



COLORS OF EXCELLENCE



Cherat Packaging Limited
A Ghulam Faruque Group Company

Half Yearly
Accounts
31 December
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

Mr. Asim H. Akhund

Head of Internal Audit

Mr. Aamir Saleem

Auditors

M/s. Grant Thornton Anjum Rahman
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., 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

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Jamrud Road, Peshawar
Tel: (+9291) 5842285, 5842272
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Head Office

Modern Motors House,
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Fax: (+9221) 35683425

Factory

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Industrial Estate, District Swabi,
Khyber Pakhtunkhwa
Tel: (+92938) 270125, 270221
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Regional Offices

Lahore

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

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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, duly reviewed by the auditors, for the half year ended 31 December 2024.

Overview

Pakistan's economy is on course of steady recovery following successful negotiation and subsequent disbursement of first installment of IMF's Extended Financing Facility. Easing inflation, stable Pak Rupee, and declining discount rates have provided much required relief to the industry.

Despite making economic gains, the industrial sector continues to face slowdown in demand, which has impacted packaging sector as well. High cost of doing business, particularly energy prices and increased tax rates, have significantly impacted consumer buying power. Uncertain demand outlook has had an impact on the Company's sales turnover during the period under review. However, the Company has demonstrated resilience and adaptability to effectively face the challenges.

Operating performance

Sales revenues of the Company declined from the corresponding period last year owing to subdued demand from cement and FMCG sectors. Shift in use of packaging material from papersacks to polypropylene bags has had an impact on our sales volumes. Furthermore, because of slowdown in cement dispatches in the country and increased competition in polypropylene bag division, quantity of bags sold remained lower than the corresponding period last year. During the period, there was an increase in the cost of various input items, which had an impact on cost of production. Finance costs saw a substantial decline, largely attributable to the falling discount rate, early repayment of long-term loans, and lower working capital utilization. During the period under review, other income increased on account of sale of Papersack lines III and IV. For the half year ended 31 December 2024 the Company posted an after-tax profit of Rs. 312 million.

Dividend

The Board of Directors in its meeting held on 20th February 2025 has declared an interim cash dividend of Re. 1 per share i.e. 10%. Share transfer books will remain closed from February 28, 2025 to March 3, 2025.

Update on Projects and Initiatives:

- Work on establishing Carrier/SOS bag unit is currently underway and is expected to be completed by April 2025. The addition of another product category will enable the Company to tap new markets for packaging materials and optimize the utilization of its available resources.
- In view of changing business landscape following a shift in use from papersacks to polypropylene bags by the cement industry, the Company has sold its last papersack line and is no longer be in the business of producing cement papersacks. However, the Company will continue to serve the cement industry by supplying high-quality polypropylene bags. This move will allow the Company to focus on and work further towards other areas of packaging business. As informed earlier, as part of its business strategy to diversify and enhance revenues, the Management is already actively working towards establishing a SOS/Carrier Bag project and further expanding its Flexible Packaging business.
- Subsequent to the period under review, the Board of Directors of the Company has decided to acquire its second Extrusion Plant – a Barrier Film Extrusion Line, along with allied equipment at a cost of up to Rs. 1.40 billion. The extrusion line will be sourced from Windmüller & Hölscher, world's leading equipment supplier to the packaging industry. The project will be financed through a long-term loan and is expected to be completed by April 2026. The addition of this extrusion line will enhance Flexible Packaging Division's production capacity, enabling the Company to better meet customer demand and optimize resource utilization.
- In a period of rising energy costs, the Company has decided to install additional 2MW solar panels at the factory. The installation of solar panels would not only help in bringing about cost efficiency but would also enable the Company to meet its responsibility towards preserving the environment.

Future Prospects

While country's macroeconomic indicators show signs of recovery, it is critical to remain on the path of ongoing economic reform agenda and concentrate on strategies that ensure stability and foster sustainable long term growth.

The Company is determined to maintain its market leadership role by investing in areas of growth to capitalize on available market opportunities. Cognizant of the changes in the consumption pattern especially of the cement industry, the Company has taken necessary measures including sale of all its papersack lines to ensure optimum utilization of its resources. The Company will continue to mitigate external challenges by leveraging on its financial strength and operational efficiencies.

Acknowledgment

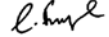
The management would like to express its gratitude to all customers, financial institutions, staff members, suppliers and shareholders who have been associated with the Company for their continued support and cooperation.

