

THIRD QUARTER REPORT

2023

Condensed Interim Financial Statements
for the Nine Months Period Ended
September 30, 2023 (Unaudited)



Packages Limited

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COMPANY INFORMATION

Board of Directors *

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

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

Syed Shahid Ali
(Non-Executive Director)

Mr. Hasan Askari
(Independent Director)

Mr. Atif Aslam Bajwa
(Non-Executive Director)

Ms. Saba Kamal
(Independent Director)

Mr. Tariq Iqbal Khan
(Non-Executive Director)

Syed Aslam Mehdi
(Executive Director)

Mr. Josef Meinrad Mueller
(Non-Executive Director)

Audit Committee

Mr. Hasan Askari	- Chairman
Syed Shahid Ali	- Member
Mr. Atif Aslam Bajwa	- Member
Mr. Tariq Iqbal Khan	- Member
Syed Aslam Mehdi	- Member
Mr. Soban Waqar	- Secretary

Human Resource and Remuneration Committee

Ms. Saba Kamal	- Chairman
Syed Hyder Ali	- Member
Mr. Atif Aslam Bajwa	- Member
Mr. Towfiq Habib Chinoy	- Member
Mr. Josef Meinrad Mueller	- Member
Mr. Muneef Abid	- Secretary

IT & Digitalization Committee

Ms. Saba Kamal	- Chairperson
Mr. Atif Aslam Bajwa	- Member
Mr. Faizan Mahmood	- Secretary

Executive Committee

Syed Hyder Ali	- Chairman
Syed Aslam Mehdi	- Member
Ms. Iqra Sajjad	- Secretary

Advisor

Syed Babar Ali

Chief Financial Officer

Mr. Khurram Raza Bakhtayari

Company Secretary

Ms. Iqra Sajjad

Rating Agency

PACRA

Company Credit Rating

Long-Term: AA+
Short-Term: A1+

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

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

Shares Registrar Services

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
Fax : (021) 34380106
Email : info.shares@famco.com.pk

Handling Desk for Shareholders' Affairs

(Corporate Secretarial Department)

Mr. Ubaid Hussain / Ms. Suman Kishore
PABX: (02) 35874047- 49 Ext: 233 & 237
Fax: (021) 35860251
Email: shares.desk@packages.com.pk

(Share Registrar Contact Person)

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

Bankers & Lenders

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

Offices

Registered Office

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

Head Office

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

Web Presence

www.packages.com.pk

* In alphabetical order, by last name

DIRECTORS' REVIEW REPORT ON CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

The Directors of Packages Limited are pleased to submit to its shareholders the nine months report along with the condensed interim un-audited financial statements of the Company for the nine months ended September 30, 2023.

FINANCIAL AND OPERATIONAL PERFORMANCE

A comparison of the un-audited financial results for the nine months ended September 30, 2023 as against September 30, 2022 is as follows:

	July – Sep 2023	July – Sep 2022	Jan – Sep 2023	Jan – Sep 2022
	Rupees in million			
Dividend income	1,379	1,371	4,089	4,152
Rental income	145	129	419	362
EBIT	1,338	1,346	3,920	4,013
Finance costs	(457)	(193)	(1,027)	(453)
Impairment charged on investment	-	-	(1,202)	-
Other (expenses) / income – net	21	34	155	95
Earnings before tax	902	1,188	1,846	3,656
Taxation	(55)	(89)	(312)	(340)
Earnings after tax	847	1,098	1,534	3,316
Basic earnings per share - PKR	9.48	12.29	16.45	36.39

Packages Limited is operating as a holding company and its performance is determined by the financial performance of its group companies located within & outside Pakistan, which in turn, would be influenced by the general economic environment. Dividend income constitutes the major source of income of Packages Limited. As a result, its income pattern will follow the dividend distribution pattern of the group companies. The management believes that this corporate structure is conducive to focused management of the group companies and leading to better operating performance.

The Company has earned dividend income from its group companies amounting to Rs. 4,089 million during the nine-month period ended September 30, 2023 as compared to 4,152 Rs. million during the corresponding period of 2022. The earnings after tax have decreased to Rs. 1,534 million as compared to Rs. 3,316 million earned during corresponding period of 2022. The decrease is predominantly attributed to an impairment loss of Rs. 1,202 million that was recognized on the investment made in Anemone Holdings Limited, Mauritius as detailed below. The finance cost of the Company has increased by Rs. 574 million during the current period due to utilization of long-term loans for acquisition of shares of Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) and the increase in interest rates.

COMPLETION OF ACQUISITION OF SHAREHOLDING IN HOECHST PAKISTAN LIMITED (FORMERLY SANOFI-AVENTIS PAKISTAN LIMITED ('HPL'))

Pursuant to the share purchase agreement with Sanofi Foreign Participations B.V., the Company has completed the acquisition of 35% shareholding in Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) ('HPL') on April 28, 2023, at a negotiated purchase price of Rs 940 per share. The Company now has a total shareholding of 41.07% in HPL. The management of the Company has made a detailed assessment under IFRS 10 and considers HPL to be its subsidiary as it has de facto control over it.

IMPAIRMENT LOSS ON EQUITY INSTRUMENTS OF ANEMONE HOLDINGS LIMITED, MAURITIUS ('AHL')

Flexible Packages Convertors (Proprietary) Limited, South Africa ('FPC') is an entity based in South Africa which is principally engaged in the manufacture & sale of flexible packaging material. Packages Limited, through its wholly owned subsidiary, Anemone Holdings Limited, Mauritius ('AHL'), controls 63.5% of the shareholding of FPC. FPC recorded an unaudited loss before tax of ZAR 99 million in 2022 which tightened its already constrained working capital. As also disclosed in note 19.1.1 of the audited unconsolidated financial statements of the Company for the year ended December 31, 2022; the deteriorating financial performance and tough economic conditions coupled with low sales to key customers, unfavorable product mix and higher than anticipated variable and fixed costs furthered the cash burden on the working capital of FPC which started restraining the production capacity. Resultantly, Packages Limited carried out an estimate of the recoverable amount of the net assets and determined it to be lower than the carrying amount, therefore, an impairment loss of PKR 687 million was recognized in the unconsolidated financial statements for the year ended December 31, 2022.

During the nine months' period ended September 30, 2023, FPC recorded further losses which coupled with the capping of outflow of remittances outside Pakistan on account of national economic scenario and hence non-remittance of investment proceeds to FPC, pushed it into further financial distress. Consequently, FPC was put under a legally mandated restructuring process to assess its profitability prospects and viability of operations. This restructuring

assessment has been completed whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPC is unable to meet its liabilities towards creditors.

The BRP, in accordance with the applicable laws called for a meeting of the creditors to evaluate either to liquidate FPC or sell it as a going concern to repay outstanding creditors. The BRP has notified that the creditors have collectively voted in favor of the sale to a third party to partly settle their outstanding debts, subject to applicable regulatory approvals. Accordingly, the Company recognized an additional loss of PKR 1,202 million in its financials for the nine months' period.

FUTURE OUTLOOK

Economic conditions would remain a challenge going forward with expected lower demand and the Group Companies are diligently working to mitigate the risks arising from the current economic challenges. We expect that the Group Companies will continue to manage margins as effectively as possible.

COMPANY'S STAFF AND CUSTOMERS

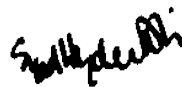
The management is thankful to the Company's stakeholders for their continuing confidence.

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



Towfiq Habib Chinoy
(Chairman)

Lahore, October 26, 2023



Syed Hyder Ali
(Chief Executive Officer & Managing
Director)

Lahore, October 26, 2023

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے کنڈینسڈ عبوری غیر مربوط مالیاتی حسابات کیلئے ڈائریکٹرز کی جائزہ رپورٹ

ٹیکسز لمیٹڈ کے ڈائریکٹرز اپنے شیئر ہولڈرز کو 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے کمپنی کے کنڈینسڈ عبوری غیر آڈٹ شدہ مالیاتی حسابات کے ساتھ نو ماہ کی رپورٹ پیش کرتے ہوئے خوش ہیں۔

مالیاتی اور آپریشنل کارکردگی

30 ستمبر 2022 کے مقابلے میں 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے غیر آڈٹ شدہ مالیاتی نتائج کا موازنہ درج ذیل ہے:

جولائی-ستمبر	جولائی-ستمبر	جولائی-ستمبر	جولائی-ستمبر	
2023	2023	2022	2022	
				(روپے ملین میں)
1,379	4,089	1,371	4,152	ڈیویڈنڈ آمدنی
145	419	129	362	کرایہ کی آمدنی
1,338	3,920	1,346	4,013	ای بی آئی ٹی
(457)	(1,027)	(193)	(453)	مالیاتی اخراجات
-	(1,202)	-	-	سرمایہ کاری پر خسارہ
21	155	34	95	دیگر (اخراجات)/آمدنی-خالص
902	1,846	1,188	3,656	قبل از ٹیکس آمدنی
(55)	(312)	(89)	(340)	ٹیکس
847	1,534	1,098	3,316	بعد از ٹیکس آمدنی
9.48	16.45	12.29	36.39	بنیادی آمدنی فی شیئر-PKR

ٹیکسز لمیٹڈ ایک ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور اس کی کارکردگی کا تعین پاکستان کے اندر اور باہر واقع اس کی گروپ کمپنیوں کی مالی کارکردگی سے ہوتا ہے، جو کہ عام اقتصادی ماحول سے متاثر ہوگی۔ ڈیویڈنڈ کی آمدنی ٹیکسز لمیٹڈ کی آمدنی کا بڑا ذریعہ ہے۔ نتیجے کے طور پر، اس کی آمدنی کا پینن گروپ کمپنیوں کے ڈیویڈنڈ کی تقسیم کے پینن کی پیروی کرے گا۔ انتظامیہ کا خیال ہے کہ یہ کارپوریٹ ڈھانچہ گروپ کمپنیوں کے مرکوز انتظام کے لیے سازگار ہے اور بہتر آپریشننگ کارکردگی کا باعث ہے۔

کمپنی نے 30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے دوران اپنی گروپ کمپنیوں سے 4,089 ملین روپے ڈیویڈنڈ کی آمدنی حاصل کی ہے جو 2022 کی اسی مدت کے دوران 4,152 ملین روپے تھی۔ ٹیکس کے بعد کی آمدنی 2022 کی اسی مدت کے دوران 3,316 ملین روپے کے مقابلے کم ہو کر 1,534 ملین روپے ہو گئی ہے۔ یہ کمی بنیادی طور پر 1,202 ملین روپے کی خرابی کے نقصان کی وجہ سے ہے جسے اسٹیمون ہولڈنگز لمیٹڈ، مارشس میں گئی سرمایہ کاری پر تسلیم کیا گیا جیسا کہ ذیل میں تفصیل ہے۔ بکسٹ پاکستان لمیٹڈ (سابقہ سنونی)۔ ایونٹس پاکستان لمیٹڈ کے حصص کے حصول کے لیے طویل مدتی قرضوں کے استعمال اور شرح سود میں اضافے کی وجہ سے موجودہ مدت کے دوران کمپنی کی مالیاتی لاگت میں 574 ملین روپے کا اضافہ ہوا ہے۔

بکسٹ پاکستان لمیٹڈ (سابقہ سنونی)۔ ایونٹس پاکستان لمیٹڈ ('HPL') میں شیئر ہولڈنگ کے حصول کی تکمیل

سنونی غیر ملکی شرکت BV، کے ساتھ حصص کی خریداری کے معاہدے کے مطابق، کمپنی نے بکسٹ پاکستان لمیٹڈ (سابقہ سنونی)۔ ایونٹس پاکستان لمیٹڈ ('HPL') میں 28 اپریل 2023 کو بحساب 940 روپے فی شیئر 35 فیصد شیئر ہولڈنگ کا حصول مکمل کر لیا ہے۔ کمپنی کے پاس اب HPL میں کل 41.07 فیصد حصہ داری ہے۔ کمپنی کی انتظامیہ نے IFRS 10 کے تحت ایک تفصیلی جائزہ لیا ہے اور HPL کو اپنا ذیلی ادارہ سمجھتا ہے کیونکہ اس کا اس پر ڈی فیکٹو کنٹرول ہے۔

فلکسیبل پیکیجنگ کورٹرز (پراپرٹی) لمیٹڈ، جنوبی افریقہ ('FPC') جنوبی افریقہ میں مقیم ایک ادارہ ہے جو بنیادی طور پر فلکسیبل پیکیجنگ مواد کی تیاری اور فروخت میں مصروف ہے۔ پیکیجنگ لمیٹڈ، اپنی مکمل ملکیتی ذیلی کمپنی، انیمون ہولڈنگز لمیٹڈ، مارشس ('AHL') کے ذریعے FPC کے 63.5 فیصد شیئرز ہولڈنگ کو کنٹرول کرتی ہے۔ ایف پی سی نے 2022 میں 99 ZAR ملین کا ٹیکس سے قبل غیر آڈٹ شدہ نقصان ریکارڈ کیا جس نے اس کے پہلے سے ہی محدود کام کرنے والے سرمائے کو سخت کر دیا۔ جیسا کہ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ غیر منفقہ مالیاتی بیانات کے نوٹ 19.1.1 میں بھی انکشاف کیا گیا ہے۔ بگڑتی ہوئی مالیاتی کارکردگی اور سخت معاشی حالات کے ساتھ ساتھ اہم صارفین کو کم فروخت، نامناسب مصنوعات کی آمیزش اور متوقع متغیر اور مقررہ لاگت سے زیادہ نے FPC کے ورکنگ کپیٹل پر نقد بوجھ بڑھا دیا جس نے پیداواری صلاحیت کو روکنا شروع کر دیا۔ نتیجتاً، پیکیجنگ لمیٹڈ نے خالص اثاثوں کی قابل وصولی رقم کا تخمینہ لگایا اور اسے لے جانے والی رقم سے کم ہونے کا تعین کیا، لہذا، 31 دسمبر 2022 کو ختم ہونے والے سال کے غیر مربوط مالیاتی بیانات میں 687 ملین روپے کے نقصان کو تسلیم کیا گیا۔

30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے دوران، ایف پی سی نے مزید نقصانات ریکارڈ کیے جس کے ساتھ ساتھ قومی اقتصادی منظر نامے کی وجہ سے پاکستان سے باہر ترسیلات زر کے بہاؤ کو محدود کر دیا گیا اور اس وجہ سے ایف پی سی کو سرمایہ کاری کی رقم کی عدم ترسیل نے اسے مزید مالی پریشانی میں دھکیل دیا۔ نتیجتاً، ایف پی سی کو اس کے منافع کے امکانات اور آپریشنز کے قابل عمل ہونے کا اندازہ لگانے کے لیے قانونی طور پر لازمی ری سٹرکچرنگ کے عمل کے تحت رکھا گیا۔ یہ تنظیم نو کا جائزہ مکمل ہو گیا ہے جس کے تحت قانونی طور پر مقرر کردہ برنس ریسکیو پریکٹیشنز ('BRP') نے اس بات کی تصدیق کی کہ FPC قرض دہندگان کے لیے اپنی ذمہ داریوں کو پورا کرنے سے قاصر ہے۔

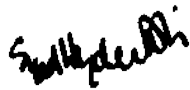
بی آر پی نے قابل اطلاق قوانین کے مطابق قرض دہندگان کی میٹنگ طلب کی ہے تاکہ یہ جائزہ لیا جاسکے کہ یا تو ایف پی سی کو ختم کر دیا یا بقایا قرض دہندگان کو ادائیگی کرنے کے لیے اسے فروخت کیا جائے۔ BRP نے مطلع کیا ہے کہ قرض دہندگان نے اجتماعی طور پر کسی تیسرے فریق کو فروخت کے حق میں ووٹ دیا ہے تاکہ ان کے بقایا جات قرضوں کو جزوی طور پر طے کیا جاسکے، جو قابل اطلاق ریگولیشنز منظور یوں سے مشروط ہے۔ اس کے مطابق، کمپنی نے 9 ماہ کی مدت کے لیے اپنے مالیات میں 1,202 ملین روپے کے اضافی نقصان کا احاطہ کیا ہے۔

مستقبل کا پس منظر

متوقع کم طلب کے ساتھ آگے بڑھتے ہوئے معاشی حالات ایک چیلنج رہیں گے اور گروپ کمپنیاں موجودہ معاشی چیلنجوں سے پیدا ہونے والے خطرات کو کم کرنے کے لیے تندی سے کام کر رہی ہیں۔ ہم امید کرتے ہیں کہ گروپ کمپنیاں ممکنہ حد تک منافع کی موثر مینجمنٹ جاری رکھیں گی۔

کمپنی کا عملہ اور صارفین

انتظامیہ کمپنی کے اسٹیک ہولڈرز کے مسلسل اعتماد کے لیے ان کی شکرگزار ہے۔ انتظامیہ ان تمام ملازمین کا بھی شکریہ ادا کرنا چاہتی ہے جنہوں نے انتھک محنت کی ہم ان کی محنت، وفاداری اور لگن کی تعریف کرتے ہیں۔



سید حیدر علی

(چیف ایگزیکٹو آفیسر اور ڈائریکٹر)



توفیق حبیب چنائے

(چیرمین)

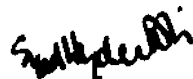
لاہور، 26 اکتوبر، 2023

PACKAGES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

		September 30, 2023	December 31, 2022			September 30, 2023	December 31, 2022
Note		Un-audited	Audited	Note		Un-audited	Audited
(Rupees in thousand)				(Rupees in thousand)			
EQUITY AND LIABILITIES				ASSETS			
CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised share capital				Property, plant and equipment	8	307,923	338,873
150,000,000 (December 31, 2022: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000	Investment properties		1,536,325	1,463,166
22,000,000 (December 31, 2022: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000	Intangible assets		1,316	1,583
Issued, subscribed and paid up share capital				Long term investments	9	57,348,597	50,572,456
89,379,504 (December 31, 2022: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795	Long term loan to subsidiary	10	250,000	-
8,186,842 (December 31, 2022: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222	Long term security deposits		2,602	2,692
Other reserves		50,119,314	44,128,251	Deferred tax asset		46,676	4,676
Revenue reserve: Un-appropriated profits		1,832,362	4,320,002			59,493,439	52,383,446
Total equity		53,451,693	49,948,270				
NON-CURRENT LIABILITIES							
Long term finances from financial institutions	6	6,751,400	4,045,150				
Long term advances		22,544	19,310				
Employee retirement benefits		845,059	758,526				
Accumulating compensated absences		81,149	67,534				
		7,700,152	4,890,520				
CURRENT LIABILITIES				CURRENT ASSETS			
Current portion of non-current liabilities		687,500	537,500	Other receivables		978,327	1,354,050
Short term borrowings from financial institutions - secured		235	-	Income tax receivable		2,136,326	2,170,370
Trade and other payables		564,215	538,893	Short term investments		150,000	150,000
Unclaimed dividend		83,771	59,741	Cash and bank balances		759,378	159,959
Unpaid dividend		220,283	-			4,024,031	3,834,379
Accrued finance cost		809,621	242,901				
		2,365,625	1,379,035				
		63,517,470	56,217,825			63,517,470	56,217,825

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



Chief Executive Officer



Director



Chief Financial Officer

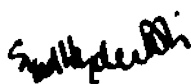
PACKAGES LIMITED

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

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

	Note	Three-month period ended		Nine-month period ended	
		September 30,	September 30,	September 30,	September 30,
		2023	2022	2023	2022
		Un-audited	Un-audited	Un-audited	Un-audited
		(Rupees in thousand)			
Dividend income	11	1,378,572	1,370,700	4,088,777	4,152,147
Rental income		144,449	128,522	419,064	362,393
Operating revenue		1,523,021	1,499,222	4,507,841	4,514,540
Administrative expenses		(185,395)	(156,693)	(581,590)	(501,233)
Net reversal/(impairment) on financial assets		64	3,723	(5,937)	240
Impairment on investments		-	-	(1,201,648)	-
Other expenses		-	(10,132)	(3,697)	(40,112)
Other income		20,965	44,226	158,371	135,518
Operating profit		1,358,655	1,380,346	2,873,340	4,108,953
Finance cost		(456,738)	(192,622)	(1,027,057)	(453,449)
Profit before taxation		901,917	1,187,724	1,846,283	3,655,504
Taxation		(54,456)	(89,385)	(312,237)	(339,551)
Profit for the period		847,461	1,098,339	1,534,046	3,315,953
Earnings per share in Rupees	12				
Basic		9.48	12.29	16.45	36.39
Diluted		9.05	11.54	16.45	34.83

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



Chief Executive Officer



Director



Chief Financial Officer

PACKAGES LIMITED

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

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

	<u>Three month period ended</u>		<u>Nine-month period ended</u>	
	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>(Rupees in thousand)</u>			
Profit for the period	847,461	1,098,339	1,534,046	3,315,953
Other comprehensive income/(loss) for the period:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Change in fair value of investments held at fair value through other comprehensive income ('FVOCI')	2,383,622	(364,924)	4,491,063	(93,019)
	2,383,622	(364,924)	4,491,063	(93,019)
Total comprehensive income for the period	<u>3,231,083</u>	<u>733,415</u>	<u>6,025,109</u>	<u>3,222,934</u>

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

Chief Executive Officer

Director

Chief Financial Officer

PACKAGES LIMITED

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

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid up share capital		Reserves				Capital and reserves	
	Ordinary share capital	Preference shares / convertible stock	Capital reserves		Revenue reserves		Total	
			Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	Total
	(Rupees in thousand)							
Balance as on January 01, 2022 (audited)	893,795	606,222	3,766,738	16,908,827	1,615,000	20,060,333	4,307,565	48,158,480
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,250,000	(1,250,000)	-
Transaction with preference shareholders								
Participating dividend on preference shares /convertible stock							(63,749)	(63,749)
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2021 of Rs 27.5 per ordinary share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Total comprehensive income for the period ended September 30, 2022								
Profit for the period	-	-	-	-	-	-	3,315,953	3,315,953
Other comprehensive loss for the period	-	-	-	(93,019)	-	-	-	(93,019)
	-	-	-	(93,019)	-	-	3,315,953	3,222,934
Balance as on September 30, 2022 (un-audited)	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>16,815,808</u>	<u>1,615,000</u>	<u>21,310,333</u>	<u>3,851,832</u>	<u>48,859,728</u>
Balance as at January 1, 2023 (audited)	893,795	606,222	3,766,738	17,436,180	1,615,000	21,310,333	4,320,002	49,948,270
Appropriation of reserves								
Transfer to general reserve	-	-	-	-	-	1,500,000	(1,500,000)	-
Transaction with preference shareholders								
Participating dividend on preference shares /convertible stock - note 12	-	-	-	-	-	-	(63,749)	(63,749)
Transaction with owners in their capacity as owners, recognised directly in equity								
Final dividend for the year ended December 31, 2022 of Rs.27.5 per share	-	-	-	-	-	-	(2,457,937)	(2,457,937)
Profit for the period	-	-	-	-	-	-	1,534,046	1,534,046
Other comprehensive income for the period	-	-	-	4,491,063	-	-	-	4,491,063
	-	-	-	4,491,063	-	-	1,534,046	6,025,109
Balance as on September 30, 2023 (un-audited)	<u>893,795</u>	<u>606,222</u>	<u>3,766,738</u>	<u>21,927,243</u>	<u>1,615,000</u>	<u>22,810,333</u>	<u>1,832,362</u>	<u>53,451,693</u>

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



Chief Executive Officer



Director



Chief Financial Officer

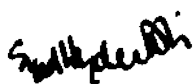
PACKAGES LIMITED

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

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

	Note	Nine-month period ended	
		September 30,	September 30,
		2023	2022
		Un-audited	Un-audited
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	15	553,499	67,146
Finance cost paid		(379,309)	(341,191)
Income tax paid		(320,193)	(318,601)
Long term security deposits - net		89	2,433
Net payments for accumulated compensated absences		(826)	(1,996)
Employee benefit obligations paid		(8,160)	(5,232)
Dividends received		4,001,198	4,152,147
Net cash inflow from operating activities		3,846,298	3,554,706
Cash flows from investing activities			
Payments for property, plant and equipment		(74,753)	(232,498)
Investments made in equity instruments		(3,473,092)	(3,034,348)
Long term loan to subsidiary - net		(250,000)	-
Long term advances - net		1,986	9,339
Proceeds from sales of property, plant and equipment		(30,132)	45,102
Net cash outflow from investing activities		(3,825,991)	(3,212,405)
Cash flows from financing activities			
Repayment of long term finances		(343,750)	-
Proceeds from long term finances		3,200,000	2,100,000
Dividend paid		(2,277,373)	(2,505,473)
Net cash inflow / (outflow) from financing activities		578,877	(405,473)
Net increase/(decrease) in cash and cash equivalents		599,184	(63,172)
Cash and cash equivalents at the beginning of the period		159,959	347,029
Cash and cash equivalents at the end of the period	16	759,143	283,857

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



Chief Executive Officer



Director



Chief Financial Officer

PACKAGES LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023

1. Legal status and nature of business

Packages Limited (the 'Company') is a public company limited by shares incorporated in Pakistan in 1956 under the repealed Companies Act, 1913 (now, the Companies Act, 2017). The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 4th floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

The principal activities of the Company are to rent out its land and buildings and to manage investments in subsidiary companies, associates and joint ventures, engaged in various businesses including manufacturing of packaging materials, tissue, consumer products, industrial inks, paper, paperboard products and corrugated boxes, biaxially oriented polypropylene ('BOPP') and cast polypropylene ('CPP') films, ground calcium carbonate products, corn based starch products, insurance, power generation, real estate and biopharmaceutical products.

2. Basis of preparation

2.1 Statement of compliance

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

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

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

2.2 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017 (the 'Act').

These unconsolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

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

3. Significant accounting policies

3.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended December 31, 2022 except for the estimation of income tax (see note 5) and adoption of new and amended standards as set out in note 3.2.

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

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRS) are effective for accounting period beginning on January 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4. Accounting estimates

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

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Company for the year ended December 31, 2022, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5. Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes. Where different income tax rates apply to different categories of income, a separate rate is applied to each category of pre-tax income.

