

Packages Limited
Condensed Interim Unconsolidated
Un-audited Financial Statements

Contents

Company information	2
Directors' report to the shareholders on condensed interim unconsolidated financial statements	4
Condensed interim unconsolidated statement of financial position	8
Condensed interim unconsolidated statement of profit or loss	10
Condensed interim unconsolidated statement of comprehensive income	11
Condensed interim unconsolidated statement of changes in equity	12
Condensed interim unconsolidated statement of cash flows	13
Notes to and forming part of the condensed interim unconsolidated financial statements	14
Packages Group condensed interim consolidated financial statements	25
Directors' report to the shareholders on condensed interim consolidated financial statements	26
Condensed interim consolidated statement of financial position	32
Condensed interim consolidated statement of profit or loss	34
Condensed interim consolidated statement of comprehensive income	35
Condensed interim consolidated statement of changes in equity	36
Condensed interim consolidated statement of cash flows	37
Notes to and forming part of the condensed interim consolidated financial statements	38

COMPANY INFORMATION

Board of Directors

Total number of directors

Male: Nine (9)

Female: One (1)

Mr. Towfiq Habib Chinoy

(Chairman)

(Non-Executive Director)

Syed Hyder Ali

(Chief Executive & Managing Director)

(Executive Director)

Mr. Imran Khalid Niazi

(Non-Executive Director)

Mr. Josef Meinrad Mueller

(Non-Executive Director)

Syed Aslam Mehdi

(Executive Director)

Syed Shahid Ali

(Non-Executive Director)

Mr. Tariq Iqbal Khan

(Non-Executive Director)

Mr. Hasan Askari

(Independent Director)

Mrs. Saba Kamal

(Independent Director)

Mr. Irfan Mustafa

(Independent Director)

Audit Committee

Mr. Hasan Askari

(Chairman Audit Committee)

Mr. Tariq Iqbal Khan

(Non-Executive Director)

Mr. Imran Khalid Niazi

(Non-Executive Director)

Syed Shahid Ali

(Non-Executive Director)

Syed Aslam Mehdi

(Executive Director)

Human Resource and Remuneration Committee

Mrs. Saba Kamal

(Chairman HR Committee)

Syed Hyder Ali

(Executive Director)

Mr. Josef Meinrad Mueller

(Non-Executive Director)

Mr. Towfiq Habib Chinoy

(Non-Executive Director)

Mr. Imran Khalid Niazi

(Non-Executive Director)

Mr. Irfan Mustafa

(Independent Director)

Advisor

Syed Babar Ali

Chief Financial Officer

Khurram Raza Bakhtayari

Company Secretary

Sajjad Iftikhar

Head of Internal Audit

Mr. Waqas Munir

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

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

Shares Registrar

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

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DIRECTORS' REPORT ON CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

The Directors of Packages Limited are pleased to submit to its shareholders, nine months report along with the condensed interim un-audited financial statements of the Company for the period ended September 30, 2020.

Financial Performance

A comparison of the un-audited financial results for the nine months ended September 30, 2020 as against September 30, 2019 is as follows:

	July - Sep 2020	July - Sep 2019	Jan - Sep 2020	Jan - Sep 2019
	(Rupees in million)		(Rupees in million)	
Sales from operations	30	5,768	13,065	17,300
Trade discounts	-	(84)	(258)	(255)
Net Sales from operations	30	5,684	12,807	17,045
EBITDA - operations	(39)	680	1,726	2,140
Depreciation and amortization	(15)	(196)	(464)	(596)
EBIT - operations	(54)	484	1,262	1,544
Impairment charged on investment	-	-	-	(500)
Finance costs	(73)	(308)	(648)	(741)
Other income/ (expenses) - net	142	49	70	(10)
Investment income	303	279	642	1,812
Earnings before tax	318	504	1,326	2,105
Taxation	(71)	(336)	(319)	(686)
Earnings after tax	247	168	1,007	1,419
Basic earnings per share - Rupees	2.77	1.88	11.27	15.88

Internal restructuring

In 2019, the Board of Directors and Shareholders of your Company approved the internal restructuring of the Company including transfer of its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities (Converting Business) to a newly formed wholly owned subsidiary i.e. Packages Convertors Limited (PCL) subject to applicable regulatory approvals. On January 22, 2020, PCL received in-principle approval of Securities and Exchange Commission of Pakistan (SECP) subject to certain conditions being met against its application under regulation 7 of the Companies (Further Issue of Shares) Regulations, 2018 read with section 83(1) of the Companies Act, 2017. The Company transferred its Converting Business at carrying value of Rs. 3,083 million as of July 01, 2020 upon completion of formalities. PCL has accordingly made regulatory reporting to SECP and shares will be issued to the Company upon SECP's final approval for consideration otherwise than in cash.

As a result, the operations of Converting Business have now become part of PCL effective July 1, 2020. The Converting Business has generated net sales of Rs. 6,026 million and profit after tax of Rs. 320 million during the quarter ended September 30, 2020 which are not part of the stand-alone financial statements of the Company as reported above but instead they form part of the consolidated financial statements of the Company (PCL being 100% subsidiary of the Company) for the quarter ended September 30, 2020.

The Company's investment income decreased by Rs. 1,170 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.

Performance of Subsidiaries:

Packages Limited is now operating as a holding company, and from July onwards, its performance would be determined by the financial performance of its subsidiaries, which in turn, would be influenced by the general economic environment.

Packages Convertors Limited achieved net sales of Rs. 6,026 million (2019: Nil) and the operations have generated EBITDA of Rs. 785 million (2019: Nil) in current period.

Bulleh Shah Packaging (Private) Limited achieved net sales of Rs. 21,247 million (2019: Rs. 19,492 million) and the operations have generated EBITDA of Rs. 4,091 million (2019: Rs. 1,707 million).

DIC Pakistan Limited achieved net sales of Rs. 4,098 million (2019: Rs. 3,812 million) and the operations have generated EBITDA of Rs 628 million (2019: Rs. 568 million).

Packages Real Estate (Private) Limited achieved net revenue of Rs. 1,815 million (2019: 2,685 million). The primary reason for decrease in revenue was the lockdown imposed on its operations due to COVID-19 outbreak.

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 together with its local subsidiaries and associates including Bulleh Shah Packaging (Private) Limited, Packages Convertors Limited, DIC Pakistan Limited and Tri-Pack Films Limited, being engaged in provision of essential services was covered under the exemption given by the Government through continuation of the above notification dated March 25, 2020. Accordingly, your Company remained 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. As COVID-19 situation across the globe is continuously evolving and there is a fear that onset of winter could result in second wave, your Company has prepared SOP's to counter this wave and circulated it to cater its impacts.

Future Outlook


In current COVID 19 pandemic and rising competition, 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, October 20, 2020


(Syed Hyder Ali)
Chief Executive & Managing Director
Karachi, October 20, 2020

کاروبار نے 6,026 ملین روپے کی سیلز اور 320 ملین روپے کا منافع بعد از ٹیکس حاصل کیا اور یہ مالی نتائج کمپنی کی انفرادی Financial Statement کا حصہ نہیں ہے بلکہ مجموعی Financial Statement (چونکہ PCL کمپنی کا 100 فیصد ذیلی ادارہ ہے) کا حصہ ہیں۔

کمپنی کی سرمایہ کاری سے آمدنی میں رواں مدت کے دوران گزشتہ سال کی اس مدت کے مقابلے میں 1,170 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۔

ذیلی اداروں کی کارکردگی

پیکجز لمیٹڈ ایک ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور بعد از جولائی اس کی کارکردگی کا تعین اس کے ذیلی اداروں کی مالی کارکردگی سے کیا جائے گا جو کہ عمومی اقتصادی ماحول سے اثر انداز ہوگی۔

پیکجز کنورٹر لمیٹڈ نے موجودہ مدت کے دوران 6,026 ملین روپے (2019:Nil) کی خالص سیلز اور آپریشنز سے 785 ملین روپے (2019:Nil) کی آمدنی قبل از انٹرسٹ، ٹیکس، فرسودگی اور کساد بازاری (EBITDA) حاصل کی۔

بلے شاہ پیکجز (پرائیویٹ) لمیٹڈ نے موجودہ مدت کے دوران 21,247 ملین روپے (2019:19,492) کی خالص سیلز اور آپریشنز سے 4,091 ملین روپے (2019:1,707) کی آمدنی قبل از انٹرسٹ، ٹیکس، فرسودگی اور کساد بازاری (EBITDA) حاصل کی۔

ڈی آئی سی پاکستان لمیٹڈ نے موجودہ مدت کے دوران 4,098 ملین روپے (2019:3,812) کی خالص سیلز اور آپریشنز سے 628 ملین روپے (2019:568) کی آمدنی قبل از انٹرسٹ، ٹیکس، فرسودگی اور کساد بازاری (EBITDA) حاصل کی۔

پیکجز ریئل اسٹیٹ پرائیویٹ لمیٹڈ نے 1,815 ملین روپے (2019:2,685) کی خالص ریونیو حاصل کیا۔ آمدن میں کمی کی بنیادی وجہ اس کے آپریشنز پر کووڈ-19 کی وجہ سے لاک ڈاؤن کا نفاذ تھا۔