On behalf of the Board of Directors



Akbarali Pesnani
Chairman

February 20, 2025



Amer Faruque
Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of Cherat Packaging Limited

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Cherat Packaging Limited as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows for the half year then ended, and notes to the condensed interim financial statements (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review.

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 condensed 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.

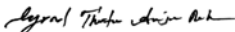
Conclusion

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

Other Matter

The condensed interim financial statements for the six months period ended 31 December 2023 and financial statements for the year ended 30 June 2024 were reviewed and audited respectively by EY Ford Rhodes, Chartered Accountants who expressed an unqualified conclusion and unqualified opinion thereon dated 22 February 2024 and 06 September 2024, respectively.

The engagement partner on the review resulting in this independent auditor's review report is Khurram Jameel.



Chartered Accountants

Place: Karachi

Date: 27 February 2025

UDIN: RR202410093tR0mFvnoI


Condensed Interim Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 (Unaudited)	30 June 2024 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	6,564,347	6,650,821
Intangible assets		9,123	9,876
		6,573,470	6,660,697
Long-term investments	5	1,463,151	874,122
Long-term security deposits		271	271
		8,036,892	7,535,090
CURRENT ASSETS			
Stores, spare parts and loose tools		690,779	653,901
Stock-in-trade		2,711,499	2,946,914
Trade debts		2,430,587	2,177,033
Advances		14,860	6,024
Trade deposits and short-term prepayments		42,170	16,637
Other receivables		1,961	1,498
Short-term investments	6	2,418,761	-
Taxation – net		582,545	363,495
Cash and bank balances		159,612	92,322
		9,052,774	6,257,824
TOTAL ASSETS		17,089,666	13,792,914
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		1,000,000	1,000,000
Share capital		490,954	490,954
Reserves		8,390,735	7,661,192
		8,881,689	8,152,146
NON-CURRENT LIABILITIES			
Long-term financing	7	1,849,822	2,106,635
Deferred taxation		1,107,474	1,013,170
Government grant		170,401	185,003
		3,127,697	3,304,808
CURRENT LIABILITIES			
Trade and other payables		1,766,630	1,710,737
Accrued mark-up		119,284	103,716
Short-term borrowings	8	2,802,827	121,759
Current maturity of long-term financing	7	351,868	360,684
Current maturity of government grant		28,966	28,966
Unclaimed dividend		10,705	10,098
		5,080,280	2,335,960
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		17,089,666	13,792,914

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


Amer Faruque
 Chief Executive Officer


Abid Vazir
 Director


Syed Waqar Haider Kazmi
 Chief Financial Officer


Condensed Interim Statement of Profit or Loss (Unaudited)

For the half-year ended 31 December 2024

Note	Half-year ended		Quarter ended		
	31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)	
----- (Rupees in '000) -----					
Turnover - net	10	6,516,015	7,456,000	3,292,989	3,632,481
Cost of sales		(5,938,723)	(6,426,039)	(3,064,321)	(3,184,498)
Gross profit		577,292	1,029,961	228,668	447,983
Distribution costs		(157,382)	(133,884)	(79,143)	(64,755)
Administrative expenses		(90,080)	(96,192)	(48,276)	(45,576)
Other expenses		(24,913)	(14,525)	(15,406)	(5,355)
		(272,375)	(244,601)	(142,825)	(115,686)
Other income		347,193	96,870	332,482	33,280
Operating profit		652,110	882,230	418,325	365,577
Finance costs	11	(269,017)	(549,993)	(150,564)	(252,236)
Profit before income tax, minimum taxes and final taxes		383,093	332,237	267,761	113,341
Minimum taxes		-	(19,670)	15,662	(19,670)
Final taxes		(3,197)	(4,286)	(3,197)	(2,397)
Profit before income tax		379,896	308,281	280,226	91,274
Income tax	12	(67,548)	(98,271)	(98,904)	(19,282)
Net profit for the period		312,348	210,010	181,322	71,992
Earnings per share - basic and diluted	13	Rs. 6.36	Rs. 4.28	Rs. 3.69	Rs. 1.47

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


Amer Faruque
 Chief Executive Officer


Abid Vazir
 Director


Syed Waqar Haider Kazmi
 Chief Financial Officer


Condensed Interim Statement of Comprehensive Income (Unaudited)

For the half-year ended 31 December 2024

	Half-year ended		Quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
----- (Rupees in '000) -----				
Net profit for the period	312,348	210,010	181,322	71,992
Other comprehensive income				
Items that may not be reclassified subsequently to the statement of profit or loss:				
Unrealized gain on re-measurement of equity investments at fair value through other comprehensive income	589,029	227,493	491,586	180,077
Total comprehensive income for the period	901,377	437,503	672,908	252,069

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


Amer Faruque
 Chief Executive Officer


Abid Vazir
 Director


Syed Waqar Haider Kazmi
 Chief Financial Officer


Condensed Interim Statement of Cash Flows (Unaudited)

For the half-year ended 31 December 2024

	Note	31 December 2024	31 December 2023
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax, minimum taxes and final taxes		383,093	332,237
Adjustments for:			
Depreciation	4	174,439	172,408
Amortization		753	527
Gain on disposal of operating property, plant and equipment		(6,422)	(1,908)
Gain on disposal of assets classified as held for sale		(220,821)	(49,731)
Provision for gratuity		12,209	11,899
Amortization of government grant		(14,602)	(14,602)
Dividend income		(21,311)	(15,983)
Finance costs		269,017	549,993
		193,262	652,603
		576,355	984,840
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(36,878)	3,452
Stock-in-trade		235,415	1,492,696
Trade debts		(253,554)	201,354
Advances		(8,836)	(7,826)
Trade deposits and short-term prepayments		(25,533)	75,663
Other receivables		(463)	53,300
Short-term Investment		-	123,963
		(89,849)	1,942,602
		486,506	2,927,442
Increase / (decrease) in current liabilities:			
Trade and other payables		55,684	(640,624)
Cash generated from operations		542,190	2,286,818
Income tax, minimum taxes and final taxes		(195,491)	(120,254)
Gratuity paid		(12,000)	(12,000)
Net cash generated from operating activities		334,699	2,154,564
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(179,666)	(119,186)
Proceeds from disposals of operating property, plant and equipment		9,598	21,533
Proceeds from disposal of assets classified as held for sale		309,346	58,606
Dividend received		21,311	15,983
Net cash generated / (used in) investing activities		160,589	(23,064)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financings - net		(265,629)	(390,971)
Finance costs paid		(253,449)	(694,472)
Dividends paid		(171,227)	(97,911)
Net cash used in financing activities		(690,305)	(1,183,354)
Net (decrease) / increase in cash and cash equivalents		(195,017)	948,146
Cash and cash equivalents at the beginning of the period		(29,437)	(2,748,352)
Cash and cash equivalents at the end of the period	14	(224,454)	(1,800,206)

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


Amer Faruque
Chief Executive Officer


Abid Vazir
Director


Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the half-year ended 31 December 2024

Issued, Subscribed And Paid-Up Capital	RESERVES						TOTAL RESERVES	TOTAL
	Capital Reserves	Revenue Reserves						
	Share premium	General reserves	Unappro- priated profit	Actuarial gain / (loss) on defined benefit plan-net of deferred tax	Unrealized gain on listed equity investments			

----- (Rupees in '000) -----

Balance as at 01 July 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 30 June 2023 @ Rs. 2.00 per share	-	-	-	(98,191)	-	-	(98,191)	(98,191)
Net Profit for the period	-	-	-	210,010	-	-	210,010	210,010
Other comprehensive income	-	-	-	-	-	227,493	227,493	227,493
Total comprehensive income for the period	-	-	-	210,010	-	227,493	437,503	437,503
Balance as at 31 December 2023	490,954	998,628	180,000	5,193,316	9,180	667,760	7,048,884	7,539,838
Balance as at 01 July 2024	490,954	998,628	180,000	5,820,104	(6,099)	668,559	7,661,192	8,152,146
Final cash dividend for the year ended 30 June 2024 @ Rs. 3.50 per share	-	-	-	(171,834)	-	-	(171,834)	(171,834)
Net profit for the period	-	-	-	312,348	-	-	312,348	312,348
Other comprehensive income	-	-	-	-	-	589,029	589,029	589,029
Total comprehensive income for the period	-	-	-	312,348	-	589,029	901,377	901,377
Balance as at 31 December 2024	490,954	998,628	180,000	5,960,618	(6,099)	1,257,588	8,390,735	8,881,689

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


Amer Faruque
Chief Executive Officer


Abid Vazir
Director


Syed Waqar Haider Kazmi
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For the half-year ended 31 December 2024

1. CORPORATE INFORMATION

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 30 June 2024. These condensed interim financial statements are unaudited, however, have been subject to limited scope review by the auditors and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

2.3 The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended 31 December 2024 and 31 December 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 30 June 2024.

Note	31 December 2024 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment		
Opening Net Book Value (NBV)	6,446,036	5,834,403
Additions during the period / year - at cost	67,254	985,821
	6,513,290	6,820,224
Depreciation charged during the period / year	(174,439)	(353,746)
Disposals during the period / year - at NBV	(3,176)	(20,442)
Non-current assets classified as held for sale at book value	(88,525)	-
Closing NBV	6,247,150	6,446,036
Capital work-in-progress	317,197	204,785
	6,564,347	6,650,821

	31 December 2024 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	
4.1 Additions during the period / year		
Building on leasehold land	2,708	6,459
Plant and machinery	20,236	860,505
Power and other installations	4,330	-
Furniture and fittings	2,115	10,343
Vehicles	25,170	49,943
Equipment	6,977	41,019
Computers	5,718	17,552
	67,254	985,821
4.2 Capital work-in-progress		
Opening balance	204,785	153,182
Capital expenditure incurred / advances made during the period / year	179,666	1,037,424
Transferred to operating fixed assets	(67,254)	(985,821)
Closing balance	317,197	204,785
4.3		
The Company transferred its kraft paper lines III & IV having carrying value amounted to Rs. 88.56 million from property, plant and equipment to non-current assets classified as held for sale. These lines were sold for a consideration of Rs. 309.35 million resulting in a net gain of Rs. 220.82 million.		
	31 December 2024 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	
5. LONG-TERM INVESTMENTS - related parties		
At fair value through other comprehensive income		
Cherat Cement Company Limited	1,458,137	869,108
Investment in joint venture		
UniEnergy Limited	5,014	5,014
	1,463,151	874,122
6. SHORT-TERM INVESTMENTS		
Represents investment in mutual funds designated at fair value through profit or loss account.		

	31 December 2024 (Unaudited)	30 June 2024 (Audited)
Note	----- (Rupees in '000) -----	
7. LONG-TERM FINANCING – secured		
Islamic banks		
Fixed Assets Refinance Loan - Rotogravure Printing Line - II Project	985,765	985,765
Islamic Finance Facility for Renewable Energy	58,844	63,242
	1,044,609	1,049,007
Conventional banks		
Fixed Assets Refinance Loan - Flexible Packaging Line - I	-	240,000
Fixed Assets Refinance Loan - Flexographic Printing Line - II	742,748	742,748
Temporary Economic Refinance Facility (TERF) - Polypropylene Line - IV	414,333	435,564
	1,157,081	1,418,312
	2,201,690	2,467,319
Current maturities	(351,868)	(360,684)
	1,849,822	2,106,635

7.1 In view of positive cash flows during the period, the Company has made an early full repayment of this loan.

8. SHORT-TERM BORROWINGS - secured

	31 December 2024 (Unaudited)	30 June 2024 (Audited)
Note	----- (Rupees in '000) -----	
Conventional banks		
Short-term running finance	692,247	118,195
Islamic banks		
Running Musharakah	2,110,580	3,564
	2,802,827	121,759

8.1 Represents facilities obtained from various conventional banks amounting to Rs. 5,750 million (2024: Rs. 5,450 million) out of which Rs. 5,058 million (2024: Rs. 5,332 million) remains unutilized at the period end. These facilities are secured against registered joint pari-passu hypothecation charge over stocks and book debts for Rs. 7,271 million (2024: Rs. 7,271 million) and ranking hypothecation charge over stocks and book debts of Rs. 400 million (2024: Nil). These facilities carry mark up of 1 and 3 months' KIBOR with spread ranging from 0.40% to 0.75% (2024: 1 and 3 months' KIBOR with spread ranging from 0.40% to 0.75%) per annum. This also includes Export Refinance Facility amounting to Rs. 309 million (2024: Rs. Nil). It carries mark-up at the range 10% to 14.5% per annum during the period.

8.2 Represents facilities obtained from various Islamic banks amounting to Rs. 5,900 million (2024: Rs. 3,900 million) out of which Rs. 3,789 million remains unutilized (2024: Rs. 3,896 million) at the period end. These facilities are secured against registered joint pari-passu hypothecation charge over stocks and book debts for Rs. 4,869 million (2024: Rs. 4,869 million) and ranking hypothecation charge over stocks and book debts of Rs. 2,250 million (2024: Rs. 250 million). These facilities are secured against ranking charge for Rs. 2,334 million (2024: Rs. 334 million). These facilities carry profit rate of 1 and 3 months KIBOR with spread ranging from -3.5% to 0.75% (2024: 1 and 3 months' KIBOR with spread ranging from 0.15% to 0.75%) per annum.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2024.

	Note	31 December 2024 (Unaudited)	30 June 2024 (Audited)
----- (Rupees in '000) -----			
9.2 Commitments		77,018	77,018
Outstanding letters of guarantee - conventional banks			
Outstanding letters of credit - conventional and Islamic banks		502,911	393,123
Capital commitments	9.2.1	567,223	41,567

9.2.1 Capital commitments represents import of Plant and Machinery including Rs. 169.86 million extended to a related party (June 2024: Rs. 41.57 million).

10. TURNOVER - net

Includes export sales amounting to Rs. 90.66 million (31 December 2023: Rs. 188.85 million).

	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
----- (Rupees in '000) -----		

11. FINANCE COSTS

Mark up on:

Long-term financing

Short-term borrowings

Bank charges

	201,516	250,088
	61,748	294,754
	5,753	5,151
	269,017	549,993

12. INCOME TAX

	Half-year ended		Quarter ended	
	31 December 2024 (Unaudited)	31 December 2023 (Unaudited) (Restated)	31 December 2024 (Unaudited)	31 December 2023 (Unaudited) (Restated)
----- (Rupees in '000) -----				
Current	(23,305)	(99,976)	5,036	(30,696)
Prior	50,061	2,635	(4,871)	2,635
Deferred	(94,304)	(930)	(99,069)	8,779
	(67,548)	(98,271)	(98,904)	(19,282)

12.1 Provision for tax in these financial statements is calculated on the basis of Normal Tax Regime under the Income Tax Ordinance, 2001 (the Ordinance).

12.2 As disclosed in note 34.4 to the annual financial statements of the Company for the year ended 30 June 2024, during the year ended 30 June 2019, the Company recorded tax credit under section 65B of the Ordinance at the rate of 10% on commissioning and installation as per law. Through Finance Act, 2019, the government has reduced tax credit under section 65B of the Ordinance from 10% to 5% retrospectively for the tax year 2019 and abolished the same for subsequent years. The management challenged the same in Peshawar High Court (PHC) and initially obtained a stay based on which the management claimed full tax credit in the tax returns. However, as a matter of prudence the same credit was not taken in the annual financial statements. Later on, PHC vide its order dated 07 September 2023 decided the case in favor of the Company. The department filed CPLA against the judgement of PHC before the Honorable Supreme Court of Pakistan (SCP) and during period,

the SCP vide order dated 24 September 2024, allowed the Company to claim a 10% tax credit for plant and machinery purchased and installed on or before 30 June 2019. After reviewing the legal and accounting requirements, management has decided to recognize Rs. 54.93 million being 5% balance tax credit under section 65B as prior year tax income in these condensed interim financial statements.

13. EARNINGS PER SHARE - basic and diluted

	Half-year ended		Quarter ended	
	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
Net profit for the period (Rupees in '000)	312,348	210,010	181,322	71,992
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. 6.36	Rs. 4.28	Rs. 3.69	Rs. 1.47

31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
-----	-----
----- (Rupees in '000) -----	

14. CASH AND CASH EQUIVALENTS

Cash and bank balances	159,612	39,105
Short-term investments	2,418,761	-
Short-term borrowings	(2,802,827)	(1,839,311)
	(224,454)	(1,800,206)

15. 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 30 June 2024. 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.

15.1 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 December 2024 (Unaudited)						
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	-	1,458,137	1,458,137	1,458,137	-
Short-term investments		2,418,761	-	2,418,761	2,418,761	-
		2,418,761	1,458,137	3,876,898	3,876,898	-

As at 30 June 2024 (Audited)						
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	-	869,108	869,108	869,108	-
Short-term investments		-	-	-	-	-
		-	869,108	869,108	869,108	-

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.

