



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



**UNLOCKING  
POSSIBILITIES**

# **CONTENTS**

- 02 Company Information**
- 03 Directors' Review**
- 04 Independent Auditor's Review Report**
- 05 Condensed Interim Statement of Financial Position**
- 06 Condensed Interim Statement of Profit or Loss (Unaudited)**
- 07 Condensed Interim Statement of Comprehensive Income (Unaudited)**
- 08 Condensed Interim Statement of Cash Flows (Unaudited)**
- 09 Condensed Interim Statement of Changes in Equity (Unaudited)**
- 10 Notes to the Condensed Interim Financial Statements (Unaudited)**

# 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

## 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  
United Bank Ltd

## Share Registrar

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

## Contact Us:

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



## Registered Office

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

## Head Office

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

## Factory

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

## Regional Offices

### Lahore

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

### Islamabad

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



# DIRECTORS' REVIEW

The Board of Directors is pleased to present the financial results of the Company, duly reviewed by the auditors, for the half year ended December 31, 2025.

## Overview

The economic environment remains challenging. However, continuation of prudent fiscal and monetary measures, supported by International Monetary Fund (IMF), easing inflationary pressures, relative stability of the Pak Rupee, and a downward trend in discount rates have provided much-needed relief to the industrial sector. Pakistan's economic outlook has exhibited gradual recovery. On the other hand, elevated energy costs and a high tax regime remain significant challenges for businesses across the country.

## Operating performance

There was an increase in sales revenues of the Company compared to the same period last year on the back of higher volumes especially in Flexible Packaging Division. The Company has maintained its focus on improving operational efficiency, broadening its product portfolio, and strengthening customer relationships. As previously mentioned, demand patterns in the cement industry shifted from paper sacks to polypropylene bags, which led to Company exiting the Papersack business. Intense competition in polypropylene cement bags segment is being witnessed due to entry of new players. To counter these pressures, the Company has proactively diversified into new market segments, including SOS and carrier bags, which is expected to contribute positively to overall sales volumes in the coming days.

There has been a decline in after tax profitability from the corresponding period last year as in the previous year the Company had recorded gain on sale of Papersack lines and recognized tax credit u/s 65B of the Income Tax ordinance in view of the verdict of Supreme Court. During the half year ended December 31, 2025, the Company has recorded an after-tax profit of Rs. 87 million translating to EPS of Rs. 1.77 per share.

## Update on projects and initiatives:

As previously communicated, the Company has placed an order for its second Extrusion Plant – a Barrier Film Extrusion Line, along with related auxiliary equipment. The project, with an estimated cost of up to Rs. 1.40 billion, is being sourced from Windmüller & Höltscher, a globally recognized leader in packaging machinery. The project remains on course for completion by April 2026. This additional extrusion line will significantly enhance the production capacity of the Flexible Packaging Division, enabling the Company to better meet customer demand while improving resource utilization.

In parallel, the Company is in the process of installing 2.7 MW solar power panels at its manufacturing facility. This initiative is expected to generate meaningful cost savings while supporting the Company's commitment to environmental sustainability through the use of clean and renewable energy.

## Dividend

The Board of Directors in its meeting held on 19th February 2026 has declared an interim cash dividend of Re.1.00 per share i.e.10 %.

## Future Prospects

The Company remains committed to sustaining its market leadership by investing in growth opportunities and strategically realigning its operations. By continuing to expand its core businesses and strengthening operational capabilities, the Company aims to further improve its financial results. Despite an increasingly competitive environment, management remains confident of its ability to protect market share, achieve economies of scale, and capitalize on emerging opportunities. The Company will continue to address external challenges through disciplined financial management and enhanced operational efficiencies.

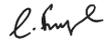
## Acknowledgment

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

February 19, 2026

# 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 2025 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

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2025 and 31 December 2024 have not been reviewed by us.

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



Chartered Accountants

Place: Karachi

Date: 20 February 2026

UDIN: RR202510093sT67v3pyR

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		31 December 2025 (Unaudited)	30 June 2025 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	4	7,528,362	7,219,898
Intangible assets		7,618	8,371
		7,535,980	7,228,269
Long-term investments	5	1,779,160	1,551,653
Long-term deposits		271	271
		9,315,411	8,780,193
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		780,425	731,637
Stock-in-trade		3,154,935	3,045,652
Trade debts		3,307,936	2,370,919
Advances		9,997	9,280
Trade deposits and short-term prepayments		53,632	11,482
Other receivables		37,521	1,604
Taxation – net		603,382	576,161
Cash and bank balances		53,774	96,354
		8,001,602	6,843,089
<b>TOTAL ASSETS</b>		<b>17,317,013</b>	<b>15,623,282</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		490,954	490,954
Reserves		8,684,261	8,465,073
		9,175,215	8,956,027
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	6	2,224,104	2,070,180
Deferred taxation		945,411	929,068
Government grant		141,435	156,037
		3,310,950	3,155,285
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,367,666	2,305,977
Accrued mark-up		97,717	83,525
Short-term borrowings		1,877,281	633,809
Current maturity of long-term financing	6	447,764	449,109
Current maturity of government grant		28,966	28,966
Unpaid dividend		1,765	1,403
Unclaimed dividend		9,689	9,181
		4,830,848	3,511,970
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,317,013</b>	<b>15,623,282</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		

The annexed notes from 1 to 15 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 2025

	Note	Half-year ended		Quarter ended	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		----- (Rupees in '000) -----			
<b>Turnover</b>	8	<b>7,378,842</b>	6,516,015	<b>4,010,379</b>	3,292,989
Cost of sales		<b>(6,778,495)</b>	(5,938,723)	<b>(3,644,978)</b>	(3,064,321)
<b>Gross profit</b>		<b>600,347</b>	577,292	<b>365,401</b>	228,668
Distribution costs		(173,740)	(157,382)	(91,595)	(79,143)
Administrative expenses		(107,351)	(90,080)	(57,507)	(48,276)
Other expenses		(24,309)	(24,913)	(18,150)	(15,406)
		<b>(305,400)</b>	(272,375)	<b>(167,252)</b>	(142,825)
Other income		48,122	347,193	39,295	332,482
<b>Operating profit</b>		<b>343,069</b>	652,110	<b>237,444</b>	418,325
Finance costs		(175,020)	(269,017)	(94,177)	(150,564)
<b>Profit before income tax, minimum tax and final tax</b>		<b>168,049</b>	383,093	<b>143,267</b>	267,761
Minimum tax		(89,798)	-	(49,353)	15,662
Final tax		(3,197)	(3,197)	(3,197)	(3,197)
		<b>(92,995)</b>	(3,197)	<b>(52,550)</b>	12,465
<b>Profit before income tax</b>		<b>75,054</b>	379,896	<b>90,717</b>	280,226
<b>Income tax</b>					
Current		(3,123)	(23,305)	(1,147)	5,036
Prior		31,529	50,061	31,529	(4,871)
Deferred		(16,343)	(94,304)	(50,141)	(99,069)
		<b>12,063</b>	(67,548)	<b>(19,759)</b>	(98,904)
<b>Net profit for the period</b>		<b>87,117</b>	312,348	<b>70,958</b>	181,322
<b>Earnings per share - basic and diluted</b>		<b>Rs. 1.77</b>	Rs. 6.36	<b>Rs. 1.45</b>	Rs. 3.69

The annexed notes from 1 to 15 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 2025

	Half-year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	----- (Rupees in '000) -----			
Net profit for the period	87,117	312,348	70,958	181,322
Other comprehensive income				
Items that will not be reclassified subsequently to the statement of profit or loss:				
Unrealized gain / (loss) on remeasurement of investment at fair value through other comprehensive income (FVOCI)	230,262	589,029	(186,843)	491,586
<b>Total comprehensive income for the period</b>	<b>317,379</b>	<b>901,377</b>	<b>(115,885)</b>	<b>672,908</b>

The annexed notes from 1 to 15 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 2025

