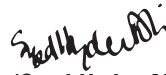
In current COVID 19 pandemic and rising competition in packaging and consumer product business, the Company would continue its efforts to improve shareholders' value by increasing and diversifying revenue and expanding customer base, as well as by investing in new technology and improving production efficiencies.

Company's Staff and Customers

We wish to record our appreciation of the commitment of our employees to the Company and continued patronage of our customers.



(Towfiq Habib Chinoy)
Chairman
Karachi, August 21, 2020



(Syed Hyder Ali)
Chief Executive & Managing Director
Karachi, August 21, 2020


آپکی کمپنی کی انتظامیہ نے بحران کے انتظام کی ٹیم تشکیل دی ہے۔ کرائسٹیس مینجمنٹ ٹیم روزانہ کی بنیاد پر صورت حال کا جائزہ اور فوری اقدامات لے رہی ہے جس کا مقصد تمام حفاظتی اقدامات کا نفاذ، کورونا وائرس کا مقابلہ اور کاروبار کے تسلسل کو یقینی بنایا جاسکے۔

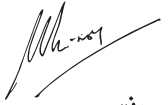
مستقبل پر ایک نظر

موجودہ کووڈ-19 کی عالمی وبا اور پیچیدگی اور اشیاء صارف کے کاروبار میں بڑھتی ہوئی مسابقت کے ماحول میں کمپنی حصص کنندگان کی قدر میں بہتری کیلئے پیداواری صلاحیت کو بڑھانے، صارفین کے دائرہ کار میں اضافے ساتھ ساتھ نئی ٹیکنالوجی میں سرمایہ کاری اور باکفایت پیداواری صلاحیت یقینی بنانے پر اپنی کوشش جاری رکھے گی۔

کمپنی کا عملہ اور صارفین

ہم کمپنی کے لئے اپنے ملازمین کی پیش قدمی اور اپنے صارفین کی مستقل سرپرستی پر انہیں خراج تحسین پیش کرتے ہیں۔


(سید حیدر علی)
چیف ایگزیکٹو اور مینجنگ ڈائریکٹر
کراچی، 21 اگست 2020


(توفیق حبیب چنائے)
چیرمین
کراچی، 21 اگست 2020

کمپنی کے کاروباری ڈویژنوں کے آپریشنز کا ایک مختصر جائزہ درج ذیل کے مطابق ہے:

کنز یومر پروڈکٹس ڈویژن

کنز یومر پروڈکٹس ڈویژن نے 2020 کے پہلے چھ ماہ کے دوران 2,758 ملین روپے کی خالص سیلز حاصل کی جبکہ 2019 کی اسی مدت کے دوران یہ 2,574 ملین روپے تھی جو 7.4 فیصد کی سیلز گروتھ ظاہر کرتی ہے۔ یہ گروتھ ریسٹورنٹ، ہوٹل اور پبلک اسٹیبلشمنٹ کے کووڈ-19 کے سبب بندش کی وجہ سے جزوی طور پر متاثر ہوئی ہے۔

ڈویژن کے EBITDA میں 2020 کی پہلی ششماہی کے دوران 245 ملین روپے کا اضافہ ہوا جو کہ 2019 کی اسی مدت کے تقابل میں 78.5 فیصد اضافہ ظاہر کرتی ہے جسکی بنیادی وجہ ریونیو گروتھ اور طے کردہ مالیات پر سخت کنٹرول تھا۔

پیکینجنگ ڈویژن

پیکینجنگ ڈویژن نے 2020 کے پہلے چھ ماہ کے دوران 9,959 ملین روپے کی خالص سیلز حاصل کی جبکہ 2019 کی اسی مدت کے دوران یہ 8,879 ملین روپے تھی جو کہ سیلز گروتھ میں 12.2 فیصد اضافہ کو ظاہر کرتی ہے۔ آپریٹنگ نتائج 14.5 فیصد سے بہتر ہوئے ہیں۔
زیر جائزہ مدت کے لئے پیداواری اعداد و شمار بشمول گزشتہ مدت کا تقابل درج ذیل کے مطابق ہے:

جنوری-جون 2019	جنوری-جون 2020	
7,069	7,659	اشیائے صارف تیار کردہ - ٹن
20,718	20,326	کارٹن بورڈ اور کنز یومر پروڈکٹس - کنورٹڈ - ٹن
10,233	11,085	پلاسٹک تمام اقسام کنورٹڈ - ٹن

اندرونی تنظیم نو

ہولڈنگ کمپنی بنانے کے مقصد کے حصول کے لئے کمپنی کے بورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز نے اندرونی تنظیم نو کی منظوری دے دی ہے۔ کمپنی ریگولیشن 2018 کے ریگولیشن 7 (شیئرز کا مزید اجراء) جس کو کمپنی ایکٹ 2017 کے سیکشن (1) 83 کے ساتھ پڑھا جائے، کے تحت SECP کو مندرجہ بالا کارروائی کی منظوری کیلئے درخواست دی گئی۔ SECP نے اپنے حکم نامہ با تاریخ 22 جنوری 2020 کو اس کارروائی کی منظوری دی جو کہ پہلے بورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز سے منظور ہو چکی تھی۔

تنظیم نو کے ذریعے آپ کی کمپنی نے مکمل ملکیتی ذیلی ادارہ پیکیجز کنورٹرز لیمیٹڈ (PCL) تشکیل دینا تھا اور اپنے مینیجنگ پارٹنرز کو کاروبار بشمول فولڈنگ کارٹن، فلیکسیبل پیکیجنگ، کاروبار صارف اور مکینیکل فیبریکیشن رول کو ریکومند تمام متعلقہ اثاثہ جات، آپریشنز اور ان سے منسلک واجبات کو کیریئرنگ ویلیو پر منتقل کرنا تھا۔ انتقال کی تاریخ 1 جولائی 2020 مقرر کی گئی اور متعلقہ اثاثہ جات اور منسلک واجبات PCL میں منتقل کر دیئے گئے ہیں۔

کووڈ-19

کووڈ-19 کے پھیلاؤ میں سال 2020 میں تیزی سے اضافہ ہوا ہے عالمی وباء نے ناصرف کثیر تعداد میں لوگوں کو بلکہ عالمی معیشت کو بری طرح متاثر کیا ہے۔ حکومت نے اپنے اعلامیہ نمبر SO (IS-11) مورخہ 23 مارچ 2020 کو پورے صوبے میں لاک ڈاؤن کے احکامات جاری کئے ہیں جس میں مخصوص صنعتوں اور اداروں کو استثناء دیا گیا ہے۔

پیکینجنگ لیمیٹڈ ضروری اشیاء اور خدمات کی فراہمی کے تسلسل کی وجہ سے حکومت پنجاب کے استثناء کے اعلامیہ مورخہ 25 مارچ 2020 کے ذمے میں آتی ہے۔ چنانچہ، آپ کی کمپنی مشکل حالات میں ملازمین کی صحت و سلامتی پر سمجھوتہ کیے بغیر آپریشنل ہے۔

30 جون 2020 کو ختم ہونے والے ششماہی کے لئے ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکیجز لمیٹڈ کے ڈائریکٹرز بہ مسرت ششماہی رپورٹ بشمول کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات برائے مدت 30 جون 2020 اپنے شیئر ہولڈرز کو پیش کر رہے ہیں۔

مالیاتی اور آپریشنل کارکردگی

30 جون 2020 کو ختم ہونے والی ششماہی کی مدت کے لئے غیر آڈٹ شدہ مالیاتی نتائج کا ایک تقابل بمقابلہ 30 جون 2019 درج ذیل کے مطابق ہے:
برائے دوسری سہ ماہی مجموعی

جنوری-جون		اپریل-جون		
2019	2020	2019	2020	
(روپے بلین میں)		(روپے بلین میں)		
11,532	13,035	5,675	6,508	خالص سیلز
(172)	(258)	(87)	(144)	تجارتی ڈسکاؤنٹ
11,360	12,777	5,588	6,364	
1,460	1,765	708	876	ای بی آئی ٹی ڈی اے (EBITDA) - آپریشنز
(400)	(449)	(200)	(227)	فرسودگی اور کساد بازاری
1,060	1,316	508	649	ای بی آئی ٹی (EBIT) - آپریشنز
(500)	-	(500)	-	سرمایہ کاری پر عائد کردہ امیٹیزیمنٹ
(433)	(575)	(227)	(274)	فنانس کی لاگت
(59)	(72)	(18)	(26)	دیگر (اخراجات)/آمدنی - خالص
1,533	339	437	339	سرمایہ کاری سے آمدنی
1,601	1,008	200	688	آمدنی قبل از ٹیکس
(350)	(248)	(26)	(127)	ٹیکسیشن
1,251	760	174	561	آمدنی بعد از ٹیکس
14.00	8.51	1.95	6.29	بنیادی آمدنی فی شیئر - روپے

ہم با مسرت اطلاع دے رہے ہیں کہ کمپنی کے کلیدی مینیجنگ آپریشنز نے مشکل اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ کمپنی نے 12,777 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اسی مدت میں خالص سیلز 11,360 ملین روپے رہی تھی۔ جو کہ 12.5% کی سیلز گروتھ کو ظاہر کرتی ہے۔

آپریشنز سے 2020 کی ششماہی کے دوران آمدنی قبل از ٹیکس، ٹیکس، فرسودگی اور کساد بازاری (EBITDA) 1,765 ملین روپے رہی جو کہ 2019 میں 1,460 ملین روپے تھی۔ جو کہ 305 ملین روپے، 20.8 فیصد کا اضافہ ظاہر کرتی ہے، جو بنیادی طور پر ریونیو گروتھ، شرح، منافع کے انتظام اور طے کردہ مالیات پر سخت کنٹرول کے باعث ممکن ہوا۔

کمپنی کی سرمایہ کاری سے آمدنی میں رواں مدت کے دوران گزشتہ سال کی اس مدت کے مقابلے میں 1,194 ملین روپے کی کمی دیکھنے میں آئی جس کی وجہ سرمایہ کاری سے منافع منقسمہ کا ختم ہونا تھا جس کے نتیجے میں آمدنی بعد از ٹیکس میں کمی ہوئی۔

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACKAGES LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Packages Limited as at June 30, 2020 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated 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 financial statements based on our review. The figures for the three-month periods ended June 30, 2020 and June 30, 2019 in the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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 condensed interim unconsolidated 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 Muhammad Masood.



A. F. Ferguson & Co.
Chartered Accountants
Lahore
Date: August 21, 2020

Packages Limited
Condensed Interim Unconsolidated
Un-audited Financial Statements

PACKAGES LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
as at June 30, 2020

	June 30, 2020	December 31, 2019
Note	Un-audited	Audited
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital		
150,000,000 (December 31, 2019: 150,000,000) ordinary shares of Rs. 10 each	1,500,000	1,500,000
22,000,000 (December 31, 2019: 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 (December 31, 2019: 89,379,504) ordinary shares of Rs. 10 each	893,795	893,795
8,186,842 (December 31, 2019: 8,186,842) 10% non-voting preference shares / convertible stock of Rs. 190 each	606,222	606,222
Reserves	45,284,852	49,083,612
Un-appropriated profits	1,011,049	2,338,349
	47,795,918	52,921,978
NON-CURRENT LIABILITIES		
Long term finances	4,715,150	2,732,650
Lease liabilities	52,928	40,774
Long term advances	73,551	58,907
Deferred revenue	132,785	-
Deferred taxation	456,974	461,990
Retirement benefits	689,293	620,559
Deferred liabilities	208,694	178,448
	6,329,375	4,093,328
CURRENT LIABILITIES		
Current portion of non-current liabilities	495,961	221,348
Finances under mark-up arrangements - secured	6,019,105	5,713,146
Trade and other payables	4,143,149	3,486,302
Unclaimed dividend	58,615	55,203
Accrued finance cost	232,969	335,208
	10,949,799	9,811,207
CONTINGENCIES AND COMMITMENTS		
	-	-
	65,075,092	66,826,513

		June 30, 2020	December 31, 2019
	Note	Un-audited	Audited
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	7,476,482	7,286,430
Right-of-use asset		70,820	62,592
Investment properties		493,501	487,443
Intangible assets	9	59,506	65,129
Investments	10	43,131,766	47,713,862
Long term security deposits		7,416	7,771
Long term loans		248	288
		51,239,739	55,623,515
CURRENT ASSETS			
Stores and spares		768,414	658,159
Stock-in-trade	11	4,929,404	3,438,686
Short term investments		90,000	80,000
Trade debts		3,886,204	3,045,048
Loans, advances, deposits, prepayments and other receivables		823,013	857,917
Income tax receivable		2,961,002	2,888,058
Cash and bank balances		377,316	235,130
		13,835,353	11,202,998
		65,075,092	66,826,513

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated un-audited financial statements.