6. Long term finances from financial institutions

	September 30, 2023	December 31, 2022
	Un-audited	Audited
	(Rupees in thousand)	
Preference shares / convertible stock - unsecured	932,650	932,650
Long term loans - secured	6,506,250	3,650,000
	<u>7,438,900</u>	<u>4,582,650</u>
Current portion shown under current liabilities	(687,500)	(537,500)
	<u>6,751,400</u>	<u>4,045,150</u>

7. Contingencies and commitments

7.1. Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Company for the year ended December 31, 2022, except for the following matters. Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of these matters. Consequently, no provision for these amounts has been made in these unconsolidated condensed interim financial statements.

(i) Claims against the Company by ex-employees not acknowledged as debts amounting to Rs 11.620 million (December 31, 2022: Rs 11.620 million).

(ii) With reference to the matter disclosed in note 21.3(d) of the annual audited financial statements of the Company for the year ended December 31, 2022 wherein a demand of Rs 515.70 million was created in respect of sales tax periods from January 2019 to December 2019, the Commissioner Inland Revenue - Appeals ('CIR-A') through his order STA/204/LTO/2023/70 dated April 18, 2023 has accepted all of the contentions of the Company and has set aside all of the demands created except for an input tax claim amounting to Rs 211.900 million. CIR-A has directed the Deputy Commissioner Inland Revenue ('DCIR') to reconsider the demand in light of the documentary evidence that has been provided by the Company.

Being aggrieved by the decision of the CIR-A, DCIR has filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') that the order of CIR-A be set aside and the order of DCIR should be restored.

(iii) With reference to the matter disclosed in note 21.3(e) of the annual audited financial statements of the Company for the year ended December 31, 2022 wherein a demand of Rs 1,170 million was created in respect of sales tax periods from January 2018 to December 2018, the CIR-A through his order STA/205/LTO/2023/107 dated April 26, 2023 has accepted all of the contentions of the Company and has set aside all of the demands created except for an input tax claim amounting to Rs 641.931 million. CIR-A, regarding this input tax claim, has directed the DCIR to confront the Company under specific provisions of the law and inference is to be drawn after duly rebutting each and every argument of the Company.

Being aggrieved by the decision of the CIR-A, DCIR has filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') that the order of CIR-A be set aside and the order of DCIR should be restored.

7.2. Commitments in respect of

(i) Letter of credit and contracts for other than capital expenditure is Rs. 14,562 million (2022: Rs. 11,559)

8. Property, plant and equipment		September 30,	December 31,
		2023	2022
		Un-audited	Audited
(Rupees in thousand)			
Operating fixed assets	- note 8.1 & 8.1.1	278,989	330,660
Capital work-in-progress		28,934	8,213
		<u>307,923</u>	<u>338,873</u>

8.1. Operating fixed assets

Opening net book value		330,660	167,138
Additions during the period / year	- note 8.1.1	64,410	220,506
Disposals during the period / year at net book value		(30,258)	(51,757)
Transfer out to investment property		(57,936)	-
Depreciation charged during the period / year		(27,887)	(5,227)
		<u>(116,081)</u>	<u>(56,984)</u>
Closing net book value		<u>278,989</u>	<u>330,660</u>

8.1.1. Additions during the period / year

		September 30,	December 31,
		2023	2022
		Un-audited	Audited
(Rupees in thousand)			
Other equipment (computers and other office equipment)		9,255	21,073
Furniture and fixtures		217	47
Vehicles		54,938	199,386
		<u>64,410</u>	<u>220,506</u>

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

The management has, on the basis of assessment of fair value of the said portion of land by independent valuers, as appointed by the Court, and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, recognised an expense of Rs 67.5 million (2022: Rs 30.00 million) in respect of rent for the year from January 2023 to September 2023.

9. Long term investments

Opening balance		50,572,456	46,922,876
Add: Investments made during the period / year	- note 9.1	3,486,726	3,809,348
Changes in the fair value of equity investments at FVOCI		4,491,063	527,353
Impairment loss on equity instruments of subsidiary	- note 9.2	(1,201,648)	(687,121)
Closing balance		<u>57,348,597</u>	<u>50,572,456</u>

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

Anemone Holdings Limited	-	236,777
Systems Limited	-	15,648
Tri-Pack Films Limited	-	1,159,650
Packages Investments Limited	2,500	-
StarchPack (Private) Limited	250,000	1,400,000
Packages Trading FZCO, Dubai - subsidiary	61,101	-
Hoechst Pakistan Limited	- note 9.1.1	3,173,125
		997,273
		3,486,726
		3,809,348

9.1.1 Pursuant to the share purchase agreement with Hoechst Pakistan Limited (Formerly Sanofi-aventis Pakistan Limited) Foreign Participations B.V., Packages Limited has acquired 35% shareholding in Hoechst Pakistan Limited (Formerly Sanofi-aventis Pakistan Limited) on April 28, 2023 at a negotiated purchase price of Rs 940 per share. Packages Limited now has a total shareholding of 41.07% in Hoechst Pakistan Limited. The management of Packages Limited has made a detailed assessment under IFRS 10 and considers Hoechst Pakistan Limited to be its subsidiary as it has de-facto control over it.

9.2 Flexible Packages Convertors (Proprietary) Limited ('FPCPL') is an entity based in South Africa which is principally engaged in the manufacturing and sale of flexible packaging material. Packages Limited, through its wholly owned subsidiary, Anemone Holdings Limited, Mauritius ('AHL'), controls 63.50% of the shareholding of FPCPL. As disclosed in note 19.1.1 to the audited annual unconsolidated financial statements of Packages Limited for the year ended December 31, 2022, FPCPL was experiencing deteriorating financial performance, and was suffering from operating losses. Based on its unaudited financial statements for the year ended December 31, 2022, it incurred a loss before tax of ZAR 99 million (Rs 1,155.330 million approximately). Resultantly, Packages Limited carried out an estimate of the recoverable amount of this investment and determined it to be lower than the carrying amount, therefore, an impairment loss of Rs 687.121 million was recognized in the unconsolidated financial statements for the year ended December 31, 2022.

During the nine months period ended September 30, 2023, based on its unaudited financial information, FPCPL has incurred a loss before tax of ZAR 38 million (Rs 579.880 million approximately) which, coupled with the capping of outflow of remittances outside Pakistan on account of national economic scenario and hence non-remittance of investment proceeds to FPCPL, pushed it into further financial distress.

The deteriorating financial performance and tough economic conditions coupled with low sales to key customers, unfavorable product mix and higher than anticipated variable and fixed costs furthered the cash burden on the working capital of FPCPL which started restraining the production capacity.

Consequently, FPCPL was put under a legally mandated restructuring process under the laws of South Africa to assess its profitability prospects and viability of operations. This restructuring assessment has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPCPL is unable to meet its liabilities towards its creditors. The BRP, in accordance with the applicable laws called for a meeting of the creditors to evaluate either to liquidate FPCPL or to sell it as a going concern to repay outstanding creditors. The creditors have collectively voted in favor of the sale to a third party to partly settle their outstanding debts, subject to applicable regulatory approvals. Consequently, the Company does not expect any future inflow from this investment. Under these circumstances, the Company has fully impaired its investment and has recognized a loss of Rs 1,201.648 million in these unconsolidated condensed interim financial statements.

10. During the current period, the Company entered into an unsecured interest bearing long-term loan facility agreement with its wholly owned subsidiary, StarchPack (Private) Limited ("SPAC") for a five year period (including two years' grace period) of PKR 750 million for meeting the future funding needs of SPAC. The facility carries mark-up at the rate of six-month KIBOR plus a spread of 15bps per annum on the balance outstanding, payable semi-annually. Out of the aggregate loan amount, SPAC was disbursed PKR 250 million in the current period.

11. Dividend income

	Three-month period ended		Nine-months period ended	
	September 30 2023	September 30 2022	September 30 2023	September 30 2022
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
Dividend income from related parties	930,066	805,066	3,293,362	3,258,081
Dividend income from others	448,506	565,634	795,415	894,066
	1,378,572	1,370,700	4,088,777	4,152,147

11.1. Dividend income from related parties

DIC Pakistan Limited	-	-	274,908	274,908
Tri-Pack Films Limited	-	-	134,360	349,335
IGI Holdings Limited	30,066	30,066	63,890	82,682
Bulleh Shah Packaging (Private) Limited	500,000	400,000	1,450,000	1,300,796
Packages Converters Limited	400,000	375,000	1,100,000	1,149,985
Omyapack (Private) Limited	-	-	24,750	24,750
Packages Real Estate (Private) Limited	-	-	113,438	75,625
Packages Lanka (Private) Limited	-	-	132,016	-
	930,066	805,066	3,293,362	3,258,081

		Three-month period ended		Nine-month period ended		
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	
12.	Earnings per share	Un-audited	Un-audited	Un-audited	Un-audited	
Basic earnings per share						
	Profit for the period	Rupees in thousand	847,461	1,098,340	1,534,046	3,315,953
	Participating preference dividend	Rupees in thousand	-	-	(63,749)	(63,749)
	Net profit attributable to ordinary shareholders	Rupees in thousand	847,461	1,098,340	1,470,297	3,252,204
	Weighted average number of ordinary shares	Number	89,379,504	89,379,504	89,379,504	89,379,504
	Basic earnings per share	Rupees	9.48	12.29	16.45	36.39
Diluted earnings per share						
	Profit for the period	Rupees in thousand	847,461	1,098,340	1,534,046	3,315,953
	Return on preference shares / convertible stock - net of tax	Rupees in thousand	35,286	27,837	104,709	82,604
			882,747	1,126,177	1,638,755	3,398,557
	Weighted average number of ordinary shares	Number	89,379,504	89,379,504	89,379,504	89,379,504
	Weighted average number of notionally converted preference shares / convertible stock	Number	8,186,842	8,186,842	8,186,842	8,186,842
			97,566,346	97,566,346	97,566,346	97,566,346
	Diluted earnings per share	Rupees	9.05	11.54	16.45	34.83

13. Transactions with preference shareholders

This represents the additional entitlement of the preference shareholders. In addition to the preferred right of return at the rate of 10 percent per annum, either in cash or ordinary shares on a non-cumulative basis till the date of settlement of preference shares / convertible stock, the preference shareholders also have the right to share the excess amount with the ordinary shareholders on an as-converted basis in case the amount of dividend per share paid to an ordinary shareholder exceeds that paid to a preference shareholder. Since ordinary dividend of Rs 27.50 per share was approved for the year ended December 31, 2022 (December 31, 2021: dividend of Rs 27.50 per share), which exceeded the preferred return for that year, the additional preference dividend to be paid to the preference shareholders has been distributed to the preference shareholders as participating dividend and charged directly to the equity.

14. Transactions and balances with related parties

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

Relationship with the Company	Nature of transactions	Nine months ended	
		September 30	September 30
		2023	2022
		Un-audited	Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	59	307
	Dividend income	3,204,722	3,150,649
	Investment made	3,236,726	1,759,650
	Rental income and others	409,916	354,010
	Management and technical fee	53,565	52,082
	Loan provided	250,000	
ii. Joint ventures	Dividend income	24,750	24,750
	Rental income and others	1,702	-
iii. Associates	Insurance premium paid	43,774	30,213
	Brokerage commission	5,378	-
	Dividend income	63,890	82,682
	Dividend paid	734,448	734,448
	Insurance claims received	-	4
	Rental income and others	3,267	2,940
Purchase of goods & services	-	2,100	
iv. Retirement obligations	Expense charged in respect of retirement benefit plans	74,104	94,548
	Dividend paid	77,892	77,892
v. Key management personnel	Salaries and other employee benefits	78,500	32,832
	Directors' meeting fee	7,500	5,875
	Dividend paid	88,396	87,651
vi. Other related party	Donations made	20,339	24,040

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

Period / year end balances

	September 30 2023	December 31 2022
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
- Subsidiaries	811,476	1,110,621
- Joint ventures	2,089	15,746
- Associates	63,803	6,828
Payable to related parties		
- Subsidiaries	9,965	15,028
- Associates	2,283	7,084
- Other related party	1,934	1,934
- Retirement benefit obligations	9,027	7,747

15. Cash flow information

15.1. Cash generated from operations

	Nine months ended	
	September 30 2023	September 30 2022
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	1,846,283	3,655,504
Adjustments for non-cash items:		
- Depreciation on owned assets	27,887	17,970
- Depreciation on investment properties	34,916	35,439
- Amortisation on intangible assets	266	386
- Present value adjustment of long term liability	(1,690)	(4,608)
- Provision for accumulating compensated absences	14,441	13,316
- Provision for retirement benefits	94,693	61,138
- Gain on sale of operating fixed asset	(126)	(15,453)
- Accrued Income	(2,547)	-
- Exchange adjustment net	(42,011)	28,732
- Finance cost	1,027,057	453,449
- Impairment loss on equity investment	1,201,648	-
- Impairment/(reversal) of impairment on financial assets	5,937	(240)
- Liabilities no longer payable written back	(17,130)	(17,353)
- Dividend income	(4,088,777)	(4,152,147)
Profit before working capital changes	100,847	76,133
Effect on cash flow due to working capital changes		
- Decrease in loans, advances, deposits, prepayments and other receivables	485,743	67,888
- Decrease in trade and other payables	(33,091)	(76,875)
	452,652	(8,987)
	553,499	67,146

16. Cash and cash equivalents

Cash and bank balances	759,378	284,092
Finances under mark up arrangements - secured	(235)	(235)
	759,143	283,857

17. Financial risk management

17.1. Financial risk factors

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

The unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.

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

17.2. Fair value estimation

a) Fair value hierarchy

The different levels for fair value estimation used by the Company have been defined as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed above. The following table presents the Company's significant financial assets measured and recognised at fair value at Sep 30, 2023 and December 31, 2022 on a recurring basis:

As at September 30, 2023	Un-audited			
	Level 1	Level 2	Level 3	Total
(Rupees in thousand)				
Assets				
Recurring fair value measurements				
Investments - FVOCI	25,927,797	-	5,025	25,932,822
Liabilities	-	-	-	-
Audited				
As at December 31, 2022	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
Investments - FVOCI	21,436,734	-	5,025	21,441,759
Liabilities	-	-	-	-

There were no reclassifications of financial assets and no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

18. Date of authorisation for issue

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

19. Corresponding figures

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

Chief Executive Officer

Director

Chief Financial Officer

DIRECTORS' REVIEW REPORT ON THE CONSOLIDATED CONDENSED INTERIM UN-AUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

The Directors of Packages Limited (the 'Parent Company') take pleasure in presenting the consolidated condensed interim un-audited financial statements of the Group for the nine months ended September 30, 2023.

Comparison of the un-audited consolidated results of the nine months ended September 30, 2023, as against September 30, 2022, is as follows:

	Jan – Sep 2023	Jan - Sep 2022
	(Rupees in million)	
Revenue – net	119,738	90,250
Profit from operations	21,533	13,500
Other expenses - net	(1,718)	(1,158)
Finance costs	(9,448)	(4,717)
Share of profit in associates and joint venture – net of tax	158	141
Investment income	795	894
Net gain on acquisition of subsidiary	2,857	1,994
Profit before taxation	14,177	10,654
Taxation	(5,253)	(3,326)
Profit after tax	8,925	7,328
Basic EPS	89.44	77.71

We are pleased to report that the core manufacturing operations have shown a significantly improved performance in a challenging and competitive environment. During the nine months of current year, the Group has achieved net sales of Rs 119,738 million against net sales of Rs 90,250 million achieved during corresponding period of last year representing sales growth of 33% with an operating profit of Rs 21,533 million as compared to Rs 13,500 million generated during corresponding period of last year, mainly on account of revenue growth and cost controls.

On April 28, 2023, the transaction of acquiring 3,375,665 shares (representing 35.00% shareholding) of Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) ('HPL')

from Sanofi Foreign Participants B.V was completed. The Parent Company now owns 41.07% in HPL resulting in becoming a subsidiary of Packages Limited and is therefore included within the unaudited consolidated condensed interim un-audited financial statements. Identified assets acquired, liabilities assumed or incurred of HPL have been carried at fair value at acquisition date i.e., April 28, 2023, and the investment in associate has been deemed disposed at its fair value at the acquisition date. This has resulted in a provisional net gain under business combination amounting to Rs 2,857 million recognised in the financial statements of the Group. The Parent Company also recorded a bargain purchase gain of Rs 1,994 million recorded on the acquisition of increased shareholding of Tri-Pack Films Limited in the corresponding period of last year.

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

PACKAGES CONVERTORS LIMITED

Packages Convertors Limited ('PCL') is an un-listed public limited wholly owned subsidiary of the Group, which is principally engaged in the manufacture and sale of packaging materials, tissue products & sanitary napkins. PCL has achieved net sales of Rs 46,852 million during the nine months of current year 2023 as compared to Rs 35,694 million in the comparable period of the prior year representing sales growth of 31%. PCL has generated profit before tax of Rs 4,852 million during the nine months of current year 2023 as compared to Rs 1,972 million in the comparable period of the prior year. The improved performance of the company relates to reduced wastage, product mix, timely passing of the inflationary cost increases to customers and effective working capital management.

BULLEH SHAH PACKAGING (PRIVATE) LIMITED

Bulleh Shah Packaging (Private) Limited ('BSPL') is a wholly owned subsidiary of the Group, which is principally engaged in the manufacturing and conversion of paper and paper board and corrugated boxes. BSP has achieved net sales of Rs 46,946 million during the nine months of current year 2023 as compared to Rs 34,713 million in the comparable period of the prior year representing sales growth of 35%. BSPL has generated profit before tax of Rs 2,740 million during the nine months of current year 2023 as compared to Rs 4,474 million in the comparable period of the prior year. The decreased profitability is mainly on account of increased finance cost, decreased volumes and exchange losses. Moving forward, BSPL will focus on improving operating results through volume growth, tighter cost control and effective working capital management.

DIC PAKISTAN LIMITED

DIC Pakistan Limited ('DICP') is an un-listed public limited subsidiary of the Group, which is principally engaged in the manufacturing, processing, and selling of industrial inks. DICP has achieved net sales of Rs 8,289 million during the nine months of current year 2023 as compared to Rs 6,734 million in the comparable period of the prior year representing sales growth of 23%. DICP has generated profit before tax of Rs 1,487 million during the nine months of current year 2023 as compared to Rs 703 million in the comparable period of the prior year. The improved performance of the company relates to timely passing of the inflationary cost increases to customers, improved cost control measures and favourable sales mix.

TRI-PACK FILMS LIMITED

Tri-Pack Films Limited ('TPFL') a listed public limited subsidiary of the Group, which is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) films. TPFL has achieved net sales of Rs 18,473 million during the nine months of current year 2023 as compared to Rs 18,419 million in the comparable period of the prior year representing stagnant sales mainly on account of volume decrease. TPFL has generated profit before tax of Rs 1,500 million during the nine months of current year 2023 as compared to Rs 1,052 million in the comparable period of the prior year. The improved performance of the company relates to customer prioritization, product portfolio optimization and effective working capital management.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited ('PLL') is a Sri-Lankan subsidiary of the Group, which is principally engaged in the production & sale of flexible packaging. PLL has achieved net sales of SLR 3,558 million during the nine months of current year 2023 as compared to SLR 3,072 million in the comparable period of the prior year representing sales growth of 16%. PLL has generated profit before tax of SLR 597 million during the nine months of current year 2023 as compared to SLR 580 million in the comparable period of the prior year.

PACKAGES REAL ESTATE (PRIVATE) LIMITED

Packages Real Estate (Private) Limited ('PREL') is a subsidiary of the Group, which is principally engaged in the business of all types of construction activities and development of real estate. PREL currently operates "Packages Mall" and lease office space to corporate customers. PREL has achieved net revenue of Rs 3,946 million during the nine months of current year 2023 as compared to Rs 3,326 million in the comparable period of the prior year representing revenue growth of 19%. PREL has generated profit before tax of Rs 490 million during the nine months of current year 2023 as compared to Rs 583 million in the comparable period of the prior year. The decrease in profitability is mainly on account of increased finance costs on borrowings for expansion projects.

FLEXIBLE PACKAGES CONVERTORS (PROPRIETARY) LIMITED

Flexible Packages Convertors (Proprietary) Limited, South Africa ('FPC') was an entity based in South Africa which is principally engaged in the manufacture & sale of flexible packaging material. Packages Limited, through its wholly owned subsidiary, Anemone Holdings Limited, Mauritius ('AHL'), controlled 63.5% of the shareholding of FPC. FPC recorded an unaudited loss before tax of ZAR 99 million in 2022 which tightened its already constrained working capital. As also disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2022, the deteriorating financial performance and tough economic conditions coupled with low sales to key customers, unfavourable product mix and higher than anticipated variable and fixed costs furthered the cash burden on the working capital of FPC which started restraining the production capacity. Resultantly, the Parent Company carried out an estimate of the recoverable amount of the net assets and determined it to be lower than the carrying amount, therefore, an impairment loss of Rs 1,056 million was recognized in the unconsolidated financial statements for the year ended December 31, 2022. During the nine months period ended September 30, 2023, FPC recorded a further losses which coupled with the capping of outflow of remittances outside Pakistan on account of national economic scenario and hence non-remittance of investment proceeds to FPC, pushed it into further financial distress. Consequently, FPC was put under a legally mandated restructuring process to assess its profitability prospects and viability of operations. This restructuring assessment has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPC is unable to meet its liabilities towards creditors. The BRP, in accordance with the applicable laws called for a meeting of the creditors to evaluate either to liquidate FPC or sell it as a going concern to repay outstanding creditors. The BRP has notified that the creditors have collectively voted in favour of the sale to a third party to partly settle their outstanding debts, subject to applicable regulatory approvals. An adjustment of Rs 364 million has been recognized in these unaudited consolidated condensed interim un-audited financial statements.

HOECHST PAKISTAN LIMITED (FORMERLY SANOFI-AVENTIS PAKISTAN LIMITED)

Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) ('HPL') is a listed subsidiary of the Group, which is principally engaged in the manufacturing, selling and trading of pharmaceutical and related products. HPL has achieved net revenue of Rs 15,879 million during the nine months of current year 2023 as compared to Rs 14,045 million in the comparable period of the prior year representing revenue growth of 13%. HPL has generated profit before tax of Rs 276 million during the nine months of current year 2023 as compared to profit before tax of Rs 834 million in the comparable period of the prior year. The decrease in profitability is mainly on account of input raw material increases which have not been passed on to customers pending regulatory approvals. These approvals are being vigorously followed up by the company and expects these to materialize shortly which is expected to translate into improved operational performance.

STARHPACK (PRIVATE) LIMITED

StarchPack (Private) Limited is a wholly owned subsidiary which will be principally engaged in the manufacture and sale of corn-based starch products, its derivatives and by-products. The Company is expected to start commercial operations in Q4 2023, and it is expected to bring good value addition for the shareholders.

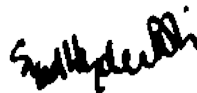
GROUP'S STAFF AND CUSTOMERS

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



Towfiq Habib Chinoy
(Chairman)

Lahore, October 26, 2023



Syed Hyder Ali
(Chief Executive Officer & Managing
Director)

Lahore, October 26, 2023

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے مربوط عبوری غیر آڈٹ شدہ مالیاتی گوشواروں پر ڈائریکٹرز کی جائزہ رپورٹ۔

پیکجیز لمیٹڈ کے ڈائریکٹرز ('پیرنٹ کمپنی') 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے گروپ کے مربوط عبوری غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے غیر آڈٹ شدہ مجموعی نتائج کا موازنہ 30 ستمبر 2022 کے مقابلے میں درج ذیل ہے:

جنوری - ستمبر 2022	جنوری - ستمبر 2023	
		(روپے ملین میں)
90,250	119,738	ریونیو - خالص
13,500	21,533	آپریشنز سے منافع
(1,158)	(1,718)	دیگر اخراجات - خالص
(4,717)	(9,448)	مالیاتی لاگت
141	158	ایسوسی ایٹس اور جوائنٹ وینچر میں منافع کا حصہ - خالص ٹیکس
894	795	سرمایہ کاری کی آمدنی
1,994	2,857	ذیلی ادارے کے حصول پر خالص منافع
10,654	14,177	منافع قبل از ٹیکس
(3,326)	(5,253)	ٹیکس
7,328	8,925	منافع بعد از ٹیکس
77.71	89.44	بنیادی EPS

ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ گروپ کے کلیدی مینوفیکچرنگ آپریشنز نے ایک چیلنجنگ اور مسابقتی ماحول میں نمایاں طور پر بہتر کارکردگی دکھائی ہے۔ موجودہ سال نو ماہ کے دوران، گروپ نے 119,738 ملین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کے دوران حاصل کی گئی 90,250 ملین روپے کی خالص فروخت کے مقابلے میں 33% اضافے کی نشاندہی کرتی ہے جس کے ساتھ گزشتہ سال کے دوران حاصل ہونے والے 21,533 ملین روپے کے مقابلے میں موجودہ سال کا 13,500 ملین روپے کا منافع اضافے کی نمائندگی کرتا ہے، جس کے اسباب بنیادی طور پر آمدنی میں اضافہ اور محدود اقتصادی ماحول میں لاگت کو قابو کرنے کی موثر تدابیر ہیں۔

28 اپریل 2023 کو ہسٹ پاکستان لمیٹڈ (سابقہ سنونی ایونٹس پاکستان لمیٹڈ) ('HPL') کے 3,375,665 شیئرز کا حصول (35.00% شیئر ہولڈنگ کی نمائندگی کرتے ہوئے) سنونی غیر ملکی شرکاء B.V سے حاصل کرنے کی خریداری مکمل ہوئی۔ پیرنٹ کمپنی اب HPL میں 41.07% کی مالک ہے جس کے نتیجے میں پیکیجز لمیٹڈ کا ذیلی ادارہ بن گیا ہے اور اس لیے اسے غیر آڈٹ شدہ مربوط عبوری غیر آڈٹ شدہ مالیاتی گوشوارے میں شامل کیا گیا ہے۔ حاصل کردہ اثاثوں کی شناخت، HPL کی فرض کی گئی ذمہ داریوں کے حصول کی تاریخ یعنی 28 اپریل 2023 کو مناسب قیمت پر لے جایا گیا ہے، اور ذیلی کمپنی میں سرمایہ کاری کو حصول کی تاریخ پر اس کی مناسب قیمت پر مکمل کیا گیا ہے۔ اس کے نتیجے میں کاروباری امتزاج کے تحت 2,857 ملین روپے کا عبوری خالص فائدہ ہوا ہے جو گروپ کے مالی گوشواروں میں تسلیم کیا گیا ہے۔ پیرنٹ کمپنی نے گزشتہ سال کی اسی مدت میں ٹرائی پیک فلز لمیٹڈ کی بڑھی ہوئی شیئر ہولڈنگ کے حصول پر 1,994 ملین روپے کا بارگین میں خریداری کا فائدہ بھی ریکارڈ کیا۔

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

پیکیجز کنورٹرز لمیٹڈ

پیکیجز کنورٹرز لمیٹڈ ('PCL') گروپ کا ایک غیر لسٹڈ پبلک لمیٹڈ مکمل ملکیتی ذیلی ادارہ ہے، جو بنیادی طور پر پیکیجنگ مواد، ٹشو مصنوعات اور سینیٹری ٹیمپس کی تیاری اور فروخت میں مصروف عمل ہے۔ پی سی ایل نے رواں سال 2023 نومبر کے دوران 46,852 ملین روپے کی خالص فروخت حاصل کی ہے جو گزشتہ سال کے مقابلے کی مدت میں 35,694 ملین روپے ہے جو کہ اس مدت کے مقابلے میں 31 فیصد کی فروخت میں اضافہ ظاہر کرتی ہے۔ پی سی ایل نے رواں سال 2023 نومبر کے دوران 4,852 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو گزشتہ سال کی مدت کے مقابلے میں 1,972 ملین روپے تھا۔ کمپنی کی بہتر کارکردگی کا تعلق وٹسٹج میں کمی کا واقع ہونا، مصنوعات کی آمیزش، صارفین کے لیے مہنگائی کی لاگت میں اضافہ اور موثر عامل سرمائے کی موثر مینجمنٹ سے ہے۔

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ ('BSPL') گروپ کا مکمل ملکیتی ذیلی ادارہ ہے، جو بنیادی طور پر کاغذ اور کاغذی بورڈ اور کور و گلیڈ ٹیکس کی تیاری اور تبدیلی میں مصروف ہے۔ بی ایس پی نے نومبر کے دوران 46,946 ملین روپے کی خالص فروخت حاصل کی ہے۔ موجودہ سال 2023 میں گزشتہ سال کے مقابلے کی مدت میں 34,713 ملین روپے کی فروخت کے مقابلے میں 35 فیصد کا اضافہ ظاہر کرتی ہے۔ بی ایس پی ایل نے رواں سال 2023 نومبر کے دوران 2,740 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو گزشتہ سال کے مقابلے کی مدت میں 4,474 ملین روپے تھا۔ منافع میں کمی بنیادی طور پر مالیاتی لاگت میں اضافہ، حجم میں کمی اور زرمبادلہ کے نقصانات کی وجہ سے ہے۔ اس سلسلے میں پیش رفت کرتے ہوئے، BSPL حجم میں اضافے، لاگت میں کنٹرول اور موثر ورکنگ کیپٹل مینجمنٹ کے ذریعے آپریشنل نتائج کو بہتر بنانے پر توجہ مرکوز کرے گا۔

DIC پاکستان لمیٹڈ، ('DICP') پیکیجز لمیٹڈ کا ایک غیر لسٹڈ پبلک لمیٹڈ ماتحت ادارہ ہے۔ یہ بنیادی طور پر صنعتی سیاہی کی تیاری، پروسیسنگ اور فروخت میں مصروف ہے۔ کمپنی نے رواں سال 2023 نومبر کے دوران 8,289 ملین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کے 6,734 ملین روپے کی فروخت کے مقابلے میں 23% اضافے کی نمائندگی کرتی ہے۔ کمپنی نے سال 2023 نومبر کے دوران 1,487 ملین روپے کا قبل از ٹیکس منافع کمایا ہے جبکہ بالمقابل گزشتہ سال اسی مدت میں یہ منافع 703 ملین روپے تھا، جو وسائل کے موثر استعمال کی وجہ سے 13% اضافے کی نمائندگی کرتا ہے۔ کمپنی کی بہتر کارکردگی کا تعلق صارفین تک مہنگائی کی لاگت میں اضافے، لاگت پر قابو پانے کے بہتر اقدامات اور سازگار سیلز مکس کے موثر انتظام سے بروقت عہدہ براہونے سے ہے۔

ٹرائی پیک فلمز لمیٹڈ

ٹرائی پیک فلمز لمیٹڈ ('TPFL') گروپ کا ایک لسٹڈ پبلک لمیٹڈ ذیلی ادارہ، جو بنیادی طور پر Biaxially Oriented Polypropylene (BOPP) فلم اور Cast Polypropylene (CPP) فلموں کی تیاری اور فروخت میں مصروف عمل ہے۔ ٹی پی ایف ایل نے رواں سال 2023 نومبر کے دوران 18,473 ملین روپے کی خالص فروخت حاصل کی ہے جو گزشتہ سال کی مدت کے مقابلے میں 18,419 ملین روپے ہے۔ جو گزشتہ سال کی مدت کے مقابلے میں بنیادی طور پر حجم میں کمی کی وجہ سے فروخت میں جمود کی نمائندگی کرتی ہے۔ ٹی پی ایف ایل نے رواں سال 2023 نومبر کے دوران 1,500 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو گزشتہ سال کی مدت کے مقابلے میں 1,052 ملین روپے تھا۔ کمپنی کی بہتر کارکردگی کا تعلق گاہک کی ترجیحات، پروڈکٹ پورٹ فولیو کی اصلاح و بہتری اور عامل سرمایہ کی موثر مینجمنٹ سے ہے۔

پیکیجز لنکا (پرائیویٹ) لمیٹڈ

پیکیجز لنکا (پرائیویٹ) لمیٹڈ ('PLL') گروپ کا سری لنکن ذیلی ادارہ ہے، جو بنیادی طور پر پکچر پیکیجنگ کی تیاری اور فروخت میں مصروف عمل ہے۔ PLL نے رواں سال 2023 نومبر کے دوران 3,558 SLR ملین کی خالص فروخت حاصل کی ہے جو گزشتہ سال کے مقابلے میں 3,072 SLR ملین ہے جو گزشتہ سال کی مدت کے مقابلے میں 16% کی فروخت میں اضافہ ظاہر کرتی ہے۔ PLL نے رواں سال 2023 نومبر کے دوران 597 SLR ملین کا قبل از ٹیکس منافع حاصل کیا ہے جو گزشتہ سال کی مدت کے مقابلے میں 580 SLR ملین تھا۔

پیکیجز ریل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجز ریل اسٹیٹ (پرائیویٹ) لمیٹڈ ('PREL') گروپ کا ایک ذیلی ادارہ ہے، جو بنیادی طور پر ہر قسم کی تعمیراتی سرگرمیوں اور ریل اسٹیٹ کی ترقی کے کاروبار میں مصروف عمل ہے۔ PREL فی الحال "پیکیجز مال" چلا رہا ہے اور کارپوریٹ صارفین کو دفتر کی جگہ لیز پر فراہم کرتا ہے۔ PREL نے رواں سال 2023 نومبر کے دوران 3,946 ملین روپے کا خالص ریونیو حاصل کیا ہے جو گزشتہ سال کی مدت کے مقابلے میں 3,326 ملین روپے 19 فیصد آمدنی میں اضافہ ظاہر کرتا ہے۔ PREL نے رواں سال 2023 نومبر کے دوران 490 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو گزشتہ سال کے مقابلے میں 583 ملین روپے تھا۔ منافع میں کمی بنیادی طور پر توسیعی منصوبوں کے لیے قرض لینے پر مالیاتی اخراجات میں اضافے کی وجہ سے ہے۔

FLEXIBLE ٹیکسٹائل کنورٹرز (پروپرائیٹری) لمیٹڈ، جنوبی افریقہ میں واقع ایک ادارہ ہے جو بنیادی طور پر چکدار پیکیجنگ مواد کی تیاری اور فروخت میں مصروف عمل ہے۔ ٹیکسٹائل لمیٹڈ، مکمل ملکیتی ذیلی کمپنی، انیمون کے ہولڈنگز لمیٹڈ، مارشس ('AHL') کے ذریعے 63.5% کے شیئر FPC ہولڈنگ کے ذریعے کنٹرول کرتا ہے۔ 2022 میں 99 ملین کا غیر قبل از ٹیکس شدہ ZAR نقصان ریکارڈ کیا۔ جس نے اس کے پہلے سے ہی محدود عامل سرمائے کو محدود اور سخت کر دیا۔ جیسا کہ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ یکجا مالیاتی گوشواروں میں بھی ظاہر کیا گیا ہے۔ بگڑتی ہوئی مالی کارکردگی اور سخت معاشی حالات کے ساتھ ساتھ اہم صارفین کو کم فروخت، ناموافق مصنوعات کی آمیزش اور متوقع متغیر اور مقررہ اخراجات سے زیادہ ایف پی سی کے ورکنگ کپیٹل پر نقد باؤ کے باعث جس نے پیداواری صلاحیت کو روکنا شروع کر دیا۔ نتیجے کے طور پر، پیرنٹ کمپنی نے خالص اثاثوں کی وصولی کی رقم کا تخمینہ لگایا اور کیئرنگ رقم سے کم ہونے کا تعین کیا۔ لہذا 31 دسمبر 2022 کو ختم ہونے والے سال کے غیر متفقہ مالیاتی گوشوارے میں 1,056 ملین روپے کے نقصان کو تسلیم کیا گیا۔ 30 ستمبر 2023 کو ختم ہونے والی تیسری سہ ماہی کی مدت کے دوران، ایف پی سی نے مزید نقصانات ریکارڈ کیے جس کے ساتھ ساتھ قومی اقتصادی منظر نامے کی وجہ سے پاکستان سے باہر ترسیلات زر کے بہاؤ کو محدود کیا گیا اور اس وجہ سے ایف پی سی کو سرمایہ کاری کی رقم کی عدم ترسیل نے اسے مزید مالیاتی مشکل صورتحال سے دوچار کیا۔ نتیجتاً، ایف پی سی کو اس کے منافع کے امکانات اور آپریشنز کے قابل عمل ہونے کا اندازہ لگانے کے لیے قانونی طور پر لازمی ری سٹرکچرنگ کے عمل کے تحت رکھا گیا۔ یہ تنظیم نو کی جائزہ صورتحال میں مکمل کیا گیا ہے۔ جس کے تحت قانونی طور پر مقرر کردہ برنس ری سکیورٹی پر پیکیشنر ('BRP') نے اس بات کی تصدیق کی کہ FPC قرض دہندگان کے لیے اپنی ذمہ داریوں کو پورا کرنے سے قاصر ہے۔ بی آر پی نے قابل اطلاق قوانین کے مطابق قرض دہندگان کی میٹنگ طلب کی ہے تاکہ یہ جائزہ لیا جاسکے کہ یا تو ایف پی سی کو ختم کر دیا جائے یا بقایا قرض دہندگان کو ادائیگی کرنے کے لیے اسے فروخت کیا جائے۔ BRP نے مطلع کیا ہے کہ قرض دہندگان نے اجتماعی طور پر کسی تیسرے فریق کو فروخت کے حق میں ووٹ دیا ہے تاکہ ان کے بقایا قرضوں کو جزوی طور پر طے کیا جاسکے، جو قابل اطلاق ریگولیٹری منظور یوں سے مشروط ہے۔ ان غیر آڈٹ شدہ مربوط مالیاتی گوشواروں میں 364 ملین روپے کی ایڈجسٹمنٹ کا احاطہ کیا گیا ہے۔

ہکسٹ پاکستان لمیٹڈ (سابقہ سنونی) - ایونٹس پاکستان لمیٹڈ

ہکسٹ پاکستان لمیٹڈ (سابقہ سنونی) - ایونٹس پاکستان لمیٹڈ ('HPL') گروپ کا ایک لسٹڈ ذیلی ادارہ ہے، جو بنیادی طور پر دو سازی اور متعلقہ مصنوعات کی تیاری، فروخت اور تجارت میں مصروف عمل ہے۔ HPL نے رواں سال 2023 نومبر دوران 15,879 ملین روپے کا خالص ریونیو حاصل کیا ہے جو کہ گزشتہ سال کے مقابلے کی مدت میں 14,045 ملین روپے کے 13 فیصد آمدنی میں اضافے کو ظاہر کرتا ہے۔ HPL نے رواں سال 2023 نومبر کے دوران 276 ملین روپے کا قبل از ٹیکس منافع کمایا ہے جو کہ گزشتہ سال کے مقابلے کی مدت میں 834 ملین روپے کا ٹیکس سے پہلے منافع ہوا تھا۔ منافع میں کمی بنیادی طور پر ان پٹ خام مال میں اضافے کی وجہ سے ہے جو ریگولیٹری منظور یوں کے زیر التوا ہونے کے باعث صارفین کو نہیں دی گئی ہے۔ کمپنی کی جانب سے ان منظور یوں کی سختی سے پیروی کی جا رہی ہے اور توقع ہے کہ یہ جلد ہی عملی شکل اختیار کر لیں گے جس سے بہتر آپریشنل کارکردگی ظاہر ہونے کی امید ہے۔

سٹارچ پیک (پرائیویٹ) لمیٹڈ

سٹارچ پیک (پرائیویٹ) لمیٹڈ ایک مکمل ملکیتی ذیلی ادارہ ہے جو بنیادی طور پر کئی پر مبنی نشاستے کی مصنوعات، اس کے اخذ کردہ اور ضمنی مصنوعات کی تیاری اور فروخت میں مصروف ہوگا۔ توقع ہے کہ کمپنی 2023 کی چوتھی سہ ماہی میں تجارتی کارروائیاں شروع کرے گی، اور اس سے حصص یافتگان کے لیے اچھی قدر میں اضافے کی توقع ہے۔

گروپ کا عملہ اور صارفین

انتظامیہ گروپ کے اسٹیک ہولڈرز کے مسلسل اعتماد کے لیے ان کی شکرگزار ہے۔ انتظامیہ ان تمام ملازمین کا بھی شکریہ ادا کرنا چاہتی ہے جنہوں نے انتھک محنت کی۔ ہم ان کی محنت، وفاداری اور لگن کی تعریف کرتے ہیں۔

سید حیدر علی

سید حیدر علی

(چیف ایگزیکٹو آفیسر اور شیڈنگ ڈائریکٹر)

توفیق حبیب چنائے

توفیق حبیب چنائے

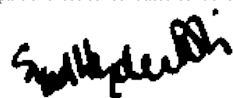
(چیئرمین)

لاہور، 26 اکتوبر، 2023

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Note	September 30, 2023	December 31, 2022	Note	September 30, 2023	December 31, 2022	
		Un-audited	Audited		Un-audited	Audited	
(Rupees in thousand)				(Rupees in thousand)			
EQUITY AND LIABILITIES				ASSETS			
CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital				Property, plant and equipment	8	88,452,504	60,929,247
150,000,000 (2022: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000	Right-of-use assets		169,608	287,999
22,000,000 (2022: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000	Investment properties		12,347,260	12,044,054
Issued, subscribed and paid up capital				Intangible assets	9	164,002	150,024
89,379,504 (2022: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795	Investments accounted for using the equity method	10	5,155,380	5,817,480
8,186,842 (2022: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222	Other long term investments	11	25,932,821	21,441,759
Other reserves		53,187,742	46,591,959	Long term security deposits		207,189	191,152
Equity portion of loan from shareholder of the Parent Company		277,219	277,219	Long term loans		2,061	316
Revenue reserve: Un-appropriated profits		17,528,321	13,492,287			132,430,825	100,862,031
Attributable to equity holders of the Parent Company		72,493,299	61,861,482				
Non-controlling interests		15,472,194	4,847,940				
TOTAL EQUITY		87,965,493	66,709,422				
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Long term finances from financial institutions	6	41,139,351	29,455,752	Stores and spares		5,768,747	3,810,529
Lease liabilities		169,734	279,789	Stock-in-trade		42,185,868	37,180,876
Security deposits		524,559	395,309	Short term investments		441,311	521,695
Deferred income		367,036	380,169	Trade debts		17,568,690	16,083,009
Deferred government grant		1,085,040	1,195,487	Loans, advances, deposits, prepayments and other receivables		10,652,603	7,161,541
Deferred taxation		6,275,492	5,489,139	Income tax receivable		5,122,617	4,680,025
Long term advances		264,762	215,404	Cash and bank balances		2,310,419	2,189,577
Employee benefit obligations		1,950,293	1,627,639			84,050,255	71,627,252
Accumulated compensated absences		525,417	470,408				
		52,301,684	39,509,096				
CURRENT LIABILITIES							
Current portion of non-current liabilities		4,545,928	7,149,479				
Short term borrowings from financial institutions - secured		36,415,833	35,662,097				
Trade and other payables		31,246,110	20,863,580				
Unclaimed dividend		115,935	82,041				
Accrued finance cost		3,890,097	2,513,568				
		76,213,903	66,270,765				
CONTINGENCIES AND COMMITMENTS							
	7	-	-				
		216,481,080	172,489,283			216,481,080	172,489,283

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



Chief Executive



Director



Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023

	Note	Three month period ended		Nine month period ended	
		September 30, 2023 (Rupees in thousand)	September 30, 2022	September 30, 2023 (Rupees in thousand)	September 30, 2022
Net revenue	12	43,829,064	32,472,641	119,738,010	90,249,969
Cost of sales and services		(33,911,152)	(25,921,975)	(89,501,853)	(70,752,140)
Gross profit		9,917,912	6,550,666	30,236,157	19,497,829
Administrative expenses		(1,324,096)	(995,019)	(3,527,980)	(2,800,091)
Distribution and marketing costs		(2,077,748)	(885,225)	(4,899,597)	(3,049,630)
Net impairment losses of on financials assets		(31,815)	(98,056)	(275,750)	(147,633)
Other expenses		(878,259)	(1,027,339)	(3,428,999)	(2,360,289)
Other income		302,404	123,061	1,710,906	1,202,552
Investment income	13	448,506	565,634	795,415	894,066
Share of net profit of associates and joint ventures accounted for using equity method		102,655	65,314	158,646	141,039
Operating profit		6,459,559	4,299,036	20,768,798	13,377,843
Finance costs		(3,548,272)	(2,091,638)	(9,448,288)	(4,717,214)
Gains relating to business combination		-	-	2,856,984	1,993,637
Profit before taxation		2,911,287	2,207,398	14,177,494	10,654,266
Taxation		(1,124,348)	(387,959)	(5,252,631)	(3,326,111)
Profit for the period		1,786,939	1,819,439	8,924,863	7,328,155
Profit attributable to:					
Equity holders of the Parent Company		1,379,779	1,736,144	8,057,720	7,009,728
Non-controlling interests		407,160	83,295	867,143	318,427
		1,786,939	1,819,439	8,924,863	7,328,155
Earnings per share attributable to equity holders of the Parent Company during the period	14				
Basic		Rupees 15.44	19.42	89.44	77.71
Diluted		Rupees 14.50	18.08	83.66	72.69

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


Chief Executive

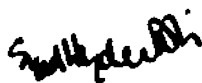

Director


Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023

	Three month period ended		Nine month period ended	
	September 30, 2023 (Rupees in thousand)	September 30, 2022	September 30, 2023 (Rupees in thousand)	September 30, 2022
Profit for the period	1,786,939	1,819,439	8,924,863	7,328,155
Other comprehensive profit / (loss) for the period				
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Change in fair value of equity investments at fair value through other comprehensive income ('FVOCI')	2,380,697	(364,924)	4,491,063	(93,019)
	2,380,697	(364,924)	4,491,063	(93,019)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net exchange differences on translation of foreign operations	(60,870)	74,799	393,935	(97,226)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method - net of tax	165,617	1,404	289,501	(48,873)
	104,747	76,203	683,436	(146,099)
Other comprehensive profit / (loss) for the period	2,485,444	(288,721)	5,174,499	(239,118)
Total comprehensive profit for the period	4,272,383	1,530,718	14,099,362	7,089,037
Total comprehensive profit attributable to:				
Equity holders of the Parent Company	3,878,967	1,411,254	13,153,503	6,821,740
Non-controlling interests	393,416	119,464	945,859	267,297
	4,272,383	1,530,718	14,099,362	7,089,037

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



Chief Executive



Director



Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023

	Attributable to equity holders of the Parent Company											Non-controlling interests	Total equity	
	Issued, subscribed and paid up capital		Reserves							Capital and reserves				
			Capital reserves			Revenue reserves				Total				
	Ordinary share capital	Preference shares / convertible stock reserve	Share premium	Exchange differences on translation of foreign operations	FVOCI reserve	Other reserves relating to associates and joint ventures	Transactions with non-controlling interests	Equity portion of loan from shareholder of the Parent Company	Capital redemption reserve	General reserve	Unappropriated profits			
	(Rupees in thousand)													
Balance as on January 1, 2022 (audited)	893,795	606,222	3,766,738	(136,089)	16,908,826	2,453,119	80,653	277,219	1,615,000	20,060,333	10,474,905	57,000,721	2,025,433	59,026,154
Appropriation of reserves														
Transferred to general reserve	-	-	-	-	-	-	-	-	-	1,250,000	(1,250,000)	-	-	-
Transactions with preference shareholders														
Participating dividend on preference shares / convertible stock	-	-	-	-	-	-	-	-	-	-	(63,749)	(63,749)	-	(63,749)
Transactions with owners recognized directly in equity														
Final dividend for the year ended December 31, 2021 Rs. 27.5 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Dividend relating to 2021 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(405,148)	(405,148)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(405,148)	(2,863,085)
Acquisition of subsidiary														
	-	-	-	-	-	-	-	-	-	-	-	-	3,253,026	3,253,026
Total comprehensive income / (loss) for the period ended September 30, 2022														
Profit for the period	-	-	-	(46,096)	(93,019)	(48,873)	-	-	-	-	7,009,728	7,009,728	318,427	7,328,155
Other comprehensive (loss) / income for the period	-	-	-	(46,096)	(93,019)	(48,873)	-	-	-	-	(187,988)	(187,988)	(51,130)	(239,118)
	-	-	-	(46,096)	(93,019)	(48,873)	-	-	-	-	7,009,728	6,821,740	267,297	7,089,037
Balance as on September 30, 2022 (un-audited)	893,795	606,222	3,766,738	(182,185)	16,815,807	2,404,246	80,653	277,219	1,615,000	21,310,333	13,712,947	61,300,775	5,140,608	66,441,383
Balance as on January 1, 2023 (audited)	893,795	606,222	3,766,738	(172,535)	17,436,179	2,555,591	80,653	277,219	1,615,000	21,310,333	13,492,287	61,861,482	4,847,940	66,709,422
Appropriation of reserves														
Transferred to general reserve	-	-	-	-	-	-	-	-	-	1,500,000	(1,500,000)	-	-	-
Transactions with preference shareholders														
Participating dividend on preference shares / convertible stock	-	-	-	-	-	-	-	-	-	-	(63,749)	(63,749)	-	(63,749)
Transactions with owners recognized directly in equity														
Final dividend for the year ended December 31, 2022 Rs. 27.5 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Final dividend for the year ended December 31, 2022 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(363,811)	(363,811)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(363,811)	(2,821,748)
Acquisition of Subsidiary														
	-	-	-	-	-	-	-	-	-	-	-	-	10,042,206	10,042,206
Total comprehensive income / (loss) for the period ended September 30, 2023														
Profit for the period	-	-	-	315,219	4,491,063	289,501	-	-	-	-	8,057,720	8,057,720	867,143	8,924,863
Other comprehensive income for the period	-	-	-	315,219	4,491,063	289,501	-	-	-	-	-	5,095,783	78,716	5,174,499
	-	-	-	315,219	4,491,063	289,501	-	-	-	-	8,057,720	13,153,503	945,859	14,099,362
Balance as on September 30, 2023 (un-audited)	893,795	606,222	3,766,738	142,684	21,927,242	2,845,092	80,653	277,219	1,615,000	22,810,333	17,528,321	72,493,299	15,472,194	87,965,493

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


Chief Executive


Director



Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023

	Note	Nine month period ended	
		September 30, 2023	September 30, 2022
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	17	26,786,916	2,725,234
Finance cost paid		(8,080,022)	(4,957,010)
Income tax paid		(3,999,106)	(2,278,170)
Long term security deposits - net		106,486	277,115
Long term loans and deposits - net		25,314	(36,286)
Payments for accumulating compensated absences		(85,190)	(8,311)
Employee benefit obligations paid		(34,518)	(24,088)
Net cash inflow from operating activities		14,719,880	(4,301,516)
Cashflow from investing activities			
Fixed capital expenditure		(19,398,563)	(14,573,207)
Investments made in equity securities		-	(1,012,921)
Proceeds from maturity of investments		-	2,251,000
Payment for acquisition of subsidiary - net of cash acquired		(3,076,959)	(6,587,613)
Insurance claim received		-	1,500,000
Proceeds from disposal of property, plant and equipment		230,227	948,750
Dividends received		884,055	1,001,498
Net cash outflow from investing activities		(21,361,240)	(16,472,493)
Cash flows from financing activities			
Proceeds from long term finances		17,895,084	16,128,474
Repayment of long term finances		(8,450,017)	(5,221,489)
Payment of lease liabilities		(77,109)	(37,126)
Participating dividend on preference shares		(63,749)	(63,749)
Dividend paid to equity holders of the Parent Company		(3,012,316)	(2,437,475)
Dividend paid to non-controlling interest		(363,811)	(405,148)
Net cash inflow from financing activities		5,928,082	7,963,487
Net (decrease) in cash and cash equivalents		(713,278)	(12,810,522)
Cash and cash equivalents at the beginning of the period		(32,950,825)	(17,658,643)
Cash and cash equivalents at the end of the period	18	(33,664,103)	(30,469,165)

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


Chief Executive


Director


Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2023

1. Legal status and nature of business

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

Packaging:	Representing manufacture and sale of packaging materials and tissue products
Consumer products:	Representing manufacture and sale of tissue products and sanitary napkins
Inks:	Representing manufacture and sale of finished and semi finished inks
Real estate:	Representing all types of construction activities and development of real estate
Paper and paperboard:	Representing manufacture and sale of paper and paperboard
Starch:	Representing manufacture and sale of corn based starch products
Plastics:	Representing manufacture and sale of BOPP & CPP films
Pharmaceuticals:	Representing manufacture and sale of bio pharmaceuticals products
Power generation:	Representing the development & management of hydropower project

The Group also holds investment in companies engaged in insurance business and production and sale of ground calcium carbonate products.