	31 December 2025	31 December 2024
	Note	----- (Rupees in '000) -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax, minimum tax and final tax	168,049	383,093
<b>Adjustments for:</b>		
Depreciation	171,001	174,439
Amortization	753	753
Gain on disposals of operating property, plant and equipment	(5,786)	(6,422)
Gain on disposal of assets classified as held for sale	-	(220,821)
Provision for gratuity	12,475	12,209
Share of loss from joint venture	2,755	-
Amortization of government grant	(14,602)	(14,602)
Dividend income	(21,311)	(21,311)
Finance costs	175,020	269,017
	<b>320,305</b>	<b>193,262</b>
<b>Working capital changes:</b>		
Stores, spare parts and loose tools	(48,788)	(36,878)
Stock-in-trade	(109,283)	235,415
Trade debts	(937,017)	(253,554)
Advances	(717)	(8,836)
Trade deposits and short-term prepayments	(42,150)	(25,533)
Other receivables	(35,917)	(463)
Trade and other payables	64,214	55,684
	<b>(1,109,658)</b>	<b>(34,165)</b>
Taxes paid	(91,810)	(195,491)
Gratuity paid	(15,000)	(12,000)
<b>Net cash (used in) / generated from operating activities</b>	<b>(728,114)</b>	<b>334,699</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment - net of borrowing cost	(463,721)	(179,666)
Proceeds from disposals of operating property, plant and equipment	13,288	9,598
Proceeds from disposal of assets classified as held for sale	-	309,346
Dividend received	21,311	21,311
<b>Net cash (used in) / generated from investing activities</b>	<b>(429,122)</b>	<b>160,589</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing - net	152,579	(265,629)
Finance costs paid	(184,074)	(253,449)
Dividend paid	(97,321)	(171,227)
<b>Net cash used in financing activities</b>	<b>(128,816)</b>	<b>(690,305)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,286,052)</b>	<b>(195,017)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(537,455)</b>	<b>(29,437)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(1,823,507)</b>	<b>(224,454)</b>

The annexed notes from 1 to 15 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 2025

Issued, Subscribed And Paid-Up Capital	Reserves					Total reserves	Total
	Capital Reserve	Revenue Reserves					
	Share premium	General reserve	Unappropriated profit	Actuarial loss on defined benefit plan	Unrealized gain on investments at FVOCI		

(Rupees in '000)

<b>Balance as at 01 July 2024</b>	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
<b>Balance as at 31 December 2024</b>	<u>490,954</u>	<u>998,628</u>	<u>180,000</u>	<u>5,960,618</u>	<u>(6,099)</u>	<u>1,257,588</u>	<u>8,390,735</u>	<u>8,881,689</u>
<b>Balance as at 01 July 2025</b>	<b>490,954</b>	<b>998,628</b>	<b>180,000</b>	<b>5,955,610</b>	<b>(15,247)</b>	<b>1,346,082</b>	<b>8,465,073</b>	<b>8,956,027</b>
Final cash dividend for the year ended 30 June 2025 @ Rs. 2.00 per share	-	-	-	(98,191)	-	-	(98,191)	(98,191)
Net profit for the period	-	-	-	87,117	-	-	87,117	87,117
Other comprehensive income	-	-	-	-	-	230,262	230,262	230,262
Total comprehensive income for the period	-	-	-	87,117	-	230,262	317,379	317,379
<b>Balance as at 31 December 2025</b>	<u>490,954</u>	<u>998,628</u>	<u>180,000</u>	<u>5,944,536</u>	<u>(15,247)</u>	<u>1,576,344</u>	<u>8,684,261</u>	<u>9,175,215</u>

The annexed notes from 1 to 15 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 2025

## 1. CORPORATE INFORMATION

Cherat Packaging Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1989. The principal business activity is manufacturing, marketing and sale of packing 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 (the Act); and
- Provisions of, directives and notifications issued under the Act;

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

2.2 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 2025.

## 3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, estimates, judgements used in these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2025.

		<b>31 December 2025 (Unaudited)</b>	30 June 2025 (Audited)
	Note	----- (Rupees in '000) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening net book value (NBV)		<b>6,461,537</b>	6,446,036
Additions during the period / year (cost)	4.1	<b>373,860</b>	470,456
		<b>6,835,397</b>	6,916,492
Depreciation charged during the period / year		<b>(171,001)</b>	(359,985)
Disposals during the period / year (NBV)		<b>(7,502)</b>	(6,445)
Non-current assets classified as held for sale at book value (NBV)		-	(88,525)
Closing (NBV)		<b>6,656,894</b>	6,461,537
Capital work-in-progress		<b>871,468</b>	758,361
		<b>7,528,362</b>	7,219,898
<b>4.1 Additions during the period / year</b>			
Building on leasehold land		<b>7,387</b>	36,636
Plant and machinery		<b>297,785</b>	272,657
Power and other installations		<b>651</b>	11,430
Furniture and fittings		<b>5,028</b>	6,648
Vehicles		<b>36,086</b>	123,175
Equipment		<b>20,688</b>	11,277
Computers		<b>6,235</b>	8,633
		<b>373,860</b>	470,456

