



COLORS OF EXCELLENCE



Cherat Packaging Limited
A Ghulam Faruque Group Company

**Unaudited
Accounts
March 31,
2025**

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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
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Web: www.gfg.com.pk



Registered Office

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Head Office

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Factory

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Industrial Estate, District Swabi,
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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, 2025.

Overview

Pakistan's economy in 2025 is navigating a complex landscape marked by both significant economic and political challenges, and emerging opportunities. Following an improvement in key economic indicators, the country remains on course of steady recovery. Successful negotiation with International Monetary Fund (IMF) for Extended Financing Facility, easing inflation, stable Pak Rupee, and declining discount rates have provided much required relief.

Despite achieving macroeconomic stability, industrial sector continues to face slowdown in demand. This has impacted packaging sector as well. Reduced demand 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

During the nine months period under review, the Company has achieved sales revenues of Rs. 9.8 billion showing a decline of 8% from the corresponding period last year. Sales have remained low mainly due to subdued demand from cement industry, shift in use of packaging material from papersacks to polypropylene bags, and greater competition amongst polypropylene packaging suppliers. 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 nine months ended March 31, 2025 the Company posted an after-tax profit of Rs. 398 million.

Update on projects and initiatives

- The Company expects its Carrier/SOS bag plant to be commissioned by end of April 2025. The addition of another product category will enable the Company to tap new markets for packaging materials, optimize the utilization of its available resources and enhance its sales volumes.
- As informed in our earlier report, the Company has placed the order for its second Extrusion Plant – a Barrier Film Extrusion Line, along with allied equipment. The project will cost up to Rs. 1.40 billion. The extrusion line is being 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.

- The Company is in the process of installing 2.7 MW 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 by providing clean source of energy.

Future Prospects

Pakistan's economy stands at a critical juncture, facing a confluence of internal and external challenges. While there are notable opportunities, particularly in the mineral and digital sectors, realizing their potential requires cohesive policies, structural reforms, and stable governance. The path forward necessitates balancing immediate economic stabilization with long-term sustainable growth strategies to improve living standards and achieve developmental goals. IMF has revised Pakistan's Gross Domestic Product (GDP) growth forecast for 2025 to 3%. It remains critical for the country 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 position by investing in areas of growth to capitalize on available 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


Amer Faruque
Chief Executive

April 28, 2025


Condensed Interim Statement of Financial Position

As at 31 March 2025

	Note	31 March 2025 (Unaudited)	30 June 2024 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	7,028,049	6,650,821
Intangible assets		8,746	9,876
		7,036,795	6,660,697
Long-term investments	5	1,336,939	874,122
Long-term security deposits		271	271
		8,374,005	7,535,090
CURRENT ASSETS			
Stores, spare parts and loose tools		692,026	653,901
Stock-in-trade		3,240,231	2,946,914
Trade debts		2,838,172	2,177,033
Advances		26,265	6,024
Trade deposits and short-term prepayments		36,829	16,637
Other receivables		21,260	1,498
Taxation – net		519,877	363,495
Cash and bank balances		64,969	92,322
		7,439,629	6,257,824
TOTAL ASSETS		15,813,634	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		8,300,657	7,661,192
		8,791,611	8,152,146
NON-CURRENT LIABILITIES			
Long-term financing	6	1,950,418	2,106,635
Deferred taxation		983,476	1,013,170
Government grant		163,258	185,003
		3,097,152	3,304,808
CURRENT LIABILITIES			
Trade and other payables		2,548,788	1,710,737
Accrued mark-up		45,802	103,716
Short-term borrowings	7	817,523	121,759
Current maturity of long-term financing	6	431,017	360,684
Current maturity of government grant		28,966	28,966
Unclaimed dividend		52,775	10,098
		3,924,871	2,335,960
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		15,813,634	13,792,914

The annexed notes from 1 to 18 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 period ended 31 March 2025