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

- 1.1.** In addition to the shares acquired on December 31, 2022 as mentioned in note 19.1.6 of the annual unconsolidated financial statements, the Parent Company - on April 28, 2023, acquired 3,375,680 shares from Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) Foreign Participations B.V pursuant to the Share Purchase Agreement ('Agreement') at a negotiated purchase price of Rs 940/share amounting to Rs 3,173.139 million (excluding transaction costs) which represents 35% of shareholding in HPL

The Parent Company now has a total shareholding of 41.07% in HPL and based on the concept of 'control' as stipulated in the International Financial Reporting Standard (IFRS) -10 'Consolidated Financial Statements', the Parent Company concludes that although the Parent Company has less than 50% voting rights in Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) yet, based on the absolute size of the Company's shareholding, the relative size of other shareholdings and the number of representation on HPL's Board of Directors, the Company has the ability to exercise control over HPL. Accordingly, the Company is deemed to be the Holding Company of HPL

2. Basis of preparation

2.1. Statement of compliance

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

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

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

- 2.2.** These consolidated condensed interim financial statements are un-audited. These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual financial statements.
- 2.3.** In order to comply with the requirements of the International Accounting Standard 34, the consolidated condensed interim statement of financial position has been compared with the balances of annual financial statements of the immediately preceding financial year, whereas, the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, condensed interim consolidated statement of changes in equity and consolidated condensed interim statement of cashflows have been compared with the balances of comparable period of the immediately preceding financial year.
- 2.4.** These consolidated condensed interim financial statements are presented in Pakistan Rupee which is also the Parent Company's functional currency.

3. Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended December 31, 2022, except for the adoption of new and amended standards as set out in note 3.1.

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 1, 2023, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

4. Accounting estimates

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

In preparing these consolidated condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Group for the year ended December 31 2022, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5. Taxation

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

6. Long term finances

		September 30, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
	Note		
Local currency loans - secured	6.1	44,411,352	34,944,123
Foreign currency loans - secured	6.2	-	202,546
		44,411,352	35,146,669
Preference shares / convertible stock - unsecured		932,650	932,650
Current portion shown under current liabilities		45,344,002	36,079,319
		(4,204,651)	(6,623,567)
		41,139,351	29,455,752
6.1. Local currency loans - secured			
Opening balance		34,944,123	19,813,255
Disbursements during the period / year		17,895,084	19,136,776
Repayments during the period / year		52,839,207	38,950,031
Acquisition of subsidiary - HPL	21.1	(8,436,855)	(7,143,022)
Acquisition of subsidiary - TPFL		9,000	-
Acquisition of subsidiary - TPFL		-	3,137,114
Closing balance		44,411,352	34,944,123
6.2. Foreign currency loans - secured			
Opening balance		202,546	255,269
Disbursements during the period / year		-	44,182
Repayments during the period / year		202,546	299,451
Adjustment on account of disposal of subsidiary		(13,162)	(43,699)
Exchange adjustment on opening balances	13	(184,351)	-
Exchange adjustment on opening balances		(5,033)	(53,206)
Closing balance		-	202,546

7. Contingencies and commitments

7.1. Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Parent Company for the year ended December 31, 2022, except for the following matters. Based on the advice of the Parent Company's tax advisor, the management believes that there are meritorious grounds to support the Parent Company's stance in respect of these matters. Consequently, no provision for these amounts has been made in these consolidated condensed interim financial statements.

- (i) With reference to the matter disclosed in note 21.3(d) of the annual audited financial statements of the Parent Company for the year ended December 31, 2022 wherein a demand of Rs 515.70 million was created in respect of sales tax periods from January 2019 to December 2019, the Commissioner Inland Revenue - Appeals ('CIR-A') through his order STA/204/LTO/2023/70 dated April 18, 2023 has accepted all of the contentions of the Company and has set aside all of the demands created except for an input tax claim amounting to Rs 211.900 million. CIR-A has directed the Deputy Commissioner Inland Revenue ('DCIR') to reconsider the demand in light of the documentary evidence that has been provided by the Company.

Being aggrieved by the decision of the CIR-A, DCIR has filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') that the order of CIR-A be set aside and the order of DCIR should be restored.

- (ii) With reference to the matter disclosed in note 21.3(e) of the annual audited financial statements of the Parent Company for the year ended December 31, 2022 wherein a demand of Rs 1,170 million was created in respect of sales tax periods from January 2018 to December 2018, the CIR-A through his order STA/205/LTO/2023/107 dated April 26, 2023 has accepted all of the contentions of the Company and has set aside all of the demands created except for an input tax claim amounting to Rs 641.931 million. CIR-A, regarding this input tax claim, has directed the DCIR to confront the Company under specific provisions of the law and inference is to be drawn after duly rebutting each and every argument of the Company.

Being aggrieved by the decision of the CIR-A, DCIR has filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') that the order of CIR-A be set aside and the order of DCIR should be restored.

7.2. Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs 9,598.651 million (2022: Rs 10,204.196 million)
(ii) Letters of credit and contracts for other than capital expenditure Rs 17,468.949 million (2022: Rs 9,427.247 million)

8. Property, plant and equipment

	Note	September 30, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
Operating fixed assets	8.2	59,137,289	43,124,512
Capital work-in-progress	8.3	29,176,300	17,325,877
Major spare parts and stand-by equipment		138,915	478,858
		88,452,504	60,929,247

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

The management has, on the basis of assessment of fair value of the said portion of land by independent valuers, as appointed by the Court, and its understanding of the prevalent market terms relating to rent of such properties in the vicinity of the said portion of land, recognised an expense of Rs 67.500 million (2022: Rs 60.000 million) in respect of rent for the year from January 2023 to June 2023.

	Note	September 30, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
8.2. Operating fixed assets			
Opening net book value		43,124,512	24,371,684
Additions during the period / year	8.2.1	6,866,074	10,718,910
		49,990,586	35,090,594
Disposals during the period / year at book value		(209,970)	(612,243)
Transfer to investment property		627,851	-
Acquisition of subsidiary	21.1	14,460,981	13,969,367
Adjustment on account of disposal of subsidiary	13	(1,609,880)	(715,932)
Depreciation charged during the period / year		(4,390,221)	(4,895,623)
Exchange adjustment on opening book value - net		267,942	288,349
		9,146,703	8,033,918
Closing net book value		59,137,289	43,124,512

8.2.1. Additions during the period / year

Freehold land	-	130,427
Buildings on freehold land	127,078	371,462
Buildings on leasehold land	121,592	5,546
Plant and machinery	5,911,081	8,782,656
Other equipment (computers, lab equipment and other office equipment)	264,394	535,943
Furniture and fixtures	16,102	36,346
Vehicles	425,827	856,530
	6,866,074	10,718,910

8.3. Capital work-in-progress

Civil works	4,361,429	1,865,723
Plant and machinery	23,328,714	12,163,161
Advances to suppliers	638,857	3,301,691
Others	847,300	(4,698)
	29,176,300	17,325,877

		September 30, 2023 Un-audited (Rupees in thousand)	December 31, 2022 Audited
9. Intangible assets			
Opening book value		150,024	383,154
Additions during the period / year		22,439	22,452
Acquisition of subsidiary	21.1	27,220	5,771
Impairment during the year		-	(266,363)
Amortization charged during the period / year		(35,681)	(38,425)
Exchange difference		-	43,435
Closing book value		<u>164,002</u>	<u>150,024</u>
10. Investments accounted for using the equity method			
Investments in associates	10.1	4,563,921	5,229,326
Investments in joint ventures	10.2	591,459	588,154
		<u>5,155,380</u>	<u>5,817,480</u>
10.1. Investments in associates			
Cost		1,875,651	1,875,651
Post acquisition share of profits			
Opening balance		3,353,675	3,274,573
Share of losses adjusted on acquisition		(31,243)	(63,354)
Share of profit from associates - net of tax		108,805	128,913
Share of other comprehensive loss - net of tax		289,501	96,225
Interest in associate transferred to interest in subsidiary - Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) (at carrying value)		(968,578)	-
Dividends received during the period / year		(63,890)	(82,682)
Closing balance		<u>2,688,270</u>	<u>3,353,675</u>
	10.1.1	<u>4,563,921</u>	<u>5,229,326</u>
10.1.1. Investment in equity instruments of associates - Quoted			
IGI Holdings Limited, Pakistan			
15,033,041 (2022: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2022: 10.54%)			
Market value - Rs. 1,252.102 million (2022: Rs. 1,428.139 million)	10.3	4,563,921	4,229,505
Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited)			
585,254 (2022: 585,254) fully paid ordinary shares of Rs.1,704.00 each			
Equity held 6.07% (2022: 6.07%)			
Market value Rs.2,772.643 million (2022: Rs. 560.673 million)	21.1	-	999,821
		<u>4,563,921</u>	<u>5,229,326</u>
10.2. Investments in joint ventures			
Opening balance		588,154	547,736
Share of profit from joint ventures - net of tax		81,085	58,921
Share of other comprehensive income from joint ventures - net of tax		-	6,247
Adjustment on account of disposal of subsidiary	13	(53,030)	-
Dividends received during the period / year		(24,750)	(24,750)
Closing balance	10.2.1	<u>591,459</u>	<u>588,154</u>
10.2.1. Investment in equity instruments of joint ventures - Unquoted			
Plastic Extrusions (Proprietary) Limited, South Africa			
Nil (2022: 500) fully paid ordinary shares of ZAR 1 each			
Equity held Nil (2022: 50%)	13	-	53,029
OmyaPack (Private) Limited, Pakistan			
49,500,000 (2022: 49,500,000) fully paid ordinary shares of Rs 10 each			
Equity held 50% (2022: 50%)		591,459	535,125
		<u>591,459</u>	<u>588,154</u>
10.3. The Parent Company's investment in IGI Holdings Limited is less than 20% but it is considered to be an associate as per the requirement of IAS 28 'Investments in Associates' because the Parent Company has significant influence over the financial and operating policies through representation on the board of directors of IGI Holdings Limited.			

Note	September 30,	December 31,
	2023 Un-audited (Rupees in thousand)	2022 Audited
11. Other long-term investments		
Quoted		
Nestle Pakistan Limited		
3,649,248 (2022: 3,649,248) fully paid ordinary shares of Rs 10 each		
Equity held 8.05% (2022: 8.05%)		
Cost - Rs 5,778.896 million (2022: Rs 5,778.896 million)	25,909,660	21,421,086
Systems Limited		
46,050 (2022: 45,050) fully paid ordinary shares		
Equity held 0.0159% (2022: 0.0159%)		
Cost - Rs 15,648 million (2022: Rs 15,648 million)	18,136	15,648
	25,927,796	21,436,734
Unquoted		
Pakistan Tourism Development Corporation Limited		
2,500 (2022: 2,500) fully paid ordinary shares of Rs 10 each	25	25
Coca-Cola Beverages Pakistan Limited		
500,000 (2022: 500,000) fully paid ordinary shares of Rs 10 each		
Equity held 0.0185% (2022: 0.0185%)	5,000	5,000
	5,025	5,025
	25,932,821	21,441,759

12. Net revenue	Three-month period ended		Nine month period ended	
	September 30, 2023 (Rupees in thousand)	September 30, 2022	September 30, 2023 (Rupees in thousand)	September 30, 2022
Local sales of goods and services	49,196,609	37,311,158	136,985,055	102,257,390
Export sales	1,900,581	2,445,089	5,311,871	3,307,758
	51,097,190	39,756,247	142,296,926	105,565,148
Less: Sales tax	6,394,706	6,909,158	18,608,501	14,476,821
Trade discounts	869,205	356,772	3,936,868	774,795
Commission	4,215	17,676	13,547	63,563
	7,268,126	7,283,606	22,558,916	15,315,179
Net revenue	43,829,064	32,472,641	119,738,010	90,249,969

13. During the nine months period ended September 30, 2023, FPC, Flexible Packages Convertors (Pty) Limited ('FPC') was put under a legally mandated restructuring process under the laws of South Africa to assess its profitability prospects and viability of operations. This restructuring assessment has been completed recently whereby the legally appointed Business Rescue Practitioner ('BRP') ascertained that FPC is unable to meet its liabilities towards its creditors. The BRP, in accordance with the applicable laws called for a meeting of the creditors to evaluate either to liquidate FPC or to sell it as a going concern to repay outstanding creditors. The creditors have collectively voted in favor of the sale to a third party to partly settle their outstanding debts, subject to applicable regulatory approvals. Consequently, the Parent Company does not expect any future inflow from this investment. Under these circumstances, the Group has derecognized the net assets of FPC and recognized an income of Rs 364.056 million as liabilities written back exceeds the assets disposed off within these consolidated condensed interim financial statements.

