



**Cherat Packaging Limited**  
A Ghulam Faruque Group Company

for all your  
**Packaging**  
Needs



Un-Audited Accounts  
September 30, 2021

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# Company Information

## Board of Directors

Mr. Akbarali Pesnari	Chairman
Mr. Amer Faruque	Chief Executive
Mr. Aslam Faruque	Director
Mr. Shehryar Faruque	Director
Mr. Arif Faruque	Director
Mr. Ali H. Shirazi	Director
Mr. Abid Vazir	Director
Mr. Sher Afzal Khan Mazari	Director
Ms. Maleeha Humayun Bangash	Director

## Audit Committee

Mr. Ali H. Shirazi	Chairman
Mr. Arif Faruque	Member
Mr. Shehryar Faruque	Member

## Human Resource and Remuneration Committee

Mr. Sher Afzal Khan Mazari	Chairman
Mr. Amer Faruque	Member
Mr. Aslam Faruque	Member

## Director and Chief Operating Officer

Mr. Abid Vazir

## Chief Financial Officer

Syed Waqar Haider Shah

## Company Secretary

Ms. Hina Mir

## Head of Internal Audit

Mr. Aamir Saleem

## Auditors

EY Ford Rhodes  
Chartered Accountants

## Legal Advisor

K.M.S. Law Associates

## Bankers

Allied Bank Ltd  
Bank Al Habib Ltd  
Faysal Bank Ltd  
Habib Bank Ltd  
Habib Metropolitan Bank Ltd  
Industrial and Commercial Bank of China Ltd  
MCB Bank Ltd  
National Bank of Pakistan  
Samba Bank Ltd  
Soneri Bank Ltd  
The Bank of Punjab  
United Bank Ltd

## Non-Banking Financial Institution

Pakistan Kuwait Investment Co. (Pvt) Ltd

## Bankers (Islamic)

Al Baraka Bank (Pakistan) Ltd  
Askari Bank Ltd  
Bank Alfalah Ltd  
Bank Al Habib Ltd  
Bankislami Pakistan Ltd  
Dubai Islamic Bank Pakistan Ltd  
MCB Islamic Bank Ltd  
Meezan Bank Ltd

## Share Registrar

CDC Share Registrar Services Limited.  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400  
Tel: 0800-23275 UAN: 111-111-500  
Email: info@cdcsrsl.com

## Contact Us:

UAN: 111-000-009  
Email: info@gfg.com.pk  
Web: www.gfg.com.pk



## Registered Office

1st Floor, Betani Arcade,  
Jamrud Road, Peshawar  
Tel: (+9291) 5842285, 5842272  
Fax: (+9291) 5840447

## Head Office

Modern Motors House, Beaumont Road,  
Karachi-75530  
Tel: (+9221) 35683566-67, 35688348, 35689538  
Fax: (+9221) 35683425

## Factory

Plot No. 26, Gadoon Amazai  
Industrial Estate, District Swabi,  
Khyber Pakhtunkhwa  
Tel: (+92938) 270125, 270221  
Fax: (+92938) 270126

## Regional Offices

### Lahore

3, Sundar Das Road  
Tel: (+9242) 36286249-50, 36308259  
Fax: (+9242) 36286204

### Islamabad

1st Floor, Razia Sharif Plaza,  
Jinnah Avenue, Blue Area  
Tel: (+9251) 2344531-33  
Fax: (+9251) 2344534, 2344550

# Directors' Review

The Board of Directors is pleased to present the financial results of the Company for the quarter ended September 30, 2021.

## Overview

Timely measures taken by the government to curtail the spread of the COVID-19 outbreak together with large scale vaccinations have started to yield positive results. The support provided by the Government to the construction industry has resulted in an increase in cement demand in the country during the quarter under review, which has benefited the Company in the form of higher bag sales. During the quarter under review, there has been an increase in the sales revenues of the Company due to rise in sales volumes of both cement bags and flexible packaging materials from the comparative period last year. Diversification into flexible packaging business has enabled the Company to reach out to new customers and provide it with a platform for future growth.