	Note	Period ended		Quarter ended	
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		(Restated)		(Restated)	
----- (Rupees in '000) -----					
Turnover - net	9	9,825,687	10,727,419	3,309,672	3,271,419
Cost of sales		(8,935,850)	(9,485,582)	(2,997,127)	(3,059,543)
Gross profit		889,837	1,241,837	312,545	211,876
Distribution costs		(230,960)	(197,300)	(73,578)	(63,416)
Administrative expenses		(134,570)	(141,537)	(44,490)	(45,345)
Other expenses		(29,142)	(17,587)	(4,229)	(3,062)
		(394,672)	(356,424)	(122,297)	(111,823)
Other income		373,880	885,666	26,687	788,796
Operating profit		869,045	1,771,079	216,935	888,849
Finance costs	10	(373,165)	(713,751)	(104,148)	(163,758)
Profit before income tax, minimum taxes and final taxes		495,880	1,057,328	112,787	725,091
Minimum taxes		(20,265)	-	(20,265)	19,670
Final taxes		(4,395)	(5,485)	(1,198)	(1,199)
Profit before income tax		471,220	1,051,843	91,324	743,562
Income tax	11	(73,643)	(193,374)	(6,095)	(95,103)
Net profit for the period		397,577	858,469	85,229	648,459
Earnings per share - basic and diluted	12	Rs. 8.10	Rs. 17.49	Rs. 1.74	Rs. 13.21

The annexed notes from 1 to 18 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 period ended 31 March 2025

	Period ended		Quarter ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
----- (Rupees in '000) -----				
Net profit for the period	397,577	858,469	85,229	648,459
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	462,817	169,581	(126,212)	(57,912)
Total comprehensive income / (loss) for the period	860,394	1,028,050	(40,983)	590,547

The annexed notes from 1 to 18 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 period ended 31 March 2025

	Note	31 March 2025	31 March 2024
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax, minimum taxes and final taxes		495,880	1,057,328
Adjustments for:			
Depreciation	4	262,849	262,130
Amortization		1,130	835
Gain on disposal of operating property, plant and equipment		(6,458)	(2,811)
Gain on disposal of assets classified as held for sale		(220,821)	(811,509)
Provision for gratuity		18,313	18,003
Amortization of government grant		(21,745)	(21,824)
Dividend income		(29,302)	(23,975)
Finance costs		373,165	713,751
		377,131	134,600
		873,011	1,191,928
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(38,125)	8,070
Stock-in-trade		(293,317)	2,291,183
Trade debts		(661,139)	285,771
Advances		(20,241)	(5,440)
Trade deposits and short-term prepayments		(20,192)	79,123
Other receivables		(19,762)	98,432
Short-term Investments		-	121,278
		(1,052,776)	2,878,417
		(179,765)	4,070,345
Increase / (decrease) in current liabilities:			
Trade and other payables		831,738	(324,060)
Cash generated from operations		651,973	3,746,285
Income tax, minimum taxes and final taxes paid		(284,379)	(164,995)
Gratuity paid		(12,000)	(18,300)
Net cash generated from operating activities		355,594	3,562,990
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net of borrowing cost		(730,632)	(955,679)
Additions to intangible assets		-	(1,866)
Proceeds from disposals of operating property, plant and equipment		12,380	23,185
Proceeds from disposal of assets classified as held for sale		309,346	1,381,312
Commission paid on disposal of assets classified as held for sale		-	(20,025)
Dividend received		29,302	23,975
Net cash (used in) / generated from investing activities		(379,604)	450,902
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		(85,884)	(238,222)
Finance costs paid		(434,971)	(951,009)
Dividend paid		(178,252)	(146,650)
Net cash used in financing activities		(699,107)	(1,335,881)
Net (decrease) / increase in cash and cash equivalents		(723,117)	2,678,011
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	13	(752,554)	(70,341)

The annexed notes from 1 to 18 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 period ended 31 March 2025

	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)	
Interim cash dividend for the year ending 30 June 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 31 March 2024	490,954	998,628	180,000	5,792,680	9,180	609,848	7,590,336	8,081,290	
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)	
Interim cash dividend for the year ending 30 June 2025 @ Re. 1.00 per share	-	-	-	(49,095)	-	-	(49,095)	(49,095)	
Net profit for the period	-	-	-	397,577	-	-	397,577	397,577	
Other comprehensive income	-	-	-	-	-	462,817	462,817	462,817	
Total comprehensive income for the period	-	-	-	397,577	-	462,817	860,394	860,394	
Balance as at 31 March 2025	490,954	998,628	180,000	5,996,752	(6,099)	1,131,376	8,300,657	8,791,611	

The annexed notes from 1 to 18 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 period ended 31 March 2025

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 packaging material. The Company is listed on Pakistan Stock Exchange Limited. 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, 2024.