14. Earnings per share

Basic earnings per share

	Rupees in thousand		Rupees	
Profit for the period	1,379,779	1,736,144	8,057,720	7,009,728
Preference dividend paid		-	(63,749)	(63,749)
Weighted average number of ordinary shares	89,379,504	89,379,504	89,379,504	89,379,504
Basic earnings per share	15.44	19.42	89.44	77.71

Diluted earnings per share

	Rupees in thousand		Rupees	
Profit for the period	1,379,779	1,736,144	8,057,720	7,009,728
Return on preference shares / convertible stock - net of tax	35,286	27,535	104,709	82,604
	1,415,065	1,763,679	8,162,429	7,092,332
Weighted average number of ordinary shares	89,379,504	89,379,504	89,379,504	89,379,504
Weighted average number of notionally converted preference shares / convertible stock	8,186,842	8,186,842	8,186,842	8,186,842
	97,566,346	97,566,346	97,566,346	97,566,346
Diluted earnings per share	14.50	18.08	83.66	72.69

15. Transactions and balances with related parties

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

Relationship with the Group	Nature of transactions		
(i) Associates	Purchase of goods and services	37,252	26,409
	Sale of goods and services	7,801	24,768
	Dividend income	63,890	82,682
	Insurance premium paid	1,759,423	715,589
	Rental and other income	13,744	13,122
	Insurance claims received	616,628	2,970,855
	Management and technical fee - income	5,201	17,840
	Brokerage commission	5,378	-
	Dividend paid	771,948	808,203
(ii) Joint ventures	Purchase of goods and services	587,022	376,401
	Sale of goods and services	36,671	255,611
	Rental and other income	5,852	3,854
	Dividend income	24,750	24,750
(iii) Other related parties	Purchase of goods and services	808,338	1,340,037
	Sale of goods and services	352,557	256,772
	Rental and other income	1,797	1,634
	Royalty and technical fee - expense	99,785	71,766
	Commission earned	1,844	1,391
	Commission expense	-	1,629
	Investment	-	997,000
	Donations	69,012	86,392
	Dividend paid	275,025	247,448
(iv) Retirement benefit obligations	Expenses charged in respect of retirement plans	519,597	376,159
	Dividend paid	77,892	77,892
(v) Key management personnel	Salaries and other employee benefits	993,196	403,228
	Dividend paid	88,396	87,651
	Meeting fee	7,500	5,875

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

Period-end balances	September 30, 2023 Un-audited	December 31, 2022 Audited
	(Rupees in thousand)	
Receivable from related parties		
Associates	235,869	56,170
Joint ventures	47,102	176,625
Other related parties	26,527	15,125
Payable to related parties		
Associates	50,453	101,741
Joint venture	160,989	70,938
Other related parties	361,148	638,475
Retirement benefit obligations	385,940	53,352

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

16. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Paper and Paperboard		Real estate		Plastics		Pharma		Unallocated		Total	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
	(R u p e e s i n t h o u s a n d)																	
Revenue from external customers	45,688,787	39,664,521	11,544,961	7,326,050	8,288,724	6,734,474	32,983,997	24,240,134	3,946,453	3,325,968	19,939,068	18,716,463	9,600,879	-	(182,327)	486,637	131,810,542	100,494,247
Intersegment revenue	(2,306,253)	(1,640,912)	-	-	(1,371,285)	(1,306,498)	(6,860,831)	(5,237,884)	(67,404)	(20,226)	(1,466,759)	(2,038,758)	-	-	-	-	(12,072,532)	(10,244,278)
	43,382,534	38,023,609	11,544,961	7,326,050	6,917,439	5,427,976	26,123,166	19,002,250	3,879,049	3,305,742	18,472,309	16,677,705	9,600,879	-	(182,327)	486,637	119,738,010	90,249,969
Segment profit / (loss) before tax	5,036,116	3,100,720	1,835,734	957,483	1,487,370	702,533	1,807,866	3,605,545	489,948	582,598	1,499,424	429,560	665,399	-	1,541,877	2,951,349	14,363,734	12,329,788
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
Segment assets	33,008,544	30,891,577	8,888,625	7,606,161	6,264,763	4,802,406	56,914,844	53,157,169	13,434,327	13,532,066	30,120,136	23,727,077	23,485,846	-	44,363,995	38,733,938	216,481,080	172,450,394
Segment liabilities	24,986,191	9,720,959	2,042,499	1,183,564	4,091,740	2,978,994	35,535,645	9,059,409	9,860,532	9,916,178	18,012,921	13,664,429	5,259,727	-	116,691,825	63,548,662	216,481,080	110,072,195

Reconciliation of profit

	September 30, 2023	September 30, 2022
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	14,363,734	12,329,788
Profit from associates and joint ventures - net of dividends and impairment losses	158,646	141,039
Gains relating to business combination	2,856,684	1,993,637
Intercompany consolidation adjustments	(3,201,870)	(3,810,198)
Profit before tax	14,177,494	10,654,266

17. **Cash flow information**

17.1. **Cash generated from operations**

	Nine month period ended	
	September 30, 2023	September 30, 2022
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before tax	14,177,494	10,654,266
Adjustments for non-cash items:		
Depreciation on owned assets	4,390,221	2,433,442
Depreciation on right-of-use assets	32,679	122,675
Depreciation on investment properties	724,725	658,901
Amortization on intangible assets	35,681	25,941
Provision for accumulating compensated absences	87,169	115,540
Provision for employee benefit obligations	307,123	173,946
Provision for obsolete / slow-moving stores and spares	-	14,203
Adjustment on account of disposal of subsidiary	(364,056)	-
Provision for NRV write-down of stock-in-trade	-	25,394
Amortization of deferred income	(26,149)	(23,604)
Insurance gain on assets destroyed in fire	-	(610,503)
Profit on disposal of operating fixed assets	(20,257)	(318,198)
Finance costs	9,448,288	4,717,214
Amortization of deferred government grant	(75,728)	(17,558)
Net impairment losses/(reversal) on financial assets	275,750	147,633
Liabilities no longer payable written back	(22,566)	(26,612)
Exchange adjustments - net	2,602,998	1,053,238
Bargain purchase gain	(2,856,998)	(1,993,633)
Share of profits of associates and joint ventures accounted for using the equity method	(158,646)	(141,039)
Dividend income	(795,415)	(894,066)
Profit before working capital changes	27,762,313	16,117,180

Effect on cash flow due to working capital changes

Increase in trade debts	(2,390,273)	(3,815,847)
Increase in stores and spares	(1,861,523)	(197,079)
Decrease / (Increase) in stock-in-trade	420,403	(7,052,294)
Increase in loans, advances, deposits, prepayments and other receivables	(1,034,847)	(7,981,581)
Increase in trade and other payables	3,890,843	5,654,855
	(975,397)	(13,391,946)
	26,786,916	2,725,234

18. **Cash and cash equivalents**

Cash and bank balances	2,310,419	1,495,921
Short term investments	441,311	679,000
Finances under markup arrangements - secured	(36,415,833)	(32,644,086)
	(33,664,103)	(30,469,165)

19. **Financial risk management**

19.1. **Financial risk factors**

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

The consolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2022.

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

19.2. **Fair value estimation**
a) **Fair value hierarchy**

The different levels for fair value estimation used by the Group have been explained as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed above. The following table presents the Group's significant financial assets measured and recognised at fair value at September 30, 2023 and December 31, 2022 on a recurring basis:

As at September 30, 2023

	Un-audited			Total
	Level 1	Level 2 (Rupees in thousand)	Level 3	
Assets				
Recurring fair value measurement				
Investments - FVOCI	25,927,796	-	5,025	25,932,821
Liabilities				
	-	-	-	-

As at December 31, 2022

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

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

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

20. Detail of subsidiaries

Name of the subsidiaries	Accounting year end	Percentage of holding	Country of incorporation
Anemone Holdings Limited	December 31	100.00%	Mauritius
Bulleh Shah Packaging (Private) Limited	December 31	100.00%	Pakistan
Chantler Packages Inc.	December 31	73.03%	Canada
DIC Pakistan Limited	December 31	54.98%	Pakistan
Flexible Packages Converters (Proprietary) Limited	December 31	63.50%	South Africa
Linnaea Holdings Inc.	December 31	79.07%	Canada
Packages Convertors Limited	December 31	100.00%	Pakistan
Packages Investments Limited	December 31	100.00%	Pakistan
Packages Lanka (Private) Limited	December 31	79.07%	Sri Lanka
Packages Power (Private) Limited	December 31	100.00%	Pakistan
Packages Real Estate (Private) Limited	December 31	75.16%	Pakistan
StarchPack (Private) Limited	December 31	100.00%	Pakistan
Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited)	December 31	41.07%	Pakistan
Tri-Pack Films Limited	December 31	69.26%	Pakistan

21. Business combinations

21.1. Acquisition of Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited)

During the previous year, an Investor Consortium comprising of the Parent Company, IGI Investments (Private) Limited and affiliates of Arshad Ali Gohar Group, entered into a share purchase agreement ('Agreement') with Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) Foreign Participants B.V to purchase 5,069,000 shares of Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) ('HPL') representing a stake of 52.87% in the shareholding. However, this transfer of shares was to be executed after satisfaction of certain pre-conditions mentioned in the Agreement

During the period ended September 30, 2023 all conditions as enumerated in the Agreement were met, and on April 28, 2023 the 3,375,680 shares of Hoechst Pakistan Limited (Formerly sanofi-aventis Pakistan Limited) (representing a stake of 35% in the ordinary shareholding) were transferred to the Parent Company at a negotiated purchase price of Rs. 940 per share and hence increasing its shareholding to 41.07%. Based on the concept of 'control' as stipulated in the International Financial Reporting Standard (IFRS) - 10 'Consolidated Financial Statements', the Parent Company concluded that it has the ability to exercise control over HPL. Accordingly, the Packages Limited is deemed to be the Parent Company of HPL.

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

	(Rupees in
Purchase consideration	
Cash (net of acquisition-related costs)	3,158,032
Fair value of equity interest held in HPL held before the business combination	409,808
Total purchase consideration	3,567,840

The Group recognised a loss of Rs 558.77 million as a result of measuring at fair value its 6.07% equity interest in HPL held before the business combination. The loss has been

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

	Carrying amounts as at April 28, 2023	Fair value and other adjustments	Fair value as at April 28, 2023
	(Rupees in thousand)		
Assets			
Property, plant and equipment	1,824,791	12,915,855	14,740,646
Investment properties	32,378	568,744	601,122
Intangible assets	17,472	9,748	27,220
Long-term loans to employees	4,616	-	4,616
Long term loans and deposits	15,983	-	15,983
Stores and spares	96,695	-	96,695
Inventories	5,931,347	-	5,931,347
Trade debts	842,449	-	842,449
Loans, advances, deposits, prepayments and other receivables	-	-	-
Other receivables	215,603	-	1,855,022
Deferred assets	686,016	-	686,016
Trade deposits and short-term prepayments	180,225	(180,225)	-
Taxation - net	1,639,419	-	-
Cash and bank balances	1,395,632	-	1,395,632
	96,166	-	96,166
	12,978,792	13,314,122	26,292,914
Liabilities			
Deferred taxation - net	-	791,495	791,495
Retirement benefits	50,049	-	50,049
Deferred liabilities	18,937	-	18,937
Trade and other payables	7,591,897	-	7,591,897
Accrued finance cost	34,093	-	34,093
Contract liabilities	160,000	-	160,000
Current maturity of deferred liabilities	9,000	-	9,000
Unclaimed dividend	8,263	-	8,263
Unpaid dividend	2,283	-	2,283
Bank overdraft	585,990	-	585,990
	8,460,512	791,495	9,252,007
Fair value of net assets acquired			17,040,907
			Recognized value after measurement period (Rupees in thousand)
Fair value of identifiable net assets			17,040,907
Percentage of identifiable net assets acquired			41.07%
			6,998,700
Total purchase consideration			3,567,840
Gain on bargain purchase			3,430,860
The reconciliation of ' gains relating to business combination ' is as follows:			
Gain on bargain purchase recognized			3,430,860
Less:			
Loss recognized on measuring equity interest at fair value			558,770
Acquisition relating costs			15,106
			573,876
			2,856,984

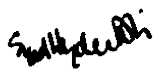
The initial accounting for the above figures is based on provisional figures as the management is in the process of determining the fair value of identifiable assets and liabilities. No measurement period adjustments have been recognised in the consolidated financial statements for the period ended September 30, 2023.

22. Date of authorization for issue

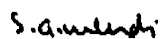
These condensed interim unaudited consolidated financial statements were authorized for issue on October 26, 2023 by the Board of Directors of the Parent Company.

23. Corresponding figures

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



Chief Executive



Director



Chief Financial Officer



Packages Limited

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