

Interim Financial Statements  
For the Quarter Ended 31 December 2023  
(Un-Audited)



Pak Agro Packaging Limited

## COMPANY INFORMATION

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### Board of Directors:

**Mrs Kaisra Jabeen Butt**  
*Chairperson of the Board / Non-executive Director*

**Dr Safdar Ali Butt**  
*Chief Executive / Director*

**Dr. Tariq Javed**  
*Chief Financial Officer / Director*

**Dr. Mubarak Hussain Haider**  
*Independent Director*

**Mohammad Javed**  
*Independent Director*

**Mr Iftkhar Mahmood**  
*Independent Director*

**Mr Nazir Ahmed Shaheen**  
*Independent Director*

### External Auditor

**Masoom Akhtar & Co.**  
*Chartered Accountants*  
6th Floor, ISE Tower, Blue Area, Islamabad  
Phone: 051-2894652  
Fax: 051-2894651

### Share Registrar

**CDC Share Registrar Services Limited,**  
CDC House, 99-B, Block 'B',  
SMCHS Main Shahra-e-Faisal, Karachi-74400  
Phone: +92 21 111 111 500; Fax: +92 21 34326053  
Website: [www.cddcsrsl.com](http://www.cddcsrsl.com)

### Legal Advisor

**Mr Abid Hussain Mirza**  
Islamabad

### Registered Office & Factory

Plot # 22-23 Phase – IV  
Hattar Industrial Estate, Hattar KPK.  
Phone: +92 995 352547

### Corporate Head Office

Third Floor, Green Trust Tower  
Jinnah Avenue, Blue Area, Islamabad.  
Phone: +92 51 8311645

### Contact us:

Phone: +92 51 8311645  
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[info@pakagro.com](mailto:info@pakagro.com)

## DIRECTORS' REPORT

Your directors are pleased to present their report on the six months of the current financial year that ended on 31 Dec 2023.

### Market Outlook

Our main market, namely the agricultural sector of the country, has still not recovered from the impact of recent ravaging floods and a prolonged winter. This has severely impaired the demand for our products in that sector. Farmers are still struggling to get back on their feet, facing considerable difficulties in preparing their lands for crop plantation. At the same time, the drop in the value of Pak rupee has considerably increased the cost of imported raw materials, forcing us to increase product sales prices which in turn made things difficult for farmers. While we hope that the situation will improve in the near future, it would be unwise to assume any major positive change in the economic landscape of the country. October to Dec is generally an off-season quarter for your Company where its sales are generally lowest in any of the quarters in a financial year. Jan to June are historically better months in terms of turnover. While sales in the quarter ended 31 Dec 23 were much better than any such quarter in previous years, primarily due to increase in our production capacity, we remain hopeful that our sales will continue to grow in the coming quarters. But with country's forex availability at its lowest ebb, it is becoming increasingly difficult to import the essential raw materials while the drop in Pak Rupee's value continues to increase the prices. These factors may impede our ability to meet the demands of our customers.

### Operating Results

We recorded total sales of Rs 430.1 m and a gross profit of Rs 51.6 m. Our costs continue to rise due to two main factors: exchange rate losses and higher energy costs. But we are at present unable to fully pass the impact of this increase to our customers due to the generally depressed economic situation of the market, particularly in the agricultural sector. Our gross profit margin, at 12.0% of sales remains below previous year's margin.

Despite a challenging business environment, the company succeeded in posting a 63.8% increase in sales in the half year ended 31 Dec 2023 compared to the same period in 2022. However, due to factors mentioned earlier, the gross profit for the half year under review rose by only 42.2%. Increase in sales volume is attributable to higher production which unfortunately also led to keeping the sales prices in check in order to maintain the sales volumes. This explains a lower gross profit margin as mentioned earlier.

The operating profit was 90% higher than comparable half year of 2022, principally due to stronger controls, in relative terms, over administrative overheads but impaired by a 24.6% higher financial overheads due to higher borrowings.

Our fish net manufacturing plant is now contributing significantly to our sales volumes. With sales to agriculture sector considerably dampened, we were able to sustain the total sales revenue due to fish nets sales. We hope that as the demands for our products used by farmers rises in coming months, for seasonal and economical reasons, our sales target for the year will be met.

We recorded a profit before tax of Rs 26.0 m and a profit after tax of Rs 18.5 m, translating into EPS of 184 paisa on annualized basis, compared to EPS of 80 paisa in comparable period last year.

### **Outlook**

The Board believes that the economy is heading towards stabilization. We hope that in the remaining quarters of the year under review we will be able to sustain the pace of increase in sales volumes and hopefully also improve the gross profit margin.

