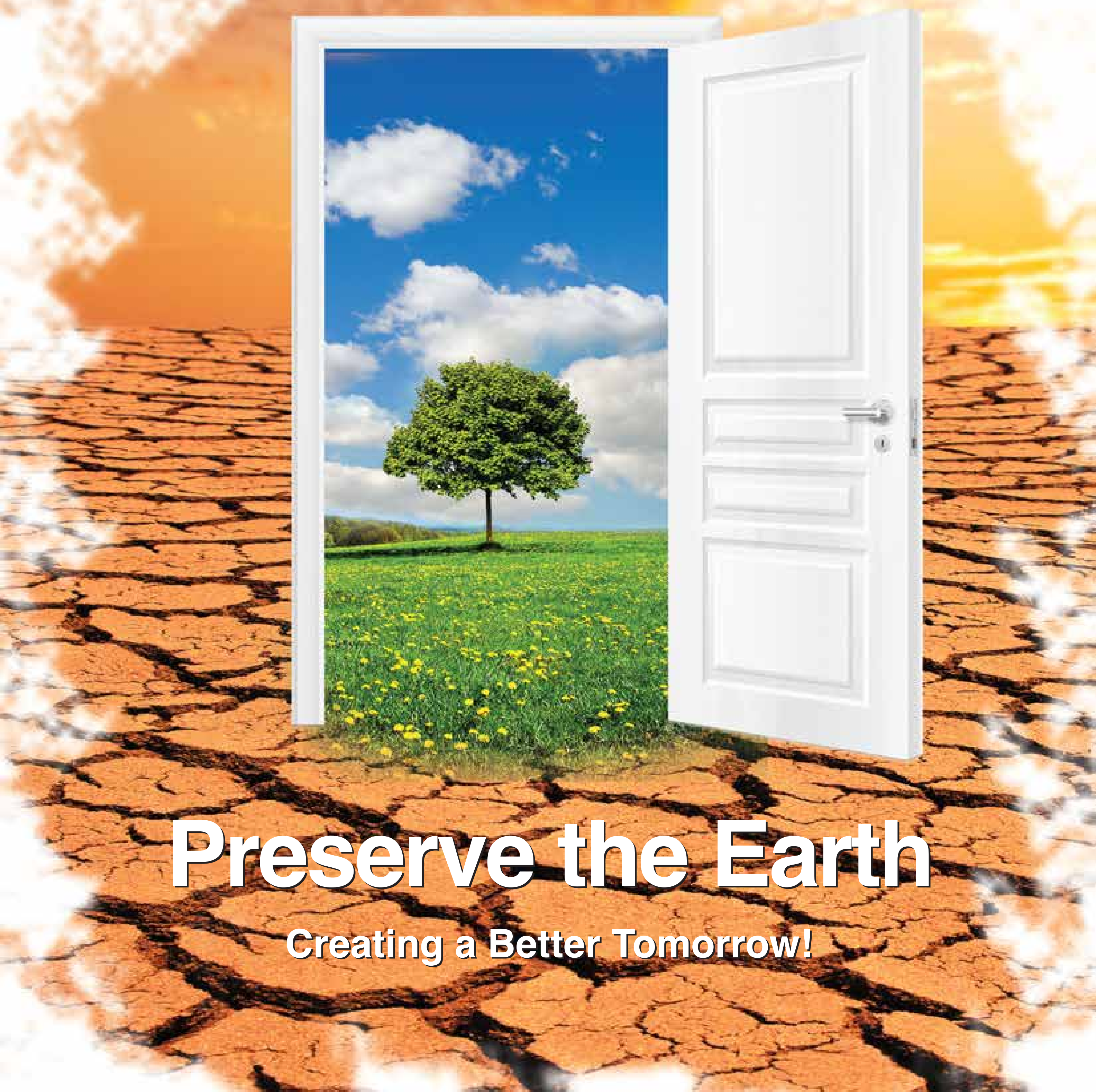
Packages Limited

Half Yearly Report 2024

Condensed Interim Financial Statements for the Six Months Period Ended June 30, 2024 (Unaudited)



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Contents

Company Information

Board of Directors*
Mr. Towfiq Habib Chinoy
(Chairman & Non-Executive Director)

Syed Hyder Ali
(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)

Mr. Osman Khalid Waheed
(Independent Director)

Audit Committee

Mr. Hasan Askari	Chairman
Syed Shahid Ali	Member
Mr. Atif Aslam Bajwa	Member
Mr. Tariq Iqbal Khan	Member
Mr. Osman Khalid Waheed	Member
Mr. Soban Waqar	Secretary

Human Resource and Remuneration Committee

Ms. Saba Kamal	Chairperson
Syed Hyder Ali	Member
Mr. Hasan Askari	Member
Mr. Atif Aslam Bajwa	Member
Mr. Towfiq Habib Chinoy	Member
Mr. Josef Meinrad Mueller	Member
Mr. Jawad Gilani	Secretary

IT & Digitalization Committee

Ms. Saba Kamal	Chairperson
Mr. Atif Aslam Bajwa	Member
Mr. Osman Khalid Waheed	Member
Mr. Faizan Mahmood	Secretary

Executive Committee

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

Advisor to the Board
Syed Babar Ali

Chief Executive Officer and Managing Director
Syed Hyder 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

Share Registrar
FAMCO Share Registration Services (Pvt.) Limited
8-F, Next to Hotel Faran, Nursery Block 6,
P.E.C.H.S. Shahrah-e-Faisal Karachi - 75400
PABX: (021) 34380101-5, 34384621-3
Fax: (021) 34380106
Email: info.shares@famcosrs.com.pk

Handling Desk for Shareholders' Affairs
(Corporate Secretarial & Affairs Department)
Mr. Ubaid Hussain / Ms. Suman Kishore
Tel: (021) 35874047-49 Ext: 237/233
Email: shares.desk@packages.com.pk

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

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

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
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Web Presence
www.packages.com.pk

*In alphabetical order by last name

DIRECTORS' REVIEW REPORT ON THE UNCONSOLIDATED CONDENSED INTERIM UN-AUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2024

The Directors of Packages Limited (the 'Company') are pleased to submit to its shareholders the six-monthly review report along with the unconsolidated condensed interim un-audited financial statements of the Company for the half year ended June 30, 2024.

COMPANY PERFORMANCE REVIEW

Summarized financial performance is as follows:

	Apr – Jun 2024	Apr – Jun 2023	**Jan – Jun 2024**	Jan – Jun 2023
	(Rupees in million)			
Dividend income	**531**	1,622	**1,879**	2,710
Rental income	**159**	146	**314**	275
EBIT	**466**	1,557	**1,704**	2,583
Finance costs	**(423)**	(372)	**(822)**	(570)
Impairment charged on investment	**-**	(1,202)	**-**	(1,202)
Other (expenses) / income – net	**50**	86	**106**	134
Earnings before tax	**93**	69	**988**	945
Taxation	**(64)**	(183)	**(169)**	(258)
(Loss) / Earnings after tax	**29**	(114)	**819**	687
Basic earnings per share - PKR	**(0.38)**	(1.99)	**8.45**	6.97

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 1,879 million during the six-month period ended June 30, 2024 as compared to Rs 2,710 million during the corresponding period of 2023. This decrease in income was mainly attributable to receiving no dividends from Bulleh Shah Packaging (Private) Limited in the current period, coupled with increased finance cost for the six-month period, which escalated by 44% mainly on account of long-term loans obtained to finance the investments in group companies (StarchPack (Private) Limited, Tri-Pack Films Limited and Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)).

The earnings after tax depict an increase of 19% from Rs 687 million earned during corresponding period of 2023 to Rs 819 million for the six-month period ended June 30, 2024, owing to a one-time impairment loss of Rs. 1,202 million recognized on the investment made in Anemone Holdings Limited, Mauritius in the corresponding period of 2023.

FUTURE OUTLOOK

The Company expects that the economic outlook of the country would improve on the back of prudent policy management, continued implementation of reforms aimed to maintain fiscal discipline, political stability and economic assistance from friendly nations. However, high debt servicing costs and external repayments still remain a challenge. To address these financing needs and continued stabilization of economic indicators, the government is in discussions with the IMF for a new three-year program agreement, with an anticipated amount of $7-8 billion under consideration. The above factors, once implemented, are expected to facilitate unrestricted imports and boost foreign reserves, which will in turn support industrial growth.

Given all these challenges, your Company remains focused on serving its stakeholders by delivering value and leveraging its diversified portfolio to keep pursuing its profitable growth aspirations.

COMPANY'S STAFF AND CUSTOMERS

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

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

Towfiq Habib Chinoy
(Chairman)
Lahore, August 27, 2024

Syed Hyder Ali
(Chief Executive Officer & Managing Director)
Lahore, August 27, 2024

انفرادی اختصاری عبوری مالیاتی گوشوارے برائے ششماہی مدت مختتمہ 30 جون 2024 پر ڈائریکٹران کی جائزہ رپورٹ

پیکیجز لمیٹڈ (کمپنی) کے ڈائریکٹران ششماہی جائزہ رپورٹ کے ساتھ کمپنی کے انفرادی اختصاری عبوری غیر آڈٹ شدہ مالیاتی گوشوارے برائے مدت مختتمہ 30 جون 2024 پیش کرتے ہوئے اظہار مسرت کرتے ہیں-

کمپنی کی کارکردگی کا جائزہ

مختصراً مالیاتی کارکردگی درج ذیل ہے:

	اپریل تا جون 2024	اپریل تا جون 2023	جنوری تا جون 2024	جنوری تا جون 2023
	روپے (ملین میں)			
منافع منقسمہ کی آمدن	**531**	1,622	**1,879**	2,710
کرایہ جاتی آمدنی	**159**	146	**314**	275
EBIT	**466**	1,557	**1,704**	2,583
مالیاتی لاگتیں	**(423)**	(372)	**(822)**	(570)
سرمایہ کاریوں پر فرسودگی	**-**	(1,202)	**-**	(1,202)
دیگر (اخراجات)/آمدن-خالص	**50**	86	**106**	134
آمدن قبل از ٹیکس	**93**	69	**988**	945
ٹیکس	**(64)**	(183)	**(169)**	(258)
خسارہ/آمدن بعد از ٹیکس	**29**	(114)	**819**	687
بنیادی آمدنی فی حصص-روپے	**(0.38)**	(1.99)	**8.45**	6.97

پیکیجز لمیٹڈ ایک ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور اس کی کارکردگی کا تعین اندورن اور بیرون پاکستان موجود گروپ کی کمپنیوں کی مالیاتی کارکردگی سے ہوتا ہے جو کہ عمومی معاشی ماحول کے زیر اثر ہوتی ہیں- منافع منقسمہ کی آمدنی پیکیجز لمیٹڈ کی آمدنی کا ایک بڑا ذریعہ ہے- جس کے نتیجے میں آمدنی کی ساخت کا انحصار گروپ کی کمپنیوں کی منافع منقسمہ کی تقسیم پر ہوتا ہے- انتظامیہ کو یقین ہے کہ یہ اداراتی ڈھانچہ گروپ کمپنیوں کے مرکوز انتظام کے لئے سازگار ہے اور اس کا نتیجہ بہتر کاروباری کارکردگی ہے-