	<b>31 December 2025 (Unaudited)</b>	30 June 2025 (Audited)
Note	----- (Rupees in '000) -----	

## 5. LONG-TERM INVESTMENTS - related parties

At FVTOCI - Cherat Cement Company Limited	<b>1,776,893</b>	1,546,631
Joint venture - UniEnergy Limited	<b>2,267</b>	5,022
	<b><u>1,779,160</u></b>	<b><u>1,551,653</u></b>

## 6. LONG-TERM FINANCING – secured

Islamic banks	<b>838,439</b>	941,551
Conventional banks	<b>1,833,429</b>	1,577,738
	<b><u>2,671,868</u></b>	<b><u>2,519,289</u></b>
Current maturities	<b>(447,764)</b>	(449,109)
	<b><u>2,224,104</u></b>	<b><u>2,070,180</u></b>

6.1 During the period, the Company has obtained a long-term financing amounting to Rs. 270 million to setup a 2.7 MV solar project. This carries mark-up at the rate of 6 months KIBOR plus 0.1% per annum, and is repayable in 10 equal semi-annual installments commencing from June 2028. The loan is secured against first exclusive ranking charge over specific plant and machinery to the extent of principle amount and ranking charge on all existing plant and machinery of the Company.

6.2 The terms and conditions associated with all other financing arrangements remain the same as disclosed in annual financial statements for the year ended 30 June 2025.

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2025.

### 7.2 Commitments

	<b>31 December 2025 (Unaudited)</b>	30 June 2025 (Audited)
	----- (Rupees in '000) -----	
Outstanding letters of guarantee	<b>77,018</b>	77,018
Outstanding letters of credit	<b>249,458</b>	403,144
Capital commitments	<b>986,433</b>	1,224,152

## 8. TURNOVER

Include export sales amounting to Rs. 7.94 million (31 December 2024: Rs. 90.66 million).

	<b>31 December 2025 (Unaudited)</b>	31 December 2024 (Unaudited)
	----- (Rupees in '000) -----	

## 9. CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>53,774</b>	159,612
Short-term investments	<b>-</b>	2,418,761
Short-term borrowings	<b>(1,877,281)</b>	(2,802,827)
	<b><u>(1,823,507)</u></b>	<b><u>(224,454)</u></b>

## 10. 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 2025. There have been no changes in any risk management policies since the year end.

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 financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. As of the reporting date, all financial instruments are carried at amortized cost except for long term investments as disclosed in note 5 which are carried at fair value. 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.

## 11. SEGMENT REPORTING

For management purposes, the activities of the Company are organized into following 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

Polypropylene and SOS / Carrier bags manufacturing  
Extrusion, Flexo Graphic and Rotogravure printing

### 11.1 Segment analysis and reconciliation

	Bags Manufacturing Division Half-year ended		Flexible packaging division Half-year ended		Total Half-year ended	
	31 December 2025 (Unaudited)	31 December 2024 (Unaudited)	31 December 2025 (Unaudited)	31 December 2024 (Unaudited)	31 December 2025 (Unaudited)	31 December 2024 (Unaudited)
	----- (Rupees in '000) -----					
Turnover	2,915,949	3,113,408	4,462,893	3,402,607	7,378,842	6,516,015
Depreciation and amortization	68,509	83,247	103,245	91,945	171,754	175,192
Finance costs	35,669	24,941	90,112	176,575	125,781	201,516
(Loss) / profit before income tax, minimum tax, final tax and unallocated expenses	(24,114)	321,360	217,589	14,690	193,475	128,314
Unallocated corporate expenses						
Finance costs	-	-	-	-	(49,239)	(67,501)
Other expenses	-	-	-	-	(24,309)	(24,913)
Other income	-	-	-	-	48,122	347,193
Income tax, minimum tax and final tax	-	-	-	-	(80,932)	(70,745)
Net profit for the period	-	-	-	-	87,117	312,348