کووڈ-19

کووڈ-19 کے پھیلاؤ میں سال 2020 میں تیزی سے اضافہ ہوا ہے عالمی وباء نے نا صرف کثیر تعداد میں لوگوں کو بلکہ عالمی معیشت کو بری طرح متاثر کیا ہے۔ حکومت پنجاب 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۔

پیکجز لمیٹڈ اور اسکے مقامی ذیلی ادارے اور ایسوسی ایٹ بشمول بلے شاہ پیکجز پرائیویٹ لمیٹڈ، پیکجز کنورٹر لمیٹڈ، ڈی آئی سی پاکستان لمیٹڈ اور ٹرائی بیگ فلمز لمیٹڈ 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 سے سمجھوتہ کیے بغیر آپریشنز پر مشتمل ہے۔

آپ کی 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۔ جیسا کہ کووڈ-19 کی صورت حال دنیا بھر میں وقوع پذیر ہو رہی ہے اور موسم سرما کے آغاز سے دوسری اہر کے پھیلنے کا خدشہ ہے، آپ کی کمپنی نے اس اہر کا مقابلہ کرنے کیلئے SOPs ترتیب دیئے ہیں اور اس کے اثرات سے نمٹنے کے لئے انکی تشہیر کی ہے۔

(سید حیدر علی)
چیف ایگزیکٹو اور مینجنگ ڈائریکٹر
کراچی، 20 اکتوبر 2020

(توفیق حبیب چنائے)
چیرمین
کراچی، 20 اکتوبر 2020

30 ستمبر 2020 کو ختم ہونے والے نو ماہ کے لئے ڈائریکٹرز کی رپورٹ بشمول عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیکیجز لمیٹڈ کے ڈائریکٹرز یہ مسرت نو ماہ کی رپورٹ بشمول کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات برائے مدت 30 ستمبر 2020 اپنے شیئر ہولڈرز کو پیش کر رہے ہیں۔

مالیاتی اور آپریشنل کارکردگی

30 ستمبر 2020 کو ختم ہونے والی نو ماہ کی مدت کے لئے غیر آڈٹ شدہ مالیاتی نتائج کا ایک تقابل بمقابلہ 30 ستمبر 2019 درج ذیل کے مطابق ہے:

مجموعی		برائے تیسری سہ ماہی		
جنوری-ستمبر 2019	جنوری-ستمبر 2020	جولائی-ستمبر 2019	جولائی-ستمبر 2020	
(روپے بلین میں)	(روپے بلین میں)	(روپے بلین میں)	(روپے بلین میں)	
17,300	13,065	5,768	30	خالص بیلز
(255)	(258)	(84)	-	تجارتی ڈسکاؤنٹ
17,045	12,807	5,684	30	
2,140	1,726	680	(39)	ای بی آئی ٹی ڈی اے (EBITDA) - آپریشنز
(596)	(464)	(196)	(15)	فرسودگی اور کساد بازاری
1,544	1,262	484	(54)	ای بی آئی ٹی (EBIT) - آپریشنز
(500)	-	-	-	سرمایہ کاری پر عائد کردہ امیٹیڈ مینٹ
(741)	(648)	(308)	(73)	فنانس کی لاگت
(10)	70	49	142	دیگر (اخراجات)/آمدنی - خالص
1,812	642	279	303	سرمایہ کاری سے آمدنی
2,105	1,326	504	318	آمدنی قبل از ٹیکس
(686)	(319)	(336)	(71)	ٹیکسیشن
1,419	1,007	168	247	آمدنی بعد از ٹیکس
15.88	11.27	1.88	2.77	بنیادی آمدنی فی شیئر - روپے

اندرونی تنظیم نو

2019 میں بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز نے اندرونی تنظیم نو بشمول اپنے مینوفیکچرنگ کاروبار بشمول فولڈنگ کارٹن، فلیکسی سیل پیکیجنگ، کاروبار صارف اور مینیکل فیبریکیشن رول کور کو تمام متعلقہ اثاثہ جات، آپریشنز اور ان سے منسلک واجبات (کنورٹنگ کاروبار) کے نئے تشکیل شدہ مکمل ملکیتی ذیلی ادارے پیکیجز کنورٹرز لمیٹڈ (PCL) میں قابل اطلاق ریگولیٹری اپروول کے تحت منتقلی کی منظوری دی۔ 22 جنوری 2020 کو PCL کو سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان سے اس کی درخواست جو کمپنیز ریگولیشنز 2018 کے (شیئر زکا مزید اجراء) ریگولیشن 7 جس کو کمپنیز ایکٹ 2017 کے سیکشن (1) 83 کے ساتھ پڑھا جانے کی مشروط منظوری حاصل ہوئی۔ کمپنی نے اپنا کنورٹنگ کاروبار 1 جولائی 2020 کو 3,083 ملین روپے کی کیئرنگ ویلیو پر مسلمہ تقاضوں کی تکمیل کے بعد منتقل کر دیا ہے۔ PCL نے SECP کو ریگولیٹری رپورٹنگ کردی ہے اور شیئر زکا اجراء ماسوائے کیش یعنی کہ کنورٹنگ کاروبار، SECP کی حتمی منظوری کے بعد کیا جائے گا۔ نتیجتاً کنورٹنگ کاروبار کے آپریشنز 1 جولائی 2020 سے PCL کا حصہ بن چکے ہیں۔ 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی مدت کے دوران کنورٹنگ کے

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

	September 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	<u>1,500,000</u>	<u>1,500,000</u>
22,000,000 (December 31, 2019: 22,000,000) 10% non-voting preference shares / convertible stock of Rs. 190 each	<u>4,180,000</u>	<u>4,180,000</u>
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	44,792,201	49,083,612
Un-appropriated profits	<u>1,258,286</u>	<u>2,338,349</u>
	<u>47,550,504</u>	<u>52,921,978</u>
NON-CURRENT LIABILITIES		
Long term finances	6 932,650	2,732,650
Lease liabilities	-	40,774
Long term advances	7,468	58,907
Deferred taxation	32,336	461,990
Retirement benefits	480,393	620,559
Deferred liabilities	48,007	178,448
	<u>1,500,854</u>	<u>4,093,328</u>
CURRENT LIABILITIES		
Current portion of non-current liabilities	2,183	221,348
Finances under mark-up arrangements - secured	1,320,848	5,713,146
Trade and other payables	1,976,512	3,486,302
Unclaimed dividend	55,367	55,203
Accrued finance cost	153,441	335,208
	<u>3,508,351</u>	<u>9,811,207</u>
CONTINGENCIES AND COMMITMENTS		
	7 -	-
	<u>52,559,709</u>	<u>66,826,513</u>

	Note	September 30,	December 31,
		2020	2019
		Un-audited	Audited
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	129,874	7,286,430
Right-of-use asset		-	62,592
Investment properties		1,453,808	487,443
Intangible assets	9	2,741	65,129
Investments	10	45,722,020	47,713,862
Long term security deposits		7,277	7,771
Long term loans		-	288
		47,315,720	55,623,515

CURRENT ASSETS

Stores and spares	-	658,159
Stock-in-trade	-	3,438,686
Short term investments	90,000	80,000
Trade debts	1,011,463	3,045,048
Loans, advances, deposits, prepayments and other receivables	1,014,337	857,917
Income tax receivable	3,000,066	2,888,058
Cash and bank balances	128,123	235,130
	5,243,989	11,202,998
	52,559,709	66,826,513

The annexed notes 1 to 19 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 nine month periods ended September 30, 2020

	Note	Three month period ended		Nine month period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		Un-audited	Un-audited	Un-audited	Un-audited
(Rupees in thousands)					
Local sales		9,113	6,789,630	15,316,906	20,347,827
Export sales		22,591	24,300	113,701	167,450
		31,704	6,813,930	15,430,607	20,515,277
Less: Sales tax		1,346	1,045,983	2,365,394	3,215,495
Trade discounts		-	83,544	257,622	255,331
		1,346	1,129,527	2,623,016	3,470,826
Net sales		30,358	5,684,403	12,807,591	17,044,451
Cost of sales	11	(15,931)	(4,626,157)	(10,011,047)	(13,648,795)
Gross profit		14,427	1,058,246	2,796,544	3,395,656
Administrative expenses		(135,189)	(284,191)	(714,695)	(798,897)
Distribution and marketing costs		-	(302,575)	(747,740)	(1,002,434)
Net reversal / (impairment) losses on financial assets		66,886	12,631	(72,210)	(50,059)
Other expenses		(30,510)	(22,836)	(245,278)	(707,493)
Other income		172,625	71,835	315,759	197,789
Profit from operations		88,239	533,110	1,332,380	1,034,562
Finance cost		(72,873)	(308,046)	(648,132)	(741,326)
Investment income		303,164	279,167	642,422	1,812,038
Profit before taxation		318,530	504,231	1,326,670	2,105,274
Taxation	12	(71,294)	(335,972)	(319,000)	(686,000)
Profit for the period		247,236	168,259	1,007,670	1,419,274
Earnings per share					
Basic	Rupees	2.77	1.88	11.27	15.88
Diluted	Rupees	2.77	1.88	11.18	15.40