ششماہی مدت مختتمہ 30 جون 2024 کے دوران کمپنی کو اپنی گروپ کمپنیوں سے 1,879 ملین روپے منافع منقسمہ کی آمدنی حاصل ہوئی جو کہ گزشتہ سال 2023 کی اسی مدت میں 2,710 ملین روپے تھی- آمدن میں کمی کی بنیادی وجہ یہ ہے کہ بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ سے موجودہ مدت میں کوئی منافع منقسمہ موصول نہیں ہوا، اس کے ساتھ ساتھ ششماہی مدت میں مالیاتی لاگت میں 44 فیصد اضافہ ہوا جس کی بنیادی وجہ گروپ کمپنیوں (اسٹارچ پیک پرائیویٹ لمیٹڈ، ٹرائی پیک فلمز لمیٹڈ اور ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی اوینٹس پاکستان لمیٹڈ) میں سرمایہ کاریوں کے لئے قرضے حاصل کئے گئے تھے-

آمدن بعد از ٹیکس میں 19 فیصد اضافہ ہوا جو کہ گزشتہ مدت 2023 میں 687 ملین روپے تھی، ششماہی مدت مختتمہ 30 جون 2024 میں بڑھ کر 819 ملین

روپے ہوگئی، جس کی وجہ ایمون ہولڈنگز لمیٹڈ ماریشس میں کی گئی سرمایہ کاری پر سابقہ مدت 2023 میں ایک مرتبہ 1,202 ملین روپے کا فرسودگی خسارہ ریکارڈ کرنا تھا۔

مستقبل کی پیش بینی

کمپنی کو توقع ہے کہ محتاط انتظامی پالیسی، مالیاتی نظم وضبط کو برقرار رکھنے کے لئے اصلاحات کا مسلسل نفاذ، سیاسی استحکام اور دوست ممالک کی جانب سے معاشی تعاون کے نتیجے ملک کا معاشی منظر نامہ بہتر ہو جائے گا۔ تاہم قرض کی بلند لاگتیں اور بیرونی قرضوں کی واپسی ابھی تک ایک چیلنج ہے۔ مالیاتی ضروریات کو پورا کرنے اور معاشی استحکام کے مسلسل اشاریوں سے حکومت IMF کے ساتھ ایک تین سالہ معاہدے کے پرگرام پر گفت وشنید کررہی ہے جس میں 8-7 بلین ڈالر کی رقم متوقع ہے۔ جیسے ہی مندرجہ بالا عوامل پر عملدرآمد ہو جائے گا تو توقع ہے کہ درآمدی پابندیوں میں نرمی ہوگی اور زرمبادلہ کے ذخائر میں اضافہ ہوگا جو کہ صنعتی ترقی میں معاون ہے۔

ان تمام دشواریوں کو مدنظر رکھتے ہوئے گروپ کی انتظامیہ اپنے متعلقین کو منفعت فراہم کرنے اور اپنے متنوع پورٹ فولیو کے ذریعے منافع میں نمو کو برقرار رکھنے توجہ مرکوز کرے گی۔

کمپنی کا عملہ اور صارفین

انتظامیہ کمپنی کے شراکت داران خاص طور پر صارفین کے ہماری مصنوعات اور خدمات پر مسلسل اعتماد پر ان کی مشکور ہے۔

انتظامیہ کمپنی کے تمام ملازمین کا بھی شکریہ ادا کرنا چاہتی ہے جنہوں نے انتھک محنت کی۔ ہم ان کی محنت، دیانت اور لگن کو سراہتے ہیں۔

توفیق حبیب چنائے
(چیئرمین)

سید حیدر علی
(چیف ایگزیکٹو اینڈ مینیجنگ ڈائریکٹر)

27 اگست 2024

لاہور

A·F·FERGUSON&CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PACKAGES LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Packages Limited as at June 30, 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-month period ended June 30, 2023 and 2024 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2024.

Scope of Review

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

Conclusion

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

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

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: August 29, 2024

UDIN: RR202410070bwIa5lQiX

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▪KARACHI▪LAHORE▪ISLAMABAD

PACKAGES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	June 30, 2024 Un-audited	December 31, 2023 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
150,000,000 (December 31, 2023: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
22,000,000 (December 31, 2023: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		4,180,000	4,180,000
		5,680,000	5,680,000
Issued, subscribed and paid up share capital			
89,379,504 (December 31, 2023: 89,379,504) ordinary shares of Rs 10 each		893,795	893,795
8,186,842 (December 31, 2023: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		606,222	606,222
Other reserves		50,318,120	54,145,803
Revenue reserve: Un-appropriated profits		1,305,207	3,007,715
Total equity		53,123,344	58,653,535
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	6	6,295,150	6,751,400
Long term advances		53,119	23,639
Employee benefit obligations		1,024,870	946,925
Accumulating compensated absences		99,464	86,265
		7,472,603	7,808,229
CURRENT LIABILITIES			
Current portion of non-current liabilities		800,000	687,500
Short term borrowings from financial institutions - secured	7	1,402,994	3,250
Trade and other payables	8	673,430	697,038
Unclaimed dividend		101,905	81,490
Accrued finance cost		406,035	447,546
		3,384,364	1,916,824
CONTINGENCIES AND COMMITMENTS	9		
		63,980,311	68,378,588

	Note	June 30, 2024 Un-audited	December 31, 2023 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	481,107	357,060
Investment properties		1,967,541	1,557,118
Intangible assets		1,084	1,239
Long term investments	11	57,689,229	61,516,912
Long term loan to subsidiary company		250,000	250,000
Long term security deposits		3,713	2,602
Deferred taxation		31,780	31,780
		60,424,454	63,716,711
CURRENT ASSETS			
Loans, advances, deposits, prepayments and other receivables		985,670	1,922,985
Income tax receivable		2,265,113	2,218,255
Short term investments		90,000	390,356
Cash and bank balances		215,074	130,281
		3,555,857	4,661,877
		63,980,311	68,378,588

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 SIX-MONTH PERIODS ENDED JUNE 30, 2024

		Three-month period ended		Six-month period ended	
		June 30, 2024	June 30, 2023 (Restated)	June 30, 2024	June 30, 2023 (Restated)
		Un-audited	Un-audited	Un-audited	Un-audited
	Note	(Rupees in thousand)			
Dividend income	12	531,032	1,621,859	1,878,684	2,710,205
Rental income		159,121	146,331	314,129	274,615
Operating revenue		690,153	1,768,190	2,192,813	2,984,820
Administrative expenses		(323,280)	(206,957)	(588,424)	(396,195)
Net impairment gain/(losses) on financial assets		99,418	(5,989)	99,421	(6,001)
Other expenses		(605)	(1,199,974)	(605)	(1,205,345)
Other income		51,251	85,728	107,189	137,406
Operating profit		516,937	440,998	1,810,394	1,514,685
Finance cost		(423,076)	(372,408)	(821,913)	(570,319)
Profit before final taxes and income tax		93,861	68,590	988,481	944,366
Final taxes		(13,626)	(52,036)	(18,287)	(52,036)
Profit before income tax		80,235	16,554	970,194	892,330
Income tax		(50,570)	(130,745)	(151,016)	(205,745)
Profit/(loss) for the period		29,665	(114,191)	819,178	686,585
(Loss)/earnings per share in Rupees					
Basic	13	**(0.38)**	(1.99)	**8.45**	6.97
Diluted	13	**(0.38)**	(1.99)	**8.45**	6.97

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 SIX-MONTH PERIODS ENDED JUNE 30, 2024

	Three month period ended		Six-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in thousand)			
Profit/(loss) for the period	29,665	(114,191)	819,178	686,585
Other comprehensive (loss)/income for the period:				
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
Items that will not be subsequently reclassified to profit or loss:				
Change in fair value of investments held at fair value through other comprehensive income ('FVOCI')	(1,626,633)	5,218,425	(3,827,683)	2,107,441
	(1,626,633)	5,218,425	(3,827,683)	2,107,441
Total comprehensive (loss)/income for the period	(1,596,968)	5,104,234	(3,008,505)	2,794,026

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 SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Issued, subscribed and paid up share capital		Reserves					Capital and reserves
			Capital reserves			Revenue reserves		
	Ordinary share capital	Preference shares / convertible stock	Share premium	FVOCI reserve	Capital redemption reserve	General reserve	Un-appropriated profits	Total
	(Rupees in thousand)							
Balance as on January 01, 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	-	-	-	-	-	-	(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 ordinary share	-	-	-	-	-	-	(2,457,937)	**(2,457,937)**
Total comprehensive income for the period ended June 30, 2023								
Profit for the period	-	-	-	-	-	-	686,585	**686,585**
Other comprehensive income for the period	-	-	-	2,107,441	-	-	-	**2,107,441**
	-	-	-	2,107,441	-	-	686,585	**2,794,026**
Balance as on June 30, 2023 (un-audited)	893,795	606,222	3,766,738	19,543,621	1,615,000	22,810,333	984,901	**50,220,610**
Balance as at January 1, 2024 (audited)	893,795	606,222	3,766,738	25,953,732	1,615,000	22,810,333	3,007,715	**58,653,535**
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, 2023 of Rs 27.5 per ordinary share	-	-	-	-	-	-	(2,457,937)	**(2,457,937)**
Total comprehensive loss for the period ended June 30, 2024								
Profit for the period	-	-	-	-	-	-	819,178	**819,178**
Other comprehensive loss for the period	-	-	-	(3,827,683)	-	-	-	**(3,827,683)**
	-	-	-	(3,827,683)	-	-	819,178	**(3,008,505)**
Balance as on June 30, 2024 (un-audited)	**893,795**	**606,222**	**3,766,738**	**22,126,049**	**1,615,000**	**22,810,333**	**1,305,207**	**53,123,344**

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 SIX-MONTH PERIOD ENDED JUNE 30, 2024

	Note	Six-month period ended	
		June 30, 2024	June 30, 2023
		Un-audited	Un-audited
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	16	51,752	885,675
Finance cost paid		(863,424)	(208,840)
Income tax and final taxes paid		(216,161)	(239,663)
Long term security deposits - net		(1,111)	90
Net (payments for)/receipts from accumulating compensated absences		(758)	290
Employee benefit obligations paid		(8,067)	(5,394)
Dividends received		2,821,197	2,619,142
Net cash inflow from operating activities		1,783,428	3,051,300
Cash flows from investing activities			
Payments for property, plant and equipment		(184,232)	(6,962)
Payments for investment properties		(432,132)	(52,229)
Investments made in equity instruments		-	(3,173,124)
Long term advances - net		29,480	(190)
Proceeds from sale of property, plant and equipment		33,170	18,282
Net cash outflow from investing activities		(553,714)	(3,214,223)
Cash flows from financing activities			
Proceeds from long term finances		-	3,200,000
Repayments of long term finances		(343,750)	-
Dividend paid		(2,501,271)	(2,496,379)
Net cash (outflow)/inflow from financing activities		(2,845,021)	703,621
Net (decrease)/increase in cash and cash equivalents		(1,615,307)	540,698
Cash and cash equivalents at the beginning of the period		517,387	309,959
Cash and cash equivalents at the end of the period	17	(1,097,920)	850,657

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 SIX-MONTH PERIOD ENDED JUNE 30, 2024

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, which are engaged in various businesses including manufacturing of packaging materials, tissue, consumer products, industrial inks, paper, paperboard products and corrugated boxes, biaxially oriented polypropylene ('BOPP') and cast polypropylene ('CPP') films, biopharmaceutical products, ground calcium carbonate products, cornbased starch products, insurance, power generation and real estate.