### 11.2 Reportable Segment assets and liabilities

	Bags manufacturing division		Flexible packaging division		Total	
	31 December 2025 (Unaudited)	30 June 2025 (Audited)	31 December 2025 (Unaudited)	30 June 2025 (Audited)	31 December 2025 (Unaudited)	30 June 2025 (Audited)
	----- (Rupees in '000) -----					
Segment assets	4,845,841	4,568,104	9,870,236	8,732,626	14,716,077	13,300,730
Unallocated assets	-	-	-	-	2,600,936	2,322,552
<b>Total assets</b>	<b>4,845,841</b>	<b>4,568,104</b>	<b>9,870,236</b>	<b>8,732,626</b>	<b>17,317,013</b>	<b>15,623,282</b>
Segment liabilities	1,042,019	807,879	1,858,352	1,958,523	2,900,371	2,766,402
Unallocated liabilities	-	-	-	-	5,241,427	3,900,853
<b>Total liabilities</b>	<b>1,042,019</b>	<b>807,879</b>	<b>1,858,352</b>	<b>1,958,523</b>	<b>8,141,798</b>	<b>6,667,255</b>

11.2.1 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.

<b>31 December 2025 (Unaudited)</b>	30 June 2025 (Audited)
----- (Rupees in '000) -----	

## 12. SHARIAH COMPLIANCE DISCLOSURES

### 12.1 Condensed interim statement of financial position

Long-term investments	<b>1,779,160</b>	1,551,653
Bank balances	<b>19,359</b>	13,397
Long-term financing	<b>838,439</b>	941,551
Short-term borrowings	<b>1,115,867</b>	527,967
Accrued mark-up	<b>39,802</b>	29,808

#### Half-year ended

<b>31 December 2025 (Unaudited)</b>	31 December 2024 (Unaudited)
----- (Rupees in '000) -----	

### 12.2 Condensed interim statement of profit or loss

Turnover	<b>7,378,842</b>	6,516,015
Gain on short term investments:		
- Shariah compliant	-	9,263
- Conventional	-	64,384
Profit on bank balances - Shariah compliant	<b>1,082</b>	2,669
Mark-up on long-term financing and short-term borrowings		
- Shariah compliant	<b>85,053</b>	141,804
- Conventional	<b>89,967</b>	127,213
Dividend income on long term investments - Shariah compliant	<b>21,311</b>	21,311
Other Shariah compliant income	<b>28,449</b>	249,565

The Company has Shariah compliant relationship with Meezan Bank Limited, Bank Alfalah Limited, Faysal Bank Limited, MCB Islamic Bank Limited, Dubai Islamic Bank Pakistan Limited, Askari Bank Limited, Bank Islami Pakistan Limited, Bank Al Habib Limited, United Bank Limited, and Bank of Khyber Limited.

## 13. 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		
		<b>31 December 2025 (Unaudited)</b>	31 December 2024 (Unaudited)	
----- (Rupees in '000) -----				
Associates (common directorship)	Sales	<b>1,741,357</b>	1,614,609	
	Purchases	<b>8,495</b>	4,798	
	Purchase of fixed assets	<b>34,729</b>	41,154	
	Services received	<b>9,673</b>	12,827	
	IT support charges	<b>15,791</b>	14,761	
	Dividends received	<b>21,311</b>	21,311	
	Insurance premium	<b>34,658</b>	24,119	
	Dividends paid	<b>36,121</b>	64,768	
	Key management personnel	Remuneration	<b>306,715</b>	254,193
		Directors and their spouse(s)	<b>4,600</b>	8,084
Retirement benefit fund	Meeting fee	<b>2,100</b>	2,000	
	Contribution to staff provident and gratuity funds	<b>32,441</b>	26,841	

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

## 14. DATE OF AUTHORISATION AND INTERIM DIVIDEND

### 14.1 Date of authorisation

These condensed interim financial statements were authorised for issue on 19 February 2026 by the Board of Directors of the Company.

### 14.2 Interim dividend

The Board of Directors in its meeting held on 19 February 2026 has proposed an interim cash dividend of Re. 1.00 per share (December 2024: Re. 1.00 per share) amounting to Rs. 49.10 million (December 2024: Rs. 49.10 million) for the half-year ended 31 December 2025.

## 15 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



**Cherat Packaging Limited**

Head Office: Modern Motors, House Beaumont Road,  
Karachi 75530, Pakistan UAN: (9221) 111-000-009  
Email: [info@gfg.com.pk](mailto:info@gfg.com.pk) | Web: [www.gfg.com.pk](http://www.gfg.com.pk)