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 March 2025 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment

Opening net book value (NBV)

Additions during the period / year - at cost

4.1

Depreciation charged during the period / year

Disposals during the period / year - at NBV

Non-current assets classified as held for sale at book value

Closing (NBV)

4.2

Capital work-in-progress

4.1 Additions during the period / year

Building on leasehold land

Plant and machinery

Power and other installations

Furniture and fittings

Vehicles

Equipment

Computers

2,708	6,459
20,236	860,505
4,330	-
4,001	10,343
71,905	49,943
10,348	41,019
7,383	17,552
120,911	985,821

	31 March 2025 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	
4.2 Capital work-in-progress		
Opening balance	204,785	153,182
Capital expenditure incurred / advances made during the period / year	734,524 (120,911)	1,037,424 (985,821)
Transferred to operating fixed assets		
Closing balance	<u>818,398</u>	<u>204,785</u>
4.3	The Company transferred its kraft paper lines III & IV having carrying value amounted to Rs. 88.53 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 March 2025 (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	1,331,925	869,108
Investment in joint venture		
UniEnergy Limited	5,014	5,014
	<u>1,336,939</u>	<u>874,122</u>
6. LONG-TERM FINANCING – secured		
Islamic banks		
Fixed Assets Refinance Loan - Rotogravure Printing Line - II Project	887,189	985,765
Islamic Finance Facility for Renewable Energy	59,335	63,242
	<u>946,524</u>	<u>1,049,007</u>
Conventional banks		
Fixed Assets Refinance Loan - Flexible Packaging Line - I	-	240,000
Fixed Assets Refinance Loan - Flexographic Printing Line - II	846,266	742,748
Fixed Assets Refinance Loan - SOS / Carrier Bag Project	164,672	-
Temporary Economic Refinance Facility (TERF) - Polypropylene Line - IV	423,973	435,564
	<u>1,434,911</u>	<u>1,418,312</u>
	<u>2,381,435</u>	<u>2,467,319</u>
Current maturities	(431,017)	(360,684)
	<u>1,950,418</u>	<u>2,106,635</u>
6.1	In view of positive cash flows during the period, the Company has made an early full repayment of this loan.	
6.2	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 plus spread ranging from 0.25% to 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. 333.33 million on plant and machinery of the Company.	

- 6.3** Represents long-term financing obtained from a conventional bank for the import of SOS / Carrier Bag Project. It carries mark-up at the rate of 3 months' KIBOR + 0.15% per annum. The financing is repayable in 10 equal semi-annual installments which is due to commence after 42 months from first drawdown i.e. from August 2028. The financing is secured against first exclusive hypothecation charge over fixed asset of the Company (excluding land and building) of the Company.

Note	31 March 2025 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	

7. SHORT-TERM BORROWINGS - secured

Conventional banks

Short-term running finance

7.1	370,435	118,195
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Islamic banks

Running Musharakah

7.2	447,088	3,564
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	817,523	121,759
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- 7.1** Represents facilities obtained from various conventional banks amounting to Rs. 5,750 million (June 2024: Rs. 5,450 million) out of which Rs. 5,380 million (June 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 (June 2024: Rs. 7,271 million) and ranking hypothecation charge over stocks and book debts of Rs. 400 million (June 2024: Nil). These facilities carry mark up of 1 and 3 months' KIBOR with spread ranging from 0.40% to 0.75% (June 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 (June 2024: Rs. Nil). It carries mark-up at the range 9% to 14.5% per annum during the period.
- 7.2** Represents facilities obtained from various Islamic banks amounting to Rs. 3,900 million (June 2024: Rs. 3,900 million) out of which Rs. 3,453 million remains unutilized (June 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 (June 2024: Rs. 4,869 million) and ranking hypothecation charge over stocks and book debts of Rs. 334 million (June 2024: Rs. 334 million). These facilities carry profit rate of 1 and 3 months KIBOR with spread ranging from 0.15% to 0.75% (June 2024: 1 and 3 months' KIBOR with spread ranging from 0.15% to 0.75%) per annum.

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 30 June 2024.

Note	31 March 2025 (Unaudited)	30 June 2024 (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	267,693	393,123
Capital commitments	320,995	41,567

- 8.2.1** Capital commitments represents import of Plant and Machinery including Rs. 53.02 million extended to a related party (June 2024: Rs. 41.57 million).

9. TURNOVER - net

Includes export sales amounting to Rs. 90.66 million (March 31, 2024: Rs. 197.66 million).