2. Basis of preparation

2.1 Statement of compliance

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

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

ii) Provisions of and directives issued under the Act.

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

2.2 The Institute of Chartered Accountants of Pakistan has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets '.

Accordingly, the Company has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the unconsolidated condensed interim statement of financial position, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of cash flows, the unconsolidated condensed interim statement of changes in equity and loss/earnings per share as a result of this change.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in thousand)		
Effects on condensed interim statement of profit or loss			
For the quarter ended June 30, 2024 - unaudited			
Final taxes	-	13,626	13,626
Profit before income tax	93,861	(13,626)	80,235
Income tax	64,196	(13,626)	50,570
For the half year ended June 30, 2024 - unaudited			
Final taxes	-	18,287	18,287
Profit before income tax	988,481	(18,287)	970,194
Income tax	169,303	(18,287)	151,016
For the quarter ended June 30, 2023 - unaudited			
Final taxes	-	52,036	52,036
Profit before income tax	68,590	(52,036)	16,554
Income tax	182,781	(52,036)	130,745
For the half year ended June 30, 2023 - unaudited			
Final taxes	-	52,036	52,036
Profit before income tax	944,366	(52,036)	892,330
Income tax	257,781	(52,036)	205,745

2.3 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of 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 audited financial statements as at and for the year ended December 31, 2023. 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 audited 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. Material 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, 2023 except for the estimation of income tax (see note 5) and change in accounting policy as disclosed in note 2.2.

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, 2024, 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, 2025 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 audited financial statements of the Company for the year ended December 31, 2023, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5. Income tax

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		**June 30, 2024 Un-audited**	**December 31, 2023 Audited**
		(Rupees in thousand)	
Preference shares / convertible stock - unsecured		932,650	932,650
Long term loans - secured	- note 6.1	6,162,500	6,506,250
		7,095,150	7,438,900
Current portion shown under current liabilities		(800,000)	(687,500)
		6,295,150	6,751,400

	June 30, 2024 Un-audited	December 31, 2023 Audited
	(Rupees in thousand)	

6.1 The reconciliation of the carrying amount is as follows:

	June 30, 2024	December 31, 2023
Opening balance	7,438,900	4,582,650
Disbursements during the period/year	-	3,200,000
Repayments during the period/year	(343,750)	(343,750)
Closing balance	7,095,150	7,438,900
Current portion shown under current liabilities	(800,000)	(687,500)
	6,295,150	6,751,400

7. Short term running finance available from a commercial bank under mark-up arrangement amounts to Rs 2,000 million (December 31, 2023: Rs 2,000 million). The rate of mark-up is based on 1 month KIBOR and ranges from 22.10% to 22.34% (December 31, 2023: 16.4% to 22.77%) per annum or part thereof on the balances outstanding. The running finance is secured against pledge of Nestle Pakistan Limited's shares owned by the Company under a 'Share Pledge Agreement' with a 30% margin.

8. Included in accrued liabilities is an amount of Rs 475 million (December 31, 2023: Rs 400 million) in respect of rent of land on lease from the Government of the Punjab ('GoPb') for the period from December 2015 to June 2024. There has been no change in the status as disclosed in note 13.3 of the preceding unconsolidated annual audited financial statements of the Company for the year ended December 31, 2023.

9. Contingencies and commitments

9.1 Contingencies

There is no significant change in contingencies from the preceding annual audited financial statements of the Company for the year ended December 31, 2023, except for the following update. Based on the advice of the Company's tax advisor, the management believes that there are meritorious grounds to support the Company's stance in respect of this matter. Consequently, no provision for this amount has been made in these unconsolidated condensed interim financial statements.

(i) With reference to the matter disclosed in note 23.4 of the annual audited financial statements of the Company for the year ended December 31, 2023 wherein a demand of Rs 1,520 million was created in respect of tax year 2017 by the Deputy Commissioner Inland Revenue ('DCIR') against which a refundable of Rs 517.059 million stood in the Company's books. The Company had filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR.

During the period, the CIR(A), through his order dated April 29, 2024, accepted various contentions of the Company while deciding against the Company on some grounds of appeal. The revised demand calculated after the order of the CIR(A) amounts to Rs 292.717 million. Out of this demand, a liability amounting to Rs 205.612 million is already booked in these financial statements in respect of Super Tax. Consequently, the total exposure as of June 30, 2024, stands at Rs 604.165 million. Being aggrieved by the CIR(A)'s decision, the Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR).

9.2 Commitments: Nil

		June 30, 2024 Un-audited	December 31, 2023 Audited
		(Rupees in thousand)	

10. Property, plant and equipment

Operating fixed assets	- note 10.1	446,854	343,881
Capital work-in-progress		34,253	13,179
		481,107	357,060

10.1 Operating fixed assets

Opening net book value		343,881	330,660
Additions during the period / year	- note 10.1.1	163,158	161,761
Disposals during the period / year at net book value		(33,775)	(52,279)
Transferred to investment properties		-	(58,546)
Depreciation charged during the period / year		(26,410)	(37,715)
		(60,185)	(148,540)
Closing net book value		446,854	343,881

10.1.1 Additions during the period / year

Buildings on freehold land	-	15,599
Other equipment (computers and other office equipment)	12,085	18,177
Furniture and fixtures	-	217
Vehicles	151,073	127,768
	163,158	161,761

11. Long term investments

Opening balance		61,516,912	50,572,456
Add: Investments made during the period / year	- note 11.1	-	3,628,552
Fair value (loss)/gain recognised in other comprehensive income		(3,827,683)	8,517,552
Impairment loss on equity instruments of Anemone Holdings Limited		-	(1,201,648)
Closing balance		57,689,229	61,516,912

	June 30, 2024 Un-audited	December 31, 2023 Audited
	(Rupees in thousand)	
11.1 Investments made during the period / year		
Packages Investments Limited - subsidiary	-	2,500
Hoechst Pakistan Limited		
(formerly Sanofi-Aventis Pakistan Limited) - subsidiary	-	3,173,124
Packages Trading FZCO, Dubai - subsidiary	-	202,928
StarchPack (Private) Limited - subsidiary	-	250,000
	-	3,628,552

	Three-month period ended		Six-month period ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)		(Rupees in thousand)	
12. Dividend income				
Dividend income from related parties - note 12.1	440,192	1,274,950	1,756,773	2,363,296
Dividend income from others	90,840	346,909	121,911	346,909
	531,032	1,621,859	1,878,684	2,710,205
12.1 Dividend income from related parties				
DIC Pakistan Limited	-	-	351,909	274,908
Tri-Pack Films Limited	161,232	134,360	161,232	134,360
IGI Holdings Limited	60,132	33,824	60,132	33,824
Bulleh Shah Packaging (Private) Limited	-	600,000	-	950,000
Packages Convertors Limited	100,000	350,000	750,000	700,000
OmyaPack (Private) Limited	-	24,750	25,000	24,750
Packages Real Estate (Private) Limited	-	-	75,625	113,438
Hoechst Pakistan Limited	118,828	-	118,828	-
Packages Lanka (Private) Limited	-	132,016	214,047	132,016
	440,192	1,274,950	1,756,773	2,363,296

13. Earnings per share		Three-month period ended		Six-month period ended	
		June 30, 2024 Un-audited	June 30, 2023 Un-audited	June 30, 2024 Un-audited	June 30, 2023 Un-audited
Basic earnings per share					
Profit/(loss) for the period	**Rupees in thousand**	29,665	(114,191)	819,178	686,585
Participating preference dividend (note 14)	**Rupees in thousand**	(63,749)	(63,749)	(63,749)	(63,749)
Net (loss)/profit attributable to ordinary shareholders		(34,084)	(177,940)	755,429	622,836
Weighted average number of ordinary shares	**Number**	89,379,504	89,379,504	89,379,504	89,379,504
Basic (loss)/earnings per share	**Rupees**	(0.38)	(1.99)	8.45	6.97
Diluted earnings per share					
Profit/(loss) for the period	**Rupees in thousand**	29,665	(114,191)	819,178	686,585
Return on preference shares / convertible stock	**Rupees in thousand**	38,675	38,781	77,350	77,136
		68,340	(75,410)	896,528	763,721
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 (loss)/earnings per share	**Rupees**	(0.38)	(1.99)	8.45	6.97

14. 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, 2023 (December 31, 2022: 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 equity.

15. 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:

		Six months ended	
		June 30, 2024	June 30, 2023
		Un-audited	Un-audited
Relationship with the Company	**Nature of transactions**	(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	2,521	48
	Dividend income	1,671,641	2,304,722
	Investment made	-	3,173,125
	Interest income on long term loan	27,610	-
	Rental income and others	305,272	266,785
	Management and technical fee	39,876	35,710
	Reimbursement of salaries by Company	41,184	5,370
	Reimbursement of salaries to Company	455,277	302,200
ii. Joint ventures	Dividend income	25,000	24,750
	Rental income and others	1,248	1,135
	Reimbursement of salaries to Company	7,071	9,935
iii. Associates	Insurance premium paid	50,184	29,519
	Dividend income	60,132	33,824
	Brokerage commission	-	5,378
	Dividend paid	734,448	734,448
	Rental income and others	2,671	2,178
	Reimbursement of salaries by Company	173	-
	Reimbursement of salaries to Company	72,130	53,211
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	123,893	48,754
	Dividend paid	77,892	77,892
v. Key management personnel	Salaries and other employee benefits	82,881	54,001
	Meeting fee	10,225	4,600
	Dividend paid	141,594	88,396
vi. Other related party	Donations made	-	20,339

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

Period / year end balances	June 30, 2024 Un-audited	December 31, 2023 Un-audited
	(Rupees in thousand)	
Receivable from related parties		
- Subsidiaries	607,887	1,660,950
- Joint ventures	3,768	1,229
- Associates	37,868	41,741
- Other related party	4	4
- Post employment benefit plans	1,205	-
Payable to related parties		
- Subsidiaries	56,004	33,611
- Associates	11,198	7,237
- Other related party	3,131	3,131
- Post employment benefit plans	-	9,233

16. Cash generated from operations	Six months ended June 30, 2024 Un-audited	Six months ended June 30, 2023 Un-audited
	(Rupees in thousand)	
Profit before final taxes and income tax	988,481	944,366
Adjustments for non-cash charges and other items:		
- Depreciation on owned assets	26,410	18,645
- Depreciation on investment properties	21,709	23,389
- Amortisation on intangible assets	155	189
- Provision for accumulating compensated absences	13,957	9,627
- Provision for retirement benefits	85,064	63,128
- Loss on sale of operating fixed assets	605	381
- Exchange gain	(17,980)	(29,604)
- Finance cost	821,913	570,319
- Net impairment (gain)/loss on financial assets	(99,421)	6,001
- Impairment loss on equity investment	-	1,201,648
- Liabilities no longer payable written back	(454)	(17,130)
- Provision for rent in respect of land leased from GoPb	75,000	45,000
- Profit on long term loan to subsidiary company	(27,610)	-
- Dividend income	(1,878,684)	(2,710,205)
Profit before working capital changes	9,145	125,754
Effect on cash flow due to working capital changes		
- Decrease in loans, advances, deposits, prepayments and other receivables	139,813	533,258
- (Decrease)/increase in trade and other payables	(97,206)	226,663
	42,607	759,921
	51,752	885,675

	June 30, 2024	June 30, 2023
	Un-audited	Un-audited
17. Cash and cash equivalents	(Rupees in thousand)	
Cash and bank balances	215,074	700,657
Short term investments	90,000	150,000
Short term borrowings from financial institutions - secured	(1,402,994)	-
	(1,097,920)	850,657

18. Financial risk management

18.1 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 audited financial statements for the year ended December 31, 2023.

There have been no significant changes in the risk management department or in risk management policies since the year ended December 31, 2023.

18.2 Fair value estimation

a) Fair value hierarchy

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

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

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed above. The following table presents the Company’s significant financial assets measured and recognised at fair value at June 30, 2024 and December 31, 2023 on a recurring basis:

	Un-audited			
As at June 30, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
Investments - FVOCI	26,126,603	-	5,025	26,131,628

As at December 31, 2023	Audited			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
Short term investment - FVPL	240,356	-	-	240,356
Investments - FVOCI	29,954,286	-	5,025	29,959,311
	30,194,642	-	5,025	30,199,667

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.

19. Date of authorisation for issue

These unconsolidated condensed interim financial statements were authorised for issue on August 27, 2024 by the Board of Directors of the Company.

Chief Executive Officer **Director** **Chief Financial Officer**

DIRECTORS' REVIEW REPORT ON THE CONSOLIDATED CONDENSED INTERIM UN-AUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2024

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 half year ended June 30, 2024.

Comparison of the consolidated condensed interim un-audited results of the half year ended June 30, 2024, as against June 30, 2023, is as follows:

	Jan - Jun 2024	Jan - Jun 2023
	(Rupees in million)	
Sales - net	**88,348**	**75,908**
Profit from operations - EBIT	**11,591**	13,906
Finance costs	**(9,105)**	(5,900)
Investment income	**122**	347
Share of profit in associates and joint venture	**174**	56
Net gain on acquisition of subsidiary	**-**	2,857
Profit before taxation	**2,782**	**11,266**
Taxation	**(1,580)**	(4,128)
Profit after tax	**1,202**	**7,138**

During the first half of 2024, the Group has achieved net sales of Rs 88,348 million against net sales of Rs 75,908 million during corresponding period of last year representing sales growth of 16%. The Group posted an operating profit of Rs 11,591 million as compared to Rs 13,906 million generated during corresponding period of last year, this decline is mainly attributable to adverse sales mix and higher material and fuel costs which have not been fully recovered from the end customers. The management of these subsidiaries are taking steps to address this issue through better product mix, fixed costs control and timely passing on cost increases to the customers.

The Group has recorded profit before tax of Rs 2,782 million during the current period as compared to the profit before tax of Rs 11,266 million in corresponding period last year. The decreased profitability is primarily on account of finance cost which has increased by 3,205 million mainly attributable to increased loans availed for the purpose of making capital expenditure and new strategic investments, a one-time bargain purchase gain of Rs 2,857 million on the acquisition of shareholding in Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) in the corresponding period of last year and losses sustained by Paper & Paperboard and Starch operations to the extent of Rs 2,091 million in 2024.

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

PACKAGES CONVERTORS LIMITED

Packages Convertors Limited ('PCL') is an un-listed public limited wholly owned subsidiary of the Group. It is principally engaged in the manufacture and sale of packaging materials, tissue products & sanitary napkins. PCL has achieved net sales of Rs 25,294 million during the first half of the year 2024 as compared to Rs 25,915 million in the comparable period of the prior year representing decline of 2%. PCL has generated profit before tax of Rs 2,705 million during the first half of the year 2024 as compared to Rs 3,697 million in the comparable period of the prior year, representing a decrease of 27%. This is mainly on account of adverse sales mix, lower volumes in FMCG sector and higher finance costs. Moving forward, the management will focus on improving operating results through volume growth, tighter cost control 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. BSPL has achieved net sales of Rs 30,407 million during the first half of the year 2024 as compared to Rs 31,391 million in the comparable period of the prior year representing decline of 3%. BSPL has recorded loss before tax of Rs 1,391 million during the first half of the year 2024 as compared to profit before tax of Rs 2,268 million in the comparable period of the prior year. Losses sustained are mainly on account of lower volumes, adverse sales mix, dumping of board and paper products, higher finance cost on account of strategic capital expenditure and increased material and fuel costs which could not be passed on to customers. Moving forward, BSPL will focus on improving operating results through volume growth, favourable sales mix, tighter cost control and effective working capital management.

DIC PAKISTAN LIMITED

DIC Pakistan Limited ('DIC') is an un-listed public limited subsidiary of the Group, which is principally engaged in the manufacturing, processing, and selling of industrial inks. DIC has achieved net sales of Rs 5,713 million during the first half of the year 2024 as compared to Rs 5,327 million in the comparable period of the prior year representing sales growth of 7%. DIC has generated profit before tax of Rs 832 million during the first half of the year 2024 as compared to Rs 1,006 million in the comparable period of the prior year. This is mainly due to product mix variation, higher selling expenses and finance costs. Moving forward, the management will focus on improving operating results through volume growth and tighter cost control. DIC plant is in the process of relocation and expected to commence commercial operations from its new efficient site by end 2024.

PACKAGES LANKA (PRIVATE) LIMTED

Packages Lanka (Private) Limited ('PLL') is a Sri-Lanka based subsidiary of the Group, which is primarily engaged in the production & sale of flexible packaging. PLL has achieved net sales of SLR 2,536 million during the first half of the year 2024 as compared to SLR 2,449 million in the comparable period of the prior year representing sales growth of 4%. PLL has generated profit before tax of SLR 567 million during the first half of the year 2024 as compared to SLR 340 million in the comparable period of the prior year. This has come mainly on account of improved product mix, tighter cost controls, lower interest rates and effective working capital management.

PACKAGES REAL ESTATE (PRIVATE) LIMITED

Packages Real Estate (Private) Limited ('PREPL') is a subsidiary of the Group, which is primarily engaged in development of real estate. It is currently operating a real estate project titled "Packages Mall" and also leases out office space to corporate customers. PREPL has achieved net revenue of Rs 2,944 million during the first half of the year 2024 as compared to Rs 2,570 million in the comparable period of the prior year representing revenue growth of 15%. PREPL has recorded operating profit of Rs 475 million during the first half of the year 2024 as compared to Rs 354 million in the comparable period of the prior year, representing growth of 34%.

STARCHPACK (PRIVATE) LIMITED

StarchPack (Private) Limited ('SPL') is a wholly owned subsidiary of the Group, which is principally engaged in the manufacture and sale of corn-based starch products, its derivates, by-products and trading of corn. The commercial production of its native starch plant began their operations on 1st of December 2023, while installation of its modified starch and glucose plants was completed in June 2024 and is in the process of conducting trial production. During the current period, being its first year of operations, SPL achieved net revenue of Rs 1,146 million and a loss before tax of Rs 869 million. The commercial production of modified starches and glucose is expected to commence in third quarter of 2024 and target for a profitable turnaround is expected in FY 2025 with increased product portfolio.

TRI-PACK FILMS LIMITED

Tri-Pack Films Limited ('TPFL') is 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 13,584 million during the first half of the year 2024 as compared to Rs 11,527 million in the comparable period of the prior year representing growth of 18% driven primarily by higher exports of BOPP film and import restrictions in 2023. TPFL has generated profit before tax of Rs 236 million during the first half of the year 2024 as compared to Rs 1,271 million in the comparable period of the prior year, representing decrease of 81%. This decrease is primarily on account of stabilization of local BOPP prices in 2024 period which had spiked as well as higher finance costs owing to increased borrowings on account of higher working capital requirements and funding the capital expansion project.

PACKAGES TRADING FZCO, DUBAI, UAE

Packages Trading FZCO ('FZCO') is a wholly owned subsidiary of the Group, which is incorporated under Dubai Integrated Economic Zones Authority Implementing Regulations, 2022 and registered with Dubai Integrated Economic Zones Authority. The subsidiary is primarily engaged in commercial trading with import, export, distribution and warehousing as its ancillary activities. During the current period, FZCO achieved net revenue of AED 26 million and a profit of AED 0.2 million.

HOECHST PAKISTAN LIMITED
(FORMERLY SANOFI-AVENTIS PAKISTAN LIMITED)

Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) ('HPL') is principally engaged in the manufacturing, selling and trading of pharmaceutical and related products. HPL has achieved net revenue of Rs 13,331 million during the first half of the year 2024 as compared to Rs 10,047 million in the comparable period of the prior year representing sales growth of 33%. HPL has generated profit before tax of Rs 1,619 million during the first half of the year 2024 as compared to loss before tax of Rs 300 million in the comparable period of the prior year, representing an increase of 6.4 times, mainly driven from volume growth, favourable product mix and effective working capital management.

FUTURE OUTLOOK

The Group expects that the economic outlook of the country would improve on the back of prudent policy management, continued implementation of reforms aimed to maintain fiscal discipline, political stability and economic assistance from friendly nations. However, high debt servicing costs and external repayments still remain a challenge. To address these financing needs and continued stabilization of economic indicators, the government is in discussions with the IMF for a new three-year program agreement, with an anticipated amount of $7-8 billion under consideration. The above factors, once implemented, are expected to facilitate unrestricted imports and boost foreign reserves, which will in turn support industrial growth.

Given all these challenges, the Group's management remains focused on serving its stakeholders by delivering value and leveraging its diversified portfolio to keep pursuing its profitable growth aspirations.

Towfiq Habib Chinoy
(Chairman)
Lahore, August 27, 2024

Syed Hyder Ali
(Chief Executive Officer & Managing Director)
Lahore, August 27, 2024

مجموعی اختصاری عبوری غیر آڈٹ شدہ مالیاتی گوشوارے برائے ششماہی مدت مختتمہ 30 جون 2024 پر ڈائریکٹران کی جائزہ رپورٹ

پیکیجز لمیٹڈ ('سرپرست کمپنی') کے ڈائریکٹران گروپ مجموعی اختصاری عبوری مالیاتی گوشوارے برائے ششماہی مدت مختتمہ 30 جون 2024 پیش کرتے ہوئے اظہار مسرت کرتے ہیں-

30 جون 2024 کے مجموعی اختصاری عبوری غیر آڈٹ شدہ مالیاتی گوشواروں کا موازنہ 30 جون 2023 کے ساتھ درج ذیل ہے:

	جنوری تا جون 2024	جنوری تا جون 2023
	(روپے ملین میں)	
فروخت- خالص	**88,348**	**75,908**
آپریشنز سے منافع - EBIT	11,591	13,906
مالیاتی لاگتیں	(9,105)	(5,900)
سرمایہ کاری آمدن	122	347
ملحقہ کمپنیوں اور مشترکہ کاروباروں کے منافع میں حصہ	174	56
ذیلی کمپنی کے حصول میں خالص منفعت	-	2,857
منافع قبل از ٹیکس	**2,782**	**11,266**
ٹیکس	(1,580)	(4,128)
منافع بعد از ٹیکس	**1,202**	**7,138**

2024 کی پہلی ششماہی کے دوران گروپ کی خالص فروخت 88,348 ملین روپے رہی جبکہ گزشتہ سال اسی مدت میں خالص فروخت 75,908 ملین روپے تھی جس سے فروخت میں 16 فیصد نمو کی نشاندہی ہوتی ہے- گروپ کا خالص منافع 11,591 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 13,906 ملین روپے تھا، منافع میں کمی کی وجوہات فروخت کا ناموزوں مرکب اور خام مال اور فیول کی بڑھتی ہوئی لاگتیں ہیں جن کے اثرات ابھی تک حتمی صارف کی طرف سے مکمل طور پر منتقل نہیں ہوئے ہیں- ان ذیلی کمپنیوں کی انتظامیہ مصنوعات کے بہتر مرکب، جامد لاگتوں اور لاگت میں اضافے کے اثرات کی صارفین کو بروقت منتقلی کے ذریعے ان مسائل کے حل کے لئے اقدامات کر رہی ہیں-

گروپ کو 2,782 ملین روپے کا منافع قبل از ٹیکس رہا جو کہ گزشتہ سال اسی مدت میں 11,266 ملین روپے تھا- منافع میں کمی کی وجوہات میں مالیاتی لاگت شامل ہے جس میں 3,205 ملین روپے کا اضافہ ہوا جس کی بنیادی وجہ گزشتہ سال سرمایہ جاتی ضروریات اور نئی کلیدی سرمایہ کاریوں کے لئے قرضے، ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی ایونٹس پاکستان) کے حصص کے حصول کے لئے ایک مرتبہ 2,857 ملین روپے کا خریداری کا سودا اور 2024 میں پیپر اینڈ پیپر بورڈ اور اسٹارچ کے کاروبار میں 2,091 ملین روپے کے خسارے شامل تھے-

گروپ کی ذیلی کمپنیوں کی آپریشنل کارکردگی کا مختصراً جائزہ درج ذیل ہے:

پیکیجز کنورٹرز لمیٹڈ

پیکیجز کنورٹرز لمیٹڈ ('PCL') ایک غیر-لسٹڈ پبلک لمیٹڈ کمپنی ہے جو کہ مکمل طور پر گروپ کی ملکیت ہے- یہ اصولی طور پر پیکنگ کے سامان، ٹشو کی مصنوعات اور سینیٹری نیپکن کی تیاری اور فروخت میں مصروف عمل ہے- 2024 کی پہلی ششماہی کے دوران PCL کو 25,294 ملین روپے کی خالص فروخت ہوئی جبکہ گزشتہ سال اسی مدت میں 25,915 ملین روپے کی خالص فروخت ہوئی جس سے فروخت میں 2 فیصد کمی کی نشاندہی ہوتی ہے- 2024 کی پہلی ششماہی کے دوران PCL کا منافع قبل از ٹیکس 2,705 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 3,697 ملین روپے تھا، جس سے 27 فیصد کمی کی نشاندہی ہوتی ہے- اس کی بنیادی وجوہات فروخت کا ناموافق مرکب، FMCG شعبے کی فروخت کے حجم میں کمی اور بلند مالیاتی لاگتیں تھیں- مستقبل میں انتظامیہ حجم فروخت میں اضافے، لاگتوں پر کنٹرول اور سرمائے کے موثر انتظام کے ذریعے مالیاتی نتائج کو بہتر بنانے پر توجہ مرکوز کرے گی-

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلھے شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ ('BSPL') گروپ کی ملکیت میں ذیلی کمپنی ہے، جو کہ اصولی طور پر پیپر اور پیپر بورڈ اور کوروگیٹڈ بوکس کی تیاری اور تقلیب میں مصروف عمل ہے- 2024 کی پہلی ششماہی میں BSPL کی خالص فروخت 30,407 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 31,391 ملین روپے تھی جس سے 3 فیصد اضافہ کی نشاندہی ہوتی ہے- 2024 کی پہلی ششماہی میں BSPL کا خسارہ قبل از ٹیکس 1,391 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں منافع قبل از ٹیکس 2,268 ملین روپے تھا- خساروں کی بنیادی وجہ فروخت کے حجم میں کمی، فروخت کا ناموافق مرکب، گتے اور کاغذ کی مصنوعات کی ڈمپنگ، کلیدی سرمایہ کاری اخراجات کی بلند لاگتیں اور خام مال اور فیول کی بڑھتی ہوئی قیمتوں کے اثرات صارفین کو منتقل نہ ہوسکے- مستقبل میں انتظامیہ حجم فروخت میں اضافے، سازگار فروخت کے مرکب، لاگتوں پر سخت کنٹرول اور سرمائے کے موثر انتظام کے ذریعے مالیاتی نتائج کو بہتر بنانے پر توجہ مرکوز کرے گی-

ڈی آئی سی پاکستان لمیٹڈ

ڈی آئی سی پاکستان لمیٹڈ ('DIC') گروپ کی ملکیت میں ذیلی کمپنی ہے، جو کہ اصولی طور پر صنعتی روشنائیوں کی تیاری اور فروخت میں مصروف عمل ہے- 2024 کی پہلی ششماہی میں DIC کی خالص فروخت 5,713 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 5,327 ملین روپے تھی جس سے 7 فیصد اضافہ کی نشاندہی ہوتی ہے- 2024 کی پہلی ششماہی کے دوران DIC کا منافع قبل از ٹیکس 832 ملین روپے رہا جو کہ گزشتہ سال اسی مدت میں 1,006 ملین روپے تھا- جس کی بنیادی وجہ مصنوعات کا متزلزل مرکب، فروخت کے بلند اخراجات اور بلند مالیاتی لاگتیں تھیں- مستقبل میں انتظامیہ حجم فروخت میں اضافے اور لاگتوں پر سخت کنٹرول کے ذریعے مالیاتی نتائج کو بہتر بنانے پر توجہ مرکوز کرے گی- DIC پلانٹ کو نئی جگہ پر منتقل کرنے کا عمل جاری ہے اور توقع ہے کہ 2024 کے اختتام تک نئی جگہ پر تجارتی پیداوار کا آغاز ہو جائے گا-

پیکیجز لنکا (پرائیویٹ) لمیٹڈ

پیکیجز لنکا (پرائیویٹ) ('PLL') گروپ کی ملکیت میں سری لنکا میں قائم ایک ذیلی کمپنی ہے، جو کہ اصولی طور پر لچکدار پیکیجنگ کی پیداوار اور فروخت میں مصروف عمل ہے- 2024 کی پہلی ششماہی میں خالص فروخت 2,536 ملین سری لنکن روپے رہی جو کہ گزشتہ سال اسی مدت میں 2,449 ملین روپے تھی جس سے فروخت میں 4 فیصد اضافہ کی نشاندہی ہوتی ہے- 2024 کی پہلی ششماہی میں PLL کا منافع قبل از ٹیکس 567 ملین سری لنکن روپے رہا جو کہ

گزشتہ سال اسی مدت میں 340 ملین سری لنکن روپے تھا- جس کی بنیادی وجوہات مصنوعات کے بہتر مرکب، لاگتوں پر سخت کنٹرول، زیریں شرح سود اور رواں سرمائے کا موثر انتظام تھا-

پیکیجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ

پیکیجز رئیل اسٹیٹ (پرائیویٹ) لمیٹڈ ('PREPL') گروپ کی ملکیت میں ذیلی کمپنی ہے، جو کہ بنیادی پر جائیداد کے کاروبار کی ترویج میں مصروف عمل ہے- اس وقت یہ جائیداد کے کاروبار میں ایک پروجیکٹ بنام ''پیکیجز مال'' چلا رہی ہے اور ادارتی گاہکوں کی دفتری جگہیں لیز کر رہی ہے- 2024 کی پہلی ششماہی میں PREPL کی خالص آمدن 2,944 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 2,570 ملین روپے تھی جس سے آمدن میں 15 فیصد اضافہ کی نشاندہی ہوتی ہے- 2024 کی پہلی ششماہی میں PREPL کا آپریٹنگ منافع 475 ملین روپے رہا جو کہ گزشتہ سال اسی مدت میں 354 ملین روپے تھا جس سے 34 فیصد اضافے کی نشاندہی ہوتی ہے-

اسٹارچ پیک (پرائیویٹ) لمیٹڈ

اسٹارچ پیک (پرائیویٹ) لمیٹڈ ('SPL') گروپ کی ملکیت میں ذیلی کمپنی ہے، جو کہ اصولی طور پر مکئی کے نشاستے کی مصنوعات، اس کے ماخذ، ذیلی مصنوعات کی تیاری اور فروخت اور مکئی کی خرید وفروخت میں مصروف عمل ہے- نشاستے کے مقامی پلانٹ نے تجارتی پیداوار کا آغاز یکم دسمبر 2023 کو کیا تھا جبکہ نشاستے اور گلوکوز کے جدید پلانٹوں کی تنصیب کا کام جون 2024 میں مکمل ہو گیا تھا اور آزمائشی پیداوار کا عمل جاری ہے- چونکہ یہ پہلا پیداواری سال تھا اس لئے موجودہ مدت کے دوران خالص آمدن 1,146 ملین روپے رہی اور خسارہ قبل ٹیکس 869 ملین روپے رہا- جدید نشاستے اور گلوکوز کی تجارتی پیداوار کا آغاز 2024 کی تیسری سہ ماہی میں متوقع ہے اور اضافی مصنوعات کے پورٹ فولیو کے ساتھ ایک منافع بخش کاروبار میں تبدیل ہونے کا ہدف مالیاتی سال 2025 تک متوقع ہے-

ٹرائی پیک فلمز لمیٹڈ ('TPFL')

ٹرائی پیک فلمز لمیٹڈ ('TPFL') گروپ کی ایک ذیلی لسٹڈ پبلک لمیٹڈ کمپنی ہے جو کہ اصولی طور پر بائی ایگزیلی اوریئنٹڈ پروپائلین (BOPP) فلم اور کاسٹ پروپائلین (CPP) فلمز کی تیاری اور فروخت میں مصروف عمل ہے- 2024 کی پہلی ششماہی میں TPFL کی خالص فروخت 13,584 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 11,527 ملین روپے تھی جس سے 18 فیصد اضافے کی نشاندہی ہوتی ہے جس کی بنیادی وجہ 2023 میں BOPP فلم کی برآمدات میں اضافہ اور درآمدات پر پابندی تھی- TPFL کا منافع قبل از ٹیکس 236 ملین روپے رہا جو کہ گزشتہ سال اسی مدت میں 1,271 ملین روپے تھا جس سے 81 فیصد کمی کی نشاندہی ہوتی ہے- کمی کی بنیادی وجوہات 2024 کی مدت کے دوران BOPP کی مقامی قیمتوں میں استحکام کے ساتھ ساتھ رواں سرمائے کی ضروریات اور پروجیکٹ کی توسیع کے لئے درکار رواں سرمائے کو پورا کرنے کے لئے قرضوں کے حصول کے نتیجے میں بلند مالیاتی لاگتیں تھیں-

پیکیجز ٹریڈنگ FZCO، دبئی، یو اے ای

پیکیجز ٹریڈنگ FZCO ('FZCO') گروپ کی مکمل ملکیت میں ایک کمپنی ہے جو کہ دبئی انٹیگریٹڈ اکنامک زونز اتھارٹی ایمپلی مینٹنگ ریگولیشنز 2022 کے تحت قائم ہوئی اور دبئی انٹیگریٹڈ اکنامک زونز اتھارٹی میں رجسٹر ہے- یہ ذیلی کمپنی بنیادی طور پر تجارتی خرید وفروخت کے ساتھ ساتھ ضمنی سرگرمیوں جیسے درآمدات، برآمدات، تقسیم اور ویئر ہاؤسنگ میں مصروف عمل ہے- موجودہ مدت کے دوران FZCO کی خالص آمدن 26 ملین یو اے ای درہم کی خالص

آمدن ہوئی اور منافع 0.2 ملین یو اے ای درہم رہا۔

ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی اوینٹس پاکستان لمیٹڈ)

ہکسٹ پاکستان لمیٹڈ (سابقہ سنوفی اوینٹس پاکستان لمیٹڈ)('HPL') بنیادی طور پر دواسازی اور ملحقہ مصنوعات کی تیاری، فروخت اور ٹریڈنگ میں مصروف عمل ہے۔ 2024 کی پہلی ششماہی کے دوران HPL کی خالص آمدن 13,331 ملین روپے رہی جو کہ گزشتہ سال اسی مدت میں 10,047 ملین روپے تھی جس سے 33 فیصد اضافے کی نشاندہی ہوتی ہے۔ HPL کا قبل از ٹیکس منافع 1,619 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 300 ملین روپے کا قبل از ٹیکس خسارہ تھا جس سے 6.4 گنا اضافے کی نشاندہی ہوتی ہے، جس کی بنیادی وجہ حجم فروخت میں میں اضافہ، مصنوعات کا سازگار مرکب اور رواں سرمائے کا موثر انتظام ہے۔

مستقبل کی پیش بینی

گروپ توقع کرتا ہے کہ محتاط انتظامی پالیسی، مالیاتی نظم وضبط کو برقرار رکھنے کے لئے اصلاحات کا مسلسل نفاذ، سیاسی استحکام اور دوست ممالک کی جانب سے معاشی تعاون کے نتیجے ملک کا معاشی منظر نامہ بہتر ہوجائے گا۔ تاہم قرض کی بلند لاگتیں اور بیرونی قرضوں کی واپسی ابھی تک ایک چیلنج ہے۔ مالیاتی ضروریات کو پورا کرنے اور معاشی استحکام کے مسلسل اشاریوں سے حکومت IMF کے ساتھ ایک تین سالہ معاہدے کے پرگرام پر گفت وشنید کررہی ہے جس میں 8-7 بلین ڈالر کی رقم متوقع ہے۔ جیسے ہی مندرجہ بالا عوامل پر عملدرآمد ہوجائے گا تو توقع ہے کہ درآمدی پابندیوں میں نرمی ہوگی اور زرمبادلہ کے ذخائر میں اضافہ ہوگا جو کہ صنعتی ترقی میں معاون ہے۔

ان تمام دشواریوں کو مدنظر رکھتے ہوئے گروپ کی انتظامیہ اپنے متعلقین کو منفعت فراہم کرنے اور اپنے متنوع پورٹ فولیو کے ذریعے منافع میں نمو کو برقرار رکھنے پر توجہ مرکوز کرے گی۔

توفیق حبیب چنائے
(چیئرمین)

سید حیدر علی
(چیف ایگزیکٹو اینڈ مینیجنگ ڈائریکٹر)

27 اگست 2024

لاہور

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	June 30, 2024 Un-audited	December 31, 2023 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2023: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (2023: 22,000,000) 10% non-voting preference shares / convertible stock of Rs 190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital			
89,379,504 (2023: 89,379,504) ordinary shares of Rs 10 each		**893,795**	893,795
8,186,842 (2023: 8,186,842) 10% non-voting preference shares / convertible stock of Rs 190 each		**606,222**	606,222
Other reserves		**53,805,144**	58,003,253
Equity portion of loan from shareholder of the Parent Company		**277,219**	277,219
Revenue reserve: Un-appropriated profits		**16,566,728**	18,679,148
Attributable to equity holders of the Parent Company		**72,149,108**	78,459,637
Non-controlling interests		**18,125,644**	17,928,035
TOTAL EQUITY		**90,274,752**	96,387,672
NON-CURRENT LIABILITIES			
Long term finances from financial institutions	6	**48,371,395**	48,199,149
Lease liabilities		**199,266**	140,307
Security deposits		**480,842**	466,582
Deferred income		**327,672**	341,495
Deferred government grant		**1,140,779**	983,829
Deferred taxation		**7,728,312**	8,294,414
Long term advances		**286,925**	248,993
Employee benefit obligations		**2,271,993**	2,030,895
Accumulated compensated absences		**559,553**	563,060
		61,366,737	61,268,724
CURRENT LIABILITIES			
Current portion of non-current liabilities		**7,721,327**	6,538,748
Short term borrowings from financial institutions - secured		**45,290,794**	40,021,257
Trade and other payables		**29,740,931**	25,491,372
Unclaimed dividend		**136,115**	113,141
Unpaid dividend		**3,743**	228,014
Accrued finance cost		**4,915,025**	4,771,233
		87,807,935	77,163,765
CONTINGENCIES AND COMMITMENTS	7		
		239,449,424	234,820,161

	Note	June 30, 2024 Un-audited	December 31, 2023 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	**104,336,532**	94,998,052
Right-of-use assets		**234,092**	131,478
Investment properties		**13,459,932**	12,920,531
Intangible assets	9	**5,726,948**	5,736,846
Investments accounted for using the equity method	10	**5,647,831**	5,986,073
Other long term investments	11	**26,131,628**	29,959,311
Long term security deposits		**246,805**	206,382
Long term loans		**5,189**	4,265
		155,788,957	149,942,938
CURRENT ASSETS			
Stores and spares		**5,274,535**	5,536,557
Stock-in-trade		**38,753,977**	45,031,802
Short term investments		**1,075,628**	1,434,438
Trade debts		**20,734,957**	14,412,037
Loans, advances, deposits, prepayments and other receivables		**8,647,436**	9,268,977
Income tax receivable		**6,950,035**	6,269,511
Cash and bank balances		**2,223,899**	2,923,901
		83,660,467	84,877,223
		239,449,424	234,820,161

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2024

	Note	Three month period ended		Six-month period ended	
		June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
		(Rupees in thousand)	**(Restated)**	**(Rupees in thousand)**	**(Restated)**
Net revenue	12	**43,090,416**	37,140,499	**88,347,666**	75,908,946
Cost of sales and services		**(34,077,667)**	(26,584,608)	**(69,735,691)**	(55,590,701)
Gross profit		**9,012,749**	10,555,891	**18,611,975**	20,318,245
Administrative expenses		**(1,224,167)**	(1,088,740)	**(3,176,800)**	(2,203,884)
Distribution and marketing costs		**(2,654,094)**	(1,472,329)	**(4,609,719)**	(2,821,849)
Net impairment losses on financials assets		**(65,587)**	(213,421)	**(41,353)**	(243,935)
Other expenses		**(338,488)**	(613,896)	**(608,701)**	(2,550,740)
Other income		**377,256**	1,234,796	**1,415,135**	1,408,502
Investment income		**90,840**	346,909	**121,911**	346,909
Share of net profit of associates and joint ventures accounted for using equity method		**108,652**	24,992	**174,381**	55,991
Operating profit		**5,307,161**	8,774,202	**11,886,829**	14,309,239
Finance costs		**(4,597,379)**	(3,087,279)	**(9,104,839)**	(5,900,016)
Gains relating to business combination		**-**	2,856,984	**-**	2,856,984
Profit before taxation and levies		**709,782**	8,543,907	**2,781,990**	11,266,207
Levies (minimum and final taxes)		**(615,228)**	(573,723)	**(795,652)**	(678,607)
Profit before taxation		**94,554**	**7,970,184**	**1,986,338**	**10,587,600**
Taxation		**482,853**	(2,214,613)	**(783,888)**	(3,449,676)
Profit for the period		**577,407**	5,755,571	**1,202,450**	7,137,924
Profit attributable to:					
Equity holders of the Parent Company		**127,906**	5,314,984	**409,266**	6,677,941
Non-controlling interests		**449,501**	440,587	**793,184**	459,983
		577,407	5,755,571	**1,202,450**	7,137,924
Earnings per share attributable to equity holders of the Parent Company during the period	13				
Basic — Rupees		**0.72**	58.75	**3.87**	74.00
Diluted — Rupees		**0.72**	54.87	**3.87**	69.24

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

Chief Executive Officer	**Director**	**Chief Financial Officer**

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2024

	Three month period ended		Six-month period ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	(Rupees in thousand)		**(Rupees in thousand)**	
Profit for the period	**577,407**	5,755,571	**1,202,450**	7,137,924
Other comprehensive (loss) / profit for the period				
Items that will not be subsequently reclassified to profit or loss:				
Change in fair value of equity investments at fair value through other comprehensive income ('FVOCI')	**(1,626,633)**	5,221,350	**(3,827,683)**	2,110,366
	(1,626,633)	5,221,350	**(3,827,683)**	2,110,366
Items that may be reclassified subsequently to profit or loss:				
Net exchange differences on translation of foreign operations	**(20,694)**	249,077	**74,044**	454,805
Share of other comprehensive loss of associates and joint ventures accounted for using equity method - net of tax	**(107,987)**	590,338	**(427,490)**	123,884
	(128,681)	839,415	**(353,446)**	578,689
Other comprehensive (loss) / profit for the period	**(1,755,314)**	6,060,765	**(4,181,129)**	2,689,055
Total comprehensive (loss) / profit for the period	**(1,177,907)**	11,816,336	**(2,978,679)**	9,826,979
Total comprehensive (loss) / profit attributable to:				
Equity holders of the Parent Company	**(1,623,075)**	11,333,358	**(3,788,843)**	9,274,536
Non-controlling interests	**445,168**	482,978	**810,164**	552,443
	(1,177,907)	11,816,336	**(2,978,679)**	9,826,979

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

PACKAGES LIMITED AND ITS SUBSIDIARIES

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

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

	Attributable to equity holders of the Parent Company													
	Issued, subscribed and paid up capital		Reserves									Capital and reserves		
			Capital reserves							Revenue reserves				
	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	Total	Non-controlling interests	Total equity
	(Rupees in thousand)													
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	-	-	-	-	-	-	-	-	-	-	-	-	(363,056)	(363,056)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(363,056)	(2,820,993)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	10,042,206	10,042,206
Total comprehensive income for the period ended June 30, 2023														
Profit for the period	-	-	-	-	-	-	-	-	-	-	6,677,941	6,677,941	459,983	7,137,924
Other comprehensive income for the period				362,345	2,110,366	123,884					-	2,596,595	92,460	2,689,055
	-	-	-	362,345	2,110,366	123,884	-	-	-	-	6,677,941	9,274,536	552,443	9,826,979
Balance as on June 30, 2023 (un-audited)	**893,795**	**606,222**	**3,766,738**	**189,810**	**19,546,545**	**2,679,475**	**80,653**	**277,219**	**1,615,000**	**22,810,333**	**16,148,542**	**68,614,332**	**15,079,533**	**83,693,865**
Balance as on January 1, 2024 (audited)	**893,795**	**606,222**	**3,766,738**	**185,677**	**25,953,731**	**3,591,121**	**80,653**	**277,219**	**1,615,000**	**22,810,333**	**18,679,148**	**78,459,637**	**17,928,035**	**96,387,672**
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, 2023 Rs. 27.5 per share	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	-	(2,457,937)
Final dividend for the year ended December 31, 2023 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(612,555)	(612,555)
	-	-	-	-	-	-	-	-	-	-	(2,457,937)	(2,457,937)	(612,555)	(3,070,492)
Total comprehensive income / (loss) for the period ended June 30, 2024														
Profit for the period	-	-	-	-	-	-	-	-	-	-	409,266	409,266	793,184	1,202,450
Other comprehensive income / (loss) for the period	-	-	-	57,064	(3,827,683)	(427,490)	-	-	-	-	-	(4,198,109)	16,980	(4,181,129)
	-	-	-	57,064	(3,827,683)	(427,490)	-	-	-	-	409,266	(3,788,843)	810,164	(2,978,679)
Balance as on June 30, 2024 (un-audited)	**893,795**	**606,222**	**3,766,738**	**242,741**	**22,126,048**	**3,163,631**	**80,653**	**277,219**	**1,615,000**	**22,810,333**	**16,566,728**	**72,149,108**	**18,125,644**	**90,274,752**

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

Chief Executive Officer	Director	Chief Financial Officer

PACKAGES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

	Note	Six-month period ended June 30, 2024	June 30, 2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	16	**20,102,138**	27,482,700
Finance cost paid		**(8,905,028)**	(4,772,968)
Income tax paid		**(2,826,166)**	(2,516,243)
Long term security deposits - net		**89,748**	97,395
Long term loans and deposits - net		**(41,347)**	263
Payments for accumulating compensated absences		**(76,475)**	(108,886)
Long term advances - net		**29,851**	(17,310)
Employee benefit obligations paid		**(73,834)**	(12,354)
Net cash inflow from operating activities		**8,298,887**	20,152,597
Cashflows from investing activities			
Fixed capital expenditure		**(13,908,443)**	(10,978,371)
Payment for acquisition of subsidiary - net of cash acquired		**-**	(3,076,959)
Insurance claim received		**771,465**	-
Proceeds from disposal of property, plant and equipment		**256,282**	103,233
Dividends received		**207,043**	405,483
Net cash outflow from investing activities		**(12,673,653)**	(13,546,614)
Cash flows from financing activities			
Proceeds from long term finances		**4,580,333**	12,182,259
Repayment of long term finances		**(3,220,413)**	(5,090,827)
Payment of lease liabilities		**22,035**	(270,497)
Participating dividend on preference shares		**(63,749)**	(63,749)
Dividend paid to equity holders of the Parent Company		**(2,434,963)**	(3,011,028)
Dividend paid to non-controlling interest		**(836,826)**	(363,056)
Net cash (outflow) / inflow from financing activities		**(1,953,583)**	3,383,102
Net (decrease) / increase in cash and cash equivalents		**(6,328,349)**	9,989,085
Cash and cash equivalents at the beginning of the period		**(35,662,918)**	(32,950,825)
Cash and cash equivalents at the end of the period	17	**(41,991,267)**	(22,961,740)

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim unaudited financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

PACKAGES LIMITED AND ITS SUBSIDIARIES
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2024

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'), Tri-Pack Films Limited ('TRPFL'), Hoechst Pakistan Limited (Formerly Sanofi-Aventis Pakistan Limited) ('HPL') and Packages Trading FZCO (together, the 'Group') are engaged in the following businesses:

Packaging:	Representing manufacture and sale of packaging materials and tissue products
Inks:	Representing manufacture and sale of finished and semi finished inks
Construction:	Representing all types of construction activities and development of real estate
Paper and paperboard:	Representing manufacture and sale of paper and paperboard of all kinds
Corn based starch products:	Representing manufacture and sale of corn based starch products, its derivatives, by-products and trading of corn
Plastic:	Representing manufacture and sale of BOPP & CPP films
Pharmaceuticals products:	Representing manufacture, sale and trading of pharmaceuticals and related 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 of the Parent Company is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

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 Act have been followed.

2.2. The Institute of Chartered Accountants of Pakistan has issued application guidance on accounting of minimum and final taxes vide its circular No. 07/2024 dated May 15, 2024 ('the Guidance'). According to the Guidance, the minimum taxes in excess of normal tax liability and tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime, are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets '.

Accordingly, the Group has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". There has been no effect on the consolidated condensed interim statement of financial position, the consolidated condensed interim statement of comprehensive income, the consolidated condensed interim statement of cash flows, the consolidated condensed interim statement of changes in equity and loss/earnings per share as a result of this change.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
		(Rupees in thousand)	
Effects on consolidated condensed interim statement of profit or loss			
For the quarter ended June 30, 2024 - unaudited			
Final taxes	-	615,228	615,228
Profit before income tax	709,782	(615,228)	94,554
Income tax	132,375	(615,228)	(482,853)
For the half year ended June 30, 2024 - unaudited			
Final taxes	-	795,652	795,652
Profit before income tax	2,781,990	(795,652)	1,986,338
Income tax	1,579,540	(795,652)	783,888
For the quarter ended June 30, 2023 - unaudited			
Final taxes	-	573,723	573,723
Profit before income tax	8,543,907	(573,723)	7,970,184
Income tax	2,788,336	(573,723)	2,214,613
For the half year ended June 30, 2023 - unaudited			
Final taxes	-	678,607	678,607
Profit before income tax	11,266,207	(678,607)	10,587,600
Income tax	4,128,283	(678,607)	3,449,676

2.3. These consolidated condensed interim financial statements are un-audited. These consolidated 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 audited financial statements as at and for the year ended December 31, 2023. 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 audited financial statements.

2.4. 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 audited 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, consolidated condensed interim 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.

2.5. 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 audited financial statements of the Group for the year ended December 31, 2023, 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, 2024, 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, 2025 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 audited financial statements of the Group for the year ended December 31 2023, 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 from financial institutions

	Note	**June 30, 2024 Un-audited**	December 31, 2023 Audited
		(Rupees in thousand)	
Local currency loans - secured	6.1	**54,696,659**	53,336,739
Foreign currency loans - secured	6.2	**-**	-
		54,696,659	53,336,739
Preference shares / convertible stock - unsecured		**932,650**	932,650
		55,629,309	54,269,389
Current portion shown under current liabilities		**(7,257,914)**	(6,070,240)
		48,371,395	48,199,149

6.1. Local currency loans - secured

Opening balance	**54,269,389**	34,581,427
Disbursements during the period / year	**4,580,333**	24,699,238
	58,849,722	59,280,665
Repayments during the period / year	**(3,220,413)**	(5,011,276)
Closing balance	**55,629,309**	54,269,389

6.2. Foreign currency loans - secured

Opening balance	**-**	202,546
Repayments during the period / year	**-**	(13,162)
Adjustment on account of disposal of subsidiary	**-**	(184,351)
Exchange adjustment on opening balances	**-**	(5,033)
Closing balance	**-**	-

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, 2023, except for the following update. 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 this matter. Consequently, no provision for this amount has been made in these consolidated condensed interim financial statements.

(i) With reference to the matter disclosed in note 23.4 of the annual audited financial statements of the Parent Company for the year ended December 31, 2023 wherein a demand of Rs 1,520 million was created in respect of tax year 2017 by the Deputy Commissioner Inland Revenue ('DCIR') against which a refundable of Rs 517.059 million stood in the Parent Company's books. The Parent Company had filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the order of DCIR.

During the period, the CIR(A), through his order dated April 29, 2024, accepted various contentions of the Parent Company while deciding against the Parent Company on some grounds of appeal. The revised demand calculated after the order of the CIR(A) amounts to Rs 292.717 million. Out of this demand, a liability amounting to Rs 205.612 million is already booked in these financial statements in respect of Super Tax. Consequently, the total exposure as of June 30, 2024, stands at Rs 604.165 million. Being aggrieved by the CIR(A)'s decision, the Parent Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR).

7.2. **Commitments in respect of**

(i) Letters of credit and contracts for capital expenditure Rs 4,786.193 million (2023: Rs 6,147.975 million)
(ii) Letters of credit and contracts for other than capital expenditure Rs 16,653.179 million (2023: Rs 10,041.472 million)

8. **Property, plant and equipment**

	Note	**June 30, 2024**	December 31, 2023
		Un-audited	Audited
		(Rupees in thousand)	
Operating fixed assets	8.1	**73,382,634**	69,546,349
Capital work-in-progress	8.2	**29,956,699**	24,689,555
Major spare parts and stand-by equipment		**997,199**	762,148
		104,336,532	94,998,052

8.1. **Operating fixed assets**

	Note		
Opening net book value		**69,546,349**	43,124,512
Additions during the period / year	8.1.1	**6,979,077**	19,626,396
		76,525,426	62,750,908
Disposals during the period / year at book value		**(231,531)**	(326,487)
Transfer from investment property		**429,432**	-
Acquisition of subsidiary		**-**	14,460,884
Adjustment on account of disposal of subsidiary		**-**	(1,692,437)
Depreciation charged during the period / year		**(3,382,534)**	(5,980,394)
Exchange adjustment on opening book value - net		**41,841**	333,875
		(3,142,792)	6,795,441
Closing net book value		**73,382,634**	69,546,349

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

Freehold land	**-**	28,256
Buildings on freehold land	**2,505,690**	3,792,450
Buildings on leasehold land	**24,027**	18,096
Plant and machinery	**3,565,753**	13,279,586
Other equipment (computers, lab equipment and other office equipment)	**232,273**	1,403,475
Furniture and fixtures	**15,678**	28,577
Vehicles	**635,656**	1,075,956
	6,979,077	19,626,396

8.2. **Capital work-in-progress**

Civil works	**3,656,306**	4,075,893
Plant and machinery	**24,020,631**	19,485,582
Advances to suppliers	**1,915,225**	943,828
Others	**364,537**	184,252
	29,956,699	24,689,555

9. **Intangible assets**

	Note		
Opening book value		**5,736,846**	150,024
Additions during the period / year		**21,915**	75,600
Acquisition of subsidiary		**-**	5,581,234
Amortization charged during the period / year		**(31,813)**	(70,012)
Closing book value		**5,726,948**	5,736,846

10. **Investments accounted for using the equity method**

Investments in associates	10.1	**5,043,634**	5,422,305
Investments in joint ventures	10.2	**604,197**	563,768
		5,647,831	5,986,073

		Note	June 30, 2024 Un-audited	December 31, 2023 Audited
10.1.	**Investments in associates**		(Rupees in thousand)	
	Cost		**840,456**	840,456
	Post acquisition share of profits			
	Opening balance		**4,581,849**	3,353,675
	Share of profit adjusted on acquisition of subsidiary		**-**	35,374
	Share of profit from associates - net of tax		**108,951**	221,293
	Share of other comprehensive (loss) / income - net of tax		**(427,490)**	1,035,397
	Dividends received during the period / year		**(60,132)**	(63,890)
	Closing balance		**4,203,178**	4,581,849
		10.1.1	**5,043,634**	5,422,305

10.1.1. Investment in equity instruments of associates - Quoted

IGI Holdings Limited, Pakistan			
15,033,041 (2023: 15,033,041) fully paid ordinary shares of Rs 10 each			
Equity held 10.54% (2023: 10.54%)			
Market value - Rs. 1,894.163 million (2023: Rs. 1,658.896 million)	10.3	**5,043,634**	5,422,305

10.2. Investments in joint ventures

Opening balance		**563,768**	588,154
Share of profit from joint ventures - net of tax		**65,429**	103,260
Share of other comprehensive income from joint ventures - net of tax		**-**	133
Dividends received during the period / year		**(25,000)**	(74,750)
Disposal of investment in joint venture		**-**	(53,029)
Closing balance	10.2.1	**604,197**	563,768

10.2.1. Investment in equity instruments of joint ventures - Unquoted

OmyaPack (Private) Limited, Pakistan		
49,500,000 (2023: 49,500,000) fully paid ordinary shares of Rs 10 each		
Equity held 50% (2023: 50%)	**604,197**	563,768
	604,197	563,768