The annexed notes 1 to 19 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 nine month periods ended September 30, 2020

	Three month period ended		Nine month period ended	
	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	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	247,236	168,259	1,007,670	1,419,274
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	(492,649)	(3,953,487)	(5,291,409)	(12,467,657)
	(492,649)	(3,953,487)	(5,306,589)	(12,467,657)
<i>Items that might be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive loss for the period	(492,649)	(3,953,487)	(5,306,589)	(12,467,657)
Total comprehensive loss for the period	(245,413)	(3,785,228)	(4,298,919)	(11,048,383)

The annexed notes 1 to 19 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 nine month period ended September 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 01, 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	-	-	-	-	-	-	(1,340,691)	(1,340,691)
Total comprehensive income / (loss) for the period ended September 30, 2019								
Profit for the period	-	-	-	-	-	-	1,419,274	1,419,274
Other comprehensive loss for the period	-	-	-	(12,467,657)	-	-	-	(12,467,657)
	-	-	-	(12,467,657)	-	-	1,419,274	(11,048,383)
Balance as on September 30, 2019 (un-audited)	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>16,390,669</u>	<u>1,615,000</u>	<u>18,310,333</u>	<u>2,430,142</u>	44,012,900
Balance as on January 01, 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	-	-	-	-	-	-	(1,072,553)	(1,072,553)
Total comprehensive income / (loss) for the period ended September 30, 2020								
Profit for the period	-	-	-	-	-	-	1,007,670	1,007,670
Other comprehensive loss for the period	-	-	-	(5,291,409)	-	-	(15,180)	(5,306,589)
	-	-	-	(5,291,409)	-	-	992,490	(4,298,919)
Balance as on September 30, 2020 (un-audited)	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>20,100,130</u>	<u>1,615,000</u>	<u>19,310,333</u>	<u>1,258,286</u>	47,550,504

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated un-audited financial statements.


 Syed Hyder Ali
 Chief Executive & Managing Director


 Syed Aslam Mehdi
 Director

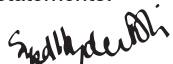

 Khurram Raza Bakhtayari
 Chief Financial Officer

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

for the nine month period ended September 30, 2020

	Note	Nine month period ended	
		September 30, 2020	September 30, 2019
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	14	1,167,654	1,081,796
Finance cost paid		(811,728)	(701,159)
Income tax paid		(399,805)	(467,211)
Income tax refunded		-	50,033
Long term loans - net		40	1,706
Long term security deposits - net		355	3,078
Payments for accumulating compensated absences		(1,402)	(225,865)
Retirement benefits paid		(11,107)	(13,683)
Net cash outflow from operating activities		(55,993)	(271,305)
Cash flow from investing activities			
Fixed capital expenditure		(676,506)	(1,353,695)
Investments made in equity securities		(216,665)	(354,376)
Proceeds from maturity of investments		80,000	10,000
Investments made in debt securities		(90,000)	-
Long term advances - net		(22)	871
Proceeds from disposal of property, plant and equipment		42,698	46,221
Dividends received		642,422	1,532,871
Net cash outflow from investing activities		(218,073)	(118,108)
Cash flow from financing activities			
Proceeds from long term finances - secured		2,243,333	2,000,000
Repayment of long term finances - secured		-	(1,035,710)
Repayment of lease liabilities		(11,587)	-
Dividend paid		(1,072,389)	(1,329,195)
Net cash inflow / (outflow) from financing activities		1,159,357	(364,905)
Net (decrease) / increase in cash and cash equivalents		885,291	(754,318)
Cash and cash equivalents at the beginning of the period		(5,478,016)	(4,351,504)
Cash and cash equivalents transferred		3,400,000	-
Cash and cash equivalents at the end of the period	15	(1,192,725)	(5,105,822)

The annexed notes 1 to 19 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 nine-month period ended September 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 defer 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 subject to SECP approval for which letter dated September 30, 2020 has been filed. The shares will be issued against transfer of the following net assets:

	(Rupees in thousand)
Assets	
Operating fixed assets	5,333,186
Capital work-in-progress	1,005,661
Major spare parts and stand-by equipment	47,110
	<hr/>
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
	<hr/>
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
	<hr/>
Total liabilities	9,149,034
	<hr/>
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 Converters 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	September 30, 2020 Un-audited (Rupees in thousand)	December 31, 2019 Audited
Local currency loans - secured	6.1	-	2,000,000
Preference shares / convertible stock - unsecured		932,650	932,650
		932,650	2,932,650
Current portion shown under current liabilities		-	(200,000)
		932,650	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)
Transferred to PCL	1.1	(4,243,333)	-
Closing balance		-	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 last tranche amounting to Rs. 121.667 million was received during the month of July in PCL. 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 autorisation of these condensed interim unaudited 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. 878.221 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. 240.286 million (December 31, 2019: Rs. 603.476).

7.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 4.197 million (December 31, 2019: Rs. 339.834 million).
- (ii) Letters of credit and contracts for other than for capital expenditure Rs. 0.765 million (December 31, 2019: Rs. 679.325 million).

8. Property, plant and equipment

	Note	September 30,	December 31,
		2020	2019
		Un-audited	Audited
(Rupees in thousand)			
Operating fixed assets - at net book value	8.1 & 8.2	128,079	6,205,128
Capital work-in-progress	8.3	1,795	1,027,623
Major spare parts and stand-by equipment		-	53,679
		129,874	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. 130.500 million (2019: Rs. 87.000 million) in respect of rent for the period from January 2020 to September 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	September 30, 2020	December 31, 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	693,131	1,650,384
Disposals during the period / year at net book value		(32,621)	60,280
Transfer during the period to PCL at net book value	1.1	(5,333,186)	-
Transfer out to investment property		(972,106)	-
Depreciation charged during the period / year		(432,267)	790,477
		(6,770,180)	850,757
Closing net book value		128,079	6,205,128
8.2.1 Additions during the period / year			
Freehold land		157	225,564
Buildings on freehold land		37,623	22,585
Plant and machinery		462,783	1,135,966
Other equipment (computers, lab equipment and other office equipment)		51	171,316
Furniture and fixtures		139,247	1,341
Vehicles		53,270	93,612
		693,131	1,650,384
8.3 Capital work-in-progress			
Civil works		-	26,701
Plant and machinery		-	676,038
Advances to suppliers		1,795	324,884
		1,795	1,027,623
9. Intangible assets			
Opening book value		65,129	67,435
Additions during the period / year		-	9,253
Amortization charged during the period / year		(5,751)	(11,559)
Transfer out during the period to PCL	1.1	(56,637)	-
Closing book value		2,741	65,129
10. Investments			
Opening balance		47,713,862	51,322,973
Investments made during the period / year	10.1	3,299,567	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		(5,291,409)	(3,466,785)
Closing balance		45,722,020	47,713,862

10.1 Investments made in related parties during the period / year

	Note	September 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	1.1	3,082,903	1,000
Packages Investments Limited - subsidiary		-	1,000
		3,299,567	534,538

10.2 As of September 30, 2020, an aggregate of 2,600,000 shares (December 31, 2019: 1,195,000 shares) of Nestle Pakistan Limited having market value Rs. 17,160.000 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. Cost of sales

	Three month period ended		Nine month period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 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	15,931	3,566,774	5,677,195	10,219,252
Salaries, wages and amenities	-	367,612	881,189	1,193,917
Travelling and conveyance	-	7,730	6,282	18,866
Fuel and power	-	315,957	508,224	847,157
Production supplies consumed	-	158,395	265,571	402,162
Rent and rates	-	13,923	41,475	41,783
Insurance	-	14,497	23,372	34,566
Repairs and maintenance	-	76,012	166,463	194,110
Packing expenses	-	88,324	200,334	265,705
Depreciation on operating fixed assets	-	175,632	398,752	536,259
Amortisation of intangible assets	-	1,519	2,739	4,359
Technical fees	-	16,530	37,506	38,590
Other expenses	-	116,345	175,657	242,401
	15,931	4,919,250	8,384,759	14,039,127
Opening work-in-process	-	339,556	361,617	708,937
Closing work-in-process	-	(368,891)	-	(368,891)
Cost of goods manufactured	15,931	4,889,915	8,746,376	14,379,173
Opening stock of finished goods	-	806,868	1,264,671	340,247
Closing stock of finished goods	-	(1,070,625)	-	(1,070,625)
	15,931	4,626,157	10,011,047	13,648,795

12. Taxation

Current				
For the period	42,257	127,128	287,798	475,622
Prior years	-	(81,204)	-	-
	42,257	45,924	287,798	475,622
Deferred	29,037	290,048	31,202	210,378
	71,294	335,972	319,000	686,000