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


Khurram Raza Bakhtayari
Chief Financial Officer

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

for the three month and six month periods ended June 30, 2020

	Note	Three month period ended		Six month period ended	
		June 30, 2020 Un-audited	June 30, 2019 Un-audited	June 30, 2020 Un-audited	June 30, 2019 Un-audited
(Rupees in thousands)					
Local sales		7,656,328	6,686,685	15,307,793	13,558,197
Export sales		35,966	73,666	91,110	143,150
		7,692,294	6,760,351	15,398,903	13,701,347
Less: Sales tax		1,184,335	1,085,646	2,364,048	2,169,512
Trade discount		143,140	86,442	257,622	171,787
		1,327,475	1,172,088	2,621,670	2,341,299
Net sales		6,364,819	5,588,263	12,777,233	11,360,048
Cost of sales	12	(4,990,021)	(4,395,473)	(9,995,116)	(9,022,638)
Gross profit		1,374,798	1,192,790	2,782,117	2,337,410
Administrative expenses		(291,083)	(266,528)	(579,506)	(514,706)
Distribution and marketing costs		(326,231)	(355,107)	(747,740)	(699,859)
Net impairment losses on financial assets		(108,220)	(62,690)	(139,096)	(62,690)
Other expenses		(110,480)	(581,813)	(214,768)	(684,657)
Other income		84,671	64,073	143,134	125,954
Profit / (loss) from operations		623,455	(9,275)	1,244,141	501,452
Finance cost		(274,251)	(226,874)	(575,259)	(433,293)
Investment income		339,258	436,833	339,258	1,532,871
Profit before taxation		688,462	200,684	1,008,140	1,601,030
Taxation	13	(126,706)	(26,028)	(247,706)	(350,028)
Profit for the period		561,756	174,656	760,434	1,251,002
Earnings per share					
Basic		Rupees 6.29	1.95	8.51	14.00
Diluted		Rupees 6.04	1.95	8.36	13.39

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated un-audited financial statements.


 Syed Hyder Ali
 Chief Executive & Managing Director


 Syed Aslam Mehdi
 Director


 Khurram Raza Bakhtayari
 Chief Financial Officer

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the three month and six month periods ended June 30, 2020

	Three month period ended		Six month period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Un-audited	Un-audited	Un-audited	Un-audited
Note	(R u p e e s i n t h o u s a n d)			
Profit for the period	561,756	174,656	760,434	1,251,002
Other comprehensive income / (loss):				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of retirement benefits	-	-	(22,361)	-
Tax effect of remeasurement of retirement benefits	-	-	7,181	-
Changes in the fair value of equity investments at fair value through other comprehensive income	127,724	(1,915,600)	(4,798,760)	(8,514,170)
	127,724	(1,915,600)	(4,813,940)	(8,514,170)
<i>Items that might be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income / (loss) for the period	127,724	(1,915,600)	(4,813,940)	(8,514,170)
Total comprehensive income / (loss) for the period	689,480	(1,740,944)	(4,053,506)	(7,263,168)

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated un-audited financial statements.


 Syed Hyder Ali
 Chief Executive & Managing Director


 Syed Aslam Mehdi
 Director


 Khurram Raza Bakhtayari
 Chief Financial Officer

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

for the six month period ended June 30, 2020

	Issued, subscribed and paid up capital		Reserves					Capital and reserves
	Ordinary share capital	Preference share / convertible stock	Capital reserves			Revenue reserves		Total
			Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	
	(R u p e e s i n t h o u s a n d)							
Balance as on January 1, 2019 (audited)	893,795	606,222	3,766,738	28,858,326	1,615,000	17,310,333	3,351,559	56,401,973
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2018 of Rs. 15.00 per share	-	-	-	-	-	-	(1,340,693)	(1,340,693)
Total comprehensive income / (loss) for the period ended June 30, 2019								
Profit for the period	-	-	-	-	-	-	1,251,002	1,251,002
Other comprehensive loss for the period	-	-	-	(8,514,170)	-	-	-	(8,514,170)
	-	-	-	(8,514,170)	-	-	1,251,002	(7,263,168)
Balance as on June 30, 2019 (un-audited)	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>20,344,156</u>	<u>1,615,000</u>	<u>18,310,333</u>	<u>2,261,868</u>	47,798,112
Balance as on January 1, 2020 (audited)	893,795	606,222	3,766,738	25,391,541	1,615,000	18,310,333	2,338,349	52,921,978
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,000,000	(1,000,000)	-
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2019 of Rs. 12.00 per share	-	-	-	-	-	-	(1,072,554)	(1,072,554)
Total comprehensive income / (loss) for the period ended June 30, 2020								
Profit for the period	-	-	-	-	-	-	760,434	760,434
Other comprehensive loss for the period	-	-	-	(4,798,760)	-	-	(15,180)	(4,813,940)
	-	-	-	(4,798,760)	-	-	745,254	(4,053,506)
Balance as on June 30, 2020 (un-audited)	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>20,592,781</u>	<u>1,615,000</u>	<u>19,310,333</u>	<u>1,011,049</u>	47,795,918

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated un-audited financial statements.


 Syed Hyder Ali
 Chief Executive & Managing Director


 Syed Aslam Mehdi
 Director


 Khurram Raza Bakhtayari
 Chief Financial Officer

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

for the six month period ended June 30, 2020

	Note	Six month period ended	
		June 30, 2020	June 30, 2019
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from / (used in) operations	15	186,572	(377,072)
Finance cost paid		(674,231)	(469,286)
Income tax paid		(318,485)	(387,173)
Income tax refunded		-	50,033
Long term loans - net		40	1,885
Long term security deposits - net		355	645
Payments for accumulating compensated absences		(2,380)	(222,035)
Retirement benefits paid		(11,030)	(11,354)
Net cash outflow from operating activities		(819,159)	(1,414,357)
Cash flow from investing activities			
Fixed capital expenditure		(660,242)	(1,031,118)
Investments made in equity securities		(216,664)	(354,376)
Long term advances - net		(105)	(426)
Investments made in debt securities		(90,000)	-
Proceeds from maturity of investments		80,000	10,000
Proceeds from disposal of property, plant and equipment		40,535	35,714
Dividends received		339,258	1,532,872
Net cash (outflow) / inflow from investing activities		(507,218)	192,666
Cash flow from financing activities			
Repayment of long term finances - secured		-	(660,710)
Proceeds from long term finances - secured		2,243,333	2,000,000
Repayment of lease liabilities		(11,587)	-
Dividend paid		(1,069,142)	(1,328,933)
Net cash inflow from financing activities		1,162,604	10,357
Net decrease in cash and cash equivalents		(163,773)	(1,211,334)
Cash and cash equivalents at the beginning of the period		(5,478,016)	(4,351,503)
Cash and cash equivalents at the end of the period	16	(5,641,789)	(5,562,837)

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated un-audited financial statements.


 Syed Hyder Ali
 Chief Executive & Managing Director


 Syed Aslam Mehdi
 Director


 Khurram Raza Bakhtayari
 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, 2020

1. Legal status and nature of business

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

The Company was principally engaged in the manufacture and sale of packaging materials, tissue & consumer products till the date of transfer of manufacturing businesses as mentioned in note 1.1. It currently holds investments in companies engaged in various businesses including packaging materials, tissue & consumer products, industrial inks, paper & paperboard products, biaxially oriented polypropylene ('BOPP') films and cast polypropylene ('CPP') films, calcium carbonate products, insurance, power generation and real estate.

These condensed interim unconsolidated financial statements are the separate financial statements of the Company. Condensed interim consolidated financial statements are prepared separately.

1.1 The Board of Directors of the Company, in its meeting held on April 24, 2019, had evaluated and approved internal restructuring of the Company with an objective to create a holding company, subject to procuring all applicable regulatory, corporate and third party approvals and execution of relevant documents / agreements between the Company and relevant subsidiaries. 'In this regard, the Company had incorporated two wholly owned subsidiaries to transfer:

- (a) its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication and roll covers along with all relevant assets, operations and corresponding liabilities into a separate 100% wholly owned subsidiary, namely Packages Convertors Limited ('PCL'); and
- (b) its investment business comprising shares of various companies, operations along with corresponding liabilities, if any, into another 100% wholly owned subsidiary, namely Packages Investments Limited ('PIL').

All assets, properties and liabilities other than those assets, operations and corresponding liabilities being transferred to the above-mentioned wholly owned subsidiaries will remain with the Company. The transaction was approved by the members of the Company in Extra Ordinary General Meeting (EOGM) held on May 30, 2019. The Company and PCL entered into an Asset Transfer Agreement on July 23, 2019.

During the previous year, PCL and PIL had filed an application with Securities and Exchange Commission of Pakistan ('SECP') for affecting the above-mentioned transfers of assets and corresponding liabilities which has been approved in the current period subject to fulfilment of certain conditions. PCL intended to proceed with the transfer of the manufacturing businesses against the issuance of shares. PIL is evaluating different options for the transfer considering the conditions given in the approval by SECP. Accordingly, the Board, in its meeting held on March 13, 2020 has resolved to consummate the transfer of manufacturing businesses and to hold the transfer of investment business for the time being and will finalize the way forward in this regard in the best interest of the Company and its shareholders.

In consideration for the transfer of afore-mentioned assets and liabilities at respective carrying values on July 1, 2020, the Company will be issued ordinary shares of PCL. The shares will be issued against transfer of the following net assets:

	(Rupees in thousand)
Assets	
Property, plant and equipment	6,385,957
Right-of-use assets	70,820
Intangible assets	56,637
Long term security deposits	139
Long term loans	248
Stores and spares	768,414
Stock-in-trade	4,891,004
Loans, advances, deposits, prepayments and other receivables	58,718
Total assets	12,231,937
Liabilities	
Long term finances	4,243,333
Lease liabilities	70,402
Long term advances	66,166
Deferred revenue	148,255
Deferred taxation	453,675
Retirement benefits	220,057
Deferred liabilities	165,101
Finances under mark up arrangements - secured	3,400,000
Other payables	367,141
Accrued finance costs	14,904
Total liabilities	9,149,034
Net assets	3,082,903

2. Basis of preparation

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

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

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

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended December 31, 2019.

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

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

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2020, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

4. Taxation

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

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

5. Critical accounting estimates and judgements

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

In preparing these condensed interim unconsolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2019, with the exception of the following:

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

6. Long term finances	Note	June 30, 2020	December 31, 2019
		Un-audited	Audited
(Rupees in thousand)			
Local currency loans - secured	6.1	4,243,333	2,000,000
Preference shares / convertible stock - unsecured		932,650	932,650
		5,175,983	2,932,650
Current portion shown under current liabilities		(460,833)	(200,000)
		4,715,150	2,732,650

6.1 The reconciliation of the carrying amount is as follows:

Opening balance		2,000,000	1,321,450
Disbursements during the period / year	6.2	2,243,333	2,000,000
Repayments during the period / year		-	(1,321,450)
Closing balance		4,243,333	2,000,000

6.2 This includes long term financing facility availed from Habib Bank Limited under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns. The total facility available amounts to Rs. 365 million. The financing is secured against pledge of Nestle Pakistan Limited shares owned by the Company. It carries markup at the rate of SBP Profit Rate under the Refinance Scheme plus 0.5% per annum, payable on quarterly basis. The mark-up rate charged during the period on the outstanding balance was 0.5% (2019: Nil) per annum. The principal amount is repayable in 8 equal quarterly instalments starting from January 01, 2021.

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

7. Contingencies and commitments

7.1 Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Company for the year ended December 31, 2019, except for the following:

- (i) Claims against the Company by ex-employees not acknowledged as debts amounting to Rs. 25.750 million (December 31, 2019: Rs. 26.631 million).

- (ii) Standby letter of credit issued by Habib Bank Limited - Pakistan ('HBL Pakistan') in favor of Habib Bank Limited - Bahrain ('HBL Bahrain') on behalf of the Company amounting to USD 5.300 million equivalent to Rs. 890.668 million (December 31, 2019: USD 7.803 million equivalent to Rs. 1,208.287 million) to secure long term finance facility provided by HBL Bahrain to Anemone Holdings Limited ('AHL'), wholly-owned subsidiary of the Company. The standby letter of credit is secured against pledge of Nestle Pakistan Limited shares owned by the Company as referred to in note 10.2.
- (iii) Letters of guarantees issued to various parties aggregating Rs. 426.896 million (December 31, 2019: Rs. 603.476).

7.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 138.155 million (December 31, 2019: Rs. 339.834 million).
- (ii) Letters of credit and contracts for other than for capital expenditure Rs. 287.231 million (December 31, 2019: Rs. 679.325 million).

8. Property, plant and equipment

	Note	June 30, 2020 Un-audited	December 31, 2019 Audited
(Rupees in thousand)			
Operating fixed assets - at net book value	8.1 & 8.2	6,423,710	6,205,128
Capital work-in-progress	8.3	1,005,662	1,027,623
Major spare parts and stand-by equipment	8.4	47,110	53,679
		7,476,482	7,286,430

- 8.1** A portion of the land on which the Company's factory is situated, measuring 231 kanals and 19 marlas, was leased out to the Company by GoPb from December 1955 till November 2015 after which the lease has not been renewed. During the year 2015, the Company approached the Board of Revenue ('BoR'), GoPb to renew the lease; however, no adequate response was received. On January 5, 2019, the Supreme Court of Pakistan ('Court'), summoned BoR, to which the BoR stated that the new policy of the GoPb is not to lease state land but to sell it through open auction. Consequently, the Company was directed to deposit Rs. 500 million with the BoR as security to the payment of outstanding amount of rent to be determined, with such amount being adjustable against final amount of rent. The Company deposited such amount in compliance with the direction on January 10, 2019. The Supreme 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. However, no surveyors have been appointed and the Company has filed an application to Supreme Court for determination of rent as of the date of the authorization for issue of condensed interim unconsolidated financial statements. Moreover, the Court has further decided that the land shall be sold through an open auction with the Company getting the first right of refusal.

The management has, on the basis of assessment of fair value of the said portion of land by an independent valuer and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, booked a provision of Rs. 87.000 million (2019: Rs. 58.000 million) in respect of rent for the period from January 2020 to June 2020. The management is confident that the final amount of rent will be in congruence with the provision made in these condensed interim unconsolidated financial statements, inter alia on the basis of the fair value determined by the independent valuer and the relevant facts and circumstances. Furthermore, the management also intends to acquire the title of the said portion of land when the open auction takes place and is confident that it will be able to meet the highest bid.

8.2	Operating fixed assets	Note	June 30,	December 31,
			2020	2019
			Un-audited	Audited
(Rupees in thousand)				
	Opening net book value		6,205,128	5,405,501
	Additions during the period / year	8.2.1	679,194	1,650,384
	Disposals during the period / year at net book value		31,045	60,280
	Depreciation charged during the period / year		429,567	790,477
			460,612	850,757
	Closing net book value		6,423,710	6,205,128
8.2.1 Additions during the period / year				
	Freehold land		157	225,564
	Buildings on freehold land		37,624	22,585
	Plant and machinery		462,783	1,135,966
	Other equipment (computers, lab equipment and other office equipment)		135,069	171,316
	Furniture and fixtures		26	1,341
	Vehicles		43,535	93,612
			679,194	1,650,384
8.3 Capital work-in-progress				
	Civil works		37,554	26,701
	Plant and machinery		935,388	676,038
	Advances to suppliers		32,720	324,884
			1,005,662	1,027,623
8.4 Major spare parts and stand-by equipment				
	Balance at the beginning of the period / year		53,679	59,205
	Additions during the period / year		5,771	1,703
	Transfers made during the period / year		(4,476)	(7,229)
	Scrapped during the period / year		(7,864)	-
	Balance at the end of the period / year		47,110	53,679
9. Intangible assets				
	Opening book value		65,129	67,435
	Additions during the period / year		-	9,253
	Amortization charged during the period / year		(5,623)	(11,559)
	Closing book value		59,506	65,129
10. Investments				
	Opening balance		47,713,862	51,322,973
	Add: Investments made during the period / year	10.1	216,664	534,538
	Impairment loss on equity instruments of associate		-	(676,864)
	Changes in the fair value of equity investments at fair value through other comprehensive income		(4,798,760)	(3,466,785)
	Closing balance		43,131,766	47,713,862

10.1 Investments made in related parties during the period / year	June 30, 2020	December 31, 2019
	Un-audited	Audited
	(Rupees in thousand)	
OmyaPack (Private) Limited - joint venture	-	185,000
Anemone Holdings Limited - subsidiary	216,664	347,538
Packages Convertors Limited - subsidiary	-	1,000
Packages Investments Limited - subsidiary	-	1,000
	216,664	534,538

10.2 As of June 30, 2020, an aggregate of 2,600,000 shares (December 31, 2019: 1,195,000 shares) of Nestle Pakistan Limited having market value Rs. 17,511.000 million (December 31, 2019: Rs. 9,619.750 million) have been pledged in favor of HBL Pakistan against financing facilities obtained from HBL Pakistan.

11. Finished goods costing Rs. 90.007 million (December 31,2019: Rs. 365.410 million) are being valued at net realizable value (NRV) of Rs. 74.913 million (December 31,2019: Rs. 260.698 million) and the resulting NRV write down expense has been charged to cost of sales.

12. Cost of sales	Three month period ended		Six month period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Un-audited	Un-audited	Un-audited	Un-audited
	(R u p e e s i n t h o u s a n d)			
Raw materials consumed	3,647,296	3,136,656	7,272,104	6,652,478
Salaries, wages and amenities	445,561	437,848	881,189	826,305
Travelling and conveyance	1,263	5,467	6,282	11,136
Fuel and power	228,655	281,257	508,224	531,200
Production supplies consumed	146,822	116,509	265,571	243,767
Rent and rates	20,737	17,580	41,475	27,860
Insurance	12,021	10,904	23,372	20,069
Repairs and maintenance	82,683	67,448	166,463	118,098
Packing expenses	99,053	90,528	200,334	177,381
Depreciation on operating fixed assets	202,236	179,865	398,752	360,627
Amortisation of intangible assets	1,370	1,519	2,739	2,840
Technical fees	18,566	10,123	37,506	22,060
Other expenses	80,297	43,672	175,657	126,057
	4,986,560	4,399,376	9,979,668	9,119,878
Opening work-in-process	448,298	311,827	361,617	708,937
Closing work-in-process	(423,681)	(339,556)	(423,681)	(339,556)
Cost of goods manufactured	5,011,177	4,371,647	9,917,604	9,489,259
Opening stock of finished goods	1,166,003	830,694	1,264,671	340,247
Closing stock of finished goods	(1,187,159)	(806,868)	(1,187,159)	(806,868)
	4,990,021	4,395,473	9,995,116	9,022,638
13. Taxation				
Current				
For the period	148,541	124,966	245,541	348,494
Prior years	-	81,204	-	81,204
	148,541	206,170	245,541	429,698
Deferred	(21,835)	(180,142)	2,165	(79,670)
	126,706	26,028	247,706	350,028

14. Transactions and balances with related parties

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

Relationship with the Company	Nature of transactions	Six-month period ended	
		June 30, 2020	June 30, 2019
		Un-audited	Un-audited
(Rupees in thousand)			
i. Subsidiaries	Purchase of goods and services	2,635,258	2,875,876
	Sale of goods and services	124,737	183,255
	Dividend income	140,891	110,098
	Rental income and others	64,186	70,423
	Management and technical fee	30,523	23,958
	Purchase of property, plant and equipment	17,373	-
ii. Joint ventures	Sale of goods and services	2,595	503
	Rental income and others	379	184
	Purchase of goods and services	1,042	-
iii. Associates	Purchase of goods and services	998,940	780,502
	Sale of goods and services	2,821	10,264
	Insurance premium paid	122,100	91,763
	Commission earned	-	424
	Insurance claims received	1,067	2,902
	Rental income and other income	6,117	6,157
	Dividend income	45,099	96,832
Dividend paid	320,486	400,608	
iv. Retirement benefit obligations	Expense charged in respect of retirement plans	110,154	102,572
	Dividend paid	33,989	42,486
v. Key management personnel	Salaries and other employee benefits	77,078	68,164
	Dividend paid	30,774	34,309
vi. Other related party	Donations made	19,971	35,773

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

Period / year end balances

	June 30, 2020	December 31, 2019
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
Subsidiaries	309,943	326,921
Joint ventures	4,100	3,109
Associates	49,171	41,672
Other related parties	-	75
Payable to related parties		
Subsidiaries	533,589	483,570
Associates	174,884	106,498
Retirement benefit obligations	4,405	17,784
Other related party	1,934	1,934
Joint venture	-	792

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

15. Cash generated from / (used in) operations

	Six months period ended	
	June 30, 2020	June 30, 2019
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	1,008,140	1,601,030
Adjustments for non-cash items:		
Depreciation on owned assets	429,567	392,018
Depreciation on right-of-use asset	12,129	-
Depreciation on investment properties	1,734	1,652
Amortisation on intangible assets	5,623	6,316
Present value of long term liability	13,173	-
Provision for accumulating compensated absences	32,626	37,000
Provision for retirement benefits	57,403	53,706
Profit on disposal of operating fixed asset	(9,490)	(10,804)
Exchange loss / (gain)	77,517	58,122
Finance cost	575,259	433,293
Net impairment losses on financial assets	139,096	62,690
Stock-in-trade written off	95,714	48,135
Stores and spares written off	15,466	3,323
Impairment charged on investment in associate	-	500,000
Liabilities no longer payable written back	(3,686)	(9,087)
Capital work-in-progress charged to condensed interim unconsolidated statement of profit or loss	1,786	9,697
Provision for obsolete / slow-moving stores and spares	475	-
Reversal of provision for obsolete / slow-moving stores and spares	-	(750)
Provision for obsolete / slow-moving stock-in-trade	43,971	-
Reversal of provision for obsolete / slow-moving stock-in-trade	-	(16,117)
Amortization of deferred income	(6,446)	-
Dividend income	(339,258)	(1,532,871)
Profit before working capital changes	2,150,799	1,637,353
Effect on cash flow due to working capital changes		
Increase in trade debts	(948,291)	(477,904)
Increase in stores and spares	(126,196)	(159,985)
Increase in stock-in-trade	(1,630,403)	(823,349)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	2,943	(197,184)
Increase / (decrease) in trade and other payables	737,720	(356,003)
	(1,964,227)	(2,014,425)
	186,572	(377,072)
16. Cash and cash equivalents		
Cash and bank balances	377,316	115,564
Finances under mark up arrangements - secured	(6,019,105)	(5,678,401)
	(5,641,789)	(5,562,837)

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 condensed interim unconsolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019.