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	June 30, 2024 Un-audited	December 31, 2023 Audited
			(Rupees in thousand)	
11.	**Other long-term investments**			
	Quoted			
	Nestle Pakistan Limited			
	3,649,248 (2023: 3,649,248) fully paid ordinary shares of Rs 10 each			
	Equity held 8.05% (2023: 8.05%)			
	Cost - Rs 5,778.896 million (2023: Rs 5,778.896 million)		**26,107,340**	29,934,781
	Systems Limited			
	46,050 (2023: 46,050) fully paid ordinary shares			
	Equity held 0.0159% (2023: 0.0159%)			
	Cost - Rs 15.648 million (2023: Rs 15.648 million)		**19,263**	19,505
			26,126,603	29,954,286
	Unquoted			
	Coca-Cola Beverages Pakistan Limited			
	500,000 (2023: 500,000) fully paid ordinary shares of Rs 10 each		**5,000**	5,000
	Equity held 0.0185% (2023: 0.0185%)			
	Pakistan Tourism Development Corporation Limited			
	2,500 (2023: 2,500) fully paid ordinary shares of Rs 10 each		**25**	25
			5,025	5,025
			26,131,628	29,959,311

12.	**Net revenue**		**Three-month period ended**		**Six-month period ended**	
			June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
			(Rupees in thousand)		(Rupees in thousand)	
	Local sales of goods and services		**49,124,967**	42,976,243	**99,459,153**	87,788,446
	Export sales		**1,017,753**	2,399,039	**3,771,573**	3,411,290
			50,142,720	45,375,282	**103,230,726**	91,199,736
	Less:	Sales tax	**(6,003,935)**	(5,680,672)	**(12,600,373)**	(12,213,795)
		Trade discounts	**(1,037,173)**	(2,549,648)	**(2,270,068)**	(3,067,663)
		Commission	**(11,196)**	(4,463)	**(12,619)**	(9,332)
			(7,052,304)	(8,234,783)	**(14,883,060)**	(15,290,790)
	Net revenue		**43,090,416**	37,140,499	**88,347,666**	75,908,946

13. Earnings per share

Basic earnings per share

Profit for the period	**Rupees in thousand**	**127,906**	5,314,984	**409,266**	6,677,941
Participating preference dividend	**Rupees in thousand**	**(63,749)**	(63,749)	**(63,749)**	(63,749)
Net profit attributable to ordinary shareholders	**Rupees in thousand**	**64,157**	5,251,235	**345,517**	6,614,192
Weighted average number of ordinary shares	**Number**	**89,379,504**	89,379,504	**89,379,504**	89,379,504
Basic earnings per share	**Rupees**	**0.72**	58.75	**3.87**	74.00

Diluted earnings per share

Profit for the period	**Rupees in thousand**	**127,906**	5,314,984	**409,266**	6,677,941
Return on preference shares / convertible stock	**Rupees in thousand**	**38,675**	38,781	**77,350**	77,136
		166,581	5,353,765	**486,616**	6,755,077
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**	**0.72**	54.87	**3.87**	69.24

14. 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:

		Six-month period ended	
		June 30, 2024	June 30, 2023
Relationship with the Group	**Nature of transactions**	**(Rupees in thousand)**	
(i) Associates	Purchase of goods and services	**339,295**	28,635
	Sale of goods and services	**1,272**	5,522
	Dividend income	**60,132**	33,824
	Insurance premium paid	**1,342,094**	1,197,457
	Rental and other income	**11,906**	8,829
	Insurance claims received	**503,129**	690,583
	Management and technical fee - income	**-**	5,484
	Brokerage commission	**-**	5,378
	Dividend paid	**759,448**	771,948
	Reimbursement of salaries to Company	**72,130**	53,211
	Reimbursement of salaries by Company	**173**	-
(ii) Joint ventures	Purchase of goods and services	**491,031**	404,081
	Sale of goods and services	**1,741**	24
	Rental and other income	**3,899**	3,619
	Dividend income	**25,000**	24,750
	Reimbursement of salaries to Company	**7,071**	9,935
(iii) Other related parties	Purchase of goods and services	**737,209**	418,873
	Sale of goods and services	**209,901**	232,945
	Rental and other income	**41,130**	1,198
	Royalty and technical fee - expense	**66,002**	64,658
	Commission earned	**-**	1,849
	Donations made	**62,546**	63,322
	Dividend paid	**566,435**	27,460
(iv) Retirement benefit obligations	Expenses charged in respect of retirement plans	**477,473**	339,150
	Dividend paid	**77,892**	77,892
(v) Key management personnel	Salaries and other employee benefits	**848,987**	689,670
	Dividend paid	**141,594**	88,396
	Meeting fee paid	**10,225**	4,600

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

	June 30, 2024	December 31, 2023
	Un-audited	Audited
Period-end balances	**(Rupees in thousand)**	
Receivable from related parties		
Associates	**204,469**	60,152
Joint ventures	**9,142**	66,229
Other related parties	**23,972**	281,720
Retirement funds	**1,205**	-
Payable to related parties		
Associates	**384,921**	296,300
Joint venture	**62,902**	78,262
Other related parties	**227,109**	419,821
Retirement benefit obligations	**100,823**	59,160

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

15. **Segment Information**

	Packaging		Consumer Products		Inks		Paper and Paperboard		Real Estate		Plastics		Pharmaceutical		Corn Starch		Unallocated		Total	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
	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	**Un-audited**	Un-audited
				(Rupees in thousand)																
Revenue from external customers	**28,150,183**	29,653,725	**8,073,527**	7,750,489	**5,712,705**	5,327,270	**21,318,630**	22,836,671	**2,944,242**	2,569,616	**15,023,893**	12,728,816	**13,330,791**	3,769,499	**1,145,872**	-	**2,929,536**	(503,829)	**98,629,379**	84,132,257
Intersegment revenue	**(1,468,818)**	(1,117,450)	**-**	-	**(970,588)**	(1,080,089)	**(4,917,075)**	(4,799,794)	**(15,024)**	(23,804)	**(1,439,905)**	(1,202,174)	**(196,958)**	-	**(449,717)**	-	**(823,628)**	-	**(10,281,713)**	(8,223,311)
	26,681,365	28,536,275	**8,073,527**	7,750,489	**4,742,117**	4,247,181	**16,401,555**	18,036,877	**2,929,218**	2,545,812	**13,583,988**	11,526,642	**13,133,833**	3,769,499	**696,155**	-	**2,105,908**	(503,829)	**88,347,666**	75,908,946
Segment profit / (loss) before tax	**2,052,792**	3,814,152	**1,141,363**	1,278,951	**831,729**	1,005,895	**(1,222,215)**	1,664,575	**474,844**	353,983	**236,396**	1,270,661	**1,618,684**	88,540	**(868,724)**	(10,759)	**852,746**	808,343	**5,117,615**	10,274,341
	June 30, 2024	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023	**June 30, 2024**	December 31, 2023
	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	**Un-audited**	Audited
Segment assets	**33,100,109**	32,055,110	**8,977,903**	9,980,091	**8,099,195**	5,750,953	**57,108,230**	60,543,631	**14,346,785**	13,448,641	**38,675,658**	34,790,243	**30,406,711**	28,478,256	**10,248,384**	9,198,025	**38,486,449**	40,575,211	**239,449,424**	234,820,161
Segment liabilities	**20,682,359**	18,739,733	**1,524,564**	1,550,469	**5,840,788**	3,358,138	**37,631,998**	41,158,250	**10,479,981**	9,758,107	**26,778,157**	23,880,172	**6,011,307**	7,596,282	**8,571,419**	6,767,265	**31,654,099**	25,624,073	**149,174,672**	138,432,489

Reconciliation of profit

	June 30, 2024	June 30, 2023
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	**5,117,615**	10,274,341
Profit from associates and joint ventures - net of dividends and impairment losses	**174,381**	55,991
Gains relating to business combination	**-**	2,856,984
Intercompany consolidation adjustments	**(2,510,006)**	(1,921,109)
Profit before tax	**2,781,990**	11,266,207

16. Cash flow information

16.1. Cash generated from operations

	Note	Six-month period ended June 30, 2024	June 30, 2023
		(Rupees in thousand)	
Profit before tax		**2,781,990**	11,266,207
Adjustments for non-cash items:			
Depreciation on owned assets		**3,382,534**	2,838,144
Depreciation on right-of-use assets		**26,791**	18,931
Depreciation on investment properties		**307,018**	507,918
Amortization on intangible assets		**31,813**	21,983
Provision for accumulating compensated absences		**72,968**	83,392
Provision for employee benefit obligations		**314,932**	203,389
Provision for obsolete / slow-moving stores and spares		**332,945**	501,956
Adjustment on account of disposal of subsidiary	13	**-**	(364,056)
Provision for NRV write-down of stock-in-trade		**(932)**	-
Amortization of deferred income		**(34,721)**	(17,966)
Profit on disposal of operating fixed assets		**(24,751)**	(11,460)
Finance costs		**9,104,839**	5,900,016
Amortization of deferred government grant		**86,249**	(84,149)
Impairment reversal on financial assets		**41,353**	243,935
Liabilities no longer payable written back		**(55,633)**	(26,093)
Provision for rent in respect of land leased from GoPb		**75,000**	45,000
Exchange adjustments - net		**177,156**	2,280,324
Bargain purchase gain		**-**	(2,856,998)
Share of profits of associates and joint ventures accounted for using the equity method		**(174,381)**	(55,991)
Dividend income		**(121,911)**	(346,909)
Profit before working capital changes		**16,323,259**	20,147,573
Effect on cash flow due to working capital changes			
(Increase) / decrease in trade debts		**(6,364,273)**	47,087
Decrease / (increase) in stores and spares		**262,022**	(1,457,013)
Decrease in stock-in-trade		**5,945,812**	1,578,815
Increase in loans, advances, deposits, prepayments and other receivables		**(149,924)**	(177,529)
Increase in trade and other payables		**4,085,242**	7,343,767
		3,778,879	7,335,127
		20,102,138	27,482,700

17. Cash and cash equivalents

	June 30, 2024	June 30, 2023
Cash and bank balances	**2,223,899**	2,249,699
Short term investments	**1,075,628**	1,506,050
Finances under markup arrangements - secured	**(45,290,794)**	(26,717,489)
	(41,991,267)	(22,961,740)

18. Financial risk management

18.1. Financial risk factors

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

The 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 audited financial statements as at December 31, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended December 31, 2023.

18.2. Fair value estimation

a) **Fair value hierarchy**

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

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

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed above. The following table presents the Group’s significant financial assets measured and recognised at fair value at June 30, 2024 and December 31, 2023 on a recurring basis:

As at June 30, 2024	Un-audited			
	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
Recurring fair value measurement				
Assets				
Investments - FVPL	**930,628**	**-**	**-**	**930,628**
Investments - FVOCI	**26,126,603**	**-**	**5,025**	**26,131,628**
Liabilities	**-**	**-**	**-**	**-**

As at December 31, 2023

Rupees in thousand	Audited			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurement				
Assets				
Investments - FVPL	1,129,438	-	-	1,129,438
Investments - FVOCI	29,954,286	-	5,025	29,959,311
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.

19. Detail of subsidiaries

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

20. Date of authorization for issue

These consolidated condensed interim unaudited financial statements were authorized for issue on August 27, 2024 by the Board of Directors of the Parent Company.

21. 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 Officer **Director** **Chief Financial Officer**

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