13. 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	Nine-month period ended	
		September 30, 2020	September 30, 2019
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	2,980,470	3,950,041
	Sale of goods and services	128,425	227,653
	Transfer of goods on cost	561,299	-
	Dividend income	140,891	110,098
	Investments made	3,299,567	169,376
	Rental income and others	151,392	105,817
	Management and technical fee	54,187	46,181
	Purchase of property, plant and equipment	17,373	-
ii. Joint ventures	Sale of goods and services	2,595	1,171
	Investments made	-	185,000
	Rental income and others	379	307
	Purchase of goods and services	1,042	-
iii. Associates	Purchase of goods and services	1,141,105	1,395,048
	Sale of goods and services	2,917	12,091
	Insurance premium paid	139,444	140,684
	Commission earned	-	611
	Insurance claims received	2,288	4,492
	Rental income and other income	8,490	10,224
	Dividend income	45,099	96,832
	Dividend paid	320,486	400,608
iv. Retirement benefit obligations	Expense charged in respect of retirement plans	128,756	154,999
	Dividend paid	33,989	42,486
v. Key management personnel	Salaries and other employee benefits	81,905	99,988
	Dividend paid	30,774	34,309
vi. Other related party	Donations made	19,971	47,068

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

	September 30, 2020	December 31, 2019
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
Subsidiaries	1,208,480	326,921
Joint ventures	6,259	3,109
Associates	36,988	41,672
Other related parties	-	75
Payable to related parties		
Subsidiaries	122,984	483,570
Associates	4,536	106,498
Retirement benefit obligations	4,300	17,784
Other related party	1,934	1,934
Joint ventures	-	792

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

14. Cash generated from / (used in) operations

	Nine months period ended	
	September 30, 2020	September 30, 2019
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	1,326,670	2,105,274
Adjustments for non-cash items:		
Depreciation on owned assets	432,267	583,568
Depreciation on right-of-use asset	12,129	-
Depreciation on investment properties	14,066	2,479
Amortisation on intangible assets	5,751	9,574
Present value of long term liability	13,173	-
Provision for accumulating compensated absences	36,062	43,000
Provision for retirement benefits	68,637	77,882
Profit on disposal of operating fixed asset	(10,077)	(7,354)
Exchange loss	85,159	45,389
Finance cost	648,132	741,326
Net impairment losses on financial assets	108,904	50,059
Stock-in-trade written off	95,714	-
Stores and spares written off	15,466	-
Impairment charged on investment in associate	-	500,000
Liabilities no longer payable written back	(6,580)	(18,810)
Reversal of Provision against pending claims	(11,534)	(4,037)
Capital work-in-progress charged to condensed interim unconsolidated statement of profit or loss	1,786	10,188
Provision for obsolete / slow-moving stores and spares	475	-
Provision for obsolete / slow-moving stock-in-trade	43,971	-
Amortisation of deferred income	(6,446)	-
Dividend income	(642,422)	(1,812,038)
Profit before working capital changes	2,231,303	2,326,500
Effect on cash flow due to working capital changes		
Decrease / (increase) in trade debts	1,968,176	(805,369)
Increase in stores and spares	(126,196)	(168,794)
Increase in stock-in-trade	(1,592,003)	(590,894)
Increase in loans, advances, deposits, prepayments and other receivables	(247,099)	(538,443)
(Decrease) / increase in trade and other payables	(1,066,527)	858,796
	(1,063,649)	(1,244,704)
	1,167,654	1,081,796

15. Cash and cash equivalents

Cash and bank balances	128,123	516,491
Finances under mark up arrangements - secured	(1,320,848)	(5,622,313)
	(1,192,725)	(5,105,822)

16. Financial risk management

16.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The 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.

16.2 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 September 30, 2020 and December 31, 2019 on a recurring basis:

	Un-audited (Rupees in thousand)			
	Level 1	Level 2	Level 3	Total
As at September 30, 2020				
Assets				
<i>Recurring fair value measurements</i>				
Equity investments at fair value through other comprehensive income	24,085,037	-	-	24,085,037
Liabilities	-	-	-	-
	Audited (Rupees in thousand)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2019				
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.

17. 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.

18. Date of authorisation for issue

These condensed interim unconsolidated financial statements were authorised for issue on October 20, 2020 by the Board of Directors of the Company.

19. 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 NINE MONTHS ENDED SEPTEMBER 30, 2020

The Directors of the Parent Company take pleasure in presenting the un-audited consolidated financial statements of the Group for the nine months ended September 30, 2020. Comparison of the un-audited consolidated results of the nine months period ended September 30, 2020 as against September 30, 2019 is as follows:

	Jan - Sep 2020	Jan - Sep 2019
	(Rupees in million)	
Invoiced sales - net	47,993	45,368
Profit from operations	5,346	2,597
Finance costs	(2,917)	(2,743)
Share of profit / (loss) in associates and joint venture - net of tax	124	(84)
Investment income	456	1,605
Profit before taxation	3,009	1,376
Taxation	(1,060)	(829)
Profit after tax	1,948	547

We are pleased to report that the operations of the Group have shown significantly improved performance in a difficult and competitive environment. During current period of 2020, the Group has achieved net sales of Rs. 47,993 million against net sales of Rs. 45,368 million achieved during corresponding period of last year representing sales growth of 6% with an operating profit of Rs. 5,346 million as compared to Rs. 2,597 million generated during corresponding period last year, with an increase of 2.1 times, mainly on account of revenue growth, profit margin management and tighter controls over costs. The Group will continue its focus on revenue growth through higher volumes, better product mix and stricter controls over fixed costs to further improve the operating results.

The Group's investment income decreased by Rs. 1,149 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.

The Group's finance cost has increased by Rs. 174 million which is mainly attributable to increased overdraft utilization.

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

Packages Convertors Limited

In 2019, the Board of Directors and Shareholders of the Parent Company approved the internal restructuring of the Parent Company including transfer of its manufacturing businesses including folding cartons, flexible packaging, consumer products and mechanical fabrication & roll covers along with all relevant assets, operations and corresponding liabilities (Converting Business) to a newly formed wholly owned subsidiary i.e. Packages Convertors Limited (PCL) subject to applicable regulatory approvals. On January 22, 2020, PCL received in-principle approval of Securities and Exchange Commission of Pakistan (SECP) subject to certain conditions being met against its application under regulation 7 of the Companies (Further Issue of Shares) Regulations, 2018 read with section 83(1) of the Companies Act, 2017. The Parent Company transferred its Converting Business at carrying value of Rs. 3,083 million as of July 01, 2020 upon completion of formalities. PCL has accordingly made regulatory reporting to SECP and shares will be issued to the Company upon SECP's final approval for consideration otherwise than in cash.

As a result, the operations of Converting Business have now become part of PCL effective July 1, 2020. The Converting Business has generated net sales of Rs. 6,026 million and profit after tax of Rs. 320 million during the quarter ended September 30, 2020 which are not part of the stand-alone financial statements of the Parent Company but instead they are reported in the consolidated financial statements of the Parent Company (PCL being 100% subsidiary of the Parent Company) for the quarter ended September 30, 2020.

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. 21,247 million during current period of 2020 as compared to Rs. 19,492 million during 2019 representing sales growth of 9%. It has earned profit before tax of Rs. 1,708 million during the current period as compared to the loss before tax of Rs. 528 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. 4,098 million during the current period as compared to Rs. 3,812 million of the corresponding period of last year representing sales growth of 8%. It has generated profit before tax of Rs. 413 million during the first nine months of 2020 as against Rs. 343 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 nine months of 2020, it has achieved sales of SLR 1,530 million as compared to SLR 1,740 million in the corresponding period of last year. It has generated loss before tax of SLR 80 million during the current period of the year 2020 as against profit before tax of SLR 15 million generated during corresponding period of 2019. This decrease in profit is due to COVID-19 lockdown and slowed economy activity in Sri-Lanka as explained in detail 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 nine months of 2020, it achieved net sales revenue of ZAR 422 million as compared to ZAR 395 million of the corresponding period of last year representing sales growth of 7%. The Company has recorded loss before tax of ZAR 15 million in first nine months of 2020 as compared to profit before tax of ZAR 6 million during the corresponding period of last year. This is primarily on account of COVID-19 lockdown in South Africa as explained under 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. 1,815 million during the first nine months of 2020 as compared to revenue of Rs. 2,685 million achieved during the corresponding period of last year. The Company has recorded operating profit of Rs. 348 million as against

Rs. 936 million achieved during first nine months of last year. The impacts of COVID-19 lockdown on operations and the Company are explained in COVID-19 paragraph below.

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. 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. Resultantly, revenue of Rs. 536 million has not been recorded in the current period.

The pandemic has affected the operations of Flexible Packages Convertors (Pty) Limited and Packages Lanka (Private) Limited which yielded lower profitability as extensive lockdown measures were implemented in Sri Lanka as well as in South Africa. They were able to obtain permission to run a limited operation for production and distribution of essential items, ensuring compliance to health and hygiene requirements for prevention of COVID-19 virus during the lockdown period, which increased the costs as well. Operations of both companies started resuming back to its normal level of operations by the end of the second quarter of 2020.