## Operating performance

Higher sales volumes have resulted in a 15% increase in the revenues for the Company during the quarter under review in comparison with corresponding quarter last year. In a period of rising cost raw materials like kraft paper and PP granules in the international market together with depreciation of Pak rupee vis-a-vis US dollar and Euro, the Company efficiently managed to control its cost of production. There was an increase in other expenses on account of provision of WPPF and WWF due to higher profitability. Finance cost reduced during the quarter due to lower utilization of short-term financing. For the quarter ended September 30, 2021, the Company posted an after-tax profit of Rs. 272 million compared to Rs. 138 million in the corresponding quarter last year.

## Expansion of Polypropylene Plant and Commissioning of Solar Power Plant

Work on the installation of fourth Polypropylene line at the existing site in Gadoon Amazai, Khyber Pakhtunkhwa Province is progressing as planned and the new PP line is expected to be commissioned by December 31, 2021. The plant, which has been acquired from M/s. Windmoller & Holscher – the leading supplier of such equipment, will have a production capacity of approximately 65 million bags per annum taking the total production capacity of the Polypropylene Division to 260 million bags per annum. During the period, the Company also commissioned solar power panels, which are now providing 0.96 MW of green and cheaper energy to the Company.

## **Future Prospects**

Over the years, the Company has been making regular investments to expand its existing businesses and diversify into new lines of business. Its investment in flexible packaging business has allowed the Company to penetrate into new markets of packaging industry and enhance its revenues. With ongoing expansion of the PP bags line, the Company is well positioned to meet the rising demand of cement packaging and further enhance its market share. This strategy has resulted in an alignment with its long-term objective of being a leading player in the field of packaging.

Rising prices of major commodities, global shipping freights and raw material costs remains an area of concern for the Company. The Company is making efforts to address these challenges through effective and timely measures.

## **Acknowledgment**

The management would like to express its gratitude to all customers, financial institutions, staff members, suppliers and shareholders who have been associated with the Company for their continued support and cooperation. It would like to particularly thank Mondi Packaging, Sabic and Windmoller & Holscher for their cooperation and support to the Company.

**On behalf of the Board of Directors**



**Akbarali Pesnani**  
Chairman



**Amer Faruque**  
Chief Executive

Karachi: October 28, 2021

# Condensed Interim Statement of Financial Position

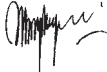
As at September 30, 2021

	Note	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Property, plant & equipment	4	5,048,877	5,015,073
Intangible assets		4,427	4,649
		<u>5,053,304</u>	<u>5,019,722</u>
Long-term investments	5	749,335	949,710
Long-term security deposits		9,378	9,378
		<u>5,812,017</u>	<u>5,978,810</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		405,127	389,371
Stock-in-trade		3,761,856	3,152,295
Trade debts		2,281,301	2,254,629
Loans and advances		8,491	11,682
Trade deposits and short-term prepayments		83,797	39,937
Other receivables		104,842	162,475
Taxation-net		578,304	575,487
Cash and bank balances		24,941	22,468
		<u>7,248,659</u>	<u>6,608,344</u>
<b>TOTAL ASSETS</b>		<u>13,060,676</u>	<u>12,587,154</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 100,000,000 (June 30, 2021: 100,000,000) ordinary shares of Rs. 10/- each		1,000,000	1,000,000
Share capital		425,069	425,069
Reserves		5,686,904	5,614,771
		<u>6,111,973</u>	<u>6,039,840</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing - secured	6	1,808,688	2,065,544
Deferred taxation		602,050	571,478
Government grant		3,097	6,005
		<u>2,413,835</u>	<u>2,643,027</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,768,597	1,146,325
Accrued mark-up		74,972	88,392
Short-term borrowings - secured	7	1,965,194	1,944,741
Current maturity of long-term financing	6	704,965	703,007
Current maturity of Government grant		11,535	11,535
Unclaimed dividend		9,605	10,287
		<u>4,534,868</u>	<u>3,904,287</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>13,060,676</u>	<u>12,587,154</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