There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2019.

17.2 Fair value estimation

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, 2020 and December 31, 2019 on a recurring basis:

As at June 30, 2020	Un-audited (Rupees in thousand)			Total
	Level 1	Level 2	Level 3	
Assets				
<i>Recurring fair value measurements</i>				
Equity investments at fair value through other comprehensive income	24,577,684	-	-	24,577,684
Liabilities	-	-	-	-
As at December 31, 2019	Audited (Rupees in thousand)			Total
	Level 1	Level 2	Level 3	
Assets				
<i>Recurring fair value measurements</i>				
Equity investments at fair value through other comprehensive income	29,376,446	-	5,000	29,381,446
Liabilities	-	-	-	-

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

18. Impact of COVID-19 (Corona virus)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. The Company's operations were not affected as it fell under the exemption provided by the Government of Punjab to providers of essential services. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments in these condensed interim unconsolidated financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these condensed interim unconsolidated financial statements.

19. Date of authorisation for issue

These condensed interim unconsolidated financial statements were authorised for issue on August 21, 2020 by the Board of Directors of the Company.

20. Corresponding figures

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

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


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


Khurram Raza Bakhtayari
Chief Financial Officer

**Packages Group
Condensed Interim Consolidated
Un-audited Financial Statements**

DIRECTORS' REPORT ON CONDENSED INTERIM UN-AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2020

The Directors of the Parent Company take pleasure in presenting the un-audited condensed consolidated interim financial statements of the Group for the half year ended June 30, 2020. Comparison of the un-audited consolidated results for the half year ended June 30, 2020 as against June 30, 2019 is as follows:

	Jan - June 2020	Jan - June 2019
	(Rupees in million)	
Invoiced sales - net	31,312	29,556
Profit from operations	3,472	1,792
Other operating expenses-net	(441)	(567)
Finance costs	(1,970)	(1,695)
Share of profit / (loss) in associates and joint venture - net of tax	48	(76)
Investment income	153	1,326
Profit before taxation	1,262	781
Taxation	(620)	(492)
Profit after tax	642	289

We are pleased to report that the core manufacturing operations of the Parent Company have shown significantly improved performance in a difficult and competitive environment. During the first half of 2020, the Group has achieved net sales of Rs. 31,312 million against net sales of Rs. 29,556 million achieved during corresponding period of last year representing sales growth of 6% with an operating profit of Rs. 3,472 million as compared to Rs. 1,792 million generated during corresponding period last year, with an increase of 94%, mainly on account of revenue growth and cost controls.

The Group's investment income decreased by Rs. 1,173 million in the current period as compared to the corresponding period of the last year on account of discontinuation of dividend income from an investee company. This has resulted in decline in earnings after tax and earnings per share.

The Group's finance cost has increased by Rs. 275 million which is mainly attributable to increased overdraft utilization.

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

Bulleh Shah Packaging (Private) Limited

Bulleh Shah Packaging (Private) Limited is principally engaged in the manufacturing and conversion of paper and paperboard and corrugated boxes. It has achieved net sales of Rs. 13,608 million during current period of 2020 as compared to Rs. 12,800 million during 2019 representing sales growth of 6%. It has earned profit before tax of Rs. 699 million during the current period as compared to the operating loss of Rs 428 million in corresponding period last year, primarily due to revenue growth and tighter control over fixed costs. The Company is focusing on further improving operating results through increased sales volumes, product diversification and better product mix.

DIC Pakistan Limited

DIC Pakistan Limited is an un-listed public limited subsidiary of Packages Limited. It is principally engaged in manufacturing, processing and selling of industrial inks. It has achieved net sales of Rs. 2,668 million during the current period as compared to Rs. 2,452 million of the corresponding period of last year representing sales growth of 9%. It has generated profit before tax of Rs. 233 million during the first half of the year 2020 as against Rs. 208 million generated during corresponding period of 2019. Moving forward, the Company will focus on improving operating results through volume growth, tighter cost control and price rationalization.

Packages Lanka (Private) Limited

Packages Lanka (Private) Limited is a Sri Lanka based subsidiary of Packages Limited. It is primarily engaged in production of flexible packaging. During the first half of 2020, it has achieved sales of SLR 928 million as compared to SLR 1,200 million in the corresponding period of last year. It has generated loss before tax of SLR 66 million during the current period of the year 2020 as against profit before tax of SLR 42 million generated during corresponding period of 2019. This decrease in profit is mainly due to COVID-19 lockdown and slowed economic activity in Sri-Lanka as more explained in COVID-19 note below.

Flexible Packages Convertors (Pty) Limited

Flexible Packages Convertors (Pty) Limited is private limited company based in South Africa. It is principally engaged in the manufacture of flexible packaging material. During the first half of 2020, it achieved net sales revenue of ZAR 269 million as compared to ZAR 252 million of the corresponding period of last year representing sales growth of 7%. The Company has recorded loss before tax of ZAR 5.4 million in first half of 2020 as compared to profit before tax of ZAR 0.3 million during the corresponding period of last year. This is primarily on account of COVID-19 lockdown in South Africa as explained in COVID-19 note below.

Packages Real Estate (Private) Limited

Packages Real Estate (Private) Limited is a subsidiary of Packages Limited. It is primarily engaged in the business of all types of construction activities and development of real estate. It is currently operating a real estate project titled "Packages Mall". The Company has achieved net revenue of Rs. 1,125 million during the first half of 2020 as compared to revenue of Rs. 1,708 million achieved during the corresponding period of last year. The Company has recorded operating profit of Rs. 182 million as against Rs. 459 million achieved during first half of last year. The impacts of COVID-19 lockdown on operations and the Company are explained in COVID-19 paragraph below.

Packages Power (Private) Limited

Packages Power (Private) Limited is a wholly owned subsidiary of Packages Limited duly formed for the purpose of setting up a 3.1 MW hydropower project as advertised by the Punjab Power Development Board (PPDB). The Company has moved forward with the requisite studies and approvals and is in liaison with the relevant Government authorities to take the project forward.

Internal restructuring

The Board of Directors and Shareholders of Parent Company approved an internal restructuring with the objective of creating a holding company. The application was filed with SECP under regulation 7 of the Companies (Further Issue of Shares) Regulations, 2018 read with section 83(1) of the Companies Act,

2017 for approval of the above transaction. SECP through order dated January 22, 2020 approved the transaction after it was approved by Board of Directors and Shareholders.

Through the restructuring, Parent Company was to incorporate a wholly owned subsidiary, Packages Convertors Limited (the 'PCL') and transfer its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities at carrying values. The transfer date was set for July 01, 2020 and relevant assets along with the corresponding liabilities have been transferred to PCL on the said date.

COVID-19

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

In Pakistan, the Government announced a temporary lockdown as a measure to reduce the spread of the COVID-19. Packages Limited and its local subsidiaries except Packages Real Estate (Private) Limited (the 'PREPL'), being engaged in provision of essential services comes under the exemption given by the Government and are operational even in difficult circumstances without compromising the health and well-being of employees. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, Packages Limited and its local subsidiaries except PREPL continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Complying with the lockdown, operations of PREPL were closed except for certain tenants. PREPL introduced safety measures and allowed tenants to continue or resume their trade in accordance with the guidelines and lockdown relaxations issued by the Government. To support its tenants, PREPL announced a rent-free period along with reduction in service and maintenance charges effective March 22, 2020 till April 30, 2020 to its tenants. During May 2020 and June 2020, due to the restrictions imposed by the Government on mall operating days in a week and daily operating hours, the Company has provided rent / license fee waivers and service charges waivers to both the operational and non-operational tenants on varying scales. As per SBP circular, PREPL has applied to the commercial banks for relaxation in repayment of principal of its credit facilities by one year.

The pandemic has affected the operations of Flexible Packages Convertors (Pty) Limited (the 'FPC') and Packages Lanka (Private) Limited (the 'PLL') which has resulted in lower sales as extensive lockdown measures were implemented in Sri Lanka as well as in South Africa. They were able to obtain permission to run limited operations for production and distribution of essential items, ensuring compliance to health and hygiene requirements for prevention of COVID - 19 virus during the lockdown period. Operations of both companies have started resuming back to its normal level of operations by the end of the second quarter of 2020. PLL has requested its bank to avail the concessions, including a six-month debt moratorium and working capital loan facility declared by the Central Bank of Sri Lanka under Saubagya Covid-19 Renaissance Facility. Similarly, FPC obtained a three-month debt moratorium and working capital loan facility from its banks.

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



(Towfiq Habib Chinoy)

Chairman

Karachi, August 21, 2020



(Syed Hyder Ali)

Chief Executive & Managing Director

Karachi, August 21, 2020

اندرونی تنظیم نو

ہولڈنگ کمپنی بنانے کے مقصد کے حصول کے لئے پیرنٹ کمپنی کے بورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز نے اندرونی تنظیم نو کی منظوری دے دی ہے۔ کمپنی ریگولیشن 2018 کے ریگولیشن 7 (شیئرز کا مزید اجراء) جس کی کمپنی ایکٹ 2017 کے سیکشن (1)83 کے ساتھ پڑھا جائے، کے تحت SECP کو مندرجہ بالا کارروائی کی منظوری کیلئے درخواست دی گئی۔ SECP نے اپنے حکم نامہ با تاریخ 22 جنوری 2020 کو اس کارروائی کی منظوری دی جو کہ پہلے بورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز سے منظور ہو چکی تھی۔

تنظیم نو کے ذریعے پیرنٹ کمپنی نے مکمل ملکیتی ذیلی ادارہ پیکیجز کنورٹرز لمیٹڈ (PCL) تشکیل دینا تھا اور اپنے مینوفیکچرنگ کاروبار بشمول فولڈنگ کارٹن، فلیکسیبل پیکیجنگ، کاروبار صارف اور مکینیکل فیبریکیشن رول کور کو بشمول تمام متعلقہ اثاثہ جات، آپریشنز اور ان سے منسلک واجبات کو کیریئرنگ ویلیو پر منتقل کرنا تھا۔ انتقال کی تاریخ 1 جولائی 2020 مقرر کی گئی اور متعلقہ اثاثہ جات اور منسلک واجبات PCL میں منتقل کر دیئے گئے ہیں۔

کووڈ-19

کووڈ-19 کی عالمی وباء میں تیزی سے اضافہ ہوا ہے عالمی وباء نے نا صرف انسانی زندگیوں کو خطرے سے دوچار کیا ہے بلکہ عالمی معیشت کو بری طرح متاثر کیا ہے۔ پاکستان میں حکومت نے عارضی لاک ڈاؤن کا اعلان کیا تاکہ کووڈ-19 کے پھیلاؤ کو روکا جاسکے۔ پیکیجز لمیٹڈ اور اس کے مقامی ذیلی ادارے (ماسوائے پیکیجز رینل اسٹیٹ پرائیویٹ لمیٹڈ) ضروری اشیاء اور خدمات کی فراہمی کے تسلسل کی وجہ سے حکومتی استثناء کے زمرے میں آتے ہیں اور مشکل حالات میں ملازمین کی صحت و سلامتی پر سمجھوتہ کئے بغیر آپریشنل ہیں۔ ملازمین کی حفاظت کو یقینی بنانے کیلئے ضروری معیاری آپرینٹنگ طریقہ کار (SOPs) کے نفاذ کے بعد، پیکیجز لمیٹڈ اور اس کے مقامی ذیلی ادارے (ماسوائے پیکیجز رینل اسٹیٹ لمیٹڈ) نے اپنے آپریشن جاری رکھے تھے اور کاروبار کے تسلسل کے تمام موضوع اقدامات کئے۔ PREPL کی جانب سے حفاظتی اقدامات متعارف کروائے گئے اور کرائے داروں کو حکومت کی جاری کردہ ہدایات اور لاک ڈاؤن میں نرمی کے تحت کاروبار جاری/دوبارہ شروع کرنے کی اجازت دی گئی۔ اپنے کرائے داروں کی مدد کے لئے PREPL نے 22 مارچ 2020 تا 30 اپریل 2020 تک میٹیننس چارجز میں کمی کے ساتھ کرائے سے مستثنیٰ پیریڈ کا اعلان کیا۔ مئی 2020 اور جون 2020 کے دوران، حکومت کی جانب سے ہفتہ میں کام کے دنوں اور روزانہ کے اوقات کار میں کمی کی وجہ سے کمپنی نے آپریشنل اور نان آپریشنل کرایہ داروں کے کرایہ/لائسنس فیس اور سروس چارجز میں رعایت دی۔ SBP کے سرکلر کے تحت PREPL نے قرض کی بنیادی رقم کی ادائیگی میں ایک سال کی نرمی کے لئے کمرشل بینکوں کو درخواست دی۔

جنوبی افریقہ اور سری لنکا میں وسیع پیمانے پر لاک ڈاؤن کیلئے کئے گئے اقدامات کی وجہ سے فلیکس ایبل پیکیجز کنورٹرز (پروپرائٹری) لمیٹڈ اور پیکیجز لکا پرائیویٹ لمیٹڈ کے آپریشنز کو متاثر کیا ہے جس کے نتیجے میں سیلز میں کمی ہوئی ہے ان کمپنیوں کو ایشیا نے ضروریہ کی پیداوار اور ترسیل کیلئے کووڈ-19 سے بچاؤ کیلئے درکار صحت و صفائی کے انتظام پر عمل درآمد کے بعد محدود آپریشنز چلانے کی اجازت ملی دونوں کمپنیوں کے آپریشنز دوسری سہ ماہی 2020 کے آخر میں اپنی عمومی حالت کی جانب دوبارہ شروع ہو رہے ہیں PLL نے اپنے بینکوں کو رعایت کے حصول بشمول مرکزی بینک سری لنکا کے اعلان کردہ سو باگیہ کووڈ-19 RENAISSANCE FACILITY کے تحت چھ ماہ کیلئے قرض کی ادائیگی میں تاخیری رعایت اور ورکنگ کیپٹل کے قرض کے لئے درخواست دی گئی ہے اسی طرح FPC نے اپنے بینکوں سے تین ماہ کیلئے قرض کی ادائیگی میں تاخیری رعایت اور ورکنگ کیپٹل کے قرض کی سہولت حاصل کی ہے۔

گروپ کی انتظامیہ نے بحران کے انتظام کی ٹیم تشکیل دی ہے۔ کرائسٹس بینجمنٹ ٹیم روزانہ کی بنیاد پر صورت حال کا جائزہ اور فوری اقدامات لے رہی ہے جبکہ مقصد تمام حفاظتی اقدامات کا نفاذ ہے تاکہ کووڈ-19 کا مقابلہ اور کاروبار کے تسلسل کو یقینی بنایا جاسکے۔

(سید حیدر علی)
چیف ایگزیکٹو اور مینجنگ ڈائریکٹر
کراچی، 21 اگست 2020

(توفیق حبیب چنائے)
چیرمین
کراچی، 21 اگست 2020

13,608 ملین روپے کی سیلز حاصل کی جو اس کے مقابلے میں 2019 کے دوران 12,800 ملین روپے تھی۔ جس سے 6 فیصد کی سیلز گروتھ ظاہر ہوتی ہے۔ کمپنی نے موجودہ مدت کے دوران 699 ملین روپے کا آپریٹنگ منافع دیکھا جو 2019 میں اسی مدت کے دوران 428 ملین روپے کا آپریٹنگ خسارہ تھا۔ جو بنیادی طور پر ریونیو گروتھ اور سٹریٹجک مالیات پر سخت کنٹرول کے باعث ممکن ہوا۔ کمپنی بلند تر حجم، پروڈکٹ میں توسیع اور پروڈکٹ کسٹ کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ پیکیجز لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ بنیادی طور پر صنعتی انکس (inks) کی تیاری، پروسیسنگ اور سیلز میں مصروف عمل ہے۔ کمپنی نے سال 2020 کی پہلے چھ ماہ کے دوران 2,668 ملین روپے کی خالص سیلز حاصل کی۔ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 2,452 ملین روپے تھے جو 9 فیصد کی سیلز گروتھ کو ظاہر کرتی ہے۔ کمپنی نے 2020 کی موجودہ مدت کے دوران 233 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو 2019 کی اسی مدت میں 208 ملین روپے تھا۔ آگے بڑھتے ہوئے کمپنی بلند تر حجم مالیات پر سخت کنٹرول اور قیمتوں میں استعداد کے ذریعے آپریٹنگ نتائج بہتر بنانے پر توجہ دے رہی ہے۔

پیکیجز لنکا (پرائیویٹ) لمیٹڈ

پیکیجز لنکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجنگ کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2020 کے پہلے چھ ماہ کے دوران 928 ملین سری لنکن روپے کی سیلز حاصل کی جو گزشتہ سال کی اسی مدت میں 1,200 ملین سری لنکن روپے تھی۔ کمپنی نے سال 2020 کے پہلے چھ ماہ میں 66 ملین سری لنکن روپے کا خسارہ قبل از ٹیکس حاصل کیا جو کہ 2019 کی اسی مدت کے دوران 42 ملین سری لنکن روپے کا منافع قبل از ٹیکس تھا۔ جسکی بنیادی وجہ کووڈ-19 کا لاک ڈاؤن اور معاشی سرگرمیوں میں سست روی ہے جس کی مزید وضاحت کووڈ-19 کے نوٹ میں کی گئی ہے۔

فلکس ایبل پیکیجز کنورٹرز (پروپرائیٹری) لمیٹڈ

فلکس ایبل پیکیجز کنورٹرز (پروپرائیٹری) لمیٹڈ جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجنگ میٹریل کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2020 کے پہلے چھ ماہ کے دوران 269 ملین زار (ZAR) کا خالص سیلز ریونیو حاصل کیا جو گزشتہ سال کی اسی مدت میں 252 ملین زار (ZAR) تھا جو کہ 7 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ کمپنی کا خسارہ قبل از ٹیکس 2020 کے پہلے چھ ماہ میں 5.4 ملین زار (ZAR) تھا جو گزشتہ سال کی اسی مدت میں 0.3 ملین زار (ZAR) منافع قبل از ٹیکس تھا۔ جس کی بنیادی وجہ جنوبی افریقہ میں کووڈ-19 کی وجہ سے لاک ڈاؤن تھا جس کی مزید وضاحت نیچے کووڈ-19 کے نوٹ میں کی گئی ہے۔

پیکیجز رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجز رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکیجز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر تمام اقسام کی تعمیراتی سرگرمیوں اور رینیل اسٹیٹ کے فروغ کے کاروبار میں سرگرم عمل ہے۔ اس وقت یہ رینیل اسٹیٹ ”پیکیجز مال“ کے نام سے ایک پراجیکٹ آپریٹ کر رہا ہے۔ کمپنی نے پہلے چھ ماہ 2020 کے دوران 1,125 ملین روپے کی آمدن حاصل کی جو کہ 2019 کے اسی عرصہ کے دوران 1,708 ملین روپے تھی۔ اس نے موجودہ مدت 2020 کے دوران 182 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ 2019 میں 459 ملین روپے تھا۔ کووڈ-19 لاک ڈاؤن کے آپریٹنگ اور کمپنی پر اثرات کی وضاحت ذیل میں دیئے گئے کووڈ-19 کے نوٹ میں کی گئی ہے۔

پیکیجز پاور (پرائیویٹ) لمیٹڈ

پیکیجز پاور (پرائیویٹ) لمیٹڈ 3.1 میگا واٹ ہائیڈرو پاور پراجیکٹ کے قیام کے مقصد کے لئے بنایا گیا پیکیجز لمیٹڈ کا ایک مکمل ملکیتی ذیلی ادارہ ہے جس کا پروجیکٹ کی تشہیر پنجاب پاور ڈویلپمنٹ بورڈ (پی ڈی بی) کی جانب سے کی گئی۔ کمپنی نے مطلوبہ جائزوں اور اجازت ناموں کے ساتھ اور متعلقہ سرکاری حکام کے ساتھ رابطہ کاری کے تحت پروجیکٹ کو آگے بڑھایا ہے۔

30 جون 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے ڈائریکٹرز کی رپورٹ بشمول مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکجز لمیٹڈ کے ڈائریکٹرز بہ مسرت 30 جون 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے گروپ کے غیر آڈٹ شدہ مجموعی مالیاتی معلومات پیش کرنے پر خوشی محسوس کرتے ہیں۔

گروپ کے نتائج

30 جون 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے غیر آڈٹ شدہ نتائج کا تقابل 30 جون 2019 کے مقابلے میں درج ذیل کے مطابق ہے:

جنوری - 2019	جنوری - 2020	
29,556	31,312	انوائس ڈیبٹس - خالص
1,792	3,472	آپریٹنگ سے حاصل منافع جات
(567)	(441)	دیگر آپریٹنگ اخراجات
(1,695)	(1,970)	فنانس کی لاگت
(76)	48	منسلک اداروں اور مشنرز کے منصوبے میں (اخراجات) / منافع کا حصہ - بعد از ٹیکس
1,326	153	سرمایہ کاری سے آمدنی
781	1,262	منافع قبل از ٹیکس
(492)	(620)	ٹیکسیشن
289	642	(حسارہ) / منافع بعد از ٹیکس

ہم با مسرت اطلاع دے رہے ہیں کہ گروپ کے کلیدی مینیجنگ آپریٹرز نے مشکل اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ 2020 کی پہلی ششماہی کے دوران گروپ نے 31,312 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اسی مدت کے دوران 29,556 ملین روپے کی خالص سیلز حاصل کی گئی تھی جو کہ 6 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ گروپ نے 3,472 ملین روپے کا آپریٹنگ منافع حاصل کیا جو گزشتہ سال کی اسی مدت میں 1,792 ملین روپے تھا جو کہ 94 فیصد اضافہ کو ظاہر کرتا ہے جو کہ بنیادی طور پر ریونیو گروتھ اور مالیات پر کنٹرول کے باعث ممکن ہوا۔

گروپ کی سرمایہ کاری سے آمدنی میں رواں مدت کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 1,173 ملین روپے کمی دیکھنے میں آئی جسکی وجہ سرمایہ کار کمپنی سے منافع منقسمہ کا ختم ہونا اور ایسوی ایٹس اداروں سے منافع منقسمہ کا اعلان نہ ہونا تھا۔ جس کے نتیجے میں آمدنی بعد از ٹیکس اور ای پی ایس (EPS) میں کمی ہوئی ہے۔

گروپ کی فنانس لاگت میں 275 ملین روپے کا اضافہ ہو سکی وجہ شرح سود اور اوور ڈرافٹ کے استعمال میں اضافہ تھا۔

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

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ بنیادی طور پر پیپر اور پیپر بورڈ پروڈکٹس کی تیاری اور منتقلی میں مصروف عمل ہے۔ کمپنی نے 2020 کے پہلے چھ ماہ کے دوران

PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UN-AUDITED)

as at June 30, 2020

	Note	June 30, 2020 <u>Un-audited</u>	December 31, 2019 <u>Audited</u>
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2019: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
22,000,000 (2019: 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 (2019: 89,379,504) ordinary shares of Rs. 10 each		893,795	893,795
8,186,842 (2019: 8,186,842) 10% non-voting preference shares / convertible stock of Rs. 190 each		606,222	606,222
Reserves		47,627,610	52,146,015
Equity portion of loan from shareholder of the Parent Company	6	277,219	277,219
Revenue reserve: Un-appropriated profits		2,575,280	4,009,577
Attributable to owners of the Parent Company		51,980,126	57,932,828
Non-controlling interests		1,749,732	1,967,880
TOTAL EQUITY		53,729,858	59,900,708
NON-CURRENT LIABILITIES			
Long term finances	7	19,118,319	14,948,395
Loan from shareholder of the Parent Company - unsecured		242,169	224,230
Lease Liabilities		495,376	619,563
Deferred taxation		2,416,305	2,237,205
Long term advances		84,211	69,339
Retirement benefits		941,488	847,464
Deferred revenue		169,103	55,368
Security deposits		351,416	345,950
Deferred liabilities		442,306	398,697
		24,260,693	19,746,211
CURRENT LIABILITIES			
Current portion of non-current liabilities		1,187,725	4,315,655
Current portion of deferred revenue		50,036	35,835
Finances under mark up arrangements - secured		15,744,221	11,386,824
Trade and other payables		10,098,388	8,299,420
Unclaimed dividend		58,820	68,809
Derivative financial instruments		-	3,505
Accrued finance cost		914,143	1,144,225
Provision for taxation		604	9,885
		28,053,937	25,264,158
CONTINGENCIES AND COMMITMENTS	8	-	-
		106,044,488	104,911,077

		June 30, 2020	December 31, 2019
	Note	Un-audited	Audited
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	27,267,756	27,925,607
Right-of-use assets		647,757	799,075
Intangible assets	10	362,254	405,617
Investment properties		10,978,625	11,393,439
Investments accounted for using the equity method	11	6,412,559	6,991,707
Other long term investments	12	24,582,711	29,381,471
Long term security deposits		56,102	139,342
Long term loans		81,554	869
		70,389,318	77,037,127


CURRENT ASSETS

Stores and spares	2,536,235	2,332,654
Stock-in-trade	16,803,625	11,031,511
Short term investments	90,000	80,000
Trade debts	8,960,045	7,578,383
Loans, advances, deposits, prepayments and other receivables	1,647,007	1,647,906
Income tax receivable	5,022,795	4,785,563
Cash and bank balances	595,463	417,933
	35,655,170	27,873,950

106,044,488

104,911,077

The annexed notes 1 to 23 form an integral part of these condensed interim consolidated un-audited financial statements.


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


Khurram Raza Bakhtayari
Chief Financial Officer

PACKAGES GROUP

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

for the three month and six month periods ended June 30, 2020

	Three month period ended		Six month period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(R u p e e s i n t h o u s a n d)			
Local sales and services	17,069,235	17,217,419	35,924,528	33,860,478
Export sales	326,992	314,295	695,736	536,124
	17,396,227	17,531,714	36,620,264	34,396,602
Less: Sales tax	2,430,100	2,537,986	5,045,998	4,658,943
Commission	2,102	9,052	4,613	10,242
Trade discount	143,140	86,442	257,622	171,787
	2,575,342	2,633,480	5,308,233	4,840,972
Net sales	14,820,885	14,898,234	31,312,031	29,555,630
Cost of sales and services	14	(11,612,805)	(12,556,856)	(25,176,869)
Gross profit	3,208,080	2,341,378	6,135,162	4,448,045
Administrative expenses	(592,034)	(625,672)	(1,200,993)	(1,204,351)
Distribution and marketing costs	(533,886)	(630,665)	(1,323,341)	(1,387,422)
Net impairment losses on financial assets	(107,993)	(64,127)	(138,869)	(64,127)
Other expenses	(381,280)	(806,595)	(564,448)	(925,950)
Other income	84,335	311,051	123,903	359,241
	1,677,222	525,370	3,031,414	1,225,436
Finance cost	(933,256)	(923,149)	(1,970,018)	(1,694,809)
Investment income	153,267	229,903	153,267	1,325,941
Share of profit / (loss) of associates and joint ventures accounted for using equity method	124,266	(74,157)	47,763	(75,654)
Profit / (loss) before taxation	1,021,499	(242,033)	1,262,426	780,914
Taxation	(319,648)	(171,166)	(620,130)	(492,068)
Profit / (loss) for the period	701,851	(413,199)	642,296	288,846
Profit / (loss) attributable to:				
Equity holders of the Parent Company	736,134	(441,480)	669,523	228,769
Non-controlling interests	(34,283)	28,281	(27,227)	60,077
	701,851	(413,199)	642,296	288,846
Earnings / (loss) per share attributable to equity holders of the Parent Company				
Basic Rupees	8.24	(4.94)	7.49	2.56
Diluted Rupees	7.83	(4.94)	7.43	2.56

The annexed notes 1 to 23 form an integral part of these condensed interim consolidated un-audited financial statements.


Syed Hyder Ali
Chief Executive & Managing Director



Syed Aslam Mehdi
Director


Khurram Raza Bakhtayari
Chief Financial Officer

PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the three month and six month periods ended June 30, 2020

	Three month period ended		Six month period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(R u p e e s i n t h o u s a n d)			
Profit / (loss) for the period	701,851	(413,199)	642,296	288,846
Other comprehensive income / (loss) for the period				
Items that will not be subsequently reclassified to profit or loss:				
Remeasurements of retirement benefits	(27,361)	-	(27,361)	-
Tax effect of remeasurements of retirement benefits	8,631	-	8,631	-
Change in fair value of investments at fair value through other comprehensive income (FVOCI)	127,724	(1,915,600)	(4,798,760)	(8,514,170)
	108,994	(1,915,600)	(4,817,490)	(8,514,170)
Items that may be reclassified subsequently to profit or loss:				
Net exchange differences on translation of foreign operations	87,941	266,113	(224,471)	274,573
Share of other comprehensive profit / (loss) of associates and joint ventures accounted for using equity method - net of tax	100,000	(292,926)	(581,812)	(1,102,327)
	187,941	(26,813)	(806,283)	(827,754)
	296,935	(1,942,413)	(5,623,773)	(9,341,924)
Total comprehensive income / (loss) for the period	998,786	(2,355,612)	(4,981,477)	(9,053,078)
Total comprehensive income / (loss) attributable to:				
Equity holders of the Parent Company	1,003,760	(2,527,044)	(4,867,612)	(9,257,667)
Non-controlling interests	(4,974)	171,432	(113,865)	204,589
	998,786	(2,355,612)	(4,981,477)	(9,053,078)

The annexed notes 1 to 23 form an integral part of these condensed interim consolidated un-audited financial statements.


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


Khurram Raza Bakhtayari
Chief Financial Officer

PACKAGES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the six month period ended June 30, 2020

	Issued, subscribed and paid up capital		Reserves								Capital and reserves		Total equity				
	Ordinary share capital	Preference shares / convertible stock reserve	Capital reserves						Revenue reserves		Total	Non-controlling interests					
			Share premium	Exchange difference on transaction of foreign operations	FVOCI reserve	Other reserves relating to associates & joint ventures	Transaction with non-controlling interests	Equity portion of long term loan from shareholder of the Parent Company	Capital redemption reserve	General reserve				Un-appropriated profits			
(R	u	p	e	e	s	i	n	t	h	o	u	s	a	n	d)
Balance as on December 31, 2018 (audited)	893,795	606,222	3,766,738	(194,716)	28,858,325	3,527,025	22,981	277,219	1,615,000	17,310,333	6,249,793	62,832,716	2,124,244	65,056,660			
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	-	-	-	-	-	-	(26,778)	(26,778)	-	(26,778)			
Balance as on January 1, 2019 (un-audited)	893,795	606,222	3,766,738	(194,716)	28,858,325	3,527,025	22,981	277,219	1,615,000	17,310,333	6,223,015	62,805,938	2,124,244	65,030,182			
Appropriation of reserves																	
Transfer to general reserve	-	-	-	-	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-			
Transactions with owners recognized directly in equity																	
Final dividend for the year ended December 31, 2018	-	-	-	-	-	-	-	-	-	-	(1,340,693)	(1,340,693)	-	(1,340,693)			
Rs. 15 per share	-	-	-	-	-	-	-	-	-	-	(66,884)	(66,884)	-	(66,884)			
Adjustment on account of Group taxation	-	-	-	-	-	-	-	-	-	-	-	-	(99,443)	(99,443)			
Dividend relating to 2018 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(99,443)	(99,443)			
	-	-	-	-	-	-	-	-	-	-	(1,427,577)	(1,427,577)	(99,443)	(1,527,020)			
Total comprehensive income / (loss) for the period ended June 30, 2019	-	-	-	-	-	-	-	-	-	-	228,769	228,769	60,077	288,846			
Profit / (loss) for the period	-	-	-	130,061	(8,514,070)	(1,102,227)	-	-	-	-	-	(9,486,436)	144,512	(9,341,924)			
Other comprehensive income / (loss) for the period	-	-	-	130,061	(8,514,070)	(1,102,227)	-	-	-	-	228,769	(9,257,667)	204,589	(9,053,078)			
Balance as on June 30, 2019 (un-audited)	893,795	606,222	3,766,738	(64,654)	20,344,155	2,424,698	22,981	277,219	1,615,000	18,310,333	4,024,207	52,220,694	2,229,390	54,450,084			
Balance as on January 1, 2020 (audited)	893,795	606,222	3,766,738	(143,768)	25,391,540	3,125,196	80,976	277,219	1,615,000	18,310,333	4,009,577	57,832,828	1,967,880	58,900,708			
Appropriation of reserves																	
Transfer to general reserve	-	-	-	-	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-			
Transactions with owners recognized directly in equity																	
Final dividend for the year ended December 31, 2019 Rs. 12 per share	-	-	-	-	-	-	-	-	-	-	(1,072,554)	(1,072,554)	-	(1,072,554)			
Adjustment on account of Group taxation	-	-	-	-	-	-	-	-	-	-	(12,536)	(12,536)	-	(12,536)			
Dividend relating to 2019 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(104,283)	(104,283)			
	-	-	-	-	-	-	-	-	-	-	(1,085,090)	(1,085,090)	(104,283)	(1,189,373)			
Total comprehensive income / (loss) for the period ended June 30, 2020	-	-	-	-	-	-	-	-	-	-	668,523	668,523	(27,227)	642,296			
Profit / (loss) for the period	-	-	-	(137,833)	(4,798,760)	(591,812)	-	-	-	-	(18,730)	(5,531,135)	(66,638)	(5,623,773)			
Other comprehensive income / (loss) for the period	-	-	-	(137,833)	(4,798,760)	(591,812)	-	-	-	-	650,793	(4,867,812)	(113,865)	(4,981,477)			
Balance as on June 30, 2020 (un-audited)	893,795	606,222	3,766,738	(281,601)	20,592,780	2,543,384	80,976	277,219	1,615,000	19,310,333	2,575,280	51,980,126	1,749,732	53,729,858			

The annexed notes 1 to 23 form an integral part of these condensed interim consolidated un-audited financial statements.


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


Khurram Raza Bakhtayari
Chief Financial Officer

PACKAGES GROUP
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

for the six month period ended June 30, 2020

	Note	Six month period ended	
		June 30, 2020	June 30, 2019
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	17	(115,462)	796,785
Finance costs paid		(2,182,161)	(1,527,226)
Income tax paid		(691,448)	(589,363)
Settlement of derivative financial instruments		(3,505)	-
Long term security deposits - net		5,466	-
Payments for accumulating compensated absences		(16,791)	(349,921)
Retirement benefits paid		(17,330)	(169,584)
Net cash outflow from operating activities		(3,021,231)	(1,839,309)
Cash flows from investing activities			
Fixed capital expenditure		(1,126,210)	(2,650,713)
Investments made in equity securities		-	(185,000)
Proceeds received from debt securities		80,000	10,000
Investments made in debt securities		(90,000)	-
Long term loans and deposits - net		2,555	4,313
Rental security deposits - net		-	15,966
Proceeds from disposal of property, plant and equipment		28,905	74,920
Dividends received		198,366	1,433,025
Long term advances - net		12,525	(10,179)
Net cash outflow from investing activities		(893,859)	(1,307,668)
Cash flows from financing activities			
Proceeds from long term finances - secured		2,619,040	4,063,396
Repayment of long term finances - secured		(1,585,236)	(1,694,968)
Repayment / adjustment of lease liabilities - net		(111,755)	299,145
Dividend paid to equity holders of the Parent Company		(1,082,543)	(1,238,786)
Dividend paid to non-controlling interest		(104,283)	(98,861)
Net cash (outflow) / inflow from financing activities		(264,777)	1,329,926
Net decrease in cash and cash equivalents		(4,179,867)	(1,817,051)
Cash and cash equivalents at the beginning of the period		(10,968,891)	(11,157,149)
Cash and cash equivalents at the end of the period	18	(15,148,758)	(12,974,200)

The annexed notes 1 to 23 form an integral part of these condensed interim consolidated un-audited financial statements.


 Syed Hyder Ali
 Chief Executive & Managing Director


 Syed Aslam Mehdi
 Director


 Khurram Raza Bakhtayari
 Chief Financial Officer

PACKAGES GROUP
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)

For the six month period ended June 30, 2020

1. Legal status and nature of business

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

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

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

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

1.1 The Board of Directors (the 'Board') of the Parent Company, in its meeting held on April 24, 2019, had evaluated and approved internal restructuring of the Parent Company with an objective to create a holding company, subject to procuring all applicable regulatory, corporate and third party approvals and execution of relevant documents / agreements between the Parent Company and relevant subsidiaries. In this regard, the Parent Company has incorporated two wholly owned subsidiaries to transfer:

- (a) its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities into a separate 100% wholly owned subsidiary, namely PCL; and
- (b) its investment business comprising shares of various companies, operations along with corresponding liabilities, if any, into another 100% wholly owned subsidiary, namely PIL.

All assets, properties and liabilities other than those assets, operations and corresponding liabilities being transferred to the above-mentioned wholly owned subsidiaries will remain with the Parent Company. The transaction was approved by the members of the Parent Company in Extra Ordinary General Meeting (EOGM) held on May 30, 2019. The Parent Company and PCL entered into an Asset Transfer Agreement on July 23, 2019.

During the previous year, PCL and PIL had filed an application with Securities and Exchange Commission of Pakistan ('SECP') for affecting the above-mentioned transfers of assets and corresponding liabilities

which has been approved in the current period subject to fulfilment of certain conditions. PCL intended to proceed with the transfer of the manufacturing businesses against the issuance of shares. PIL is evaluating different options for the transfer considering the conditions given in the approval by SECP. Accordingly, the Board of the Parent Company, in its meeting held on March 13, 2020 has resolved to consummate the transfer of manufacturing businesses and to hold the transfer of investment business for the time being and will finalize the way forward in this regard in the best interest of the Group and its shareholders.

In consideration for the transfer of afore-mentioned assets and liabilities at respective carrying values on July 1, 2020, the Parent Company will issue ordinary shares of PCL. The shares will be issued against transfer of the following net assets:

	(Rupees in thousand)
Assets	
Property, plant and equipment	6,385,957
Right-of-use assets	70,820
Intangible assets	56,637
Long term security deposits	139
Long term loans	248
Stores and spares	768,414
Stock-in-trade	4,891,004
Loans, advances, deposits, prepayments and other receivables	58,718
Total assets	12,231,937
Liabilities	
Long term finances	4,243,333
Lease liabilities	70,402
Long term advances	66,166
Deferred revenue	148,255
Deferred taxation	453,675
Retirement benefits	220,057
Deferred liabilities	165,101
Finances under mark up arrangements - secured	3,400,000
Other payables	367,141
Accrued finance costs	14,904
Total liabilities	9,149,034
Net assets	3,082,903

2. Basis of preparation

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

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

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

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim un-audited 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, 2019.

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 un-audited 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, 2020, 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 un-audited consolidated 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, 2021 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 un-audited consolidated financial statements.

4. Taxation

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

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

5. Critical accounting estimates and judgements

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2019, with the exception of the following changes in estimates that are required in determining the provision for income taxes as referred to in note 4.

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

7. Long term finances

	Note	June 30, 2020	December 31, 2019
		Un-audited	Audited
		(Rupees in thousand)	
Local currency loans - secured	7.1	17,651,453	16,359,325
Foreign currency loans - secured	7.2	1,542,886	1,803,106
		19,194,339	18,162,431
Preference shares / convertible stock - unsecured		932,650	932,650
		20,126,989	19,095,081
Current portion shown under current liabilities		(1,008,670)	(4,146,686)
		19,118,319	14,948,395
7.1 Local currency loans - secured			
Opening balance		16,359,325	14,667,258
Disbursements during the period / year		2,570,012	5,000,000
		18,929,337	19,667,258
Repayments during the period / year		(1,277,884)	(3,307,933)
Closing balance		17,651,453	16,359,325
7.2 Foreign currency loans - secured			
Opening balance		1,803,106	1,486,270
Disbursements during the period / year		49,028	763,704
		1,852,134	2,249,974
Repayments during the period / year		(307,353)	(467,729)
Exchange adjustment on opening balances		(1,895)	20,861
Closing balance		1,542,886	1,803,106
7.3 This includes long term financing facility availed under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns			

from HBL and ABL respectively. The total facility available amounts to Rs. 782.208 million (2019: Zero). It carries markup at the rate of 0.5% to 1% per annum, payable on quarterly basis. The principal amount is repayable in 8 equal quarterly instalments starting from January 01, 2021.

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

8. Contingencies and commitments

8.1 Contingencies

- (i) Claims against the Group by ex-employees not acknowledged as debts Rs. 25.750 million (2019: Rs. 26.631 million).
- (ii) Letters of guarantees issued to various parties aggregating to Rs. 1,562.340 million (2019: Rs. 1,057.720 million).
- (iii) Standby letter of credit issued by Habib Bank Limited - Pakistan ('HBL Pakistan') in favour of Habib Bank Limited - Bahrain ('HBL Bahrain') on behalf of the Parent Company amounting to USD 5.300 million equivalent to Rs. 890.668 million (2019: USD 7.803 million equivalent to Rs. 1,208.287 million) to secure long term finance facility provided by HBL Bahrain to Anemone Holdings Limited ('AHL') wholly-owned subsidiary of the Parent Company. The standby letter of credit is secured against pledge of Nestle Pakistan Limited shares owned by the Parent Company as referred to in note 12.2.

8.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 885.141 million (2019: Rs. 585.062 million)
- (ii) Letters of credit and contracts for other than capital expenditure Rs. 2,625.665 million (2019: Rs. 2,534.799 million)

9. Property, plant and equipment

		June 30, 2020	December 31, 2019
	Note	Un-audited	Audited
(Rupees in thousand)			
Operating fixed assets	9.2	24,513,980	25,183,824
Capital work-in-progress	9.3	2,524,692	2,582,814
Major spare parts and stand-by equipment	9.4	229,084	158,969
		27,267,756	27,925,607

- 9.1** A portion of the land on which the Parent Company's factory is 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 Supreme 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. However, no surveyors have been appointed and the Parent Company has filed an application to Supreme Court for determination of rent as of the date of the authorization for issue of condensed interim un-audited unconsolidated financial statements. Moreover, the Court has further decided that the land shall be sold through an open auction with the Parent Company getting the first right of refusal.

The management of the Parent Company has, on the basis of assessment of fair value of the said portion of land by an independent valuer and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, booked a provision of Rs. 87 million (2019: Rs. 58 million) in respect of rent for the period from January 2020 to June 2020. The management of the Parent Company is confident that the final amount of rent will be in congruence with the provision made in these condensed interim un-audited consolidated financial statements, inter alia on the basis of the fair value determined by the independent valuer and the relevant facts and circumstances. Furthermore, the management of the Parent Company also intends to acquire the tile of the said portion of land when the open auction takes place and is confident that it will be able to meet the highest bid.

9.2 Operating fixed assets

	June 30, 2020	December 31, 2019
Note	Un-audited	Audited
	(Rupees in thousand)	
Opening net book value	25,183,824	24,904,761
Additions during the period / year	1,234,838	3,361,365
Transfer in at book value - net	-	6,561
	1,234,838	3,367,926
	26,418,662	28,272,687
Disposals during the period / year at book value	(38,988)	(95,454)
Transferred out at book value - net	(83,262)	(75,517)
Depreciation charged during the period / year	(1,523,710)	(3,315,290)
Exchange adjustment on opening book value - net	(258,722)	397,398
	(1,904,682)	(3,088,863)
Closing net book value	24,513,980	25,183,824
9.2.1 Additions during the period / year		
Freehold land	157	248,819
Buildings on freehold land	165,108	25,381
Buildings on leasehold land	-	1,761
Plant and machinery	833,260	2,578,697
Other equipment	173,676	321,661
Furniture and fixtures	7,228	20,006
Vehicles	55,409	165,040
	1,234,838	3,361,365
9.3 Capital work-in-progress		
Civil works	62,695	55,486
Plant and machinery	2,420,257	2,101,406
Others	2,008	925
Advances	39,732	424,997
	2,524,692	2,582,814
9.4. Major spare parts and stand-by equipment		
Balance at the beginning of the period / year	158,969	125,077
Additions during the period / year	9,992	49,611
Transfers made during the period / year	67,987	(8,490)
Scrapped during the period / year	(7,864)	(7,229)
Balance at the end of the period / year	229,084	158,969

10. Intangible assets

	June 30, 2020	December 31, 2019
Note	Un-audited	Audited
	(Rupees in thousand)	
Opening net book value	405,617	370,423
Additions during the period / year	99	39,250
Deletions during the period / year	-	(11,681)
Amortization charged during the period / year	(17,403)	(33,265)
Exchange difference	(26,059)	40,890
Closing net book value	<u>362,254</u>	<u>405,617</u>

11. Investments accounted for using the equity method

Investments in associates	11.1	5,946,674	6,535,947
Investments in joint ventures	11.2	465,885	455,760
		<u>6,412,559</u>	<u>6,991,707</u>

11.1 Investments in associates

Cost		3,386,278	3,386,278
Post acquisition share of profits and reserves net of impairment losses			
Opening balance		3,149,669	4,622,874
Share of profit from associates - net of tax		40,356	18,805
Share of other comprehensive loss - net of tax		(584,530)	(401,829)
Effect of change in accounting policy		-	5,490
Impairment loss		-	(998,839)
Dividends received during the period / year		(45,099)	(96,832)
Closing balance		<u>2,560,396</u>	<u>3,149,669</u>
Balance as on	11.1.1	<u>5,946,674</u>	<u>6,535,947</u>

11.1.1 Investment in equity instruments of associates - Quoted

IGI Holdings Limited, Pakistan

15,033,041 (2019: 15,033,041) fully paid ordinary shares of Rs. 10 each
Equity held 10.54% (2019: 10.54%)
Market value - Rs. 2,720.379 million
(2019: Rs. 3,066.740 million)

11.3	4,080,157	4,704,911
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Tri-Pack Films Limited, Pakistan

12,933,333 (2019: 12,933,333) fully paid ordinary shares of Rs. 10 each
Equity held 33.33% (2019: 33.33%)
Market value - Rs. 1,177.968 million
(2019: Rs. 1,088.728 million)

1,866,517	1,831,036
<u>5,946,674</u>	<u>6,535,947</u>

11.2 Investments in joint ventures

	June 30, 2020	December 31, 2019
Note	Un-audited	Audited
	(Rupees in thousand)	
Opening balance	455,760	303,685
Additions during the year	-	185,000
Share of profit / (loss) from joint ventures - net of tax	7,407	(13,414)
Share of other comprehensive income / (loss) from joint ventures - net of tax	2,718	(6,009)
Dividends received during the period / year	-	(13,502)
Closing balance	11.2.1 465,885	455,760

