



Cherat Packaging Limited
A Ghulam Faruque Group Company

NATURALLY

Packaging your Future

Unaudited Accounts
March 31, 2024

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Company Information

Board of Directors

Mr. Akbarali Pesnani	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 Kazmi

Company Secretary

Ms. Natasha Percy Bharucha

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
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)

Askari Bank Ltd
Bank Alfalah Ltd
Bank Al Habib Ltd
Bankislami Pakistan Ltd
Dubai Islamic Bank Pakistan Ltd
Faysal Bank Ltd
MCB Islamic Bank Ltd
Meezan Bank Ltd
The Bank of Khyber

Share Registrar

CDC Share Registrar Services Limited.
CDC House, 99-B, Block 'B', S.M.C.H.S.,
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Regional Offices

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Directors' Review

The Board of Directors is pleased to present the financial results of the Company for the nine months period ended March 31, 2024.

Overview

Passing through perhaps its most critical times suffering from unprecedented inflation, uncertainty over external financing and historically high discount rates, Pakistan's economy has finally started to show signs of macroeconomic stability. Measures taken by the government including the start of the implementation of the much delayed and highly anticipated structural reforms and successful review of the ongoing SBA facility by the IMF has provided a sense of stability and relief to the business community. Packaging industry, which is dependent on other industries, has been affected by an overall economic slowdown in business activities. Tough economic measures taken by the government to overcome trade deficit, declining foreign reserves and high inflation have resulted in significant demand curtailment, which is having an adverse impact on the industry.

Operating performance

During the nine-month period under review, although sales revenues of the Flexible Packaging division increased from the corresponding period, the overall revenues of the Company declined from the same time last year due to a significant decline in papersack sales because of shift in consumption to polypropylene bags by the cement industry. Overall sales of cement bags were also affected by general slowdown in cement dispatches in the country and greater competition in the polypropylene bag division. Due to higher inflation in the country and devaluation of Pak rupee, there was an increase in the cost of various input items, which had an impact on cost of production. During the period under review, there was an increase in other income on account of sale of papersack lines I, II and V. Proceeds from the sale of papersack lines were utilized towards the optimum management of the working capital by the Company in a period of high interest rates. For the nine-month period ended March 31, 2024 the Company posted an after-tax profit of Rs. 858 million.

Expansion of Flexible Packaging Business

The second Flexographic Printer, procured from world renowned manufacturer M/s. Windmoller & Holscher, is currently being commissioned by a team of engineers and is expected to be operational in May 2024. Enhancement in production capacity will enable the Company to meet the demand of its valued customers in an effective manner and optimize the utilization of its available resources.

Future Prospects

Although the medium term outlook still remains challenging, the economy is showing steady signs of stability. The impact of demand compression measures, an improved fiscal position and continued adherence to IMF driven program policies is supporting the economic recovery.

The Company is striving to be a leading player in the field of packaging by expanding its existing businesses, diversifying into new areas of packaging and staying on course to mitigate external challenges by leveraging on its financial strength and operational efficiencies. As indicated in the recent past, a major portion of the market has now switched to polypropylene bags for packing cement from papersack. Cognizant of the changes in the consumption pattern, the Company has taken necessary measures including sale of papersack lines I, II and V. Going forward, the Company will continue to look for opportunities to optimize the utilization of its resources. While macroeconomic conditions are likely to remain challenging, the Company is well positioned to capitalize on available market opportunities for continuing growth. The management of the Company is closely monitoring the economic situation and will continue to take appropriate measures to safeguard the interests of stakeholders.

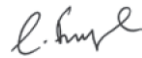
Acknowledgment

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.

On behalf of the Board of Directors



Akbarali Pesnani
Chairman



Amer Faruque
Chief Executive

April 26, 2024

Condensed Interim Statement of Financial Position

As at March 31, 2024

	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
ASSETS			
(Rupees in '000)			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	6,681,101	5,987,585
Intangible assets		7,562	6,531
		6,688,663	5,994,116
Long-term investments	5	815,282	645,701
Long-term security deposits		721	721
		7,504,666	6,640,538
CURRENT ASSETS			
Stores, spare parts and loose tools		593,320	601,390
Stock-in-trade		3,166,524	5,457,707
Trade debts		2,260,606	2,546,377
Loans and advances		13,899	8,459
Trade deposits and short-term prepayments		27,662	106,785
Other receivables		601	99,033
Short-term investment		2,685	123,963
Taxation-net		229,454	333,893
Cash and bank balances		20,172	37,279
		6,314,923	9,314,886
Non-current assets classified as held for sale	6	-	478,371
		6,314,923	9,793,257
TOTAL ASSETS		13,819,589	16,433,795
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
100,000,000 (June 30, 2023: 100,000,000) ordinary shares of Rs. 10/- each		1,000,000	1,000,000
Share capital		490,954	490,954
Reserves		7,590,336	6,709,572
		8,081,290	7,200,526
NON-CURRENT LIABILITIES			
Long-term financing - secured	7	2,251,944	2,164,712
Deferred taxation		977,027	1,047,602
Government grant		192,225	213,969
		3,421,196	3,426,283
CURRENT LIABILITIES			
Trade and other payables		1,773,871	2,026,821
Accrued mark-up		101,432	318,349
Short-term borrowings - secured		90,513	2,785,631
Current maturity of long-term financings	7	311,396	636,850
Current maturity of government grant		28,966	29,046
Unclaimed dividend		10,925	10,289
		2,317,103	5,806,986
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES		13,819,589	16,433,795

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


Amer Faruque
 Chief Executive


Abid Vazir
 Director


Syed Waqar Haider Kazmi
 Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For the period ended March 31, 2024

Note	Period ended		Quarter ended		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
	(Rupees in '000)				
Turnover - net	9	10,727,419	12,407,573	3,271,419	4,564,238
Cost of sales		(9,485,582)	(10,168,247)	(3,059,543)	(3,372,763)
Gross profit		1,241,837	2,239,326	211,876	1,191,475
Distribution costs		(197,300)	(186,035)	(63,416)	(55,945)
Administrative expenses		(141,537)	(151,353)	(45,345)	(54,525)
Other expenses		(17,587)	(58,481)	(3,062)	(40,030)
		(356,424)	(395,869)	(111,823)	(150,500)
Other income	10	885,666	76,375	788,796	30,962
Operating profit		1,771,079	1,919,832	888,849	1,071,937
Finance costs	11	(713,751)	(914,970)	(163,758)	(351,212)
Profit before taxation		1,057,328	1,004,862	725,091	720,725
Taxation	12	(198,859)	(320,901)	(76,632)	(241,227)
Net profit for the period		858,469	683,961	648,459	479,498
Earnings per share - basic and diluted	13	Rs. 17.49	(Restated) Rs. 13.93	Rs. 13.21	(Restated) Rs. 9.77

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



Amer Faruque
Chief Executive



Abid Vazir
Director



Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period ended March 31, 2024

	Period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in '000)			
Net profit for the period	858,469	683,961	648,459	479,498
Other comprehensive income				
Items that may not be reclassified subsequently to the statement of profit or loss:				
Unrealized gain / (loss) on re-measurement of equity investments at fair value through other comprehensive income	169,581	104,103	(57,912)	56,899
Total comprehensive income for the period	<u>1,028,050</u>	<u>788,064</u>	<u>590,547</u>	<u>536,397</u>

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



Amer Faruque
Chief Executive



Abid Vazir
Director



Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For the period ended March 31, 2024

	Note	March 31, 2024	March 31, 2023
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,057,328	1,004,862
Adjustments for:			
Depreciation	4	262,130	291,824
Amortization		835	526
Gain on disposal of operating property, plant and equipment		(2,811)	(11,879)
Net gain on disposal of assets classified as held for sale	6 & 10	(811,509)	-
Government grant amortized		(21,824)	(29,950)
Dividend income		(23,975)	(15,983)
Finance costs		713,751	914,970
		116,597	1,149,508
		1,173,925	2,154,370
Decrease / (increase) in current assets:			
Stores, spare parts and loose tools		8,070	(76,815)
Stock-in-trade		2,291,183	(1,566,991)
Trade debts		285,771	393,641
Loans and advances		(5,440)	(44,663)
Trade deposits and short-term prepayments		79,123	(236,902)
Other receivables		98,432	8,745
Short-term investment		121,278	(40,000)
		2,878,417	(1,562,985)
		4,052,342	591,385
Decrease in current liabilities:			
Trade and other payables		(324,357)	(85,140)
Cash generated from operations		3,727,985	506,245
Income tax paid		(164,995)	(176,629)
Net cash generated from operating activities		3,562,990	329,616
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred - net of borrowing costs		(955,679)	(1,360,007)
Additions to intangible assets		(1,866)	-
Proceeds from disposals of operating property, plant and equipment		23,185	20,199
Proceeds from disposal of assets classified as held for sale		1,381,312	-
Commission paid on disposal of assets classified as held for sale		(20,025)	-
Dividend received		23,975	15,983
Net cash generated from / (used in) investing activities		450,902	(1,323,825)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		(238,222)	157,025
Finance costs paid		(951,009)	(752,967)
Dividends paid		(146,650)	(64,262)
Net cash used in financing activities		(1,335,881)	(660,204)
Net increase / (decrease) in cash and cash equivalents		2,678,011	(1,654,413)
Cash and cash equivalents at the beginning of the period		(2,748,352)	(3,239,901)
Cash and cash equivalents at the end of the period	16	(70,341)	(4,894,314)


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



Amer Faruque
Chief Executive



Abid Vazir
Director



Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended March 31, 2024

	Issued, Subscribed and Paid-up Capital	Reserves					Total Reserves	Total
		Capital Reserves	Revenue Reserves		Other Components of Equity			
		Share premium	General reserves	Unappropriated profit	Actuarial gain on gratuity fund - net of deferred tax	Unrealized gain on equity investments		
(Rupees in '000)								
Balance as at July 01, 2022	425,069	998,628	180,000	4,349,650	7,070	295,140	5,830,488	6,255,557
Final cash dividend for the year ended June 30, 2022 @ Rs. 1.50 per share	-	-	-	(63,760)	-	-	(63,760)	(63,760)
Bonus shares issued in the ratio of 10 shares for every 100 shares held	42,507	-	-	(42,507)	-	-	(42,507)	-
Net profit for the period	-	-	-	683,961	-	-	683,961	683,961
Other comprehensive income	-	-	-	-	-	104,103	104,103	104,103
Total comprehensive income for the period	-	-	-	683,961	-	104,103	788,064	788,064
Balance as at March 31, 2023	467,576	998,628	180,000	4,927,344	7,070	399,243	6,512,285	6,979,861
Balance as at July 01, 2023	490,954	998,628	180,000	5,081,497	9,180	440,267	6,709,572	7,200,526
Final cash dividend for the year ended June 30, 2023 @ Rs. 2.00 per share	-	-	-	(98,191)	-	-	(98,191)	(98,191)
Interim cash dividend for the year ending June 30, 2024 @ Re. 1.00 per share	-	-	-	(49,095)	-	-	(49,095)	(49,095)
Net profit for the period	-	-	-	858,469	-	-	858,469	858,469
Other comprehensive income	-	-	-	-	-	169,581	169,581	169,581
Total comprehensive income for the period	-	-	-	858,469	-	169,581	1,028,050	1,028,050
Balance as at March 31, 2024	490,954	998,628	180,000	5,792,680	9,180	609,848	7,590,336	8,081,290

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


Amer Faruque
 Chief Executive


Abid Vazir
 Director


Syed Waqar Haider Kazmi
 Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For the period ended March 31, 2024

1. CORPORATE INFORMATION

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.

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;
- 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 the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.

3. ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2023, except for the adoption of amendments and improvements to approved accounting standards which became effective for the current period as disclosed in note 3.2 to these condensed interim financial statements.

3.2 Amendments to approved accounting standards adopted during the period

The Company has adopted the following amendments and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current period:

IAS 8	Definition of Accounting Estimates (Amendments)
IAS 1 and IFRS	
Practice Statement 2	Disclosure of Accounting Policies (Amendments)
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)
IAS 12	International Tax Reform—Pillar Two Model Rules (Amendments)

The adoption of above amendments to IFRSs did not have any material impact on the Company's condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
		(Rupees in '000)	
Opening Net Book Value (NBV)		5,834,403	5,425,194
Additions during the period / year - at cost	4.1	87,321	1,286,990
		5,921,724	6,712,184
Depreciation charged during the period / year		(262,130)	(390,815)
Disposals during the period / year - at NBV		(20,374)	(8,595)
Non-current assets classified as held for sale - at NBV		-	(478,371)
Closing NBV		5,639,220	5,834,403
Capital work-in-progress	4.2	1,041,881	153,182
		6,681,101	5,987,585
4.1 Additions during the period / year			
Building on leasehold land		5,312	4,229
Plant and machinery		10,365	1,149,492
Furniture and fittings		2,528	11,058
Vehicles		34,707	82,935
Equipment		18,089	29,482
Computers		16,320	9,794
		87,321	1,286,990
4.2 Capital work-in-progress			
Opening balance		153,182	130,452
Capital expenditure incurred / advances made during the period / year		976,020	1,309,720
Transferred to operating fixed assets		(87,321)	(1,286,990)
Closing balance		1,041,881	153,182

4.2.1 During the period, borrowing costs have been capitalized amounting to Rs. 20.34 million (June 30, 2023: Rs. 60.79 million) using capitalization rate of 21.73% (June 30, 2023: 19.61%) per annum in Flexible Packaging Division.

5. LONG-TERM INVESTMENTS	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
	(Rupees in '000)	
Investment in related parties		
At fair value through other comprehensive income		
Cherat Cement Company Limited		
5,327,698 (June 30, 2023: 5,327,698)		
Ordinary shares of Rs. 10/- each	810,397	640,816
Joint venture		
UniEnergy Limited		
462,000 (June 30, 2023: 462,000)		
Ordinary shares of Rs. 10/- each	4,885	4,885
	815,282	645,701

6. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

During the period, the Company sold its kraft paper lines I, II & V having a carrying amount of Rs. 478.37 million, which resulted in a net gain of Rs. 811.51 million.

	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
(Rupees in '000)			
7. LONG-TERM FINANCING - SECURED			
Islamic banks			
Fixed Assets Refinance Loan - Polypropylene Line - III		-	45,000
Fixed Assets Refinance Loan - Kraftpaper Line - V	7.1	-	180,000
Fixed Assets Refinance Loan - Rotogravure Printing Line - II Project		985,765	985,765
Islamic Finance Facility for Renewable Energy		68,150	71,868
		<u>1,053,915</u>	<u>1,282,633</u>
Conventional banks			
Fixed Assets Refinance Loan - Flexible Packaging Line - I Tranche 1	7.1	-	720,000
Tranche 2		300,000	360,000
Fixed Assets Refinance Loan - Flexographic Printing Line - II	7.2	742,748	-
Temporary Economic Refinance Facility (TERF) - Polypropylene Line - IV		466,677	438,929
		<u>1,509,425</u>	<u>1,518,929</u>
		<u>2,563,340</u>	<u>2,801,562</u>
Current maturities		<u>(311,396)</u>	<u>(636,850)</u>
		<u>2,251,944</u>	<u>2,164,712</u>

7.1 In view of positive cash flows during the period, the Company has made an early full repayment of Fixed Assets Refinance Loans for Kraftpaper Line - V and Flexible Packaging Line - I Tranche 1.

7.2 Represents long-term financing obtained from a conventional bank for the import of Flexographic Printing Line - II. It carries mark-up at the rate of 6 months' KIBOR+ 0.30% per annum. The financing is repayable in 12 equal semi-annual installments which is due to commence after 18 months from first drawdown i.e. from August 2025. The financing is secured against first exclusive hypothecation charge over imported plant and machinery to the extent of principle amount i.e. Rs. 1,000 million and first pari-passu hypothecation charge of Rs. 333.334 million on plant and machinery of the Company.

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, 2023 except as disclosed below:

	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
		(Rupees in '000)	
8.2 Commitments			
Outstanding letters of guarantee - conventional banks		77,018	77,018
Outstanding letters of credit - conventional and Islamic banks		618,211	534,635
Capital commitments	8.2.1	41,567	62,113

8.2.1 These capital commitments have been extended to a related party.

9. TURNOVER - NET

Includes export sales amounting to Rs. 197.66 million (March 31, 2023: Rs. 16.26 million).

10. OTHER INCOME

Includes net gain on disposal of assets classified as held for sale amounting to Rs. 811.51 million.

11. FINANCE COSTS

Includes mark-up on long-term financing amounting to Rs.361.25 million (March 31, 2023: Rs. 243.06 million), mark-up on short-term borrowings and bank charges amounting to Rs.352.50 million (March 31, 2023: Rs. 671.91 million).

12. TAXATION

	Period ended		Quarter ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(Rupees in '000)			
Current	(272,069)	(299,010)	(148,137)	(193,280)
Prior	2,635	24,553	-	-
Deferred	70,575	(46,444)	71,505	(47,947)
	(198,859)	(320,901)	(76,632)	(241,227)

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

12.2 During the period, the Company has challenged the levy of super tax under section 4C of the Income Tax Ordinance, 2001 as amended vide Finance Act, 2023, and an interim stay has been granted by the Honorable Peshawar High Court to file income tax return for the tax year 2023 by excluding super tax amounting to Rs. 120.22 million subject to deposit of post-dated cheque. Keeping in view the inherent uncertainties involved in such matters, the management, as a matter of prudence, has maintained a provision for this amount in these condensed interim financial statements.

12.3 During the year ended June 30, 2019, the Company has recorded tax credit under section 65B of ITO, 2001 @ 10% on commissioning and installation of plant and machinery as per law. Through Finance Act, 2019, the Government has reduced tax credit under section 65B of ITO, 2001 from 10% to 5% retrospectively for the tax year 2019 and abolished the same for subsequent years. The company challenged this amendment in Peshawar High Court (PHC) and claimed full tax credit in the income tax return for the tax year 2019. However, viewing the prudence, for accounting purposes tax credit was taken @ 5%. The case was presented, argued, and the PHC rendered a verdict dated September 7, 2023 and allowed petitioners to claim tax credit @ 10% provided they had executed a binding contract followed by establishment of LCs and purchased machinery before June 30, 2018. Subsequently, the tax department filed an appeal with the Honorable Supreme Court of Pakistan (SCP) and the Company also filed a counter appeal with SCP. Therefore, the accounting treatment has been maintained in these condensed interim financial statements.

13. EARNINGS PER SHARE - BASIC AND DILUTED

	Period ended		Quarter ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Net profit for the period (Rupees in '000)	858,469	683,961	648,459	479,498
		(Restated)		(Restated)
Weighted average number of ordinary shares in issue during the period	49,095,393	49,095,393	49,095,393	49,095,393
Earnings per share - basic and diluted	Rs. 17.49	Rs. 13.93	Rs. 13.21	Rs. 9.77

14. 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, 2023. 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.

14.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate fair values.

The following table shows assets recognized at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities,

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Note	As at 31 March 2024					
		Carrying amount			Fair value		
		Fair value through statement of profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
(Rupees in '000)							
Long-term investments	5	-	810,397	810,397	810,397	-	-
Short-term investment		2,685	-	2,685	2,685	-	-
		<u>2,685</u>	<u>810,397</u>	<u>813,082</u>	<u>813,082</u>	<u>-</u>	<u>-</u>
As at 30 June 2023							
		Carrying amount			Fair value		
		Fair value through statement of profit or loss	Fair value through OCI	Total	Level 1	Level 2	Level 3
(Rupees in '000)							
Long-term investments	5	-	640,816	640,816	640,816	-	-
Short-term investment		-	-	-	-	-	-
		<u>-</u>	<u>640,816</u>	<u>640,816</u>	<u>640,816</u>	<u>-</u>	<u>-</u>

During the period, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

14.1.1 Financial instruments which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date.

15. SEGMENT REPORTING

Segment information is presented in respect of the Company's business. The primary format and business segments are based on the Company's management reporting structure.