  
**Amer Faruque**  
 Chief Executive

  
**Aslam Faruque**  
 Director

  
**Syed Waqar Haider Shah**  
 Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Unaudited)

For the Period Ended September 30, 2021

	Note	September 30,	September 30,
		2021	2020
		(Rupees '000)	
Turnover - net		3,096,070	2,522,947
Cost of sales		(2,530,663)	(2,138,611)
<b>Gross profit</b>		<u>565,407</u>	<u>384,336</u>
Distribution costs		(47,361)	(44,155)
Administrative expenses		(30,104)	(22,260)
Other expenses		(28,224)	(14,616)
		(105,689)	(81,031)
Other income		9,755	5,433
<b>Operating profit</b>		<u>469,473</u>	<u>308,738</u>
Finance costs	9	(92,512)	(116,772)
<b>Profit before taxation</b>		<u>376,961</u>	<u>191,966</u>
Taxation			
Current		(73,881)	(526)
Deferred		(30,572)	(53,817)
	10	(104,453)	(54,343)
<b>Net profit for the period</b>		<u>272,508</u>	<u>137,623</u>
<b>Earnings per share - basic and diluted</b>	11	<u>Rs. 6.41</u>	<u>Rs. 3.24</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



**Amer Faruque**  
Chief Executive



**Aslam Faruque**  
Director



**Syed Waqar Haider Shah**  
Chief Financial Officer

# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Period Ended September 30, 2021

	September 30, 2021	September 30, 2020
	(Rupees '000)	
<b>Net profit for the period</b>	272,508	137,623
<b>Total comprehensive income</b>		
<b>Other comprehensive income that may not be reclassified subsequently to the statement of profit or loss</b>		
Unrealized (loss) / gain on re-measurement of equity investments at fair value through other comprehensive income	(200,375)	157,646
<b>Total comprehensive income for the period</b>	<u>72,133</u>	<u>295,269</u>


The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



**Amer Faruque**  
Chief Executive



**Aslam Faruque**  
Director



**Syed Waqar Haider Shah**  
Chief Financial Officer



# Condensed Interim Statement of Cash Flows (Unaudited)

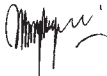
For the Period Ended September 30, 2021

Note	September 30, 2021	September 30, 2020
(Rupees '000)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	376,961	191,966
<b>Profit before taxation</b>		
<b>Adjustments for:</b>		
Depreciation	4 79,517	80,396
Amortization	222	272
Gain on disposal of operating property, plant and equipment	(132)	(1,622)
Government grant amortized	(2,908)	(1,599)
Finance costs	92,512	116,772
Exchange gain	(3,998)	-
	<u>165,213</u>	<u>194,219</u>
	542,174	386,185
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(15,756)	(19,322)
Stock-in-trade	(609,561)	(65,981)
Trade debts	(26,672)	(73,009)
Loans and advances	3,191	(6,533)
Trade deposits and short-term prepayments	(43,860)	(9,431)
Other receivables	61,631	(83,920)
	<u>(631,027)</u>	<u>(258,196)</u>
	(88,853)	127,989
<b>Increase in current liabilities:</b>		
Trade and other payables	622,272	455,794
<b>Cash generated from operations</b>	<u>533,419</u>	<u>583,783</u>
Income tax paid	(76,698)	(71,416)
Long-term loans and deposits - net	-	19
<b>Net cash generated from operating activities</b>	<u>456,721</u>	<u>512,386</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(113,408)	(54,526)
Proceeds from disposal of operating property, plant and equipment	219	3,480
<b>Net cash used in investing activities</b>	<u>(113,189)</u>	<u>(51,046)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financings and Government grant - net	(254,898)	70,829
Short-term borrowings - net	20,453	(322,067)
Finance costs paid	(105,932)	(201,182)
Dividends paid	(682)	(482)
<b>Net cash used in financing activities</b>	<u>(341,059)</u>	<u>(452,902)</u>
<b>Net increase in cash and cash equivalents</b>	2,473	8,438
<b>Cash and cash equivalents at the beginning of the period</b>	22,468	15,022
<b>Cash and cash equivalents at the end of the period</b>	<u>24,941</u>	<u>23,460</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

  
**Amer Faruque**  
Chief Executive

  
**Aslam Faruque**  
Director

  
**Syed Waqar Haider Shah**  
Chief Financial Officer

# Condensed Interim Statement of Changes in Equity (Unaudited)

For the Period Ended September 30, 2021

	ISSUED, SUB- SCRIBED AND PAID-UP CAPITAL	RESERVES					TOTAL RESERVES	TOTAL
		CAPITAL RESERVE	REVENUE RESERVES		OTHER COMPONENTS OF EQUITY			
		Share premium	General reserve	Unappropri- ated profit	Actuarial gain on gratuity fund	Unrealized (loss)/ gain on Equity Investment		
(Rupees '000)								
<b>Balance as at July 01, 2020</b>	425,069	998,628	180,000	2,906,598	242	263,867	4,349,335	4,774,404
Net Profit for the period	-	-	-	137,623	-	-	137,623	137,623
Other comprehensive income for the period	-	-	-	-	-	157,646	157,646	157,646
Total comprehensive income for the period	-	-	-	137,623	-	157,646	295,269	295,269
Balance as at September 30, 2020	<u>425,069</u>	<u>998,628</u>	<u>180,000</u>	<u>3,044,221</u>	<u>242</u>	<u>421,513</u>	<u>4,644,604</u>	<u>5,069,673</u>
<b>Balance as at July 1, 2021</b>	425,069	998,628	180,000	3,676,676	14,989	744,478	5,614,771	6,039,840
Net profit for the period	-	-	-	272,508	-	-	272,508	272,508
Other comprehensive income for the period	-	-	-	-	-	(200,375)	(200,375)	(200,375)
Total comprehensive income for the period	-	-	-	272,508	-	(200,375)	72,133	72,133
<b>Balance as at September 30, 2021</b>	<u>425,069</u>	<u>998,628</u>	<u>180,000</u>	<u>3,949,184</u>	<u>14,989</u>	<u>544,103</u>	<u>5,686,904</u>	<u>6,111,973</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



**Amer Faruque**  
Chief Executive



**Aslam Faruque**  
Director



**Syed Waqar Haider Shah**  
Chief Financial Officer

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the Period Ended September 30, 2021

## 1. THE COMPANY AND ITS OPERATIONS

1.1 Cherat Packaging Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1989. Its main business activities are manufacturing, marketing and sale of paper sacks, polypropylene bags and flexible packaging material. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 1st Floor, Betani Arcade, Jamrud Road, Peshawar, Pakistan.

### 1.2 Impact of COVID-19 on the condensed interim financial statements

Covid-19 is a global pandemic which has affected the whole world and Pakistan is not an exception. Businesses are badly affected due to lockdowns to fight Covid-19 since March 2020. COVID-19 globally affected almost every individual. Construction and FMCG sectors were moderately affected due to various reasons including construction package announced by the Government to boost economy. Consequently, operations of CPL were moderately affected in the last year. The situation in the Country is getting better due to vaccinations which resultantly reducing active cases, hence reducing COVID-19 severity. The Company fully support the Government's vaccination drive to eradicate COVID-19. The Company encouraged its employees to get vaccinated hence, almost all of its staff is now fully vaccinated. There is no significant accounting impact of COVID-19 in these condensed interim financial statements.