31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
----- (Rupees in '000) -----	

10. FINANCE COSTS

Mark-up on:

Long-term financing

Short-term borrowings

273,444	361,249
89,069	340,976

Bank charges

10,652	11,526
373,165	713,751

11. INCOME TAX

	Period ended		Quarter ended	
	31 March 2025 (Unaudited)	31 March 2024 (Unaudited) (Restated)	31 March 2025 (Unaudited)	31 March 2024 (Unaudited) (Restated)
	----- (Rupees in '000) -----			
Current	(153,398)	(266,584)	(130,093)	(166,608)
Prior	50,061	2,635	-	-
Deferred	29,694	70,575	123,998	71,505
	(73,643)	(193,374)	(6,095)	(95,103)

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

11.2 As disclosed in note 34.4 to the annual financial statements of the Company for the year ended June 30, 2024, during the year ended June 30, 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 September 07, 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 the period, the SCP vide order dated September 24, 2024, allowed the Company to claim a 10% tax credit for plant and machinery purchased and installed on or before June 30, 2019. After reviewing the legal and accounting requirements, management has recognized Rs. 54.93 million being 5% balance tax credit under section 65B as prior year tax income in these condensed interim financial statements.

12. EARNINGS PER SHARE - basic and diluted

	Period ended		Quarter ended	
	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Net profit for the period (Rupees in '000)	397,577	858,469	85,229	648,459
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. 8.10	Rs. 17.49	Rs. 1.74	Rs. 13.21

13. CASH AND CASH EQUIVALENTS

	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
	----- (Rupees in '000) -----	
Cash and bank balances	64,969	20,172
Short-term borrowings	(817,523)	(90,513)
	<u>(752,554)</u>	<u>(70,341)</u>

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 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.

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, bifurcated 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 2025 (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	-	1,331,925	1,331,925	1,331,925	-	-
		-	1,331,925	1,331,925	1,331,925	-	-

	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	-	-
		-	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.

- 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

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

Paper and polypropylene bags manufacturing
Extrusion, Flexo Graphic and Rotogravure printing

15.1 Segment analysis and reconciliation

	Bags Manufacturing Division		Flexible Packaging Division		Total	
	Period ended		Period ended		Period ended	
	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
	(Rupees in '000)					
Sales						
External sales	4,384,475	5,345,339	5,441,212	5,382,080	9,825,687	10,727,419
Inter-segment sales	-	-	-	-	-	-
Total revenue	4,384,475	5,345,339	5,441,212	5,382,080	9,825,687	10,727,419
Depreciation and amortization	122,095	134,176	141,884	128,789	263,979	262,965
Finance costs	36,986	40,734	236,458	320,515	273,444	361,249
Profit before income tax, final taxes, minimum taxes, and unallocated expenses	327,123	1,121,344	131,476	231,916	458,599	1,353,260
Unallocated corporate expenses						
Finance costs	-	-	-	-	(99,721)	(352,502)
Other expenses	-	-	-	-	(16,057)	(17,587)
Other income	-	-	-	-	153,059	74,157
Income tax, minimum taxes and final taxes	-	-	-	-	(98,303)	(198,859)
Profit after taxation	-	-	-	-	397,577	858,469

15.2 Reportable Segment assets and liabilities

	Bags Manufacturing Division		Flexible Packaging Division		Total	
	31 March 2025 (Unaudited)	30 June 2024 (Audited)	31 March 2025 (Unaudited)	30 June 2024 (Audited)	31 March 2025 (Unaudited)	30 June 2024 (Audited)
	(Rupees in '000)					
Segment assets	4,951,205	4,377,666	8,799,635	8,014,239	13,750,840	12,391,905
Unallocated assets	-	-	-	-	2,062,794	1,401,009
Total assets	4,951,205	4,377,666	8,799,635	8,014,239	15,813,634	13,792,914
Segment liabilities	778,560	641,963	1,828,309	2,131,444	2,606,869	2,773,407
Unallocated liabilities	-	-	-	-	4,415,154	2,867,361
Total liabilities	778,560	641,963	1,828,309	2,131,444	7,022,023	5,640,768

- 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. TRANSACTIONS WITH RELATED PARTIES

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

		Period ended	
		31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Relationship	Nature of transactions	----- (Rupees in '000) -----	
Associates / related parties	Purchase of goods	11,784	668
	Purchase of fixed assets	218,640	27,007
	Sale of goods	2,215,078	2,455,752
	Services received	18,973	11,439
	IT support charges	22,656	14,811
	Dividend received	29,302	23,975
	Dividend paid	93,655	61,113
	Remuneration of Chief Executive and executives	315,204	327,032
	Contribution to staff provident and gratuity funds	38,969	37,976
	Insurance premium	38,678	30,157

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


17. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 28 April 2025 by the Board of Directors of the Company.

18. 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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