Bags manufacturing division Kraft paper and Polypropylene bags manufacturing

Flexible packaging division Extrusion, Flexo Graphic and Rotogravure printing

15.1 Segment analysis and reconciliation

	Bags Manufacturing Division Period ended		Flexible Packaging Division Period ended		Total Period ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(Rupees in '000)					
Sales						
External sales	5,345,339	8,484,142	5,382,080	3,923,431	10,727,419	12,407,573
Inter-segment sales	-	-	-	-	-	-
Total revenue	5,345,339	8,484,142	5,382,080	3,923,431	10,727,419	12,407,573
Depreciation and amortization	134,176	173,022	128,789	119,328	262,965	292,350
Other income	811,509	-	-	-	811,509	-
Finance costs	40,734	69,179	320,515	167,369	361,249	236,548
Profit before tax and before unallocated expenses	1,121,344	1,664,793	231,916	597	1,353,260	1,665,390
Unallocated corporate expenses						
Finance costs	-	-	-	-	(352,502)	(678,422)
Other expenses	-	-	-	-	(17,587)	(58,481)
Other income	-	-	-	-	74,157	76,375
Taxation	-	-	-	-	(198,859)	(320,901)
Profit after taxation	-	-	-	-	858,469	683,961

	Bags Manufacturing Division Quarter ended		Flexible Packaging Division Quarter ended		Total Quarter ended	
	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(Rupees in '000)					
Sales						
External sales	1,569,530	3,276,524	1,701,889	1,287,714	3,271,419	4,564,238
Inter-segment sales	-	-	-	-	-	-
Total revenue	1,569,530	3,276,524	1,701,889	1,287,714	3,271,419	4,564,238
Depreciation and amortization	45,223	58,816	44,807	40,133	90,030	98,949
Other income	761,778	-	-	-	761,778	-
Finance costs	12,141	20,665	99,020	57,782	111,161	78,447
Profit before tax and before unallocated expenses	751,620	894,628	2,112	107,930	753,732	1,002,558
Unallocated corporate expenses						
Finance costs	-	-	-	-	(52,597)	(272,765)
Other expenses	-	-	-	-	(3,062)	(40,030)
Other income	-	-	-	-	27,018	30,962
Taxation	-	-	-	-	(76,632)	(241,227)
Profit after taxation	-	-	-	-	648,459	479,498

15.2 Reportable Segment assets and liabilities

	Bags Manufacturing Division		Flexible Packaging Division		Total	
	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
	(Rupees in '000)					
Segment assets	4,859,633	7,917,999	7,803,709	7,109,043	12,663,342	15,027,042
Unallocated assets	-	-	-	-	1,156,247	1,406,753
Total assets	4,859,633	7,917,999	7,803,709	7,109,043	13,819,589	16,433,795
Segment liabilities	679,932	916,008	2,172,593	2,284,035	2,852,525	3,200,043
Unallocated liabilities	-	-	-	-	2,885,774	6,033,226
Total liabilities	679,932	916,008	2,172,593	2,284,035	5,738,299	9,233,269

15.2.1 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.

16. CASH AND CASH EQUIVALENTS

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(Rupees in '000)	
Cash and bank balances	20,172	27,641
Short-term borrowings - secured	(90,513)	(4,921,955)
	(70,341)	(4,894,314)

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, retirement funds and key management personnel of the Company. Transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Relationship	Nature of transactions	Period ended	
		March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
		(Rupees in '000)	
Associates / related parties	Purchase of goods	668	1,873
	Purchase of fixed assets	27,007	14,618
	Sale of goods	2,455,752	2,671,286
	Services received	11,439	45,125
	IT support charges	14,811	11,995
	Dividend received	23,975	15,983
	Dividend paid	61,113	20,588
	Remuneration to key management personnel	327,032	210,928
	Contribution to staff provident and gratuity funds	37,976	21,714
	Insurance premium	30,157	25,514

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

18. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 26, 2024 by the Board of Directors of the Company.

19. GENERAL

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



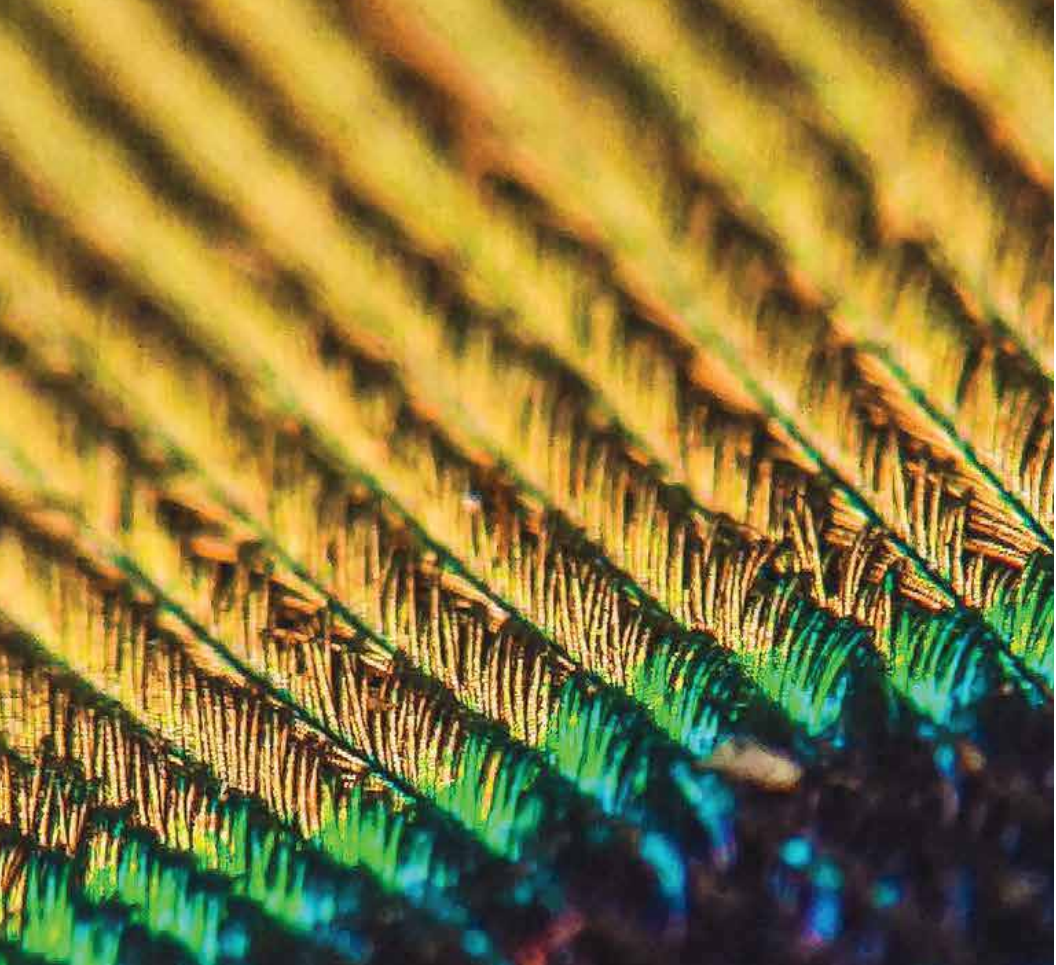
Amer Faruque
Chief Executive



Abid Vazir
Director



Syed Waqar Haider Kazmi
Chief Financial Officer



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