The Group management established a crisis management team which analysis 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, October 20, 2020



(Syed Hyder Ali)

Chief Executive & Managing Director

Karachi, October 20, 2020


میں سرگرم عمل ہے۔ اس وقت یہ ریل اسٹیٹ ”پیکجز مال“ کے نام سے ایک پراجیکٹ آپریٹ کر رہا ہے۔ کمپنی نے پہلے نو ماہ 2020 کے دوران 1,815 ملین روپے کی آمدن حاصل کی جو کہ 2019 کے اسی عرصہ کے دوران 2,685 ملین روپے تھی۔ اس نے موجودہ مدت 2020 کے دوران 348 ملین روپے کا آپریٹنگ منافع حاصل کیا جو کہ 2019 میں 936 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۔


کووڈ-19

کووڈ-19 کی عالمی وباء میں تیزی سے اضافہ ہوا ہے عالمی وباء نے ناصرف 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۔ پیکجز لمیٹڈ اور اس کے مقامی ذیلی ادارے (ماسوائے پیکجز ریل اسٹیٹ پرائیویٹ لمیٹڈ) ضروری اشیاء اور خدمات کی فراہمی کے تسلسل کی وجہ سے حکومتی استثناء کے ذمے 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 آپریٹنگ طریقہ کار (SOPs) کے نفاذ کے بعد پیکجز لمیٹڈ اور اس کے مقامی ذیلی ادارے (ماسوائے پیکجز ریل 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 مینٹیننس چارجز میں کمی کے ساتھ کرائے سے مستثنیٰ بیڈ 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۔ نتیجتاً 536 ملین روپے کی آمدن موجودہ مدت میں ریکارڈ نہیں کی گئی ہے۔

جنوبی افریقہ اور سری لنکا میں وسیع پیمانے پر لاک ڈاؤن کیلئے کئے گئے اقدامات کی وجہ سے فلکس ایبل پیکجز کنورٹرز (پروپرائٹری) لمیٹڈ اور پیکجز لٹکا پرائیویٹ لمیٹڈ کے آپریٹنگ کو متاثر کیا ہے جس کے نتیجے میں سبزیوں کی ہوئی ہے ان کمپنیوں کو ایشیائے 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 جس سے لاگت میں اضافہ بھی ہوا۔

گروپ کی انتظامیہ نے بحران کے انتظام کی ٹیم تشکیل دی ہے۔ کرائسٹس میٹمنٹ ٹیم روزانہ کی بنیاد پر صورت حال کا جائزہ اور فوری اقدامات لے رہی ہے جس کا 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، 20 اکتوبر 2020


(توفیق حبیب چنائے)
چیرمین
کراچی، 20 اکتوبر 2020

پاکستان سے اس کی درخواست جو کہ پیکیج ریلیفیشنز 2018 کے (شیر زکا مزید اجراء) ریلیفیشنز 7 جس کو کمپنیز ایکٹ 2017 کے سیکشن (1)83 کے ساتھ پڑھا جائے کی مشروط منظوری حاصل ہوئی۔ بیزنس کمپنی نے اپنا کنورٹنگ کاروبار 1 جولائی 2020 کو 3,083 ملین روپے کی کیئرنگ ویلیو پہ مسلمہ تقاضوں کی تکمیل کے بعد منتقل کر دیا ہے۔ PCL نے SECP کو ریگولیٹری رپورٹنگ کر دی ہے اور شیر زکا اجراء ماسوائے کیش یعنی کہ کنورٹنگ کاروبار، SECP کی حتمی منظوری کے بعد کیا جائے گا۔

نتیجاً کنورٹنگ کاروبار کے آپریشنز 1 جولائی 2020 سے PCL کا حصہ بن چکے ہیں۔ 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی مدت کے دوران کنورٹنگ کے کاروبار نے 6,026 ملین روپے کی سیلز اور 320 ملین روپے کا منافع بعد از ٹیکس حاصل کیا اور یہ مالی نتائج بیزنس کمپنی کی انفرادی Financial Statement کا حصہ نہیں ہے بلکہ مجموعی Financial Statement (چونکہ PCL بیزنس کمپنی کا 100 فیصد ذیلی ادارہ ہے) کا حصہ ہیں۔

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 نو ماہ کے دوران 21,247 ملین روپے کی سیلز حاصل کی جو اس کے مقابلے میں 2019 کے دوران 19,492 ملین روپے تھی۔ جس سے 9 فیصد کی سیلز گروتھ ظاہر ہوتی ہے۔ کمپنی نے موجودہ مدت کے دوران 1,708 ملین روپے کا منافع قبل از ٹیکس جو 2019 میں اسی مدت کے دوران 528 ملین روپے خسارہ قبل از ٹیکس تھا۔ جو بنیادی طور پر ریونیو گروتھ اور طے کردہ مالیات پر سخت کنٹرول کے باعث ممکن ہوا۔ کمپنی بلند تر حجم، پروڈکٹ میں توسیع اور پروڈکٹس کے ذریعے آپریٹنگ نتائج مزید بہتر بنانے پر توجہ دے رہی ہے۔

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ پیکیجنگ لمیٹڈ کا ایک نان لسٹڈ پبلک لمیٹڈ ذیلی ادارہ ہے۔ یہ بنیادی طور پر صنعتی انکس (inks) کی تیاری، پروسیسنگ اور سیلز میں مصروف عمل ہے۔ کمپنی نے سال 2020 کے پہلے نو ماہ کے دوران 4,098 ملین روپے کی خالص سیلز حاصل کی۔ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ 3,812 ملین روپے تھیں جو 8 فیصد کی سیلز گروتھ کو ظاہر کرتی ہے۔ کمپنی نے 2020 کی موجودہ مدت کے دوران 413 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو 2019 کی اسی مدت میں 343 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۔

پیکیجنگ انکا (پرائیویٹ) لمیٹڈ

پیکیجنگ انکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم پیکیجنگ لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجنگ کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2020 کے پہلے نو ماہ کے دوران 1,530 ملین سری لنکن روپے کی سیلز حاصل کی جو گزشتہ سال کی اس مدت میں 1,740 ملین سری لنکن روپے تھی۔ کمپنی نے سال 2020 کے پہلے نو ماہ میں 80 ملین سری لنکن روپے کا خسارہ قبل از ٹیکس حاصل کیا جو کہ 2019 کی اسی مدت کے دوران 15 ملین سری لنکن روپے منافع قبل از ٹیکس تھا۔ جسکی بنیادی وجہ کووڈ-19 کالاک ڈاؤن اور معاشی سرگرمیوں میں سست روی ہے جس کی مزید وضاحت کووڈ-19 کے نوٹ میں کی گئی ہے۔

فلکس ایبل پیکیجنگ کنورٹرز (پروپرائٹری) لمیٹڈ

فلکس ایبل پیکیجنگ کنورٹرز (پروپرائٹری) لمیٹڈ جنوبی افریقہ میں قائم پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلکس ایبل پیکیجنگ میٹریل کی تیاری میں مصروف عمل ہے۔ کمپنی نے 2020 کے پہلے نو ماہ کے دوران 422 ملین زار (ZAR) کا خالص سیلز ریونیو حاصل کیا جو گزشتہ سال کی اس مدت میں 395 ملین زار (ZAR) تھا جو کہ 7 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ کمپنی کا خسارہ قبل از ٹیکس 2020 کے پہلے نو ماہ میں 15 ملین زار (ZAR) تھا جو گزشتہ سال کی اس مدت میں 6 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۔

پیکیجنگ رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجنگ رینیل اسٹیٹ (پرائیویٹ) لمیٹڈ پیکیجنگ لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ بنیادی طور پر تمام اقسام کی تعمیراتی سرگرمیوں اور رینیل اسٹیٹ کے فروغ کے کاروبار

30 ستمبر 2020 کو ختم ہونے والی نو ماہ کی مدت کے لئے

ڈائریکٹرز کی رپورٹ بشمول مجموعی عبوری غیر آڈٹ شدہ مالیاتی معلومات

پیرنٹ کمپنی کے ڈائریکٹرز بہ مسرت 30 ستمبر 2020 کو ختم ہونے والی نو ماہ کی مدت کے لئے گروپ کے غیر آڈٹ شدہ مجموعی مالیاتی معلومات پیش کرنے پر خوشی محسوس کرتے ہیں۔ 30 ستمبر 2020 کو ختم ہونے والی نو ماہ کی مدت کے لئے غیر آڈٹ شدہ نتائج کا تقابل 30 ستمبر 2019 کے مقابلے میں درج ذیل کے مطابق ہے:

جنوری - ستمبر 2019	جنوری - ستمبر 2020	
		(روپے ملین میں)
45,368	47,993	انوائسڈ سیلز - خالص
2,597	5,346	آپریٹنگ سے حاصل منافع جات
(2,743)	(2,917)	فنانس کی لاگت
		منسلک اداروں اور مشترکہ منصوبے میں (اخراجات) / منافع کا حصہ -
(84)	124	بعد از ٹیکس
1,605	456	سرمایہ کاری سے آمدنی
1,376	3,009	منافع قبل از ٹیکس
(829)	(1,060)	ٹیکسیشن
547	1,948	(خسارہ) / منافع بعد از ٹیکس

ہم با مسرت اطلاع دے رہے ہیں کہ گروپ کے آپریٹنگ نے مشکل اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا۔ 2020 کی موجودہ مدت کے دوران گروپ نے 47,993 ملین روپے کی خالص سیلز حاصل کی جبکہ گزشتہ سال کی اس مدت کے دوران 45,368 ملین روپے کی خالص سیلز حاصل کی گئی تھی جو کہ 6 فیصد سیلز گروتھ کو ظاہر کرتا ہے۔ گروپ نے 5,346 ملین روپے کا آپریٹنگ منافع حاصل کیا جو گزشتہ سال کی اسی مدت میں 2,597 ملین روپے تھا جو کہ 2.1 گنا اضافہ کو ظاہر کرتا ہے جو کہ بنیادی طور پر ریونیو گروتھ اور مالیات پر کنٹرول کے باعث ممکن ہوا۔ گروپ ریونیو گروتھ بذریعہ بلند تر حجم، بہتر پروڈکٹس اور مالیات پخت کنٹرول کے ذریعے آپریٹنگ نتائج کو بہتر بنانے کیلئے اپنی توجہ مرکوز رکھے گا۔

گروپ کی سرمایہ کاری سے آمدنی میں رواں مدت کے دوران گزشتہ سال کی اس مدت کے مقابلے میں 1,149 ملین روپے کی کمی دیکھنے میں آئی جسکی وجہ سرمایہ کار کمپنی سے منافع منقسمہ کا ختم ہونا تھا۔

گروپ کی فنانس لاگت میں 174 ملین روپے کا اضافہ ہو چکی وجہ اوور ڈرافٹ کے استعمال میں اضافہ تھا۔

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

پیکینز کنورٹرز لمیٹڈ

2019 میں پیرنٹ کمپنی کے بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز نے اندرونی تنظیم نو بشمول اپنے مینیجنگ پارٹنر کاروبار بشمول فولڈنگ کارٹن، فلکسی سیل پیکنگ، کاروبار صارف اور مکینیکل فیبریکیشن رول کو کو تمام متعلقہ اثاثہ جات، آپریٹنگ اور ان سے منسلک واجبات (کنورٹنگ کاروبار) کے نئے تشکیل شدہ مکمل ملکیتی ذیلی ادارے پیکینز کنورٹرز لمیٹڈ (PCL) میں قابل اطلاق ریگولیٹری اپروول کے تحت منتقلی کی منظوری دی۔ 22 جنوری 2020 کو PCL کو سیوریٹی اینڈ ایکسچینج کمیشن آف

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

as at September 30, 2020

	September 30, 2020	December 31, 2019
Note	Un-audited	Audited
	(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	47,161,775	52,146,015
Equity portion of loan from shareholder of the Parent Company	277,219	277,219
Revenue reserve: Un-appropriated profits	3,854,824	4,009,577
Attributable to owners of the Parent Company	52,793,835	57,932,828
Non-controlling interest	1,764,363	1,967,880
TOTAL EQUITY	54,558,198	59,900,708
NON-CURRENT LIABILITIES		
Long term finances	18,091,029	14,948,395
Loan from shareholder of the Parent Company - unsecured	246,669	224,230
Lease liabilities	458,863	619,563
Deferred taxation	2,492,379	2,237,205
Long term advances	90,546	69,339
Retirement benefits	968,709	847,464
Deferred revenue	192,290	55,368
Security deposits	364,089	345,950
Deferred liabilities	365,514	398,697
	23,270,088	19,746,211
CURRENT LIABILITIES		
Current portion of non-current liabilities	1,470,640	4,315,655
Current portion of deferred revenue	50,036	35,835
Finances under mark up arrangements - secured	12,754,224	11,386,824
Trade and other payables	9,848,912	8,299,420
Unclaimed dividend	55,572	68,809
Derivative financial instruments	-	3,505
Accrued finance cost	713,431	1,144,225
Provision for taxation	132,196	9,885
	25,025,011	25,264,158
CONTINGENCIES AND COMMITMENTS	-	-
	102,853,297	104,911,077

	Note	September 30,	December 31,
		2020	2019
		Un-audited	Audited
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	26,901,675	27,925,607
Right-of-use asset		617,729	799,075
Intangible assets	10	354,530	405,617
Investment properties		10,831,865	11,393,439
Investments accounted for using the equity method	11	6,510,185	6,991,707
Other long term investments	12	24,090,062	29,381,471
Long term security deposits		56,758	139,342
Long term loans		81,173	869
		69,443,977	77,037,127


CURRENT ASSETS

Stores and spares	2,527,756	2,332,654
Stock-in-trade	14,484,192	11,031,511
Short term investments	140,000	80,000
Trade debts	8,964,462	7,578,383
Loans, advances, deposits, prepayments and other receivables	1,823,015	1,647,906
Income tax receivable	5,018,093	4,785,563
Cash and bank balances	451,802	417,933
	33,409,320	27,873,950

102,853,297

104,911,077

The annexed notes 1 to 22 form an integral part of these condensed interim consolidated unaudited 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 nine month periods ended September 30, 2020

	Note	Three month period ended		Nine month period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		Un-audited	Un-audited	Un-audited	Un-audited
		(Rupees in thousands)			
Local sales and services		19,039,165	18,118,527	54,963,693	51,979,005
Export sales		409,299	219,920	1,105,035	756,044
		19,448,464	18,338,447	56,068,728	52,735,049
Less: Sales tax		2,582,427	2,436,024	7,628,425	7,094,967
Commission		3,782	6,720	8,395	16,962
Trade discounts		181,197	83,544	438,819	255,331
		2,767,406	2,526,288	8,075,639	7,367,260
Net sales		16,681,058	15,812,159	47,993,089	45,367,789
Cost of sales and services	13	(13,291,825)	(13,060,617)	(38,468,694)	(38,168,202)
Gross profit		3,389,233	2,751,542	9,524,395	7,199,587
Administrative expenses		(607,469)	(638,050)	(1,808,462)	(1,842,401)
Distribution and marketing costs		(640,602)	(743,270)	(1,963,943)	(2,130,692)
Net reversal / (impairment) losses on financial assets		54,209	12,631	(84,660)	(51,496)
Other expenses		-	(43,779)	(546,004)	(969,729)
Other income		118,742	32,956	224,201	392,197
		2,314,113	1,372,030	5,345,527	2,597,466
Finance cost		(946,573)	(1,048,093)	(2,916,591)	(2,742,902)
Investment income		303,164	279,167	456,431	1,605,108
Share of net profit / (loss) of associates and joint ventures accounted for using equity method		76,397	(8,444)	124,160	(84,098)
Profit before taxation		1,747,101	594,660	3,009,527	1,375,574
Taxation		(440,673)	(336,627)	(1,060,803)	(828,695)
Profit for the period		1,306,428	258,033	1,948,724	546,879
Profit / (loss) attributable to:					
Equity holders of the Parent Company		1,295,549	151,876	1,965,072	380,645
Non-controlling interests		10,879	106,157	(16,348)	166,234
		1,306,428	258,033	1,948,724	546,879
Earnings per share attributable to equity holders of the Parent Company					
Basic Rupees		14.49	1.70	21.99	4.26
Diluted Rupees		14.13	1.70	20.47	4.26

The annexed notes 1 to 22 form an integral part of these condensed interim consolidated unaudited 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 nine month periods ended September 30, 2020

	Three month period ended		Nine month period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 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)			
Profit for the period	1,306,428	258,033	1,948,724	546,879
Other comprehensive loss for the period				
Items that will not be subsequently reclassified to profit or loss:				
Remeasurements of retirement benefits	-	-	(27,361)	-
Tax effect of remeasurements of retirement benefits	-	-	8,631	-
Change in fair value of investments at fair value through other comprehensive income (FVOCI)	(492,649)	(3,953,487)	(5,291,409)	(12,467,657)
	(492,649)	(3,953,487)	(5,310,139)	(12,467,657)
Items that might be reclassified subsequently to profit or loss:				
Net exchange differences on translation of foreign operations	9,337	(213,133)	(215,134)	61,440
Share of other comprehensive profit / (loss) of associates and joint ventures accounted for using equity method - net of tax	21,229	(540,384)	(560,583)	(1,642,711)
	30,566	(753,517)	(775,717)	(1,581,271)
	(462,083)	(4,707,004)	(6,085,856)	(14,048,928)
Total comprehensive income / (loss) for the period	844,345	(4,448,971)	(4,137,132)	(13,502,049)
Total comprehensive income / (loss) attributable to:				
Equity holders of the Parent Company	829,714	(4,460,220)	(4,037,898)	(13,717,887)
Non-controlling interests	14,631	11,249	(99,234)	215,838
	844,345	(4,448,971)	(4,137,132)	(13,502,049)

The annexed notes 1 to 22 form an integral part of these condensed interim consolidated unaudited 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 CHANGES IN EQUITY (UN-AUDITED)
for the nine month period ended September 30, 2020

	Issued, subscribed and paid up capital		Reserves								Capital and reserves		Total equity	
	Ordinary share capital	Preference shares / convertible stock reserve	Share premium	Exchange difference on translation 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	Revenue reserves		Total		Non-controlling interests
										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	11,310,333	6,248,793	62,932,716	2,124,244	65,056,960
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	-	-	-	-	-	-	(26,778)	(26,778)	-	(26,778)
Balance as on January 1, 2019 (audited)	893,795	606,222	3,766,738	(194,716)	28,858,325	3,527,025	22,981	277,219	1,615,000	11,310,333	6,222,015	62,905,938	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 Rs. 15 per share	-	-	-	-	-	-	-	-	-	(1,340,693)	(1,340,693)	-	-	(1,340,693)
Adjustment on account of Group taxation	-	-	-	-	-	-	-	-	-	(86,884)	(86,884)	-	-	(86,884)
Dividend relating to 2019 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(98,979)	(98,979)	(98,979)
	-	-	-	-	-	-	-	-	-	(1,427,577)	(1,427,577)	(98,979)	(98,979)	(1,526,556)
Total comprehensive income / (loss) for the period ended September 30, 2019														
Profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	380,645	380,645	166,234	546,879
Other comprehensive income / (loss) for the period	-	-	-	11,836	(12,467,657)	(1,642,711)	-	-	-	-	-	(14,098,532)	49,604	(14,048,928)
	-	-	-	11,836	(12,467,657)	(1,642,711)	-	-	-	-	380,645	(13,717,887)	216,838	(13,502,048)
Balance as on September 30, 2019 (un-audited)	893,795	606,222	3,766,738	(182,879)	16,390,668	1,884,314	22,981	277,219	1,615,000	18,310,333	4,176,083	47,760,474	2,241,103	50,001,577
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	57,932,828	1,967,880	59,900,708
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)
Share issuance transaction costs	-	-	-	-	-	-	-	-	-	(16,005)	(16,005)	-	-	(16,005)
Dividend relating to 2019 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(104,283)	(104,283)	(104,283)
	-	-	-	-	-	-	-	-	-	(1,101,095)	(1,101,095)	(104,283)	(104,283)	(1,205,378)
Total comprehensive income / (loss) for the period ended September 30, 2020														
Profit / (loss) for the period	-	-	-	-	-	-	-	-	-	1,965,072	1,965,072	(16,348)	(16,348)	1,948,724
Other comprehensive (loss) / income for the period	-	-	-	(132,248)	(5,291,408)	(560,583)	-	-	-	(18,730)	(6,002,970)	(6,002,970)	(82,886)	(6,085,856)
	-	-	-	(132,248)	(5,291,408)	(560,583)	-	-	-	1,946,342	(4,037,898)	(6,019,318)	(99,234)	(4,137,132)
Balance as on September 30, 2020 (un-audited)	893,795	606,222	3,766,738	(276,016)	20,100,131	2,584,613	80,976	277,219	1,615,000	18,310,333	3,854,824	52,793,835	1,764,363	54,558,198

The annexed notes 1 to 22 form an integral part of these condensed interim consolidated unaudited 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 nine month period ended September 30, 2020

	Note	Nine month period ended	
		September 30, 2020	September 30, 2019
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	16	5,158,100	4,656,827
Finance cost paid		(3,324,946)	(2,602,918)
Income tax paid		(919,753)	(901,720)
Settlement of derivative financial instruments		(3,505)	-
Long term security deposits - net		18,139	-
Payments for accumulating compensated absences		(113,633)	(361,117)
Retirement benefits paid		(19,655)	(171,913)
Net cash inflow from operating activities		794,747	619,159
Cash flows from investing activities			
Fixed capital expenditure		(1,610,327)	(3,789,072)
Investments made in equity securities		-	(185,000)
Proceeds from maturity of investments		80,000	10,000
Investments made in debt securities		(140,000)	-
Long term loans and deposits - net		2,280	7,800
Rental security deposits - net		-	53,817
Proceeds from disposal of property, plant and equipment		79,229	75,372
Dividends received		501,530	1,712,331
Long term advances - net		18,860	147
Net cash outflow from investing activities		(1,068,428)	(2,114,605)
Cash flows from financing activities			
Proceeds from long term finances - secured		2,844,827	5,371,407
Repayment of long term finances - secured		(2,548,396)	(3,291,003)
Share capital charges		(16,005)	-
(Repayment) / adjustment of lease liabilities - net		(150,202)	161,002
Dividend paid to equity holders of the Parent Company		(1,085,791)	(1,315,590)
Dividend paid to non-controlling interest		(104,283)	(98,979)
Net cash (outflow) / inflow from financing activities		(1,059,850)	826,837
Net decrease in cash and cash equivalents		(1,333,531)	(668,609)
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	17	(12,302,422)	(11,825,758)

The annexed notes 1 to 22 form an integral part of these condensed interim consolidated unaudited 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 nine month period ended September 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
Consumer products:	Representing manufacture and sale of 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, cast polypropylene ('CPP') films, plastic, ground calcium carbonate products and in insurance business.

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) the manufacturing businesses of the Parent Company 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) the investment business of the Parent Company 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 Parent Company, in its meeting held on March 13, 2020 has resolved to consummate the transfer of manufacturing businesses and to defer 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 subject to SECP approval for which letter dated September 30, 2020 has been filed. The shares will be issued against transfer of the following net assets:

	(Rupees in thousand)
Assets	
Operating fixed assets	5,333,186
Capital work-in-progress	1,005,661
Major spare parts and stand-by equipment	47,110
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 Income	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 unaudited consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- i) International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 ; 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 unaudited consolidated financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended December 31, 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 unaudited consolidated financial statements covering annual periods, beginning on or after the following dates:

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 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 unaudited 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 unaudited 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, BSPPL, PCL and 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 unaudited 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	September 30, 2020	December 31, 2019
		Un-audited	Audited
(Rupees in thousand)			
Local currency loans - secured	7.1	16,940,531	16,359,325
Foreign currency loans - secured	7.2	1,511,368	1,803,106
		18,451,899	18,162,431
Preference shares / convertible stock - unsecured		932,650	932,650
		19,384,549	19,095,081
Current portion shown under current liabilities		(1,293,520)	(4,146,686)
		18,091,029	14,948,395
7.1 Local currency loans - secured			
Opening balance		16,359,325	14,667,258
Disbursements during the period / year		2,786,546	5,000,000
		19,145,871	19,667,258
Repayments during the period / year		(2,205,340)	(3,307,933)
Closing balance		16,940,531	16,359,325
7.2 Foreign currency loans - secured			
Opening balance		1,803,106	1,486,270
Disbursements during the period / year		58,281	763,704
		1,861,387	2,249,974
Repayments during the period / year		(343,056)	(467,729)
Exchange adjustment on opening balances		(6,963)	20,861
Closing balance		1,511,368	1,803,106

- 7.3** Local currency loans include 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. The total facility available amounts to Rs. 1,471 million (2019: Nil). 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 Parent Company & PCL. No disbursement has been made from the said facility till the date of autorisation of these condensed interim unaudited 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. 1,970.747 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. 878.221 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 659.363 million (2019: Rs. 585.062 million)
- (ii) Letters of credit and contracts for other than capital expenditure Rs. 2,427.467 million (2019: Rs. 2,534.799 million)

9. Property, plant and equipment

		September 30, 2020	December 31, 2019
	Note	Un-audited	Audited
(Rupees in thousand)			
Operating fixed assets	9.2	24,013,784	25,183,824
Capital work-in-progress	9.3	2,887,891	2,582,814
Major spare parts and stand-by equipment		-	158,969
		26,901,675	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 unaudited consolidated 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 130.500 million (2019: Rs 87.000 million) in respect of rent for the period from January 2020 to September 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 unaudited 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

	Note	September 30,	December 31,
		2020	2019
		Un-audited	Audited
(Rupees in thousand)			
Opening net book value		25,183,824	24,904,761
Additions during the period / year	9.2.1	1,503,794	3,361,365
Transfer in at book value - net		-	6,561
		1,503,794	3,367,926
		26,687,618	28,272,687
Disposals during the period / year at book value		(66,598)	(95,454)
Transfer to investment property		(57,279)	(75,517)
Depreciation charged during the period / year		(2,209,966)	(3,315,290)
Exchange adjustment on opening book value - net		(339,991)	397,398
		(2,673,834)	(3,088,863)
Closing net book value		24,013,784	25,183,824

9.2.1 Additions during the period / year

Freehold land	157	248,819
Buildings on freehold land	186,342	25,381
Buildings on leasehold land	677	1,761
Plant and machinery	917,027	2,578,697
Other equipment	112,197	321,661
Furniture and fixtures	155,091	20,006
Vehicles	132,303	165,040
	1,503,794	3,361,365

9.3 Capital work-in-progress

Civil works	60,764	55,486
Plant and machinery	2,717,213	2,101,406
Others	100,235	925
Advances	9,679	424,997
	2,887,891	2,582,814

10. Intangible assets	Note	September 30, 2020	December 31, 2019
		Un-audited	Audited
(Rupees in thousand)			
Opening net book value		405,617	370,423
Additions during the period / year		98	39,250
Deletions during the period / year		-	(11,681)
Amortization charged during the period / year		(26,037)	(33,265)
Exchange difference		(25,148)	40,890
Closing net book value		<u>354,530</u>	<u>405,617</u>
11. Investments accounted for using the equity method			
Investments in associates	11.1	6,036,477	6,535,947
Investments in joint ventures	11.2	473,708	455,760
		<u>6,510,185</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		109,007	18,805
Share of other comprehensive loss - net of tax		(563,378)	(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>2,650,199</u>	3,149,669
Balance as on	11.1.1	<u>6,036,477</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. 3,291.785 million (2019: Rs. 3,066.740 million)			
	11.3	4,135,387	4,704,911
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. 2,183.888 million (2019: Rs. 1,088.728 million)			
		<u>1,901,090</u>	1,831,036
		<u>6,036,477</u>	<u>6,535,947</u>

11.2 Investments in joint ventures

	September 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	15,153	(13,414)
Share of other comprehensive income / (loss) from joint ventures - net of tax	2,795	(6,009)
Dividends received during the period / year	-	(13,502)
Closing balance	11.2.1 <u>473,708</u>	<u>455,760</u>

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%)

16,433

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%)

457,275

442,122

473,708

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

	September 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 <u>24,085,037</u>	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	5,000	5,000
Equity held 0.0185% (2019: 0.14%)	<u>24,090,062</u>	<u>29,381,471</u>

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 September 30, 2020, an aggregate of 2,600,000 (2019: 1,195,000) shares of Nestle Pakistan Limited having market value of Rs. 17,610.000 million (2019: 9,619.750 million) have been pledged in favour of HBL Pakistan against financing facilities obtained from HBL Pakistan.