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

16. 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

16.1 Segment analysis and reconciliation

	Bags manufacturing division		Flexible packaging division		Total	
	Half-year ended		Half-year ended		Half-year ended	
	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
----- (Rupees in '000) -----						
Sales						
External Sales	3,113,408	3,775,809	3,402,607	3,680,191	6,516,015	7,456,000
Inter-segment sales	-	-	-	-	-	-
Total Revenue	3,113,408	3,775,809	3,402,607	3,680,191	6,516,015	7,456,000
Depreciation and amortization	83,247	88,953	91,945	83,982	175,192	172,935
Other expenses	13,085	-	-	-	13,085	-
Other income	220,821	49,731	-	-	220,821	49,731
Finance costs	24,941	28,593	176,575	221,495	201,516	250,088
Profit before income tax, final taxes, minimum taxes, and unallocated expenses	321,360	369,724	14,690	229,804	336,050	599,528
Unallocated corporate expenses						
Finance costs	-	-	-	-	(67,501)	(299,905)
Other expenses	-	-	-	-	(11,828)	(14,525)
Other income	-	-	-	-	126,372	47,139
Income tax, minimum taxes and final taxes	-	-	-	-	(70,745)	(122,227)
Profit after taxation	-	-	-	-	312,348	210,010

	Bags manufacturing division		Flexible packaging division		Total	
	Quarter ended		Quarter ended		Quarter ended	
	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
----- (Rupees in '000) -----						
Sales						
External Sales	1,548,809	1,844,453	1,744,180	1,788,028	3,292,989	3,632,481
Inter-segment sales	-	-	-	-	-	-
Total Revenue	1,548,809	1,844,453	1,744,180	1,788,028	3,292,989	3,632,481
Depreciation and amortization	42,267	44,392	46,084	42,196	88,351	86,588
Other expenses	13,085	-	-	-	13,085	-
Other income	220,821	-	-	-	220,821	-
Finance costs	12,055	12,124	77,947	108,813	90,002	120,937
Profit before income tax, final taxes, minimum taxes, and unallocated expenses	215,907	118,976	3,076	97,739	218,983	216,715
Unallocated corporate expenses						
Finance costs	-	-	-	-	(60,562)	(131,299)
Other expenses	-	-	-	-	(2,321)	(5,355)
Other income	-	-	-	-	111,661	33,280
Income tax, minimum taxes and final taxes	-	-	-	-	(86,439)	(41,349)
Profit after taxation	-	-	-	-	181,322	71,992

16.2 Reportable Segment assets and liabilities

	Bags manufacturing division		Flexible packaging division		Total	
	31 December 2024 (Unaudited)	30 June 2024 (Audited)	31 December 2024 (Unaudited)	30 June 2024 (Audited)	31 December 2024 (Unaudited)	30 June 2024 (Audited)
----- (Rupees in '000) -----						
Segment assets	4,098,918	4,377,666	8,260,280	8,014,239	12,359,197	12,391,905
Unallocated assets	-	-	-	-	4,730,469	1,401,009
Total assets	4,098,918	4,377,666	8,260,280	8,014,239	17,089,666	13,792,914
Segment liabilities	606,796	641,963	1,868,266	2,131,444	2,475,062	2,773,407
Unallocated liabilities	-	-	-	-	5,732,915	2,867,361
Total liabilities	606,796	641,963	1,868,266	2,131,444	8,207,977	5,640,768

16.2.1 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.

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	Half-year ended	
		31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
		----- (Rupees in '000) -----	
Associates / related parties	Purchase of goods	4,798	537
	Purchase of fixed assets	41,154	24,116
	Sale of goods	1,614,609	1,810,739
	Services received	12,827	8,244
	IT support charges	14,761	9,875
	Dividend received	21,311	15,983
	Dividend paid	72,852	40,741
	Remuneration to key management personnel	254,193	154,982
	Contribution to staff provident and gratuity funds	26,841	25,412
	Insurance premium	24,119	24,155

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

18. DATE OF AUTHORIZATION AND INTERIM DIVIDEND

18.1 DATE OF AUTHORIZATION


These condensed interim financial statements were authorized for issue on 20 February 2025 by the Board of Directors of the Company.


18.2 INTERIM DIVIDEND

The Board of Directors in its meeting held on 20 February 2025 has proposed an interim cash dividend of Re. 1.00 per share (December 2023: Re. 1.00 per share) amounting to Rs. 49.10 million (December 2023: 49.10 million) for the half-year ended 31 December 2024.

19. GENERAL

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


Amer Faruque
 Chief Executive Officer


Abid Vazir
 Director


Syed Waqar Haider Kazmi
 Chief Financial Officer



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