## 2. BASIS OF PREPARATION

2.1 These 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:

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

## 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2021.

	Note	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees '000)			
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening net book value (NBV)		4,757,442	4,953,165
Additions during the period / year (cost)	4.1	<u>125,161</u>	<u>145,934</u>
		4,882,603	5,099,099
Depreciation charged during the period / year		(79,517)	(333,369)
Disposals during the period / year (NBV)		(87)	(8,288)
Closing (NBV)		<u>4,802,999</u>	<u>4,757,442</u>
Capital work-in-progress	4.2	<u>245,878</u>	<u>257,631</u>
		<u><u>5,048,877</u></u>	<u><u>5,015,073</u></u>
<b>4.1 Additions during the period / year</b>			
Leasehold land		-	4,605
Building on leasehold land		-	12,713
Plant and machinery		-	34,098
Power and other installations		112,030	26,951
Furniture and fittings		3,490	9,147
Vehicles		6,588	41,534
Equipment		2,662	8,994
Computers		391	7,892
		<u>125,161</u>	<u>145,934</u>
<b>4.2 Capital work-in-progress</b>			
Building on leasehold land		80,956	44,509
Plant and machinery		45,972	46,888
Power and other installations		19,905	105,390
Furniture and fittings		117	370
Vehicles		19,329	2,687
Equipment		78,744	57,787
Computers		855	-
		<u>245,878</u>	<u>257,631</u>
<b>5. LONG-TERM INVESTMENTS</b>			
<b>Investment in related party</b>			
<b>At fair value through other comprehensive income</b>			
Cherat Cement Company Limited			
5,327,698 (June 30, 2021: 5,327,698)			
Ordinary shares of Rs. 10/- each		744,652	945,027
<b>Investment Joint venture</b>			
UniEnergy Limited		4,683	4,683
		<u>749,335</u>	<u>949,710</u>

## 6. LONG-TERM FINANCING – secured

	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees '000)	
<b>Islamic banks</b>		
Fixed Assets Refinance Loan - I	180,000	225,000
Fixed Assets Refinance Loan - II	360,000	420,000
Islamic Finance Facility for Renewable Energy	103,366	103,366
	<u>643,366</u>	<u>748,366</u>
<b>Conventional banks</b>		
Fixed Assets Refinance Loan - III	1,080,000	1,200,000
Fixed Assets Refinance Loan - IV	600,000	600,000
	<u>1,680,000</u>	<u>1,800,000</u>
Refinance Scheme for Payment of Wages and Salaries	190,287	220,185
	<u>2,513,653</u>	<u>2,768,551</u>
Current maturity of long-term financing	<u>(704,965)</u>	<u>(703,007)</u>
	<u>1,808,688</u>	<u>2,065,544</u>

## 7. SHORT-TERM BORROWINGS - secured

The Company has facilities obtained from various conventional and islamic banks amounting to Rs. 6,950 million (June 30, 2021: Rs. 6,950 million) out of which Rs. 4,984.81 million (June 30, 2021: Rs. 5,005.26 million) remain unutilized at the period end.

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2021.

### 8.2 Commitments

	Note	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees '000)	
Outstanding letters of guarantee - conventional banks		<u>77,018</u>	<u>62,857</u>
Outstanding letters of credit - conventional and islamic banks		<u>769,543</u>	<u>974,849</u>
Duties payable against bonded stock		<u>217</u>	<u>236</u>
Capital commitments	8.2.1	<u>-</u>	<u>14,597</u>

**8.2.1** Represents capital commitments extended to related parties.

## **9. FINANCE COSTS**

Includes mark-up on long-term financing amounting to Rs. 48.36 million (September 30, 2020: Rs. 62.03 million), mark-up on short-term borrowings and bank charges amounting to Rs. 44.15 million (September 30, 2020: Rs. 54.74 million).

## **10. TAXATION**

Provision for current taxation is based on normal tax at the current rates of taxation after taking into account tax credits. Income subject to final tax has been taxed accordingly.

## **11. EARNINGS PER SHARE**

	<b>September 30, 2021 (Unaudited)</b>	<b>September 30, 2020 (Unaudited)</b>
Net profit for the period (Rupees'000)	<u>272,508</u>	<u>137,623</u>
Weighted average number of ordinary shares in issue during the period	<u>42,506,835</u>	<u>42,506,835</u>
Earnings per share- basic and diluted	<u>Rs. 6.41</u>	<u>Rs. 3.24</u>

## **12. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021. There have been no changes in any risk management policies since the year end.

The carrying value of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial statements approximate their fair values.

## **13. SEGMENT REPORTING**

For management purposes, the activities of the Company are organized into two operating segments as shown below. The Company operates in the said reportable operating segments based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems.

**Type of Segments**

Bags manufacturing division

Flexible packaging division

**Nature of business**

Kraft paper and Polypropylene bags manufacturing

Extrusion, Flexo Graphic and Rotogravure printing

**13.1 Segment analysis and reconciliation for the period ended September 30, 2021**

	Bags manufacturing division		Flexible packaging division		Total	
	Quarter ended					
	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
	(Rupees '000)					
<b>Sales</b>						
External Sales	2,430,733	2,105,794	665,337	417,153	3,096,070	2,522,947
Inter-segment sales	-	-	-	-	-	-
<b>Total Revenue</b>	<b>2,430,733</b>	<b>2,105,794</b>	<b>665,337</b>	<b>417,153</b>	<b>3,096,070</b>	<b>2,522,947</b>
Depreciation and amortization	42,456	44,169	37,283	36,499	79,739	80,668
Finance costs	10,709	16,418	33,710	42,051	44,419	58,469
Operating profit / (loss) before tax and before unallocated expenses	554,533	403,953	(111,010)	(144,501)	443,523	259,452
Unallocated corporate expenses						
Finance costs	-	-	-	-	(48,093)	(58,303)
Other expenses	-	-	-	-	(28,224)	(14,616)
Other income	-	-	-	-	9,755	5,433
Taxation	-	-	-	-	(104,453)	(54,343)
Net profit for the period	-	-	-	-	272,508	137,623

**13.2 Reportable segment assets and liabilities**

	Bags manufacturing division		Flexible packaging division		Total	
	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
		(Rupees '000)				
Segment assets	6,947,101	6,382,627	4,545,890	4,427,745	11,492,991	10,810,372
Unallocated assets	-	-	-	-	1,567,685	1,776,782
<b>Total assets</b>	<b>6,947,101</b>	<b>6,382,627</b>	<b>4,545,890</b>	<b>4,427,745</b>	<b>13,060,676</b>	<b>12,587,154</b>
Segment liabilities	549,455	665,227	1,809,601	1,943,662	2,359,056	2,608,889
Unallocated liabilities	-	-	-	-	4,589,647	3,938,425
<b>Total liabilities</b>	<b>549,455</b>	<b>665,227</b>	<b>1,809,601</b>	<b>1,943,662</b>	<b>6,948,703</b>	<b>6,547,314</b>

**13.2.1** Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Certain assets and liabilities of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

#### **14. TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Company comprise of associated companies, directors, retirement funds, and key management personnel of the Company. Amounts due from / to related parties are disclosed in respective notes to these financial statements. The Company enters into transactions with related parties on agreed terms as approved by the Board of Directors. Transactions with related parties other than those disclosed elsewhere in the financial statements, are as follows:

<b>Relationship</b>	<b>Nature of transactions</b>	<b>September 30, 2021</b>	<b>September 30, 2020</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		(Rupees '000)	
Associates	Sale of goods	641,301	546,470
	Purchase of goods	4,415	962
	Purchase of fixed assets	12,869	14,591
	Services received	14,647	14,321
	IT Support charges	3,998	3,750
Key management personnel	Remuneration	54,253	32,901
Other related parties	Contribution to staff provident and gratuity funds	6,207	3,880
	Insurance premium	4,543	3,043

**14.1** In addition, certain actual administrative expenses are being shared amongst the group companies.



## 15. DIVIDEND AND APPROPRIATIONS

Subsequent to year ended June 30, 2021, the Board of Directors in its meeting held on August 24, 2021 has proposed final cash dividend @ Rs. 4 per share amounting Rs. 170.03 million (2020: Re. 1/- per share amounting to Rs. 42.51 million) which has been approved by the members at the Annual General Meeting held on October 21, 2021. This is in addition to the interim cash dividend @ Re. 1/- per share amounting to Rs. 42.51 million (2020: Nil per share amounting to Rs. Nil) approved by the Board of Directors for the year ended June 30, 2021. Being a non-adjusting subsequent event, it has not been accounted for in these financial statements.

## 16. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 28, 2021 by the Board of Directors of the Company.

## 17. GENERAL


Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.



**Amer Faruque**  
Chief Executive



**Aslam Faruque**  
Director



**Syed Waqar Haider Shah**  
Chief Financial Officer



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