13. Cost of sales and services

	Three month period ended		Nine month period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 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	8,828,613	8,908,211	24,491,942	24,355,804
Salaries, wages and amenities	1,135,802	1,066,385	3,414,179	3,211,767
Travelling and conveyance	60,434	-	100,584	39,545
Fuel and power	1,307,137	1,541,723	3,949,192	4,256,097
Production supplies consumed	369,156	384,204	1,059,333	963,965
Rent, rates and taxes	82,678	-	182,521	48,800
Insurance	54,420	59,135	161,596	162,039
Repairs and maintenance	318,934	331,866	820,373	786,555
Packing expenses	135,501	223,043	600,238	650,411
Depreciation on operating fixed assets	917,823	1,063,835	2,818,650	3,265,583
Amortization of intangible assets	3,868	4,305	11,596	11,466
Technical fee and royalty	23,728	33,173	99,961	101,957
Other expenses	211,090	40,584	823,502	837,949
	13,449,184	13,656,464	38,533,667	38,691,938
Opening work-in-process	760,194	571,841	1,197,511	973,939
Closing work-in-process	(725,812)	(627,074)	(725,812)	(627,074)
Cost of goods manufactured	13,483,566	13,601,231	39,005,366	39,038,803
Opening stock of finished goods	4,891,041	4,169,755	4,546,110	3,839,768
Closing stock of finished goods	(5,082,782)	(4,710,369)	(5,082,782)	(4,710,369)
	13,291,825	13,060,617	38,468,694	38,168,202

14. Transactions and balances with related parties

Relationship with the Group	Nature of transactions	Nine month period ended	
		September 30, 2020	September 30, 2019
		Un-audited	Un-audited
(Rupees in thousand)			
i Associates	Purchase of goods and services	1,571,573	1,396,118
	Sale of goods and services	12,909	23,346
	Dividend income	45,099	96,832
	Insurance premium paid	405,864	396,987
	Rental and other income	18,979	20,972
	Insurance claims received	115,616	27,525
	Commission earned	-	1,055
	Dividend paid	327,986	400,608
ii Joint ventures	Purchase of goods and services	263,652	165,769
	Sale of goods and services	205,581	199,054
	Rental and other income	3,100	2,669
	Investments made	-	185,000
iii Other related parties	Purchase of goods and services	740,499	588,386
	Sale of goods and services	113,265	156,947
	Rental and other income	2,000	-
	Royalty and technical fee - expense	43,921	41,668
	Commission earned	359	131
	Commission expense	273	8,477
	Donations	19,971	47,068
Dividend paid	96,784	90,147	
iv Retirement benefit obligations	Expenses charged in respect of retirement plans	162,553	172,473
	Dividend paid	33,989	42,486
v Key management personnel	Salaries and other employee benefits	81,905	99,988
	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

	September 30, 2020	December 31, 2019
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
Associates	154,347	57,178
Joint ventures	84,890	37,165
Other related parties	13,390	360,587
Payable to related parties		
Associates	186,870	118,121
Joint ventures	43,430	28,541
Other related parties	432,273	295,502
Retirement benefit obligations	38,096	34,370

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

15. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Paper & Paperboard		Real estate		General and Un-allocated		Total	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
(R u p e s i t h o u s a n d)														
Revenue from external customers	27,235,165	25,468,972	4,132,328	3,886,798	3,226,932	3,149,329	11,542,377	10,237,342	1,804,834	2,678,296	51,453	(52,948)	47,993,089	45,367,789
Intersegment revenue	620,299	585,062	-	-	871,423	662,606	2,940,562	2,859,057	10,158	6,690	6,411	4,813	4,448,853	4,098,218
	27,855,464	26,034,024	4,132,328	3,886,798	4,098,355	3,811,935	14,482,939	13,096,399	1,814,992	2,684,986	57,864	(48,135)	52,441,942	49,466,007
Segment profit / (loss) before tax	1,807,080	1,519,400	554,633	332,635	412,677	342,816	1,007,730	(903,056)	(306,841)	311,549	(140,699)	606,099	3,334,580	2,209,443
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Segment assets	21,996,721	20,420,088	2,801,310	2,518,464	3,141,358	3,037,227	25,413,577	24,695,234	11,662,488	12,018,713	37,817,843	42,221,341	102,853,297	104,911,077

Reconciliation of profit

	September 30, 2020	September 30, 2019
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	3,334,580	2,209,443
Profit / (Loss) from associates and joint ventures - net of dividends	79,061	(191,321)
Intercompany consolidation adjustments	(404,114)	(642,548)
Profit before tax	3,009,527	1,375,574

16. Cash generated from operations

	Nine month period ended	
	September 30,	September 30,
	2020	2019
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	3,009,527	1,375,574
Adjustments for non-cash items:		
Depreciation on owned assets	2,209,966	2,805,187
Depreciation on right-of-use assets	126,460	-
Depreciation on investment properties	634,066	624,880
Amortization on intangible assets	26,037	27,290
Provision for accumulating compensated absences	80,450	231,753
Provision for retirement benefits	113,539	267,334
Provision / (reversal) for obsolete / slow-moving stores and spares	43,971	(16,117)
Provision / (reversal) for obsolete / slow-moving stock-in-trade	475	(750)
Stock-in-trade written off	95,714	-
Stores and spares written off	15,466	-
Amortization of deferred income	(10,313)	(13,282)
Profit on disposal of operating fixed assets	(12,631)	(10,638)
Finance costs	2,916,591	2,742,902
Net impairment losses on financial assets	145,951	203,046
Impairment charged on investment in associate	-	500,000
Liabilities no longer payable written back	(784)	(19,586)
Exchange adjustments - net	507,362	2,744
Share of (profits) / losses of associates and joint ventures accounted for using the equity method	(124,160)	84,098
Dividend income	(456,431)	(1,605,108)
Profit before working capital changes	9,321,256	7,199,327
Effect on cash flow due to working capital changes		
Increase in trade debts	(1,532,030)	(2,053,874)
Increase in stores and spares	(211,043)	(230,006)
Increase in stock-in-trade	(3,592,366)	(374,760)
Increase in loans, advances, deposits, prepayments and other receivables	(175,109)	(816,054)
Increase in trade and other payables	1,347,392	932,194
	(4,163,156)	(2,542,500)
	5,158,100	4,656,827
17. Cash and cash equivalents		
Cash and bank balances	451,802	876,949
Finances under markup arrangements - secured	(12,754,224)	(12,702,707)
	(12,302,422)	(11,825,758)
18. Financial risk management		
18.1 Financial risk factors		
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.		

The condensed interim unaudited consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2019.

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

18.2 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 September 30, 2020.

	Un-audited (Rupees in thousand)			Total
	Level 1	Level 2	Level 3	
Assets				
<i>Recurring fair value measurement</i>				
Equity investments at fair value through other comprehensive income	24,085,037	-	5,025	24,090,062
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 measurement</i>				
Equity investments at fair value through other comprehensive income	29,376,446	-	5,000	29,381,446
Liabilities	-	-	-	-

19. Detail of subsidiaries

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

20. 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 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. 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. Resultantly, revenue of Rs. 536 million has not been recorded in the current period.

The pandemic has affected the operations of Flexible Packages Convertors (Pty) Limited and Packages Lanka (Private) Limited which yielded lower profitability as extensive lockdown measures were implemented in Sri Lanka as well as in South Africa. They were able to obtain permission to run a limited operation for production and distribution of essential items, ensuring compliance to health and hygiene requirements for prevention of COVID-19 virus during the lockdown period, which increased the costs as well. Operations of both companies started resuming back to its normal level of operations by the end of the second quarter of 2020.

The Group management established a crisis management team which analyzes 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.

21. Date of authorization for issue

These condensed interim unaudited consolidated financial statements were authorized for issue on October 20, 2020 by the Board of Directors of the Parent Company.

22. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim unaudited 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 unaudited consolidated profit or loss account, condensed consolidated interim unaudited statement of comprehensive income, condensed interim unaudited consolidated statement of changes in equity and condensed interim unaudited 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