11.2.1 Investment in equity instruments of joint ventures - Unquoted

Plastic Extrusions (Proprietary) Limited, South Africa 500 (2019: 500) fully paid ordinary shares of ZAR 1 each Equity held 50% (2019: 50%)	16,356	13,638
OmyaPack (Private) Limited, Pakistan 49,500,000 (2019: 49,500,000) fully paid ordinary shares of Rs. 10 each Equity held 50% (2019: 50%)	449,529	442,122
	465,885	455,760

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

12. Other long-term investments

	June 30, 2020	December 31, 2019
Note	Un-audited	Audited
	(Rupees in thousand)	
Quoted		
Nestle Pakistan Limited 3,649,248 (2019: 3,649,248) fully paid ordinary shares of Rs. 10 each Equity held 8.05% (2019: 8.05%) Cost - Rs. 5,778.896 million (2019: Rs. 5,778.896 million)	12.1 & 12.2 24,577,686	29,376,446
Unquoted		
Pakistan Tourism Development Corporation Limited 2,500 (2019: 2,500) fully paid ordinary shares of Rs. 10 each	25	25
Orient Match Company Limited 1,900 (2019: 1,900) fully paid ordinary shares of Rs. 100 each	-	-
Coca-Cola Beverages Pakistan Limited 500,000 (2019: 500,000) fully paid ordinary shares of Rs. 10 each Equity held 0.0185% (2019: 0.0185%)	5,000	5,000
	24,582,711	29,381,471

- 12.1** Nestle Pakistan Limited is an associated undertaking under the Companies Act, 2017. However, for the purpose of measurement, this has been classified as available for sale investment as the Group does not have a significant influence over its operations.
- 12.2** As of June 30, 2020, an aggregate of 2,600,000 (2019: 1,195,000) shares of Nestle Pakistan Limited having market value of Rs. 17,511.000 million (2019: 9,619.750 million) have been pledged in favour of HBL Pakistan against financing facilities obtained from HBL Pakistan.
- 13.** Finished goods of the Group costing Rs. 116.389 million (December 31, 2019: Rs. 384.529 million) are being valued at net realizable value (NRV) of Rs. 99.985 million (December 31, 2019: Rs. 278.805 million) and the resulting NRV write down expense has been charged to cost of sales.

14. Cost of sales and services

	Three month period ended		Six month period ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Un-audited	Un-audited	Un-audited	Un-audited
	(R u p e e s i n		t h o u s a n d)	
Raw materials consumed	8,107,157	7,615,666	15,663,329	15,447,593
Salaries, wages and amenities	1,119,652	1,110,753	2,278,377	2,145,382
Travelling and conveyance	29,156	41,232	40,150	50,968
Fuel and power	1,039,156	1,274,027	2,642,055	2,714,374
Production supplies consumed	381,540	293,951	690,177	579,761
Rent and rates	56,203	261,828	99,843	344,376
Insurance	56,599	53,126	107,176	102,904
Repairs and maintenance	224,001	225,661	501,439	454,689
Packing expenses	237,501	224,023	464,737	427,368
Depreciation on operating fixed assets	869,010	1,105,733	1,900,827	2,201,748
Amortization of intangible assets	3,865	3,673	7,728	7,161
Technical fee and royalty	33,033	32,159	76,233	68,784
Other expenses	299,841	194,111	612,412	490,366
	12,456,714	12,435,943	25,084,483	25,035,474
Opening work-in-process	736,059	471,862	1,197,511	973,939
Closing work-in-process	(760,194)	(571,841)	(760,194)	(571,841)
Cost of goods manufactured	12,432,579	12,335,964	25,521,800	25,437,572
Opening stock of finished goods	4,071,267	4,390,647	4,546,110	3,839,768
Closing stock of finished goods	(4,891,041)	(4,169,755)	(4,891,041)	(4,169,755)
	11,612,805	12,556,856	25,176,869	25,107,585

15. Transactions and balances with related parties

		Six month period ended	
		June 30, 2020	June 30, 2019
		Un-audited	Un-audited
		(Rupees in thousand)	
Relationship with the Group	Nature of transactions		
i. Associates	Purchase of goods and services	1,003,506	780,951
	Sale of goods and services	5,467	14,456
	Dividend income	45,099	96,832
	Insurance premium paid	278,287	288,987
	Rental and other income	12,626	13,648
	Insurance claims received	69,394	21,319
	Commission earned	-	769
	Dividend paid	327,986	400,608
ii. Joint ventures	Purchase of goods and services	167,969	95,549
	Sale of goods and services	113,598	119,876
	Rental and other income	2,086	1,759
	Investment	-	185,000
iii. Other related parties	Purchase of goods and services	590,636	462,585
	Sale of goods and services	100,560	146,135
	Rental and other income	1,632	-
	Royalty and technical fee - expense	28,807	26,802
	Commission earned	359	131
	Commission expense	273	5,598
	Donations	19,971	35,773
	Dividend paid	96,325	90,147
iv. Retirement benefit obligations	Expense charged in respect of retirement plans	128,895	114,238
	Dividend paid	33,989	42,486
v. Key management personnel	Salaries and other employee benefits	77,078	68,164
	Dividend paid	30,774	34,309

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

Period / year end balances

	June 30, 2020	December 31, 2019
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
Associates	174,616	57,178
Joint ventures	58,163	37,165
Other related parties	3,042	360,587
Payable to related parties		
Associates	186,468	118,121
Joint venture	57,907	28,541
Other related parties	520,191	295,502
Retirement benefit obligations	23,146	34,370

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

16. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Paper & Paperboard		Real estate		Unallocated		Total	
	June 30, 2020	December 31, 2019	June 30, 2020	June 30, 2019	June 30, 2020	December 31, 2019	June 30, 2020	June 30, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Un-audited
(R u p e s i t h o u s a n d)														
Revenue from external customers	17,989,263	16,519,427	2,758,126	2,574,106	2,123,363	1,964,031	7,265,397	6,887,553	1,115,781	1,703,504	60,101	(92,991)	31,312,031	29,555,630
Intersegment revenue	396,472	407,984	-	-	544,942	488,005	1,952,707	2,005,584	9,268	4,359	2,269	240	2,905,658	2,906,172
	18,385,735	16,927,411	2,758,126	2,574,106	2,668,305	2,452,036	9,218,104	8,893,137	1,125,049	1,707,863	62,370	(92,751)	34,217,689	32,461,802
Segment profit / (loss) before tax	1,183,279	1,079,760	405,765	178,427	232,660	207,896	313,564	(604,735)	(281,291)	52,015	(303,789)	515,805	1,550,188	1,429,168
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Segment assets	22,488,774	20,420,088	3,312,841	2,518,464	3,436,256	3,037,227	26,817,416	24,695,294	11,692,510	12,018,713	38,296,691	42,221,341	106,044,488	104,911,077

Reconciliation of profit

	June 30, 2020	June 30, 2019
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	1,550,188	1,429,168
Profit / (Loss) from associates and joint ventures - net of dividends	2,664	(182,738)
Intercompany consolidation adjustments	(290,426)	(465,516)
Profit before tax	1,262,426	780,914

17. Cash generated from operations

	Six month period ended	
	June 30, 2020	June 30, 2019
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before tax	1,262,426	780,914
Adjustments for non-cash items:		
Depreciation on owned assets	1,523,710	1,836,583
Depreciation on right-of-use assets	106,439	-
Depreciation on investment properties	422,235	414,945
Amortization of intangible assets	17,403	17,812
Provision for accumulating compensated absences	60,400	216,839
Provision for retirement benefits	83,993	233,254
Provision / (reversal) for obsolete / slow-moving stores and spares	43,971	(16,117)
Provision / (reversal) for obsolete / slow-moving stock-in-trade	963	(750)
Stock-in-trade written off	103,190	-
Stores and spares written off	15,466	-
Amortization of deferred income	(26,765)	(13,150)
Loss / (profit) on disposal of operating fixed assets	10,083	(28,870)
Finance costs	1,970,018	1,694,809
Net impairment losses on financial assets	138,869	124,716
Impairment charged on investment in associate	-	500,000
Liabilities no longer payable written back	(6,715)	(6,719)
Exchange adjustments - net	407,401	176,551
Share of (profits) / losses of associates and joint ventures accounted for using equity method	(47,763)	75,654
Dividend income	(153,267)	(1,325,941)
Profit before working capital changes	5,932,057	4,680,530
Effect on cash flow due to working capital changes		
Increase in trade debts	(1,520,531)	(1,683,801)
Increase in stores and spares	(220,010)	(332,271)
Increase in stock-in-trade	(5,919,275)	(1,142,783)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	899	(291,960)
Increase / (decrease) in trade and other payables	1,611,398	(432,930)
	(6,047,519)	(3,883,745)
	(115,462)	796,785

18. Cash and cash equivalents

Cash and bank balances	595,463	581,358
Finances under markup arrangements - secured	(15,744,221)	(13,555,558)
	(15,148,758)	(12,974,200)

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 un-audited 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, 2019.

There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2019.

19.2 Fair value estimation

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 material financial assets and liabilities that are measured at fair value at June 30, 2020:

	Un-audited (Rupees in thousand)			Total
	Level 1	Level 2	Level 3	
Assets				
<i>Recurring fair value measurements</i>				
Equity investments at fair value through other comprehensive income	24,577,685	-	5,000	24,582,685
Liabilities	-	-	-	-

The following table presents the Group's material financial assets and liabilities that are measured at fair value at December 31, 2019:

	Audited (Rupees in thousand)			Total
	Level 1	Level 2	Level 3	
Assets				
<i>Recurring fair value measurements</i>				
Equity investments at fair value through other comprehensive income	29,376,446	-	5,000	29,381,446
Liabilities	-	-	-	-

20. Detail of subsidiaries

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

21. Impact of COVID-19 (Corona virus)

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

In Pakistan, the Government announced a temporary lock down as a measure to reduce the spread of the COVID-19. Packages Limited and its local subsidiaries except Packages Real Estate (Private) Limited (the 'PREPL'), being engaged in provision of essential services comes under the exemption given by the Government and are operational even in difficult circumstances without compromising the health and well-being of employees. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, Packages Limited and its local subsidiaries except PREPL continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Complying with the lockdown, operations of PREPL were closed except for certain tenants. PREPL introduced safety measures and allowed tenants to continue or resume their trade in accordance with the guidelines and lockdown relaxations issued by the Government. To support its tenants, PREPL announced a rent-free period along with reduction in service and maintenance charges effective March 22, 2020 till April 30, 2020 to its tenants. During May 2020 and June 2020, due to the restrictions imposed by the Government on mall operating days in a week and daily operating hours, the Company has provided rent / license fee waivers and service charges waivers to both the operational and non-operational tenants on varying scales. As per SBP circular, PREPL has applied to the commercial banks for relaxation in repayment of principal of its credit facilities by one year.

The pandemic has affected the operations of Flexible Packages Convertors (Pty) Limited (the 'FPC') and Packages Lanka (Private) Limited (the 'PLL') which has resulted in lower sales as extensive lockdown measures were implemented in Sri Lanka as well as in South Africa. They were able to obtain permission to run limited operations for production and distribution of essential items, ensuring compliance to health and hygiene requirements for prevention of COVID – 19 virus during the lockdown period. Operations of both companies have started resuming back to its normal level of operations by the end of the second quarter of 2020. PLL has requested its bank to avail the concessions, including a six-month debt moratorium and working capital loan facility declared by the Central Bank of Sri Lanka under Saubagya Covid-19 Renaissance Facility. Similarly, FPC obtained a three-month debt moratorium and working capital loan facility from its banks.

Management has assessed the accounting implications of these developments in these condensed interim un-audited consolidated financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these condensed interim un-audited consolidated financial statements.

22. Date of authorization for issue

These condensed interim un-audited consolidated financial statements were authorized for issue on August 21, 2020 by the Board of Directors of the Parent Company.

23. Corresponding figures

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

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



Syed Hyder Ali
Chief Executive & Managing Director



Syed Aslam Mehdi
Director



Khurram Raza Bakhtayari
Chief Financial Officer