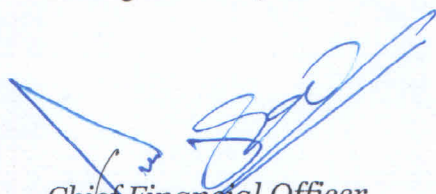
Your company's management is dedicated to mitigating the adverse economic effects, adding lasting value and bolstering relationships within the current value chain while ensuring cost efficiency.

### **Directors Training**

We are pleased to inform our shareholders that all the seven directors of the Company have now completed a directors training program. Six of them went through the DTP conducted by Pakistan Institute of Corporate Governance while one director has attended a program held by ICMAP. Five of the directors were sponsored for DTP by the Company while two of them already held this qualification before joining our board. It is a matter of satisfaction that all our board members are fully aware of their respective responsibilities and are able to effectively contribute to its deliberations.

### **Acknowledgement**

We wish to thank all our employees and business associates for their cooperation during the half year ended 31 Dec 2023.



*Chief Financial Officer*  
**Director**



*Chief Executive*  
**Director**

**Pak Agro Packaging Limited**  
**Statement of Financial Position as at December 31, 2023**

	Note	December 2023 (Rupees)	June 2023 (Rupees)
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
Share capital	6	200,000,000	200,000,000
Reserves	7	107,283,257	107,283,257
<b>Revenue reserves</b>			
Unappropriated profit	8	83,603,739	65,147,370
		390,886,996	372,430,627
<b>Non-current liabilities</b>			
Obligation against assets subject to finance lease	8	26,781,584	30,793,518
Deposit against vehicles	9	-	-
Deferred taxation	10	24,285,667	24,285,667
Employees' Gratuity Fund	11	332,797	2,735,478
		51,400,048	57,814,663
<b>Current liabilities</b>			
Running finance	12	79,997,965	60,531,204
Current maturity of long term liabilities	13	2,403,809	8,320,043
Accrued and other liabilities	14	41,205,367	18,426,137
Taxation - net	15	235,008	2,512,923
		123,842,149	89,790,307
<b>Contingencies and commitments</b>			
	16	-	-
		566,129,193	520,035,597
<b>Property and assets</b>			
<b>Non-current assets</b>			
Operating fixed assets	17	281,167,644	209,891,646
Long term deposits	18	8,093,547	11,162,947
<b>Current assets</b>			
Stock in trade	19	180,683,652	186,335,863
Trade debts	20	33,327,556	83,439,432
Advances and other receivables	21	30,093,313	5,761,969
Prepayments	22	-	2,750,973
Cash and bank balances	24	32,763,482	20,692,767
		276,868,002	298,981,004
		566,129,193	520,035,597

The annexed notes 1 to 40 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive

**Pak Agro Packaging Limited**  
**Statement of Profit or Loss**  
**For the period ended December 31, 2023**

	Note	06 Months Ended		Quarter Ended	
		31st December 2023 (Rupees)	31st December 2022 (Rupees)	31st December 2023 (Rupees)	31st December 2022 (Rupees)
Sales	25	430,147,320	262,677,405	214,608,153	130,156,421
Cost of sales	26	378,571,445	226,425,394	192,505,347	111,570,176
Gross profit		51,575,875	36,252,011	22,102,806	18,586,245
<b>Operating expenses</b>					
Administrative	27	13,591,805	13,527,505	6,727,176	7,675,752
Selling and distribution	28	99,610	26,500	72,010	4,350
		13,691,415	13,554,005	6,799,186	7,680,102
<b>Profit from operations</b>		37,884,460	22,698,006	15,303,620	10,906,143
Financial expenses	29	9,275,546	7,443,752	4,008,247	2,465,324
Other charges	30	2,614,028	1,566,162	1,055,950	752,523
		11,889,574	9,009,914	5,064,197	3,217,847
		25,994,885	13,688,092	10,239,422	7,688,296
Other income	31	-	809,382	-	-
<b>Profit for the year before taxation</b>		25,994,885	14,497,474	10,239,422	7,688,296
Taxation	32	7,538,517	4,204,267	2,150,038	2,229,605
<b>Profit for the year</b>		<b>18,456,369</b>	<b>10,293,207</b>	<b>8,089,385</b>	<b>5,458,691</b>
<b>Basic and diluted earnings per share (PKR)</b>		<b>0.92</b>	<b>1.42</b>	<b>0.40</b>	<b>0.27</b>

The annexed notes 1 to 40 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive