

FROM **GROWTH**
TO **EXCELLENCE**

ANNUAL REPORT 2026

Cover Story

Transforming Momentum into Enduring Strength: From Growth to Excellence

The cover brings together three defining elements of IPAK's journey: a living leaf, an intelligent digital network and packaging film. The leaf represents responsible growth and sustainability, the digital circuitry reflects technology, integration and precision, while the film connects the theme directly with IPAK's core business of flexible packaging.

Together, these elements illustrate the Group's transition from expansion towards institutional excellence. The momentum created through increased scale, broader capabilities and market growth is being transformed into enduring strength through innovation, quality, operational discipline, stronger systems and responsible use of resources. The flowing film represents continuity and forward movement, capturing IPAK's journey from growth to excellence and from progress to lasting value.



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CEO's Message

"Disciplined execution, differentiated products and closer customer engagement are converting scale into sustainable performance."

Dear Shareholders,

FY 2026 marked the next phase in IPAK Group's development, with our emphasis moving from capacity expansion to disciplined execution, improved utilization and sustainable returns across the business.

Our integrated manufacturing platform spanning BOPP, CPP and BOPET films enables us to serve a broad range of domestic and international customers. During the year, our efforts remained focused on improving plant utilization and reliability, optimizing product mix and costs, strengthening coordination across Group companies and maintaining consistent standards of quality and service.

Exports continued to support market diversification and remained central to our growth strategy. We strengthened relationships with international customers while maintaining our leadership in the domestic market. Our ambition extends beyond volume growth to developing differentiated, high-performance and value-added films that respond to evolving customer requirements.

Sustainability and climate resilience are increasingly shaping our product development and operational decisions. We continue to advance packaging solutions that support recyclability, resource efficiency and improved product performance, while strengthening energy efficiency, responsible resource management and operational resilience across the Group.

The operating environment remains exposed to geopolitical tensions, supply-chain disruptions, changes in trade and import policies, the risk of unfairly priced imports, increasing domestic capacity and volatility in raw material prices, energy costs and exchange rates. We will continue to respond through sourcing flexibility, operational efficiency, product differentiation, export diversification and engagement with Government in support of fair competition.

Subsequent to year end, the Group advanced its planned expansion into Portugal through its Dubai-based subsidiary, IPAK Connect Packaging Materials Trading FZCO. This initiative is intended to bring the Group closer to European customers, strengthen its marketing and distribution capabilities and support future expansion in the region.

Our people, systems and execution capabilities remain fundamental to our progress. Continued investment in technical capability, leadership development, workplace safety, digital systems and data-driven decision-making is strengthening accountability, coordination and operational discipline across the Group.

Going forward, our priorities will remain operational excellence, customer-led innovation and sustainable market expansion. With an expanded manufacturing platform, a diversified product portfolio and an increasingly international outlook, we remain focused on delivering consistent performance and creating sustainable long-term value for our shareholders and other stakeholders.

I extend my sincere appreciation to our employees for their dedication, to our customers and business partners for their continued trust, and to our shareholders for their confidence in IPAK Group.

Naveed Godil

Chief Executive Officer



CHAPTER 01

Organizational Overview and External Environment

Company Information

Board of Directors

Mr. Muhammed Amin
Mr. Naveed Godil
Mr. Sarfaraz Ahmed Rehman
Mr. Saad Amanullah Khan
Ms. Saira Nasir
Mr. Arsalan Pirani
Mr. Aftab Zahoor Raja
Mr. Fazal ur Rehman
Mr. Mushtaq Ali Tejani
Mr. Taimoor Iqbal

Chairman
Executive Director & CEO
Independent Director
Independent Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Chief Executive Officer

Mr. Naveed Godil

Audit Committee

Mr. Saad Amanullah Khan
Mr. Muhammed Amin
Mr. Arsalan Pirani

Chairman
Member
Member

Human Resource and Remuneration Committee

Mr. Sarfaraz Ahmed Rehman
Mr. Saad Amanullah Khan
Mr. Mushtaq Ali Tejani

Chairman
Member
Member

Sustainability Committee

Ms. Saira Nasir
Mr. Saad Amanullah Khan
Mr. Muhammad Kamran Khan

Chairperson
Member
Member

Senior Management Team

Mr. Muhammad Kamran Khan
Mr. Mohsin Anwer
Mr. Khalid Mahmood
Mr. Muhammad Arif Malik
Mr. Muhammad Ali Mirza
Mr. Muhammad Asadullah Butt
Syed Athar Bukhari

Chief Operating Officer
Chief Strategy Officer
Chief Commercial Officer
Director Technical
Director International Business
Chief R&D Officer
Chief Human Resource Officer

Chief Financial Officer

Syed Haris Salim

Head of GRC & Company Secretary

Mr. Fahad Alam

Head of Internal Audit

Mr. Muhammad Shahid



External Auditors

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

K-Legal Advocates
Fazle Ghani Advocates
AUC | LAW Advocates

Shares Registrar

CDC Share Registrar Services Limited
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com
Address: CDC House, 99-B, Block B, S.M.C.H.S.
Main Shakra-e-Faisal, Karachi - 74400.

IPAK Website

<https://www.ipak.com.pk/>

Registered Office

Plot # 40-L-1, Block 6, P.E.C.H.S., Near Jason
Trade Centre, Karachi 75400, Pakistan

Plant Address

Manga Chowk, Raiwind, Bypass Road,
Raiwind District, Lahore 55150, Pakistan

Banks

Bank Al Habib Limited
Meezan Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Bank Alfalah Limited
Askari Bank Limited
JS Bank Limited
Standard Chartered Pakistan Limited
United Bank Limited
BankIslami Pakistan Limited
Al Baraka Bank (Pakistan) Limited
The Bank of Punjab
Allied Bank Limited

Nature of Business

We manufacture flexible packaging films that protect products, preserve quality and support the evolving needs of consumer and industrial markets.

International Packaging Films Limited is listed on the Pakistan Stock Exchange and serves as the holding company of IPAK Group, an integrated manufacturer of BOPP, CPP and BOPET films. The Group serves converters, FMCG companies, brand owners and industrial customers in Pakistan and international markets.

The Group's head office is located in Karachi, while its four production facilities are located in Lahore and Sheikhpura. IPAK Connect Packaging Materials Trading FZCO, based in the United Arab Emirates, supports international market development, export coordination and customer service.

Subsequent to the year end, IPAK Europe, Unipessoal Lda. was incorporated in Portugal as an indirect wholly owned subsidiary through IPAK Connect, further supporting the Group's market development and customer engagement in Europe.

Group Structure

International Packaging Films Limited is the listed holding company of IPAK Group, which operates through manufacturing subsidiaries in Pakistan and a foreign subsidiary in the United Arab Emirates. Together, these entities form an integrated manufacturing and commercial platform covering BOPP, CPP and BOPET films and serving domestic and international markets.

With a combined nameplate capacity of 152,660 tons per annum, this integrated platform provides the Group with manufacturing scale, product diversity and market reach. It supports closer operational coordination, greater responsiveness to customer requirements and the Group’s pursuit of sustainable business excellence.

INTERNATIONAL PACKAGING FILMS LIMITED
Holding Company

International Packaging Films Limited is the Group’s principal BOPP manufacturing entity. Commercial operations commenced in 2017. As the listed Holding Company, it provides strategic direction and supports coordination across the Group’s operations. Its nameplate capacity of 41,360 tons per annum forms an important part of the Group’s overall manufacturing base.

CAST PACKAGING FILMS (PRIVATE) LIMITED
100% Owned Subsidiary

Cast Packaging Films is the Group’s dedicated CPP manufacturing entity. Commercial operations commenced in 2021. Its operations complement the Group’s BOPP and BOPET offerings and strengthen its ability to provide a wider range of flexible packaging films. The company has a nameplate capacity of 9,900 tons per annum.

GLOBAL PACKAGING FILMS (PRIVATE) LIMITED
100% Owned Subsidiary

Global Packaging Films strengthens the Group’s presence in the BOPP segment by expanding its manufacturing scale. Commercial operations commenced in 2024. Its operations support the Group in meeting evolving requirements across domestic and international markets. The company has a nameplate capacity of 59,480 tons per annum.

PETPAK FILMS (PRIVATE) LIMITED
61.6% Owned Subsidiary

PETPAK Films represents the Group’s presence in the BOPET segment and adds an important product category to its flexible packaging portfolio. Commercial operations commenced in 2024. Its operations support product diversification and enable the Group to cater to a broader range of packaging applications. The company has a nameplate capacity of 41,920 tons per annum.

IPAK CONNECT PACKAGING MATERIALS TRADING FZCO
100% Owned Foreign Subsidiary

IPAK Connect is based in the United Arab Emirates and supports the Group’s international trading activities. The subsidiary was established in the UAE in 2024. It facilitates customer engagement, market development and coordination with overseas business partners. Its presence strengthens the Group’s access to international markets and supports the expansion of its export business.

IPAK EUROPE, UNIPESSOAL LDA.
100% Owned Subsidiary through IPAK Connect

Subsequent to June 30, 2026, IPAK Europe, Unipessoal Lda. was incorporated in Portugal as an indirect wholly owned subsidiary of the Company through IPAK Connect Packaging Materials Trading FZCO. Its initial scope includes sales facilitation and distribution of products manufactured in Pakistan, supporting the Group’s commercial presence, customer engagement and market development in Europe.



Our Certifications

At IPAK, certifications reflect the systems and discipline behind our journey From Growth to Excellence. They demonstrate our commitment to consistent quality, safe operations, environmental responsibility, product integrity and sustainable manufacturing.

The Group maintains internationally recognized certifications and assessments covering quality management, environmental management, occupational health and safety, packaging standards, circularity, material traceability and responsible business practices. These credentials strengthen operational controls, build customer confidence and support IPAK's presence in domestic and international markets.

As IPAK moves into its next phase, the Group remains focused on maintaining robust systems and pursuing relevant certifications that support responsible growth, operational excellence and evolving customer expectations.

Management Systems
ISO 9001 | ISO 14001 | ISO 45001

Packaging and Product Assurance
BRCGS Packaging Materials

Circularity and Traceability
ISCC PLUS | OK recycled: Plastics Recycling Traceability | OK recycled: Recycled Plastic Content

Responsible Business Assessment
SEDEX SMETA Four Pillar Assessment

International Memberships
CEFLEX | RecyClass



IPAK stood with national stakeholders driving Pakistan towards a circular, responsible, and low-carbon footprint future. At CoRe Alliance's 4th Annual Convening, "Turning the Tide: Extended Producer Responsibility and Plastics Circularity," held on 26-27 November 2025 in Nathia Gali, leaders emphasized the need for a unified EPR framework, stronger recycling systems, and climate-resilient financing models to accelerate sustainable progress.



Vision

To be the Global Leader in innovative packaging solutions

Mission

To transform IPAK into a premier Global Brand, renowned for Sustainable Packaging Innovations, superior Quality, exceptional Service, and remarkable Talent.

Corporate Strategy

- 1. Lead in Sustainability**
Continue to pioneer circular and eco-friendly packaging solutions, reducing environmental impact while meeting evolving global customer needs.
- 2. Advance Technology & Digitalization**
Invest in automation, digital solutions, and R&D to develop innovative products, enhance efficiency, and set new benchmarks in the industry.
- 3. Expand Global Reach**
Strengthen exports and enter new international markets to establish IPAK as a trusted global partner.
- 4. Customer Partnerships**
Deliver value-driven, tailored packaging solutions with superior service, building long-term relationships with domestic and global customers.
- 5. Empower People & Culture**
Nurture a dynamic, inclusive, and high-performance workplace that attracts and develops top talent, driving innovation and sustainable growth.
- 6. Operate with Integrity**
Uphold ethical practices, environmental stewardship, and stakeholder trust as the foundation of long-term success.

Our Values

Our values guide how we work, make decisions and turn growth into excellence.

Integrity

We act honestly, transparently and responsibly in every decision.

Sustainability

We make responsible choices that reduce environmental impact and support long term value.

Excellence

We pursue consistent quality and continuous improvement in everything we do.

Empowerment

We trust our people to take initiative, make decisions and remain accountable.

Diversity and Inclusion

We value different perspectives and provide a respectful workplace where everyone can contribute.

Innovation

We encourage ideas that improve our products, processes and customer solutions.

Culture

At IPAK, organizational culture is shaped by shared values and reflected in how our people work, collaborate and make decisions. Across our offices and manufacturing facilities, we promote integrity, respect, safety, quality and accountability. Open communication and teamwork enable employees to exchange ideas, address challenges and contribute effectively.

We remain focused on developing capabilities, encouraging ownership and supporting continuous improvement. This culture strengthens employee engagement, organizational resilience and consistent performance.

Ethics

Ethical conduct is fundamental to how IPAK carries out its business and makes decisions. The Company is committed to dealing with its stakeholders honestly, fairly and responsibly. Its Code of Conduct and related policies provide the framework for expected behaviour across the organization.

Persons covered by the Code are expected to exercise sound judgement, comply with applicable laws and Company policies, and raise concerns regarding suspected misconduct through the prescribed channels. Such concerns are handled in accordance with the relevant policies and procedures. Retaliation against any person who raises a concern in good faith is not tolerated.

Code of Conduct

International Packaging Films Limited (the “Company”) maintains a Code of Conduct that establishes the ethical and professional standards expected from members of the Board, Senior Management and employees. It provides guidance for identifying and addressing legal and ethical concerns, including conflicts between personal and professional interests.

The Code requires compliance with applicable laws, regulations and Company policies while promoting integrity, fairness, accountability and responsible business conduct.

Responsibility

The Board is responsible for overseeing compliance with the Code across the Company. The Head of Human Resources is responsible for its implementation, maintenance and periodic updating. Heads of Departments are responsible for ensuring compliance within their respective functions, while each employee remains accountable for observing the Code in letter and spirit.

The Human Resources Department obtains an acknowledgement of the Code from employees at the time of hiring and subsequently on an annual basis.

Conflicts of Interest

Employees must avoid situations in which their personal interests, or those of their family members, conflict or appear to conflict with the interests of the Company. Any actual, potential or apparent conflict must be disclosed promptly to the relevant Head of Department through the prescribed process.

Improper Personal Benefits

Employees must not solicit or accept cash, monetary equivalents, valuable items or preferential treatment from any person or business where this may influence, or appear to influence, their professional judgement.

Financial Interests in Other Businesses

Employees must not maintain an interest in

another business where such interest compromises, or appears to compromise, their impartiality or compliance with the Company’s principles.

Institutional Opportunities

Institutional opportunities identified through an employee’s position or association with the Company must be handled ethically and without creating a conflict between personal and professional interests.

Outside Employment or Activities

Simultaneous employment or engagement as a consultant, director or employee of another entity, whether paid or unpaid, is prohibited in accordance with the Code.

Protection and Proper Use of Company Assets

Employees are responsible for protecting Company assets and ensuring their efficient and legitimate use. Company funds, systems, networks, vehicles, facilities and other resources must not be misused for personal benefit or profit.

Full, Fair and Accurate Disclosure of Facts

The Company is committed to full, fair, accurate and timely disclosures in reports, documents and communications submitted to regulatory authorities. Employees must provide complete and accurate information, while transactions recorded in the Company’s books, records and accounts must comply with applicable accounting requirements and Company policies.

Workplace Harassment

The Company is committed to maintaining a diverse, safe and respectful workplace. Harassment or discrimination based on race, colour, sex, religion, national origin, age, disability or other characteristics protected under applicable law is treated as a disciplinary matter.

Sexual Harassment

The Company prohibits sexual harassment, exploitation, violence and related retaliation. Complaints are addressed through the applicable procedures, including the workplace harassment code forming part of the Company’s policy framework.

Weapons, Workplace Violence, Drugs, Alcohol and Gambling

The Code addresses restrictions relating to weapons, workplace violence, drugs, alcohol and gambling. Weapons, explosives and other dangerous articles are not permitted on Company premises except where specifically authorized for security or legitimate operational requirements under appropriate controls.

Non-Smoking Offices

The Company maintains smoke-free office buildings and designated workplace areas. Employees and visitors are required to observe the applicable smoking restrictions at Company premises and in Company vehicles.

Loans and Credit Facilities

Obtaining a loan or credit facility from a financial institution based on false representations constitutes a violation of the Code.

Responding to Inquiries from the Press and Others

Only authorized spokespersons may represent the Company before the press. Inquiries from the media, financial community or public are referred to the Head of Human Resources, while inquiries from regulators or government authorities are referred to the Company Secretary.

Confidentiality

Employees must protect confidential and non-public information obtained through their roles. Such information may only be disclosed with proper authorization or where legally required. The obligation to maintain confidentiality continues after employment ends.

Compliance with Laws and the Code

Employees must comply with applicable federal and provincial laws, rules and regulations and observe the Code in letter and spirit. Actual or suspected violations must be reported promptly to the Human Resources Department. No employee may be subjected to retaliation for reporting a suspected violation.

Disclosures of Interest, Affiliation or Activity

Employees must disclose any material interest, affiliation or activity that conflicts, may conflict or appears to conflict with their duties. Conflict-of-interest disclosures are obtained upon hiring, annually and whenever a potential conflict arises. Information provided through this process is treated confidentially, subject to legal and organisational requirements.

Sanctions

Any breach of the Code may result in disciplinary action in accordance with Company rules, including termination of employment.

Integrity

Employees are expected to treat others fairly, comply with applicable requirements, conduct transactions honestly, maintain accurate records, avoid actual or perceived conflicts of interest and refrain from using Company assets, information or relationships for personal gain. Business dealings must be conducted with honesty and fairness, without illegal payments, improper contributions, rebates or bribery.

Policy Custodianship and Audit

The Head of Human Resources serves as the custodian of the Code and is responsible for addressing related questions and clarifications. The policy is subject to review or audit at least annually.

Journey at a Glance

2015

Foundation of IPAK

International Packaging Films Limited was incorporated as a private limited company, laying the foundation for a modern flexible packaging films business in Pakistan.

2017

Commencement of Operations

Commercial operations commenced with an advanced 8,700 mm five-layer BOPP production line from Brückner Maschinenbau. This marked IPAK's entry into the flexible packaging films industry and enabled it to serve domestic and international markets.

2020

Expansion into CPP & BOPET Films

CPAK & PETPAK were incorporated as subsidiaries of IPAK, marking the Group's strategic entry into the CPP & BOPET films segments.

2021

Further Group Expansion

IPAK was converted into a public limited company. During the year, GPAK was incorporated to establish an additional BOPP manufacturing facility. CPAK also commenced commercial operations, marking the Group's entry into CPP films.

2018

Quality and Customer Recognition

IPAK strengthened its market credibility by qualifying for the approved supplier programmes of PepsiCo and British American Tobacco. The Company also continued to enhance its quality, environmental and occupational health and safety management systems.

2024

International Presence

IPAK Connect was established in the United Arab Emirates to support international trading, customer engagement and market development. This presence strengthened the Group's connection with overseas customers and export markets.

2024

Integrated Manufacturing Platform

PETPAK and GPAK commenced commercial operations, completing the Group's integrated portfolio of BOPP, CPP and BOPET films. The expansion increased the Group's combined nameplate capacity to 152,660 tons per annum.

2024

Listing on the Pakistan Stock Exchange

IPAK was listed on the Pakistan Stock Exchange, marking an important stage in its corporate journey. The listing strengthened the Company's public profile and reinforced its commitment to transparency, accountability and sustainable value creation.

2025

Strong Growth Momentum

During FY 2025, consolidated exports increased by 319% to PKR 7.9 billion, while standalone exports grew by 153% to PKR 4.7 billion. Consolidated sales reached PKR 34.4 billion, representing growth of 51% over the preceding year.

2024

Digital Transformation

SAP S/4HANA was implemented across the Group to strengthen operational integration, information visibility and decision-making. The Group continued to advance system integration and process optimization during the subsequent periods.

2025

Corporate Reporting Recognition

IPAK received a Certificate of Merit at the Best Corporate Report Awards for FY 2024. The recognition reflected the Company's continued focus on transparency, stakeholder communication and quality corporate reporting.

2026

International Certifications

IPAK Connect was established in the United Arab Emirates to support international trading, customer engagement and market development. This presence strengthened the Group's connection with overseas customers and export markets.

2026

Incorporation of IPAK Europe

Subsequent to the year end, IPAK Europe, Unipessoal Lda. was incorporated in Portugal as an indirect wholly owned subsidiary through IPAK Connect, supporting customer engagement and market development across Europe.

2026

Expansion of Solar Capacity

Solar capacity across the IPAK Group reached 9 MW, contributing approximately 10% of the Group's total energy mix, supporting greater use of renewable energy and improved energy efficiency.

Organizational Structure



Geographical Presence



International Markets Served



Our Products and Market Segments

Portfolio

Uses/Application

Transparent Films

High-clarity, high-gloss films engineered with controlled slip, low SIT and wide sealing range, primarily used for printing and lamination applications.



Metallized Films

Vacuum-metallized films providing enhanced light, oxygen and moisture barrier, widely used in laminated structures for chips, snacks, biscuits, confectionery and bakery products.



White Films

High-opacity films offering excellent whiteness, gloss, stiffness and printability, primarily used in biscuit, confectionery, chocolate and ice cream packaging.



Cavitated/Pearlized Films

Low-density films combining pearlized appearance, opacity, light barrier and high yield, providing material efficiency and cost advantages across confectionery, biscuit and related packaging applications.



Matt Films

Specialty films with controlled matte finish and high surface haze, reducing light reflection and delivering a premium appearance for printing, lamination and graphic applications.



Application	Product Code	Description
Retort BOPET	PVTN00FR	Retort-grade BOPET film offers high-temperature resistance, excellent dimensional stability, mechanical strength, making it ideal for multilayer retort laminate packaging for sterilized food packaging
Antistatic Twist BOPET	PVTN01ST	Antistatic twist-grade BOPET film provides excellent electrostatic control, clarity, gloss, and mechanical strength, with superior twist retention and dead fold for confectionery and snack wraps, ensuring reliable handling and consistent printability.
Acrylic BOPET	PVTN00IXP	Acrylic coated high-printability BOPET film delivers a high-energy surface for excellent ink adhesion, sharp graphics, and vibrant colors. It ensures superior clarity and gloss, making it ideal for premium packaging. The coating provides consistent print performance and enhanced brand presentation
PCR-BOPET film	PVTN01PC	Sustainable BOPET film with chemically recycled post-consumer recyclate, reducing virgin plastic use while delivering strength, clarity, and printability for diverse packaging applications
PIR-BOPP Film Portfolio	TH21pi	Sustainable BOPP film with Post-Industrial Recycled (PIR) content certified to EN 15343, ensuring traceable recycled content while maintaining reliable packaging performance.
Barrier Film	MZ10MB	Medium-barrier, broad-seal BOPP film designed for snack packaging, offering excellent freshness protection and a wide sealing window.
Extrusion Lamination Portfolio	THX21 / DMZX-10S	High-performance films engineered for extrusion lamination with excellent temperature resistance and thermal stability for consistent lamination quality.
AntiSlip Film	THAS21	High COF BOPP film that minimizes bag slippage during storage and transportation, making it ideal for rice bag application
Smart Packaging	THAF22	Advanced packaging film featuring solutions such as Anti-Fog technology to extend shelf life and improve product visibility.
LST Matt Film	MT21C	Low seal initiation temperature matte film that delivers premium shelf aesthetics while maintaining excellent sealing performance and machine efficiency.
High-Speed Packaging Film	CTH21L	Low COF CPP lamination film optimized for high-speed packaging lines, ensuring smooth machinability for pasta and other dry food applications.
High metal Adhesion CPP Film	CMZ10SX	High metal adhesion metallized CPP film offers 2x the metal bond strength of standard CPP, ensuring superior adhesion, barrier performance, and reduced delamination. It provides excellent metal brilliance, smooth run-ability, and consistent lamination for advanced flexible packaging applications.

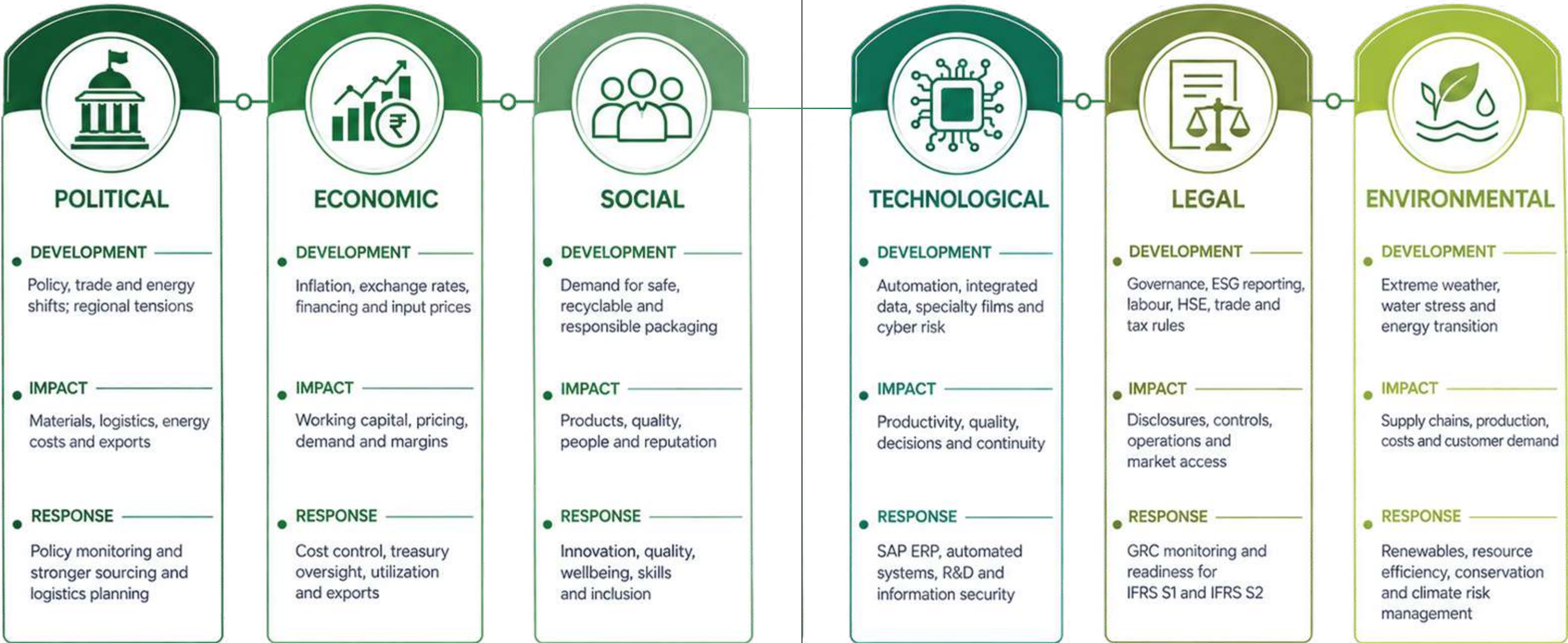
Position in the Value Chain

IPAK Group connects customer requirements with advanced manufacturing and reliable delivery. Its integrated platform converts raw materials into BOPP, CPP and BOPET films for domestic and international markets.



Significant Factors Affecting the External Environment

IPAK Group monitors external developments and adapts its strategies, systems and controls to support business continuity and sustainable value creation.



Sensitivity Analysis

As at 30 June 2026, the Company remains exposed to fluctuations in the Pakistani Rupee against major foreign currencies, primarily the US Dollar (USD), Euro (EUR), UAE Dirham (AED), and British Pound (GBP). The analysis below illustrates the potential impact of a 10 percent strengthening or weakening of the Pakistani Rupee against these currencies on the Company’s unconsolidated statement of profit or loss.

Assuming all other variables, including interest rates, remain constant, a 10 percent movement in exchange rates would have affected equity / profit after tax as follows:

USD exposure
PKR 52,628 thousand (2025: PKR 25,469 thousand)

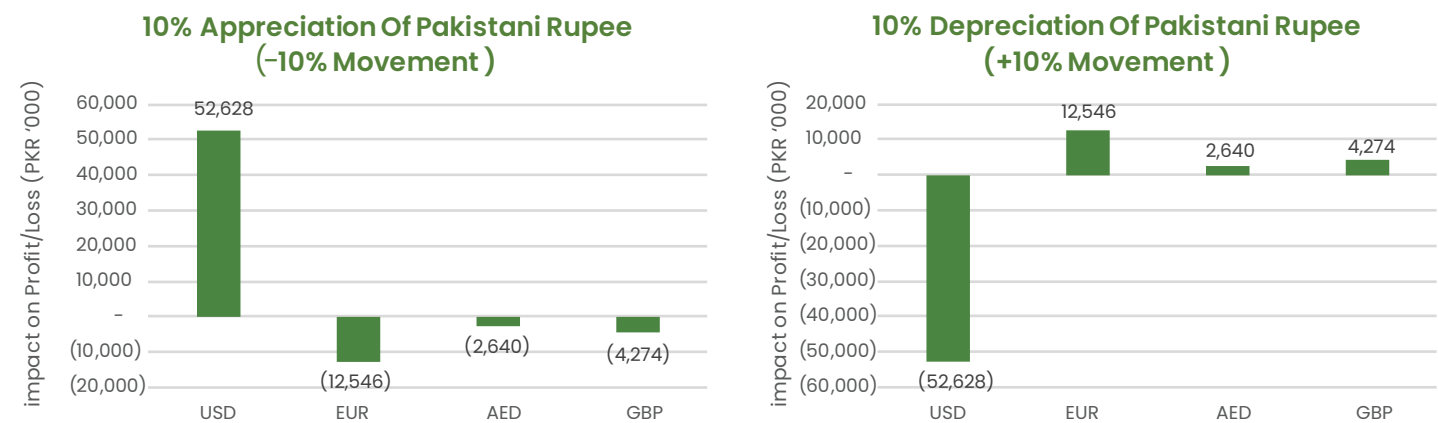
Euro exposure
PKR 12,546 thousand (2025: PKR 17,097 thousand)

AED exposure
PKR 2,640 thousand (2025: 1,642 thousand)

GBP exposure
PKR 4,274 thousand (2025: 771 thousand)

This sensitivity analysis reflects the Company’s net foreign currency exposure as at the reporting date. Although the absolute sensitivity of USD balances is higher than in the prior year, the overall net impact of a 10 percent exchange rate movement across the disclosed currencies represents a lower proportion of profit after tax: approximately 2.52% in FY2026 compared with 5.29% in FY2025, reflecting higher profitability during the year.

FY 2026



Significant Changes from Prior Year

The year under review marked a significant improvement in the Group’s financial performance, supported by stronger capacity utilization, improved profitability, export growth and continued progress across subsidiaries.

Financial Performance

- Consolidated sales increased by 23% to PKR 42.2 billion.
- Consolidated profit after tax increased to PKR 4.95 billion, compared with PKR 664 million last year.
- Finance costs declined by 16%, while standalone profit after tax increased by 55% to PKR 1.32 billion.

Export Performance

- Consolidated exports increased by 30% to PKR 10.41 billion, representing approximately 25% of consolidated sales.
- Standalone exports moderated as capacity was strategically allocated towards relatively higher-margin domestic markets.

Subsidiary Progress

- GPAK improved capacity utilization and market development, CPAK maintained consistent operations, while PPAK continued its operational ramp-up.

International Expansion

- IPAK Europe, Unipessoal Lda. was incorporated in Portugal, strengthening the Group’s commercial presence in Europe.



Competitive Landscape and Market Positioning

IPAK Group operates in a competitive flexible packaging films industry. Its integrated portfolio of BOPP, CPP and BOPET films, advanced manufacturing capabilities, quality systems and expanding international presence support its position in domestic and export markets. Competition continues to intensify due to additional capacity, modernized production facilities and pricing pressure.

Bargaining Power of Suppliers

The Group relies significantly on imported polymer resins and specialized materials. This creates exposure to international prices, exchange rates, freight costs and supply availability. IPAK manages this exposure through diversified sourcing, supplier relationships and improved procurement planning.

Bargaining Power of Customers

Large packaging converters and FMCG customers influence pricing, quality and service expectations. The Group's diverse product portfolio, consistent quality, technical support and reliable supply help strengthen customer relationships and reduce market concentration.

Threat of New Entrants

High capital requirements, advanced technology, technical expertise, customer approvals and working-capital needs create barriers to entry. However, additional domestic capacity indicates that new entry remains possible. IPAK's scale, established relationships and integrated product platform provide a strong competitive foundation.

Competitive Rivalry

Competition has intensified through capacity expansion, upgraded production lines, imported films and pricing pressure. IPAK differentiates itself through product diversity, specialty-film development, operational efficiency, quality and export growth.

Threat of Substitute Products

Alternative packaging materials include polyethylene films, paper, aluminium foil and rigid packaging. Flexible films continue to offer advantages in weight, cost, barrier performance and product protection. The Group is also developing recyclable and resource-efficient solutions in response to evolving market requirements.

Overall, IPAK's market position is supported by scale, technology, product breadth, quality and customer service. Continued focus on innovation and efficiency strengthens its progression towards sustainable business excellence



Competitive Edge

IPAK Group's competitive strength is anchored in an integrated manufacturing platform, a diversified BOPP, CPP and BOPET portfolio, advanced production technology, capable people and disciplined operating systems. Together, these strengths support consistent quality, responsive service, operational efficiency and wider market reach.

Human Capital

People are central to the Group's progression towards excellence. Focused capability development, performance accountability, collaboration and workplace safety help build a skilled and responsible workforce equipped to support sustainable growth.

Innovation

The Group combines product development with process improvement to respond to changing market needs. Modern technology and application expertise support the development of reliable, efficient and more sustainable film solutions.

Strategic Sourcing

The Group sources key inputs through a diversified network of international and local suppliers. Strong supplier relationships, procurement discipline and supply planning help manage quality, availability and cost exposure.

Customer Partnership and Support

The Group works closely with customers to understand their application requirements and deliver suitable packaging solutions. Responsive coordination, technical support and reliable supply help strengthen relationships across domestic and export markets.

Strategic Expansion

The Group has expanded from a standalone BOPP manufacturer into an single platform offering BOPP, CPP and BOPET films. This expansion has strengthened product breadth, manufacturing scale and access to a wider customer base.

Quality

Quality is embedded across material selection, manufacturing, testing and delivery. Defined controls, process discipline and continuous monitoring support compliance with customer specifications and consistent product performance.

Advanced Manufacturing Facilities

Automated European production lines and modern manufacturing systems support precision, efficiency and reliable output. The Group's facilities are designed to serve diverse product specifications across its film portfolio.

Integrated Scale and Synergies

The Group's diversified manufacturing platform creates opportunities for coordinated procurement, production planning, logistics and shared capabilities. These synergies support better resource utilization, service reliability and sustained operating efficiency.

Key Resources and Capabilities

IPAK Group combines integrated enterprise systems, diversified manufacturing capabilities, disciplined resource management and a coordinated operating footprint. These resources strengthen oversight, improve decision-making and support consistent execution across its businesses.

SAP Enterprise Platform

SAP ERP has been implemented across the Group as a common enterprise platform. It supports integrated business processes, improves information visibility and enables timely management reporting. Standardized workflows also strengthen operational coordination and internal controls across Group companies.

Diversified Manufacturing Platform

The Group's manufacturing capabilities cover BOPP, CPP and BOPET films, providing exposure to multiple flexible packaging categories. This diversified platform supports broader customer requirements, coordinated production planning and access to domestic and international markets.

Resource Efficiency and Cost Discipline

The Group focuses on energy management, process optimization and efficient resource utilization across its operations. Renewable energy

initiatives, recovery systems and disciplined operating controls help manage energy consumption, reduce waste and improve cost efficiency without compromising product quality.

Strategic Operating Footprint

Manufacturing facilities in Lahore and Sheikhpura are supported by the Head Office in Karachi and locally managed warehouses. This coordinated footprint supports domestic market coverage, import management and export operations through Karachi, with established logistics connecting production facilities to port operations.

Value Created Through Resources and Capabilities

By deploying these resources and capabilities, value is created for stakeholders in the following ways:



CHAPTER 02

Strategy and Resource Allocation



Strategic Objectives

Sustainable growth, operational excellence and long-term value creation underpin the Company’s strategic objectives. These objectives guide resource allocation, capability development and execution across commercial, operational and sustainability priorities.

Strategic Alignment with Vision and Mission

The Vision, Mission and Corporate Strategy provide a common direction for decision-making and execution. Strategic objectives translate this direction into priorities that advance quality, customer focus, innovation, responsible business practices, capable people and sustainable growth.

Short, Medium and Long-term Objectives

Short-term objectives focus on optimizing capacity utilization, operational efficiency, cost discipline, product mix, customer service and working capital management while supporting reliable and uninterrupted operations.

Medium-term objectives include strengthening market penetration, expanding product applications, developing value-added solutions, enhancing technological and organizational capabilities and deepening relationships with customers and business partners.

Long-term objectives are directed toward strengthening IPAK as a globally recognized packaging brand through innovation, quality, sustainable solutions and the disciplined evaluation of new markets, technologies and strategic opportunities.

Strategic Priorities

Execution is guided by the following strategic priorities:

Market and Customer Growth

Growth priorities center on strengthening domestic and export markets through customer-focused solutions, responsive service and enduring commercial relationships. Opportunities are assessed with reference to customer requirements, competitive conditions and commercial viability.

Operational Excellence and Cost Management

Operational priorities include improving productivity, capacity utilization, process efficiency and cost discipline. Focus is also placed on the efficient use of energy and materials, supply chain coordination and continuous improvement to support competitiveness and operational resilience.

Product and Market Development

Product development responds to evolving customer applications, market requirements and sustainability considerations. Initiatives are assessed for technical capability, customer relevance and commercial feasibility.

Financial Resilience

Financial resilience is supported through disciplined working capital management, prudent resource allocation and appropriate financing arrangements. Financial priorities are reviewed in light of business requirements, prevailing market conditions and the risk management framework.

People and Organizational Capability

Investment in leadership continuity, workforce capability, performance alignment and employee engagement supports strategy execution. Development, inclusion and accountability reinforce an organizational culture equipped to respond to evolving business requirements.

Technology and Sustainability

Technology, digitalization and sustainability support long-term competitiveness. Opportunities in process automation, data-supported decision-making, resource efficiency and sustainable packaging solutions are progressed according to business priorities, feasibility and applicable approvals.

Performance against the strategic objectives is monitored through relevant operational, commercial, financial, people and sustainability indicators and reviewed in light of changes in the business environment.

Resource Allocation Plan

Resource allocation across the Group is integrated with strategic planning, budgeting and performance review. Financial and non-financial resources are prioritized according to strategic relevance, operational requirements, expected value, risk considerations, feasibility and applicable approvals.

Human Capital

People remain central to strategy execution. Resources are directed toward talent acquisition, leadership continuity, technical and managerial capability, performance alignment, employee engagement, inclusion and succession planning.

know-how support innovation and efficiency. Investment focuses on research and development, digitalization, systems enhancement, knowledge sharing and protection of relevant information.

Social and Relationship Capital

Trusted relationships with customers, suppliers, business partners, regulators, employees and communities support operational continuity and long-term value creation. Resources are directed toward stakeholder engagement, customer service, supply chain coordination, regulatory compliance and community initiatives.

Natural Capital

Operations depend on energy, water, raw materials and other natural resources. Resource allocation supports efficient consumption, waste reduction, environmental compliance and initiatives that contribute to more sustainable products and processes.

Allocation across these capitals is reviewed periodically to maintain alignment with strategic priorities, business performance and evolving operating conditions.

Financial Capital

Financial resources support working capital, operations, capital investment, technology, product development and other approved priorities. Allocation is guided by business requirements, funding availability, expected returns, financial discipline and long-term sustainability.

Manufactured Capital

Production facilities, machinery, utilities and supporting infrastructure constitute manufactured capital. Resources are allocated to maintenance, reliability, capacity utilization, quality, efficiency and approved upgrades to support consistent operations and customer requirements.

Intellectual Capital

Technical expertise, product knowledge, operational processes, information systems, data and organizational

Liquidity Strategy

IPAK Group manages liquidity through cash flow planning, working capital oversight and appropriate financing arrangements. The strategy supports ongoing operations, debt servicing and approved business requirements while maintaining financial discipline.

Current Liquidity Position

Liquidity is monitored through regular review of cash flows, receivables, inventories, payables, financing maturities and available facilities. Working capital priorities are managed in line with operational requirements, customer collections, supplier obligations and prevailing market conditions.

The current liquidity position and related financial ratios should be read in conjunction with the audited Financial Statements and Financial Analysis section of this Annual Report.

Financing Arrangements

Funding requirements are managed through internal cash generation and short- and long-term banking facilities appropriate to the nature and duration of business needs. The financing mix is evaluated with reference to cost, maturity, repayment capacity and financial flexibility.

Financing arrangements are monitored within approved limits and applicable terms. Detailed information on borrowings, related securities and finance costs is provided in the Financial Statements.

Significant Plans and Decisions

Subsequent to year-end, the Group advanced its growth agenda through strategic decisions focused on value-added production capabilities and international market development.

Global Packaging Films (Private) Limited approved the acquisition of a state-of-the-art Metallizer. The investment is expected to broaden the Group's value-added product portfolio, strengthen metallizing capabilities, enhance operational efficiency and support growing demand across domestic and export markets.

The Group also decided to establish an indirect wholly owned subsidiary in Portugal through IPAK Connect Packaging Materials Trading FZCO, subject to the necessary approvals. This initiative is intended to strengthen IPAK's commercial presence in Europe, deepen customer engagement and enhance its marketing and distribution network.

Together, these decisions reflect the Group's disciplined approach to product differentiation, market expansion and long-term value creation.

Changes in Strategic Objectives and Strategies

IPAK's overarching strategic direction remained consistent during the year and continued to guide the activities of the Group. Its Vision, Mission and commitment to sustainable growth, innovation, quality, customer value and operational excellence remained central to strategic decision-making.

Across the Group, execution priorities evolved from capacity development towards value realization, with greater emphasis on optimizing recent investments, expanding value-added product capabilities and strengthening international market presence. Technology, sustainability, financial discipline and people capability continue to serve as key strategic enablers.

These refinements represent a natural progression of IPAK's strategy and remain aligned with its long-term objectives.

External Environment and Strategic Context

IPAK monitors external developments that may influence its strategic direction and the Group's operations. Stakeholder expectations, industry dynamics, economic conditions, regulatory requirements, technological developments and sustainability considerations are reviewed through strategic planning and risk oversight processes. This supports informed decision-making, business resilience and long-term value creation.

Stakeholder Needs and Industry Trends

Stakeholders increasingly expect consistent quality, reliable supply, responsible business practices, transparent communication and sustainable product solutions. The flexible packaging industry is also being shaped by value-added applications, product customization, resource efficiency and evolving customer preferences. The Group responds through customer engagement, product development, service enhancement and continued collaboration with employees, suppliers, investors, regulators and communities.

Political, Economic, Legislative and Regulatory Environment

The operating environment is shaped by public policy priorities, macroeconomic trends, exchange-rate and energy dynamics, taxation, trade arrangements and evolving legislation. IPAK remains attentive to these developments and assesses their implications for business planning, compliance, supply arrangements and market development through established governance and management processes.

Technological Change

Advances in automation, data analytics, cybersecurity, digital connectivity and production technology continue to reshape manufacturing. The Group evaluates technologies that can strengthen process visibility, operational control, product quality, efficiency and informed decision-making. Initiatives are progressed in line with business priorities, feasibility and applicable approvals.

Environmental Challenges

Climate-related considerations, resource utilization, waste management and demand for sustainable packaging continue to shape industry priorities. The Group focuses on improving energy and material

efficiency, strengthening responsible waste practices and evaluating sustainable product and process opportunities. Environmental considerations are incorporated into operational and investment planning where relevant.

Governance and Reporting Developments

Governance and reporting expectations continue to evolve towards greater transparency, accountability and sustainability-related disclosure. IPAK assesses applicable requirements, strengthens supporting data and oversight arrangements and aligns its reporting practices with regulatory developments and recognized frameworks. The Board and management retain responsibility for effective governance, supported by relevant committees and functions.

Material Strategic Challenges

IPAK's strategic context requires the continued alignment of growth priorities with changing market conditions, resource availability, technological advancement, regulatory expectations and sustainability considerations. These matters are addressed through periodic strategic reviews, risk oversight, disciplined resource allocation, market diversification and continued enhancement of organizational capabilities.

The focus remains on realizing value from recent investments while sustaining performance and strengthening long-term competitiveness.

Societal Issues

Changing workforce expectations, workplace inclusion, health and safety awareness and demand for responsible products increasingly influence business practices. IPAK supports a professional and inclusive culture through employee engagement, capability development, equal opportunity and safe work practices, while remaining responsive to customer and community expectations.

Strategic Decision-making Process

IPAK follows a structured process for evaluating strategic initiatives and investment proposals. Relevant commercial, operational, technical, financial, risk and sustainability considerations are assessed according to the nature and significance of each proposal. This supports informed, accountable and timely decisions aligned with the Company’s strategic objectives.

Identification of Strategic or Investment Need

Strategic and investment needs are identified through business planning, performance reviews, customer and market insights, operational requirements and emerging technological or regulatory developments. The relevant function defines the objective, rationale, proposed scope and expected benefits of the initiative.

Development of Alternatives

Potential alternatives are developed with input from relevant functions. Options may include optimizing existing resources, improving processes, adopting new technology, enhancing capabilities, expanding products or markets, forming strategic partnerships or implementing initiatives in phases. Each alternative is considered in relation to the identified business need.

Evaluation and Recommendation

Shortlisted alternatives are evaluated with reference to strategic alignment, market relevance, technical and operational feasibility, expected value, funding requirements, key risks, sustainability considerations and implementation readiness. The preferred option, together with its rationale, is recommended to the appropriate approving authority.

Approval in Accordance with Delegated Authority

Recommendations are reviewed and approved in accordance with the applicable delegated authority framework. Matters within management authority are approved at the appropriate level, while material investments and significant strategic decisions are referred to the Board of Directors and, where required, to shareholders or regulatory authorities.

Implementation and Monitoring

Following approval, responsibilities, timelines, milestones and reporting arrangements are established. Progress is monitored against approved objectives and relevant performance indicators, while significant deviations are reviewed and addressed through appropriate management action. Outcomes and lessons learned support accountability, continuous improvement and future decision-making.

The extent of analysis, documentation and oversight applied to each proposal is proportionate to its nature, complexity and strategic significance.

Organizational Culture: Establishment and Monitoring

IPAK’s organizational culture is guided by its Vision, Mission, Core Values and Code of Conduct. The Board and management promote integrity, accountability, respect, collaboration, customer focus, quality and responsible conduct. These principles provide a common foundation for workplace behaviour and decision-making across IPAK.

Establishing the Desired Culture

The desired culture is shaped through the Company’s Core Values, Code of Conduct and supporting policies. Leadership expectations, role responsibilities and people practices are intended to encourage ethical behaviour, professional excellence, inclusion, ownership, teamwork and continuous improvement.

Communicating and Reinforcing Culture

Cultural expectations are communicated through leadership interactions, employee induction, internal communication channels, policies, learning initiatives and performance discussions. Leaders reinforce expected behaviours through personal example, constructive feedback, recognition and consistent decision-making. Employee

engagement initiatives further support dialogue and alignment with organizational priorities.

Monitoring Organizational Culture

Management considers employee feedback, engagement patterns, workplace conduct, performance discussions and concerns received through available reporting channels when assessing workplace culture.

Relevant management and assurance functions monitor cultural indicators and recommend appropriate actions where improvement is required.

Insights from these reviews support communication, coaching, learning initiatives and the continued strengthening of IPAK’s workplace culture.

Risk Appetite, Integrity and Ethical Conduct

IPAK recognizes responsible risk-taking, integrity and ethical conduct as essential to sustainable performance. Risk considerations form part of strategic and operational decision-making, while the Code of Conduct and supporting policies define expected standards of behaviour across the Company.

Approach to Risk

IPAK seeks to pursue opportunities within levels of risk considered appropriate in relation to its strategic objectives, available resources and stakeholder interests. Relevant risks are evaluated with reference to their likelihood, potential impact and the effectiveness of existing responses.

The Board maintains oversight of the Company’s approach to risk, while management considers relevant risks in strategic and operational decision-making. The Governance, Risk and Compliance (GRC) function supports the coordination and periodic review of risk-related matters through established governance processes.

This approach supports a considered balance between opportunity, business resilience and responsible growth.

Integrity and Ethical Conduct

The Code of Conduct supports a culture of honesty, fairness, accountability and respect. The Code provides guidance on legal and policy compliance, conflicts of interest, confidentiality, responsible use of Company resources, professional conduct and dealings with stakeholders.

Directors, management and employees are expected to exercise sound judgment, avoid conduct that may compromise their responsibilities and act in the best interests of the Company. Ethical expectations are reinforced through policy communication, leadership behaviour and appropriate management action.

Reporting and Addressing Concerns

Concerns regarding suspected misconduct, unethical behaviour or policy breaches may be raised through the reporting channels available under the Company’s applicable policies.

Reports are handled through designated processes intended to support confidentiality, fair review and protection against retaliation for concerns raised in good faith.

Reported matters are assessed by authorized functions and addressed through appropriate action, where warranted. These arrangements support accountability and provide a basis for the timely review and appropriate resolution of concerns.

SWOT Analysis

The SWOT analysis provides an overview of the internal capabilities and external factors that may influence IPAK’s strategic direction. The assessment considers IPAK and its subsidiaries, collectively referred to as the Group.

Strengths

Market Position

IPAK has an established position in Pakistan’s flexible packaging industry, supported by product quality, customer relationships and market experience.

Modern Production Facilities

Advanced technology and modern production facilities support quality, efficiency and the development of packaging solutions for diverse applications.

Diversified Product Portfolio

The Group’s presence across BOPP, BOPET and CPP films enables it to serve a broad range of customer and market requirements.

Research and Development

Technical expertise and product development capabilities support innovation, product improvement and responsiveness to changing customer needs.

Domestic and International Presence

An established domestic network and growing export presence support market reach and business diversification.

Skilled Workforce and Governance

Experienced leadership, capable employees and established governance practices support responsible and disciplined business operations.

Weaknesses

Dependence on Imported Inputs

The Group sources a significant portion of its raw materials and selected inputs from international markets, creating exposure to external supply and currency conditions.

Energy Requirements

The energy intensive nature of manufacturing requires continued attention to energy availability, efficiency and alternate sources.

External Supply Dependence

Reliance on international suppliers for certain materials and equipment may affect procurement and delivery planning.

Opportunities

Growth in Packaging Demand

Growth in consumer industries and evolving packaging applications offer opportunities to expand the use of flexible packaging films.

International Market Expansion

Further development of export markets can support customer diversification and strengthen IPAK’s international presence.

Value Added Products

Changing customer preferences create opportunities for specialized films, enhanced product features and new packaging applications.

Technology and Digitalization

Automation, digital systems and data supported decision making can enhance efficiency, coordination and customer service.

Sustainable Solutions

Increasing attention to resource efficiency and responsible packaging provides opportunities for product innovation and process improvement.

Group Synergies

Collaboration across Group companies can support broader product offerings, coordinated market development and improved customer solutions.

Threats

Foreign Exchange and Raw Material Movements

Changes in exchange rates and international raw material prices may influence procurement conditions and business performance.

Competitive Environment

Existing manufacturers, capacity additions and new market participants may increase competition in domestic and export markets.

Supply Chain Disruptions

International trade conditions, logistics constraints and geopolitical developments may affect the availability and movement of materials.

Energy and Infrastructure Conditions

Changes in energy availability and supporting infrastructure may influence manufacturing operations.

Regulatory and Market Developments

Changes in regulatory requirements, customer expectations and sustainability standards may require continuing adaptation of products and processes.

The SWOT assessment supports strategic planning and is reviewed in light of developments in the business and external environment.

CHAPTER 03

Risks and Opportunities



Risks and Opportunities

Effective management of risk and opportunity is integral to the Group’s strategy and its progression from growth to excellence. The Board of Directors retains overall oversight of the risk management framework and determines the level of risk acceptable in pursuing strategic objectives. The Board Audit Committee reviews the adequacy of internal controls and risk management arrangements. Management is responsible for identifying, assessing, managing and monitoring risks across the Group.

The framework is embedded in strategic planning, budgeting, capital allocation and performance reviews. Clear ownership, defined authority limits, operating controls and periodic reporting support timely decisions and corrective action. Internal Audit independently evaluates key controls and reports significant matters to the Board Audit Committee.

During the year, business conditions remained influenced by geopolitical developments, supply chain disruption, energy and input cost volatility, exchange rate movements, financing conditions, competitive capacity and evolving regulatory expectations. The Group’s diversified product portfolio, integrated manufacturing platform, export presence and disciplined financial management support resilience in navigating these conditions.

Opportunities are assessed alongside their related risks. Market development, import substitution, improved capacity utilization, value added and sustainable films, digital integration, renewable energy, research and development and regional expansion remain important pathways for responsible growth. Each opportunity is evaluated against expected returns, funding requirements, execution capability and associated risks before being incorporated into business plans.

The principal risks and related opportunities, together with their potential impact and management response, are presented in the following section.

Risks

S. No.	Risk Description	Source	Capital Affected	Key Uncertainty and Potential Impact	Mitigation	Objective Affected
1	Imported Raw Material Supply Disruption	External	Financial, Operational, Social & Relationship	Global supply disruptions and volatility in imported raw material costs may affect production continuity, working capital and delivery commitments.	Diversified sourcing, strategic supplier relationships, procurement planning and inventory monitoring support continuity and cost management.	Operational Efficiency and Cost Leadership
2	Inland Logistics Disruption	External	Operational, Financial, Social & Relationship	Disruptions in the movement of materials and finished goods between Karachi and the production facilities may affect delivery schedules and logistics costs.	Planned dispatches, reliable logistics partners, shipment tracking and alternative arrangements where feasible support timely movement of goods.	Reliable Delivery and Customer Partnerships

S. No.	Risk Description	Source	Capital Affected	Key Uncertainty and Potential Impact	Mitigation	Objective Affected
3	Foreign Exchange Volatility	External	Financial	Exchange-rate movements may increase import and financing costs while affecting margins and cash flows.	Foreign-currency exposures are regularly monitored. Export receipts provide a natural hedge, supported by pricing reviews and permitted hedging arrangements where appropriate.	Financial Stability and Profitable Growth
4	Energy Supply Disruption and Cost Volatility	External	Financial, Operational and Natural	Energy supply constraints and tariff volatility may increase production costs or disrupt operations.	Energy efficiency, renewable and alternative energy sources, preventive maintenance and production planning support cost control and continuity.	Cost Leadership and Sustainability
5	Climate and Sustainability Exposure	External	Natural, Operational, Financial, Social & Relationship	Extreme weather and evolving sustainability requirements may affect operations, logistics, resources and customer expectations.	Business continuity planning, renewable energy, resource efficiency and readiness for IFRS S1 and IFRS S2 reporting strengthen resilience.	Sustainability and Business Resilience
6	Local Demand and Pricing Pressure	External	Financial, Operational, Social & Relationship	Additional industry capacity and increasing price competition may affect volumes, selling prices and capacity utilization.	Product and market diversification, export development, specialty films, customer engagement and flexible production planning support market responsiveness.	Profitable Growth and Capacity Utilization
7	High Gearing and Liquidity Pressure	Internal and External	Financial	Reliance on bank financing may increase finance costs and place pressure on liquidity and working capital.	Cash-flow forecasting, working-capital discipline, debt monitoring and established banking relationships support financial stability.	Financial Stability and Sustainable Growth
8	Cybersecurity and Data Breach	Internal and External	Intellectual, Financial and Digital	Cyber threats, unauthorized access or system interruptions may affect data integrity and operational continuity.	Access controls, security monitoring, system updates, employee awareness, secure backups and disaster recovery arrangements strengthen digital resilience.	Digital Resilience and Information Security
9	Health, Safety and Workforce Disruption	Internal	Human, Operational and Natural	Safety, health and environmental incidents may result in injury, environmental impact, operational disruption and regulatory non-compliance.	SHE management systems, employee training, preventive controls, emergency preparedness and incident monitoring support safe operations, environmental protection and regulatory compliance.	Safe Operations and Environmental Protection

S. No.	Risk Description	Source	Capital Affected	Key Uncertainty and Potential Impact	Mitigation	Objective Affected
10	Subsidiary Performance and Value Realisation	Internal	Financial	Differences in operational stabilization, capacity utilization and market performance may affect consolidated profitability and investment returns.	Board and management oversight, performance monitoring, operational integration, market development and cost discipline support progressive value realization.	Group Profitability and Value Creation
11	Fixed Asset Loss, Damage and Misuse	Internal	Financial and Physical Assets	Inadequate safeguarding, unauthorized use, loss or damage of fixed assets may result in financial loss, operational disruption and inaccurate asset records.	Physical controls, asset tagging, periodic verification, authorization controls, maintenance procedures and reconciliation of fixed asset records support effective safeguarding and accountability.	Asset Protection and Operational Continuity

Opportunities

S. No.	Opportunity Description	Strategy to Achieve
1	Advanced Technology and Smart Manufacturing: Modern production lines, automation and integrated systems provide opportunities to improve efficiency, quality and asset utilisation.	Optimise existing assets, strengthen process automation and use operational data to support timely decisions and continuous improvement.
2	Integrated Product Platform and Group Synergies: The combined BOPP, CPP and BOPET portfolio enables the Group to offer comprehensive flexible packaging solutions while benefiting from shared capabilities.	Strengthen coordination across production, sales and product development. Share expertise and align resources to improve customer service and execution.
3	Capacity Utilisation and Operational Scale: The Group’s expanded manufacturing platform provides an opportunity to increase utilisation, improve the product mix and realise greater operating efficiencies.	Develop markets, deepen customer relationships and align production planning with demand to improve utilisation and economies of scale.
4	International Market Expansion: The Group’s export capabilities and commercial presence in the UAE and Europe provide a platform to deepen customer relationships and progressively access new markets.	Leverage regional presence, market intelligence, strategic partnerships, tailored product offerings and reliable delivery to expand the international customer base.
5	Specialty and Sustainable Packaging Solutions: Growing preference for recyclable, resource efficient and high performance films creates opportunities for product differentiation.	Advance research, product trials and recipe optimisation while aligning new solutions with customer needs and evolving market requirements.
6	Human Capital and Innovation: A skilled and experienced workforce supports innovation, operational excellence and sustainable business growth.	Continue investing in capability development, succession planning, employee engagement and cross-functional collaboration.

Integrated Risk Management and Oversight Framework

The Group maintains an integrated risk management and oversight framework to support informed decision making and protect stakeholder value. As the Group progresses from growth to excellence, the framework connects risk identification, evaluation, response, monitoring and oversight with its strategic and operational priorities. It addresses financial, operational, regulatory, technological, environmental and people-related risks while supporting resilience and sustainable growth.

Risk Identification and Classification

Risks are identified through management reviews, operational assessments, internal audit observations, business planning and evaluation of the external environment. Identified risks are classified according to their source, the capitals affected and the strategic objectives that may be influenced.

Risk Evaluation and Prioritisation

Each risk is evaluated according to its likelihood and potential impact using established assessment criteria. Financial and non-financial consequences are considered to determine priority and direct management attention towards the most significant exposures.

Risk Appetite and Acceptable Exposure

Risk appetite represents the nature and level of risk the Group is prepared to accept while pursuing its objectives. Acceptable exposure is managed through approved policies, delegated authorities, operating limits and control parameters. Matters falling outside established parameters are escalated to the appropriate management or governance forum.

Risk Response and Control Actions

Response plans and controls are developed according to the nature and significance of each risk. These may include preventive controls, diversified sourcing, financial discipline, operational planning, system safeguards, insurance coverage, business continuity arrangements and employee training. Responsibility for implementing and monitoring each action is assigned to the relevant function.

Monitoring, Reporting and Escalation

Principal risks, emerging developments and the progress of response measures are monitored through established management and reporting processes. Material changes in exposure or control effectiveness are escalated to senior management and, where appropriate, to the Board and its relevant Committees for review and direction.

Governance Roles and Oversight

The Board of Directors provides overall oversight of the risk management framework and reviews the principal risks affecting the Group. Management is responsible for identifying, evaluating and managing risks within its respective areas. Internal Audit and the relevant Board Committees provide further oversight within their approved mandates.

Alignment with Strategy and Business Planning

Risk considerations form part of strategic planning, budgeting, capital allocation and project evaluation. This enables management to consider potential uncertainties alongside expected returns and align business decisions with the Group’s objectives, financial capacity and long-term priorities.

Risk Awareness and Communication

Relevant employees receive functional training and awareness on risks connected with their responsibilities, including health and safety, information security, operational controls and business continuity. Established reporting and escalation channels support timely communication of material risks, incidents and control concerns.

Resilience Testing and Recovery Readiness

Business continuity and disaster recovery arrangements are reviewed through backup verification, restoration checks and recovery readiness exercises. The results are used to improve response procedures, system resilience and recovery capability.

Framework Review and Continuous Enhancement

The framework is reviewed periodically to reflect changes in operations, regulations, technology and the external environment. Lessons from incidents, internal audits, control reviews and recovery exercises are used to strengthen controls and enhance the Group’s overall resilience.

Supply Chain Resilience

ESG Risks and Management Response

The Group’s manufacturing operations depend on the timely availability of raw materials, reliable inland transportation and consistent delivery to customers. ESG-related events may affect material availability, logistics, production continuity, operating costs and customer deliveries. These exposures are considered within the Group’s risk management and operational planning processes.

ESG Area	Risk	Management Response
E nvironmental	Extreme weather, resource constraints, energy interruptions and disruption at ports or transportation routes may delay the movement of raw materials and finished goods, affect production schedules and increase operating costs.	Diversified sourcing, appropriate inventory planning, logistics coordination and business continuity arrangements support supply continuity. Resource efficiency and renewable energy initiatives further strengthen operational resilience.
S ocial	Labour disruption, health and safety incidents, and unavailability of critical personnel or service providers may affect production, material handling and transportation. Weak labour or safety practices within the supply chain may also create operational and reputational concerns.	Safe working practices, workforce preparedness and regular engagement with suppliers and logistics partners support continuity. Alternative arrangements are coordinated where required to minimise disruption and protect employees and operations.
G overnance	Changes in trade requirements, customs procedures and applicable regulations may affect the timely movement of goods. Inadequate documentation, contractual non-compliance or improper conduct by business partners may result in delays, financial exposure or reputational impact.	Compliance monitoring, documented approval processes, contractual controls and management oversight support regulatory and contractual compliance. Material concerns are escalated through established governance and risk-reporting channels.

The Group continues to assess emerging ESG considerations and refine its sourcing, logistics and control measures in line with evolving business requirements.

Materiality Assessment and Decision-making

The Board maintains oversight of matters that may materially affect the Group’s performance, financial position, operations and long-term objectives. Materiality is assessed by considering both the financial significance of a matter and its wider strategic, operational, regulatory, environmental, social and reputational implications.

Management evaluates transactions, proposals, risks and significant developments within the approved delegation of authority. Matters exceeding delegated limits or requiring Board attention under applicable laws and governance requirements are escalated to the Board or its relevant committee for review and decision.

The assessment process considers the nature of the matter, its likelihood and potential impact, stakeholder relevance and alignment with the Group’s strategy. Material matters are supported by appropriate information and analysis to facilitate informed, balanced and timely decisions.

The approach remains responsive to changing business conditions. Developments in markets, regulations, technology and stakeholder expectations are monitored so that emerging matters can be identified and addressed at the appropriate governance level.

Innovation Enablement and Continuous Improvement

Innovation Across the Business

Innovation supports the Group’s progression from growth to excellence. It extends beyond product development to include manufacturing processes, quality systems, resource efficiency, digital integration and customer solutions across the BOPP, CPP and BOPET portfolios.

Product Development and Optimisation

During the year, product development and recipe optimisation initiatives continued with a focus on improving functionality, quality consistency and production efficiency. The Group also continued to explore specialty, recyclable and resource-efficient film solutions in response to evolving customer requirements and market expectations.

Collaborative Innovation

Innovation is supported through collaboration among the R&D, production, quality and commercial teams. Customer feedback, market developments and technical evaluations help shape new ideas and improve existing products. Proposed initiatives are considered with regard to technical feasibility, quality requirements, customer relevance and commercial viability before wider implementation.

Technology and Digital Enablement

Advanced manufacturing technologies, automated systems and SAP-enabled information support better monitoring, process control and decision-making. Employee training and engagement with technology partners further strengthen technical capabilities and encourage the practical adoption of new ideas.

Sustainable Value Creation

Through this approach, the Group seeks to improve operational performance, optimise resources and develop packaging solutions that create sustainable value for customers and other stakeholders.

CHAPTER 04

Sustainability and Corporate Social Responsibility



Environmental, Social and Governance (ESG)

Responsible growth at IPAK is supported by an ESG approach that connects environmental stewardship, people and communities, ethical governance and transparent reporting with business priorities. The approach extends across the Group where relevant and focuses on resource efficiency, circularity, workplace safety, inclusion, product integrity, stakeholder engagement and compliance.

During FY 2026, attention remained on renewable energy, resource recovery, sustainable product development, employee welfare, diversity, community participation and stronger sustainability reporting processes. Detailed initiatives, performance indicators and quantitative information are presented in the relevant sections that follow.

Board Statement on Sustainability, CSR and DE&I

The Board affirms IPAK’s commitment to responsible business conduct and recognizes that environmental, social and governance considerations support resilience, reputation and long term value creation. Key areas of focus include environmental responsibility, employee health and safety, equal opportunity, ethical conduct, responsible products and community development.

Supported by the Board Sustainability Committee, the Board oversees sustainability priorities and related reporting, while management remains responsible for implementation within approved policies and business plans. The Committee supports the Board’s oversight and does not replace the responsibilities of the Board or management.

IPAK seeks to maintain a professional workplace based on dignity, fairness and respect. Its approach to diversity, equity and inclusion supports equal opportunity, employee participation and the development of talent from diverse backgrounds.

Embedding ESG into Corporate Strategy

ESG considerations are progressively incorporated into strategic planning, risk assessment, operational improvement and the evaluation of significant business initiatives. Priorities relating to renewable energy, resource efficiency, circular product solutions, workplace capability and reporting readiness support responsible growth and operational resilience.

Implementation is supported through coordination among relevant functions, established management systems and periodic performance reviews. Sustainability considerations are evaluated with reference to business relevance, regulatory requirements, operational feasibility and the interests of key stakeholders.

Reporting Readiness and Stakeholder Confidence

IPAK continues to strengthen the data collection, internal coordination and review processes supporting sustainability disclosures. Reporting is developed with reference to applicable regulatory requirements and recognized sustainability frameworks, with emphasis on consistency, traceability and decision useful information.

The Company is preparing its first voluntary Sustainability Report for FY 2026 with reference to IFRS S1, IFRS S2 and GRI Standards.

Transparent and balanced reporting enables stakeholders to better understand IPAK’s sustainability approach and progress. It also supports confidence among investors, customers, employees, regulators and business partners by improving the accessibility and comparability of relevant ESG information.

Sustainability-related Risks, Opportunities and Responses

IPAK considers sustainability-related risks and opportunities within its established risk management and business planning processes. Relevant developments are monitored with reference to business continuity, operational efficiency, regulatory compliance, stakeholder expectations and long-term growth.

The Company seeks to respond through responsible planning, appropriate controls, resource efficiency, innovation and continuous improvement. The principal sustainability-related matters are summarized below.

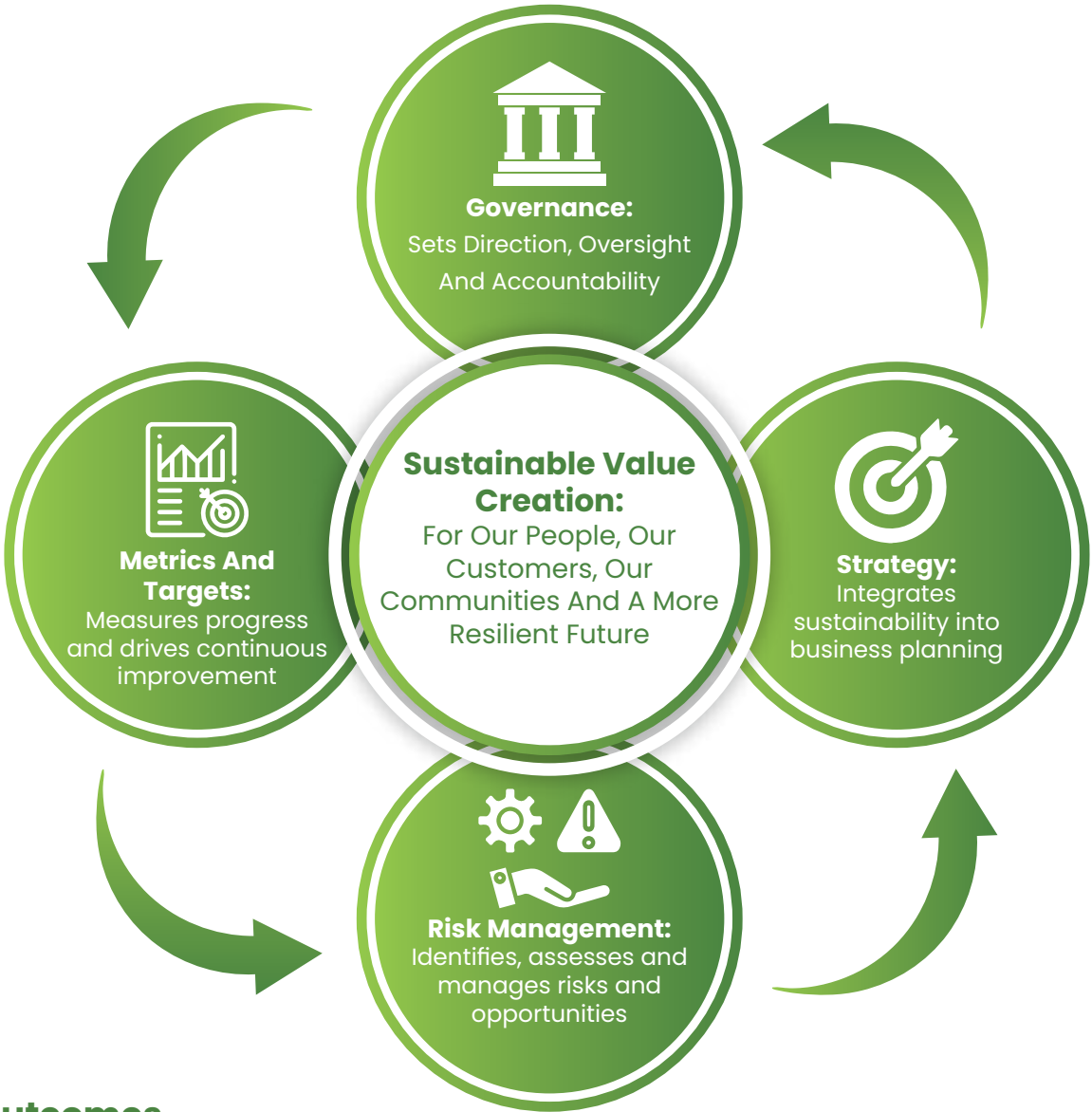
Risk and Opportunity Areas	ESG Classification	Risk	Opportunity	Management Response
Energy and Resource Availability	Environmental (E)	Changes in the availability or cost of energy, water and other essential resources may influence operating conditions and business continuity.	Efficient resource utilization, renewable energy and improved consumption management can support greater resilience, environmental responsibility and cost efficiency.	The Company monitors its energy and resource requirements and pursues appropriate efficiency initiatives. Renewable energy, efficient technologies, responsible water use and preventive maintenance support reliable and sustainable operations.
Supply Chain Resilience	Environmental & Social (E & S)	External developments affecting the availability, quality, cost or movement of essential inputs may influence operational continuity and customer service.	Strong supplier relationships, improved planning and evaluation of suitable sourcing options can enhance supply chain flexibility and responsiveness.	Procurement planning, supplier evaluation, inventory oversight and coordination among commercial, logistics and operational teams support resilience. Alternative sourcing arrangements and longer-term supplier relationships are considered where appropriate and commercially feasible.
Cybersecurity and Data Resilience	Governance (G)	Greater use of technology and digital systems may increase exposure to cybersecurity incidents, system interruptions and unauthorized access to information.	Secure and reliable digital infrastructure can improve operational visibility, collaboration, process efficiency and data-supported decision-making.	Access management, system monitoring, backups, security updates, employee awareness and recovery planning support the protection and availability of information systems. Technology-related risks and controls are reviewed in light of evolving business requirements.
Product Safety and Integrity	Social & Governance (S & G)	Evolving product standards, customer requirements and quality expectations may create operational and reputational considerations for the Company.	Consistent product quality, innovation and responsible packaging solutions can strengthen customer relationships and support sustainable market growth.	Quality management and control processes cover relevant stages of production and delivery. Inspection, testing, traceability, supplier quality evaluation, customer feedback and corrective actions support product integrity and continuous improvement.
Climate Change and Natural Hazards	Environmental & Governance (E & G)	Changes in climatic and environmental conditions, including natural hazards and air quality considerations, may influence facilities, employees, logistics and operational continuity.	Improved preparedness, efficient technologies and environmentally responsible practices can strengthen operational resilience and reduce environmental impact.	Emergency preparedness, safety procedures, preventive maintenance, appropriate insurance arrangements and continuity planning support resilience. Environmental management practices support the monitoring and responsible management of emissions and air quality considerations.
Regulatory and Market Developments	Environmental & Governance (E & G)	Changes in environmental, product, packaging and sustainability requirements, together with evolving customer preferences, may require adjustments in business practices and product offerings.	Timely alignment with regulatory and market developments can encourage innovation, strengthen stakeholder confidence and support access to emerging market opportunities.	Relevant regulatory and market developments are monitored and evaluated through management and functional reviews. Product development, operational practices, certifications and sustainability reporting are progressed with reference to applicable requirements, customer expectations and business feasibility.

Sustainability Disclosure Framework

Our sustainability approach is structured with reference to the core content areas of IFRS S1 and IFRS S2. Governance, strategy, risk management and metrics and targets work together as an integrated system enabling better decision-making, resilience and long-term value creation.

An Integrated And Interconnected Approach

Our governance, strategy, risk management and metrics and targets are interlinked, forming a continuous cycle that supports business resilience and sustainable value creation.



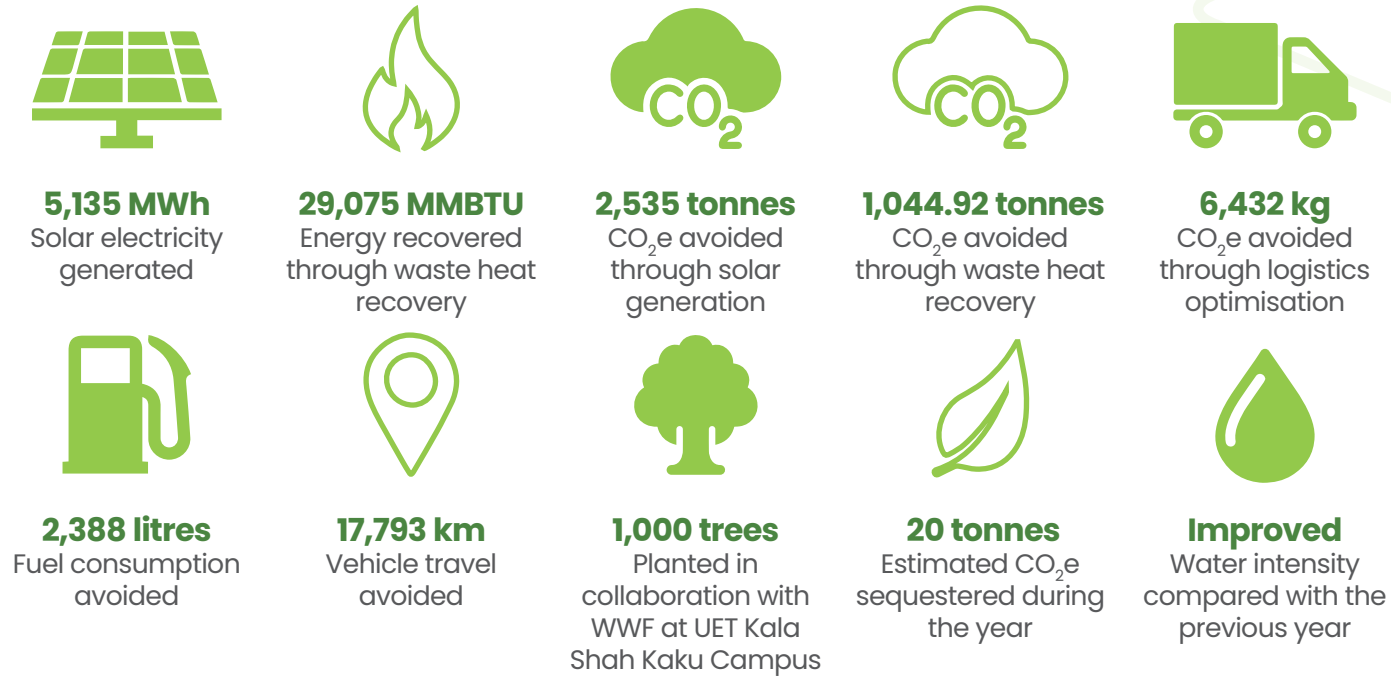
Our Outcomes

- Operational resilience
- Resource efficiency and innovation
- Responsible products and circularity
- A safer and more inclusive workplace
- Stronger governance and compliance
- Sustainable growth

ESG Performance Highlights

Our performance in environmental, social and governance areas reflects our commitment to responsible operations and long-term value creation.

Environmental Performance



Social Performance



Governance Performance



Sustainability Performance And Initiatives

The Group's sustainability performance reflects its approach to responsible business growth, efficient use of resources, product innovation, workforce development and ethical conduct. Initiatives are undertaken with reference to operational requirements, business priorities and relevant stakeholder considerations.

Economic Value and Marke Presence

The Group contributes to economic activity through manufacturing, domestic and export sales, employment, payments to employees and suppliers, taxes and duties, and the use of local transport, contracting and other support services.

Its manufacturing operations in Pakistan and commercial presence in Dubai through IPAK Connect support access to domestic and international markets. The Group's portfolio of BOPP, CPP and BOPET films enables it to serve a diverse range of packaging applications.

The Group's operations also support indirect economic activity through engagement with suppliers, contractors and service providers. Internships, industrial visits and engagement with academic and technical institutions provide students and fresh graduates with exposure to the manufacturing and packaging industry.

Environmental Stewardship

Environmental stewardship at IPAK covers energy efficiency, renewable energy, emissions management, water use, production waste and sustainable packaging solutions.

During the year, ISO 14001-certified environmental management systems were maintained at four specified operating sites. These systems provide a structured basis for environmental monitoring, operational controls and the management of relevant environmental aspects.

Energy Efficiency and Renewable Energy

During the year, the Group's solar installations generated 5,135 MWh of electricity. Waste heat

recovery systems recovered 29,075 MMBTU of energy at Group level, contributing to reduced consumption of natural gas and diesel. Solar installations at PETPAK and GPAK further increased the Group's renewable energy capacity. Energy performance is monitored through established operational and environmental management processes.

Sustainable Products and Circularity

The Group's sustainable product portfolio is supported through Tajdid, Tarmim and Zeest. Tajdid represents the broader framework for sustainability-related product and stakeholder initiatives. Tarmim includes films developed to improve material efficiency and recyclability, while Zeest includes specified products incorporating post-industrial recycled, post-consumer recycled or bio-based materials.

During the year, IPAK's Lahore site obtained OK Recycled certifications under UNE EN 15343:2008 for the traceability of specified polypropylene grades recovered from pre-consumer material and for the recycled plastic content of specified film products. The certifications apply only to the materials and products listed in their respective certificate annexes.

Product development activities also covered downgauging, barrier enhancement, material efficiency, recyclable structures and recycled-content applications. The Group also participated in an industry-academia initiative with the University of Engineering and Technology, Lahore relating to polymer sustainability and circularity.

Emissions, Water and Waste

Based on internal estimates provided by the Sustainability function, electricity generated through solar installations avoided approximately 2,535 tonnes of carbon dioxide equivalent emissions during the year. Waste heat recovery was estimated to avoid a further 1,044.92 tonnes of carbon dioxide equivalent emissions.

Water consumption is monitored at relevant operating sites. Operational practices include process efficiency and the reuse of water where technically appropriate. Wastewater and effluent streams are managed through established site-level operational and environmental controls.

Production waste is managed through segregation, recovery, recycling, controlled reuse and responsible disposal. Suitable pre-consumer polypropylene material is recovered for use in specified applications under established quality and traceability controls.

During the year, the Group planted 1,000 trees in collaboration with WWF at the University of Engineering and Technology, Kala Shah Kaku Campus. Based on internal Sustainability estimates, the plantation accounted for approximately 20 tonnes of carbon dioxide equivalent sequestration during the financial year.

Responsible Transport and Logistics

The Group applies load planning, shipment consolidation and vehicle-capacity utilization practices to improve logistics efficiency and reduce unnecessary travel.

During the year, optimized loading practices were estimated to avoid approximately 17,793 kilometers of vehicle travel, 2,388 liters of fuel consumption and 6,432 kilograms of carbon dioxide emissions.

Transport arrangements also consider vehicle suitability, loading requirements, product protection and coordination with logistics service providers.

Quality Management and Product Integrity

Quality management and product integrity are integral to the Group's manufacturing operations. During the year, ISO 9001-certified quality management systems were maintained at four specified operating sites.

Across the Group's BOPP, CPP and BOPET manufacturing operations, quality controls extend from incoming raw materials and in-process production to finished-product inspection and release. Testing is conducted against applicable product and customer specifications and may include thickness, surface treatment, optical properties, mechanical performance, sealing characteristics and barrier properties.

The Dr. Asifa Centre of Excellence supports in-house testing and technical evaluation of raw materials, in-process materials and finished products. Its testing capabilities support product development, timely analysis and consistency against approved specifications.

As a business-to-business packaging films manufacturer, the Group addresses product and consumer protection through product integrity, traceability, controlled manufacturing and conformity with agreed customer and end-use requirements. Product-related concerns are reviewed through established quality processes, including investigation and corrective action where appropriate.

People And Social Impact

The Group's social initiatives cover employment, employee welfare, engagement, occupational health and safety, learning, inclusion and responsible workplace conduct.

Employment, Welfare and Engagement

Employment decisions are based on organizational requirements and the qualifications, capability, experience and suitability of candidates. Employee development, performance feedback and internal progression are supported through established human resource processes.

During the year, employee welfare and engagement activities covered health and wellness, mobility, recognition, sports, cultural occasions, team interaction and communication with leadership. CEO Talks and Townhalls, the I-Portal and the IPAK Corporate Dashboard supported internal communication and access to organizational information.

Industrial relations are managed through workplace communication, employee engagement and established supervisory and human resource channels for addressing work-related matters.

Occupational Health, Safety and Environment

During the year, ISO 45001-certified occupational health and safety management systems were maintained at four specified operating sites.

Health and safety practices include workplace inspections, hazard identification, employee training, toolbox discussions, emergency preparedness, incident reporting, investigation and corrective action. Safety information and personal protective equipment are provided according to the nature of work and applicable site requirements.

Firefighting and emergency-response equipment is maintained at operating sites according to site-specific requirements. Periodic inspections, drills and training activities support emergency preparedness and employee awareness.

Workplace safety is also supported through safety signage, appropriate storage and handling arrangements and employee awareness relating to safe practices.

Learning, Leadership and Succession

The Group continued to invest in leadership, technical, managerial and behavioral capabilities through the Leadership Excellence Series and other internal and external learning programs.

Training, mentoring and workplace experience support professional development and prepare employees for evolving responsibilities. Succession planning considers critical roles, capability requirements, relevant experience and opportunities for internal progression.

The Group also participated in career fairs, hosted industrial visits and provided internship opportunities to support industry exposure and the development of a future talent pipeline.

Equal Opportunity, De&i and Human Rights

The Group promotes equal opportunity and a professional workplace in which individuals are treated with dignity and respect. Employment and development decisions take into account merit, capability, experience, role requirements and organizational needs.

During the year, initiatives supported women’s leadership development, inclusion, cultural diversity

and employment opportunities for persons with hearing and speech impairments. Through the Jeet ki Zuban initiative, employment opportunities were provided to persons with hearing and speech impairments.

Two specialized leadership development modules were conducted for women employees through the Group’s engagement with Climate2Equal. The Group also partnered with Vending Central under the Zan-e-Khudi initiative to facilitate access to menstrual hygiene facilities for women.

Child labor and forced or compulsory labor are not accepted within the Company’s direct employment practices. Employment processes are administered with reference to applicable minimum-age and voluntary-employment requirements.

During the year, the IPAK site underwent a SMETA four-pillar audit covering labor standards, health and safety, environment and business ethics. SMETA represents an audit methodology and is not a certification.

Ethics, Grievance and Responsible Business

The Company’s Code of Conduct sets out expectations relating to integrity, lawful conduct, conflicts of interest, protection of Company assets, accurate disclosure, confidentiality, workplace behavior and compliance with applicable requirements.

The Code identifies bribery, illegal payments and unethical business dealings as prohibited conduct. Employees are expected to conduct business honestly and fairly and to report actual or suspected violations through available reporting channels.

Work-related concerns may be raised through supervisory, Human Resource and other channels available under Company policies. Concerns are considered according to their nature, with confidentiality maintained where appropriate.[The Company’s Whistleblowing Policy provides a channel for reporting suspected misconduct or inappropriate practices. The Code of Conduct, grievance processes and whistleblowing arrangements collectively support accountability and responsible business conduct.

Our People & Community



IPAK is proud to partner with Vending Central through the signing of an MOU on “Her Machine” under the umbrella of “Zan e Khudi” initiative a meaningful initiative focused on promoting women’s menstrual hygiene management. Her Machine, a sanitary napkin vending machine that ensures women have access to hygienic, convenient, and discreet menstrual care. Together, this partnership reflects a IPAK’s commitment towards empowering women, fostering dignity, and creating healthier, more inclusive workplaces and communities.



IPAK Women’s Day Celebration was a meaningful event dedicated to honoring and empowering the incredible women of our organization. Held with great enthusiasm, the event recognized their contributions, promoted gender equality, and encouraged open dialogue on women’s empowerment. It reflected IPAK’s commitment to creating an inclusive, respectful, and supportive workplace for all.

**EMPOWERING
WOMAN
AT
WORK
STARTS
HERE**



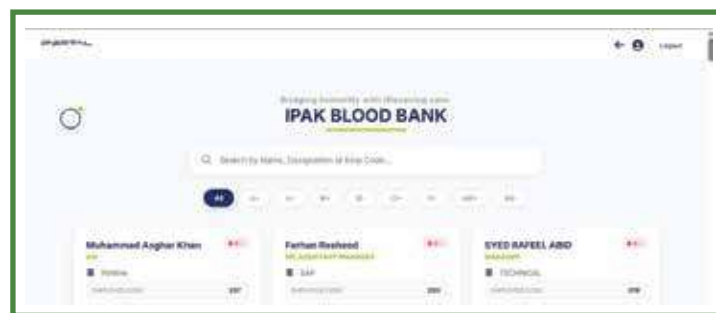
IPAK 78th Independence Day & 8th Anniversary Celebration was a proud and festive occasion, marking both the spirit of national freedom. The event blended patriotism with celebration, honoring Pakistan’s independence while reflecting on IPAK’s journey of growth and achievements. It showcased unity, resilience, and the shared commitment of the IPAK family toward a brighter future.

One Drop One Life! Blood Drive initiative by IPAK

One Drop, One Life – Blood Donation Drive was a heartfelt initiative organized in collaboration with Fatimid Foundation. The drive aimed to raise awareness about the importance of blood donation and encourage employees to contribute to a life-saving cause. It reflected IPAK's strong commitment to social responsibility, compassion, and community well-being.

Blood Bank

IPAK Blood Bank is another internal initiative that ensures employees receive timely blood support during emergencies by maintaining a ready database for quick assistance.



IPAK BIKE BALLOTING APNI GARI اپنی سوارِی

Apni Gari Apni Sawari – IPAK Bike Balloting Program is a valued employee welfare initiative aimed at supporting team members with personal transportation. Through a fair and transparent balloting process, selected employees are given the opportunity to own a bike, enhancing mobility and ease in daily commuting. This program reflects IPAK's ongoing commitment to employee well-being and empowerment.



Employee Birthday Cards Initiative is a thoughtful gesture by IPAK to celebrate and appreciate each team member on their special day. Personalized birthday cards are shared to bring joy, foster a sense of belonging, and strengthen workplace relationships. This small act of recognition reflects IPAK's people-first culture and commitment to employee happiness.



WINNING TOGETHER 2025

IPAK Winning Together 2025 was an engaging outdoor fun activity combined with a strategic presentation on performance management. The event brought employees together in a refreshing environment, blending team-building exercises with insights into performance goals and achievements. It highlighted IPAK's commitment to collaboration, continuous improvement, and a vibrant organizational culture.



IPAK Spotlight



IPAK Spotlight is a fun and engaging internal program where employees are interviewed in a light-hearted, informal style to showcase their personalities, interests, and journeys. These interviews are shared on IPAK's internal platforms, allowing colleagues to connect, relate, and get to know each other beyond work roles. The initiative strengthens team bonds and fosters a culture of openness and recognition.



IPAK continues to strengthen its commitment to both sustainability and social responsibility through its Plantation Drive in collaboration with WWF. In the first phase, 300 saplings have already been planted, with a target of 1,000 saplings by 2026. This initiative not only supports environmental conservation and carbon reduction but also reflects IPAK's broader role in building a greener, healthier future for communities. By investing in such impactful actions, IPAK is contributing meaningfully to ecological balance while fostering social well-being.



Diversity, Equity & Inclusion Initiatives

IPAK remains committed to fostering a diverse, equitable, and inclusive workplace where every individual is valued and respected. As part of its DE&I initiatives, IPAK has actively created opportunities for transgender individuals, as well as persons with hearing and speech impairments through its dedicated program “Jeet ki Zuban.” The organization also promotes cultural inclusion by celebrating occasions such as Christmas with employees from Christian backgrounds. These efforts reflect IPAK’s strong intention to build an inclusive environment that embraces diversity, ensures equal opportunity, and nurtures a sense of belonging for all.



Employee Social Well-being

IPAK’s HR Department actively promotes employee well-being and safety by regularly sharing awareness materials on safe driving practices, emergency preparedness during floods, and precautionary measures for driving in adverse conditions such as fog.

These initiatives reflect IPAK’s commitment to creating a safe and informed workforce, extending beyond the workplace into employees’ daily lives. By fostering a culture of awareness and responsibility, IPAK contributes positively to the social well-being of its employees and the wider community, reinforcing its commitment to sustainable social impact.



Social Impact - Women Leadership Development

As part of its commitment to inclusive growth and gender equality, IPAK has partnered with Climate2Equal to empower and develop female talent within the organization. Under this initiative, IPAK has successfully delivered two specialized leadership training modules aimed at enhancing the capabilities, confidence, and career progression of its female employees. This effort reflects IPAK’s dedication to building a diverse workforce and fostering an equitable and future-ready workplace.



IPAK Fit Break

- Healthy Employees
- Positive Mindset
- Stronger Teams

At IPAK, we believe that a healthy workplace begins with healthy minds and healthy bodies.

In alignment with Mental & Physical Health Month - May, employees enthusiastically participated in a series of engaging wellness activities designed to promote fitness, positivity, teamwork, and overall well-being. From physical fitness challenges and fun recreational games to activities focused on mental wellness and stress relief, the initiative encouraged employees to take a meaningful break from routine and prioritize their health.



The energy, participation, and team spirit displayed throughout the session reflected IPAK’s continued commitment towards fostering a culture that values employee wellness, work-life balance, and a positive work environment.

Together, we continue to build a stronger, healthier, and happier workplace

Academia & Industry Linkage

IPAK is committed to fostering strong industry-academia linkages that contribute to talent development, employability enhancement, and sustainable economic growth. Through active participation in career fairs, engagement with university placement cells, and facilitation of student industrial visits, IPAK provides students and fresh graduates with valuable exposure to the manufacturing and packaging industry.

During the year, IPAK participated in career and recruitment fairs at leading institutions, including LUMS, NUST, GCT Railway Road Lahore, GCT Jhang, University of Lahore, University of Central Punjab, Forman Christian College University, and the University of the Punjab. These initiatives enabled students to interact with industry professionals, explore career opportunities, and gain insights into workplace expectations.



IPAK also hosted industrial visits for students, providing firsthand exposure to modern manufacturing practices, sustainability initiatives, quality systems, and workplace safety standards. Through these efforts, IPAK continues to bridge the gap between academic learning and industry requirements, contributing to the development of a skilled workforce and supporting sustainable growth in Pakistan.

Iftar Party 2026

IPAK Iftar Party 2026 brought employees together during the holy month of Ramadan to share a meal in an atmosphere of unity, gratitude, and mutual respect. Organized across the IPAK and Karachi offices, the gathering encouraged informal interaction beyond routine work and strengthened relationships among colleagues. The activity reflects IPAK’s commitment to cultural inclusion, employee engagement, and a supportive workplace community.

5. Internship Completion Ceremony

IPAK’s Internship Completion Ceremony recognized the efforts and learning achievements of interns through certificate distribution. The internship program provided participants with practical exposure, mentorship, and insight into professional workplace practices within the packaging and manufacturing sector. By celebrating their successful completion, IPAK reinforces its commitment to youth development, employability, and building a future-ready talent pipeline.

CEO Talks/Townhalls

CEO Talks provides employees with an opportunity to engage directly with senior leadership, understand organizational priorities, and share ideas or concerns in an open forum. The sessions promote transparency, trust, and alignment across the workforce while strengthening responsible and participative decision-making. This initiative supports decent work, institutional accountability, and inclusive organizational growth in line with SDGs 8 and 16.

Mango Day 2026

IPAK Mango Day 2026 was a seasonal employee engagement activity designed to create moments of joy and informal connection at the workplace. Employees came together to enjoy the occasion,

interact across teams, and take a refreshing break from routine. The activity strengthened workplace relationships and reflected IPAK’s people-centric culture and commitment to employee happiness.

Smash Champs Season 2, 2026

IPAK Smash Champs Season 2, held in 2026, continued the organization’s employee sports and engagement initiative through competitive table tennis matches. With participation in singles and doubles categories, the event promoted fitness, sportsmanship, teamwork, and healthy competition. It strengthened employee connections and supported a lively, inclusive, and energetic organizational culture.

Leadership Excellence Series and Employee Trainings

The Leadership Excellence Series, along with other in-house and external training programs, supports continuous learning and capability development across IPAK. These initiatives strengthen leadership, technical, behavioral, and managerial competencies while preparing employees for evolving workplace responsibilities. By investing in accessible learning opportunities, IPAK contributes to professional growth and advances SDG 4: Quality Education.

IPAK Dashboard – IPAK Corporate Portal

The IPAK Corporate Dashboard is a centralized digital platform designed to provide timely access to organizational information, performance insights, and key business updates. It supports informed decision-making, coordination, and transparency by enabling relevant stakeholders to monitor important indicators efficiently. The platform reflects IPAK’s commitment to digital transformation, data-driven management, and operational effectiveness.

IPAK Portal – I-Portal

I-Portal serves as an internal digital platform that connects employees with organizational information, announcements, resources, and essential workplace updates. By making information more accessible and improving internal communication, the portal supports employee awareness, engagement, and efficient coordination. It reflects IPAK’s efforts to create a connected, responsive, and digitally enabled workplace.

Team Building Retreat

To strengthen collaboration and foster a culture of teamwork, IPAK organized a Team Building Retreat in Murree, bringing together employees from different departments. The activity provided an opportunity for cross-functional teams to interact beyond the workplace, encouraging stronger relationships, open communication, and mutual understanding.

Through engaging team challenges, group activities, and recreational sessions, participants enhanced their problem-solving, trust, and collaboration skills while enjoying a refreshing change of environment. The retreat reinforced the importance of cross-departmental collaboration in driving innovation, improving coordination, and achieving shared organizational goals. Beyond professional development, the event promoted employee well-being, boosted morale, and created lasting connections that contribute to a more engaged and high-performing workforce.



Community Development and Corporate Social Responsibility

During the year, the Company's community development and corporate social responsibility activities focused on social inclusion, health and well-being, youth development and environmental collaboration. These activities were undertaken directly and in collaboration with relevant institutions.

Social Inclusion

Through the Jeet ki Zuban initiative, the Company provided employment opportunities to persons with hearing and speech impairments. The initiative supported workplace inclusion, financial independence and meaningful participation for individuals who may otherwise face barriers to employment.

Health and Community Well-being

The Company organized the One Drop, One Life blood donation drive in collaboration with Fatimid Foundation. Employees participated in the initiative to support the availability of blood for individuals in need.

The IPAK Blood Bank also maintained an internal database to facilitate timely blood support for employees during emergencies.

Youth Development and Industry - Academia Engagement

The Company participated in career and recruitment fairs at universities and technical institutions and hosted industrial visits for students. These engagements provided students and fresh graduates with exposure to manufacturing operations, sustainability practices, quality systems and workplace requirements.

Internship opportunities provided participants with practical workplace experience, mentorship and insight into the packaging and manufacturing industry. An internship completion ceremony was also held to recognize the participation and learning achievements of interns.

Environmental Collaboration

During the year, the Group planted 1,000 trees in collaboration with WWF at the University of Engineering and Technology, Kala Shah Kaku Campus. The activity supported environmental awareness and participation by employees and external stakeholders.

The Company also observed selected environmental awareness days through internal sessions and activities covering resource conservation, recycling and responsible environmental practices.

Showcasing Excellence

IPAK continues to strengthen its presence by actively participating in leading local and international exhibitions and industry platforms. These engagements connect IPAK with brand owners, converters, technology partners, and packaging professionals from Pakistan and global markets. Through the presentation of advanced BOPP, CPP, and BOPET films, recyclable solutions, and mono-material structures, IPAK demonstrates its focus on quality, innovation, sustainability, and performance. Participation in prominent exhibitions provides valuable opportunities to showcase capabilities, understand evolving market needs, strengthen industry relationships, build new partnerships, and position IPAK as a competitive packaging films manufacturer serving customers across domestic and international markets.





Chapter 05

Corporate Governance

Board of Directors

The Board brings together extensive experience in corporate leadership, manufacturing, finance, governance, entrepreneurship and international business. Its diverse expertise supports effective oversight, informed decision-making and sustainable value creation.



Mr. Muhammed Amin
Chairman | Non-Executive Director

Mr. Muhammed Amin is a Chartered Accountant with over three decades of leadership experience in prominent FMCG organizations. He served as Chief Executive Officer of Gillette Pakistan Limited and subsequently held regional responsibility for Gillette's operations in the Middle East and Africa. He also led Mondelez Pakistan Limited for more than a decade and later founded Sunridge Foods. His broad experience in corporate leadership, strategic planning and governance enables him to provide informed direction to the Board. As Chairman, he promotes effective oversight, constructive deliberation and long-term value creation.



Mr. Naveed Godil
Chief Executive Officer
Executive Director

Mr. Naveed Godil is a seasoned entrepreneur and business leader with more than 26 years of experience. After beginning his career in the financial markets, he entered the packaging industry in 2010. He founded International Packaging Films Limited in 2015 and led its development into a diversified packaging films group with capabilities across BOPP, CPP and BOPET films. His industry knowledge, entrepreneurial vision and focus on technology, innovation and market development have been instrumental in shaping the Group's growth and strategic direction.



Mr. Saad Amanullah Khan
Independent Director

Mr. Saad Amanullah Khan has three decades of senior management experience with Procter & Gamble, including seven years as Chief Executive Officer of Gillette Pakistan. He has also held leadership roles in prominent business associations and has extensive experience serving on corporate and social sector boards. He holds two engineering degrees and an MBA from the University of Michigan, USA. His expertise in corporate strategy, governance, consumer markets and organizational leadership brings an independent and commercially informed perspective to the Board.



Mr. Sarfaraz A. Rehman
Independent Director

Mr. Sarfaraz Ahmed Rehman is a Chartered Accountant and an accomplished business executive with leadership experience across multinational and national organizations, including Unilever, GSK, Jardine Matheson, PepsiCo and Engro Foods. As the founding Chief Executive Officer of Engro Foods, he played a significant role in building and scaling the business. He has also contributed to leadership development, business education and executive mentoring. His experience in business transformation, financial management, brand development and corporate strategy strengthens the Board's oversight and decision-making capabilities.



Ms. Saira Nasir
Independent Director

Ms. Saira Nasir is a Fellow Member of the Institute of Chartered Accountants of Pakistan and the Institute of Corporate Secretaries of Pakistan. She has over two decades of experience in corporate governance, board advisory, financial management, regulatory frameworks and leadership development. She has completed the Directors' Training Programme and is certified as a trainer under the International Finance Corporation's Board Governance Leadership Programme. She has also worked with corporates on sustainability initiatives, complementing her extensive advisory and board experience. Her expertise contributes to stronger governance, financial oversight, sustainability, board effectiveness and institutional development.



Mr. Aftab Zahoor Raja
Non-Executive Director

Mr. Aftab Zahoor Raja is an entrepreneur with experience in real estate investment, international trade and the packaging industry. As a lead sponsor of the Company, he has contributed to its establishment, development and growth. He holds a Bachelor of Arts in Social Sciences from the University of the Punjab. His entrepreneurial insight, commercial understanding and knowledge of business development support the Board's strategic deliberations and long-term growth perspective.



Mr. Arsalan Pirani
Non-Executive Director

Mr. Arsalan Pirani holds a Bachelor's degree in Accounting and Finance from Heriot-Watt University, Edinburgh. As a lead sponsor of the Company, he is an entrepreneur with business interests and leadership experience across packaging, real estate development, automobile manufacturing and trading operations. As a Non-Executive Director, he has contributed to the Company's strategic direction, project development and business expansion. His financial understanding and experience in planning and executing major investments add depth to the Board's commercial and strategic oversight.



Mr. Fazal ul Rehman
Non-Executive Director

Mr. Fazal ul Rehman is an experienced entrepreneur whose business career spans more than four decades and extends across multiple industries and markets. His business interests have included commodity trading, real estate, healthcare, manufacturing, construction, contracting and agriculture. His extensive entrepreneurial experience provides the Board with practical insight into business development, investment decisions and long-term commercial relationships. He is also committed to community welfare and philanthropic initiatives.



Mr. Mushtaq A. Tejani
Non-Executive Director

Mr. Mushtaq Ali Tejani is an entrepreneur with over 25 years of experience in the domestic consumer goods sector. His business portfolio includes interests in FMCG and the packaging industry. As a lead sponsor and Non-Executive Director of International Packaging Films Limited, he has supported the Company's development and growth. His knowledge of consumer markets, entrepreneurship and commercial operations contributes valuable business insight to the Board.



Mr. Taimoor Iqbal
Non-Executive Director

Mr. Taimoor Iqbal is an entrepreneur and lead sponsor of the Company, with leadership experience across businesses operating in Pakistan and the United Arab Emirates. His experience covers the packaging industry, automobiles, real estate development and trading activities. He holds a Bachelor of Business Administration from the American University of Sharjah. His contribution to business development and relationships with international technology and equipment suppliers supports the Company's focus on operational capability, innovation and sustainable expansion.

Senior Management Team



Mr. Muhammad Kamran Khan
Chief Operating Officer



Mr. Mohsin Anwer
Chief Strategy Officer



Mr. Khalid Mahmood
Chief Commercial Officer



Mr. Muhammad Arif Malik
Director Technical



Mr. Muhammad Asadullah Butt
Chief R&D Officer



Mr. Syed Athar Bukhari
Chief Human Resource Officer



Mr. Muhammad Ali Mirza
Director International Business

Statutory Executives



Syed Haris Salim
Chief Financial Officer



Mr. Fahad Alam
Head of GRC/Company Secretary



Mr. Muhammad Shahid
Head of Internal Audit



Chairman Review

I am pleased to present the annual review of International Packaging Films Limited (Ipak) for the year ended June 30, 2026. The year tested the Group on two fronts: navigating the disruption caused by the US–Iran conflict and ramping up capacity utilization as set out in our plan for the year. I am pleased to report that management delivered a strong performance on both counts. We met all customer demand and raised capacity utilization above 75%, and this operational strength translated into significantly improved financial results for the year.

Economic and Business Environment

The year was shaped by geopolitical uncertainty, which disrupted regional supply chains and, in turn, drove up oil prices and costs across the board. Elevated raw material prices, higher freight and energy costs, and persistent inflation continued to weigh on the operating environment. Competitive intensity also increased as new capacity was added across the domestic packaging films industry.

The company and all its subsidiaries (the Group) managed these challenges successfully and maintained operational continuity through diversified sourcing, careful planning and responsive decision-making.

Performance and Financial Discipline

The Group delivered an excellent performance, with sales growing 23% to PKR 42.2 billion. Our continued focus on exports has paid off, with export sales now forming a significant share of total revenue. This growth in sales strengthened operating performance and unlocked synergies across the business, driving a marked improvement in operating profit. Even excluding the one-time inventory gain, the Group's financial performance reflects significant improvement across all areas of operations.

Exports now contribute approximately 25% of our sales. Our product portfolio, sustained investment in marketing and the efforts of our sales team have together built a strong export business in a short span of time. The establishment of a new subsidiary in Portugal, the expansion of our sales footprint and our continued focus on value-added products will further strengthen this export business.

All subsidiaries delivered a significant improvement during the year. CPAK maintained consistent operations with capacity utilization above 90%. GPAK's capacity utilization improved further, and its state-of-the-art, highly efficient plant continues to deliver high-quality products at a superior product cost. PETPAK's capacity utilization more than doubled during the year, translating into markedly better financial results.

Financial discipline remained central to management's priorities. Sustained focus on working capital, inventory management, cost optimization and the prudent use of financial resources supported liquidity management and contributed to greater financial resilience.

Strengthening Systems and Execution

During the year, the Group strengthened its internal systems, streamlined processes and improved efficiencies across its businesses. Our SAP-based ERP platform, together with automated processes and enhanced management reporting, delivered greater operational visibility and enabled more timely decision-making.

Continued focus on process improvement, internal controls and business continuity planning supported the consistent execution of strategic and operational priorities. These efforts reflect the Group's progression from establishing scale to extracting greater value from its expanded business platform.

Board Oversight and Governance

Corporate governance remains central to the Group's business strategy. The Board stayed actively engaged in strategy, risk oversight and performance monitoring throughout the year, regularly reviewing financial and operational performance, key business risks and organizational priorities.

The Audit Committee and the Human Resource and Remuneration Committee continued to support the Board in their respective areas. The Board's diversity was further strengthened with the addition of a female director. The Board's composition reflects individuals with knowledge, experience and expertise across a range of disciplines and backgrounds, adding real value to Board and committee deliberations.

The Board has established a Sustainability Committee, headed by an Independent Director with relevant expertise in the field. The Group's sustainability efforts are focused on two fronts: developing sustainable products, and continuing to align our operations more closely with sustainability goals. The Group has already invested in green energy and plans to invest further, alongside other initiatives aligned to our sustainability goals. The Group is also at an advanced stage of preparing for mandatory sustainability reporting.

The company remains fully compliant with the Code of Corporate Governance and is committed to maintaining a strong governance structure.

Future Outlook

As we write this note, geopolitical uncertainty is deepening rather than easing. It continues to affect supply chain routes, material and freight costs, energy prices and overall inflation, which will ultimately weigh on interest rates. Ours is an agile organization that has consistently made timely decisions to navigate these conditions, and we remain focused on our key strategic goals and on building long-term shareholder value.

We have successfully delivered on our key strategic goals of driving volume growth, diversifying our sales from a domestic to a multi-country export base, and capturing synergies from scale. Looking ahead, our key strategic priorities are to deliver sustainable, value-added products, further strengthen our export footprint, invest in talent development, and pursue cost-efficient, sustainability-aligned solutions in major areas of operation such as utilities and logistics.

Having passed the growth phase, we now turn to excellence, pursuing our strategic priorities with rigor on the bedrock of talent, corporate governance and financial discipline.

Appreciation

I extend my sincere appreciation to our shareholders, customers, employees, suppliers, bankers, regulators and business partners for their continued confidence and support. I also thank my fellow Board members and the management team for their commitment and contribution during the year.

With the continued support of our stakeholders and the dedication of our people, I am confident that the Group will continue to strengthen its position and create enduring value.



Muhammed Amin
Chairman

September 10, 2026

Directors’ Report to the Shareholders

The Directors of International Packaging Films Limited (the “Company”) are pleased to present the Annual Report, together with the standalone and consolidated audited financial statements, for the year ended June 30, 2026.

Macroeconomic Overview

Pakistan’s economy maintained a gradual recovery during FY 2026, supported by improving economic growth, higher per capita income and moderating inflation. The external account remained broadly balanced, aided by record workers’ remittances and strengthening foreign exchange reserves. Continued progress under the IMF programmes provided further support to macroeconomic stability, while improvements in Pakistan’s sovereign credit ratings reflected greater confidence in the country’s economic outlook. Nevertheless, inflationary pressures towards year end, a wider trade deficit, financing costs and geopolitical uncertainty continued to influence the operating environment.

Performance Review

	Consolidated Results		Standalone Results	
	2026	2025	2026	2025
	-----PKR in ‘Millions’ -----			
Sales	42,167	34,369	13,347	15,565
Gross Profit	9,388	4,994	3,078	2,688
Operating Profit	8,141	3,825	3,001	2,604
Finance cost	(1,864)	(2,219)	(840)	(1,321)
Taxation and Levies (Note)	(1,325)	(942)	(844)	(432)
Net Profit/(Loss) after taxes	4,952	664	1,317	851
Profit / (loss) attributable to:				
Parent Entity (IPAK)	4,951	1,202		
Non-Controlling Interest (38.4% in PETPAK)	1	(538)		
	4,952	664		

Note – Deferred Tax impact on Consolidated Financial Statements

As in previous years, the Group’s consolidated results continued to reflect deferred tax effects and related consolidation adjustments, which will impact reported results until fully absorbed or reversed. In FY 2026, a net deferred tax charge of PKR 452 million was recognized, reducing reported consolidated profit after tax to PKR 4,952 million. As this is a non-cash accounting charge, excluding its impact, consolidated profit after tax would have been approximately PKR 5,404 million.

Export Analysis

Exports remained a key strategic focus during FY 2026, with consolidated export sales increasing by 30% from PKR 8,028 million to PKR 10,407 million, representing approximately 25% of consolidated sales compared with 23% in the previous year, and reflecting the Group’s expanding international presence and continued

development of overseas markets. At the Company level, export sales were PKR 2,845 million compared with PKR 4,742 million in the previous year, reflecting a strategic allocation of available capacity towards domestic markets where comparatively attractive margins were available during the year. Going forward, the Group’s export strategy remains focused not only on increasing volumes and geographical reach, but also on enhancing export value through innovation and a growing portfolio of specialized, value-added films offering stronger margins and greater differentiation in international markets.

FINANCIAL PERFORMANCE

The IPAK Group delivered a strong financial performance during FY 2026, supported by improved capacity utilization, a favourable product mix, cost discipline and stronger contributions from its subsidiaries. Consolidated sales increased from PKR 34.4 billion in FY 2025 to PKR 42.2 billion in FY 2026, representing growth of 23%.

The improvement in revenues translated into significantly stronger profitability, with gross profit increasing from PKR 5 billion to PKR 9.4 billion (including inventory gains) and operating profit from PKR 3.8 billion to PKR 8.1 billion. Finance costs declined by 16% to PKR 1.9 billion, compared with PKR 2.2 billion in the previous year. Consequently, the Group recorded consolidated profit after tax of PKR 4,952 million, compared with PKR 664 million in FY 2025, while profit attributable to the owners of the Holding Company amounted to PKR 4,951 million, compared with PKR 1,202 million in the previous year.

On a standalone basis, the Company recorded sales of PKR 13.3 billion, compared with PKR 15.6 billion in FY 2025, reflecting moderation in sales amid changing market conditions. Despite lower revenues, profit after tax increased by 55% from PKR 851 million to PKR 1,317 million, supported by disciplined cost management, an improved business mix and continued development of domestic and international markets.

The subsidiaries continued to strengthen the Group’s diversified manufacturing platform and contributed to the improvement in consolidated performance. Global Packaging Films (Private) Limited supported growth through improved capacity utilization and market development, while Cast Packaging Films (Private) Limited maintained consistent operations. Petpak Films (Private) Limited continued its operational ramp-up, with an increasing focus on capacity utilization, product development and market penetration. GPAK and CPAK are wholly owned subsidiaries, while the Group’s aggregate ownership in PETPAK stood at 61.6%.

FUTURE OUTLOOK

Looking ahead to FY 2027, the Group will focus on translating its expanded manufacturing platform into sustainable growth and stronger returns through higher capacity utilization, optimized product mix and costs, working capital discipline and greater operational synergies. Exports will remain central to this strategy, supported by wider market reach, the Group’s expansion into Portugal and an increasing focus on specialized, value-added films, including BOPE, coated and high-barrier solutions. While raw-material and energy-price volatility, financing conditions and geopolitical uncertainty may continue to influence the operating environment, the Group’s diversified product portfolio, integrated manufacturing platform and expanding international presence provide a strong foundation for progressing from growth to excellence and creating sustainable long-term value.

Names Of Directors And Members Of Board Committees

Board of Directors

The following persons served as Directors of the Company during the financial year ended June 30, 2026:

S.No	Name	Board Role
1	Mr. Muhammed Amin	Chairman
2	Mr. Naveed Godil	Executive Director / Chief Executive Officer
3	Mr. Sarfaraz Ahmed Rehman	Independent Director
4	Mr. Saad Amanullah Khan	Independent Director
5	Ms. Saira Nasir	Independent Director
6	Mr. Arsalan Pirani	Non-Executive Director
7	Mr. Taimoor Iqbal	Non-Executive Director
8	Mr. Aftab Zahoor Raja	Non-Executive Director
9	Mr. Mushtaq Ali Tejani	Non-Executive Director
10	Mr. Fazal ur Rehman	Non-Executive Director
11	Mr. Abdul Aleem Tinwala	Non-Executive Director (retired on 31 Oct 2025)

Board Committees

The composition of the Board Committees, together with details of the meetings held during the year and the attendance of Directors, is disclosed in the Corporate Governance section of this Annual Report.

Board Performance Evaluation

The Company has established a formal mechanism for the annual evaluation of the performance of the Board, its Committees and individual Directors. During the year, the evaluation was conducted through a structured process, and its results were presented to the Board. The exercise supported the assessment of overall effectiveness and identification of areas for continuous improvement.

Earnings Per Share (EPS)

	2026	2025
	30-June	
	----- PKR -----	
Consolidated	6.73	1.64
Standalone	1.79	1.16

Appropriation of Profit

The Board has recommended a final cash dividend of 20%, equivalent to PKR 2.00 per share for the year ended June 30, 2026. The proposed cash dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting.

Corporate and Financial Reporting Framework

The Board remains committed to maintaining high standards of corporate governance, transparent reporting and accountability. In this regard, the Directors confirm that:

- 1) The standalone and consolidated financial statements, prepared by management, present fairly the state of affairs of the Company and the Group, their operating results, cash flows and changes in equity.
- 2) Proper books of accounts of the Company have been maintained.
- 3) Appropriate accounting policies have been consistently applied, while accounting estimates are based on reasonable and prudent judgement.

- 4) IFRS Accounting Standards, as applicable in Pakistan, and the requirements of the Companies Act, 2017, have been followed in preparing the financial statements. Any departure therefrom has been adequately disclosed and explained.
- 5) The internal financial control framework is designed to provide reasonable assurance regarding reliable financial reporting, safeguarding of assets and compliance with applicable requirements, and is regularly monitored and reviewed.
- 6) There are no significant doubts regarding the Company’s ability to continue as a going concern.
- 7) An enterprise risk management framework is in place, through which key business risks and related mitigation measures are periodically reviewed by the Board and its relevant Committees.
- 8) There has been no material departure from the applicable corporate governance requirements, except as disclosed in the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- 9) Key operating and financial data for the last six years is presented in the relevant section of this Annual Report.
- 10) There are no outstanding statutory payments on account of taxes, duties, levies and charges, except those arising in the ordinary course of business or otherwise disclosed in the financial statements.

Internal Financial Controls

The Company maintains a comprehensive internal financial control framework designed to support reliable financial reporting, safeguarding of assets, accuracy of records and compliance with applicable requirements. Documented policies, procedures and departmental controls are periodically reviewed and strengthened to ensure their continued effectiveness. Internal Audit independently evaluates key controls, identifies areas for improvement and monitors agreed corrective actions through appropriate governance channels. These arrangements are complemented by the Company’s governance, risk management and compliance framework, supported by relevant Board-approved policies and oversight mechanisms, with continued emphasis on risk assessment, compliance monitoring, business continuity and operational resilience. Collectively, these measures promote accountability, transparency and a strong control environment across the Company.

Remuneration Policy and Directors’ Remuneration

The fees of Non-Executive Directors, including Independent Directors, for attending the meetings of the Board and its Committees are determined by the Board. Details of the remuneration paid to the Chief Executive Officer and Non-Executive Directors during the year ended June 30, 2026, are disclosed in the relevant note to the financial statements.

Related Party Transactions

Related party transactions were carried out in accordance with the applicable requirements and the Company’s approved policies. Such transactions were reviewed by the Audit Committee and ratified by the Board. Details of these transactions are disclosed in the relevant notes to the financial statements.

External Auditors

Messrs. A.F. Ferguson & Co., Chartered Accountants, have completed their audit for the year ended June 30, 2026 and will retire at the conclusion of the forthcoming Annual General Meeting. Being eligible, they have offered themselves for reappointment as external auditors of the Company for the year ending June 30, 2027, at a remuneration to be mutually agreed.

Credit Ratings

During the year VIS Credit Rating Company Limited reaffirmed the Company’s entity ratings at ‘A/A1’ (Single A/A One) with a ‘Stable’ outlook. The ratings reflect the Company’s established market position, adequate debt-servicing capacity and conservative capitalization profile.

Principal Activity and Changes In the Nature of the Business

The Company is principally engaged in the manufacture and sale of a diverse range of Biaxially Oriented Polypropylene (BOPP) films for flexible packaging applications. There was no change in the nature of the Company’s business during the year.

Contribution to National Exchequer

During the year, the Company contributed PKR 2.9 billion to the national exchequer, while the total contribution at the Group level, including the Company, amounted to PKR 7.5 billion. These contributions comprised sales tax, income tax, including super tax, and customs duty, reflecting the Group’s continued compliance with its fiscal obligations and commitment to responsible corporate conduct.

	Consolidated	Standalone
	PKR in Millions	
Sales Tax	5,754	1,914
Income Tax (including Super Tax)	1,325	844
Customs Duty	394	134
Total	7,473	2,892

Human Resources Management and Employee Relations

The Company continued to foster a performance-oriented, inclusive and collaborative workplace, with emphasis on employee engagement, capability development, well-being and constructive employee relations, while aligning individual performance with organizational objectives.

- a) Employee Engagement and Culture: Employee engagement remained a key focus through initiatives promoting collaboration and workplace connection. Winning Together 2025 combined performance-management insights with team-building activities, while IPAK Spotlight provided employees a platform to share their experiences and journeys. Recreational initiatives including Smash Champs Season 2 and Mango Day 2026, together with celebrations of the 78th Independence Day and the Company’s 8th Anniversary, further strengthened interaction, organizational pride and unity.
- b) Recognition and Motivation: The Company continued to promote a culture of recognition and appreciation by acknowledging employee milestones. Personalized birthday cards and related initiatives helped strengthen workplace connections and employees’ sense of belonging.
- c) Diversity, Equity & Inclusion (DE&I): The Company continued to support workplace diversity and inclusion through initiatives focused on equal opportunity, awareness, professional development and broader participation. Women’s Day activities and leadership-development modules under the Climate2Equal programme contributed to employee engagement and capability building, while other inclusion initiatives supported a respectful and inclusive workplace culture.
- d) Employee Well-being, Safety and Welfare: Employee health, safety and welfare remained important areas of focus. An internal blood-bank database facilitated emergency support, while IPAK Fit Break and Mental and Physical Health Month promoted fitness, wellness and stress management. Awareness initiatives on responsible driving, flood preparedness, fog and adverse weather strengthened employee safety, while the Apni Gari Apni Sawari bike-balloting programme supported employee mobility.
- e) Spiritual and Social Initiatives: The Hajj Balloting programme provided employees with an opportunity to perform Hajj, while Iftar gatherings promoted interaction and strengthened workplace relationships.

- f) Youth Engagement and Development: Capability development continued through the Leadership Excellence Series, functional training and other internal and external learning opportunities. CEO Talks and town halls supported direct communication, organizational alignment and employee feedback. The Company also strengthened engagement with educational institutions through career fairs, industrial visits, internships and placement initiatives, providing practical exposure to students and young professionals, with internship completion ceremonies recognizing participating interns.

Gratuity Scheme

The Company operates an unfunded, non-contributory gratuity scheme for its eligible employees as an end of service benefit, in accordance with the applicable terms of employment. For details of the liability recognized and related amounts please refer to the audited financial statements included in this Annual Report.

Information Technology and Systems

During FY 2025–26, the Company continued to strengthen its technology infrastructure across the IPAK Group, focusing on centralized IT governance, secure system access, infrastructure reliability, data protection and effective service delivery.

Key developments included centralization of the IT environment across Group sites, establishment of SAP cloud connectivity and secure remote access through virtual desktop infrastructure, strengthening of SAP Basis support and data-centre upgrades. Full IT site deployments were completed at PETPAK and GPAK, alongside standardization of operating-system and application licensing.

IT governance and information security were further strengthened through policies covering system access, acceptable usage and data handling, together with structured backup, retention and SAP authorization controls. Progress also continued on the IT Service Desk, asset management, information-security controls and ITIL-aligned service-management practices. The IPAK Dashboard and I-Portal further enhanced employees’ centralized access to organizational information, resources and updates.

Looking ahead, the technology roadmap will focus on enhanced cybersecurity through next-generation firewalls, endpoint and email security, secure remote connectivity, and development of high-availability and disaster-recovery capabilities. Further improvements in data-centre capacity, network resilience, bandwidth and Wi-Fi infrastructure will support the Group’s growing operational and technology requirements.

Corporate Social Responsibility (CSR)

During FY 2025–26, the Company continued to support community health, education, youth development and inclusive employment. The One Drop, One Life blood donation drive, conducted in collaboration with the Fatimid Foundation, encouraged employee participation in a life-saving community cause, while other initiatives supported educational engagement and employment opportunities for underrepresented groups. During the year, the Group contributed PKR 9.5 million towards charitable, educational and medical causes, reflecting its continued commitment to responsible corporate citizenship and positive community impact.

Environmental, Social and Governance (ESG) Initiatives

During FY 2025–26, the Group continued to progress its sustainability agenda through energy efficiency, renewable energy, resource optimization, circular economy initiatives, responsible reporting and inclusive development.

Key areas of progress during the year included:

- i. **Energy Efficiency and Emissions:** Waste heat recovery systems and operational efficiency measures supported reduced reliance on conventional energy sources and related emissions.
- ii. **Renewable Energy:** Solar installations across relevant operating sites contributed to the Group’s renewable energy mix and supported more efficient use of energy resources.

- iii. **Logistics and Resource Efficiency:** Improved loading and transport planning supported reductions in unnecessary travel, fuel consumption and associated emissions.
- iv. **Circular Economy and Sustainable Packaging:** The Company progressed initiatives relating to recycled material traceability, controlled use of post-industrial recycled material and the development of sustainable packaging solutions.
- v. **Environmental Stewardship:** Plantation activities undertaken in collaboration with WWF and environmental awareness initiatives supported the Company's broader environmental efforts.
- vi. **Research and Industry Collaboration:** Participation in industry forums, collaboration with UET Lahore through the Chair on Polymer Sustainability and Circularity, and engagement with CEFLEX, RecyClass and CORE Alliance supported knowledge sharing, research and circular economy practices.
- vii. **Sustainability Reporting and Inclusive Development:** The Group continued to strengthen its sustainability reporting practices and participated in the Climate2Equal Pakistan programme, supporting climate awareness, capability development and inclusive leadership.

These initiatives reflect the Group's focus on responsible growth, environmental stewardship, operational resilience and sustainable long-term value creation. Further details are presented in the Sustainability Performance and Initiatives section of this Annual Report.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year ended on June 30, 2026, and the date of the Directors' Report.

Transactions In Shares of the Company

The Company maintains appropriate procedures for monitoring and reporting transactions in its shares by its Directors, Chief Executive Officer, substantial shareholders and Executives, including transactions by their spouses and minor children, in accordance with applicable regulatory requirements. All such transactions during the year ended June 30, 2026, were duly reported in accordance with the applicable requirements.

Principal Risks and Uncertainties

The Board oversees the principal risks and uncertainties affecting the Company and the Group through its Governance, Risk and Compliance framework. Key risks are identified, assessed and monitored, with appropriate mitigation measures assigned to management and significant exposures reported through established governance channels. The principal risks include:

- i. **Raw Material, Energy and Inflationary Cost Risk:** Volatility in imported raw material, energy, freight and other input costs may affect margins and working capital. The Group manages these exposures through diversified sourcing, procurement planning, cost efficiencies and pricing measures.
- ii. **Foreign Currency Risk:** Exchange-rate movements may affect the cost of imported raw materials and foreign currency liabilities. Export revenues provide a partial natural hedge, supplemented by active monitoring of currency exposures and financing arrangements.
- iii. **Supply Chain, Geopolitical and Climate Risk:** Shipping disruptions, geopolitical developments and extreme weather may affect the movement of raw materials and finished goods. Supplier diversification, inventory planning and alternative logistics arrangements support supply-chain resilience.
- iv. **Liquidity, Gearing and Financing Risk:** Working capital requirements, interest rates and financing availability may affect liquidity and finance costs. These risks are managed through cash-flow planning, working capital discipline and diversified banking arrangements.

- v. **Market, Competition and Export Risk:** Changes in demand, competitive pricing and export-market conditions may affect sales and margins. The Group focuses on customer and geographical diversification, market development and value-added products.
- vi. **Subsidiary Performance and Capacity Utilization Risk:** Lower-than-expected capacity utilization or operating efficiencies may affect returns from the Group's expanded manufacturing platform. Performance is managed through operational and financial monitoring, sales planning and cost optimization.
- vii. **Operational and Product Quality Risk:** Equipment failures, utility interruptions and quality issues may disrupt operations or affect customers. Preventive maintenance, quality controls, critical spares and contingency arrangements mitigate these exposures.
- viii. **Cybersecurity and Information Systems Risk:** Cyber threats, system disruption and data loss are managed through access controls, network security, backups, disaster-recovery arrangements and system monitoring.
- ix. **Health, Safety and Workforce Risk:** Health and safety incidents and shortages of skilled personnel may affect operations. HSE controls, training, workforce development and emergency preparedness support effective management of these risks.

The Board and management continue to monitor these risks and emerging developments and take appropriate mitigation measures. A more detailed discussion of the Group's principal risks, uncertainties and related opportunities is provided in the Risks and Opportunities section of this Annual Report.

Pattern of Shareholding

The statement of the pattern of shareholding of the Company as at June 30, 2026, is disclosed in the 'Shareholders' Information' section of this Annual Report.

ACKNOWLEDGMENTS

The Board extends its sincere appreciation to the shareholders, customers, regulators, bankers and other stakeholders for their continued trust and support. It also acknowledges the dedication and contribution of the management and employees across the Group, whose efforts have been instrumental in supporting the Group's progress during the year.

For and on behalf of the Board Of Directors



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director

September 10, 2026

Governance Framework

IPAK’s governance framework defines the respective responsibilities of the Board, its Committees and management, and supports accountability, transparency, effective oversight and responsible decision-making.

During the year, the governance structure was further strengthened through enhanced Board-level oversight of sustainability matters and continued improvements in the Company’s governance, risk management and compliance practices.

How the Board Operates and the Matters Delegated to Management

The Board provides strategic direction, approves key policies and material matters, and oversees the Company’s financial and operational performance, risk management and internal controls.

Management, led by the Chief Executive Officer, is responsible for implementing the strategy and policies approved by the Board and managing the Company’s day-to-day operations. The Board Committees assist the Board in discharging its oversight responsibilities in accordance with their respective Terms of Reference.

Board Sustainability Committee

During the year, the Board constituted the Sustainability Committee to assist it in overseeing the Company’s environmental, social and governance matters. The Committee comprises two Independent Directors and the Chief Operating Officer and operates under Board-approved Terms of Reference. During FY2026, the Committee held one meeting and considered matters falling within its approved mandate.

Annual Evaluation of the Board, Its Committees, Members and the Chief Executive Officer

The Company conducts an annual evaluation of the Board, its Committees, individual members and the Chief Executive Officer through a structured internal assessment process.

The evaluation covers Board effectiveness, strategic oversight, quality of decision-making, Committee performance, participation of members and the adequacy of information provided to the Board. The results are compiled and presented to the Board to identify areas for continued improvement.

Directors’ Orientation and Training

The Directors are kept well informed of relevant legal and regulatory developments, the Company’s business and operations, key risks and their governance responsibilities. Appropriate orientation, briefings and learning opportunities are provided from time to time to support their understanding of evolving regulatory requirements, industry developments and matters relevant to effective Board oversight and decision-making.

Additional Governance Practices

In addition to meeting applicable requirements, the Company continued to strengthen its reporting, health, safety and environmental practices and stakeholder communications.

1. Integrated Reporting Framework

The Annual Report integrates financial and material non-financial information relating to strategy, governance, risks, performance, sustainability and stakeholder value. During the year, the Company also advanced the preparation of its first voluntary Sustainability Report for FY2026 with reference to IFRS S1, IFRS S2 and the GRI Standards.

2. Implementation of HSE

The Group continued to strengthen its health, safety and environmental practices through documented procedures, employee awareness, operational monitoring and management systems. ISO 14001 and ISO 45001 certifications are maintained across the Group’s four operating sites.

3. Dissemination of Information

Material information, financial results, statutory notices and other relevant disclosures are communicated through the prescribed regulatory channels and made available to shareholders within the applicable timelines.

Related Parties

Related-party transactions are identified, reviewed, approved and disclosed in accordance with the Company’s Related Party Transactions Policy and applicable requirements. Such transactions are disclosed in the relevant notes to the financial statements.

Management’s Responsibility for the Preparation and Presentation of Financial Statements

Management is responsible for preparing the financial statements and maintaining appropriate accounting records and internal financial controls. The financial statements are reviewed by the Audit Committee and approved by the Board.

Detailed confirmations of the Directors are presented under the Corporate and Financial Reporting Framework in the Directors’ Report.

Details of Board Meetings outside Pakistan

During FY2026, the Board held five meetings, all of which were held in Pakistan.

Female Director

As at June 30, 2026, the Board included one female Director. Details of the female Director are presented in the Directors’ Profile section of this Annual Report.

Independent Directors

As at June 30, 2026, the Board comprised three Independent Directors. The Independent Directors submitted the prescribed declarations confirming that they met the applicable independence criteria.

Executive Directors serving as Non-executive or Independent Directors in other Companies or Body Corporates

The Chief Executive Officer also holds directorships in private limited companies. The Company obtains annual declarations of such directorships and interests, which are considered for compliance with applicable requirements relating to related parties and potential conflicts of interest.



IT Governance

The Group follows established IT governance practices under the supervision of the Chief Executive Officer and through the IT and SAP functions. These practices include controls over system access and usage, data handling, backup and retention, software licensing, SAP authorization and secure remote connectivity, supporting the secure, reliable and effective use of technology across the Group’s operations.

Further details of the Group’s technology controls, cybersecurity arrangements and digital initiatives are presented in the IT Governance and Cybersecurity section of this Annual Report.

Human Resource Policies

The Company’s human resource policies and practices provide a framework for recruitment based on merit, capability development, performance management, employee wellbeing, equal opportunity and constructive employee relations. These practices are aligned with organizational requirements and supported through appropriate management processes and oversight at Board level.

Attracting the Best Talent

The Company continues to strengthen its talent pipeline through recruitment practices based on merit and aligned with the requirements of each role and the organizational needs of the Company.

Further details of the Company’s recruitment, learning and employee development initiatives are presented in the HR Excellence section of this Annual Report.

Industrial Relations

The Company promotes constructive relationships with its employees and workers through fair employment practices, open communication and appropriate mechanisms for addressing workplace matters. These practices support dialogue, alignment and a respectful workplace.

Core Values

The Company’s Core Values comprise Integrity, Sustainability, Excellence, Empowerment, Diversity and Inclusion, and Innovation. These values guide workplace conduct and human resource practices and are presented in detail in the Organizational Overview section of this Annual Report.

HR Excellence

During the year, the Company focused on leadership continuity, talent acquisition, performance alignment, capability development, employee engagement and inclusion. These efforts support a skilled and accountable workforce capable of meeting the Company’s evolving business requirements.

Succession Planning

The Company reviews critical roles and emerging talent with reference to future capability requirements, development needs, relevant experience and opportunities for internal progression. This supports continuity in key positions and the development of future leaders.

Recruitment Based on Merit

Recruitment decisions are based on the requirements of each role and the qualifications, capability, experience and suitability of candidates. During the year, the Company strengthened its talent pipeline through engagement with universities and technical institutions, career fairs, industrial visits and internship opportunities.

Performance Appraisal

The performance appraisal process aligns individual objectives with organizational priorities and role expectations. Performance discussions and feedback support accountability, continuous improvement and the identification of development needs.

Promotion, Reward and Motivation

Decisions relating to promotion, recognition and reward take into account performance, capability, experience, contribution and organizational requirements. Recognition initiatives encourage ownership, teamwork, innovation and sustained performance while reinforcing a culture of appreciation.

Training and Development

The Company continued to invest in leadership, technical, managerial and behavioral capabilities through the Leadership Excellence Series and other internal and external learning programmes. Training, mentoring and workplace experience support professional development and prepare employees for evolving responsibilities.

Diversity, Equity and Inclusion

The Company promotes equal opportunity and a professional workplace in which individuals from diverse backgrounds are treated with dignity and respect. During the year, initiatives supporting leadership development for inclusion and cultural diversity strengthened representation, belonging and participation across the workforce.

Employee Engagement and Feedback

Employee engagement is supported through leadership interactions, internal communication channels, activities that bring teams together and opportunities for employees to share feedback. CEO Talks and Townhalls, the I-Portal and other engagement initiatives promote transparency, collaboration and alignment with organizational priorities.

Inclusion of Persons with Disabilities

The Company supports inclusive employment opportunities for persons with disabilities, subject to the suitability of roles and organizational requirements. Through the Jeet ki Zuban initiative, the Company has provided employment opportunities to persons with hearing and speech impairments, reflecting its commitment to dignity, accessibility and meaningful participation in the workplace.

Preserving Corporate Records

The Company maintains secure and compliant records of its financial transactions and business activities in physical and digital formats. Records are created, maintained, retained and disposed of in accordance with applicable legal, regulatory, operational and administrative requirements, with access restricted to authorized personnel.

Record management practices support the accuracy, completeness, accessibility and reliability of information, while digitization and appropriate retention controls facilitate timely retrieval and safeguard the Company’s information assets.

Further details of digital backup, data resilience and cybersecurity arrangements are presented in the IT Governance and Cybersecurity section of this Annual Report.

Conflict of Interest Disclosure

The Company promotes transparency and appropriate disclosure of actual or potential conflicts of interest involving its Directors and employees. The Company’s Code of Conduct and Workplace Policies require employees to disclose any personal, financial or professional relationship that could create a conflict of interest with the Company. Employees are expected to act objectively and avoid situations in which their personal interests or relationships may interfere with the proper performance of their responsibilities.

Directors are also required to disclose their interests in matters considered by the Board in accordance with applicable legal and regulatory requirements. Such disclosures are appropriately recorded, and interested Directors abstain from participating in the consideration and decision-making of the relevant matter, where required.

Management of Conflicts of Interest

Employees are required to complete the prescribed disclosure questionnaires and promptly report any potential conflict to the Human Resources Department. Reported conflicts are considered through appropriate internal channels with reference to the nature and circumstances of each matter.

Conflicts involving Directors are managed through the applicable Board governance and disclosure procedures, including disclosure of interest, appropriate recording in the proceedings and abstention from deliberation or voting, where applicable.

Whistleblowing Policy

Purpose

The Company’s Board-approved Whistleblowing Policy provides a structured mechanism through which employees and stakeholders may report concerns in good faith relating to misconduct, regulatory non-compliance or unethical behaviour without fear of retaliation. The policy supports an ethical workplace founded on integrity, transparency and accountability.

Scope of Reporting

The policy covers concerns relating to:

- violations of applicable laws, regulations or Company policies;
- financial misconduct, fraud or corruption;
- health, safety and environmental risks;
- unauthorized use of Company assets or sensitive information; and
- other unethical, inappropriate or unprofessional conduct.

Reporting and Oversight

Reported concerns are handled by the designated Whistleblowing Committee and, where necessary, investigated fairly and objectively. Reports are handled confidentially, subject to applicable legal and investigative requirements, and appropriate remedial or disciplinary action may be taken in accordance with the Company’s policies and procedures.

Protection against Harassment

Purpose

The Company’s Board-approved Code of Conduct and Workplace Policies reflect its commitment to maintaining a professional, inclusive and respectful work environment. The Company maintains zero tolerance for workplace harassment and complies with the applicable provisions of the Protection Against Harassment of Women at the Workplace Act, 2010 and related laws.

Scope and Prohibited Conduct

Discrimination or harassment based on race, colour, gender, religion, nationality, age or disability is strictly prohibited. The prohibition extends to sexual misconduct, exploitation or harassment, including verbal or physical advances, coercion, intimidation, isolation and other forms of unfair treatment.

Reporting and Management Responsibility

Reports of prohibited conduct are treated seriously and handled in accordance with applicable legal requirements and the Company’s internal procedures. Management is responsible for implementing and monitoring compliance with the relevant workplace policies. Retaliation against any person raising a concern in good faith is prohibited, and appropriate action may be taken where misconduct is established.

Insider Trading and Closed Periods

Purpose and Application

The Company promotes fair and transparent dealings in its securities and requires its Directors, Chief Executive Officer, Executives and other relevant persons to comply with applicable securities laws, the regulations of the Pakistan Stock Exchange Limited and the Company’s internal requirements. Inside information must remain confidential and must not be used, communicated or otherwise made available for trading or enabling another person to trade in the Company’s securities.

Trading Restrictions and Closed Periods

The Company determines a closed period before the announcement of interim or annual financial results and before any business decision that may materially affect the market price of its shares. During the closed period, no Director, Chief Executive Officer or Executive may, directly or indirectly, deal in the Company’s shares. The closed period is communicated and notified in accordance with the applicable PSX Regulations.

Reporting and Market Disclosure

Transactions in the Company’s shares by Directors, the Chief Executive Officer, Executives, substantial shareholders and their spouses are reported and disclosed in accordance with applicable requirements. Material and price-sensitive information is communicated through the prescribed regulatory channels, as applicable.

For the purposes of the applicable PSX Regulations, the Board has designated certain key officers reporting directly to the Chief Executive Officer as “Executives”, in addition to those specified in the Regulations. The criteria for such designation are reviewed periodically by the Board.

Directors’ Remuneration Policy

The Company maintains a Board-approved policy governing the remuneration of Non-Executive Directors, including Independent Directors. The policy provides a transparent and structured framework to attract and retain suitably qualified Directors possessing the competencies, skills, knowledge and experience relevant to the Company’s operations.

Remuneration is determined by the Board with due consideration to the Directors’ responsibilities, time commitment and participation in meetings of the Board and its Committees. The framework is designed to provide fair and reasonable remuneration without compromising their independence, objectivity or professional judgment.

Related Party Policy

The Company maintains a Board-approved Related Party Policy providing a framework for the identification, review, approval and disclosure of transactions with related parties. The policy promotes transparency, fairness and compliance with applicable corporate and financial reporting requirements.

Related party transactions are reviewed through the prescribed governance process. Transactions conducted on an arm’s-length basis are reviewed by the Board Audit Committee and approved by the Board, while transactions not conducted on an arm’s-length basis require additional justification and Board approval. Directors and key personnel are required to disclose potential related party transactions and interests. Appropriate records are maintained, and the relevant disclosures are made in the financial statements and the Directors’ Report.

Investor Relations and Grievance Policy

The Company maintains a Board-approved Investor Relations and Grievance Policy to promote transparent communication with investors and shareholders and facilitate access to relevant, accurate and timely information.

Investor Relations

Statutory reports, financial statements, regulatory filings, corporate announcements and other relevant information are communicated through the prescribed regulatory and corporate channels, as applicable. Corporate communications are managed through authorized representatives, while key corporate information is made available on the Company’s website.

Grievance Redressal

The policy provides a structured mechanism for addressing shareholder concerns. Contact details of the Company Secretary and Share Registrar are available on the Company’s website, and shareholders may submit their concerns through the designated communication channels. Complaints are recorded, monitored and addressed in accordance with the Company’s procedures and applicable requirements.

Enterprise Risk Management Policy

The Company maintains a Board-approved Enterprise Risk Management Policy that provides a structured and integrated framework for identifying and managing risks across its business activities, functions and operational areas. The framework covers strategic, operational, financial, regulatory and reputational risks and supports the protection of the Company’s assets, reputation and long-term sustainability.

Risk Management Approach

Risk identification is integrated into business planning, operational activities and decision-making processes. Identified risks are assessed with reference to their likelihood and potential impact, and appropriate controls, process improvements and other mitigation measures are implemented to manage exposures within acceptable levels.

Monitoring and Oversight

Key risks and related mitigation measures are monitored and reviewed through the Company’s governance framework. Significant risk matters are escalated for management attention and appropriate oversight, as required.

Further details of the Group’s risk management framework and principal risks and uncertainties are presented in the Risk section of this Annual Report.

Dividend Policy

The Company maintains a Board-approved Dividend Policy that provides a framework for distributing earnings to shareholders while safeguarding its financial strength and future growth requirements.

Dividend decisions are made after considering earnings, cash generation, solvency, liquidity, investment requirements and prevailing circumstances.

The policy does not prescribe a fixed or guaranteed payout and is reviewed periodically to remain aligned with the Company’s financial position, business objectives and market conditions.

Diversity, Equity and Inclusion

The Company is committed to maintaining a professional, respectful and inclusive workplace that values diverse backgrounds, perspectives and experiences. Employment-related decisions are guided by merit, capability, experience, role requirements and equal opportunity.

The Company seeks to provide fair access to recruitment, development, career progression and recognition, and does not tolerate discrimination, harassment or unfair treatment. These principles are supported through the Company’s workplace policies, people practices and appropriate governance oversight.

Further details of the Company’s diversity and inclusion initiatives are presented in the HR Excellence section of this Annual Report.

Disclosure of Gender Pay Gap

- The gender pay gap figures presented below are calculated based on the mean and median of the average hourly pay of male and female staff, as required by SECP circular No.10 of 2024, dated 17th April 2024.
- These figures reflect the distribution of male and female employees across different levels within the organization rather than any disparity in pay for equal work.
- Our compensation structure ensures that employees hired for the same position receive comparable pay, regardless of gender. We continue to promote diversity and equal career advancement opportunities for all employees.

Following is gender pay gap calculated for the period ended June 30, 2026:

- i. Mean Gender Pay Gap: **45%**
- ii. Median Gender Pay Gap: **12%**

Environmental, Social and Governance

The Company integrates relevant Environmental, Social and Governance considerations into its strategy, business planning and operations to support sustainable growth and long-term value creation.

Its approach encompasses environmental management and climate-related considerations, employee well-being and inclusion, stakeholder and community engagement, ethical business conduct, sustainability-related risks and opportunities, and responsible reporting.

The Board Sustainability Committee assists the Board in overseeing relevant sustainability and ESG matters, including related strategies, frameworks, risks, opportunities, performance indicators and disclosures. Further information on the Group's sustainability performance and related initiatives is set out in the Sustainability and Corporate Social Responsibility section of this Annual Report.

System Continuity and Disaster Recovery Arrangements

The Group maintains technology arrangements intended to support the availability and recovery of key systems and data in the event of a disruption. These arrangements include centralized IT infrastructure, structured data backup and retention controls, SAP cloud connectivity and secure remote access through Virtual Desktop Infrastructure (VDI).

The Group continues to strengthen its resilience through planned enhancements to high-availability and disaster-recovery capabilities, data centre infrastructure and connectivity. Further information on the related technology controls is set out in the IT Governance and Cybersecurity section of this Annual Report.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INTERNATIONAL PACKAGING FILMS LIMITED**

**Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Packaging Films Limited for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.



**A. F. Ferguson & Co.
Chartered Accountants
Karachi**

Date: October 03, 2026

UDIN: CR202610611Dji3K8LGn

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

FOR THE YEAR ENDED JUNE 30, 2026.

Name of Company: International Packaging Films Limited

The Company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are ten (10) including the chief executive officer, as per the following:

a. Male:

09

b. Female:

01
- The composition of the Board is as follows,

Nature of Directorship	Name of the Director
Independent Directors*	1) Mr. Sarfaraz Ahmed Rehman 2) Mr. Saad Amanullah Khan 3) Ms. Saira Nasir
Non-executive Directors	1) Mr. Muhammed Amin, Chairman 2) Mr. Arsalan Pirani 3) Mr. Aftab Zahoor Raja 4) Mr. Fazal ur Rehman 5) Mr. Mushtaq Ali Tejani 6) Mr. Taimoor Iqbal
Executive Director	1) Mr. Naveed Godil, Chief Executive Officer
Female Director	1) Ms. Saira Nasir

**The Board had fixed the number of independent directors at three (3), considering the requisite competencies, skills, knowledge and experience at the time of its reconstitution. The current composition of the Board adequately meets the requirements of independence under the Code and, accordingly, the fraction of 0.33 arising from one-third of ten (10) directors (including the Chief Executive Officer) has not been rounded up to one.*

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company;
- The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meeting of the Board was presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Directors have been apprised of their duties and responsibilities from time to time. Directors' training is encouraged under the Regulations; 8 out of 10 of the directors have either completed the directors training program or are exempt under the Code.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed three committees comprising of members given below;

a) Audit Committee

i.	Mr. Saad Amanullah Khan (Independent Director)	Chairman
ii.	Mr. Muhammed Amin (Non-Executive Director)	Member
iii.	Mr. Arsalan Pirani (Non-Executive Director)	Member

b) HR and Remuneration Committee

i.	Mr. Sarfaraz Ahmed Rehman (Independent Director)	Chairman
ii.	Mr. Saad Amanullah Khan (Independent Director)	Member
iii.	Mr. Mushtaq Ali Tejani (Non-Executive Director)	Member

c) Sustainability Committee

i.	Ms. Saira Nasir (Independent Director)	Chairperson
ii.	Mr. Saad Amanullah Khan (Independent Director)	Member
iii.	Mr. Muhammad Kamran Khan (Executive)	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:

i.	Audit Committee	04 Meetings
ii.	HR and Remuneration Committee	02 Meetings
iii.	Sustainability Committee	01 Meetings

15. The Board has set up an effective internal audit function staffed with suitably qualified and experienced personnel for the purpose and who are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 (nonmandatory requirements) are below:

S.No	Requirement	Explanation	Reg. No
1.	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances	The responsibilities as prescribed for the nomination committee are being taken care of at the Board level, as and when needed, so a separate committee is not considered to be necessary.	29 (1)
2.	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management related matters of the Company. The Board annually review the Key Business Risks.	30



NAVEED GODIL
Chief Executive Officer

September 10, 2026



MUHAMMED AMIN
Chairman

Role and Responsibilities of the Chairman and the Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by separate individuals, providing a clear division between the leadership of the Board and the management of the Company's operations. Their respective responsibilities are defined in accordance with applicable requirements and the Company's governance framework.

Chairman

The Chairman provides leadership to the Board and supports its effective functioning by promoting constructive deliberations, active participation and informed decision-making. He guides the Board in its oversight of the Company's strategy, performance and long-term objectives, presides over meetings of the Board and shareholders, and facilitates the effective conduct of proceedings. The Chairman also supports effective communication between the Board and management and promotes sound corporate governance practices across the Company.

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management and operations of the Company within the authority delegated by the Board. He recommends corporate strategy, business plans and budgets to the Board and leads the implementation of approved plans and objectives. The Chief Executive Officer oversees the Company's operations, management systems, internal controls, risk management processes and compliance with applicable laws, regulations and policies. He also keeps the Board informed of material developments, business performance, key risks and progress against approved objectives.

Board Committees

The Board is assisted by the Audit Committee, the Human Resource and Remuneration Committee and the Board Sustainability Committee in discharging its oversight responsibilities. Each Committee operates under Terms of Reference approved by the Board and reports to the Board on matters falling within its respective mandate.

Audit Committee

The Audit Committee assists the Board in overseeing financial reporting, internal controls, risk management, the internal audit function, the external audit process and regulatory compliance.

During FY2026, the Committee held 04 meetings. The composition and attendance of the Committee were as follows:

S. No.	Members	Designation	Attendance
1	Mr. Saad Amanullah Khan	Chairman	4/4
2	Mr. Muhammed Amin	Member	4/4
3	Mr. Arsalan Pirani	Member	4/4

Salient Features of the Terms of Reference of the Audit Committee

The principal responsibilities of the Audit Committee include:

- reviewing annual and interim financial statements before their consideration and approval by the Board;
- determining the scope of internal audit and approving the Annual Audit and Consulting Plan;
- reviewing the adequacy and effectiveness of internal controls, risk management arrangements and the internal audit function;
- considering significant audit findings, control weaknesses and management's responses thereto;
- facilitating coordination between the internal and external auditors and reviewing external audit reports and management letters;
- monitoring compliance with applicable legal, regulatory and corporate governance requirements;
- reviewing investigations relating to suspected fraud, misconduct or financial irregularities;
- overseeing the mechanism for confidential reporting of financial or ethical concerns; and
- recommending the appointment, removal and remuneration of the external auditors for consideration by the Board.

The Head of Internal Audit reports functionally to the Audit Committee and serves as Secretary to the Committee.

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee assists the Board in overseeing human resource strategy, leadership development, remuneration, performance evaluation, succession planning and matters relating to diversity, equity and inclusion.

During FY2026, the Committee held 02 meetings. The composition and attendance of the Committee were as follows:

S. No.	Members	Designation	Attendance
1	Mr. Sarfaraz Ahmed Rehman	Chairman	2/2
2	Mr. Saad Amanullah Khan	Director	2/2
3	Mr. Mushtaq Ali Tejani	Member	2/2

Salient Features of the Terms of Reference of the Human Resource and Remuneration Committee

The principal responsibilities of the Human Resource and Remuneration Committee include:

- reviewing and recommending the policy framework for Directors’ remuneration;
- overseeing the formal evaluation process for the Board, its Committees and individual members;
- advising the Board on human resource policies, organizational capability and leadership development;
- reviewing the selection, performance, development, remuneration and succession of key executives;
- reviewing and recommending annual salary increments, performance incentives and bonuses for approval by the Board, where applicable;
- advising on the structure, size and composition of the Board and its Committees;
- recommending appointments to Board Committees and their chairmanships;
- overseeing diversity, equity and inclusion policies, initiatives and related reporting; and
- promoting transparency in the engagement of external human resource and remuneration consultants.

Members abstain from deliberations relating to their own performance, service terms or remuneration.

Board Sustainability Committee

The Board Sustainability Committee was constituted during the year to assist the Board in overseeing the Company’s environmental, social and governance performance. The Committee provides strategic guidance on sustainability matters and supports the integration of sustainability considerations into the Company’s strategy, policies, risk management and reporting processes.

During FY2026, the Committee held 01 meeting. The composition and attendance of the Committee were as follows:

S. No.	Members	Designation	Attendance
1	Ms. Saira Nasir	Chairperson	1/1
2	Mr. Saad Amanullah Khan	Director	1/1
3	Mr. Muhammad Kamran Khan (Executive)	Member	1/1

Salient Features of the Terms of Reference of the Board Sustainability Committee

The principal responsibilities of the Board Sustainability Committee include:

- reviewing and recommending the Company’s sustainability and ESG strategy, policies and frameworks;
- supporting the integration of sustainability objectives into corporate strategy and business plans;
- reviewing plans for responding to climate related risks and opportunities;
- monitoring performance against relevant ESG goals, indicators and targets;
- overseeing the preparation and accuracy of sustainability and ESG disclosures;
- reviewing material sustainability risks and opportunities and their integration into the enterprise risk management framework;
- monitoring compliance with applicable sustainability related requirements and voluntary commitments;
- overseeing stakeholder engagement on material ESG matters;
- monitoring management’s accountability for sustainability performance; and
- reporting significant sustainability matters, risks and performance indicators to the Board.

Further information on the Group’s sustainability performance and initiatives is provided in the Sustainability and Corporate Social Responsibility section of this Annual Report.

Report of the Board Audit Committee

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended June 30th, 2026.

We would like to make the following submissions on adherence to the Code of Corporate Governance, The Board Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30th, 2026 and reports that:

- The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Code of Corporate Governance, Company's Code of Conduct and Values and the best practices of governance throughout the year.
- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company.
- Appropriate accounting policies have been consistently applied except those disclosed in financial statements. Applicable accounting standards were followed in preparation of the financial statements of the Company on a going concern basis for the financial year ended June 30th, 2026, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- The Chief Executive Officer and the Chief Financial Officer have reviewed the financial statements of the Company and the Chairman's and Board of Directors' Report. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper, accurate and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
- The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.
- A proper Whistleblowing Policy has been adopted by the Company, through which the procedure and forum for lodging complaints are clearly defined. Such complaints, where received, are investigated and appropriately addressed and are presented before the Board Audit Committee in accordance with the established process.
- All direct and indirect trading in and holdings of the Company's shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction. All such transactions have been disclosed.

Internal Audit Function

The Company's internal Audit function is led by a qualified and experienced professional in compliance of the Code of Corporate Governance, who is assisted by an appropriate team. The Head of Internal Audit reports directly to the Chairman of the Board Audit Committee.

- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and control.
- The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and the shareholders' wealth through effective financial, operational and compliance controls and risk management at all levels within the Company.
- A risk-based internal audit approach is in place, and the Internal Audit Department periodically updates its risk assessment to account for changes in the risks associated with the business.
- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations

External Auditors

- The statutory auditors of the Company, A.F. Ferguson & Co, Chartered Accountants, have completed their audit of the Company's financial statements and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the financial year ended June 30th, 2026 and shall retire on the conclusion of the 11th Annual General Meeting.
- The final Management Letter is required to be submitted within forty-five (45) days of the date of the Auditors' Report on the financial statements under the Regulations and shall therefore accordingly be discussed in the next Board Audit Committee meeting.
- The external auditors have the access to the Audit Committee and also met the Audit Committee once a year without the presence of the management, including Internal Audit function.
- The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.
- Being eligible for reappointment under the Regulations, the Board Audit Committee recommends their reappointment for the financial year ending June 30th 2027 on terms and remuneration agreed with the management.

No whistle-blow complaint during the year has been received.



Saad Amanullah Khan
Chairman Audit Committee

CHAPTER 06

Financial Analysis



Horizontal Analysis

	2026		2025		2024		2023		2022		2021	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Statement of Financial Position												
Property, plant and equipment	2,335,191	(1.4)	2,367,569	0.9	2,345,290	(7.0)	2,520,511	(51.1)	5,152,750	21.2	4,253,190	(1.4)
Intangible assets	46,203	(13.9)	53,653	(1.3)	54,380	(11.0)	61,115	254.4	17,244	52.2	11,331	(9.2)
Right-of-use asset	16,702	211.2	5,366	(56.2)	12,247	(66.6)	36,671	177.8	13,201	(47.9)	25,355	-
Long-term deposits	74,015	(0.3)	74,265	41.0	52,671	726.8	6,371	517.0	1,032	0.0	1,032	0.0
Long-term loans	24,134	(26.0)	32,594	46.4	22,262	146.4	9,035	-	-	0.0	-	0.0
Long-term investments – subsidiaries	14,954,000	7.2	13,951,215	0.7	13,853,022	24.0	11,168,241	259.0	3,110,817	91.4	1,625,706	1,098.9
Long-term loan to subsidiaries	-	(100.0)	1,581,104	(25.0)	2,108,141	100.0	-	-	-	-	-	-
Stores, spares and consumables	316,175	19.8	263,979	(9.4)	291,403	12.7	258,650	32.2	195,590	101.4	97,099	10.8
Stock-in-trade	2,983,876	51.5	1,968,924	(16.5)	2,357,955	(8.9)	2,588,702	33.4	1,940,762	35.4	1,433,202	47.2
Trade receivables	2,844,026	(41.6)	4,870,537	41.9	3,431,798	38.7	2,474,715	32.3	1,869,970	61.0	1,161,672	4.4
Trade deposits and short-term prepayments	41,286	40.4	29,410	92.3	15,294	(20.8)	19,318	(36.6)	30,471	62.8	18,716	(37.1)
Loans and advances	221,903	47.8	150,108	(32.2)	221,336	111.5	104,659	(71.3)	364,812	495.6	61,247	54.6
Taxation – net	-	-	-	-	-	-	-	(100.0)	502,496	44.2	348,506	23.2
Other receivables	586,894	(18.4)	719,600	358.1	157,076	265.2	43,014	(27.1)	58,997	78.7	33,007	(37.6)
Loan to subsidiaries	-	-	62,702	-	54,067	-	-	0.0	-	0.0	-	0.0
Sales tax refundable	-	(100.0)	34,347	-	-	(100.0)	65,324	(21.8)	83,543	(20.9)	105,551	(63.0)
Cash and bank balances	343,641	6.8	321,812	298.5	80,752	(50.3)	162,618	44.7	112,355	37.7	81,565	129.5
Short-term investments	27,000	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term loan to subsidiary	-	(100.0)	549,461	158.4	212,657	100.0	-	-	-	-	-	-
	24,815,046	(8.2)	27,036,646	7.0	25,270,351	29.5	19,518,945	45.1	13,454,039	45.3	9,257,180	25.7
Issued, subscribed and paid-up capital	7,352,100	5.0	7,002,000	-	7,002,000	11.1	6,300,945	75.0	3,600,000	0.0	3,600,000	31.3
Revaluation surplus on property, plant and equipment	-	-	-	-	-	-	-	(100.0)	1,816,727	51.0	1,202,964	(6.0)
Share premium	2,120,622	(14.2)	2,470,722	-	2,470,722	66.1	1,487,566	-	-	0.0	-	0.0
Reserve for investment in subsidiaries	3,259,000	-	3,259,000	-	3,259,000	-	-	0.0	-	0.0	-	0.0
Unappropriated profit	2,990,360	41.6	2,111,868	67.6	1,259,985	(61.2)	3,251,135	2.5	3,170,627	94.0	1,634,523	268.1
Advance against future issue of shares	-	-	-	-	-	-	-	0.0	-	0.0	-	(100.0)
Deferred taxation – net	394,633	2.3	385,947	(11.7)	436,916	(6.0)	464,747	(60.6)	1,180,886	53.8	767,755	39.7
Staff retirement benefits	330,861	53.1	216,111	41.2	153,093	47.3	103,922	73.6	59,869	132.5	25,755	-
Long-term financing – secured	1,215,950	9.7	1,108,234	(34.9)	1,701,622	(7.9)	1,846,833	13,773.2	13,312	(51.6)	27,519	-
Lease liabilities	11,918	-	-	(100.0)	9,543	(69.2)	30,988	3,563.6	846	(94.2)	14,674	-
Deferred income – government grant	4,287	(17.2)	5,180	(32.8)	7,714	(2.4)	7,900	0.4	7,866	257.5	2,201	-
Sindh Infrastructure Development Cess	195,326	-	-	-	-	-	-	-	-	-	-	- t

	2026		2025		2024		2023		2022		2021	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Trade and other payables	2,027,987	(38.9)	3,316,559	(4.4)	3,468,182	39.4	2,488,380	106.1	1,207,244	14.1	1,057,644	33.3
Contract liabilities	74,976	(15.3)	88,538	(48.5)	172,076	(23.6)	225,179	71.3	131,459	100.9	65,434	125.1
Short-term borrowings – secured	3,868,332	(37.4)	6,178,753	42.5	4,335,872	52.4	2,845,546	30.4	2,182,199	177.4	786,580	(27.4)
Accrued markup	-	-	-	-	-	-	-	(100.0)	36,336	1,169.9	2,861	(51.0)
Taxation – net	337,623	18.5	284,810	(26.4)	387,139	(1.1)	391,608	-	-	0.0	0.0	0.0
Current portion of long-term financing – secured	602,267	0.9	597,185	7.0	558,255	786.0	63,007	123.6	28,183	(46.3)	52,497	-
Current maturity of lease liabilities	5,002	(53.9)	10,846	19.3	9,092	(16.1)	10,836	(27.7)	14,980	23.4	12,139	-
Current portion of deferred income – government grant	893	-	893	153.7	352	(0.1)	352	(89.9)	3,504	(24.4)	4,635	-
Sales tax payable	21,206	-	-	-	38,788	-	0.0	0.0	-	0.0	-	0.0
Unclaimed / Payable dividend	1,703	-	-	-	-	0.0	0.0	0.0	-	0.0	-	(100.0)
Current liabilities	6,939,989	(33.8)	10,477,584	16.8	8,969,756	48.9	6,024,908	67.2	3,603,906	81.9	1,981,790	3.6
	24,815,046	(8.2)	27,036,646	7.0	25,270,351	29.5	19,518,945	45.1	13,454,039	45.34	9,257,180	25.7
Profit & Loss												
Revenue from contracts with customers	13,347,098	(14.2)	15,564,535	(8.9)	17,088,885	2.8	16,617,710	41.1	11,776,777	25.3	9,400,773	33.5
Cost of sales	10,268,950	(20.2)	12,876,115	(1.1)	13,021,108	7.7	12,086,153	28.0	9,443,572	29.9	7,269,175	24.4
Gross profit	3,078,148	14.5	2,688,420	(33.9)	4,067,777	(10.2)	4,531,557	94.2	2,333,204	9.5	2,131,598	77.7
Selling and distribution expenses	188,672	(23.6)	246,966	(18.7)	303,763	26.3	240,499	71.3	140,422	19.1	117,917	24.1
Administrative expenses	279,242	23.4	226,303	(41.5)	386,812	20.5	320,977	73.9	184,606	60.6	114,967	56.7
Reversal of charge / (charge) of loss allowance on trade receivables	13,445	(29.7)	19,134	149.6	7,666	(84.9)	50,782	-	-	0.0	-	0.0
Other operating expenses	161,793	67.3	96,734	(47.2)	183,285	(24.4)	242,549	(38.6)	395,111	242.9	115,222	6.3
Gain on remeasurement Sindh Infrastructure Development Cess – net	194,442	-	-	-	-	-	-	-	-	-	-	-
	421,820	(23.4)	550,869	(36.4)	866,194	1.3	854,807	18.7	720,139	106.9	348,106	25.8
Other income	344,951	(26.0)	466,240	62.3	287,355	96.5	146,247	205.8	47,823	(44.3)	85,827	433.7
Operating profit	3,001,279	15.3	2,603,791	(25.4)	3,488,938	(8.7)	3,822,997	130.2	1,660,888	(11.2)	1,869,319	99.0
Finance costs	840,130	(36.4)	1,321,059	(13.5)	1,527,181	141.4	632,586	396.2	127,490	65.6	77,007	(58.9)
Profit before levies and income tax	2,161,149	68.5	1,282,732	(34.6)	1,961,757	(38.5)	3,190,411	108.1	1,533,398	(14.4)	1,792,312	138.5
Levies – final tax	-	-	-	(100.0)	6,348	256.4	1,781	(51.5)	3,673	146.0	1,493	(19.6)
Profit before income tax	2,161,149	68.5	1,282,732	(34.4)	1,955,409	(38.7)	3,188,630	108.4	1,529,725	(14.6)	1,790,820	138.9
– Current	824,086	70.5	483,274	(32.2)	712,744	(36.9)	1,130,230	-	-	0.0	-	0.0
– Deferred	19,699	(61.8)	51,537	92.3	26,799	13.3	23,646	(53.1)	50,461	(76.7)	216,821	51.6
	843,785	95.4	431,737	(37.1)	685,945	(38.0)	1,106,584	2,093.0	50,461	(76.7)	216,821	51.6
Net profit for the year	1,317,364	54.8	850,995	(33.0)	1,269,464	(39.0)	2,082,046	40.7	1,479,264	(6.0)	1,573,998	159.4

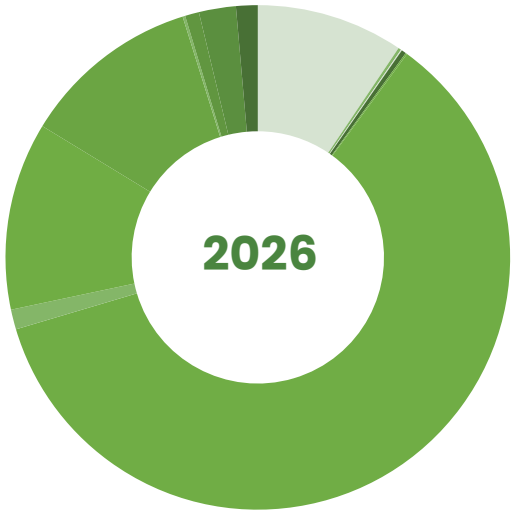
Vertical Analysis

	2026		2025		2024		2023		2022		2021	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Statement of Financial Position												
Property, plant and equipment	2,335,191	9.4	2,367,569	8.8	2,345,290	10.2	2,520,511	12.9	5,152,750	38.3	4,253,190	45.9
Intangible assets	46,203	0.2	53,653	0.2	54,380	0.2	61,115	0.3	17,244	0.1	11,331	0.1
Right-of-use asset	16,702	0.1	5,366	0.0	12,247	0.1	36,671	0.2	13,201	0.1	25,355	0.3
Long-term deposits	74,015	0.3	74,265	0.3	52,671	0.2	6,371	0.0	1,032	0.0	1,032	0.0
Long-term loans	24,134	0.1	32,594	0.1	22,262	0.1	9,035	0.0	-	0.0	-	0.0
Long-term investments - subsidiaries	14,954,000	60.3	13,951,215	51.6	13,853,022	60.4	11,168,241	57.2	3,110,817	23.1	1,625,706	17.6
Long-term loan to subsidiaries	-	-	1,581,104	5.8	2,108,141	8.3	-	-	-	-	-	-
Stores, spares and consumables	316,175	1.3	263,979	1.0	291,403	1.3	258,650	1.3	195,590	1.5	97,099	1.0
Stock-in-trade	2,983,876	12.0	1,968,924	7.3	2,357,955	10.3	2,588,702	13.3	1,940,762	14.4	1,433,202	15.5
Trade receivables	2,844,026	11.5	4,870,537	18.0	3,431,798	15.0	2,474,715	12.7	1,869,970	13.9	1,161,672	12.5
Trade deposits and short-term prepayments	41,286	0.2	29,410	0.1	15,294	0.1	19,318	0.1	30,471	0.2	18,716	0.2
Loans and advances	221,903	0.9	150,108	0.6	221,336	1.0	104,659	0.5	364,812	2.7	61,247	0.7
Taxation - net	-	0.0	-	0.0	-	0.0	-	0.0	502,496	3.7	348,506	3.8
Other receivables	586,894	2.4	719,600	2.7	157,076	0.7	43,014	0.2	58,997	0.4	33,007	0.4
Loan to subsidiaries	-	-	62,702	0.2	54,067	0.2	-	0.0	-	0.0	-	0.0
Sales tax refundable	-	0.0	34,347	0.1	-	0.0	65,324	0.3	83,543	0.6	105,551	1.1
Cash and bank balances	343,641	1.4	321,812	1.2	80,752	0.4	162,618	0.8	112,355	0.8	81,565	0.9
Short-term investments	27,000	0.1	-	-	-	-	-	-	-	-	-	-
Current portion of long-term loan to subsidiary	-	-	549,461	2.0	212,657	0.8	-	-	-	-	-	-
	24,815,046	100.0	27,036,646	100.0	25,270,351	100.0	19,518,945	100.0	13,454,039	100.0	9,257,180	100.0
Issued, subscribed and paid-up capital	7,352,100	29.6	7,002,000	25.9	7,002,000	27.7	6,300,945	32.3	3,600,000	26.8	3,600,000	38.9
Revaluation surplus on property, plant and equipment	-	-	-	-	-	-	-	-	1,816,727	13.5	1,202,964	13.0
Share premium	2,120,622	8.5	2,470,722	9.1	2,470,722	9.8	1,487,566	7.6	-	0.0	-	0.0
Reserve for investment in subsidiaries	3,259,000	13.1	3,259,000	12.1	3,259,000	12.9	-	0.0	-	0.0	-	0.0
Unappropriated profit	2,990,360	12.1	2,111,868	7.8	1,259,985	5.0	3,251,135	16.7	3,170,627	23.6	1,634,523	17.7
	15,722,082	63.4	14,843,590	54.9	13,991,707	55.4	11,039,646	56.6	8,587,354	63.8	6,437,487	69.5
Advance against future issue of shares	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Deferred taxation - net	394,633	1.6	385,947	1.4	436,916	1.7	464,747	2.4	1,180,886	8.8	767,755	8.3
Staff retirement benefits	330,861	1.3	216,111	0.8	153,093	0.6	103,922	0.5	59,869	0.4	25,755	0.3
Long-term financing - secured	1,215,950	4.9	1,108,234	4.1	1,701,622	6.7	1,846,833	9.5	13,312	0.1	27,519	0.3
Lease liabilities	11,918	0.0	-	-	9,543	0.0	30,988	0.2	846	0.0	14,674	0.2
Deferred income - government grant	4,287	0.0	5,180	0.0	7,714	0.0	7,900	0.0	7,866	0.1	2,201	0.0
Sindh Infrastructure Development Cess	195,326	0.8	-	-	-	-	-	-	-	-	-	-

	2026		2025		2024		2023		2022		2021	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Trade and other payables	2,027,987	8.2	3,316,559	12.3	3,468,182	13.7	2,488,380	12.7	1,207,244	9.0	1,057,644	11.4
Contract liabilities	74,976	0.3	88,538	0.3	172,076	0.7	225,179	1.2	131,459	1.0	65,434	0.7
Short-term borrowings - secured	3,868,332	15.6	6,178,753	22.9	4,335,872	17.2	2,845,546	14.6	2,182,199	16.2	786,580	8.5
Accrued markup	-	-	-	-	-	-	-	-	36,336	0.3	2,861	0.0
Taxation - net	337,623	1.4	284,810	1.1	387,139	1.5	391,608	2.0	-	0.0	-	0.0
Current portion of long-term financing - secured	602,267	2.4	597,185	2.2	558,255	2.2	63,007	0.3	28,183	0.2	52,497	0.6
Current maturity of lease liabilities	5,002	0.0	10,846	0.0	9,092	0.0	10,836	0.1	14,980	0.1	12,139	0.1
Current portion of deferred income - government grant	893	0.0	893	0.0	352	0.0	352	0.0	3,504	0.0	4,635	0.1
Sales tax payable	21,206	0.1	-	-	38,788	0.2	-	0.0	-	0.0	-	0.0
Unclaimed / Payable dividend	1,703	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Current liabilities	6,939,989	28.0	10,477,584	38.8	8,969,756	35.5	6,024,909	30.9	3,603,906	26.8	1,981,790	21.4
	24,815,046	100.0	27,036,646	100.0	25,270,351	100.0	19,518,945	100.0	13,454,039	100.0	9,257,180	100.0
Profit & Loss												
Revenue from contracts with customers	13,347,098	100.0	15,564,535	100.0	17,088,885	100.0	16,617,710	100.0	11,776,777	100.0	9,400,773	100.0
Cost of sales	10,268,950	76.9	12,876,115	82.7	13,021,108	76.2	12,086,153	72.7	9,443,572	80.2	7,269,175	77.3
Gross profit	3,078,148	23.1	2,688,420	17.3	4,067,777	23.8	4,531,557	27.3	2,333,204	19.8	2,131,598	22.7
Selling and distribution expenses	188,672	1.4	246,966	1.6	303,763	1.8	240,499	1.4	140,422	1.2	117,917	1.3
Administrative expenses	279,242	2.1	226,303	1.5	386,812	2.3	320,977	1.9	184,606	1.6	114,967	1.2
Reversal of charge / (charge) of loss allowance on trade receivables	13,445	0.1	19,134	0.1	7,666	0.0	50,782	0.3	-	0.0	-	0.0
Other operating expenses	161,793	1.2	96,734	0.6	183,285	1.1	242,549	1.5	395,111	3.4	115,222	1.2
Gain on remeasurement Sindh Infrastructure Development Cess - net	194,442	1.5	-	-	-	-	-	-	-	-	-	-
	421,820	3.2	550,869	3.5	866,194	5.1	854,807	5.1	720,139	6.1	348,106	3.7
Other income	344,951	2.6	466,240	3.0	287,355	1.7	146,247	0.9	47,823	0.4	85,827	0.9
Operating profit	3,001,279	22.5	2,603,791	16.7	3,488,938	20.4	3,822,997	23.0	1,660,888	14.1	1,869,319	19.9
Finance costs	840,130	6.3	1,321,059	8.5	1,527,181	8.9	632,586	3.8	127,490	1.1	77,007	0.8
Profit before levies and income tax	2,161,149	16.2	1,282,732	8.2	1,961,757	11.5	3,190,411	19.2	1,533,398	13.0	1,792,312	19.1
Levies - final tax	-	-	-	-	6,348	0.0	1,781	0.0	3,673	0.0	1,493	0.0
Profit before income tax	2,161,149	16.2	1,282,732	8.2	1,955,409	11.4	3,188,630	19.2	1,529,725	13.0	1,790,820	19.0
- Current	824,086	6.2	483,274	3.1	712,744	4.2	1,130,230	6.8	-	0.0	-	0.0
- Deferred	19,699	0.1	51,537	0.3	26,799	0.2	23,646	0.1	50,461	0.4	216,821	2.3
Net profit for the year	1,317,364	9.9	850,995	5.5	1,269,464	7.4	2,082,046	12.5	1,479,264	12.6	1,573,998	16.7

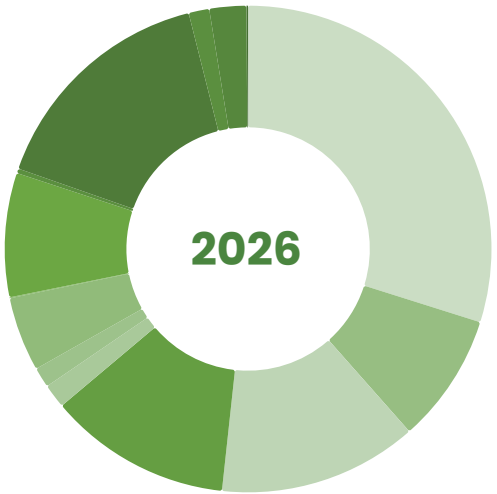
Composition of Statement of Financial Position

Non-Current and Current Assets



Property, plant and equipment	9.41%
Intangible assets	0.19%
Right-of-use asset	0.07%
Long-term deposits	0.30%
Long-term loans	0.10%
Long-term investments - subsidiaries	60.26%
Stores, spares and consumables	1.27%
Stock-in-trade	12.02%
Trade receivables	11.46%
Trade deposits and short-term prepayments	0.17%
Loans and advances	0.89%
Other receivables	2.37%
Loan to subsidiaries	0.00%
Sales tax refundable	0.00%
Cash and bank balances	1.38%

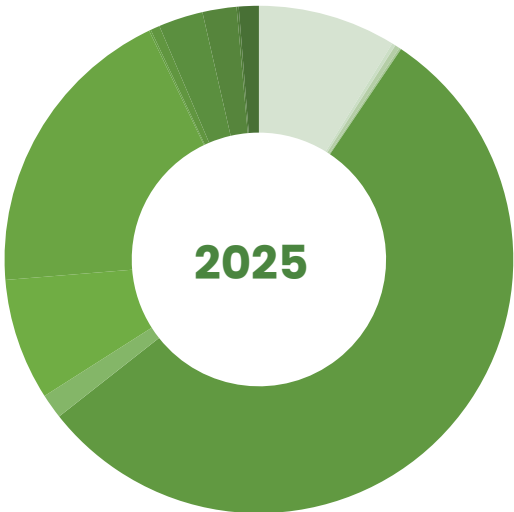
Equities and Liabilities



Share capital	29.63%
Revaluation surplus on property, plant and equipment	0.00%
Share premium	8.55%
Reserve for investment in subsidiaries	13.13%
Unappropriated profit	12.05%
Deferred taxation - net	1.59%
Staff retirement benefits	1.33%
Long-term financing - secured	4.90%
Lease liabilities	0.05%
Deferred income - government grant	0.02%
Trade and other payables	8.17%
Contract liabilities	0.30%
Short-term borrowings - secured	15.59%
Accrued markup	0.00%
Taxation - net	1.36%
Current portion of long-term financing - secured	2.43%
Current maturity of lease liabilities	0.02%
Current portion of deferred income - government grant	0.00%
Sales tax payable	0.09%

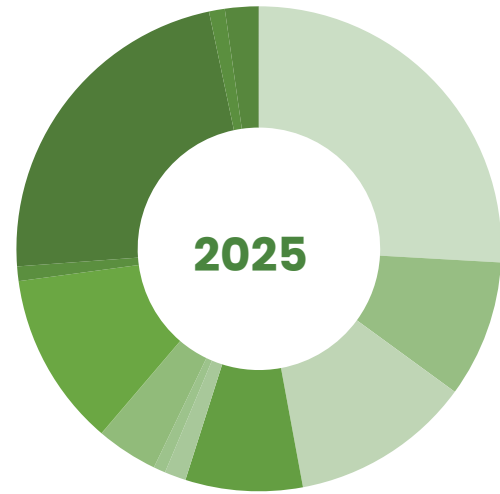
Composition of Statement of Financial Position

Non-Current and Current Assets



Property, plant and equipment	8.76%
Intangible assets	0.20%
Right-of-use asset	0.02%
Long-term deposits	0.27%
Long-term loans	0.12%
Long-term investments - subsidiaries	51.60%
Stores, spares and consumables	0.98%
Stock-in-trade	7.28%
Trade receivables	18.01%
Trade deposits and short-term prepayments	0.11%
Loans and advances	0.56%
Other receivables	2.66%
Sales tax refundable	0.13%
Cash and bank balances	1.19%

Equities and Liabilities

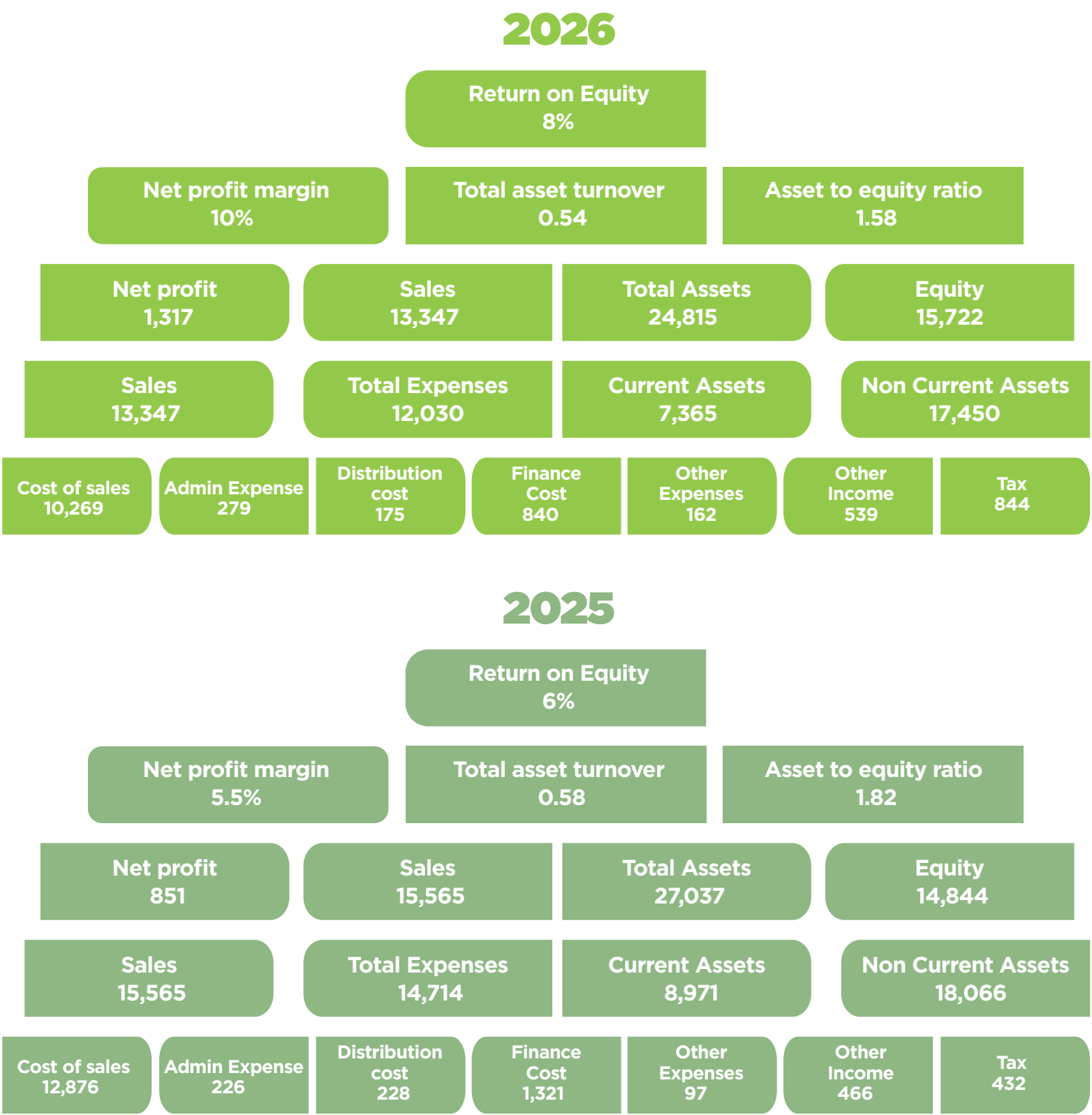


Share capital	25.90%
Revaluation surplus on property, plant and equipment	0.00%
Share premium	9.14%
Reserve for investment in subsidiaries	12.05%
Unappropriated profit	7.81%
Deferred taxation - net	1.43%
Staff retirement benefits	0.80%
Long-term financing - secured	4.10%
Lease liabilities	0.00%
Deferred income - government grant	0.02%
Trade and other payables	12.27%
Contract liabilities	0.33%
Short-term borrowings - secured	22.85%
Accrued markup	0.00%
Taxation - net	1.05%
Current portion of long-term financing - secured	2.21%
Current maturity of lease liabilities	0.04%
Current portion of deferred income - government grant	0.00%
Sales tax payable	0.00%

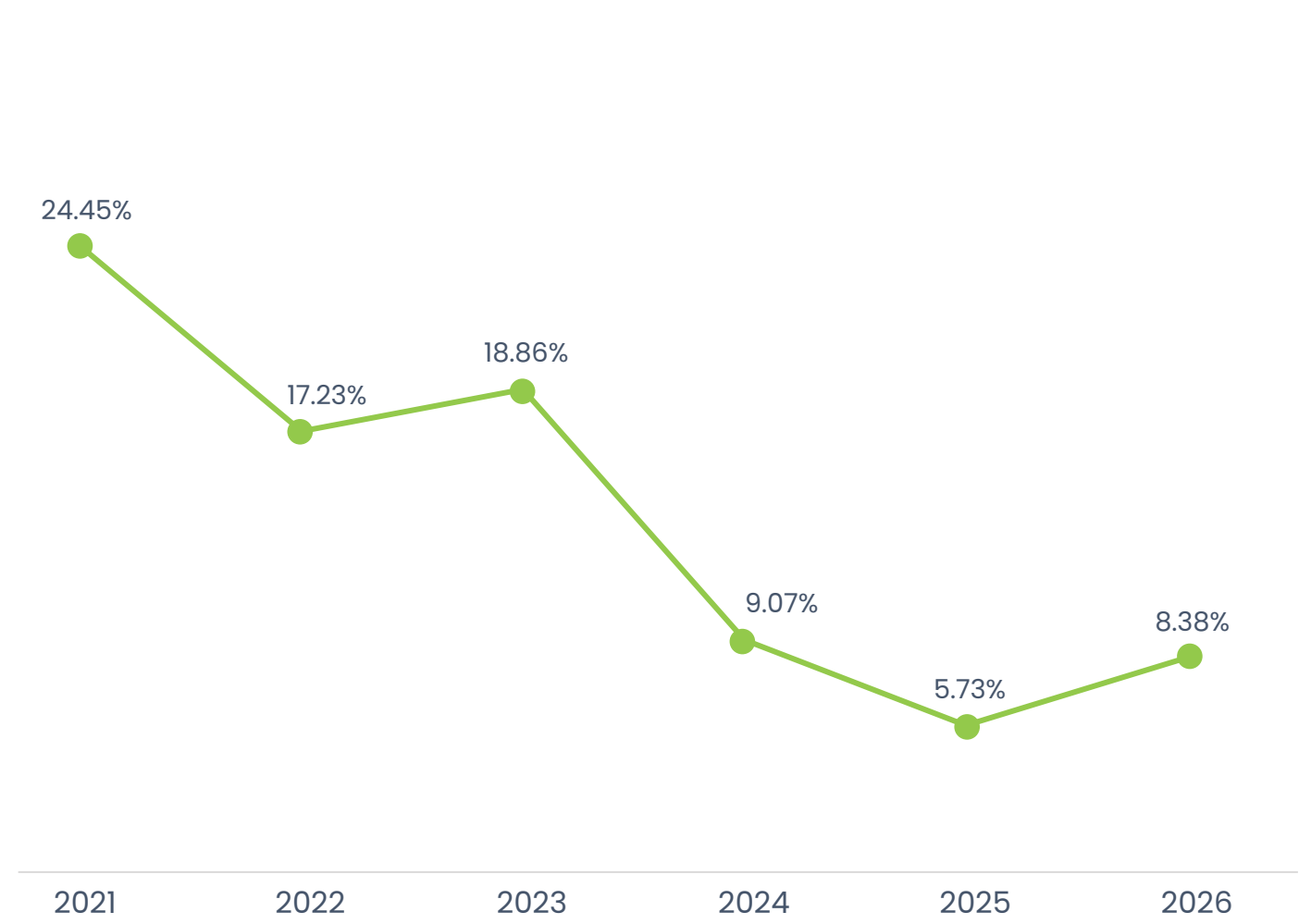
Ratio Analysis

	2026	2025	2024	2023	2022	2021
Profitability Ratios						
Return on equity / shareholder funds	8.4%	5.7%	9.1%	18.9%	17.2%	24.5%
Return on capital employed	16.8%	16.3%	21.7%	28.3%	16.9%	25.7%
Gross profit ratio	23.1%	17.3%	23.8%	27.3%	19.8%	22.7%
Net profit/Loss to sale	9.9%	5.5%	7.4%	12.5%	12.6%	16.7%
EBITDA margin to sale	24.4%	18.1%	21.5%	25.2%	16.5%	22.9%
Shareholders Funds	63.4%	54.9%	55.4%	56.6%	63.8%	69.5%
Liquidity Ratios						
Current ratio	1.1	0.9	0.8	0.9	1.4	1.7
Quick / Acid test ratio	0.6	0.6	0.5	0.5	0.8	0.9
Cash to Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from Operations to Sales	0.1	(0.1)	0.1	0.2	0.0	0.2
Cash Flow to Capital Expenditure	1.1	(7.4)	0.7	0.5	0.2	1.2
Cash Flow Coverage Ratio	0.2	(0.2)	0.3	0.8	0.1	2.3
Activity / Turnover Ratios						
Inventory turnover	4.1	6.0	5.3	5.3	1.4	1.5
No of Days in Inventory	88	61	69	68	65	60
Debtor turnover ratio	3.5	3.7	5.8	7.6	7.8	8.3
No of Days in Receivables	105	97	63	48	47	44
Creditors turnover ratio	3.8	3.8	4.4	6.5	8.3	7.9
No of Days in payables	95	96	83	56	44	46
Total Assets turnover ratio	0.5	0.6	0.8	1.0	1.0	1.1
Fixed Assets turnover ratio	5.7	6.6	7.0	4.3	2.5	2.2
Cash Operating Cycle	99	63	49	60	68	58
Investment / Market Ratios						
Earnings per share (EPS)	1.79	1.16	1.79	3.58	2.54	2.71
Price earning ratio	13.18	20.34	13.18	-	-	-
Break-up Value per share	21.38	21.20	19.98	17.52	23.85	17.88
Capital Structure Ratios						
Net assets per share	21.38	21.20	19.98	17.52	23.85	17.88
Financial Leverage ratio	2.6	2.9	2.7	2.5	3.7	2.6
Weighted average cost of debt	14.77%	16.76%	23.15%	13.30%	5.73%	8.89%
Total Debt to equity ratio	36.17%	53.11%	47.14%	43.08%	25.89%	13.46%
Long Term Debt to Equity Ratio	11.56%	11.49%	16.15%	17.30%	0.48%	1.24%
Interest coverage	3.6	2.0	2.3	6.0	13.0	24.3

Dupont Analysis



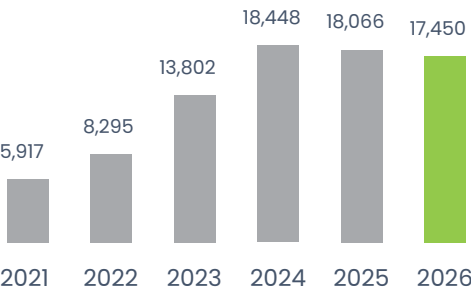
Graphical Presentation of DuPont Analysis



Graphical Presentation

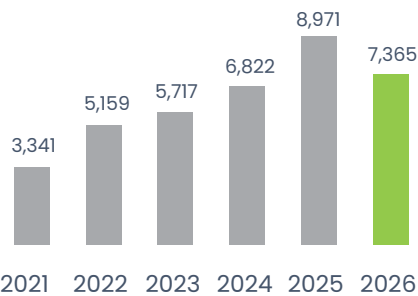
Non-Current Assets

Rs. in Million



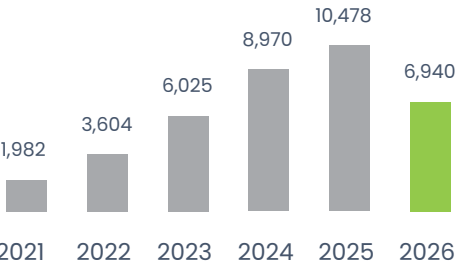
Current Assets

Rs. in Million



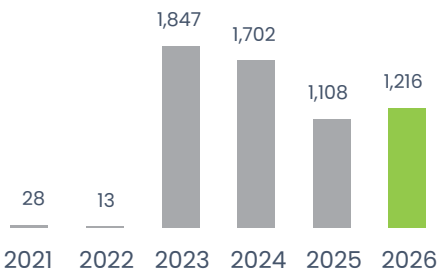
Current Liabilities

Rs. in Million



Long Term Borrowing

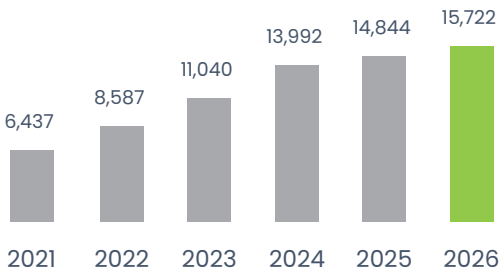
Rs. in Million



Graphical Presentation

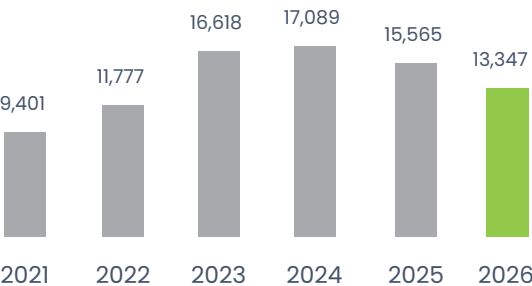
Equity & Reserves

Rs. in Million



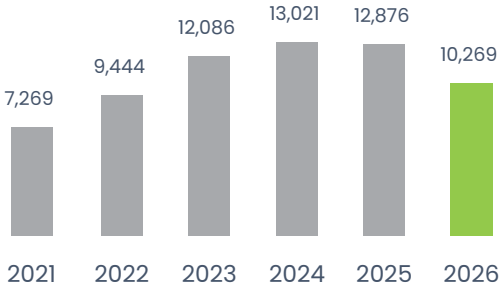
Sales

Rs. in Million



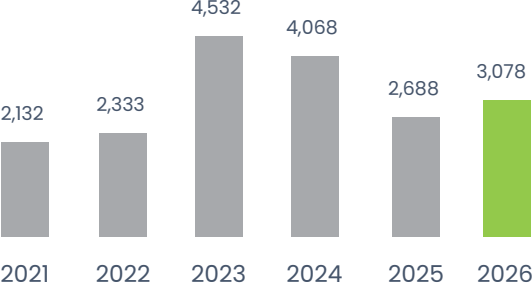
Cost of Goods Sold

Rs. in Million



Gross Profit

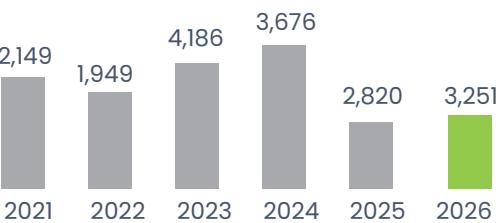
Rs. in Million



Graphical Presentation

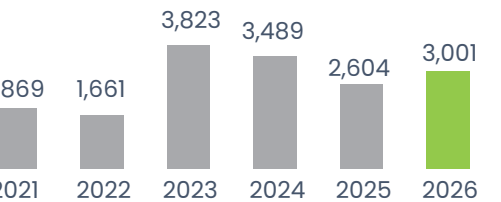
EBITDA

Rs. in Million



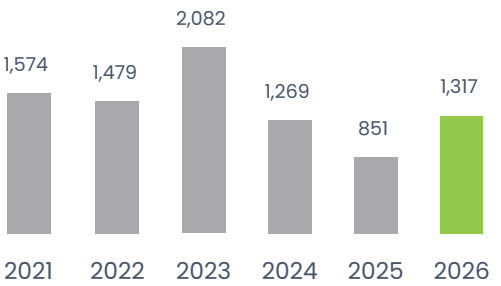
Operating Profit

Rs. in Million

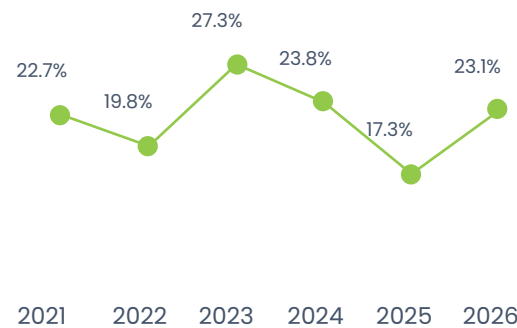


Net Profit / (Loss) after tax

Rs. in Million

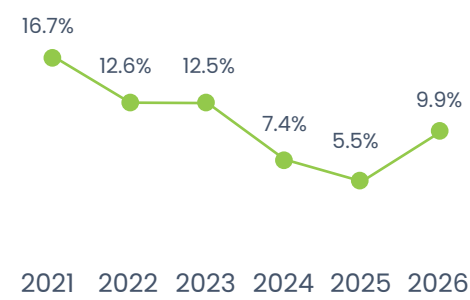


Gross Profit Margin

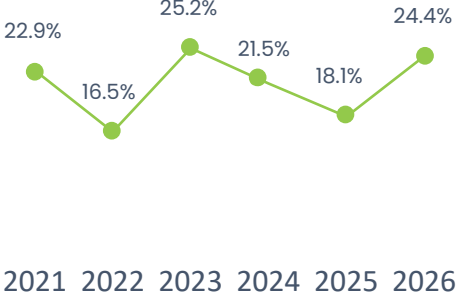


Graphical Presentation

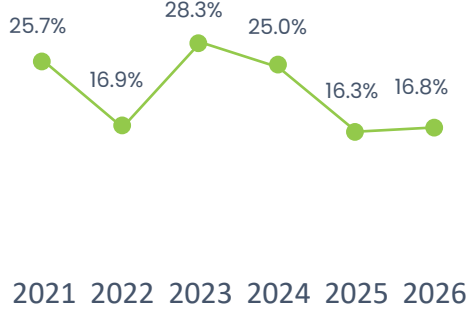
Net Profit / (Loss) Margin



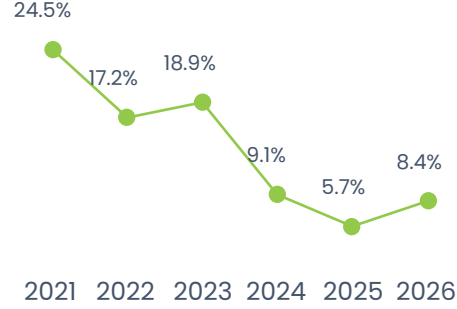
EBITDA Margin to Sales



Return on Capital Employed

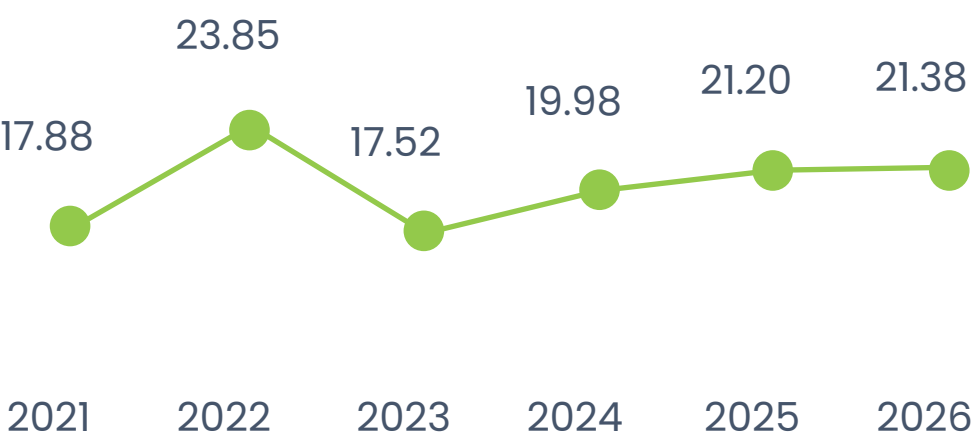


Return on Equity

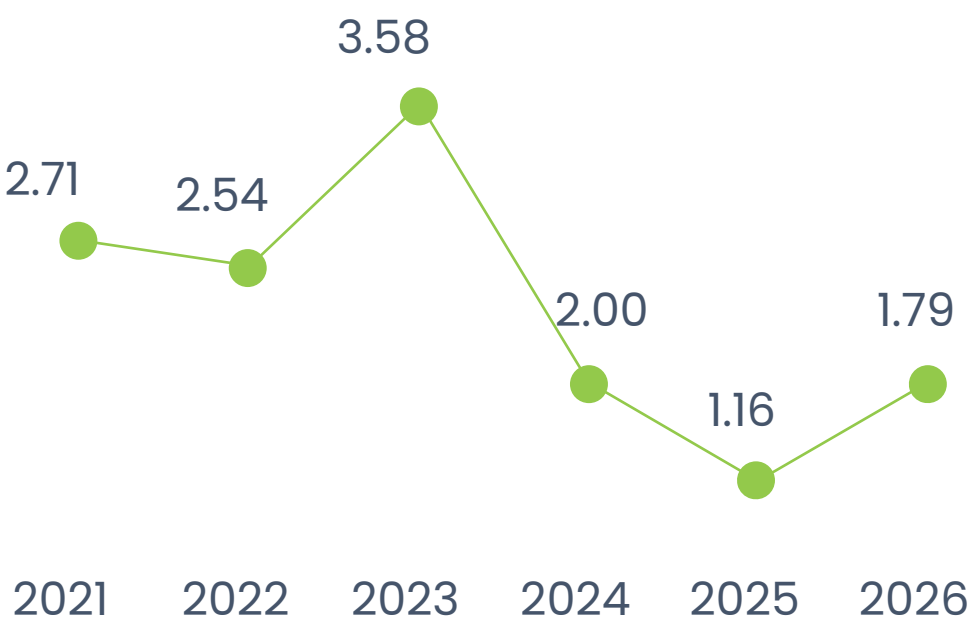


Graphical Presentation

Breakup Value Per Share



Earning Per Share



Graphical Presentation

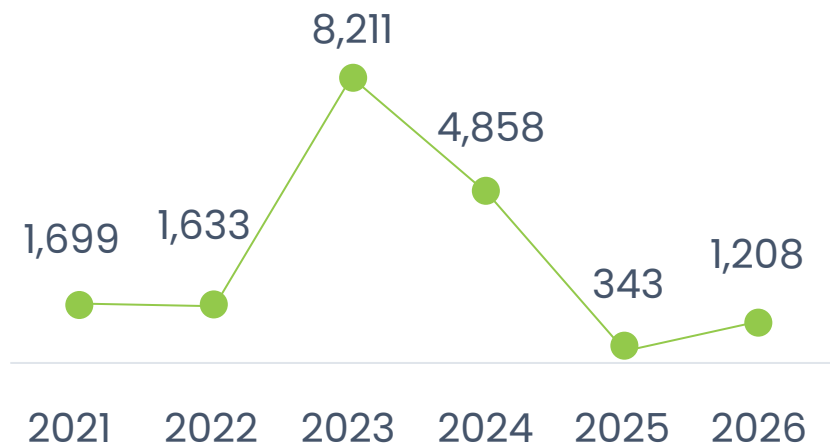
Cash Inflows / (Outflows) from Operating Activities

Rs. in Million



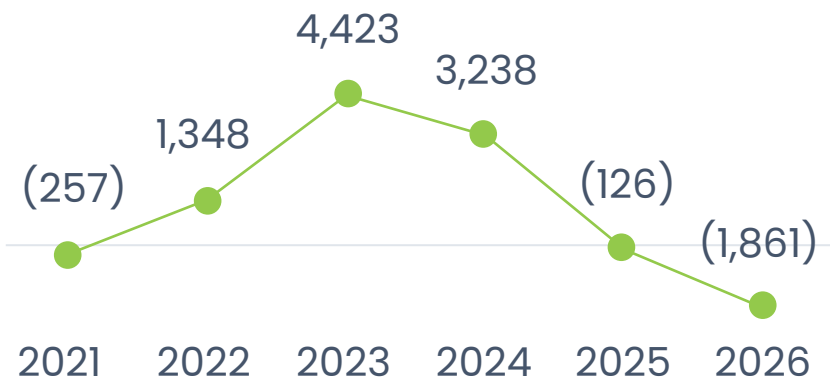
Cash Outflows from Investing Activities

Rs. in Million



Cash Inflows / (Outflows) from Financing Activities

Rs. in Million



Sources and Application of Funds

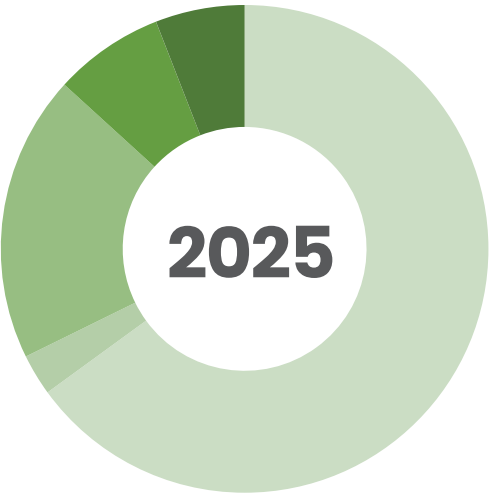
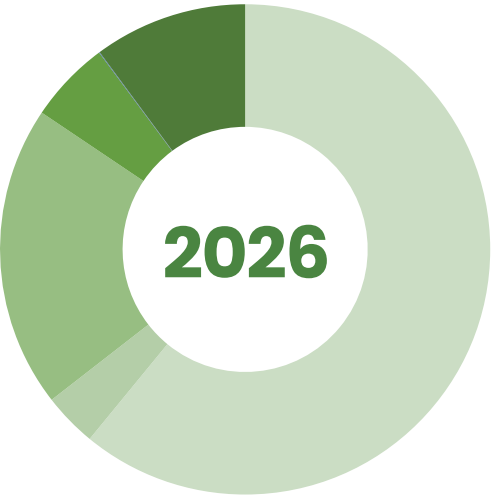
	2026	2025	2024	2023	2022	2021
----- (Rupees in '000) -----						
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated from operations	3,059,862	569,952	4,294,847	4,573,453	565,005	2,143,393
Long-term deposit	250	(21,594)	(46,300)	(5,340)	-	-
Taxes paid	(771,273)	(585,603)	(723,561)	(237,907)	(153,990)	(65,620)
Increase in long-term loans	8,460	(10,332)	(13,227)	-	-	-
Finance costs paid	(875,228)	(1,351,286)	(1,467,578)	(530,147)	(94,016)	(73,932)
Gratuity paid	(15,982)	(14,318)	(9,435)	(10,178)	(1,676)	(218)
Net cash generated from operating activities	1,406,088	(1,413,181)	2,034,746	3,789,881	315,324	2,003,623
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(203,436)	(86,747)	(29,139)	(129,060)	(148,950)	(229,291)
Additions to intangibles	(900)	(6,727)	(90)	(48,834)	(7,143)	(165)
Investment in subsidiaries	(1,002,785)	(98,193)	(277,853)	(7,933,352)	(1,588,000)	(1,270,733)
Advance given against future issuance of shares	-	-	(2,406,928)	(124,073)	102,889	(219,373)
Profit on saving accounts	11,139	8,928	11,209	6,712	2,452	872
Proceeds from disposal of operating fixed assets	4,480	368	7,004	17,448	6,016	20,032
Payment against loan to subsidiaries	2,426,795	525,751	(2,162,208)	-	-	-
Purchase of short-term investments	(27,000)	-	-	-	-	-
Net cash used in investing activities	1,208,293	343,381	(4,858,005)	(8,211,159)	(1,632,735)	(1,698,659)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds against right issue	-	-	-	2,088,197	-	-
Proceeds against IPO	-	-	1,763,978	-	-	-
Expenses incurred in relation to IPO	-	-	(79,767)	-	-	-
Dividends paid	(418,417)	-	-	-	-	(61,233)
Advance received against future issues of shares	-	-	-	-	-	23,547
Repayments of lease liabilities	(12,455)	(10,083)	(14,825)	(14,888)	(13,184)	(7,798)
Short term borrowings - net	(1,537,855)	408,143	1,206,516	527,852	1,395,619	(296,440)
Long-term financing - obtained	700,000	-	2,150,000	1,850,000	22,251	112,970
Long-term financing - repaid	(592,284)	(523,600)	(1,788,222)	(28,029)	(56,485)	(28,243)
Net cash generated from financing activities	(1,861,011)	(125,540)	3,237,680	4,423,132	1,348,201	(257,195)
Net cash (outflow)/inflow	753,371	(1,195,340)	414,421	1,854	30,790	47,769

Economic Value Added

	2026	2025
	----- (Rupees in '000) -----	
Operating profit	3,001,279	2,603,791
Income tax - net	(843,785)	(431,737)
Net Operating profit after tax	2,157,494	2,172,054
Cost of Capital	(2,454,643)	(2,191,805)
Economic value added	(297,149)	(19,751)
Total Assets excluding CWIP	24,765,381	27,036,646
Current liabilities	(6,939,989)	(10,477,584)
Invested Capital	17,825,392	16,559,062
WACC %	13.8%	13.2%
Cost of capital	2,454,643	2,191,805

Wealth Generated & Distributed

	2026	%	2025	%
	Rs. In thousand		Rs. In thousand	
Wealth Generated				
Sales	15,261,171	97.8	17,563,310	97.4
Other Income	344,951	2.2	466,240	2.6
	<u>15,606,122</u>	100.0	<u>18,029,550</u>	100.0
Wealth Distributed				
Bought-in-material & services	9,554,927	60.9	11,716,197	65.0
To Employees				
Remuneration benefits and facilities	549,700	3.5	494,272	2.7
To Government				
Taxations, excises, custom duties, WWF.	3,088,302	19.9	3,432,140	19.0
To Lenders				
Mark up & finance cost	839,285	5.4	1,318,765	7.3
To Society				
Donations	6,731	0.0	1,343	0.0
Retained for Reinvestment & Future Growth				
Unappropriated Profit, Depreciation & Amortization	<u>1,567,177</u>	10.1	<u>1,066,833</u>	5.9
	<u>15,606,122</u>	100.0	<u>18,029,550</u>	100.0
	2026		2025	
	Rs. In thousand		Rs. In thousand	
Bought-in-material & services	9,554,927		11,716,197	
To Employees	549,700		494,272	
To Government	3,088,302		3,432,140	
To Lenders	839,285		1,318,765	
To Society	6,731		1,343	
Retained for Reinvestment & Future Growth	1,567,177		1,066,833	





CHAPTER 07

Technology Governance

Board Responsibility Statement on IT Systems, Controls and AI Strategy

Board Oversight

The Board recognizes its overall responsibility for the oversight of the Company’s IT systems, technology-related controls, cybersecurity risks and responsible approach to artificial intelligence. The Board’s oversight is directed towards aligning technology initiatives with business objectives and supporting operational resilience, protection of information assets, reliable decision-making and continuity of critical business operations.

The Board Audit Committee assists the Board by overseeing the IT governance framework within its mandate relating to internal controls and risk management. Technology and cybersecurity risks are considered within the Company’s broader risk management and internal control processes, taking into account its operational requirements and risk profile.

Management and Functional Responsibility

Under the oversight of the Board Audit Committee, Management, supported by the IT and SAP teams, implements and monitors the Company’s IT governance and cybersecurity controls. This includes relevant arrangements relating to system access, information security, systems availability, incident readiness, data resilience and recovery.

AI Strategy and Responsible Adoption

The Company follows a measured and risk-based approach to artificial intelligence and related technologies. Potential applications in analytics, automation, forecasting, compliance, process efficiency and decision support are considered with reference to business requirements and technological readiness.

Any implementation will remain subject to relevant evaluation and approvals, together with appropriate consideration of data quality, reliability, cybersecurity, privacy, applicable legal and ethical requirements, accountability and human oversight.

IT Governance Framework

Governance and Alignment

The IT governance framework establishes how technology resources, systems and related responsibilities are directed and coordinated across the Company’s operations. It supports the alignment of technology initiatives with business priorities, while promoting consistent management, reliable service delivery and appropriate consideration of technology-related risks.

Key Elements of the Framework

Governance Area	Framework Approach
IT Coordination	Centralized coordination of the IT environment across operational locations.
Roles and Responsibilities	Defined responsibilities for Management and the IT and SAP teams.
Policies and Procedures	Documented policies and procedures governing the use and management of technology resources.
Systems and Licensing	Standardization of operating systems and application licensing.
Business Applications	Governance of SAP and other core business applications.
Performance and Service Delivery	Monitoring of system availability, performance and service delivery.
Risk and Internal Controls	Technology-related risks are considered within the Company’s risk management and internal control processes.

Monitoring and Continuous Development

The framework is reviewed and developed in line with changes in systems, operational requirements and the Company’s digital capabilities.

IT Security Framework

Security and Protection

The IT security framework focuses on protecting the Company's information assets, systems and electronically processed data against unauthorized access, disclosure, alteration or disruption. Security controls are applied with reference to system requirements, identified risks and the nature of the Company's operations.

Key Elements of the Framework

Security Area	Framework Approach
Access and Data Handling	Documented requirements govern system access, acceptable use and data handling.
SAP Access Controls	Role-based access to SAP systems is supported by defined authorizations and segregation of duties.
Authentication	Multi-factor authentication is applied where applicable.
Network and Endpoint Security	Firewalls, antivirus controls and secure system configurations support the protection of networks and endpoints.
System Updates and Patching	Periodic system updates and patching are performed to address identified vulnerabilities.
Security Monitoring	Monitoring arrangements support the identification and management of security events.
Control Review	Security controls are reviewed in response to system developments, operational changes and emerging threats.

Security Resilience and Continuous Review

The IT security framework continues to evolve in response to changes in systems, operational requirements and emerging security threats. Detailed arrangements relating to incident response, security assessment, data resilience and recovery are addressed separately within this section.

Cybersecurity Monitoring and Incident Response

The Company maintains monitoring and incident-response arrangements to support the identification, assessment and management of potential cybersecurity events. The IT, SAP and BASIS teams monitor relevant systems and security alerts within their respective areas of responsibility.

Potential events are assessed with reference to their nature and possible impact on systems, information and business operations. Response actions may include validation, escalation, containment, corrective action and recovery, as appropriate. Material matters are escalated in accordance with the Company's established governance arrangements.

Following an incident, relevant causes, response actions and control implications are reviewed to identify necessary improvements and reduce the likelihood of recurrence. Monitoring and response arrangements are updated with reference to system developments, operational changes and emerging cybersecurity risks.

Security Assessment and Testing

The Company applies a risk-based approach to the assessment and testing of its technology environment. The scope and timing of assessment activities are determined with reference to system criticality, exposure to potential threats, operational requirements and significant infrastructure or application changes.

Assessment activities may include vulnerability assessments, penetration testing, access and configuration reviews and evaluation of controls relating to critical systems. These activities are performed internally and, where appropriate, with the support of external specialists.

Identified observations are evaluated according to their nature and potential impact. Appropriate remediation may include system patching, configuration changes, revision of access rights or strengthening of existing controls. The status of relevant corrective actions is monitored by the IT and SAP teams.

Technology Continuity and Disaster Recovery

The Company's technology continuity arrangements are designed to support the continued availability and restoration of critical systems and information during operational disruptions. The centralized IT environment, SAP cloud connectivity, upgraded data centre, controlled remote connectivity and structured backup management collectively support operational continuity across the Company's locations.

Data backup and retention processes are maintained to facilitate the recovery of relevant systems and information following a disruption. The IT, SAP and BASIS teams coordinate recovery activities according to the nature and potential operational impact of an incident. Continuity and recovery arrangements are reviewed as systems, infrastructure and business requirements evolve.

Future Strengthening

As part of its future technology priorities, the Company plans to progressively enhance its high-availability and disaster-recovery capabilities, including the development of a dedicated Disaster Recovery site. Implementation will remain subject to feasibility assessment, required approvals, operational priorities and resource availability.

Digital Transformation and Technology Advancement

Digital Foundation

During the year, the Company continued to strengthen its digital foundation through greater integration, centralized technology management and infrastructure development across the Group’s operating locations. These initiatives support operational coordination, systems availability and the scalable use of technology across the business.

Technology Integration and Infrastructure

Development Area	Progress During the Year
IT Environment	Centralization of the IT environment across operating locations.
SAP Connectivity	Establishment of SAP cloud connectivity and remote SAP access.
Data Centre Infrastructure	Upgrading of data centre infrastructure to support technology operations.
SAP Basis Support	Strengthening of SAP Basis support covering system access, applications and infrastructure.
Group IT Deployment	Completion of IT deployment at PETPAK and GPAK, together with standardization of operating systems and application licensing.

These developments have strengthened the technology platform supporting the Group’s expanding operations and provided a more consistent environment for enterprise applications and digital services.

Current Development Priorities

Priority Area	Planned Development
IT Service Desk	Development of an IT Service Desk portal to support structured service management.
IT Asset Management	Development of structured IT asset management practices.
IT Service Management	Progression toward ITIL-aligned service-management practices.
Service Levels	Development of formal service-level arrangements to support consistent service delivery.

Implementation will progress in accordance with operational priorities, system requirements and available resources.

Cybersecurity Education and Training

The Company promotes cybersecurity awareness to help employees recognize and respond appropriately to potential digital threats. Employees are provided guidance on phishing attempts, deceptive links, fraudulent communications and the safe use of email, messaging applications and other digital platforms.

Awareness initiatives emphasize the importance of avoiding unverified links, protecting access credentials, following relevant IT requirements and reporting suspicious activities through the appropriate internal channels.

Training and awareness content is reviewed with reference to emerging threats, changes in technology and identified areas of risk. The IT and relevant functional teams support the communication of security guidance and reinforce responsible use of the Company’s systems and information resources.

A large green leaf is the central focus, its veins glowing with a golden-yellow light. Overlaid on the leaf is a complex network of white lines and small blue dots, resembling a circuit board or a data map. To the right, several bright, diagonal streaks of light in shades of blue and white cut across the dark background, adding a sense of motion and high-tech energy. The overall color palette is dominated by greens, yellows, and blues, creating a futuristic and organic aesthetic.

CHAPTER 08

Future Outlook

Forward Looking Statement

The Group enters the coming year with a clear focus on operational excellence, disciplined growth and sustainable value creation. Priorities include improving capacity utilization, strengthening the product mix, expanding exports and enhancing efficiency across the recently established manufacturing platform.

The business outlook remains subject to changes in customer demand, selling prices, raw material and energy costs, exchange rates, financing conditions and the regulatory environment. Management will continue to respond through prudent working capital management, cost control, market diversification and stronger customer and supplier relationships.

Looking ahead, the Group aims to translate its expanded capabilities into consistent performance through better systems, sharper execution and responsible innovation. This direction reflects its progression From Growth to Excellence.

Forward-looking statements reflect the Group's current expectations and are subject to economic, market, operational and regulatory uncertainties. Actual results may therefore differ from those anticipated.

Financial Projections

The Group expects revenue and volumes to benefit from improved utilization of its manufacturing facilities, broader market reach and a growing contribution from value added products. Profitability is expected to improve progressively through operating efficiencies, cost discipline and a more balanced sales mix.

Cash flow management will remain a priority, with continued attention to working capital, financing costs and debt servicing. Future capital expenditure will be selective and directed towards operational efficiency, technology, sustainability and product development.

These projections are based on current assumptions and remain subject to prevailing business and market conditions.

Sources of Information and Assumptions Used for Forecasts

Forecasts are developed through the annual budgeting and business planning process. Key inputs include historical performance, customer demand, order trends, production plans, capacity utilization, product pricing, raw material and energy costs, exchange rates, financing requirements and working capital needs.

Information is obtained from Finance, Commercial, Supply Chain, Operations, Information Technology and other relevant functions. External assumptions consider economic indicators, regulatory developments, industry trends and market intelligence obtained from customers, suppliers and professional advisers.

Management reviews key assumptions and applies sensitivity analysis where appropriate before forecasts are presented through the established governance process.

Company Performance Against Last Year Projections

Performance during the year was broadly aligned with the strategic direction outlined in the previous Annual Report. Improved utilization of recently commissioned capacities, growth in sales and exports and stronger operating discipline supported the Group's consolidated performance.

Efficiency measures and prudent financial management helped reduce cost pressures. However, competitive pricing, fluctuations in input costs and the gradual ramp-up of the BOPET business moderated the pace at which the full benefits of the expanded platform were realized.

Overall, the year strengthened the Group's operating foundation and improved its readiness for the next phase of performance.

Status of Projects

The major manufacturing expansion programme has been commissioned and the relevant facilities are operational. The current focus has shifted from capacity creation to capacity optimization, operating reliability and market development.

Ongoing initiatives include process automation, energy and resource efficiency, information security, business continuity and product development. These initiatives are being implemented in line with operational priorities and expected business benefits.

Future Plans for Technology and AI Adoption

The Group plans to build further on its SAP enabled enterprise platform by improving data integration, management reporting, process automation and real-time visibility across business functions.

Artificial intelligence and advanced analytics will be evaluated through a phased approach in areas such as demand forecasting, production planning, predictive maintenance, quality monitoring and process optimization. Adoption will be guided by clear business needs, reliable data, cybersecurity, privacy safeguards and appropriate human oversight.

Employee capability development will remain an integral part of the digital transformation journey.

Research and Development Initiatives

Research and development activities remain focused on specialty, value added and sustainable films across the BOPP, BOPET and CPP portfolio. Key areas include product formulation, material efficiency, quality enhancement and solutions designed around evolving customer requirements.

New concepts undergo technical assessment, production trials, quality validation and commercial evaluation before introduction. Collaboration with customers, suppliers and technical partners supports the development process and helps translate market needs into practical packaging solutions.

These initiatives support portfolio diversification, resource efficiency and the Group's long-term competitive position.



CHAPTER 09

Stakeholders' Relationship

Stakeholders' Engagement

The Company recognizes that constructive stakeholder engagement supports informed decision-making, responsible governance and sustainable value creation. Regular communication enables the Company to understand stakeholder expectations, identify emerging concerns and strengthen long-term relationships.

Stakeholder Group	Key Engagement Channels	Purpose of Engagement
Shareholders and Investors	General meetings, corporate briefings, financial reports, regulatory announcements, corporate website and direct correspondence.	Financial performance, governance matters, corporate developments and shareholder concerns.
Customers	Regular meetings, technical discussions, product trials and feedback channels.	Customer requirements, product development, quality and service performance.
Suppliers and Service Providers	Commercial discussions, operational coordination and performance reviews.	Supply continuity, quality, service delivery and operational requirements.
Banks and Financial Institutions	Periodic reporting and meetings.	Financial performance, financing arrangements and business requirements.
Government Authorities and Regulators	Statutory filings, regulatory submissions and meetings.	Regulatory compliance, statutory requirements and relevant developments.
Employees	Departmental meetings, training programmes, performance reviews and internal communication channels.	Performance, capability development, workplace matters and organizational priorities.
Communities	Social initiatives and activities relating to education, health, welfare and local employment.	Community development, social impact and local engagement.

Feedback and Governance Linkage

Material feedback received through these engagements is communicated to Management and the relevant Board committees, where appropriate, for consideration and necessary action.



Minority Shareholders

The Company is committed to the equitable treatment and protection of minority shareholders. All shareholders are provided an equal opportunity to participate in general meetings, express their views and seek clarification on matters affecting the Company.

Area	Shareholder Facilitation
Meeting Participation	Shareholders may attend meetings in person or through electronic means, where provided.
Proxy Representation	Shareholders may appoint a proxy in accordance with applicable law.
Voting Rights	Voting rights are exercised in accordance with shareholding and applicable requirements.

Area	Shareholder Facilitation
E-Voting and Postal Ballot	E-voting and postal ballot facilities are provided where applicable.
Meeting Information	Notices of general meetings and related information are circulated within the prescribed time and published through the required regulatory and communication channels.
Queries and Concerns	Minority shareholders may communicate their concerns through the Investor Relations function, Company Secretary or share registrar.

Investor Relations Section

A dedicated Investor Relations section is maintained on the Company's website to provide shareholders and investors with timely access to relevant financial and corporate information.

Investor Information	Available Information / Channel
Financial Information	Annual and interim financial statements and financial highlights.
General Meetings	Notices of general meetings and results of polls.
Statutory Information	Statutory and other prescribed corporate information.
Shareholding Information	Free-float information and other investor-related disclosures.
Material Information	Material information and regulatory announcements are also disseminated simultaneously through the Pakistan Stock Exchange's PUCARS platform in accordance with applicable requirements.
Investor Queries	Investor queries and grievances may be communicated through the designated contact details available on the website.
Share Registration	Share registration and related matters are coordinated with CDC Share Registrar Services Limited, the Company's appointed share registrar.

AGM Proceedings

The 10th Annual General Meeting of the Company was held on October 23, 2025 at 9:30 a.m. at the PSX Auditorium, Pakistan Stock Exchange Building, Karachi. Shareholders were also provided the facility to participate through video conferencing.

Matter	Outcome
Annual Financial Statements	Annual audited financial statements for the year ended June 30, 2025, together with the Directors' and Auditors' Reports, were considered and approved.
External Auditors	A. F. Ferguson & Co., Chartered Accountants were reappointed as external auditors for the year ending June 30, 2026.
Final Cash Dividend	Final cash dividend of 6% approved.
Bonus Shares	Issuance of 5% bonus shares approved.
Election of Directors	Ten directors were elected for a three-year term commencing on October 31, 2025.
Special Business	Special business placed before the meeting was also considered and approved in accordance with the applicable provisions of the Companies Act, 2017.

Matters Raised in the Last AGM

Shareholders were provided an opportunity to raise questions, offer observations and seek clarification on the matters placed before the meeting. The Chairman and management responded to the queries raised during the proceedings.

This direct interaction supported transparency and enabled shareholders to obtain clarification on the Company's performance and the matters considered during the meeting.

CHAPTER 10

Financial Statements

**Unconsolidated Financial Statements
For the Year Ended June 30, 2026**



INDEPENDENT AUDITOR'S REPORT

To the members of International Packaging Films Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of International Packaging Films Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2026, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Mee

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

KARACHI LAHORE ISLAMABAD

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Revenue from contracts with customers <i>(Refer notes 3.13 and 31 to the unconsolidated financial statements)</i> The Company recognised revenue of Rs. 13,347.098 million from sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and allied products. Revenue from sale of goods is recognised at a point in time when control of goods have been transferred to a customer i.e when the performance obligations are met. We considered revenue recognition as a key audit matter as it is an area of significant audit risk as part of the audit process.	Our audit procedures, amongst others, included the following: - assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; - understood and evaluated the accounting policy with respect to revenue recognition; - performed testing of revenue on a sample basis with underlying documentation including sales orders, delivery notes and invoices; - performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority; and - ensured that presentation and disclosures related to revenue are being addressed appropriately in accordance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Mee

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

M.F.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Junaid Mesia.

A.F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 03, 2026

UDIN: AR2026106113W1bjPzFH

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

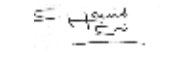
AS AT JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
------(Rupees in '000)-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,335,191	2,367,569
Right-of-use assets	5	16,702	5,366
Intangible assets	6	46,203	53,653
Long-term investments - subsidiaries	7	14,954,000	13,951,215
Long-term loan to subsidiaries	15	-	1,581,104
Long-term loans	8	24,134	32,594
Long-term deposits		74,015	74,265
		17,450,245	18,065,766
CURRENT ASSETS			
Stores, spares and consumables	9	316,175	263,979
Stock-in-trade	10	2,983,876	1,968,924
Trade receivables	11	2,844,026	4,870,537
Loans and advances	12	221,903	150,108
Trade deposits and short-term prepayments	13	41,286	29,410
Other receivables	14	586,894	719,600
Sales tax refundable		-	34,347
Current portion of long-term loan to subsidiary	15	-	549,461
Short-term loan to subsidiary	15	-	62,702
Short-term investments	16	27,000	-
Cash and bank balances	17	343,641	321,812
		7,364,801	8,970,880
		24,815,046	27,036,646
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	18	7,352,100	7,002,000
Capital reserves			
Share premium	19	2,120,622	2,470,722
Reserve for investment in subsidiaries	20	3,259,000	3,259,000
Revenue reserves			
Unappropriated profits		2,990,360	2,111,868
TOTAL SHAREHOLDERS' EQUITY		15,722,082	14,843,590
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	21	1,215,950	1,108,234
Deferred income - government grant	22	4,287	5,180
Deferred taxation - net	23	394,633	385,947
Sindh Infrastructure Development Cess	26.1	195,326	-
Staff retirement benefits	24	330,861	216,111
Lease liabilities	25	11,918	-
		2,152,975	1,715,472
CURRENT LIABILITIES			
Trade and other payables	26	2,027,987	3,316,559
Contract liabilities	27	74,976	88,538
Short-term borrowings - secured	28	3,868,332	6,178,753
Current portion of long-term financing - secured	21	602,267	597,185
Current portion of deferred income - government grant	22	893	893
Current portion of lease liabilities	25	5,002	10,846
Taxation - net	29	337,623	284,810
Sales tax payable		21,206	-
Dividend payable		1,703	-
		6,939,989	10,477,584
		9,092,964	12,193,056
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		24,815,046	27,036,646

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

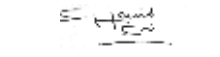
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		------(Rupees in '000)-----	
Revenue from contracts with customers	31	13,347,098	15,564,535
Cost of sales	32	(10,268,950)	(12,876,115)
Gross profit		3,078,148	2,688,420
Selling and distribution expenses	33	(188,672)	(246,966)
Administrative expenses	34	(279,242)	(226,303)
Reversal against loss allowance on trade receivables	11.5	13,445	19,134
Other operating expenses	35	(161,793)	(96,734)
Total operating expenses		(616,262)	(550,869)
Gain on remeasurement Sindh Infrastructure Development Cess - net	26.1.1	194,442	-
Other income	36	344,951	466,240
Operating profit		3,001,279	2,603,791
Finance costs	37	(840,130)	(1,321,059)
Profit before income tax		2,161,149	1,282,732
Income tax	38	(843,785)	(431,737)
Profit for the year after taxation		1,317,364	850,995
		(Restated) ------(Rupees)-----	
Earnings per share - basic and diluted	39	1.79	1.16

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		------(Rupees in '000)-----	
Profit for the year after taxation		1,317,364	850,995
Other comprehensive (loss) / income			
Items that will not be subsequently reclassified to unconsolidated statement of profit or loss			
Remeasurement (loss) / gain on defined benefit plans	24.1.7	(29,765)	1,456
Related deferred tax credit / (charge) for the year		11,013	(568)
		(18,752)	888
Other comprehensive (loss) / income for the year - net of tax		(18,752)	888
Total comprehensive income for the year		1,298,612	851,883

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

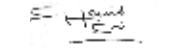
FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Total	
		Share premium	Reserve for investment in subsidiaries	Unappropriated profits	
	----- (Rupees in '000) -----				
Balance as at July 1, 2024	7,002,000	2,470,722	3,259,000	1,259,985	13,991,707
Profit for the year	-	-	-	850,995	850,995
Other comprehensive income for the year	-	-	-	888	888
Total comprehensive income for the year	-	-	-	851,883	851,883
Balance as at June 30, 2025	7,002,000	2,470,722	3,259,000	2,111,868	14,843,590
Profit for the year	-	-	-	1,317,364	1,317,364
Other comprehensive loss for the year	-	-	-	(18,752)	(18,752)
Total comprehensive income for the year	-	-	-	1,298,612	1,298,612
Transactions with owners in their capacity as owners recorded directly in equity distributions					
Final cash dividend for the year ended June 30, 2025 at the rate of Rs. 0.6 per share	-	-	-	(420,120)	(420,120)
Bonus shares issued in the ratio of 5 bonus shares for every 100 shares held - note 18.4	350,100	(350,100)	-	-	-
Balance as at June 30, 2026	7,352,100	2,120,622	3,259,000	2,990,360	15,722,082

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.

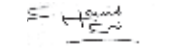

Naveed Godil
Chief Executive Officer


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Syed Haris Salim
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

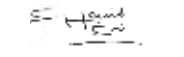
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	3,059,861	569,952
Finance costs paid		(875,228)	(1,351,286)
Staff retirement benefits paid	24.1.5	(15,982)	(14,318)
Income tax and levies paid		(771,273)	(585,603)
Decrease / (Increase) in long-term loans		8,460	(10,332)
Decrease / (Increase) in long-term deposits		250	(21,594)
		(1,653,773)	(1,983,133)
Net cash generated from / (used in) operating activities		1,406,088	(1,413,181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(203,436)	(86,747)
Acquisition of intangible assets	6.1	(900)	(6,727)
Investment in subsidiaries		(1,002,785)	(98,193)
Purchase of short-term investments		(27,000)	-
Return on PLS savings accounts		11,139	8,928
Proceeds from disposal of property, plant and equipment		4,480	368
Amount received against loan to subsidiaries		2,426,795	525,751
Net cash generated from investing activities		1,208,293	343,380
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(12,455)	(10,083)
Dividend paid		(418,417)	-
(Repayments of) / Receipts from short-term borrowings - net		(1,537,855)	408,143
Repayments of long-term financing		(592,284)	(523,600)
Proceeds from long-term financing		700,000	-
Net cash used in financing activities		(1,861,011)	(125,540)
Net increase / (decrease) in cash and cash equivalents during the year		753,370	(1,195,341)
Cash and cash equivalents at beginning of the year		(1,335,530)	(140,189)
Cash and cash equivalents at end of the year	41	(582,160)	(1,335,530)

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. THE COMPANY AND ITS OPERATIONS

International Packaging Films Limited (“the Company”) is a listed company on the Pakistan Stock Exchange Limited (PSX). The Company was originally incorporated as a private limited company on October 2, 2015 in Pakistan under the repealed Companies Ordinance, 1984, and was converted into a public limited company on June 11, 2021. The Company was listed on the Pakistan Stock Exchange Limited on June 3, 2024.

The Company is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and allied products. The Company commenced its commercial operations effective in September 2017.

The geographical locations and addresses of the Company’s business units, including plants are as under:

- The registered office of the Company is situated at Plot No. 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the Company is situated at IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab.

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any. Details of the Company’s investment in subsidiaries are stated in note 7 to these unconsolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgements

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- Property, plant and equipment (notes 3.1 & 4)
- Lease liability and right-of-use assets (notes 3.3, 5 & 25)
- Trade receivables (notes 3.5.2.1 & 11)
- Stores, spares and consumables (notes 3.7 & 9)
- Stock-in-trade (notes 3.8 & 10)
- Taxation (notes 3.9, 29 & 38)
- Staff retirement benefits (notes 3.11 & 24)
- Impairment of financial and non-financial assets (note 3.16)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Amendments to published accounting and reporting standards and interpretation / guidance that became effective during the year

There were certain amendments to accounting and reporting standards that became applicable to the Company during the year. These do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

b) New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2026:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company's management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these unconsolidated financial statements.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except capital work in progress) are stated at cost less accumulated depreciation and impairment losses, if any. The costs of property, plant and equipment include:

- (a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management: and
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditures (including repairs and normal maintenance) are recognised in the unconsolidated statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in note 4.1 to these unconsolidated financial statements and is generally recognised in the unconsolidated statement of profit or loss. Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal. Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the unconsolidated statement of profit or loss.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their acquisition, erection, construction and installation, including salaries and wages directly attributable to capital work-in-progress, determined by the management. Transfers are made to relevant asset category as and when assets are available for intended use.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.2 Intangible assets

Intangible assets are initially recognised at cost less accumulated amortisation and impairment losses, if any. Costs that are directly associated with identifiable software that will have probable economic benefits exceeding one year are recognised as an intangible asset. Costs associated with maintaining software are recognised as an expense as and when incurred.

Amortisation is charged to the unconsolidated statement of profit or loss by applying the straight-line basis whereby the carrying amount of an asset is amortised over its estimated useful life to the Company unless such life is indefinite. Amortisation is charged from the month the asset is available for use, while in case of disposal it is charged up to the month prior to disposal.

The Company accounts for impairment, where indications exist, by reducing asset's carrying amount to the recoverable amount.

3.3 Lease liability and right-of-use assets

The Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Company assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its business activities. The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The Company has various lease agreements for its head office, staff quarters, warehouses and guest houses. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on the unconsolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the unconsolidated statement of profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

3.4 Investments

Investments in subsidiaries

Investments in subsidiaries are initially stated at cost less impairment, if any. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell.

An impairment loss is recognised if the carrying amount exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the unconsolidated statement of profit or loss.

3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in profit or loss.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.5.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade receivables, deposits, advances, other receivables and cash and cash equivalents. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

3.5.2.1 Trade receivables, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off where there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss as detailed in note 11.5 to these unconsolidated financial statements.

3.5.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

3.5.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the of profit or loss.

3.5.3.1 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

3.5.3.2 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the unconsolidated statement of financial position if the Company has a legally enforceable right to offset the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

3.6 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.7 Stores, spares and consumables

These are stated at weighted average cost less provision against slow-moving items, if any. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over net realizable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the unconsolidated statement of profit or loss.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as capital spares under property, plant and equipment.

3.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value (NRV). Cost is determined using weighted average method. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Cost comprises all costs of purchase and other cost incurred in bringing the inventories to their present location and condition.

Stock-in-transit is valued at cost comprising invoice price and charges thereto up to the reporting date.

Provision for obsolescence is made where necessary and recognised in the unconsolidated statement of profit or loss.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Provisions for current taxation is based on taxability of certain income streams of the Company under final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.10 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.11 Staff retirement benefits

3.11.1 Defined benefit plan

The Company operates a defined benefit plan i.e. unapproved and unfunded gratuity scheme for its permanent employees. The gratuity scheme has been introduced with effect from July 1, 2020. The eligible service for the purpose of gratuity benefits shall be calculated from the date of appointment or July 1, 2020 whichever is later.

The Company's obligation under the gratuity scheme is determined through actuarial valuations carried out under the "Projected unit Credit Method". Actuarial valuations are conducted annually, and the latest valuation was conducted at the reporting date, June 30, 2026. Service costs are recognised in profit or loss in the period in which they occur. Net interest on net defined benefit liability is also recognised in profit or loss. Net of tax remeasurement comprising actuarial gain / (loss) is recognised in other comprehensive income.

3.12 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the unconsolidated statement of profit or loss currently.

3.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised.

Revenue from sale of goods is recognised at a point in time when control of goods have been transferred to a customer i.e. when the performance obligations are met. The assessment of transfer of control depends on the contractual terms, which is considered to be transferred when it is delivered by the company at customer's premises in case of local sales. For export sales, the control is transferred when the product is shipped on board and its insurance risk is borne by the customer.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.14 Other income

- Dividend income is recognised when the Company's right to receive such payment is established.
- Interest income on bank deposits and loans are recognised on time proportion basis that takes into account the effective yield.
- Income from scrap sales is recorded on dispatch of scrap to customer.
- Gain / (loss) on sale of property, plant and equipment is recorded when the control is transferred to the customer.

3.15 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the unconsolidated statement of profit or loss over the period of the borrowings using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.16 Impairment

3.16.1 Financial assets

The Company recognises loss allowances for Expected Credit Loss (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition (although in this case the measurement is at 12 month ECLs). Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

The Company considers a financial asset in default when it is more than 365 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for the recovery of amounts due.

3.16.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, stock-in-trade and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 Provisions

A provision is recognised in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. The nature of provision is not stated in the financial statements where such is expected to materially prejudice Company's position, as allowed under the applicable accounting framework.

3.18 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.19 Segment reporting

These unconsolidated financial statements have been prepared on the basis of single operating segment which is consistent with the internal reporting of the Company.

3.20 Dividend and appropriation to / from reserves

Dividend and appropriation to reserves are recognised in the unconsolidated financial statements in the period in which these are approved. Transfer between reserves made subsequent to the unconsolidated statement of financial position date is considered as a non-adjusting event and is recognised in the unconsolidated financial statements in the period in which such transfers are made.

3.21 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit, that is the government grant, is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

	Note	2026	2025
		(Rupees in '000)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	2,144,163	2,230,534
Capital work-in-progress	4.2	49,665	-
Capital Spares		141,363	137,035
		2,335,191	2,367,569

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.1 Operating assets

	Freehold land	Buildings on freehold land	Plant and machinery	Electrical installations	Office equipment	Furniture and fittings	Motor vehicles	Total
(Rupees in '000)								
Year ended June 30, 2026								
Opening net book value	42,999	218,651	1,851,489	1,933	17,280	4,100	94,082	2,230,534
Additions	-	19,876	104,401	-	23,634	245	1,287	149,443
Disposals	-	-	-	-	(6,374)	-	(8,089)	(14,463)
- Cost	-	-	-	-	5,675	-	8,089	13,764
- Accumulated depreciation	-	-	-	-	(699)	-	-	(699)
Depreciation charge - note 4.1.1	-	(17,339)	(158,398)	(1,182)	(13,178)	(2,684)	(42,334)	(235,115)
Closing net book value	42,999	221,188	1,797,492	751	27,037	1,661	53,035	2,144,163
Gross carrying value as at June 30, 2026								
Cost	42,999	255,218	2,095,700	87,883	108,045	22,008	169,681	2,781,534
Accumulated depreciation	-	(34,030)	(298,208)	(87,132)	(81,008)	(20,347)	(116,646)	(637,371)
Net book value	42,999	221,188	1,797,492	751	27,037	1,661	53,035	2,144,163
Year ended June 30, 2025								
Opening net book value	42,999	232,122	1,900,142	5,423	17,772	7,142	113,761	2,319,361
Additions	-	3,220	65,280	-	11,631	-	6,616	86,747
Transfers from capital work-in-progress - note 4.2	-	-	25,877	-	52	-	-	25,929
Disposals	-	-	-	-	(1,442)	-	(736)	(2,178)
- Cost	-	-	-	-	1,442	-	736	2,178
- Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge - note 4.1.1	-	(16,691)	(139,810)	(3,490)	(12,175)	(3,042)	(26,295)	(201,503)
Closing net book value	42,999	218,651	1,851,489	1,933	17,280	4,100	94,082	2,230,534
Gross carrying value as at June 30, 2025								
Cost	42,999	235,342	1,991,299	87,883	90,785	21,763	176,483	2,646,554
Accumulated depreciation	-	(16,691)	(139,810)	(85,950)	(73,505)	(17,663)	(82,401)	(416,020)
Net book value	42,999	218,651	1,851,489	1,933	17,280	4,100	94,082	2,230,534
Depreciation rates per annum (%)	-	5	4 - 25	20	20 - 33	20	15 - 25	

* Items having an aggregate cost of Rs. 182.13 million (2025: Rs. 143.33 million) at the end of the year have been fully depreciated and are still in use of the Company.

	Note	2026	2025
		(Rupees in '000)	
4.1.1 The depreciation charge for the year has been allocated as follows:			
Cost of sales	32	207,235	183,407
Selling and distribution expenses	33	4,883	3,402
Administrative expenses	34	22,997	14,694
		235,115	201,503

4.1.2 Particulars of immovable property (i.e. land and buildings) in the name of the Company are as follows:

Location	Usage of immovable property	Total area	Covered area
		------(acres)-----	
IPAK Plant, Manga Chowk, Raiwind, Bypass Road, Raiwind district, Lahore, Punjab	Manufacturing Plant	6.91	3.59

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.1.3 The carrying amount of property, plant and equipment pledged as security against long-term and short-term financing is disclosed in notes 21 and 28 to these unconsolidated financial statements.

4.2 Capital work-in-progress

	2026				2025			
	As at July 1, 2025	Additions / Adjustments	Transfers	As at June 30, 2026	As at July 1, 2024	Additions / Adjustments	Transfers	As at June 30, 2025
Rupees in '000								
Plant and machinery	-	49,665	-	49,665	25,877	-	(25,877)	-
Office equipment	-	-	-	-	52	-	(52)	-
	-	49,665	-	49,665	25,929	-	(25,929)	-

5. RIGHT-OF-USE ASSETS

	Note	2026	2025
(Rupees in '000)			
Balance at beginning of the year		5,366	12,247
Addition during the year	5.1	17,684	-
Depreciation charge for the year	5.2	(6,348)	(6,881)
Balance at end of the year		16,702	5,366
Depreciation rate (per annum)		33.33%	33.33%

5.1 The Company had lease contracts for the rented premises. In general, the Company was restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Company and the lessors. The Company was bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care. The lease term generally consists of three years.

5.2 The depreciation charge for the year has been allocated as follows:

	Note	2026	2025
(Rupees in '000)			
Cost of sales	32	679	1,013
Selling and distribution expenses	33	-	184
Administrative expenses	34	5,669	5,684
		6,348	6,881

6. INTANGIBLE ASSETS

Operating intangible assets	6.1	46,203	53,653
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6.1 Operating intangible assets

Opening net book value		53,653	54,380
Additions		900	6,727
Amortisation	6.1.2	(8,350)	(7,454)
Closing net book value		46,203	53,653

Gross carrying value as at June 30

Cost		76,133	75,233
Accumulated amortisation		(29,930)	(21,580)

Net book value		46,203	53,653
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Amortisation rate (per annum)		10%	10%
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NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

6.1.1 Intangible assets comprise of computer software.

6.1.2 The amortisation expense for the year has been allocated as follows:

	Note	2026	2025
(Rupees in '000)			
Cost of sales	32	103	100
Administrative expenses	34	8,247	7,354
		8,350	7,454

7. LONG-TERM INVESTMENTS - SUBSIDIARIES

	2026	2025	Note	2026	2025
(Number of shares)					
Un-quoted Companies					
158,800,000	158,800,000	Cast Packaging Films (Private) Limited - subsidiary company, at cost (ordinary shares of Rs. 10 each)	7.1	1,588,000	1,588,000
791,932,525	791,932,525	Global Packaging Films (Private) Limited - subsidiary company, at cost (ordinary shares of Rs. 10 each)	7.2	7,919,325	7,919,325
543,150,000	427,699,987	PETPAK Films (Private) Limited - subsidiary company, at cost (ordinary shares of Rs. 10 each) - advance against future issuance of shares	7.3	5,431,500	4,277,000
		IPAK Connect Packaging Materials Trading - FZCO - subsidiary company, at cost (ordinary share of AED 100,000) - advance against future issuance of shares	7.4	7,588	7,588
				7,587	7,587
				14,954,000	13,951,215

7.1 The Company holds 100% (2025: 100%) ownership interest in Cast Packaging Films (Private) Limited (CPAK). CPAK has its registered office situated at Plot No. 40-L-1, P.E.C.H.S, Block 6, near Jason Trade Centre, Karachi. The principal business activity of this subsidiary is the manufacturing and sale of flexible packaging materials mainly comprising of CPP (Cast Polypropylene) film and its allied products. The book value of CPAK based on the audited financial statements as at June 30, 2026 is Rs. 3,282.65 million (2025: Rs. 2,833.36 million).

7.2 The Company directly holds 84.54% ownership interest in Global Packaging Films (Private) Limited (GPAK) (2025: 84.54%) and indirectly holds a 15.46% ownership interest (2025: 15.46%) through Cast Packaging Films (Private) Limited. GPAK has its registered office situated at Plot No. 40-L-1, P.E.C.H.S, Block 6, near Jason Trade Centre, Karachi. The principal business activity of this subsidiary is the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (biaxially-oriented polypropylene) film and its allied products. The book value of GPAK based on the audited financial statements as at June 30, 2026 is Rs. 11,832.88 million (2025: Rs. 8,784.46 million).

7.3 The Company holds 51.00% (2025: 52.00%) ownership interest in PETPAK Films (Private) Limited (PPAK) and indirectly holds a 10.60% ownership interest (2025: Nil) through Global Packaging Films (Private) Limited. PPAK has its registered office situated at Plot No. 40-L-1, P.E.C.H.S, Block 6, near Jason Trade Centre, Karachi. The principal business activity of this subsidiary is the manufacturing and sale of flexible packaging materials mainly comprising of BO-PET (biaxially-oriented polyethylene terephthalate) film and its allied products. The book value of PPAK based on the audited financial statements as at June 30, 2026 is Rs. 7,775.61 million (2025: Rs. 5,502.78 million). During the year, the Company subscribed to the 5th and 6th right issues of PPAK and the advance against future issuance of shares was adjusted against shares allotted during the year. Consequently, the Company's ownership interest changed from 52.00% to 51.00%.

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7.4 The Company holds 100% (2025: 100%) ownership interest in IPAK Connect Packaging Materials Trading - FZCO (IPAK Connect) which is a wholly owned foreign subsidiary of the Company, incorporated in Dubai, United Arab Emirates under their local laws. The registered office of IPAK Connect is situated at Building A2, Dubai Digital Park, Silicon Oasis, Dubai. Paid-up capital of IPAK Connect is AED 100,000 (2025: AED 100,000) while AED 100,000 are given against future issuance of shares. The book value of IPAK Connect based on the unaudited financial statements as at June 30, 2026 is AED 37,068 (Rs. 2.79 million) [(2025: AED 215,792) (Rs. 16.8 million)].

7.5 The above investments have been made in accordance with the requirements of the Companies Act, 2017.

	Note	2026	2025
8. LONG-TERM LOANS			
Considered good - secured			
Loan to employees		52,031	39,461
Less: Recoverable within one year	12	(27,897)	(6,867)
		24,134	32,594
8.1			
Loans to employees are made under the scheme and are extended to facilitate the purchase of cars or construction of houses with repayment terms ranging between three to five years. These loans are secured against employees' retirement fund balances.			
8.2			
Long term loans include loan provided to key management personnel amounting to Rs. 33 million (2025: Rs. 24.54 million).			
8.3			
These long term loans are non-interest bearing and have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these unconsolidated financial statements.			

	Note	2026	2025
9. STORES, SPARES AND CONSUMABLES			
Lubricants		17,735	9,055
Fuel		7,682	6,924
Spare parts and consumables		290,758	248,000
		316,175	263,979
10. STOCK-IN-TRADE			
Raw material - in hand		1,077,998	474,655
- in transit		723,790	918,656
		1,801,788	1,393,311
Work-in-process		556,076	153,254
Finished goods - in hand		181,573	230,613
- in transit	10.1	388,461	162,235
		570,034	392,848
Packaging materials		55,978	29,511
		2,983,876	1,968,924

10.1 These pertain to finished goods enroute to the port, held at the port for export, and goods dispatched to customers in the southern region.

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	Note	2026	2025
11. TRADE RECEIVABLES			
Considered good - unsecured			
Due from related parties	11.4	961,147	2,123,612
Others		1,237,612	1,750,295
		2,198,759	3,873,907
Considered good - secured			
Due from related parties	11.1	206,525	279,908
Others	11.4	445,598	740,704
		652,123	1,020,612
		2,850,882	4,894,519
Allowance for expected credit losses	11.5	(6,856)	(23,982)
		2,844,026	4,870,537

11.1 These represent trade receivables arising on account of export sales of Rs. 12.78 million (2025: Rs. 169.10 million) which are secured by way of export Letters of Credit and Rs. 639.34 million (2025: Rs. 851.50 million) on account of domestic sales which are secured by way of Inland Letters of Credit.

11.2 Related parties from whom trade receivables are due as at June 30, 2026 are as under:

	2026	2025
IPAK Connect Packaging Materials Trading - FZCO	666,528	1,490,292
PETPAK Films (Private) Limited	19,812	-
Universal Packaging (Private) Limited	358,930	413,688
Universal Coating Films (Private) Limited	101,325	403,131
Saima Packaging (Private) Limited	-	74,004
Universal Films (Private) Limited	21,077	22,405
	1,167,672	2,403,520

11.3 The maximum aggregate amount of receivable outstanding at any time during the year is as follows:

	2026	2025
IPAK Connect Packaging Materials Trading - FZCO	1,169,582	1,490,292
Universal Packaging (Private) Limited	439,325	439,641
Universal Coating Films (Private) Limited	459,918	403,131
Saima Packaging (Private) Limited	-	167,574
Universal Films (Private) Limited	39,771	30,022
PETPAK Films (Private) Limited	19,812	-
Global Packaging Films (Private) Limited	9,299	-

11.4 The age analysis of these related party receivables as at June 30, 2026 is as follows:

	2026	2025
Not yet due	1,071,752	2,376,904
Past due but not yet impaired		
- 1 to 90 days	92,817	26,616
- 91 to 180 days	-	-
- 181 to 365 days	3,103	-
- older than 365 days	-	-
	1,167,672	2,403,520

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	Note	2026	2025
		(Rupees in '000)	
11.5 Allowance for expected credit losses			
Balance at beginning of the year		23,982	43,116
Less: reversal against loss allowance on trade receivables		(13,445)	(19,134)
Less: write-off against provision		(3,681)	-
Balance at end of the year		6,856	23,982
12. LOANS AND ADVANCES			
Advances			
- suppliers		172,276	119,150
- against shipping guarantees / bank guarantee		15,500	17,535
- employees		6,230	6,556
		194,006	143,241
Current portion of long term loans to employees	8	27,897	6,867
		221,903	150,108
13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	13.1	10,803	7,924
Short term prepayments		30,483	21,486
		41,286	29,410
13.1 This includes container deposits amounting to Rs. 9.29 million (2025: Rs. 7.54 million).			
13.2 These trade deposits are non interest bearing.			
14. OTHER RECEIVABLES	Note	2026	2025
		(Rupees in '000)	
Rebate receivable against import		78,535	111,588
Rebate receivable against export		49,190	56,855
Receivable from related parties	14.1	457,124	546,937
Other receivables		2,045	4,220
		586,894	719,600
14.1 This includes receivable from Cast Packaging Films (Private) Limited, Global Packaging Films (Private) Limited and PETPAK Films (Private) Limited amounting to Rs. 108.64 million (2025: Rs. 30.90 million), Rs. 274.89 million (2025: Rs. 452.97 million) and Nil (2025: Rs. 2.3 million) respectively on account of material issued on a returnable basis as loan stock. Additionally, this includes receivable from Cast Packaging Films (Private) Limited, Global Packaging Films (Private) Limited and PETPAK Films (Private) Limited amounting to Nil (2025: Rs. 22.50 million), Rs. 73.59 million (2025: Rs. 21.20 million) and Nil (2025: Rs. 17.10 million) on account of cost sharing agreement.			
15. LOAN TO SUBSIDIARIES	Note	2026	2025
		(Rupees in '000)	
PETPAK Films (Private) Limited	15.1	-	2,130,565
Less: Current portion of loan to subsidiary		-	(549,461)
		-	1,581,104
Global Packaging Films (Private) Limited	15.2	-	62,702
		-	2,193,267

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15.1 This represents an unsecured loan provided to PETPAK Films (Private) Limited to meet its cash flow requirements, carrying an interest rate of 3 months KIBOR + 0.75% per annum. The maximum amount due at the end of any month during the year was Rs. 2,130.57 million (2025: Rs. 2,320.80 million). The principal portion of the loan amount Nil (2025: Rs. 2,108.14 million). This loan falls under general exemptions granted through S.R.O. 1239(I)/2017 read together with section 199 of the Companies Act, 2017.			
15.2 This represented an unsecured interest-free loan provided to Global Packaging Films (Private) Limited to meet its cash flow requirements. The maximum amount due at the end of any month during the year was Rs. 168 million (2025: Rs. 1,260 million).This loan falls under general exemptions granted through S.R.O. 1239(I)/2017 together read with section 199 of the Companies Act, 2017.			
16. SHORT-TERM INVESTMENTS	Note	2026	2025
		(Rupees in '000)	
Islamic			
Investment in Term Deposit Receipts	16.1	27,000	-
16.1 These carry profit which range from 9.00% to 10.50% per annum (2025: Nil) payable at maturity. The term deposit receipts (TDRs) mature within one year and are held under lien against guarantees issued by banks on behalf of the Company.			
17. CASH AND BANK BALANCES	Note	2026	2025
		(Rupees in '000)	
Cash at bank			
Conventional			
Current accounts - local currency	17.1	1,894	-
Savings accounts - local currency		136	149
		2,030	149
Islamic			
Current accounts - local currency	17.1	153,482	81,833
- foreign currency		32,726	39,950
Savings accounts - local currency		155,274	199,740
		341,482	321,523
Cash in hand		129	140
		343,641	321,812
17.1 At June 30, 2026, the rates of mark up / profit on savings accounts range from 6.15% to 10% (2025: from 4.60% to 16.30%) per annum.			

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18. Authorised share capital

2026 (Number of shares)	2025		2026 (Rupees in '000)	2025	
930,000,000	930,000,000	Ordinary shares of Rs. 10 each	9,300,000	9,300,000	
Issued, subscribed and paid-up capital					
2026 (Number of shares)	2025		2026 (Rupees in '000)	2025	
450,168,485	450,168,485	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	4,501,685	4,501,685	
285,041,515	250,031,515	Ordinary shares of Rs. 10 each allotted as bonus shares	2,850,415	2,500,315	
735,210,000	700,200,000		7,352,100	7,002,000	

18.1 Movement in issued, subscribed and paid-up share capital

	Note	2026 (Number of Shares)	2025
Ordinary shares			
Number of shares outstanding as at July 01		700,200,000	700,200,000
Shares issued through bonus issue	18.4	35,010,000	-
Number of shares outstanding as at June 30		735,210,000	700,200,000

- 18.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.
- 18.3 The voting rights, board selection, rights of first refusal and block voting are in proportion to the shareholding of the shareholders.
- 18.4 The Board of Directors in its meeting held on September 18, 2025, recommended the issuance of bonus shares in the proportion of five shares for every one hundred shares held (i.e., 5%). On October 23, 2025, it was approved by the members in Annual General Meeting that the bonus shares will be issued out of the Company's share premium account and shall rank pari passu in all respects with the existing ordinary shares of the Company. The total size of issue is Rs. 350.10 million divided into ordinary 35.01 million shares of Rs. 10 each.

19. SHARE PREMIUM

This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

20. RESERVE FOR INVESTMENT IN SUBSIDIARIES

The Board of Directors of the Company, in its meeting held on September 12, 2023, decided to earmark a sum of Rs. 3,259 million as not available for distribution by way of dividend, on account of a capital reserve named "Reserve for investment in subsidiaries". The said amount was transferred from unappropriated profits to this capital reserve.

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21. LONG-TERM FINANCING - secured

	Note	2026 (Rupees in '000)	2025
Islamic			
SBP's Financing Scheme for Renewable Energy	21.2.1	10,403	11,615
Sale and leaseback under Diminishing Musharakah	21.3.1	1,798,958	1,690,030
Accrued markup		8,856	3,774
		1,818,217	1,705,419
Less: current portion of long-term financing			
SBP's Financing Scheme for Renewable Energy	21.2.1	(2,340)	(2,340)
Sale and leaseback under Diminishing Musharakah	21.3.1	(591,071)	(591,071)
Accrued markup		(8,856)	(3,774)
		(602,267)	(597,185)
		1,215,950	1,108,234

21.1	Facility	Loan type	Repayment terms - Principal	Mark-up		Effective rate (%)	Facility amount	Date of drawdown	Last repayment date
				Payable basis	Rate (per annum)				
	Islamic						(Rupees in '000)		
	SBP's Financing Scheme for Renewable Energy	Term - loan	39 Installments	Quarterly	4%	16.87% to 17.81%	33,000	July 02, 2022	May 13, 2032
	Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	11.56% to 12.01%	11.56% to 12.01%	2,000,000	April 27, 2023	July 06, 2028
	Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	11.52% to 12.78%	11.52% to 12.78%	1,500,000	March 29, 2024	March 30, 2029
	Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	12.09% to 13.13%	12.09% to 13.13%	500,000	August 09, 2023	August 09, 2028
	Sale and leaseback under Diminishing Musharakah	Term - loan	12 Installments	Quarterly	12.63%	12.63%	700,000	June 05, 2026	June 04, 2030

	2026 (Rupees in '000)	2025
21.2 SBP's Financing Scheme for Renewable Energy		
Balance at beginning of the year	11,615	12,744
Interest expense including impact of unwinding	1,727	1,914
Principal and interest payment during the year	(2,939)	(3,043)
Balance at end of the year	10,403	11,615
Current portion	(2,340)	(2,340)
Non-current portion	8,063	9,275

- 21.2.1 This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 33 million (2025: Rs. 33 million) out of which Rs. 22.80 million (2025: Rs. 22.80 million) is utilised which carries profit at the rate of 4% per annum (2025: 4% per annum).

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21.2.2 This facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Title and ownership of asset in the name of joint ownership of Bank and customer in proportion to their investment ratios;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

	2026	2025
	(Rupees in '000)	
Balance at beginning of the year	1,690,030	2,212,500
Disbursements during the year	700,000	-
Interest expense including impact of unwinding	171,030	-
Principal and interest payment during the year	(762,102)	(522,470)
Balance at end of the year	1,798,958	1,690,030
Current portion	(591,071)	(591,071)
Non-current portion	1,207,887	1,098,959

21.3.1 This represents diminishing musharaka arrangements with Bank Al Habib Limited (BAHL) and Allied Bank Limited (ABL). The BAHL facility, amounting to Rs. 4,000 million (2025: Rs. 4,000 million), carries a mark-up of 6-month KIBOR + 1% per annum (2025: 6-month KIBOR + 1% per annum), determined on a semi-annual basis, and was obtained for the sale and leaseback of the BOPP Film Production Line installed at IPAK Plant, Hadbast Mauza Bachoki Mahja, Tehsil Raiwind, District Lahore. The ABL facility, amounting to Rs. 700 million (2025: Nil), carries a mark-up of 3-month KIBOR + 0.40% per annum (2025: Nil), determined on a quarterly basis, and was obtained for the sale and leaseback of specific plant and machinery installed at the same location. The title and ownership of the respective assets are held jointly by the above mentioned Banks and the Company in proportion to their respective investment ratios.

21.3.2 BAHL facility is secured by way of:

- Equity participation equivalent to 10% of cost of Musharakah asset;
- Title and ownership of asset in the name of joint ownership of Bank and customer in proportion to their investment ratios;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 2.76 billion (inclusive of 25% margin);
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of directors for the amount covering aggregate exposure.

ABL facility is secured by way of:

- Registered ranking specific hypothecation charge over Plant, Machinery & Equipment under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 934 million (inclusive of 25% margin);
- Personal guarantees of Mr. Naveed Godil & Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure.

21.4 In relation to above borrowings, the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

	Note	2026	2025
		(Rupees in '000)	
Balance at beginning of the year		6,073	8,066
Less: Government grant recognised in income	36	(893)	(1,993)
Balance at end of the year		5,180	6,073
Less: Current portion of deferred income		(893)	(893)
- Government grant		4,287	5,180

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22.1 This represents the value of benefit of below-market interest rate which has been accounted for as government grant under IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

23. DEFERRED TAXATION - NET

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the unconsolidated statement of financial position as follows:

	2026	2025
	(Rupees in '000)	
Deferred tax liability	517,955	492,319
Deferred tax asset	(123,322)	(106,372)
	394,633	385,947

23.1 Analysis of change in deferred taxation

	Accelerated tax depreciation	Sindh Infrastructure Development Cess	Right-of-use assets	Lease liabilities	Staff retirement benefits	Allowance for expected credit losses	Total
----- Rupees in '000 -----							
Balance at July 1, 2025	490,227	-	2,092	(4,230)	(83,716)	(18,426)	385,947
(Charge) / credit to profit or loss for the year - note 38	(44,216)	71,944	(2,092)	4,230	(24,694)	14,527	19,699
charge to other comprehensive income for the year	-	-	-	-	(11,013)	-	(11,013)
Balance at June 30, 2026	446,011	71,944	-	-	(119,423)	(3,899)	394,633
Balance at July 1, 2024	515,688	-	4,776	(7,026)	(59,707)	(16,815)	436,916
(Charge) / credit to profit or loss for the year - note 38	(25,461)	-	(2,684)	2,796	(24,577)	(1,611)	(51,537)
charge to other comprehensive income for the year	-	-	-	-	568	-	568
Balance at June 30, 2025	490,227	-	2,092	(4,230)	(83,716)	(18,426)	385,947

23.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million would be liable to pay super tax at 10%. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. The rate of super tax has now been fixed at 8% for companies having income in excess of Rs. 500 million through Finance Act, 2026. Accordingly, deferred tax assets and liabilities have been recognised at 37%.

24. STAFF RETIREMENT BENEFITS

24.1 Defined benefit plan

24.1.1 As stated in note 3.11, the Company operates an unapproved and unfunded gratuity scheme for all its permanent employees. The scheme defines an amount of gratuity benefit that an employee will receive upon retirement subject to minimum service requirement under the scheme. Actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2026.

24.1.2 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Demographic risks

- Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

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24.1.3 The latest actuarial valuation of the gratuity scheme as at June 30, 2026 was carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

	Note	2026	2025
		(Rupees in '000)	
24.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation	24.1.5	330,861	216,111
24.1.5 Movement in the present value of defined benefit obligation			
Obligation at beginning of the year		216,111	153,093
Expense chargeable to profit or loss	24.1.6	100,967	78,792
Benefits paid		(15,982)	(14,318)
Remeasurement on obligation	24.1.7	29,765	(1,456)
Obligation at end of the year		330,861	216,111
24.1.6 Expense recognised in the unconsolidated statement of profit or loss			
Current service cost		74,952	57,267
Interest cost		26,015	21,525
		100,967	78,792
24.1.7 Remeasurement recognised in other comprehensive income			
Actuarial loss / (gain) from changes in financial assumptions		16,838	(454)
Experience adjustments		12,927	(1,002)
		29,765	(1,456)
24.1.8 Net recognised liability			
Balance at beginning of the year		216,111	153,093
Expense for the year	24.1.6	100,967	78,792
Benefits paid		(15,982)	(14,318)
Remeasurements recognised in other comprehensive income	24.1.7	29,765	(1,456)
Balance at end of the year		330,861	216,111

	2026	2025
	----- per annum -----	
24.1.9 Actuarial assumptions		
Financial Assumptions		
Discount Rate	11.75%	12.50%
Salary increase rate:		
First year	12.00%	12.00%
Long term	11.25%	11.50%
Demographic Assumptions		
Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Retirement assumption	Age 60 years	Age 60 years

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	2026	2025
	----- Years -----	
24.1.10 Maturity profile of the defined benefit obligation		
Weighted average duration of the defined benefit obligation	9.6	10
	2026	2025
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	57,126	37,318
Two years	24,873	20,158
Three years	30,197	22,435
Four years	38,389	27,229
Five years	33,894	35,185
Six years and onwards	10,190,809	9,204,469

24.1.11 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2026	2025
	(Rupees in '000)	
Discount rate + 1%	(29,121)	(19,238)
Discount rate - 1%	34,424	22,758
Long term salary increases + 1%	34,826	23,184
Long term salary increases - 1%	(29,996)	(19,341)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

24.1.12 The expense in relation to gratuity benefit plan for the year ending June 30, 2027 is expected to be Rs. 117.94 million.

25. LEASE LIABILITIES

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

25.1 Set out below is the carrying amount of lease liabilities and the movements during the year:

	2026	2025
	(Rupees in '000)	
Balance at beginning of the year	10,846	18,635
Additions	17,684	-
Interest expense	845	2,294
Payments	(12,455)	(10,083)
Balance at end of the year	16,920	10,846
Current portion	5,002	10,846
	11,918	-

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25.2 The maturity analysis of lease liabilities is as follows:

	2026			2025		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	----- Rupees in '000 -----					
Less than one year	6,695	1,693	5,002	11,492	646	10,846
Between one and five years	13,224	1,307	11,917	-	-	-
	19,919	3,000	16,919	11,492	646	10,846

25.3 Finance charge ranges between 10.6% to 24.7% per annum has been used for discounting factor.

25.4 Following are the amounts recognised in the unconsolidated statement of profit or loss:

	Note	2026	2025
		(Rupees in '000)	
Depreciation expense of right-of-use assets	5.2	6,348	6,881
Interest expense on lease liabilities	37	845	2,294
		7,193	9,175

26. TRADE AND OTHER PAYABLES

Trade creditors		1,542,636	2,417,824
Accrued liabilities		79,503	145,518
Taxes deducted at source and payable to statutory authorities		24,939	33,587
Sindh Infrastructure Development Cess	26.1	83,522	446,275
Workers' Profit Participation Fund	26.2	46,808	55,108
Workers' Welfare Fund	26.3	44,534	26,766
Payable to related parties	26.4	90,637	-
Others		115,408	191,481
		2,027,987	3,316,559

26.1 The Company has challenged the constitutionality of the Sindh Infrastructure Development Cess (SIDC), imposed on the import value of goods under the Sindh Infrastructure Development Cess Act, 2017. On June 4, 2021, the Sindh High Court (SHC) ruled in favor of the Excise and Taxation Department of Sindh, upholding the validity of the cess and affirming that it falls within the provincial legislature's authority under the Sindh Finance Act, 2017.

The Company then challenged the SHC's decision by filing Civil Petition for Leave to Appeal (CPLA) No. 5605/2021 before the Supreme Court of Pakistan (SCP). The SCP has suspended the SHC's order and directed all petitioners to furnish a 100% bank guarantee for all future consignments. The SCP, through Interim Order No. C.P.L.A. 5605/2021 dated November 10, 2021, has granted a stay order, directing the Company to provide a bank guarantee equivalent to the amount of cess payable under the Act. Subsequently, the matter was transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP).

During the year, the Government of Sindh (GoS) enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (Amended Act). The Company opted to avail the settlement framework under sections 10A to 10F of the Amended Act and signed the agreement with GoS under which 15% of the outstanding liability is payable by July 15, 2026, 15% by October 15, 2026 and 15% by July 15, 2027, and the remaining balance in forty-eight equal quarterly instalments commencing from July 15, 2028. As required under the settlement framework, 1) the Company has withdrawn all pending litigation and waived related claims against the GoS and the previously furnished bank guarantees have been released subsequent to the reporting date and 2) paid the first instalment due on July 15, 2026. Resultantly, thereafter, the reduced rate of 0.85% is applicable on the Company as per the settlement framework.

The Company has re-measured its previously undiscounted liability at its present value using the risk free rate, giving due consideration to the latest available information and the expected timing of the settlement. This resulting gain of Rs. 198.60 million representing the difference between the carrying amount of the liability and the discounted value of the settlement liability has been presented in note 26.1.1 to these unconsolidated financial statements. Thereafter, the liability is measured at amortised cost using the effective interest method.

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	Note	2026	2025
		(Rupees in '000)	
26.1.1 The movement of SIDC is as follows:			
Balance at beginning of the year		446,275	372,265
Charge for the year		110,537	74,010
Remeasurement gain on SIDC		(198,598)	-
Unwinding of remeasurement gain on SIDC		4,156	-
Less: Payments made during the year		(83,522)	-
Balance at end of the year		278,848	446,275
Less: Current portion		(83,522)	(446,275)
Non-current portion		195,326	-

26.2 Workers' Profit Participation Fund

Balance at beginning of the year		55,108	93,569
Charge for the year	35	116,158	68,866
Payments made during the year		(124,458)	(107,327)
Balance at end of the year		46,808	55,108

26.3 Workers' Welfare Fund

Balance at beginning of the year		26,766	35,530
Charge for the year	35	45,635	27,868
Payments made during the year		(27,867)	(36,632)
Balance at end of the year		44,534	26,766

26.4 This represents payable to PETPAK Films (Private) Limited amounting to Rs. 5.10 million (2025: Nil) on account of material received on a returnable basis as loan stock. Additionally, This includes payable to Cast Packaging Films (Private) Limited and PETPAK Films (Private) Limited amounting to Rs. 16.30 million (2025: Nil) and Rs. 69.24 million (2025: Nil) on account of cost sharing agreement.

27. CONTRACT LIABILITIES

27.1 During the year, the Company recognised revenue amounting to Rs. 55.60 million (2025: Rs. 172.08 million) out of the contract liabilities balance outstanding at beginning of the year.

	Note	2026	2025
		(Rupees in '000)	
28. SHORT-TERM BORROWINGS - secured			
Islamic			
Short-term borrowings under Musawammah Facility	28.1	294,000	2,853,505
Short-term borrowings under Tijarah Facility	28.2	1,479,304	1,401,150
Short-term borrowings under Istisna	28.3	200,000	-
Short-term borrowings under Running Musharakah	28.4	925,801	1,657,342
Export Refinance	28.5	250,000	-
Foreign Bill Discounting	28.6	113,964	118,464
FE-25 under Running Musharakah	28.7	497,996	-
Add: Accrued Markup		107,267	148,292
		3,868,332	6,178,753

28.1 This represents Musawammah facility obtained from commercial banks, having limit of Rs. 3,300 million (2025: Rs. 4,800 million) out of which Rs. 3,006 million (2025: Rs. 1,946.5 million) remains unutilised for Musawammah facility at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum (2025: 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum).

28.1.1 This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 4,000 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 750 million;

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		2026	2025
		(Rupees in '000)	
31.	REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of goods - net			
Local		12,431,257	12,860,680
Sales tax		(1,914,073)	(1,998,775)
Sales returns		(11,834)	(26,097)
		10,505,350	10,835,808
Export		2,844,667	4,741,993
Sales returns		(2,919)	(13,266)
		2,841,748	4,728,727
		13,347,098	15,564,535
31.1	DISAGGREGATION OF REVENUE		
In the following table, revenue is disaggregated by primary geographical markets.			
Primary geographical markets:			
Local sales		10,505,350	10,835,808
Export sales			
- Asia		1,303,295	4,174,660
- Europe		664,165	78,536
- Africa		609,556	403,953
- North America		99,697	71,578
- South America		165,035	-
		13,347,098	15,564,535
	Note	2026	2025
		(Rupees in '000)	
32.	COST OF SALES		
Raw materials consumed	32.1	8,450,191	10,056,085
Toll services		-	135,608
Fuel, power and water	32.5	1,085,139	1,034,835
Salaries, wages and other benefits	32.4	438,012	415,080
Packing materials consumed	32.2	309,655	372,450
Depreciation on operating assets	4.1.1	207,235	183,407
Stores and spares consumed	32.3	166,902	168,028
Insurance		41,804	37,942
Repair and maintenance		27,988	30,563
Travelling and conveyance		27,807	31,110
Lubricants consumed		27,694	33,533
Fee for technical services		20,381	17,333
Rent, rates and taxes		9,721	5,565
Postage and communication		5,559	8,762
Inward transportation		5,443	36,685
Quality certifications		1,839	1,720
Clearing agent charges		825	356
Depreciation on right-of-use asset	5.2	679	1,013
Amortisation of intangible assets	6.1.2	103	100
Others		21,981	11,214
		10,848,958	12,581,389

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	Note	2026	2025
		(Rupees in '000)	
Work-in-process			
Opening stock	10	153,254	256,887
Closing stock		(556,076)	(153,254)
		(402,822)	103,633
Cost of goods manufactured		10,446,136	12,685,022
Finished goods			
Opening stock	10	392,848	583,941
Closing stock		(570,034)	(392,848)
		(177,186)	191,093
		10,268,950	12,876,115
32.1	Raw materials consumed		
Opening stock		474,655	598,796
Purchases		8,893,110	10,791,542
Loan stock received / (issued)		160,424	(859,598)
Closing stock	10	(1,077,998)	(474,655)
		8,450,191	10,056,085
32.2	Packaging materials consumed		
Opening stock		29,511	24,706
Purchases		336,122	377,255
Closing stock	10	(55,978)	(29,511)
		309,655	372,450
32.3	Stores and spares consumed		
Opening stock		248,000	254,116
Purchases		209,660	161,912
Closing stock	9	(290,758)	(248,000)
		166,902	168,028
32.4	This includes Rs. 66.37 million (2025: Rs. 62.63 million) in respect of charge for defined benefit plan.		
32.5	This amount includes the Off-the-Grid Captive Power Plant Levy of Rs. 46.14 million (2025: Nil) billed by Sui Northern Gas Pipelines Limited ("SNGPL") pursuant to the Off the Grid (Captive Power Plants) Levy Act, 2025, in respect of the period from February 2025 to November 2025. The Company challenged the applicability and recovery of the levy through constitutional petitions filed before the Lahore High Court. Pursuant to interim orders issued by the Lahore High Court, the Company submitted post-dated cheques in respect of the disputed amounts, and no coercive action was taken against the Company. Subsequently, the Federation of Pakistan, through the Ministry of Energy (Petroleum Division), and other respondents filed a petition for leave to appeal before the Honourable Federal Constitutional Court of Pakistan in relation to the matter. The matter remains sub judice as at June 30, 2026. Notwithstanding the ongoing legal proceedings, the Company has fully recognised the levy billed for the period up to November 2025 in these unconsolidated financial statements. No levy bills were received by the Company for periods subsequent to November 2025.		

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	Note	2026	2025
		(Rupees in '000)	
33. SELLING AND DISTRIBUTION EXPENSES			
Outward expenses		63,188	147,127
Trade promotion		35,334	8,828
Salaries, wages and other benefits	33.1	24,994	22,514
Export Charges		22,614	40,189
Travelling and conveyance		16,134	12,476
Insurance		5,275	1,419
Postage and communication		9,113	5,111
Depreciation on operating assets	4.1.1	4,883	3,402
Rent, rates and taxes		1,391	-
Subscription expenses		892	-
Printing and stationary		414	80
Staff training and development		135	-
Repair and maintenance		10	90
Depreciation on right-of-use asset	5.2	-	184
Others		4,295	5,546
		188,672	246,966

33.1 This includes Rs. 7.58 million (2025: Rs. 5.86 million) in respect of charge for defined benefit plan.

	Note	2026	2025
		(Rupees in '000)	
34. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	34.1	86,694	56,678
Travelling and conveyance		35,057	40,153
Depreciation on operating assets	4.1.1	22,997	14,694
Legal and professional charges		20,942	9,892
License fee		17,566	12,767
Insurance		15,294	13,880
Auditor’s remuneration	34.2	10,494	5,550
Entertainment		9,157	6,507
Amortisation of intangible assets	6.1.2	8,247	7,354
Security expenses		6,784	7,003
Donations	34.3	6,731	1,343
Utilities		5,893	9,854
Rent, rates and taxes		4,676	2,350
Postage and communication		5,508	6,447
Depreciation on right-of-use asset	5.2	5,669	5,684
Printing and stationary		3,892	7,983
Repair and maintenance		2,978	2,077
Subscription expenses		2,416	536
Staff training and development		2,067	3,881
Others		6,180	11,670
		279,242	226,303

34.1 This includes Rs. 25.77 million (2025: Rs. 10.31 million) in respect of charge for defined benefit plan.

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UNCONSOLIDATED FINANCIAL STATEMENTS

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	Note	2026	2025
		(Rupees in '000)	
34.2 Auditors' Remuneration			
Audit services			
Annual audit fees of unconsolidated financial statements		3,019	2,312
Half yearly review of unconsolidated financial statements		1,250	1,188
Annual audit fees of consolidated financial statements		1,250	1,000
Certifications for free float and CDC		237	237
Code of Corporate Governance		443	363
Out of pocket expenses		553	450
		6,752	5,550
Non audit services			
Tax advisory services		3,742	-
		10,494	5,550

34.3 Donations

34.3.1 This includes donations to the following organisations that exceed either 10% of the total amount of donations made or Rs. 1 million, whichever is higher.

	Note	2026	2025
		(Rupees in '000)	
Baitussalam Welfare Trust		1,435	521
Indus Hospital		2,100	-
Patient's Aid Foundation		1,000	-
Dhoraji Youth Services	34.3.2	600	600

34.3.2 Donations include Rs. 0.6 million (2025: Rs. 0.6 million) paid to Dhoraji Youth Services in which Chairman of the Company serves as the President.

	Note	2026	2025
		(Rupees in '000)	
35. OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	26.2	116,158	68,866
Workers' Welfare Fund	26.3	45,635	27,868
		161,793	96,734

36. OTHER INCOME

Income from financial assets

Return on PLS savings accounts		11,139	8,928
Exchange gain - net		3,965	16,337
Profit on short-term investment		838	-
Markup income on loan to subsidiary - PETPAK		233,528	344,153
		249,470	369,418

Income from non-financial assets

Gain on disposal of property, plant and equipment		3,781	368
Scrap sales		44,542	43,296
Export rebate		26,002	48,635
Amortisation of deferred income	22	893	1,993
Others		20,263	2,530
		95,481	96,822
		344,951	466,240

36.1 This includes excess recovery against export related logistic cost amounting to Rs. 16.28 million (2025: Nil)

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	Note	2026 (Rupees in '000)	2025
37. FINANCE COSTS			
Islamic:			
- Mark-up on long-term financing		181,721	365,659
- Mark-up on short-term borrowings		617,987	909,570
		<u>799,708</u>	<u>1,275,229</u>
Interest on lease liabilities		845	2,294
Commission on letter of credit		15,120	19,961
Bank and guarantee charges		24,457	23,575
		<u>840,130</u>	<u>1,321,059</u>
38. INCOME TAX EXPENSE			
Current tax - for the year	38.1	824,608	540,755
- prior year		(522)	(57,481)
Deferred tax	23	19,699	(51,537)
		<u>843,785</u>	<u>431,737</u>
38.1	The returns of income tax have been filed up to and including tax year 2025, which are deemed assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance).		
38.2 Relationship between income tax expense and accounting profit			
		2026	2025
	(Effective tax rate %)	(Rupees in '000)	
Profit before income tax		2,161,149	1,282,732
Tax at the enacted tax rate	(29.00)	(626,733)	(371,992)
Tax effect of:			
Super tax	(9.79)	(211,657)	(136,315)
Income taxed under final tax regime	0.00	-	-
Tax credit on donations	0.09	1,952	-
Others	(0.34)	(7,347)	76,570
Income tax	(39.04)	(843,785)	(431,737)
39. EARNINGS PER SHARE - BASIC AND DILUTED			
	Note	2026	2025
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		1,317,364	850,995
			(Restated)
		2026	2025
		(Numbers)	
Weighted average number of ordinary shares outstanding at end of the year	39.1	735,210,000	735,210,000
		(Rupees)	
Earnings per share - basic and diluted		1.79	1.16

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	Note	2026 (Numbers)	2025
39.1 Weighted average number of ordinary shares			
Issued ordinary shares at beginning of the year		700,200,000	700,200,000
Effect of number of bonus shares issued		35,010,000	35,010,000
		<u>735,210,000</u>	<u>735,210,000</u>
Weighted average number of ordinary shares at end of the year			
39.2	There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2026 and 2025.		
39.3	Basic earnings per share previously reported at Rs. 1.22 in the unconsolidated financial statements for the year ended June 30, 2025 has been restated to Rs. 1.16 due to issuance of bonus shares during the year ended June 30, 2026.		
40. CASH GENERATED FROM OPERATIONS			
Profit before income tax		2,161,149	1,282,732
Adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment	4.1.1	235,115	201,503
Amortisation of intangible assets	6.1.2	8,350	7,454
Depreciation of right-of-use assets	5.2	6,348	6,881
Gain on disposal of property, plant and equipment	36	(3,781)	(368)
Unrealised exchange gain		11,288	6,562
Return on PLS savings accounts	36	(11,139)	(8,928)
Markup income on loan to subsidiary - PETPAK	36	(233,528)	(344,153)
Provision for staff retirement benefits	24.1.6	100,967	78,792
Amortisation of deferred income	36	(893)	(1,993)
Reversal of charge against loss allowance on trade receivables	11.5	(13,445)	(19,134)
Gain on remeasurement SIDC - net		(194,442)	-
Finance cost	37	840,130	1,321,059
		<u>2,906,119</u>	<u>2,530,407</u>
Changes in working capital	40.1	153,742	(1,960,455)
		<u>3,059,861</u>	<u>569,952</u>
40.1 CHANGES IN WORKING CAPITAL			
Decrease / (Increase) in current assets:			
Stores, spares and consumables		(52,196)	(109,611)
Stock-in-trade		(1,014,952)	389,031
Trade receivables		2,039,956	(1,419,605)
Loans and advances		(71,795)	71,228
Trade deposits and short-term prepayments		(11,876)	(14,116)
Other receivables		132,706	(562,524)
Sales tax refundable		-	(73,135)
		<u>1,021,843</u>	<u>(1,718,732)</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		(910,092)	(332,586)
Contract liabilities		(13,562)	90,863
Sales tax payable		55,553	-
		<u>153,742</u>	<u>(1,960,455)</u>

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	Note	2026	2025
		(Rupees in '000)	
41. CASH AND CASH EQUIVALENTS			
Cash and bank balances	17	343,641	321,812
Short-term borrowings under Running Musharakah	28	(925,801)	(1,657,342)
		<u>(582,160)</u>	<u>(1,335,530)</u>

42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executive	
	2026	2025	2026	2025	2026	2025
	(Rupees in '000)					
Managerial remuneration	14,400	14,400	-	-	432,502	343,431
Bonus	1,800	1,200	-	-	48,875	25,649
Retirement benefits	2,471	2,277	-	-	83,974	47,469
Reimbursable expenses	-	-	-	-	11,419	9,509
Other perquisites and benefits	-	-	-	-	55,073	39,906
Directors' fees	-	-	27,240	25,860	-	-
	<u>18,671</u>	<u>17,877</u>	<u>27,240</u>	<u>25,860</u>	<u>631,843</u>	<u>465,964</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>9</u>	<u>81</u>	<u>71</u>

42.1 Chief Executive and certain executives are provided with the use of Company maintained cars and telephone facility, which are reimbursed at actual to the extent of their entitlements as per their terms of employment.

42.2 The Company has cross charged remuneration of its chief executive amounting to Rs. 4.67 million (2025: Rs. 4.47 million) to each to its subsidiaries, namely Global Packaging Films (Private) Limited, Cast Packaging Films (Private) Limited and PETPAK Films (Private) Limited.

42.2.1 The Company has cross charged remuneration of its executives to each of its subsidiaries, namely Global Packaging Films (Private) Limited, Cast Packaging Films (Private) Limited and PETPAK Films (Private) Limited amounting to Rs. 74.60 million (2025: Rs. 125.25 million) , Rs. 50.51 million (2025: Rs. 112.87 million), Rs. 26.38 million (2025: Rs. 105.12 million)

42.3 Fees paid to 9 (2025: 9) non-executive directors were Rs. 27.24 million (2025: Rs. 25.86 million) on account of meetings attended by them.

43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

43.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

43.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2026	2025
		(Rupees in '000)	
Long-term deposits		74,015	74,265
Long-term loans	8	24,134	32,594
Trade receivables	11	2,844,026	4,870,537
Loans and advances	12	49,627	30,958
Trade deposits	13	10,803	7,924
Other receivables	14	586,894	719,600
Loan to subsidiaries	15	-	2,193,267
Short-term investments	16	27,000	-
Bank balances	17	343,512	321,672
		<u>3,960,011</u>	<u>8,250,817</u>

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2026	2025
	(Rupees in '000)	
Domestic	2,183,010	3,104,175
Export	667,872	1,790,344
	<u>2,850,882</u>	<u>4,894,519</u>

43.1.2 Impairment losses

	2026		2025	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not yet Due	2,581,109	262	3,958,983	318
0 - 30 days	117,882	109	650,417	61
31 - 60 days	77,664	349	230,101	5,603
61 - 90 days	36,158	448	10,509	617
91 - 120 days	11,499	415	11,440	1,951
121 - 180 days	2,991	200	17,306	3,919
181 - 270 days	14,479	1040	6,708	3,275
271 - 365 days	4,773	2,086	5,903	5,125
Over 365 days	4,327	1947	3,152	3,113
	<u>2,850,882</u>	<u>6,856</u>	<u>4,894,519</u>	<u>23,982</u>

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Management believes that the unimpaired balances that are past dues are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

43.1.3 Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating	Rating	
	Agency	Short term	Long term
Islamic			
Al Baraka Bank (Pakistan) Limited	VIS	A-1	AA-
Askari Bank Limited	PACRA	A-1+	AA+
Allied Bank Limited	PACRA	A-1+	AAA
Bank Al Habib Limited	PACRA	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AAA
Bankislami Pakistan Limited	PACRA	A-1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Faysal Bank Limited	PACRA	A-1+	AA+
Habib Bank Limited	VIS	A-1+	AAA
Habib Metropolitan SIRAT Bank Limited	PACRA	A-1+	AAA
MCB Islamic Bank Limited.	PACRA	A-1	A+
Meezan Bank Limited	VIS	A-1+	AAA
Standard Chartered Pakistan Limited	PACRA	A-1+	AAA
The Bank Of Punjab	PACRA	A-1+	AAA
UBL Ameen	VIS	A-1+	AAA
Conventional			
MCB Bank Limited	PACRA	A-1+	AAA
JS Bank Limited	PACRA	A-1+	AA

43.1.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company’s performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

43.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	2026					
	Contractual cashflows					
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	----- (Rupees in '000) -----					
Financial liabilities						
Long-term financing	1,818,217	(2,406,845)	(395,339)	(382,914)	(1,628,592)	-
Lease liabilities	16,920	(19,919)	(3,347)	(3,347)	(13,224)	-
Trade and other payables	1,828,184	(1,828,184)	(1,828,184)	-	-	-
Short-term borrowings	3,868,332	(3,868,332)	(3,868,332)	-	-	-
	<u>7,531,653</u>	<u>(8,123,280)</u>	<u>(6,095,202)</u>	<u>(386,261)</u>	<u>(1,641,816)</u>	<u>-</u>
	2025					
	Contractual cashflows					
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	----- (Rupees in '000) -----					
Financial liabilities						
Long-term financing	1,705,419	(2,033,722)	(398,913)	(379,664)	(1,253,356)	(1,789)
Lease liabilities	10,846	(11,492)	(5,665)	(5,827)	-	-
Trade and other payables	2,754,823	(2,754,823)	(2,754,823)	-	-	-
Short-term borrowings	6,178,753	(6,178,753)	(6,178,753)	-	-	-
	<u>10,649,841</u>	<u>(10,978,790)</u>	<u>(9,338,154)</u>	<u>(385,491)</u>	<u>(1,253,356)</u>	<u>(1,789)</u>

43.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up have been disclosed in respective notes to these unconsolidated financial statements.

43.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

43.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

43.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2026					2025				
	Rupees	US Dollars	Euro	AED	GBP	Rupees	US Dollars	Euro	AED	GBP
	(In '000)					(In '000)				
Financial assets										
Bank Balance	32,726	113	4	-	-	39,950	137	3	-	-
Trade debts	667,872	1,252	709	551	176	1,790,345	5,229	812	322	30
Financial liabilities										
Trade and other payables	(1,353,879)	(4,693)	(132)	(27)	-	(933,577)	(3,245)	(37)	-	-
Net exposure	(653,281)	(3,328)	581	524	176	896,718	2,121	778	322	30

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	2026 Buying/Selling	2025 Buying/Selling
US Dollars (USD) to Pakistani Rupee	278.55 / 278.05	283.97 / 283.53
Euro to Pakistani Rupee	317.52 / 316.95	333.13 / 332.62
AED to Pakistani Rupee	75.85 / 75.71	77.32 / 77.21
GBP to Pakistani Rupee	368.64 / 367.98	389.71 / 389.09

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD, GBP, AED and Euro as at June 30 would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for both the years.

	Effect on Unconsolidated statement of profit or loss	
	2026 (Rupees in '000)	2025
As at 30 June		
Effect in USD	52,628	25,469
Effect in Euro	12,546	17,097
Effect in AED	2,640	1,642
Effect in GBP	4,274	771

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

43.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Note	Carrying amount	
		2026 (Rupees in '000)	2025
Fixed rate instruments			
Financial assets	16	27,000	-
Financial liabilities	21 & 28	10,403	11,615
Variable rate instruments			
Financial assets	17	155,410	199,889
Financial liabilities	21 & 28	5,560,023	7,720,491

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and the profit after tax by Rs. 30.03 million (2025: Rs. 41.69 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the unconsolidated statement of profit or loss.

43.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2026			
	Short-term borrowings	Long-term financing	Lease liabilities	Total
	(Rupees in '000)			
Balance as at July 1, 2025	6,178,753	1,705,419	10,846	7,895,018
Changes from financing cash flows				
Repayment of long-term loan	-	(592,284)	-	(592,284)
Proceeds from long-term loan	-	700,000	-	700,000
Change of short-term borrowings	(1,537,855)	-	-	(1,537,855)
Lease liability payments - net	-	-	(12,455)	(12,455)
Total changes from financing activities	(1,537,855)	107,716	(12,455)	(1,442,594)
Other changes				
Interest expense	617,987	181,721	845	800,553
Interest paid	(659,012)	(176,639)	-	(835,651)
Total loan related other changes	(41,025)	5,082	845	(35,098)
Right-of-use assets related changes	-	-	17,684	17,684
Change in Cash and Cash Equivalent	(731,541)	-	-	(731,541)
Balance as at June 30, 2026	3,868,332	1,818,217	16,920	5,703,469

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2025			
	Short-term borrowings	Long-term financing	Lease liabilities	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2024	4,335,872	2,259,877	18,635	6,614,384
Changes from financing cash flows				
Repayment of long-term loan	-	(523,600)	-	(523,600)
Proceeds from long-term loan	-	-	-	-
Changes in short-term borrowings	408,143	-	-	408,143
Lease liability payments	-	-	(10,083)	(10,083)
Total changes from financing activities	408,143	(523,600)	(10,083)	(125,540)
Other changes				
Interest expense	909,570	365,660	2,294	1,277,524
Interest paid	(911,233)	(396,518)	-	(1,307,751)
Total loan related other changes	(1,663)	(30,858)	2,294	(30,227)
Right-of-use assets related changes	-	-	-	-
Change in Cash and Cash Equivalent	1,436,401	-	-	1,436,401
Balance as at June 30, 2025	6,178,753	1,705,419	10,846	7,895,018

43.5 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk as its investments are measured at cost.

43.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the unconsolidated statement of financial position approximate their fair values.

43.7 Financial instruments by categories

Financial assets

	Note	2026	2025
		(Rupees in '000)	
Held at amortised cost			
- Long-term loans	8	24,134	32,594
- Long-term deposits		74,015	74,265
- Trade receivables	11	2,844,026	4,870,537
- Loans and advances	12	49,627	30,958
- Trade deposits	13	10,803	7,924
- Other receivables	14	586,894	719,600
- Loan to subsidiaries	15	-	62,702
- Short-term investments	16	27,000	-
- Cash and bank balances	17	343,641	321,812
		3,960,140	6,120,392

Financial liabilities

Held at amortised cost			
- Long-term financing	21	1,818,217	1,705,419
- Trade and other payables	26	1,828,184	2,754,823
- Short-term borrowings - secured	28	3,868,332	6,178,753
- Lease liabilities	25	16,920	10,846
		7,531,653	10,649,841

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

44. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the unconsolidated statement of financial position plus net debt. The gearing ratio as at June 30, 2026 and June 30, 2025 is as follows:

	Note	2026	2025
		(Rupees in '000)	
Long-term financing	21 & 22	1,823,397	1,711,492
Short-term financing	28	3,868,332	6,178,753
Total debt		5,691,729	7,890,245
Cash and bank balances	17	(343,641)	(321,812)
Net debt		5,348,088	7,568,433
Issued, subscribed and paid up capital	18	7,352,100	7,002,000
Capital reserves	19 & 20	5,379,622	5,729,722
Revenue reserve - unappropriated profit		2,990,360	2,111,868
Equity		15,722,082	14,843,590
Capital		21,070,170	22,412,023
Gearing ratio [Net debt / (Net debt + Equity)]		25.38%	33.77%

45. MEASUREMENT OF FAIR VALUES

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. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

When measuring the fair value of an asset or a liability , the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

For assets and liabilities that are recognised in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash and cash equivalents, other receivables, trade deposits, trade debts, short-term borrowings, trade and other payables and accrued mark-up approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are at market rates.

	Note	2026	2025
(Rupees in '000)			
46. SHARIAH COMPLIANCE STATUS DISCLOSURE			
Unconsolidated statement of financial position - Liability Side			
i) Short-term financing as per Islamic mode	28	3,868,332	6,178,753
ii) Long-term financing as per Islamic mode	21	1,818,217	1,705,419
iii) Mark-up accrued on Islamic loan	21 & 28	116,123	152,066
Unconsolidated statement of financial position - Asset Side			
i) Long term-Investment in subsidiaries	7	14,954,000	13,951,215
ii) Shariah-compliant bank balances	17	341,482	321,523
iii) Term Deposits Receipts - TDR's	16	27,000	-
Unconsolidated Statement of Profit or Loss			
i) Revenue earned from Shariah-compliant business segment	31	13,347,098	15,564,535
ii) Late payments or liquidated damages		-	-
iii) Gain or loss or dividend earned on Shariah compliant investments		-	-
iv) Exchange gain / loss earned from actual currency	36	3,965	16,337
v) Exchange gains earned using conventional derivative financial instruments		-	-
vi) Profit on Shariah-compliant bank deposits	36	11,129	8,928
vii) Profit paid on Islamic mode of financing	37	835,651	1,275,229
viii) Interest earned on any conventional loan or advance		233,528	344,153
Break-up of Other income into Shariah - compliant and non-compliant income			
	Note	2026	2025
(Rupees in '000)			
Shariah compliant Income			
- Sale of general scrap	36	44,542	43,296
- Export rebate	36	26,002	48,635
- Gain on disposal of Property, plant and equipment	36	3,781	368
- Profit on short-term investment		838	-
- Others	36	20,263	2,530
Shariah non-compliant income			
- Government grant	36	893	1,993
- Profit on Conventional bank deposits	36	10	-

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

46.1 Relationship with Shariah-compliant financial institutions

Islamic banks

Name	Relationship
Al Baraka Bank (Pakistan) Limited	Funded & Non Funded Facilities
Askari Bank Limited	Funded & Non Funded Facilities
Allied Bank Limited	Funded
Bank Al Habib Limited	Funded & Non Funded Facilities
Bank Alfalah Limited	Funded & Non Funded Facilities
Dubai Islamic Bank Pakistan Limited	Funded & Non Funded Facilities
Habib Bank Limited	Funded & Non Funded Facilities
Habib Metropolitan SIRAT Bank Limited	Non Funded
MCB Islamic Bank Limited	Funded & Non Funded Facilities
Meezan Bank Limited	Funded & Non Funded Facilities
The Bank Of Punjab	Funded & Non Funded Facilities
UBL Ameen	Funded & Non Funded Facilities

47. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the subsidiary companies, associated undertakings, directors of the Company and key management personnel. The Company continues to follow a policy whereby transactions with related parties are entered into at commercial terms and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

47.1 Transactions with related parties	2026	2025
(Rupees in '000)		
Subsidiary companies		
Sales including toll manufacturing	2,897,097	3,341,013
Receipts against sales	3,693,624	1,886,067
Advance paid against future issue of shares	-	436,440
Purchases	5,249	203,984
Payment against purchases	174,739	32,428
Loan stock received	2,517,838	3,255,014
Loan stock issued	2,625,596	4,114,612
Loan issued	-	62,702
Receipts against loan	2,193,267	54,067
Markup income on loan issue	233,528	344,153
Receipts against markup income on loan issue	256,193	534,384
Expenses incurred on behalf of subsidiary company	813,074	-
Expenses incurred by subsidiary behalf of the company	76,625	-
Associated companies		
Sales	1,313,715	1,910,001
Receipts against sales	1,671,607	1,472,868
Purchase	-	14,037
Payment against purchases	-	1,083
Donations	-	521
Key management personnel		
Remuneration	168,600	152,449
Non-executive directors		
Directors' fee	27,240	25,860

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

47.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year.

Name of the Related Party	Relationship and percentage of shareholding
Cast Packaging Films (Private) Limited	Wholly owned subsidiary company
Universal Coating Films (Private) Limited	Associated company by virtue of common directorship
PETPAK Films (Private) Limited	Subsidiary company - 51% (2025: 52%) shareholding
Global Packaging Films (Private) Limited	Subsidiary company - 84.54% (2025: 84.54%) shareholding
IPAK Connect Packaging Materials Trading FZCO	Wholly owned subsidiary company
Universal Packaging Company (Private) Limited	Associated company by virtue of common directorship
Saima Packaging Company (Private) Limited	Associated company by virtue of common directorship
Sunridge Foods (Private) Limited	Associated company by virtue of common directorship
Universal Films (Private) Limited	Associated company by virtue of common directorship

47.3 Outstanding balances with related parties have been separately disclosed in trade and other payables. These are settled in ordinary course of business.

	2026	2025
	----- (Tons) -----	
48. PLANT CAPACITY AND ACTUAL PRODUCTION		
Designed annual capacity	41,360	41,360
Actual production	24,186	27,521

48.1 Production of films during the year is based on market demand.

49. OPERATING SEGMENT

49.1 These unconsolidated financial statements have been prepared on the basis of a single operating segment.

49.2 Revenue from the sale of BOPP films represents 100% (2025: 100%) of the total revenue.

49.3 Geographic Information

The Company's 78.71% (2025: 69.62%) of the sales of BOPP films are domestic sales whereas 21.29% (2025: 30.38%) of the sales are export / foreign sales.

The Company's net revenue from external customers by geographical location is disclosed in note 31.1.

All non-current assets of the Company are located in Pakistan as at June 30, 2026 with an exception of its investment in IPAK Connect Packaging Materials Trading - FZCO which is domiciled in Dubai, United Arab Emirates as disclosed in note 7.4.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

49.4 Revenue from major customer

Revenue from major customers individually accounting for more than 10% of the revenue from sale of BOPP films was Rs. 2,561.3 million (2025: 3,076.1 million).

50. NUMBER OF EMPLOYEES

The details of number of employees are as follows:

	2026	2025
	(Number)	
Number of employees at June 30		
- Permanent	348	337
- Contractual	123	107
	471	444
Average number of employees during the year		
- Permanent	343	316
- Contractual	115	104
	458	420

51. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in its meeting held on September 10, 2026 has proposed a final cash dividend of Rs.2 per share (2025: Rs. 0.6) amounting to Rs 1,470.42 million (2025: Rs. 420 million) along with bonus issue of Nil (2025: 5 percent) for approval of the members at the annual general meeting to be held on October 26, 2026. These unconsolidated financial statements for the year ended June 30, 2026 do not include the effect of the proposed final cash dividend and bonus issue which will be accounted in the year ending June 30, 2027.

52. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with the requirements of accounting and reporting standards applicable. The material reclassification made during the year is as follows:

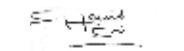
Description	Reclassified		For the year ended
	From	To	June 30, 2025
			(Rupees ' 000)
Salaries, wages and benefits	Cost of Sales	Administrative Expenses	136,229
Salaries, wages and benefits	Cost of Sales	Distribution Expenses	64,807
Other payables	Contract liabilities	Trade and Other payables	174,401
Capital spares	Stores and Spares	Property, Plant and Equipment	137,035

53. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue by the Board of Directors on September 10, 2026.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

Consolidated Financial Statements For the Year Ended June 30, 2026



INDEPENDENT AUDITOR'S REPORT

To the members of International Packaging Films Limited

Opinion

We have audited the annexed consolidated financial statements of International Packaging Films Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	Revenue from contracts with customers (Refer notes 3.13 and 29 to the consolidated financial statements)	Our audit procedures, amongst others, included the following:
	The Group recognised revenue of Rs. 42,167.146 million from sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented polypropylene), CPP (Cast polypropylene), BOPET (Biaxially-oriented polyethylene terephthalate) films and allied products. Revenue from sale of goods is recognised at a point in time when control of goods have been transferred to a customer i.e when the performance obligations are met. We considered revenue recognition as a key audit matter as it is an area of significant audit risk as part of the audit process.	- assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; - understood and evaluated the accounting policy with respect to revenue recognition; - performed testing of revenue on a sample basis with underlying documentation including sales orders, delivery notes and invoices; - performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; - verified that sales prices are negotiated and approved by appropriate authority; and - ensured that presentation and disclosures related to revenue are being addressed appropriately in accordance with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Junaid Mesia.

A. F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: October 03, 2026

UDIN: AR202610611WX1ueDGQf

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

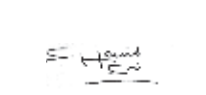
AS AT JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
------(Rupees in '000)-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	26,812,795	27,230,856
Right-of-use assets	5	26,467	5,366
Intangible assets	6	49,719	55,134
Long-term loans	7	24,134	32,594
Long-term deposits		129,471	125,953
		27,042,586	27,449,903
CURRENT ASSETS			
Stores, spares and consumables	8	537,691	383,319
Stock-in-trade	9	7,263,176	5,137,931
Trade receivables	10	9,559,541	7,761,859
Loans and advances	11	504,004	841,890
Trade deposits and short-term prepayments	12	113,322	82,032
Other receivables	13	396,838	288,752
Taxation - net	27	320,781	213,477
Sales tax refundable		479,713	694,242
Short-term investments	14	52,000	-
Cash and bank balances	15	943,839	770,968
		20,170,905	16,174,470
		47,213,491	43,624,373
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	16	7,352,100	7,002,000
Capital reserves			
Share premium	17	2,120,622	2,470,722
Reserve for investment in subsidiaries	18	3,259,000	3,259,000
Revenue reserves			
Unappropriated profits / accumulated losses		5,405,110	1,170,660
Exchange translation reserves		340	621
TOTAL SHAREHOLDERS' EQUITY		18,137,172	13,903,003
Non-controlling interest		2,985,990	2,568,515
		21,123,162	16,471,518
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	19	4,110,343	4,127,171
Deferred income - government grant	20	507,140	643,605
Deferred taxation - net	21	3,373,806	2,933,625
Staff retirement benefits	22	409,701	265,895
Lease liabilities	23	20,498	-
Sindh Infrastructure Development Cess	24.1.1	358,006	-
		8,779,494	7,970,296
CURRENT LIABILITIES			
Trade and other payables	24	7,318,697	8,216,122
Contract liabilities	25	168,459	167,199
Short-term borrowings - secured	26	8,252,505	9,384,868
Current portion of long-term financing - secured	19	1,436,412	1,276,893
Current portion of deferred income - government grant	20	126,631	126,631
Current portion of lease liabilities	23	6,428	10,846
Dividend payable		1,703	-
		17,310,835	19,182,559
		26,090,329	27,152,855
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		47,213,491	43,624,373

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

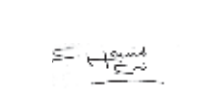
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		------(Rupees in '000)-----	
Revenue from contracts with customers	29	42,167,146	34,368,825
Cost of sales	30	(32,778,704)	(29,374,656)
Gross profit		9,388,442	4,994,169
Selling and distribution expenses	31	(803,483)	(757,365)
Administrative expenses	32	(820,186)	(669,515)
(Charge) / Reversal of loss allowance on trade receivable	10.5	(1,771)	13,855
Other operating expenses	33	(418,561)	(167,510)
Gain on remeasurement Sindh Infrastructure Development Cess - net	24.1.1	355,722	-
Other income	34	441,154	411,124
Operating profit		8,141,317	3,824,758
Finance costs	35	(1,863,901)	(2,219,003)
Profit before income tax		6,277,416	1,605,755
Income tax	36	(1,325,332)	(941,709)
Profit for the year after taxation		4,952,084	664,046
Profit / (loss) attributable to:			
- Owners of Holding Company		4,951,516	1,202,416
- Non-controlling interest (NCI)		568	(538,370)
		4,952,084	664,046
		------(Rupees)-----	
			(Restated)
Earnings per share - basic and diluted	37	6.73	1.64

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 ------(Rupees in '000)-----	(Restated) 2025
Profit for the year after taxation		4,952,084	664,046
Other comprehensive income			
Items that will not be subsequently reclassified to consolidated statement of profit or loss			
Remeasurement (loss) / gain on defined benefit plans	22.1.7	(33,129)	2,347
Related deferred tax credit / (charge) for the year		11,490	(572)
		(21,639)	1,775
Items that will be subsequently reclassified to consolidated statement of profit or loss			
Foreign operations - foreign currency translation difference		(281)	376
Other comprehensive (loss) / income for the year - net of tax		(21,920)	2,151
Total comprehensive income for the year		4,930,164	666,197
Total comprehensive income / (loss) attributable to:			
- Owners of Holding Company		4,930,192	1,203,958
- Non-controlling interest (NCI)		(28)	(537,761)
		4,930,164	666,197

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

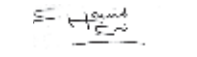
FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Non-controlling interest	Total
		Share premium	Reserve for investment in subsidiaries	Unappropriated profits / accumulated loss	Exchange translation reserves		
	----- (Rupees in '000) -----						
Balance as at July 1, 2024	7,002,000	2,470,722	3,259,000	(32,922)	245	2,843,447	15,542,492
Profit / (Loss) for the year	-	-	-	1,202,416	-	(538,370)	664,046
Other comprehensive profit/(loss) for the year	-	-	-	1,166	376	609	2,151
Total comprehensive (loss) / income for the year	-	-	-	1,203,582	376	(537,761)	666,197
Advance against future issuance of shares - PETPAK Films (Private) Limited	-	-	-	-	-	262,829	262,829
Balance as at June 30, 2025	7,002,000	2,470,722	3,259,000	1,170,660	621	2,568,515	16,471,518
Profit for the year	-	-	-	4,951,516	-	568	4,952,084
Other comprehensive (loss) for the year	-	-	-	(21,043)	(281)	(596)	(21,920)
Total comprehensive income / (loss) for the year	-	-	-	4,930,473	(281)	(28)	4,930,164
Transaction with owners:							
Final cash dividend for the year ended June 30, 2025 at the rate of Rs. 0.6 per share	-	-	-	(420,120)	-	-	(420,120)
Advance against future issuance of shares - PETPAK Films (Private) Limited	-	-	-	-	-	141,600	141,600
Right issue of subsidiaries to non-controlling interest	-	-	-	(275,903)	-	275,903	-
Bonus shares issued in the ratio of 5 bonus shares for every 100 shares held	350,100	(350,100)	-	-	-	-	-
Balance as at June 30, 2026	7,352,100	2,120,622	3,259,000	5,405,110	340	2,985,990	21,123,162

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

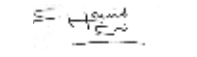

Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer


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Syed Haris Salim
Chief Financial Officer

CONSOLIDATED STATEMENT OF
CASH FLOWS

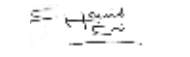
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	5,216,656	1,398,204
Finance costs paid		(2,011,658)	(2,153,314)
Staff retirement benefits paid		(26,112)	(19,460)
Income tax and levies paid		(980,965)	(798,811)
Decrease / (Increase) in long-term loans		8,460	(10,332)
Increase in long-term deposits		(3,518)	(21,594)
		(3,013,793)	(3,003,511)
Net cash generated from / (used in) operating activities		2,202,863	(1,605,307)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(883,294)	(872,707)
Payment for acquisition of intangible assets		(3,547)	(7,567)
Purchase of short-term investments		(52,000)	-
Return on PLS savings accounts		35,541	28,711
Proceeds from disposal of property, plant and equipment		4,479	368
Net cash used in investing activities		(898,821)	(851,195)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(13,500)	(10,083)
Receipt of short-term borrowings - net		24,021	1,474,286
Dividend paid		(418,417)	-
Suppliers credit		-	(2,235,642)
Receipt against issue of shares to non-controlling interest		141,600	262,829
Proceeds from long-term financing		3,200,000	1,453,385
Transaction cost		(22,000)	-
Repayment of long-term financing		(2,942,211)	-
		(30,507)	944,775
Net cash (used in) / generated from financing activities		(30,507)	944,775
Net increase / (decrease) in cash and cash equivalents		1,273,535	(1,511,728)
Cash and cash equivalents at beginning of the year		(1,486,374)	24,977
Effects of exchange rate changes in cash and cash equivalents		(281)	376
Cash and cash equivalents at end of the year	39	(213,120)	(1,486,374)

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. THE GROUP AND ITS OPERATIONS

1.1 The Holding Company was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on October 2, 2015. On June 11, 2021, the Holding Company's status was converted into a public limited company, and it was subsequently listed on the Pakistan Stock Exchange Limited on June 3, 2024. The Holding Company is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and allied products. It commenced its commercial operations effective in September 2017.

The geographical locations and addresses of the Holding Company's business units, including plants are as under:

- The registered office of the Company is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the Holding Company is situated at IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab.

1.2 The Group consists:

Holding Company: International Packaging Films Limited

Subsidiary Companies: Companies in which the Holding Company owns over 50% of voting rights directly or through its subsidiary , or companies directly controlled by the Holding Company.

	Percentage of direct shareholding %	
	2026	2025
- Cast Packaging Films (Private)Limited - note 1.2.1	100	100
- IPAK Connect Packaging Materials Trading - FZCO - note 1.2.2	100	100
- Global Packaging Films (Private) Limited - note 1.2.3	100	100
- PETPAK Films (Private) Limited - note 1.2.4	61.6	52

1.2.1 Cast Packaging Films (Private) Limited

Cast Packaging Films (Private) Limited (CPAK) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on April 01, 2020. It is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of CPP (Cast Polypropylene) film and its allied products. It commenced its commercial operations effective in April 2021.

The geographical locations and addresses of the CPAK business units, including plants are as under:

- The registered office of the CPAK is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the CPAK is situated at Kharsa No. 557 and 563, Qita No. 7 and 13, 3.5 KM, Manga Bypass Road, Raiwind, Lahore.

1.2.2 IPAK Connect Packaging Materials Trading - FZCO

IPAK Connect Packaging Materials Trading - FZCO was incorporated in Dubai Economic Integrated Zones, Dubai, United Arab Emirates on January 10, 2024. It is principally engaged in the trading of packing and packaging materials, equipment and containers trading under the license no. 40083. Its registered office and sales office is situated at Building A2, Dubai Digital Park, Silicon Oasis, Dubai.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1.2.3 Global Packaging Films (Private) Limited

Global Packaging Films (Private) Limited (GPAK) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on January 15, 2021. It is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and its allied products. It commenced its commercial operations effective in June 2024.

The geographical locations and addresses of the Subsidiary Company's business units, including plants are as under:

- The registered office of the GPAK is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the GPAK is situated at Plot No. 5D - 9D, Quaid-e-Azam Business Park, Sheikhpura, Punjab.

1.2.4 PETPAK Films (Private) Limited

PETPAK Films (Private) Limited (PETPAK) is incorporated in Pakistan as a private limited company under the Companies Act, 2017 on September 21, 2020. The Company is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BO-PET (biaxially-oriented polyethylene terephthalate) films and allied products of PET Packaging. It commenced its commercial operations effective in February 2024.

The geographical locations and addresses of the PETPAK business units, including plants are as under:

- The registered office of the Petpak is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the PETPAK is situated at Plot No. 1D - 4D, Quaid-e-Azam Business Park, Sheikhpura, Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 prevail.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

2.4 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant & equipment (notes 3.1 & 4)
- Lease liability and right-of-use assets (notes 3.3, 5 & 23)
- Trade receivables (notes 3.4.2.1 & 10)
- Stores, spares & consumables (notes 3.6 & 8)
- Stock-in-trade (notes 3.7 & 9)
- Taxation (notes 3.8, 27 & 36)
- Staff retirement benefits (notes 3.11 & 22)
- Impairment of financial & non-financial assets (notes 3.16)

2.5 Initial application of a Standard, Amendment or an Interpretation to an existing standard

a) Amendments to published accounting and reporting standards and interpretation / guidance that became effective during the year

There were certain amendments to accounting and reporting standards that became applicable to the Group during the year. These do not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

b) New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company

There are certain new standards and amendments that will be applicable to the Group for its annual periods beginning on or after July 1, 2026:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Holding Company's management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on July 01, 2025. Such standards and amendments are not expected to have any significant impact in the Group's financial reporting and, therefore, have not been presented in these consolidated financial statements.

2.6 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include International Packaging Films Limited (the Holding Company) and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Subsidiaries have same reporting period as that of the Group. The accounting policies of subsidiaries have been changed to conform with accounting policies of the Group, wherever needed.

Where the ownership of a subsidiary is less than 100% and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment (except capital work in process) is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the group entities and the cost of such item can be measured reliably. Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment (except freehold land, buildings on freehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at revalued amount, whereas buildings on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment loss, if any. The costs of property, plant and equipment include:

- (a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- (b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- (c) Borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a significant component of an item of plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other expenditures (including repairs and normal maintenance) are recognised in the consolidated statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on all items except for land is charged on straight line method at the rates specified in note 4.1 to the consolidated financial statements and is generally recognised in the consolidated statement of profit or loss. Depreciation on addition is charged from the month the asset is available for use up to the month prior to disposal. Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the consolidated statement of profit or loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to unappropriated profits.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their acquisition, erection, construction and installation, including salaries and wages directly attributable to capital work-in-progress, determined by the management. Transfers are made to relevant asset category as and when assets are available for intended use.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.2 Intangible assets

Intangible assets are initially recognised at cost less accumulated amortisation and impairment losses, if any. Costs that are directly associated with identifiable software product controlled by the Group and have probable economic benefits beyond one year are recognised as intangible asset. Costs associated with maintaining software are recognised as an expense as and when incurred.

The Group accounts for impairment, where indications exist, by reducing asset's carrying amount to the recoverable amount.

3.3 Lease liability and right-of-use assets

The Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Group assesses whether a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group mainly leases properties for its business activities. The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Dismantling costs and restoration costs.

The Group has various lease agreements for its head office, warehouses, staff quarters and guest houses which were previously classified by the Group based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on the consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group has not elected to recognise right-of-use assets and lease liabilities for short-term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to consolidated profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in consolidated other comprehensive income and are never reclassified to consolidated profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in consolidated profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in consolidated profit or loss.

3.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Non derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and include trade receivables, deposits, advances, other receivables and cash and cash equivalents. The Group derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.4.2.1 Trade receivables, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off where there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

3.4.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings.

3.4.3 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the consolidated statement of profit or loss.

3.4.3.1 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

3.4.3.2 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the consolidated statement of financial position if the Group has a legally enforceable right to offset the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

3.5 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.6 Stores, spares and consumables

These are stated at weighted average cost less provision against slow-moving items, if any. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over net realisable value. Provision is made for obsolete and slow moving items where necessary and is recognised in the consolidated statement of profit or loss.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as capital spares under property, plant and equipment.

3.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value (NRV). Cost is determined using weighted average method. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Cost comprises all costs of purchase and other cost incurred in bringing the inventories to their present location and condition.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Stock-in-transit is valued at cost comprising invoice price and charges thereto up to the reporting date.

Provision for obsolescence is made where necessary and recognised in the consolidated statement of profit or loss.

3.8 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Group, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Group under final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and tax rebates available, if any.

Deferred tax

Deferred tax is recognised using balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Further, the Group also recognises deferred tax liability on the surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

3.9 Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the consolidated statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

Tax on dividend from subsidiaries, associates and joint ventures are not considered as levy as these dividends are specifically covered by IAS 12.

3.10 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.11 Staff retirement benefits

3.11.1 Defined benefit plan

The Group operate a defined benefit plan i.e. unapproved and unfunded gratuity scheme for its permanent employees. The eligible service for the purpose of gratuity benefits shall be calculated from the date of appointment or date of introduction of scheme whichever is later.

The obligation of Group under the gratuity scheme is determined through actuarial valuations carried out under the "Projected unit Credit Method". Actuarial valuations are conducted annually, and the latest valuation was conducted at the reporting date, June 30, 2026. Service costs are recognised in the consolidated statement of profit or loss in the period in which they occur. Net interest on net defined benefit liability is also recognised in the consolidated statement of profit or loss. Net of tax remeasurement comprising actuarial gain / (loss) is recognised in the consolidated statement of comprehensive income.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.12 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the consolidated statement of profit or loss currently. The exchange gain on export receivable is restricted as per foreign exchange circulars issued by State Bank of Pakistan.

3.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Group has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised.

Revenue from sale of goods is recognised at a point in time when control of goods have been transferred to a customer i.e. when the performance obligations are met. The assessment of transfer of control depends on the contractual terms, which is considered to be transferred when it is delivered by the company at customer’s premises in case of local sales. For export sales, the control is transferred when the product is shipped on board and its insurance risk is borne by the customer.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

3.14 Other income

- Dividend income is recognised when the Group's right to receive such payment is established.
- Interest income on bank deposits and loans are recognised on time proportion basis that takes into account the effective yield.
- Income from scrap sales is recorded on dispatch of scrap to customer.
- Gain / (loss) on sale of property, plant and equipment is recorded when the control is transferred to the customer.

3.15 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

3.16 Impairment

3.16.1 Financial assets

The Group recognises loss allowances for Expected Credit Loss (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition (although in this case the measurement is at 12 month ECLs). Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The Group considers a financial asset in default when it is more than 365 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for the recovery of amounts due.

3.16.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, stock-in-trade and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. The nature of provision is not stated in the financial statements where such is expected to materially prejudice Group's position, as allowed under the applicable accounting framework.

3.18 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.19 Segment reporting

These consolidated financial statements have been prepared on the basis of single reportable segment which is consistent with the internal reporting of the Group.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.20 Dividend and appropriation to / from reserves

Dividend and appropriation to reserves are recognised in the consolidated financial statements in the period in which these are approved. Transfer between reserves made subsequent to the consolidated statement of financial position date is considered as a non-adjusting event and is recognised in the consolidated financial statements in the period in which such transfers are made.

3.21 Government grants

Government grants are transfers of resources to an group entity by a government entity in return for compliance with certain past or future conditions related to the group entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit, that is the government grant, is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.22 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Holding Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

	Note	2026	2025
		(Rupees in '000)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	26,343,073	26,028,372
Capital work-in-progress	4.2	263,355	1,044,225
Capital spares		206,367	158,259
		26,812,795	27,230,856

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4.1 Operating assets

	Freehold land	Buildings on freehold land	Plant and machinery	Electrical installations	Office equipment	Furniture and fittings	Motor vehicles	Total
(Rupees in '000)								
Year ended June 30, 2026	-	-	-	-	-	-	-	-
Opening net book value	1,144,796	3,017,402	21,305,991	272,493	109,919	24,176	153,595	26,028,372
Additions	6,517	196,180	310,674	14,717	43,400	7,497	5,553	584,538
Transfers from capital work-in-progress - note 4.2	-	101,326	797,784	122,194	10,214	-	-	1,031,518
Disposals - note 4.1.4	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	(6,602)	-	(8,089)	(14,691)
- Accumulated depreciation	-	-	-	-	5,857	-	8,089	13,946
Depreciation charge - note 4.1.1	-	(139,557)	(1,041,680)	(24,217)	(745)	-	-	(745)
Closing net book value	1,151,313	3,175,351	21,372,769	385,187	128,937	22,874	106,642	26,343,073
Gross carrying value as at June 30, 2026	1,151,313	3,454,393	23,714,894	527,657	247,957	60,351	249,336	29,405,901
Cost / revalued amount	-	(279,042)	(2,342,125)	(142,470)	(119,020)	(37,477)	(142,694)	(3,062,828)
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book value	1,151,313	3,175,351	21,372,769	385,187	128,937	22,874	106,642	26,343,073
Year ended June 30, 2025	-	-	-	-	-	-	-	-
Opening net book value	1,144,796	2,240,442	20,330,468	71,596	84,262	31,332	141,316	24,044,212
Additions	-	83,225	191,544	33,668	27,024	1,320	46,864	383,645
Transfers from capital work-in-progress - note 4.2	-	798,568	1,713,386	183,342	23,645	169	-	2,719,110
Disposals	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	(1,442)	-	(736)	(2,178)
- Accumulated depreciation	-	-	-	-	1,442	-	736	2,178
Depreciation charge - note 4.1.1	-	(104,833)	(929,407)	(16,113)	(25,012)	(8,645)	(34,585)	(1,118,595)
Closing net book value	1,144,796	3,017,402	21,305,991	272,493	109,919	24,176	153,595	26,028,372
Gross carrying value as at June 30, 2025	1,144,796	3,156,887	22,606,436	390,747	200,944	52,073	251,874	27,803,757
Cost / revalued amount	-	(139,485)	(1,300,445)	(118,254)	(91,025)	(27,897)	(98,279)	(1,775,385)
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book value	1,144,796	3,017,402	21,305,991	272,493	109,919	24,176	153,595	26,028,372
Depreciation rates per annum (%)	-	4 - 20	4 - 25	5 - 20	5 - 33	5 - 33	15 - 25	-

* Items having an aggregate cost of Rs. 182.13 million (2025: Rs. 143.33 million) at the end of the year have been fully depreciated and are still in use of the Group.

	Note	2026	2025
		(Rupees in '000)	
4.1.1 The depreciation charge for the year has been allocated as follows:			
Cost of sales	30	1,244,212	1,083,173
Selling and distribution expenses	31	12,251	8,222
Administrative expenses	32	44,147	27,200
		1,300,610	1,118,595

4.1.2 Particulars of immovable property (i.e. land and buildings) in the name of the Group are as follows:

Location	Usage of immovable property	Total area	Covered area
		-----	-----
		(acres)	
IPAK Plant, Manga Chowk, Raiwind, Bypass Road, Raiwind district, Lahore, Punjab	Manufacturing Plant	6.91	3.59
CPAK Plant, Kharsa No. 557 and 563, Qita No. 7 and 13, 3.5 KM, Manga Bypass Road, Raiwind, Lahore	Manufacturing Plant	0.63	0.43
PETPAK Plant, Plot No. 1D - 4D, Quaid-e-Azam Business Park Special Economic Zone, Sheikhpura, Punjab - 4.1.4	Manufacturing Plant	18.54	5.58
GPAK Plant, Plot No. 5D - 9D, Quaid-e-Azam Business Park Special Economic Zone, Sheikhpura, Punjab - 4.1.4	Manufacturing Plant	21.18	5.75

4.1.3 The carrying amount of property, plant and equipment pledged as security against long-term financing and short-term borrowings is disclosed in notes 19 and 26 to these consolidated financial statements.

4.1.4 The Punjab Industrial Estates Development and Management Company has allotted the land and issued an allotment letter in the name of GPAK & PPAK. As at the reporting date, execution and registration of the title documents remain in process.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

4.2 Capital work-in-progress

	2026				2025			
	As at July 1, 2025	Additions/ Adjustments	Transfers	As at June 30, 2026	As at July 1, 2024	Additions / Adjustments	Transfers	As at June 30, 2025
	(Rupees in '000)							
Buildings on freehold land	197,663	(72,071)	(101,326)	24,266	912,320	93,415	(798,568)	207,167
Plant and machinery	701,509	322,965	(797,784)	226,691	2,051,498	353,893	(1,713,386)	692,005
Electrical installations	145,053	(11,167)	(122,194)	11,692	286,639	41,756	(183,341)	145,054
Office equipment	-	10,920	(10,214)	706	23,645	-	(23,645)	-
Furniture and fittings	-	-	-	-	169	-	(169)	-
	1,044,225	250,647	(1,031,518)	263,355	3,274,271	489,064	(2,719,109)	1,044,226

4.2.1 The amount of borrowing costs capitalised by the Global Packaging Films (Private) Limited during the year ended June 30, 2026 was Nil (2025: Rs. 28.03 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3 months KIBOR plus 2%, which is the effective interest rate of the local currency loan.

Similarly, the amount of borrowing costs capitalised by the PETPAK Films (Private) Limited during the year ended June 30, 2026 was Nil (2025: Rs. 75.09 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 6 months KIBOR plus 1.5%, which is the effective interest rate of the local currency loan.

	Note	2026	2025
		(Rupees in '000)	
Balance as at July 01		5,366	12,247
Addition	5.1	28,241	-
Depreciation charge for the year		(7,140)	(6,881)
Balance as at June 30		26,467	5,366
Depreciation rate (per annum)		20% - 33.33%	33.33%

5.1 The Group Companies has lease contracts for the rented premises. In general, the Group Companies is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options subject to the mutual consent of the Group Companies and the Lessors. The Group Companies are bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care. The lease term generally consists of three to five years.

	Note	2026	2025
		(Rupees in '000)	
The depreciation charge for the year has been allocated as follows:			
Cost of sales	30	679	1,013
Selling and distribution expenses	31	-	184
Administrative expenses	32	6,461	5,684
		7,140	6,881

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in '000)	
6. INTANGIBLE ASSETS			
Operating intangible assets	6.1	49,719	55,134
6.1 Operating intangible assets			
Opening net book value		55,134	54,753
Additions / transfers		3,547	7,967
Amortisation	6.1.2	(8,962)	(7,586)
Closing net book value		49,719	55,134
Gross carrying value as at June 30			
Cost		80,420	76,873
Accumulated amortisation		(30,701)	(21,739)
Net book value		49,719	55,134
Amortisation rate (per annum)		10%	10%

6.1.1 Intangible assets comprise of computer software.

6.1.2 The amortisation expense for the year has been allocated as follows:

	Note	2026	2025
		(Rupees in '000)	
Cost of sales	30	271	232
Administrative expenses	32	8,691	7,354
		8,962	7,586
7. LONG-TERM LOANS			
Considered good - secured			
Loan to employees		52,031	39,461
Less: Recoverable within one year	11	(27,897)	(6,867)
		24,134	32,594

7.1 Loans to employees are made under the scheme and are extended to facilitate the purchase of cars or construction of houses with repayment terms ranging between three to five years. These loans are secured against employees' retirement fund balances.

7.2 Long term loans include loan provided to key management personnel amounting to Rs. 33 million (2025: Rs. 24.54 million).

7.3 These long term loans are non-interest bearing and have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these consolidated financial statements.

	2026	2025
	(Rupees in '000)	
8. STORES, SPARES AND CONSUMABLES		
Lubricants	42,421	18,675
Fuel	8,807	7,793
Spare parts and consumables	486,463	356,851
	537,691	383,319

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in '000)	
9. STOCK-IN-TRADE			
Raw material - in hand		2,300,101	1,395,060
- in transit		2,871,343	1,826,508
		5,171,444	3,221,568
Work-in-process		794,666	670,231
Finished goods - in hand		399,058	522,494
- in transit	9.1	729,706	629,610
		1,128,764	1,152,104
Packaging materials		168,302	97,664
		7,263,176	5,141,567
Less: provision for net realisable value		-	(3,636)
		7,263,176	5,137,931
9.1	These pertain to finished goods enroute to the port, held at the port for export, and goods dispatched to customers in the southern region.		
	Note	2026	2025
		(Rupees in '000)	
10. TRADE RECEIVABLES			
Considered good - unsecured			
Due from related parties	10.4	1,393,027	1,085,878
Others		7,213,443	3,342,982
		8,606,470	4,428,860
Considered good - secured			
Due from related parties	10.1	206,525	319,561
Others	10.4	794,957	3,063,759
		1,001,482	3,383,320
		9,607,952	7,812,180
Allowance for expected credit losses	10.5	(48,411)	(50,321)
		9,559,541	7,761,859
10.1	These represent trade receivables arising on account of export sales of Rs. 12.78 million (2025: Rs. 195 million) which are secured by way of Export Letters of Credit and Rs. 720.43 million (2025: Rs. 1,424.2 million) on account of domestic sales which are secured by way of Inland Letters of Credit.		
10.2	Related parties from whom trade receivables are due as at June 30, 2026 are as under:		
		2026	2025
		(Rupees in '000)	
Universal Packaging (Private) Limited		1,243,304	883,049
Saima Packaging (Private) Limited		-	74,004
Universal Coating Films (Private) Limited		306,828	424,178
Universal Films (Private) Limited		49,420	24,208
		1,599,552	1,405,439
10.3	The maximum aggregate amount of receivable outstanding at any time during the year is as follows:		
		2026	2025
		(Rupees in '000)	
Universal Packaging (Private) Limited		1,480,819	1,203,179
Universal Coating Films (Private) Limited		941,973	623,124
Saima Packaging (Private) Limited		-	167,574
IPAK Connect Packaging Materials Trading - FZCO		-	46,618
Universal Films (Private) Limited		85,219	-

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

10.4	The age analysis of these related party receivables as at June 30, 2026 is as follows:		
	Note	2026	2025
		(Rupees in '000)	
		1,240,674	920,364
Not yet due			
Past due but not yet impaired			
- 1 to 90 days		341,046	433,328
- 91 to 180 days		137	51,747
- 181 to 365 days		2,232	-
- older than 365 days		15,463	-
		1,599,552	1,405,439
10.5 Allowance for expected credit losses			
Balance as at July 01		50,321	64,176
Charge / (Reversal) of loss allowance on trade receivables		1,771	(13,855)
Write-off against provision		(3,681)	-
Balance as at June 30		48,411	50,321
11. LOANS AND ADVANCES			
Advances			
- suppliers		406,772	775,142
- against shipping guarantees		46,424	27,035
- employees		17,744	17,802
- others		5,167	-
		476,107	819,979
Margin against letter of credit		-	15,044
Current portion of long term loans to employees	7	27,897	6,867
		504,004	841,890
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	12.1 & 12.2	27,751	24,906
Short term prepayments		85,571	57,126
		113,322	82,032
12.1	This includes container deposits amounting to Rs. 16.27 million (2025: Rs. 11.44 million).		
12.2	These trade deposits are non interest bearing.		
	Note	2026	2025
		(Rupees in '000)	
13. OTHER RECEIVABLES			
Rebate receivable against import		224,552	194,866
Rebate receivable against export		117,768	86,782
Other receivables		54,518	7,104
		396,838	288,752
14. SHORT-TERM INVESTMENTS			
Islamic			
Investments in Term Deposit Receipts	14.1	52,000	-
14.1.	These carry profit which range from 9.25% to 10.50% per annum (2025: Nil) payable at maturity. The term deposit receipts having maturity of six months and are held under lien against guarantees issued by banks on behalf of the Group.		

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

15.	CASH AND BANK BALANCES	Note	2026	2025
			(Rupees in '000)	
	Cash at bank			
	Conventional			
	Savings accounts - local currency	15.1	5,022	697
	Current accounts - local currency		84,315	-
			89,337	697
	Islamic			
	Current accounts - local currency		286,625	98,778
	- foreign currency		46,158	258,503
	Savings accounts - local currency	15.1	520,915	412,205
			853,698	769,486
	Cash in hand		804	785
			943,839	770,968
15.1	At June 30, 2026, the rates of mark up / profit on savings accounts range from 4.62% to 16.32% (2025: from 4.6% to 16.3%) per annum.			
16.	ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
	Authorised share capital		2026	2025
	2026		(Rupees in '000)	
	(Number of shares)			
	930,000,000	930,000,000	Ordinary shares of Rs. 10 each	9,300,000
	Issued, subscribed and paid-up capital			
	2026	2025	2026	2025
	(Number of shares)		(Rupees in '000)	
	450,168,485	450,168,485	Ordinary shares of Rs. 10 each	4,501,685
	285,041,515	250,031,515	allotted for consideration paid in cash	4,501,685
			Ordinary shares of Rs. 10	2,850,415
			each allotted as bonus shares	2,500,315
	735,210,000	700,200,000	7,352,100	7,002,000
16.1	Movement in issued, subscribed and paid-up share capital			
		Note	2026	2025
			(Number of Shares)	
	Ordinary shares			
	Number of shares outstanding as at July 01		700,200,000	700,200,000
	Shares issued through bonus issue	16.4	35,010,000	-
	Number of shares outstanding as at June 30		735,210,000	700,200,000
16.2	All ordinary shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Holding Company.			
16.3	The voting rights, board selection, rights of first refusal and block voting are in proportion to the shareholding of the shareholders.			

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

16.4

The Board of Directors in its meeting held on September 18, 2025, recommended the issuance of bonus shares in the proportion of five shares for every one hundred shares held (i.e., 5%). On October 23, 2025, it was approved by the members in Annual General Meeting that the bonus shares will be issued out of the Company's share premium account and shall rank pari passu in all respects with the existing ordinary shares of the Company. The total size of issue is Rs. 350.10 million divided into ordinary 35.01 million shares of Rs. 10 each.

17.

SHARE PREMIUM

This reserve can be utilised by the Holding Company only for the purpose specified in section 81 of the Companies Act, 2017.

18.

RESERVE FOR INVESTMENT IN SUBSIDIARIES

The Board of Directors of the Holding company, in its meeting held on September 12, 2023, decided to earmark a sum of Rs. 3,259 million as not available for distribution by way of dividend, on account of a capital reserve named "Reserve for investment in subsidiaries". The said amount was transferred from unappropriated profits to this capital reserve.

19.

LONG-TERM FINANCING - secured

Note

2026

2025

(Rupees in '000)

Islamic

SBP's Temporary Economic Refinance Facility

19.2

844,788

1,037,162

SBP's Financing Scheme for Renewable Energy

19.3

414,310

451,744

Sale and leaseback under Diminishing Musharakah

19.4

4,270,683

3,813,373

Accrued Markup

16,974

101,785

5,546,755

5,404,064

Less: current portion of long-term financing

SBP's Temporary Economic Refinance Facility

19.2

(287,500)

(287,500)

SBP's Financing Scheme for Renewable Energy

19.3

(72,118)

(66,616)

Sale and leaseback under Diminishing Musharakah

19.4

(1,059,820)

(820,992)

Accrued markup

(16,974)

(101,785)

(1,436,412)

(1,276,893)

4,110,343

4,127,171

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

19.1 Long-term finances utilised under mark-up arrangements

Facility	Loan type	Repayment terms - Principal	Mark-up		Effective rate (%)	Facility amount	Date of drawdown	Last repayment date
			Payable basis	Rate (per annum)				
(Rupees in '000)								
Islamic								
International Packaging Films Limited								
SBP's Financing Scheme for Renewable Energy	Term - loan	39 Installments	Quarterly	4%	16.87% to 17.81%	33,000	July 02, 2022	May 13, 2032
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	11.56% to 12.01%	11.56% to 12.01%	2,000,000	April 27, 2023	July 06, 2028
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	11.52% to 12.78%	11.52% to 12.78%	1,500,000	March 29, 2024	March 30, 2029
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	12.09% to 13.13%	12.09% to 13.13%	500,000	August 09, 2023	August 09, 2028
Sale and leaseback under Diminishing Musharakah	Term - loan	12 Installments	Quarterly	12.63%	12.63%	700,000	June 05, 2026	June 04, 2030
Global Packaging Films (Private) Limited								
Temporary Economic Refinance Facility	Term - loan	32 Installments	Quarterly	4% + SBP rate	12.37% to 24.05%	700,000	February 01, 2022	April 28, 2032
Temporary Economic Refinance Facility	Term - loan	20 Installments	Quarterly	4% + SBP rate	23.06%	500,000	March 09, 2023	December 09, 2029
Temporary Economic Refinance Facility	Term - loan	12 Installments	Quarterly	4% + SBP rate	23.06%	300,000	March 10, 2023	March 10, 2028
SBP's Financing Scheme for Renewable Energy	Term - loan	40 Installments	Quarterly	2% + SBP rate	16.93% to 18.00%	400,000	June 16, 2022	November 27, 2035
PETPAK Films (Private) Limited								
SBP's Financing Scheme for Renewable Energy	Term - loan	40 Installments	Quarterly	2% + SBP rate	17.14% to 18.00%	400,000	June 15, 2022 July 04, 2023	June 15, 2034
Sale and leaseback under Diminishing Musharakah	Term - loan	16 Installments	Quarterly	11.88% to 12.74%	12.09%	2,500,000	September 30, 2025	September 30, 2030
Cast Packaging Films (Private) Limited								
SBP's Financing Scheme for Renewable Energy	Term - loan	39 Installments	Quarterly	2% + SBP rate	16.87% to 17.81%	66,000	May 13, 2022 June 09, 2022 September 22, 2022	August 31, 2032

19.1.1 In relation to above borrowings, the Group Companies needs to observe certain financial and nonfinancial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

19.2 This represent long-term financing obtained under the Islamic Temporary Economic Refinance Facility (ITERF) by the following group of companies:

Subsidiary Company - Global Packaging Films (Private) Limited

This represents Islamic Temporary Economic Refinance Facility (ITERF) obtained from commercial banks which was introduced by the State Bank of Pakistan (SBP) with reference to IH&SMEFD Circular No. 02 of 2020 in order to support sustainable economic growth by providing concessionary refinance for setting up of new industrial units. The total facility of the loan amounted to Rs. 1,500 million (2025: Rs. 1,500 million) out of which Rs. 1,500 million (2025: Rs. 1,500 million) is utilised which carries profit at the rate of 5% per annum.

This facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 1,873 million;
- Equitable and token registered mortgage over property bearing Plot No. 5D - 9D, Quaid -e- Azam Business Park, Special Economic Zone, Sheikhupura;
- Personal guarantees of Mr. Naveed Godil and Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure; and
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company).

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19.3 This represents long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) by the following group of companies:

Holding Company

This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 33 million (2025: Rs. 33 million) out of which Rs. 22.80 million (2025: Rs. 22.80 million) is utilised which carries profit at the rate of 4% per annum (2025: 4% per annum). The facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Title and ownership of asset in the name of joint ownership of Bank and customer in proportion to their investment ratios;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

Subsidiary Company - Cast Packaging Films (Private) Limited

This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 66 million (2025: Rs. 66 million) out of which Rs. 45.60 million (2025: Rs. 45.60 million) is utilised which carries profit at the rate of 4% per annum. The Loan is repayable in 39 equal quarterly instalments which commenced from August 2022. The facility is secured by way of:

- 10% Equity participation of CPAK;
- Registered exclusive hypothecation charge over DM asset (purchased under DM SBP IFRE Scheme);
- Title and ownership of asset in the name of BAHF and Customer proportionate to their investment ratio;
- Equitable Mortgage along with TRM (Land & Building), over property located at Had Bast Village, Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- Personal Guarantee of all directors of CPAK i.e. Mr. Naveed Godil & Mr. Mushtaq Ali Tejani, each amounting to Rs. 2,000 million covering aggregate exposure; and
- Cross Corporate Guarantee of M/s International Packaging Films Limited amounting to Rs. 2,000 million covering aggregate exposure.

Subsidiary Company - Global Packaging Films (Private) Limited

This represents Islamic Financing Facility for Renewable Energy obtained from commercial bank which was introduced by the State Bank of Pakistan (SBP) with reference to IH&SMEFD Circular No. 10 dated July 26, 2019 and IH&SMEFD Circular No. 12 dated August 21, 2019 in order to promote the use of renewable energy. The total facility of the loan amounted to Rs. 400 million (2025: Rs. 400 million) out of which Rs.326.5 million (2025: Rs. 326.5 million) is utilised which carries profit at the rate of 5% per annum. The facility is secured by way of:

- Import documents consigned to the order of BAHF;
- Equity Participation by the customer equivalent to 10% of the cost of DM Assets;
- Registered Exclusive Hypothecation Charge over DM asset (purchased under DM II / DM III SBP IFRE Scheme;
- Title and ownership of Assets in the name of Joint ownership of Bank and customer in proportion to their investment ratios;
- Equitable Mortgage along with TRM over property bearing Plot No.5D, 6D, 7D, 8D & 9D Quaide-Azam Business Park, Special Economic Zone, Sheikhpura;
- Cross Corporate Guarantee of M/s International Packaging Films Limited, covering aggregate exposure; and
- Personal Guarantees of all directors of the company, each covering aggregate exposure.

Subsidiary Company - PETPAK Films (Private) Limited

This is with reference to IH&SMEFD Circular No. 10 dated July 26, 2019 and IH&SMEFD Circular No. 12 dated August 21, 2019 wherein SBP has introduced the Islamic Financing Facility for Renewable Energy to promote the use of renewable energy. Under this facility, the total amount of the facility from Commercial Bank is Rs. 400 million (2025: Rs. 400 million), out of which the Company has utilized Rs. 324.50 million as at June 30, 2026 (2025: Rs. 324.50 million)for installation of solar power system. The facility carry interest rate of 5% for 12 years (inclusive of 2 years grace period from first drawdown) and is repayable in 40 equal quarterly instalments commencing from September 2024 and maturing in June 2034. The facility is secured by way of:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- Equity participation by the customer equivalent to 10% of the cost of Diminishing Musharakah (DM) Assets;
- Registered exclusive hypothecation charge over DM ASSETS and (Purchase under DM I /DM II SBP IFRE Scheme);
- Equitable mortgage along with TRM over property bearing Plot No. 1D, 2D, 3D, & 4D Quaid e Azam business Park, Special Economic Zone Sheikhupura;
- Personal guarantees of all the directors each carrying aggregate exposure; and
- Cross corporate guarantee of M/s International Packaging Films Limited (the Holding Company) covering aggregate exposure.

19.4 This represents long-term financing obtained under a Diminishing Musharakah arrangement by the following group of companies:

Holding Company

This represents diminishing musharaka arrangements with Bank Al Habib Limited (BAHL). The facility, amounting to Rs. 4,000 million (2025: Rs. 4,000 million), carries a mark-up of 6-month KIBOR + 1% per annum (2025: 6-month KIBOR + 1% per annum), determined on a semi-annual basis, and was obtained for the sale and leaseback of the BOPP Film Production Line installed at IPAK Plant, Hadbast Mauza Bachoki Mahja, Tehsil Raiwind, District Lahore.

BAHL facility is secured by way of:

- Equity participation equivalent to 10% of cost of Musharakah asset;
- Title and ownership of asset in the name of joint ownership of Bank and customer in proportion to their investment ratios;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 2.76 billion (inclusive of 25% margin);
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of directors for the amount covering aggregate exposure.

This represents diminishing musharaka arrangements with ABL facility, amounting to Rs. 700 million (2025: Nil), carries a mark-up of 3-month KIBOR + 0.40% per annum (2025: Nil),determined on a quarterly basis, and was obtained for the sale and leaseback of specific plant and machinery installed at the same location. The title and ownership of the respective assets are held jointly by the above mentioned Banks and the Company in proportion to their respective investment ratios.

ABL facility is secured by way of:

- Registered ranking specific hypothecation charge over Plant, Machinery & Equipment under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 934 million (inclusive of 25% margin) and.
- Personal guarantees of Mr. Naveed Godil & Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure.

Subsidiary Company - PETPAK Films (Private) Limited

This represents a diminishing musharaka arrangement with Bank Al Habib (BAHL) via syndication upto the amount of Rs. 2,500 million (2025: Rs. 2,179 million) at a mark-up of 6 month KIBOR + 1.25% per annum to be determined on a semi-annual basis. The facility was obtained to sale and leaseback for the BOPET Film production Line installed at PETPAK Plant, Plot No. 1D-4D, Quaid-e-Azam Business Park, Punjab, Pakistan. The title and ownership of the asset is in the joint ownership of Bank and the Company in proportion to their investment ratios.

- Ranking hypothecation charge over all current assets (current and future) of the PETPAK, with minimum 25% margin;
- First ranking pari passu hypothecation charge over all movable and immovable fixed assets (current and future) of the PETPAK, with minimum 25% margin;
- Exclusive equitable mortgage over the unencumbered leasehold rights in immovable property of the PETPAK, with 25% margin. It is clarified that this charge will be created once the leasehold payments are made by the PETPAK and upon transfer of title which is expected by September 2025; and
- Corporate guarantee in form and substance acceptable to the transaction legal counsel from the Majority Sponsor, M/s International Packaging Films Limited.

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20.	DEFERRED INCOME - GOVERNMENT GRANT	Note	2026 (Rupees in '000)	2025
	Balance as at July 01		770,236	933,210
	Deferred grant recorded:			
	Less: Government grant recognised as income	20.1	(136,465)	(162,974)
	Balance as at June 30		633,771	770,236
	Less: Current portion of deferred income			
	- Government grant		(126,631)	(126,631)
			507,140	643,605

20.1 This represents the value of benefit of below-market interest rate which has been accounted for as government grant under IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

21 DEFERRED TAXATION - NET

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the consolidated statement of financial position as follows:

	2026 (Rupees in '000)	2025
Deferred tax liability	3,503,674	3,047,347
Deferred tax asset	(129,868)	(113,722)
	3,373,806	2,933,625

21.1 Analysis of change in deferred taxation

	Accelerated tax depreciation	Right-of-use assets	Lease liabilities	Staff retirement benefits	Provision for infrastructure cess	Allowance for expected credit losses	Precommence -ment expenditure	Total
	Rupees in '000							
Balance at July 1, 2025	3,045,255	2,092	(4,230)	(86,732)	-	(22,760)	-	2,933,625
Credit / (charge) to profit or loss for the year - note 36	370,847	(2,092)	4,230	(25,671)	87,572	16,785	-	451,671
Credit / (charge) to other comprehensive income for the year	-	-	-	(11,490)	-	-	-	(11,490)
Balance at June 30, 2026	3,416,102	-	-	(123,893)	87,572	(5,975)	-	3,373,806
Balance at July 1, 2024	2,562,045	4,776	(7,026)	(62,074)	-	(21,502)	(1,600)	2,474,619
Credit / (charge) to profit or loss for the year - note 36	483,210	(2,684)	2,796	(25,229)	-	(1,258)	1,600	458,435
Credit / (charge) to other comprehensive income for the year	-	-	-	571	-	-	-	571
Balance at June 30, 2025	3,045,255	2,092	(4,230)	(86,732)	-	(22,760)	-	2,933,625

21.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million would be liable to pay super tax at 10%. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. The rate of super tax has now been fixed at 8% for companies having income in excess of Rs. 500 million through Finance Act, 2026. Accordingly, deferred tax assets and liabilities have been recognised at 37%.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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22. STAFF RETIREMENT BENEFITS

22.1 Defined benefit plan

22.1.1 As stated in note 3.11, the group entities operates an unapproved and unfunded gratuity scheme for all their permanent employees. The scheme defines an amount of gratuity benefit that an employee will receive upon retirement subject to minimum service requirement under the scheme. Actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2026.

22.1.2 Risks on account of defined benefit plan

The group entities face the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the group entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Demographic risks

- Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

22.1.3 The latest actuarial valuation of the gratuity scheme as at June 30, 2026 was carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

	Note	2026	2025
		(Rupees in '000)	
22.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation	22.1.5	409,701	265,895
22.1.5 Movement in the present value of defined benefit obligation			
Obligation as at July 01		265,895	178,665
Current service cost	22.1.6	105,546	84,175
Interest cost	22.1.6	31,243	24,862
Benefits paid		(26,112)	(19,460)
Remeasurement on obligation	22.1.7	33,129	(2,347)
Obligation as at June 30		409,701	265,895
22.1.6 Amount recognised in statement of profit or loss			
Current service cost		105,546	84,175
Interest cost		31,243	24,862
Charged to statement of profit or loss		136,789	109,037
22.1.7 Remeasurement recognised in other comprehensive income			
Actuarial loss / (gain) from changes in financial assumptions		20,983	(635)
Experience adjustments		12,146	(1,712)
		33,129	(2,347)
22.1.8 Net liability recognised			
Balance as at July 01		265,895	178,665
Expense for the year	22.1.6	136,789	109,037
Benefits paid		(26,112)	(19,460)
Remeasurements recognised in other comprehensive income	22.1.7	33,129	(2,347)
Balance as at June 30		409,701	265,895

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22.1.9 Actuarial assumptions

Financial Assumptions

Discount Rate
Salary increase rate

2026	2025
----- per annum -----	
11.75% - 12.25%	11.75% - 12.50%
11.75% - 12.00%	10.75% - 12.00%

Demographic Assumptions

Mortality rate	SLIC 2001-2005	SLIC 2001-2005
Retirement assumption	Age 60 years	Age 60 years

22.1.10 Maturity profile of the defined benefit obligation

	2026	2025
	----- Years -----	
Weighted average duration of the defined benefit obligation	9 - 10 years	9 - 10 years

	2026	2025
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	70,450	46,987
Two years	36,717	30,704
Three years	43,713	32,778
Four years	54,214	38,722
Five years	62,968	48,503
Six years and onwards	15,887,175	13,306,425

22.1.11 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2026	2025
	(Rupees in '000)	
Discount rate + 1%	(55,175)	(76,105)
Discount rate - 1%	(60,612)	27,359
Long term salary increases + 1%	(42,983)	(34,722)
Long term salary increases - 1%	(37,319)	(23,782)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

22.1.12 The expense in relation to gratuity benefit plan for the year ending June 30, 2027 is expected to be Rs.163.27 million.

23. LEASE LIABILITIES

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Group and lessor. Wherever practicable, the Group seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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23.1 Set out below is the carrying amount of lease liabilities and the movements during the year:

	2026	2025
	(Rupees in '000)	
Balance as at July 01	10,846	18,635
Additions	28,241	-
Interest expense	1,339	2,294
Payments	(13,500)	(10,083)
Balance as at June 30	26,926	10,846
Current portion	6,428	10,846
Non-current portion	20,498	-
	26,926	10,846

23.2 The maturity analysis of lease liabilities is as follows:

	2026			2025		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	----- Rupees in '000 -----					
Less than one year	9,290	2,862	6,428	11,492	646	10,846
Between one and five years	24,198	3,700	20,498	-	-	-
	33,488	6,562	26,926	11,492	646	10,846

23.3 The weighted average lessee's incremental borrowing rate applied to the lease at the inception of leases range from 10.60% to 13.8% per annum.

23.4 Following are the amounts recognised in the consolidated statement of profit or loss:

		2026	2025
		(Rupees in '000)	
Depreciation expense of right-of-use assets	5	7,140	6,881
Interest expense on lease liabilities	35	1,339	2,294
		8,479	9,175

24. TRADE AND OTHER PAYABLES

Trade creditors		5,728,018	6,771,789
Payable to related parties		594,946	-
Accrued liabilities		323,183	261,976
Taxes deducted at source and payable to statutory authorities		64,287	73,982
Provision for Infrastructure Cess	24.1.1	153,263	733,424
Workers' Profit Participation Fund	24.2	216,001	103,184
Workers' Welfare Fund	24.3	71,233	40,698
Others		167,766	231,069
		7,318,697	8,216,122

24.1 The Holding company and its subsidiaries CPAK, GPAK and PETPAK challenged the constitutionality of the Sindh Infrastructure Cess, imposed on the import value of goods under the Sindh Infrastructure Development Cess Act, 2017, before the Sindh High Court (SHC).On June 4, 2021, the SHC ruled in favor of the Excise and Taxation Department of Sindh, upholding the validity of the cess and affirming that it falls within the provincial legislature's authority under the Sindh Finance Act, 2017.

The Group entities then challenged the SHC's decision by filing Civil Petition for Leave to Appeal (CPLA) No. 5605/2021, 5606/2021, 3585/2022 and 3584/2022 before the Supreme Court of Pakistan (SCP). The SCP has suspended the SHC's order and directed all petitioners to furnish a 100% bank guarantee for all future consignments. The SCP, through Interim Order No. C.P.L.A. 5605/2021, 5606/2021, 3584/2022 and 3585/2022 dated November 10, 2021, June 01, 2023 and October 13, 2022 respectively, has granted a stay order, directing the group entities to provide a bank guarantee equivalent to the amount of cess payable under the Act. Subsequently, the matter was transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP).

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During the year, the Government of Sindh (GoS) enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (Amended Act). The group entities opted to avail the settlement framework under sections 10A to 10F of the Amended Act and signed the agreement with GoS under which 15% of the outstanding liability is payable by July 15, 2026, 15% by October 15, 2026 and 15% by July 15, 2027, and the remaining balance in forty-eight equal quarterly instalments commencing from July 15, 2028. As required under the settlement framework, 1) the group entities has withdrawn all pending litigation and waived related claims against the GoS and the previously furnished bank guarantees have been released subsequent to the reporting date and 2) paid the first instalment due on July 15, 2026. Resultantly, thereafter, the reduced rate of 0.85% is applicable on the Group entities as per the settlement framework.

The Group entities has re-measured its previously undiscounted liability at its present value using the risk free rate, giving due consideration to the latest available information and the expected timing of the settlement. This resulting gain of Rs. 363.34 million representing the difference between the carrying amount of the liability and the discounted value of the settlement liability has been presented in note 24.1.1 to these consolidated financial statements. Thereafter, the liability is measured at amortised cost using the effective interest method.

	Note	2026	2025
		(Rupees in '000)	
Balance as at 1 January		733,424	546,363
Charge for the year		286,830	187,061
Remeasurement gain on SIDC		(363,342)	-
Unwinding on remeasurement gain on SIDC		7,620	-
Less: Payments made during the period		(153,263)	-
Balance as at 30 June		511,269	733,424
Less: current portion		(153,263)	(733,424)
Non-current portion		358,006	-

24.1.1 The movement of SIDC is as follows:

24.2 Workers' Profit Participation Fund

Balance as at July 01		103,184	124,588
Charge for the year	33	360,112	133,652
Payments made during the year		(247,295)	(155,056)
Balance as at June 30		216,001	103,184

24.3 Workers' Welfare Fund

Balance as at July 01		40,698	53,524
Charge for the year	33	58,403	33,857
Payments made during the year		(27,868)	(46,683)
Balance as at June 30		71,233	40,698

25. CONTRACT LIABILITIES

During the year, the Group recognised revenue amounting to Rs. 114.64 million (2025: Rs. 261.7 million) out of the contract liabilities balance outstanding at beginning of the year.

26. SHORT-TERM BORROWINGS - secured

	Note	2026	2025
		(Rupees in '000)	
Islamic			
Short-term borrowings under Musawammah Facility	26.1 to 26.3	1,415,420	3,063,634
Short-term borrowings under Tijarah Facility	26.4 to 26.5	2,252,203	1,651,150
Short-term borrowings under Export Refinance	26.13	250,000	-
Short-term borrowings under Istisna Finance	26.6 to 26.9	1,728,001	2,071,882
Short-term borrowings under Running Musharakah	26.10 to 26.12	1,156,959	2,257,342
Foreign bill discounting	26.14	507,251	118,464
FE -25	26.15	776,276	-
Accrued Markup		166,395	222,396
		8,252,505	9,384,868

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26.1 This represents Musawammah facility obtained by the Holding Company from commercial banks, having limit of Rs. 3,300 million (2025: Rs. 4,800 million) out of which Rs. 3,006 million (2025: Rs. 1,946.5 million) remains unutilised at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum (2025: 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum).

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding for Rs. 4,000 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding for Rs. 750 million;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- Personal guarantees of directors for the amount covering aggregate exposure; and
- Lien over accepted Bills.

26.2 This represents Musawammah facility obtained by Subsidiary Company - Global Packaging Films (Private) Limited (GPAK) from commercial banks, having limit of Rs. 2,000 million (2025: Rs. 2,000 million) out of which Rs. 935 million (2025: Rs. 1,850 million) remains unutilised as at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum (2025: 3 months KIBOR + 0.75% to 6 months KIBOR + 0.75% per annum).

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of GPAK for Rs. 2,000 million;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of GPAK for Rs. 500 million;
- Equitable and token registered mortgage over property bearing Plot No. 5D - 9D, Quaid -e- Azam Business Park, Special Economic Zone, Sheikhupura;
- Personal guarantees of directors for the amount covering aggregate exposure; and
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company).

26.3 This represents Musawammah facility obtained by Subsidiary Company - Petpak Films (Private) Limited (PPAK) from commercial banks, having limit of Rs. 350 million (2025: Rs. 350 million) out of which Rs. 293.8 million (2025: Rs. 289.90 million) remains unutilised as at the reporting date. The rates of mark-up on these facilities range from 6 months KIBOR + 0.75% per annum (2025: 6 months KIBOR + 0.75% per annum).

This facility is secured by way of:

- Registered Pari Passu hypothecation charge over current assets i.e. stock and receivables of PPAK for Rs. 350 million;
- Registered Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of PPAK for Rs. 116.67 million for 25% margin covering aggregate exposure; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.4 This represents Tijarah facility obtained by the Holding Company from commercial banks, having limit of Rs. 2,100 million (2025: Rs. 1,800 million) out of which Rs. 621 million (2025: Rs. 398.85 million) remains unutilised for Tijarah Finance at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 1% per annum (2025: 3 months KIBOR + 0.5% to 6 months KIBOR + 1% per annum).

This facility is secured by:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding for Rs. 2,800 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding for Rs. 525 million; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.5 This represents Tijarah facility obtained by Subsidiary Company - Global Packaging Films (Private) Limited from commercial banks, having limit of Rs. 1,000 million (2025: Rs. 1,000 million) out of which Rs. 267 million (2025: Rs. 750 million) remains unutilised for Tijarah Finance at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum (2025: 3 months KIBOR + 0.5% to 6 months KIBOR + 1%) per annum.

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This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of GPAK for Rs. 1,000 million, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of GPAK for Rs. 250 million; and
- Lien over accepted clean bills
- Personal guarantees of directors for the amount covering aggregate exposure.
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company); and

26.6 This represents Istisna facility obtained by Holding company from commercial banks, having limit of Rs. 200 million (2025: Nil) out of which Nill (2025: Nil) remains unutilised for Istisna Finance at the reporting date. The rates of mark-up on these facilities range from 6 months KIBOR + 0.6% per annum.

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding Company for Rs. 267 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding Company for Rs. 50 million; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.7 This represents Istisna facility obtained by Subsidiary Company - Global Packaging Films (Private) Limited from commercial banks, having limit of Rs. 1,500 million (2025: Rs. 1,500 million) out of which Rs. 501 million (2025: Rs. 445 million) remains unutilised for Istisna Finance at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 0.75% per annum (2025: Nil) per annum.

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of GPAK for Rs. 1,500 million, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of GPAK for Rs. 375 million;
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company).
- Personal guarantees of directors for the amount covering aggregate exposure.

26.8 This represents Istisna Finance obtained by Subsidiary Company - Cast Packaging Films (Private) Limited from commercial banks, having limit of Rs. 1,375 million (2025: Rs. 1,375 million) out of which Rs. 1,136 million (2025:Rs. 878.50 million) remains unutilised for Istisna Finance at the reporting date. The rates of mark-up on these facilities range from relevant 3 months KIBOR + 0.75% (2025: 3 months KIBOR + 0.75% per annum).

This facility is secured by way of:

- Registered 1st Hypothecation Charge over Movables & Receivables of the Company amounting to Rs.1,907 million inclusive of 25% margin;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhupura;
- Personal Guarantee of all directors of the Company i.e Mr. Naveed Godil & Mr. Mushtaq Ali Tejani each amounting to Rs. 2,000 million covering aggregate exposure;
- Equitable Mortgage along with TRM (Land & Building) over property located at Had Bast Village, Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- 4 kanal which is 80 / 1521 portion out of Salam Khata measuring 76 Kanal 1 Marla, 13 Qitat, bearing Khewat No.02, Khatoni No. 09 to 11; and
- 1 kanal which is 20 / 582 portion out of Salam Khata measuring 29 Kanal 2 Marla, 7 Qitat, bearing Khewat No.678, Khatoni No. 1205 to 1206.

26.9 This represents Istisna Finance obtained by Subsidiary Company - Petpak Films (Private) Limited from commercial banks, having limit of Rs. 600 million (2025: Rs. 600 million) out of which Rs. 310 million (2025: Rs. 79.58 million) remains unutilised for Istisna Finance at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.6% to 6 months KIBOR + 0.6% per annum (2025: 6 months KIBOR + 0.75% per annum).

This facility is secured by way of:

- Registered Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 733.33 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 600 million; and
- Personal guarantees of directors for the amount covering aggregate exposure.

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26.10 This represents a Running Musharakah facility obtained by the Holding Company having limit of Rs. 2,550 million (2025: Rs. 1,750 million) out of which Rs. 1,575 million (2025: Rs. 92.66 million) remains unutilised at the reporting date. The rates of mark-up on this facility ranges from 1 month KIBOR + 0.5% to 3 months KIBOR + 0.75% per annum (June 30, 2025: 1 month KIBOR + 0.5% to 3 months KIBOR + 0.75% per annum).

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding Company for Rs. 3,200 million, inclusive of 25% margin, covering aggregate exposure;
- Personal guarantees of directors for the amount covering aggregate exposure.
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding Company for Rs. 600 million, covering aggregate exposure;
- Lien over A-rated Financial Institution approved Accepted Local Usance Bills Drawn under LC with 10% margin; and

26.11 This represents a Running Musharakah facility obtained by the Subsidiary Company - Global Packaging Films (Private) Limited obtained from commercial banks, having limit of Rs. 550 million (2025: Rs. 300 million) out of which Rs. 550 million (2025: Nil) remains unutilised at the reporting date. The rates of mark-up on this facility ranges from 3 month KIBOR + 0.5% to 3 months KIBOR + 0.75% per annum (2025: 3 months KIBOR + 0.50% per annum).

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the GPAK for Rs. 550 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of GPAK for Rs. 137.50 million, covering aggregate exposure; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.12 This represents Running Musharaka facility obtained by Subsidiary Company - Petpak Films (Private) Limited from commercial banks, having limit of Rs. 300 million (2025: Rs. 300 million) out of which Rs. 69 million (2025: Nil) remains unutilised at the reporting date. The rates of mark-up on this facility ranges from 3 month KIBOR + 0.5% per annum (2025: 3 months KIBOR + 0.50% per annum).

This facility is secured by way of:

- Registered Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 400 million, inclusive of 25% margin, covering aggregate exposure; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.13 This represents Export Refinance Facility obtained by the Holding Company having a limit of Rs. 550 million (2025: Nil) out of which Rs. 300 million (2025: Nil) remains unutilised at the reporting date. The rate of mark-up on this facility is as per State Bank of Pakistan's prescribed rates i.e. Monetary policy - 6.00% (2025: as per State Bank of Pakistan's prescribed rates i.e. Monetary policy - 3.00%) per annum.

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding Company for Rs. 734 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding Company for Rs. 138 million, covering aggregate exposure; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.14 This represents a FDBP Musawama Facility obtained by Holding company having limit of Rs. 700 million (2025: Rs. 300 million) out of which Rs. 486 million (2025: Rs. 181.54 million) remains unutilised at the reporting date. The rate of mark-up on this facility ranges from 4% to 12% (2025: 7% per annum).

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding Company for Rs. 933.34 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding Company for Rs. 175 million, covering aggregate exposure; and
- Personal guarantees of directors for the amount covering aggregate exposure.

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26.15 This represents a FE-25 Facility obtained by Holding Company having limit of Rs. 1,150 million (2025: Nil) out of which Rs. 652 million (2025: Nil) remains unutilised at the reporting date. The rate of mark-up on this facility ranges from 4.8% to 7% (2025: Nil).

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Holding Company for Rs. 1,533 million, inclusive of 25% margin, covering aggregate exposure;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Holding Company for Rs. 287.50 million, covering aggregate exposure; and
- Personal guarantees of directors for the amount covering aggregate exposure.

26.16 This represents a FE-25 Facility obtained by Subsidiary Company Global Packaging Films (Private) limited having limit of Rs. 500 million (2025: Nil) out of which Rs. 222 million (2025: Nil) remains unutilised at the reporting date. The rate of mark-up on this facility is 5% (2025: Nil).

This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of GPAK for Rs. 500 million, covering aggregate exposure; and
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of GPAK for Rs. 125 million, covering aggregate exposure.

	Note	2026	2025
		(Rupees in '000)	
27. TAXATION - NET			
Balance as at July 01		213,477	(102,060)
Tax payments / adjustments made during the year		980,965	798,811
		1,194,442	696,751
Less: Provision for income tax	36	(873,661)	(483,274)
Balance as at June 30		320,781	213,477

27.1 The Holding Company has challenged the vires of amendment before the Islamabad High Court (IHC) concerning to the chargeability of super tax on high earning persons through Finance Act, 2023 for the tax year 2023 and onwards. In accordance with the said amendment, the rate of super tax increased from 4% to 10% for tax year 2023 and onwards to all sectors having income of more than Rs. 500 million in addition to the corporate tax at the rate of 29%.

In response, the Islamabad High Court (IHC) issued an interim relief order (W.P. No. 4305/2023) dated December 18, 2023, directing that no super tax at the enhanced rate will be recovered from the petitioners until the final disposal of the case. The court instructed that the petitioners should continue to pay super tax at the pre-amendment rate of 4%. In compliance with IHC order, the Holding Company has discharged its super tax liability for the tax year 2023 by paying Rs. 113.38 million, which represents the 4% super tax rate (pre-amendment rate).

The case was subsequently transferred to the Honourable Federal Constitutional Court (FCC) on November 27, 2025 for hearing. The Honourable FCC, through Civil Appeal No. 1243 of 2020, vide Order dated January 27, 2026, upheld the vires of Sections 4C of the Income Tax Ordinance, 2001. Accordingly, the case was decided against the Holding Company. However, there is no impact on the consolidated financial statements since full provision has already been made. During the year, the Holding Company paid Rs. 130 million in partial settlement of the outstanding super tax liability relating to the remaining 6%.

28. CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

As at the June 30, 2026 and 2025, there are no contingencies to report.

28.2 Commitments

28.2.1 Commitments under letter of credits for raw materials, stores and spares as at June 30, 2026 amounted to Rs. 7,840.15 million (2025: Rs. 5,894.68 million).

28.2.2 Bank Guarantees in respect of excise and taxation, SNGPL and PSO as at June 30, 2026 amounted to Rs. 1,646.72 million (2025: Rs. 1,331.72 million). Subsequent to the reporting date, bank guarantee in respect of excise and taxation amounting to Rs. 1,056 million has been released as referred in note 24.1.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

29.	REVENUE FROM CONTRACTS WITH CUSTOMERS	Note	2026	2025
	Sale of goods - net		(Rupees in '000)	
	Local		37,561,315	31,270,062
	Sales tax		(5,763,466)	(4,872,627)
	Sales returns		(37,399)	(56,596)
			31,760,450	26,340,839
	Export		10,531,758	8,050,585
	Sales returns		(125,062)	(22,599)
			10,406,696	8,027,986
			42,167,146	34,368,825
29.1	DISAGGREGATION OF REVENUE			
	In the following table, revenue is disaggregated by primary geographical markets.			
	Primary geographical markets:			
	Local sales		31,760,450	26,340,839
	Export sales			
	- Asia		5,139,678	6,667,453
	- Europe		1,537,214	318,537
	- Africa		2,762,957	765,895
	- North America		316,465	168,836
	- South America		650,382	107,265
			42,167,146	34,368,825
30.	COST OF SALES			
	Raw materials consumed	30.1	25,592,574	23,170,392
	Fuel, power and water	30.5	2,626,032	2,479,031
	Depreciation on operating assets	4.1.1	1,244,212	1,083,173
	Depreciation on right-of-use asset	5.2	679	1,013
	Packing materials consumed	30.2	959,984	782,139
	Salaries, wages and other benefits	30.4	1,463,295	1,198,157
	Rent, rates and taxes		23,445	25,385
	Stores and spares consumed	30.3	373,812	306,427
	Travelling and conveyance		166,440	98,232
	Lubricants consumed		64,920	48,983
	Insurance		165,377	134,867
	Inward transportation		9,182	45,919
	Repair and maintenance		78,361	83,037
	Fee for technical services		40,945	20,392
	Clearing agent charges		825	1,796
	Postage and communication		5,634	8,823
	Quality certifications		2,060	4,870
	Amortisation of intangible assets	6.1.2	271	232
	Security charges		-	14,742
	Staff training and development		-	28
	Provision for net realisable value written down against finished goods		-	(17,146)
	Others		65,387	22,720
			32,883,435	29,513,212
	Work-in-process			
	Opening stock		670,231	706,684
	Closing stock	9	(794,666)	(670,231)
			(124,435)	36,453
	Cost of goods manufactured		32,759,000	29,549,665
	Finished goods			
	Opening stock		1,148,468	977,095
	Closing stock	9	(1,128,764)	(1,152,104)
			19,704	(175,009)
			32,778,704	29,374,656

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30.1	Raw materials consumed	Note	2026	2025
			(Rupees in '000)	
	Opening stock		1,395,060	1,607,792
	Purchases		26,333,250	22,957,660
	Loan stock (issued) / received		164,365	-
	Closing stock	9	(2,300,101)	(1,395,060)
			25,592,574	23,170,392
30.2	Packaging materials consumed			
	Opening stock		97,664	64,013
	Purchases		1,030,622	815,790
	Closing stock	9	(168,302)	(97,664)
			959,984	782,139
30.3	Stores and spares consumed			
	Opening stock		356,851	267,597
	Purchases		503,424	395,681
	Closing stock	8	(486,463)	(356,851)
			373,812	306,427
30.4	This includes Rs. 110.4 million (2025: Rs. 88.68 million) in respect of charge for defined benefit plan.			
30.5	This amount includes the Off-the-Grid Captive Power Plant Levy of Rs. 46.14 million (2025: Nil) billed by Sui Northern Gas Pipelines Limited ("SNGPL") pursuant to the Off the Grid (Captive Power Plants) Levy Act, 2025, in respect of the period from February 2025 to November 2025. The Holding Company challenged the applicability and recovery of the levy through constitutional petitions filed before the Lahore High Court. Pursuant to interim orders issued by the Lahore High Court, the Holding Company submitted post-dated cheques in respect of the disputed amounts, and no coercive action was taken against the Holding Company. Subsequently, the Federation of Pakistan, through the Ministry of Energy (Petroleum Division), and other respondents filed a petition for leave to appeal before the Honourable Federal Constitutional Court of Pakistan in relation to the matter. The matter remains sub judice as at June 30, 2026. Notwithstanding the ongoing legal proceedings, the Holding Company has fully recognised the levy billed for the period up to November 2025 in these consolidated financial statements. No levy bills were received by the Holding Company for periods subsequent to November 2025.			

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
31. SELLING AND DISTRIBUTION EXPENSES		(Rupees in '000)	
Salaries, wages and other benefits	31.1	267,651	202,024
Outward expenses		259,227	333,657
Travelling and conveyance		38,118	22,534
Depreciation on operating assets	4.1.1	12,251	8,222
Depreciation on right-of-use asset	5.2	-	184
Trade promotion		62,792	16,908
Export charges		6,874	112,835
Repair and maintenance		14	473
Insurance		43,578	27,567
Postage and communication		9,252	5,178
Rent, rates and taxes		10,373	6,866
Printing and stationary		520	956
Export commission		72,602	-
Entertainment expense		-	657
Staff training and development		135	-
Subscription expense		892	-
Others		19,204	19,304
		803,483	757,365

31.1 This includes Rs. 11.021 million (2025: Rs. 9.13 million) in respect of charge for defined benefit plan.

	Note	2026	2025
32. ADMINISTRATIVE EXPENSES		(Rupees in '000)	
Salaries, wages and other benefits	32.1	301,675	261,113
Travelling and conveyance		84,119	143,798
Depreciation on operating fixed assets	4.1.1	44,147	27,200
Depreciation on right-of-use asset	5.2	6,461	5,684
Legal and professional charges		166,045	39,336
Rent, rates and taxes		7,168	10,835
License fee		55,907	46,850
Postage and communication		7,890	12,021
Entertainment		12,870	9,187
Auditor's remuneration	32.2	27,673	13,911
Utilities		7,233	10,533
Repair and maintenance		8,635	5,450
Insurance		22,017	17,717
Fee for technical services		-	2,441
Printing and stationary		7,732	13,798
Staff training and development		2,067	4,445
Amortisation of intangible assets	6.1.2	8,691	7,354
Donations	32.3	9,487	2,341
Security expenses		7,269	11,256
Subscription expenses		2,827	544
Others		30,273	23,701
		820,186	669,515

32.1 This includes Rs. 15.368 million (2025: Rs. 11.24 million) in respect of charge for defined benefit plan.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
32.2 Auditors' remuneration		(Rupees in '000)	
Audit services			
Annual audit fee of unconsolidated financial statements		13,435	8,612
Half yearly review of unconsolidated financial statements		1,250	1,188
Annual audit fees of consolidated financial statements		1,250	1,000
Certification for free float and CDC		379	837
Code of corporate governance		443	363
Out of pocket expenses		1,596	1,200
		18,353	13,200
Non-audit services			
Tax advisory services		9,178	-
Certifications for regulatory purposes		142	711
		27,673	13,911

		2026	2025
32.3 Donations		(Rupees in '000)	
32.3.1 This includes donations to the following organisations that exceed either 10% of the total amount of donations made or Rs. 1 million, whichever is higher.			
Baitussalam Welfare Trust		1,435	521
Indus Hospital		2,100	-
Patient's Aid foundation		1,000	-
Dhoraji Youth Services		-	600
Others		-	222
		4,535	1,343
32.3.2 Donations include Rs. 0.6 million (2025: Rs. 0.6 million) paid to Dhoraji Youth Services in which Chairman of the Company serves as the President.			

	Note	2026	2025
33. OTHER OPERATING EXPENSES		(Rupees in '000)	
Workers' Profit Participation Fund	24.2	360,112	133,653
Workers' Welfare Fund	24.3	58,403	33,857
Loss on disposal of property, plant and equipment		46	-
		418,561	167,510

		2026	2025
34. OTHER INCOME			
Income from financial assets			
Return on PLS savings accounts		35,541	28,711
Exchange gain - net		17,302	42,589
Profit on short-term investments		3,064	-
Income from non-financial assets			
Gain on disposal of property, plant and equipment		3,781	368
Others			-
Scrap sales		91,624	83,644
Export rebate		81,751	79,244
Rebate from supplier		-	555
Amortisation of deferred income	20	136,466	162,974
Others	34.1	71,625	13,039
		441,154	411,124

34.1 This includes excess recovery against export related logistic cost amounting to Rs. 60.87 million (2025: Nil)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in '000)	
35. FINANCE COSTS			
Islamic:			
- Mark-up on long-term financing		698,590	606,815
- Mark-up on short-term borrowings		1,048,866	1,414,312
		1,747,456	2,021,127
Interest on lease liabilities		1,339	2,294
Unwinding of discount on supplier's credit		-	104,228
Commission on letter of credit		47,692	34,217
Bank and guarantee charges		67,414	57,137
		1,863,901	2,219,003
36. INCOME TAX EXPENSE			
Current	36.1	873,661	483,274
Deferred	36.2	451,671	458,435
		1,325,332	941,709
36.1	The returns of income tax have been filed up to and including tax year 2025, which are deemed assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance).		
36.2	This includes deferred tax expense on Global Packaging Films (Private) Limited and PETPAK Films (Private) Limited comprising of taxable temporary differences on account of accelerated tax depreciation on property, plant and equipment which would start to diminish after the conclusion of the tax holiday period. Both of these entities qualify for a tax exemption under Clause 126 E of Part I of the Second Schedule of the Ordinance.		
36.3	The CPAK was eligible for a tax credit under section 65D of the Income Tax Ordinance, 2001 for a period of five years. The period however, expired in March 2026 and accordingly, income earned thereafter became subject to taxation under the applicable provisions of the Ordinance. Current tax for the year has therefore been provided on the taxable income attributable to the period from the expiry of the tax credit up to 30 June 2026.		
36.4 Relationship between income tax expense and accounting profit		2026	2025
		(Effective tax rate %)	
Profit before income tax			
		6,277,416	1,605,755
Tax at the enacted tax rate		(29.00)	(29.00)
Tax effect of:			
Super tax		(4.18)	(9.02)
Income taxed under final tax regime		0.00	0.00
Tax credit on donations		0.03	0.00
Tax credit under section 65D		2.37	5.10
Others		9.67	(25.73)
Income tax		(21.11)	(58.65)
		(1,325,332)	(941,709)
37. EARNINGS PER SHARE - BASIC AND DILUTED			
	Note	2026	2025
		(Rupees in '000)	
Profit for the year attributable to owners of the Holding Company		4,951,516	1,202,416
			(Restated)
			(Numbers)
Weighted average number of ordinary shares outstanding at end of the year	37.1	735,210,000	735,210,000
			(Rupees)
Earnings per share - basic and diluted		6.73	1.64

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
		(Numbers)	
37.1 Weighted average number of ordinary shares			
Issued ordinary shares as at July 01		700,200,000	700,200,000
Effect of bonus shares issued		35,010,000	35,010,000
Weighted average number of ordinary shares as at June 30		735,210,000	735,210,000
37.2	There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2026 and 2025.		
37.3	Basic earnings per share previously reported at Rs. 1.72 in the consolidated financial statements for the year ended June 30, 2025 has been restated to Rs. 1.64 due to issuance of bonus shares during the year ended June 30, 2026.		
38. CASH GENERATED FROM / (USED IN) OPERATIONS	Note	2026	2025
		(Rupees in '000)	
Profit before income tax		6,277,416	1,605,755
Adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment	4.1.1	1,300,610	1,118,595
Amortisation of intangible assets	6.1.2	8,962	7,586
Depreciation of right-of-use assets	5.2	7,140	6,881
Gain on disposal of property, plant and equipment	33 & 34	(3,734)	(368)
Unrealised exchange loss / (gain)		4,777	(42,590)
Return on PLS savings accounts	34	(35,541)	(28,711)
Gain on remeasurement SIDC - net		(355,722)	-
Provision for staff retirement benefits	22.1.6	136,789	109,037
Amortisation of deferred income	34	(136,466)	(162,974)
Allowance for expected credit losses	10.5	1,771	(13,855)
Finance cost	35	1,863,901	2,219,003
		9,069,903	4,818,359
Changes in working capital	38.1	(3,853,247)	(3,420,155)
		5,216,656	1,398,204
38.1 CHANGES IN WORKING CAPITAL			
(Increase) / decrease in current assets:			
Stores, spares and consumables		(154,372)	(206,103)
Stock-in-trade		(2,125,245)	(605,691)
Trade receivables		(1,799,453)	(1,959,069)
Loans and advances		337,886	(289,415)
Trade deposits and short-term prepayments		(31,290)	(4,907)
Other receivables		(108,086)	(120,996)
Sales tax refundable		214,529	162,074
		(3,666,031)	(3,024,107)
Increase / (decrease) in current liabilities:			
Trade and other payables		(188,476)	(508,429)
Contract liabilities		1,260	112,381
		(3,853,247)	(3,420,155)
39. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	943,839	770,968
Short-term borrowings under Running Musharakah	26	(1,156,959)	(2,257,342)
		(213,120)	(1,486,374)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2026	2025	2026	2025	2026	2025
----- Rupees in '000 -----						
Managerial remuneration	14,400	14,400	-	-	522,367	406,616
Bonus	1,200	1,200	-	-	59,132	30,421
Retirement benefits	2,471	2,277	-	-	95,540	55,837
Reimbursable expenses	-	-	-	-	12,788	10,991
Other perquisites and benefits	-	-	-	-	69,214	47,737
Directors' fees	-	-	27,240	25,860	-	-
	<u>18,071</u>	<u>17,877</u>	<u>27,240</u>	<u>25,860</u>	<u>759,041</u>	<u>551,602</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>9</u>	<u>106</u>	<u>88</u>

40.1 Chief Executive and certain executives are provided with the use of Group maintained cars and telephone facility, which are reimbursed at actual to the extent of their entitlements as per their terms of employment.

40.2 Fees paid to 9 (2025: 9) non-executive directors were Rs. 27.24 million (2025: Rs. 25.86 million) on account of meetings attended by them.

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the respective group entities have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the respective group entities' risk management policies. The group entity's risk management policies are established to identify and analyse the risks faced by the respective entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the respective group entity's activities. Each group entity, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the respective group entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group entity.

41.1 Credit risk

Credit risk is the risk of financial loss to a group entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

41.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

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FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
(Rupees in '000)			
Long-term deposits		129,471	125,953
Long-term loans	7	24,134	32,594
Trade receivables - net of provision	10	9,559,541	7,761,859
Loans and advances	11	97,232	66,748
Trade deposits	12	27,751	24,906
Other receivables	13	396,838	288,752
Short-term investments	14	52,000	-
Bank balances	15	943,035	770,183
		<u>11,230,002</u>	<u>9,070,995</u>

The group entities does not take into consideration the value of collateral while testing financial assets for impairment. The group entities consider the credit worthiness of counterparties as part of their risk management.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2026	2025
(Rupees in '000)		
Domestic	6,542,896	7,424,595
Export	3,065,056	387,586
	<u>9,607,952</u>	<u>7,812,181</u>

41.1.2 Impairment losses

The ageing of trade debtors as per above at the reporting date was as follows:

Consolidated IPAK	2026		2025	
	Gross	Impairment	Gross	Impairment
----- Rupees in '000 -----				
Not yet Due	7,804,651	9,570	5,975,688	19,556
0 - 30 days	1,174,606	4,660	1,143,643	3,217
31 - 60 days	409,102	3,030	385,441	2,141
61 - 90 days	119,350	2,868	119,394	2,229
91 - 120 days	15,023	646	34,208	1,628
121 - 180 days	20,821	3,043	71,804	4,941
181 - 270 days	14,666	3,115	46,101	4,661
271 - 365 days	9,912	3,559	22,435	1,618
Over 365 days	39,821	17,920	13,466	10,330
	<u>9,607,952</u>	<u>48,411</u>	<u>7,812,180</u>	<u>50,321</u>

Management of the Group entities believe that the unimpaired balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

41.1.3 Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short Term	Long Term
Islamic			
Bank AL Habib Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AAA
The Bank of Punjab	PACRA	A1+	AA+
Bankislami Pakistan Limited	PACRA	A1	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan SIRAT Bank Limited	PACRA	A1+	AA+
MCB Islamic Bank Limited	PACRA	A1	A+
Meezan Bank Limited	VIS	A1+	AAA
United Bank Limited	VIS	A1+	AAA
UBL Ameen	VIS	A1+	AAA
Standard Chartered Pakistan Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Al Baraka Bank (Pakistan) Limited	PACRA	A1	AA-
Askari Bank Limited	PACRA	A1+	AA+
Conventional			
JS Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA

41.1.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group entity's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

41.2 Liquidity risk

Liquidity risk is the risk that a group entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the group entity could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The approach of group entities to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's or group's reputation. The group entities ensure that they have sufficient liquidity including credit lines to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026					
	Contractual cashflows					
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
Rupees in '000						
Financial liabilities						
Long-term financing	5,546,755	(7,120,452)	(612,994)	(595,628)	(5,698,450)	(213,380)
Lease liabilities	26,926	(33,488)	(4,645)	(4,645)	(24,198)	-
Trade and other payables	6,218,967	(6,218,967)	(6,218,967)	-	-	-
Short-term borrowings	8,252,505	(8,252,505)	(8,252,505)	-	-	-
	<u>20,045,153</u>	<u>(21,625,412)</u>	<u>(15,089,111)</u>	<u>(600,273)</u>	<u>(5,722,648)</u>	<u>(213,380)</u>
2025						
Contractual cashflows						
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
Rupees in '000						
Financial liabilities						
Long-term financing	5,404,064	(7,306,396)	(639,786)	(600,324)	(5,742,382)	(323,904)
Lease liabilities	10,846	(11,492)	(5,565)	(5,827)	-	-
Trade and other payables	7,264,834	(7,264,834)	(7,264,834)	-	-	-
Short-term borrowings	9,384,868	(9,384,868)	(9,384,868)	-	-	-
	<u>22,064,612</u>	<u>(23,967,490)</u>	<u>(17,295,053)</u>	<u>(606,151)</u>	<u>(5,742,382)</u>	<u>(323,904)</u>

41.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rates of mark-up have been disclosed in respective notes to these consolidated financial statements.

41.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Group entities to repay the respective loans earlier than as directed in the above table.

41.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect a group entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Group entities are exposed to currency risk and interest rate risk only.

41.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Group is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Group. The Group's exposure to foreign currency risk is as follows:

	2026						2025					
	Rupees	US Dollars	AED	Euro	GBP	JPY	Rupees	US Dollars	AED	Euro	GBP	JYP
	in '000											
Financial assets												
Bank Balance	46,158	115	-	4	-	-	258,503	137	2,829	3	-	-
Trade debts	3,068,737	8,708	465	1,289	748	-	387,586	1,367	-	-	-	-
Financial liabilities												
Trade and other payables	(6,801,246)	(10,614)	(27)	(186)	-	(23,918)	(2,985,267)	(9,805)	-	(610)	-	-
Net exposure	<u>(3,686,351)</u>	<u>(1,791)</u>	<u>438</u>	<u>1,107</u>	<u>748</u>	<u>(23,918)</u>	<u>(2,339,178)</u>	<u>(8,301)</u>	<u>2,829</u>	<u>(607)</u>	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	2026	2025
	Buying/Selling	Buying/Selling
USD Dollar (USD) to Pakistan Rupee	278.55 / 278.05	283.97 / 283.53
AED to Pakistan Rupee	75.85 / 75.71	77.32 / 77.21
GBP to Pakistan Rupee	368.64 / 367.98	389.71 / 381.09
JPY to Pakistan Rupee	1.7146 / 1.7145	-
Euro to Pakistan Rupee	317.52 / 316.95	333.13 / 332.62

Sensitivity Analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD and Euro as at June 30 would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for both the years.

	Effect on consolidated statement of profit or loss	
	2026	2025
	(Rupees in '000)	
As at 30 June		
Effect in USD	56,046	159,658
Effect in Euro	23,151	13,352
Effect in AED	9,166	14,443
Effect in GBP	18,207	-
Effect in JPY	2,708	-

41.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instrument is:

	Note	Carrying amount	
		2026	2025
		(Rupees in '000)	
Fixed rate instruments			
Financial assets	14	52,000	-
Financial liabilities	19	1,259,098	1,488,906
Variable rate instruments			
Financial assets	15	525,937	412,902
Financial liabilities	19	12,356,793	12,975,845

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and the profit after tax by Rs. 66.73 million (2025: Rs. 70.07 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss.

41.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2026			
	Short-term borrowings	Long-term financing	Lease liabilities	Total
	Rupees in '000			
Balance as at July 1, 2025	9,384,868	5,404,064	10,846	14,799,778
Changes from financing cash flows				
Repayment of long-term loan	-	(2,942,211)	-	(2,942,211)
Proceeds from long-term loan - net	-	3,178,000	-	3,178,000
Change of short-term borrowings	24,021	-	-	24,021
Lease liability payments	-	-	(13,500)	(13,500)
Total changes from financing activities	24,021	235,789	(13,500)	246,310
Other changes				
Interest expense	1,048,866	698,590	1,339	1,748,795
Interest paid	(1,104,866)	(791,688)	-	(1,896,554)
Total loan related other changes	(56,000)	(93,098)	1,339	(147,759)
Right-of-use assets related changes	-	-	28,241	28,241
Change in Cash and Cash Equivalent	(1,100,383)	-	-	(1,100,383)
Balance as at June 30, 2026	8,252,505	5,546,755	26,926	13,826,187

	2025			
	Short-term borrowings	Long-term financing	Lease liabilities	Total
	Rupees in '000			
Balance as at July 1, 2024 - restated	2,467,608	681,430	18,635	3,167,673
Changes from financing cash flows				
Proceeds from long-term loan	-	4,722,634	-	4,722,634
Changes in short-term borrowings	6,917,260	-	-	6,917,260
Lease liability payments	-	-	(7,789)	(7,789)
Total changes from financing activities	6,917,260	4,722,634	(7,789)	11,632,105
Other changes				
Additions to lease liabilities	-	-	-	-
Interest expense	1,414,312	606,815	2,294	2,023,421
Interest paid	(1,414,312)	(606,815)	(2,294)	(2,023,421)
Total loan related other changes	-	-	-	-
Equity related other changes	-	-	-	-
Balance as at June 30, 2025 - restated	9,384,868	5,404,064	10,846	14,799,778

41.5 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The group entities have no exposure to price risk as its investments are measured at cost.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

41.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the Consolidated Statement of Financial Position approximate their fair values.

41.7 Financial instruments by categories

Financial assets

	Note	2026	2025
		(Rupees in '000)	
Held at amortised cost			
- Long-term loans	7	24,134	32,594
- Long-term deposits		129,471	125,953
- Trade receivables	10	9,559,541	7,761,859
- Loans and advances	11	97,232	66,748
- Trade deposits	12	27,751	24,906
- Other receivables	13	396,838	288,752
- Short-term investments	14	52,000	-
- Cash and bank balances	15	943,839	770,968
		11,230,806	9,071,780

Financial liabilities

Held at amortised cost			
- Long-term financing	19	5,546,755	5,404,064
- Trade and other payables	24	6,218,967	7,264,834
- Short-term borrowings - secured	26	8,252,505	9,384,868
- Lease liabilities	23	26,926	10,846
		20,045,153	22,064,612

42. CAPITAL MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the consolidated statement of financial position plus net debt. The gearing ratio as at June 30, 2026 and June 30, 2025 is as follows:

	Note	2026	2025
		(Rupees in '000)	
Long-term loans	19 & 20	6,180,526	6,174,300
Short-term financing	26	8,252,505	9,384,868
Total debt		14,433,031	15,559,168
Cash and bank balances	15	(943,839)	(770,968)
Net debt		13,489,192	14,788,200
Issued, subscribed and paid up capital	16	7,352,100	7,002,000
Capital reserves	17 & 18	5,379,622	5,729,722
Revenue reserve - unappropriated profit		5,405,450	1,171,281
Equity		18,137,172	13,903,003
Capital		31,626,364	28,691,203
Gearing ratio [Net debt / (Net debt + Equity)]		42.65%	51.54%

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

43. MEASUREMENT OF FAIR VALUES

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. Consequently, differences can arise between carrying values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

When measuring the fair value of an asset or a liability, the Group entities use valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management of the Group assessed that the fair values of cash and cash equivalents, other receivables, trade deposits, trade receivables, short-term borrowings, trade and other payables and accrued mark-up approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are at market rates.

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

44.	SHARIAH COMPLIANCE STATUS DISCLOSURE	Note	2026 (Rupees in '000)	2025
Statement of financial position - Liability				
i)	Short-term financing as per Islamic mode	26	8,086,110	9,162,472
ii)	Long-term financing as per Islamic mode	19	5,529,781	5,302,279
iii)	Mark-up accrued on Islamic loan		183,369	324,181
Consolidated Statement of financial position - Asset				
i)	Shariah-compliant bank balances	15	853,698	769,486
ii)	Term Deposits Receipts - TDR's		52,000	-
Consolidated Statement of Profit or Loss				
i)	Revenue earned from Shariah-compliant business segment	29	42,167,146	34,368,825
ii)	Late payments or liquidated damages		-	-
iii)	Gain or loss or dividend earned on Shariah compliant investments		-	-
iv)	Exchange gain earned from actual currency		-	-
v)	Exchange gains earned using conventional derivative financial instruments		-	-
vi)	Exchange gain - net	34	17,302	42,589
vii)	Profit earned from shariah compliant bank balances	34	35,531	28,711
viii)	Profit paid on Islamic mode of financing		1,888,268	2,021,127
Break-up of Other income into Shariah-compliant and non-compliant income				
Shariah compliant Income				
-	Sale of general scrap	34	91,624	83,644
-	Gain on disposal of property, plant and equipment	34	3,781	368
-	Export rebate	34	81,751	79,244
-	Rebate from supplier		-	555
-	Profit on short-term investments	34	3,064	-
-	Others	34	71,625	13,039
Shariah non-compliant income				
-	Amortisation of deferred income	34	136,466	162,974
-	Profit on Conventional bank deposits	34	10	-

NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

44.1 Relationship with Shariah-compliant financial institutions

Islamic banks	
Name	Relationship
Al Baraka (Pakistan) Bank Limited	Funded & Non Funded Facilities
Askari Bank Limited	Funded & Non Funded Facilities
Bank Al Habib Limited	Funded & Non Funded Facilities
Bank Alfalah Limited	Funded & Non Funded Facilities
Dubai Islamic Bank Pakistan Limited	Funded
Faysal Bank Limited	Funded & Non Funded Facilities
Habib Metropolitan SIRAT Bank Limited	Non Funded
MCB Islamic Bank Limited	Funded & Non Funded Facilities
UBL Ameen	Funded & Non Funded Facilities
Pakistan Kuwait Investment Company	Funded
Allied Bank Limited	Funded
Habib Bank Limited	Funded & Non Funded Facilities
Meezan Bank Limited	Funded & Non Funded Facilities
The Bank of Punjab	Funded & Non Funded Facilities

45. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the associated undertakings, directors of the group entities and key management personnel. The group entities continue to follow a policy whereby transactions with related parties are entered into at commercial terms and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the respective group entities. The Group entities considers their Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be their key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

45.1 Transactions with related parties

	2026	2025
	(Rupees in '000)	
Associated companies		
Sales	3,571,102	3,711,070
Receipts against sales	3,945,782	3,034,275
Purchase	-	571,055
Payment against purchases	-	571,055
Key management personnel		
Remuneration	168,600	170,326
Non-executive directors		
Director's fee	27,240	25,860

45.2 The following are the related parties with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year.

Name of the Related Party	Relationship and percentage of shareholding
Universal Coating Films (Private) Limited	Associated company by virtue of common directorship
Universal Packaging Company (Private) Limited	Associated company by virtue of common directorship
Universal Films (Private) Limited	Associated company by virtue of common directorship

45.3 Outstanding balances with related parties have been separately disclosed in trade and other payables. These are settled in ordinary course of business.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

46.

PLANT CAPACITY AND ACTUAL PRODUCTION

2026

2025

(Tons)

Designed annual capacity	152,660	152,660
Actual production of the group	87,364	66,948

47.

OPERATING SEGMENT

47.1

These consolidated financial statements have been prepared on the basis of a single reportable segment.

47.2

Revenue from the sale of BOPP, CPP and BO-PET films represents 100% (2025: 100%) of the total revenue.

47.3

Geographic Information

The Group's 75.32% (2025: 76.64%) of the sales of BOPP, CPP and BO-PET films are domestic sales whereas 24.63% (2025: 23.26%) of the sales are export / foreign sales.

The Group's net revenue from external customers by geographical location is disclosed in note 29.1.

47.4

Revenue from major customer

Revenue from major customers individually accounting for more than 10% of the revenue from sale of BO-PET and CPP films was Nil (2025: Rs. 4,381 million).

48.

NON-CONTROLLING INTERESTS

Set out below is summarised financial information of Subsidiary Company, PETPAK Films (Private) Limited which has non-controlling interests that are material to the group. The amounts disclosed are before inter-company eliminations.

2026

2025

(Rupees in '000)

NCI Percentage (%)	48%	48%
Non-current assets	10,967,816	11,234,290
Current assets	5,070,125	3,481,688
Non-current liabilities	3,615,877	1,148,169
Current liabilities	4,646,058	6,991,705
Net assets attributable to non-controlling interests	2,985,990	2,568,515
Revenue	9,004,705	6,599,650
Expenses	(9,003,521)	(7,721,253)
Profit for the year	1,184	(1,121,603)
Profit attributable to non-controlling interests	568	(538,370)
Other comprehensive income attributable to non-controlling interests	(596)	609
Total comprehensive income attributable to non-controlling interests	(28)	(537,761)
Net cash used in operating activities	337,417	(2,017,376)
Net cash used in investing activities	(201,640)	(169,868)
Net cash generated from financing activities	17,921	1,884,304

49.

NUMBER OF EMPLOYEES

2026

2025

(Number)

The details of the number of employees of the group are as follows:

Number of employees at June 30		
- Permanent	659	622
- Contractual	423	353
	1,082	975
Average number of employees during the year		
- Permanent	647	589
- Contractual	388	333
	1,035	922

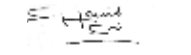
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

50. CORRESPONDING FIGURES			
Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with the requirements of accounting and reporting standards applicable. The material reclassification made during the year is as follows:			
Description	Reclassified		For the year ended June 30, 2025 (Rupees ' 000)
	From	To	
Other payables	Contract liabilities	Trade and Other payables	206,987
Capital spares	Stores and Spares	Property, Plant and Equipment	158,259
51. DATE OF AUTHORISATION FOR ISSUE			
These consolidated financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on September 10, 2026.			


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Syed Haris Salim
Chief Financial Officer



CHAPTER 11

Stakeholders' Relationship

Notice of the Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting (AGM) of the members of International Packaging Films Limited (the “Company”) will be held on Monday, October 26, 2026 at 09:30 AM at PSX Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi, as well as through video conferencing facility to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2026, together with the Auditors’ and Directors’ Reports thereon.

In accordance with Section 223 of the Companies Act, 2017, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code.

<https://www.ipak.com.pk/financials>



QR Code
IPAK Annual Report 2026

2. To appoint Auditors of the Company for the year ending June 30, 2027 and fix their remuneration. The present auditors M/s. A.F. Ferguson & Co. Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and the Board of Directors has recommended their appointment.
3. To consider and approve the payment of a Final Cash Dividend at the rate of 20% (Rs. 2.00 per share) for the financial year ended June 30, 2026, as recommended by the Board of Directors.

Special Business:

4. To consider and, if thought fit, pass, with or without modification, the following Special Resolution under Section 199 and other applicable provisions of the Companies Act, 2017, as proposed by the Board of Directors of the Company, for the purpose of approving the authorization to provide Corporate Guarantee(s) in favor of Petpak Films (Private) Limited a 51% owned subsidiary company (effective group holding 61.6%), to secure loans and other financing facilities to be obtained by Petpak Films (Private) Limited from Banks or financial institutions, on such terms and conditions as may be mutually agreed and subject to all applicable laws and regulations, as follows:

Resolved that the Company be and is hereby authorized to provide Corporate Guarantee(s) to any Bank or financial institution in favour of Petpak Films (Private) Limited a 51% owned subsidiary company (effective group holding 61.6%), to secure loans obtained by Petpak Films (Private) Limited from Banks or financial institutions, up to an aggregate limit of PKR 15,000,000,000 (fifteen billion rupees), available at any time during the three (3) years’ authorization period, on such terms and conditions as may be mutually agreed and subject to all applicable laws and regulations.

Further resolved that the Chief Executive and/or the Chief Financial officer jointly or singly be authorized to take any or all actions which may be required for the corporate guarantees as authorized above.

Karachi: September 10, 2026

- Sd -
By Order of the Board
Fahad Alam
Company Secretary

Notes to AGM Notice:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company shall remain closed from Monday, October 19, 2026 to Monday, October 26, 2026 (both days inclusive). Share transfers received in order at the office of our Share Registrar / Transfer Agent, CDC Share Registrar Services Limited, CDC House, 99-B, Block ‘B’, S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, by the close of business on Friday, October 16, 2026 shall be considered in time for any entitlements and right to attend and vote at the Annual General Meeting.

2. Appointment of Scrutinizer:

In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018 (the Regulations), the Board of the Company has appointed M/s UHY Hassan Naeem & Co. Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the Special Business to be transacted in the meeting and to undertake other responsibilities as defined in the Regulations.

3. Participation in Annual General Meeting:

a) Through Electronic Means:

To attend the AGM through video-conferencing facility, members are requested to register themselves by providing the following information through email at cs@ipak.com.pk at least forty-eight (48) hours before the AGM:

Full Name of Shareholder / Proxy Holder	Company	* CNIC / Passport Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	International Packaging Films Limited.				

*Shareholders shall also share copy of original CNIC or passport.
**Shareholders are requested to provide active email address and mobile phone number.

- i. Members will be registered, after necessary verification as per the above requirement and a video-link will be provided by the Company via email.
- ii. Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned in point ‘a’ above).
- iii. The login facility will remain open from 9:15 a.m. till the end of AGM.

b) Participation in Person:

- i. An Individual shall authenticate his identity by showing original Computerized National Identity Card (CNIC) or original passport.
- ii. In case of Corporate Entity, the Board of Directors’ resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

c) For Appointing Proxies:

- i. A member may appoint another person as his proxy to attend, speak and vote instead of him.
- ii. Proxy, in order to be effective, must be in writing duly signed, witnessed, stamped and deposited at the Registered office of the Company not less than 48 hours before the meeting.
- iii. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.
- iv. Form of proxy is annexed at the end of annual report as well as available at Company’s website i.e., www.ipak.com.pk.

4. Guidelines for Central Depository Company of Pakistan Limited (‘CDC’) Investor Account Holders:

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

a) For attending the AGM:

- i. In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or valid passport at the time of attending the AGM.
- ii. In case of a corporate entity, the Board of Directors’ resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the AGM.

b) For appointing Proxies:

- i. In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- iv. The proxy shall produce his original CNIC or original valid passport at the time of the AGM.
- v. In case of a corporate entity, the Board of Directors’ resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

5. E-voting and Postal Ballot:

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018, members will be allowed to exercise their right to vote for the special business in Annual General Meeting, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

a) E-Voting Procedure:

- i. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid cell numbers and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall ensure that their valid cell numbers and e-mail addresses are updated on or before October 16, 2026.
- ii. The web address, login details, will be communicated to members via email.
- iii. Identity of the members intending to cast vote through E-Voting shall be authenticated through authentication for login.
- iv. E-Voting lines will start from October 22, 2026, and shall close on October 25, 2026 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

b) Postal Ballot:

- i. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper related to special business is annexed to this notice and the same is also available on the Company’s website www.ipak.com.pk to download.

E-Voting lines will start from October 22, 2026, and shall close on October 25, 2026 at 5:00 p.m.

- ii. The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at 40L-1, Block 6, PECHS, Karachi (Attention to Company Secretary) by Friday, October 23, 2026 on or before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.

6. Video-Link Facility:

At least seven days prior to the date of the meeting, on the demand of members residing in a city who hold at least ten percent of the total paid-up capital of the Company, the facility of video-link will be provided to such members in that city enabling them to participate in the Annual General Meeting through the video-link facility.

7. Updation of Shareholder’s Records:

Members whose mandatory registration details under law, including usual residential address, mobile/landline number, email address, Computerized National Identity Card Number (CNIC) / Passport number, National Tax Number (NTN), bank account details (IBAN) and declaration for non-deduction of zakat etc. are not available in the Company’s/CDC’s records are hereby advised to provide the same to the Company’s Share Registrar in case of physical shareholding, or their relevant Participant / CDC Investor Account Services (IAS) in case of shareholding in the book entry form, immediately to avoid any inconvenience.

8. Availability and Transmission of Annual Report:

The Company circulates its annual audited financial statements through QR-enabled code and weblink. Accordingly, the audited financial statements of the Company for the year ended June 30, 2026, can be accessed through the QR-enabled code and weblink mentioned in agenda.

Shareholders also have the option to receive the Annual Report electronically through e-mail or in hard copy. Members who wish to avail this facility are requested to send their request on the prescribed form available on the Company’s website, which may be submitted to the Company Secretary / Company’s Share Registrar.

9. Restriction on distribution of gifts:

In accordance with the directive issued by the SECP vide its SRO 452(I)/2025, the company would like to inform all the shareholders that no gifts will be distributed at the AGM.

10. Lawful Conduct of Shareholders at the General Meeting

Shareholders are requested to observe the conduct referred to in sub-regulation (2) of Regulation 55 of the Companies Regulations, 2024, while attending the AGM. Accordingly, shareholders shall confine themselves to the agenda items specified in the Notice and restrict their comments and discussions to the affairs of the Company. Shareholders shall not bring any material that may pose a threat to the participants or the meeting premises, nor conduct themselves in a manner that discloses political affiliation or offends the religious susceptibilities of other members.

11. Payment of Cash Dividend Through Electronic Mode (E-dividend) – Mandatory:

Cash dividend shall be paid to shareholders electronically, directly into the bank account designated by the entitled shareholder, as required under Section 242 of the Companies Act, 2017 and Regulation 4 of the Companies (Distribution of Dividends) Regulations, 2017.

In order to receive dividend directly into the bank account, shareholders are requested to fill the ‘E-Dividend Mandate Form’ available on Companie’s website and send it duly completed and signed along with a copy of his / her valid CNIC to the Companie’s Share registrar,

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi – 74400.

In case shares are held in Book Entry Form then the ‘E-Dividend Mandate Form’ must be submitted directly to shareholder(s)’broker/participant/CDC Investor Account Services.

12. Tax Implication on Dividend:

Members whose names are not included in the Federal Board of Revenue’s (FBR) Active Taxpayers List (ATL), despite being tax return filers, are advised to ensure that their names appear in the ATL at the time of book closure for cash dividend; otherwise, tax on their cash dividend will be deducted at the non-filer rate.

13. Tax on Joint Shareholding:

Shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Shares Registrar, in writing as follows:

Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar on or before the close of business October 16, 2026 otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s) and tax will be deducted according to the proportionate holding of each shareholder as clarified by the FBR vide its clarification letter No. I(54) Exp/2014-132872-R, dated September 25, 2014.

14. Tax Exemption Certificate

Shareholders claiming tax exemption under clause 47(B) of Part IV of the Second Schedule of Income Tax Ordinance, 2001 (the Ordinance) are requested to provide a valid exemption certificate under the Ordinance latest by October 16, 2026, to our Shares Registrar.

Ballot Paper

Ballot Paper for voting through post for the Special Businesses at the 11th Annual General Meeting to be held on Monday, October 26, 2026, at 9:30 AM at PSX Auditorium, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi and through video conferencing.

Contact Details of the Chairman at which the duly filled in ballot paper may be sent:
Address: The Chairman, 40-L-1, Block 6, P.E.C.H.S., Karachi. Attention to the Company Secretary E-mail address: cs@ipak.com.pk Phone: +92-21-34384044 Website: www.ipak.com.pk.

Folio / CDS Account Number
Name of Shareholder / Proxy Holder
Registered Address
Number of shares Held
CNIC/Passport No. (in case of foreigner) (copy to be attached)
Additional information attached i.e. Board of Directors’ resolution / Power of Attorney (in case of representative of body corporate, corporation, and federal Government)
Name and CNIC of Authorized Signatory

I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by conveying my/our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below: (In case if both the boxes are marked as (✓), your poll shall be treated as “Rejected”).

Agenda No.4 – Special Resolution

To consider and, if thought fit, pass, with or without modification, the following Special Resolution under Section 199 and other applicable provisions of the Companies Act, 2017, as proposed by the Board of Directors of the Company, for the purpose of approving the authorization to provide Corporate Guarantee(s) in favor of Petpak Films (Private) Limited a 51% owned subsidiary company (effective group holding 61.6%), to secure loans and other financing facilities to be obtained by Petpak Films (Private) Limited from Banks or financial institutions, on such terms and conditions as may be mutually agreed and subject to all applicable laws and regulations, as follows:

Resolved that the Company be and is hereby authorized to provide Corporate Guarantee(s) to any Bank or financial institution in favour of Petpak Films (Private) Limited a 51% owned subsidiary company (effective group holding 61.6%), to secure loans obtained by Petpak Films (Private) Limited from Banks or financial institutions, up to an aggregate limit of PKR 15,000,000,000 (fifteen billion rupees), available at any time during the three (3) years’ authorization period, on such terms and conditions as may be mutually agreed and subject to all applicable laws and regulations.

Further resolved that the Chief Executive and/or the Chief Financial officer jointly or singly be authorized to take any or all actions which may be required for the corporate guarantees as authorized above.

S. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Agenda Item No.4: as stated above			

1. Duly filled ballot paper should be sent to the Chairman at 40L-1, PECHS, Block 6, Karachi. Attention to the Company Secretary or e-mail at cs@ipak.com.pk.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours on Friday, October 23, 2026. Any postal Ballot received after this date and time, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC / Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: www.ipak.com.pk.

Shareholder / Proxy Holder Signature/
Authorized Signatory (In case of corporate
entity, please affix company Stamp)

Statement of Material Facts Under Section 134(3) of the Companies Act, 2017

In compliance with Section 134(3) of the Companies Act, 2017, the following statement of material facts is provided for the consideration of the members in respect of the special business.

Agenda Item No. 4: Corporate Guarantee in favour of Petpak Films (Private) Limited

Petpak Films (Private) Limited (“PPAK”), a 51% owned subsidiary of the Company, with an effective Group holding of 61.6%, continues to pursue its business objectives and operational requirements, resulting in increasing financing needs from time to time to support its ongoing and future business requirements.

To facilitate PPAK in arranging the required financing facilities, banks and financial institutions require a corporate guarantee from the Company, being its holding company, as additional security alongside the direct collateral provided by PPAK. Accordingly, the Board of Directors has recommended the enhancement of the cumulative corporate guarantee limit from PKR 8 billion to PKR 15 billion. The enhanced limit will assist PPAK in arranging financing facilities for working capital and other business requirements, including machinery and fixed assets, as may be required.

The proposed authorization will remain valid for a period of three (3) years, during which the Company may issue one or more corporate guarantees in favour of PPAK within the approved aggregate limit, subject to applicable laws and regulations.

Following is the information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the Regulations),

A	Disclosure regarding the associated company or associated undertaking:		
i	Name of associated company or associated undertaking	Petpak Films (Private) Limited .	
ii	Basis of relationship	Petpak Films (Private) Limited is a 51% owned subsidiary of the Company, with an effective Group holding of 61.6%.	
iii	Earnings per share for the last three years	FY2023: PKR (0.60)	
		FY2024: PKR (2.1 8)	
		FY202 5: PKR (1.56)	
iv	Break-up value per share, based on latest audited financial statements	PKR 7.30 per share	
v	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	FY 2026:	(Rupees in ‘000’)
		Assets:	PKR 16,037,941/-
		Equity:	PKR 7,776,006 /-
		Revenue:	PKR 9,004,705 /-
		Profit after tax:	PKR 1,184 /-
		Earnings Per Share:	PKR 0.00141

(vi)	in case of investment in relation to a project of an associated company or associated undertaking that has not commenced operations, following further information, namely,	
i	Description of the project and its history since conceptualization;	Not applicable
ii	Starting date and expected date of completion of work;	
iii	Time by which such project shall become commercially operational;	
iv	Expected time by which the project shall start paying return on investment; and	
v	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts;	
B	General disclosures:	
i	Maximum amount of investment to be made	Not applicable
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	
iii	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) Justification for investment through borrowings. (ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds. (iii) Cost benefit analysis.	
iv	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or	Two (2) directors of IPAK are also on the Board of PPAK as nominee.
vi	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	Investment in Ordinary Shares: PKR 5,431,500,000/-
vii	Any other important details necessary for the members to understand the transaction	Not applicable
(b)	In case of equity investment, following disclosures in addition to those provided under clause (a) of sub - regulation (1) of regulation 3 shall be made,	
i	Maximum price at which securities will be acquired	

ii	If price exceeds fair value of unlisted securities, justification thereof	
iii	Maximum number of securities to be acquired	
iv	Number of securities and percentage thereof held before and after the proposed investment	
v	12 -week weighted average market price (if listed)	
vi	Fair value as per Regulation 5(1)	
(c)	In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub - regulation (1) of regulation 3 shall be made,	
i	Category-wise amount of investment;	Cross Corporate Guarantee PKR 15,000,000,000 (Fifteen Billion).
ii	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Not applicable
iii	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Charge on Corporate Guarantee 0.1% per quarter.
iv	Particulars of collateral or security to be obtained in relation to the proposed investment;	Not applicable
v	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	
4	Other information to be disclosed to the members:	
1	If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 199 of the Act.	Two of the directors of IPAK (parent Company) namely Mr. Naveed Godil and Mr. Mushtaq Ali Tejani are also the nominee Directors in the PPAK.

- The Directors of the Company undertake that they have carried out necessary due diligence for the proposed investment in the Associated Company.
- No Director and Chief Executive Officer has any personal interest in the investee company. The Chief Executive Officer, Mr. Naveed Godil and a Director Mr. Mushtaq Ali Tejani are common directors with subsidiary company, holding only qualifying shares i.e. one (1) share each in Investee Company.

Pattern of Shareholding

as on June 30, 2026

No. of Shareholders	Shareholdings' Slabs			Share Held	Percentage
464	1	to	100	10,939	0.00%
198	101	to	500	58,551	0.01%
287	501	to	1000	184,427	0.03%
532	1001	to	5000	1,160,510	0.16%
77	5001	to	10000	598,835	0.08%
101	10001	to	50000	2,396,744	0.33%
33	50001	to	100000	2,350,007	0.32%
42	100001	to	500000	10,089,730	1.37%
8	500001	to	1000000	6,574,365	0.89%
7	1000001	to	2000000	10,976,698	1.49%
22	2000001	to	5000000	72,979,362	9.93%
12	5000001	to	10000000	74,456,847	10.13%
5	10000001	to	20000000	81,512,466	11.09%
1	20000001	to	30000000	25,815,000	3.51%
4	30000001	to	40000000	136,814,822	18.61%
1	40000001	to	50000000	41,067,960	5.59%
2	50000001	to	60000000	109,181,896	14.85%
1	60000001	to	70000000	62,339,679	8.48%
0	70000001	to	80000000	0	0.00%
0	80000001	to	90000000	0	0.00%
1	90000001	to	100000000	96,641,162	13.14%
1798				735,210,000	100.00%

Categories of Shareholders	Share held	Percentage
Directors, Chief Executive Officer and their spouses	313,288,063	42.61%
Executives	24,000	0.00%
Associated Companies & undertakings	-	0.00%
Sponsors & Related Parties (Individuals)	201,572,263	27.42%
Insurance Companies	76,814	0.01%
Modarabas and Mutual Funds	6,805,135	0.93%
Joint Stock Companies	42,707,463	5.81%
General Public		
a. Local	170,634,662	23.21%
b. Foreign	2,090	0.00%
Others	99,510	0.01%
Totals	735,210,000	100.00%

Key Shareholding

as on June 30, 2026

Directors and their spouse(s)

Names	No. of Shares	%
NAVEED GODIL	96,641,162	13.14%
HALIMA NAVEED (W/o Mr. NAVEED GODIL)	5,095,267	0.69%
MUSHTAQ ALI TEJANI	62,339,679	8.48%
ARSALAN PIRANI	37,281,901	5.07%
TAIMOOR IQBAL	53,011,026	7.21%
FAZAL UR REHMAN	34,072,269	4.63%
AFTAB ZAHOOR RAJA	894,626	0.12%
SHUMAILA AFTAB (W/o Mr. AFTAB ZAHOOR RAJA)	19,059,561	2.59%
MUHAMMED AMIN	4,871,525	0.66%
SAIRA NASIR	21,045	0.00%
SAAD AMANULLAH KHAN	1	0.00%
SARFARAZ AHMED REHMAN	1	0.00%
	313,288,063	42.61%

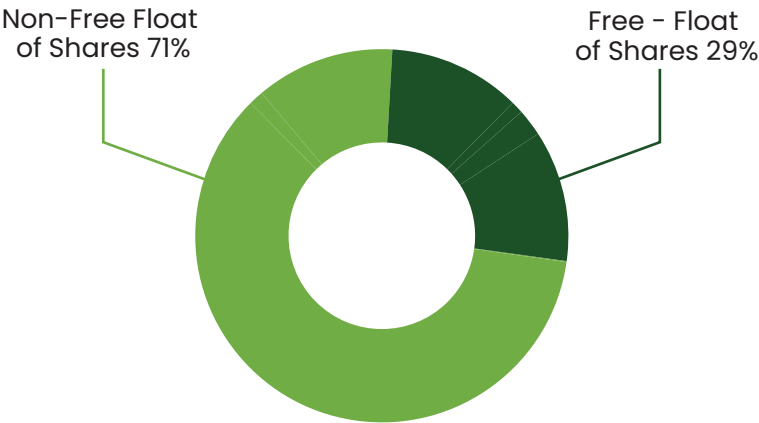
Shareholders holding 10% or more voting rights

	Shares Held	%
NAVEED GODIL	96,641,162	13.14%

Free Float and Non-Free Float of Shares as at June 30, 2026

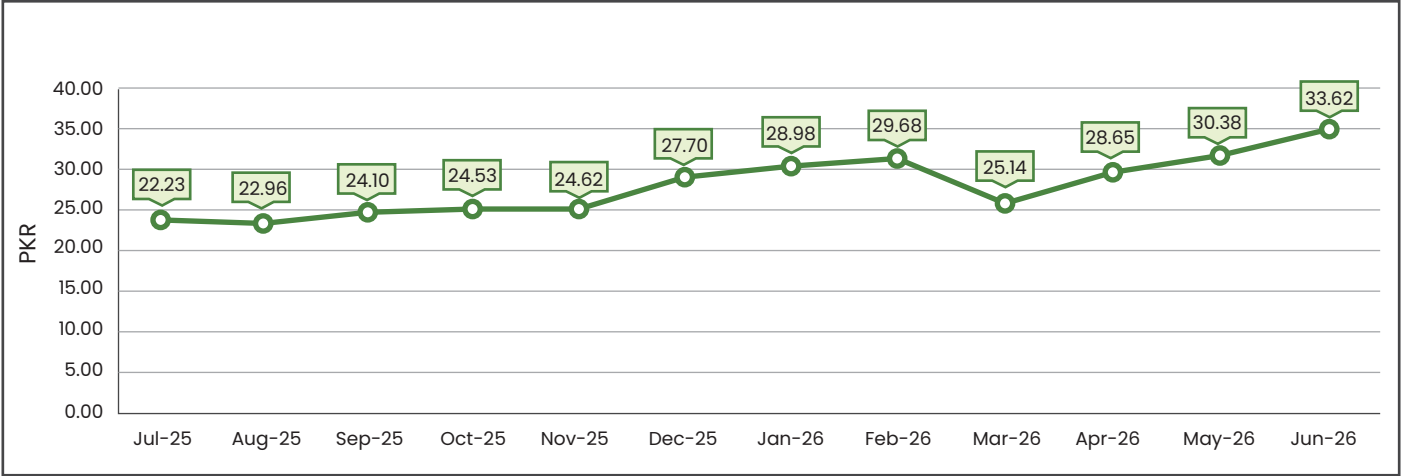
	Shares	%
Free-Float of Shares	215,179,138	29.27%
Non-Free Float of Shares	520,030,862	70.73%
Total No. of Shares	735,210,000	100.00%

Free Float vs Non-Free Float

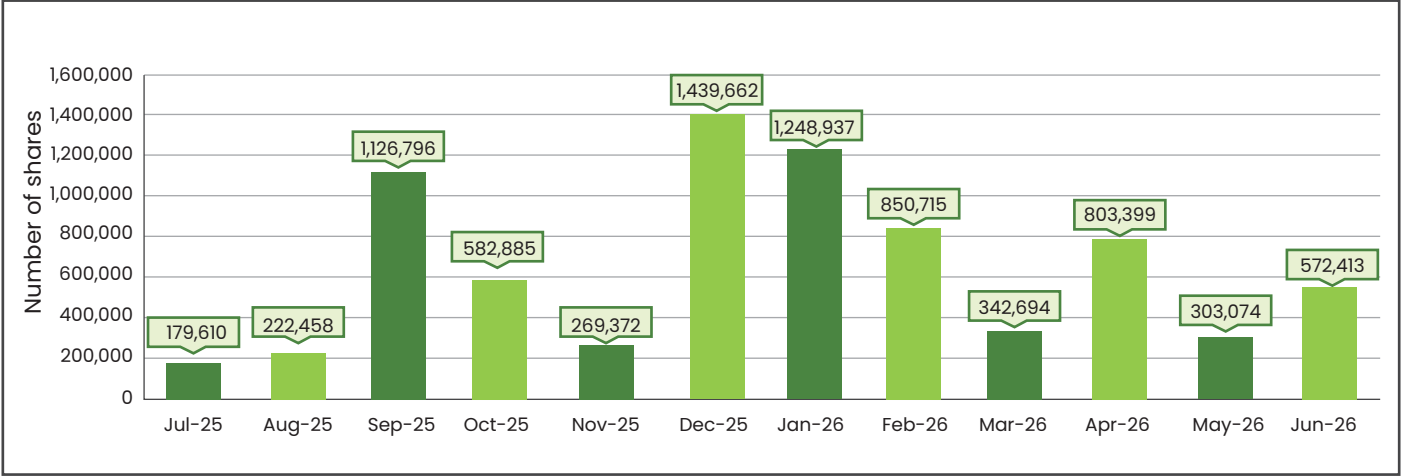


Share Price & Volume

Avg. Share Price



Avg. Share Volume



iv. **سرکھراکانونی اور پائیدار یکجہنگ:** کمپنی نے ری سائیکل شدہ مواد کی ٹریس لہبلی، پوسٹ انڈسٹریل ری سائیکل مواد کے کنٹرولڈ استعمال اور پائیدار یکجہنگ سلوشنز کی تیاری سے متعلق اقدامات میں پیش رفت کی۔

v. **ماحولیاتی ذمہ داری:** WWF کے تعاون سے شجرکاری اور ماحولیاتی آگاہی کی سرگرمیوں نے کمپنی کی وسیع تر ماحولیاتی کوششوں کو تقویت دی۔

vi. **تحقیق اور صنعتی تعاون:** صنعتی فورمز میں شرکت، UET لاہور کے ساتھ Chair on Polymer Sustainability and Circularity کے ذریعے تعاون، اور RecyClass، CEFLEX اور CORE Alliance کے ساتھ روابط نے علم کے تبادلے، تحقیق اور سرکھراکانونی کے طریقوں کو فروغ دیا۔

vii. **پائیداری رپورٹنگ اور جامع ترقی:** گروپ نے اپنی پائیداری رپورٹنگ کے طریقوں کو مزید مضبوط کیا اور Climate2Equal Pakistan پروگرام میں شرکت کی، جس سے موسمیاتی آگاہی، صلاحیت سازی اور جامع قیادت کو فروغ ملا۔

یہ اقدامات ذمہ دارانہ نمو، ماحولیاتی ذمہ داری، آپریشنل ریزیلینس اور پائیدار طویل مدتی قدر کی تخلیق پر گروپ کی توجہ کی عکاسی کرتے ہیں۔ مزید تفصیلات اس سالانہ رپورٹ کے Sustainability Performance and Initiatives سیکشن میں پیش کی گئی ہیں۔

بعد از مالی سال واقعات

30 جون 2026 کو ختم ہونے والے مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلی یا مکمنٹ رونما نہیں ہوئی۔

کمپنی کے حصص میں لین دین

کمپنی اپنے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، نمایاں حصص یافتگان اور ایگزیکٹوز، بشمول ان کے شریک حیات اور نابالغ بچوں، کی جانب سے کمپنی کے حصص میں لین دین کی نگرانی اور رپورٹنگ کے لیے مناسب طریقہ کار برقرار رکھتی ہے، جو قابل اطلاق ریگولیٹری تقاضوں کے مطابق ہے۔ 30 جون 2026 کو ختم ہونے والے سال کے دوران ایسے تمام لین دین کی قابل اطلاق تقاضوں کے مطابق باقاعدہ رپورٹنگ کی گئی۔

اہم خطرات اور غیر یقینی صورتحال

بورڈ کمپنی اور گروپ کو درپیش اہم خطرات اور غیر یقینی صورتحال کی نگرانی اپنے گورننس، رسک اور کمپلائنس فریم ورک کے ذریعے کرتا ہے۔ اہم خطرات کی نشاندہی، جانچ اور نگرانی کی جاتی ہے، مناسب تدارکی اقدامات انتظامیہ کو تفویض کیے جاتے ہیں اور اہم ایکسپوژرز قائم شدہ گورننس چینلز کے ذریعے رپورٹ کیے جاتے ہیں۔ اہم خطرات میں درج ذیل شامل ہیں:

i. **خام مال، توانائی اور افراط زر سے متعلق لاگت کا خطرہ:** درآمدی خام مال، توانائی، فریٹ اور دیگر ان پٹ لاگت میں اتار چڑھاؤ مارجن اور ورکنگ کیپیٹل کو متاثر کر سکتا ہے۔ گروپ متنوع سورسنگ، پروکیورمنٹ پلاننگ، لاگت میں بہتری اور قیمتوں سے متعلق اقدامات کے ذریعے ان ایکسپوژرز کا انتظام کرتا ہے۔

ii. **زر مبادلہ کا خطرہ:** شرح مبادلہ میں تبدیلی درآمدی خام مال اور غیر ملکی کرنسی میں واجبات کی لاگت کو متاثر کر سکتی ہے۔ برآمدی آمدنی جزوی قدرتی بیج فراہم کرتی ہے، جسے کرنسی ایکسپوژرز اور مالیاتی انتظامات کی فعال نگرانی سے مزید تقویت ملتی ہے۔

iii. **سپلائی چین، جغرافیائی و سیاسی اور موسمیاتی خطرہ:** شپنگ میں رکاوٹیں، جغرافیائی و سیاسی پیش رفت اور شدید موسمی حالات خام مال اور تیار مصنوعات کی نقل و حرکت کو متاثر کر سکتے ہیں۔ سپلائرز میں تنوع، انوینٹری پلاننگ اور متبادل لاجسٹکس انتظامات سپلائی چین کی ریزیلینس کو سہارا دیتے ہیں۔

iv. **لیکویڈیٹی، گیزرنگ اور فنانسنگ کا خطرہ:** ورکنگ کیپیٹل کی ضروریات، شرح سود اور فنانسنگ کی دستیابی لیکویڈیٹی اور فنانس کاسٹ کو متاثر کر سکتی ہے۔ ان خطرات کا انتظام کیش فلو پلاننگ، ورکنگ کیپیٹل میں نظم و ضبط اور متنوع بینکاری انتظامات کے ذریعے کیا جاتا ہے۔

v. **مارکیٹ، مسابقت اور برآمدات کا خطرہ:** طلب، مسابقتی قیمتوں اور برآمدی منڈیوں کی صورتحال میں تبدیلی فروخت اور مارجن کو متاثر کر سکتی ہے۔ گروپ صارفین اور جغرافیائی منڈیوں میں تنوع، مارکیٹ ڈیولپمنٹ اور ویلیو ایڈڈ مصنوعات پر توجہ مرکوز رکھتا ہے۔

vi. **ذیلی کمپنیوں کی کارکردگی اور پیداواری صلاحیت کے استعمال کا خطرہ:** متوقع سطح سے کم پیداواری صلاحیت کا استعمال یا آپریشنل افادیت گروپ کے توسیع شدہ پیداواری پلیٹ فارم سے حاصل ہونے والے منافع کو متاثر کر سکتی ہے۔ کارکردگی کا انتظام آپریشنل اور مالیاتی نگرانی، سٹیز پلاننگ اور لاگت کی بہتری کے ذریعے کیا جاتا ہے۔

vii. **آپریشنل اور مصنوعات کے معیار کا خطرہ:** آلات کی خرابی، یوٹیلیٹی میں رکاوٹ اور معیار سے متعلق مسائل آپریشنز میں خلل ڈال سکتے ہیں یا صارفین کو متاثر کر سکتے ہیں۔ احتیاطی دیکھ بھال، کوالٹی کنٹرولز، اہم اسپینر پارٹس اور ہنگامی انتظامات ان ایکسپوژرز کو کم کرتے ہیں۔

viii. **سائبر سیورٹی اور انفارمیشن سسٹمز کا خطرہ:** سائبر خطرات، سسٹم میں خلل اور ڈیٹا کے نقصان کا انتظام رسائی کنٹرولز، نیٹ ورک سیورٹی، بیک اپس، ڈیزاسٹر ریکوری انتظامات اور سسٹم مانیٹرنگ کے ذریعے کیا جاتا ہے۔

ix. **صحت، حفاظت اور ماحولیات کا خطرہ:** صحت و حفاظت سے متعلق واقعات اور ہنرمند افرادی قوت کی کمی آپریشنز کو متاثر کر سکتی ہے۔ HSE کنٹرولز، تربیت، افرادی قوت کی ترقی اور ہنگامی تیاری ان خطرات کے مؤثر انتظام میں معاونت کرتے ہیں۔

بورڈ اور انتظامیہ ان خطرات اور ابھرتی ہوئی پیش رفت کی مسلسل نگرانی کرتے ہیں اور مناسب تدارکی اقدامات اختیار کرتے ہیں۔ گروپ کے اہم خطرات، غیر یقینی صورتحال اور متعلقہ مواقع پر مزید تفصیلی بحث اس سالانہ رپورٹ کے Risks and Opportunities سیکشن میں فراہم کی گئی ہے۔

حصص یافتگی کی تفصیل

30 جون 2026 تک کمپنی کے حصص یافتگی کے پیٹرن کا بیان اس سالانہ رپورٹ کے Shareholders' Information سیکشن میں ظاہر کیا گیا ہے۔

اظہار تشکر

بورڈ حصص یافتگان، صارفین، ریگولیٹرز، بینکوں اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون پر دلی تشکر کا اظہار کرتا ہے۔ بورڈ گروپ بھر کی انتظامیہ اور ملازمین کی محنت اور خدمات کو بھی قدر کی نگاہ سے دیکھتا ہے، جن کی کاوشیں سال کے دوران گروپ کی پیش رفت میں اہم رہی ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سعد امان اللہ خان

ڈائریکٹر

نوید گوڈیل

چیف ایگزیکٹو آفیسر

10 ستمبر 2026

انسانی وسائل کا انتظام اور ملازمین سے تعلقات

کمپنی نے کارکردگی پر مبنی، جامع اور باہمی تعاون پر مشتمل کام کی جگہ کے فروغ کا عمل جاری رکھا، جس میں ملازمین کی شمولیت، صلاحیتوں کی ترقی، فلاح و بہبود اور مثبت ملازم تعلقات پر توجہ مرکوز رہی، جبکہ انفرادی کارکردگی کو ادارہ جاتی مقاصد سے ہم آہنگ رکھا گیا۔

(الف) ملازمین کی شمولیت اور ثقافت: ملازمین کی شمولیت، باہمی تعاون اور کام کی جگہ پر روابط کو فروغ دینے والے اقدامات اہم ترجیح رہے۔ Winning Together 2025 میں پرفارمنس مینجمنٹ سے حاصل ہونے والی بصیرت کو ٹیم بلڈنگ سرگرمیوں کے ساتھ یکجا کیا گیا، جبکہ آئی پاک اسپاٹ لائٹ نے ملازمین کو اپنے تجربات اور پیشہ ورانہ سفر شیئر کرنے کے لیے پلیٹ فارم فراہم کیا۔ Smash Champs Season 2 اور Mango Day 2026 جیسی تفریحی سرگرمیوں کے ساتھ 78 ویں یوم آزادی اور کمپنی کی 8 ویں سالگرہ کی تقریبات نے باہمی روابط، ادارہ جاتی فخر اور یکجہتی کو مزید مضبوط کیا۔

(ب) اعتراف اور حوصلہ افزائی: کمپنی نے ملازمین کے اہم سنگ میل کو سراہتے ہوئے اعتراف اور قدردانی کی ثقافت کو فروغ دینا جاری رکھا۔ ذاتی نوعیت کے سالگرہ کارڈز اور متعلقہ اقدامات نے کام کی جگہ پر روابط اور ملازمین کے احساسِ وابستگی کو مزید مضبوط کیا۔

(ج) تنوع، مساوات اور شمولیت (DE&I): کمپنی نے مساوی مواقع، آگاہی، پیشہ ورانہ ترقی اور وسیع تر شرکت پر مبنی اقدامات کے ذریعے کام کی جگہ پر تنوع اور شمولیت کی حمایت جاری رکھی۔ خواتین کے عالمی دن کی سرگرمیوں اور Climate2Equal پروگرام کے تحت لیڈر شپ ڈیولپمنٹ ماڈیولز نے ملازمین کی شمولیت اور صلاحیت سازی میں کردار ادا کیا، جبکہ دیگر اقدامات نے باوقار اور جامع کام کی ثقافت کو فروغ دیا۔

(د) ملازمین کی فلاح، صحت اور حفاظت: ملازمین کی صحت، حفاظت اور فلاح اہم ترجیحات رہیں۔ اندرونی بلڈ بینک ڈیٹابیس نے ہنگامی مدد میں سہولت فراہم کی، جبکہ آئی پاک فٹ بریک اور Mental and Physical Health Month نے فٹنس، صحت اور ذہنی دباؤ کے مؤثر انتظام کو فروغ دیا۔ ذمہ دارانہ ڈرائیونگ، سیلاب سے تیاری، دھند اور ناموافق موسم سے متعلق آگاہی سرگرمیوں نے ملازمین کی حفاظت کو مزید مضبوط کیا، جبکہ اپنی گاڑی اپنی سواری بائیک۔ سیلنگ پروگرام نے ملازمین کی نقل و حرکت میں معاونت فراہم کی۔

(ه) روحانی اور سماجی اقدامات: حج۔ سیلنگ پروگرام نے ملازمین کو حج کی سعادت حاصل کرنے کا موقع فراہم کیا، جبکہ افطار اجتماعات نے باہمی روابط اور کام کی جگہ پر تعلقات کو مزید مضبوط کیا۔

(و) نوجوانوں کی شمولیت اور ترقی: Leadership Excellence Series، فنکشنل ٹریننگ اور دیگر اندرونی و بیرونی تربیتی مواقع کے ذریعے صلاحیتوں کی ترقی کا عمل جاری رہا۔ CEO Talks اور ٹاؤن ہالز نے براہ راست ابلاغ، ادارہ جاتی ہم آہنگی اور ملازمین کی آراء کے تبادلے میں معاونت کی۔ کمپنی نے کیریئر فیئرز، صنعتی دوروں، انٹرن شپس اور پلیسمنٹ اقدامات کے ذریعے تعلیمی اداروں کے ساتھ روابط بھی مضبوط کیے، جس سے طلبہ اور نوجوان پیشہ ور افراد کو عملی تجربہ حاصل ہوا، جبکہ انٹرن شپ مکمل کرنے والے شرکاء کو خصوصی تقریبات کے ذریعے سراہا گیا۔

گریجویٹی اسکیم

کمپنی اپنے اہل ملازمین کے لیے ملازمت کے اختتام پر فائدے کے طور پر غیر فنڈڈ اور نان کنفری بیوٹری گریجویٹی اسکیم فراہم کرتی ہے، جو ملازمت کی قابل اطلاق شرائط کے مطابق ہے۔ تسلیم شدہ واجبات اور متعلقہ رقوم کی تفصیلات اس سالانہ رپورٹ میں شامل آڈٹ شدہ مالیاتی گوشواروں میں دیکھی جاسکتی ہیں۔

انفارمیشن ٹیکنالوجی اور سسٹمز

مالی سال 2026 کے دوران کمپنی نے آئی پاک گروپ میں اپنے ٹیکنالوجی انفراسٹرکچر کو مزید مضبوط کیا، جس میں مرکزی آئی ٹی گورننس، محفوظ سسٹم رسائی، انفراسٹرکچر کی قابل اعتماد کارکردگی، ڈیٹا کے تحفظ اور مؤثر سروس ڈیلیوری پر توجہ مرکوز رہی۔

اہم پیش رفت میں گروپ کے مختلف مقامات پر آئی ٹی ماحول کی مرکزیت، SAP کلاؤڈ کنیکٹیویٹی اور ورچوئل ڈیسک ٹاپ انفراسٹرکچر کے ذریعے محفوظ ریموٹ رسائی کا قیام، SAP Basis سپورٹ کو مضبوط بنانا اور ڈیٹا سینٹر اپ گریڈز شامل تھے۔ پیٹ پاک اور جی پاک میں مکمل آئی ٹی سائٹ ڈیپلائمنٹ مکمل کی گئی، جبکہ آپریٹنگ سسٹمز اور ایپلی کیشن لائسنسنگ کو معیاری بنایا گیا۔

آئی ٹی گورننس اور انفارمیشن سیوریٹی کو سسٹم رسائی، قابل قبول استعمال اور ڈیٹا اینڈنگ سے متعلق پالیسیوں، منظم ہیک اپ ورٹینیشن اور SAP آئٹھرائزیشن کنٹرولز کے ذریعے مزید مضبوط کیا گیا۔ آئی ٹی سروس ڈیسک، اثاثہ جاتی انتظام، انفارمیشن سیوریٹی کنٹرولز اور ITIL سے ہم آہنگ سروس مینجمنٹ طریقوں پر بھی پیش رفت جاری رہی۔ آئی پاک ڈیش بورڈ اور آئی پورٹل نے ملازمین کے لیے ادارہ جاتی معلومات، وسائل اور اپ ڈیٹس تک مرکزی رسائی کو مزید بہتر بنایا۔

آئندہ ٹیکنالوجی روڈ میپ میں نیکسٹ جنریشن فائر والز، اینڈ پوائنٹ اور ای میل سیوریٹی، محفوظ ریموٹ کنیکٹیویٹی اور ہائی اویلیبیلٹی وڈیز اسٹرکچرری صلاحیتوں کی ترقی کے ذریعے سائبر سیوریٹی کو مزید بہتر بنانے پر توجہ دی جائے گی۔ ڈیٹا سینٹر کی گنجائش، نیٹ ورک ریزیلیئنس، ہینڈوٹھ اور Fi-iW انفراسٹرکچر میں مزید بہتری گروپ کی بڑھتی ہوئی آپریشنل اور ٹیکنالوجی ضروریات کو سہارا دے گی۔

کارپوریٹ سماجی ذمہ داری (CSR)

مالی سال 2026 کے دوران کمپنی نے کمیونٹی کی صحت، تعلیم، نوجوانوں کی ترقی اور جامع روزگار کے فروغ کے لیے اپنی معاونت جاری رکھی۔ One Drop, One Life خون عطیہ مہم، جو فاطمید فاؤنڈیشن کے تعاون سے منعقد کی گئی، نے ملازمین کو انسانی جانیں بچانے کے اس سماجی مقصد میں شرکت کی ترغیب دی، جبکہ دیگر اقدامات نے تعلیمی شمولیت اور کم نمائندگی رکھنے والے طبقات کے لیے روزگار کے مواقع کی حمایت کی۔

سال کے دوران گروپ نے فلاحی، تعلیمی اور طبی مقاصد کے لیے 9.5 ملین پاکستانی روپے کی شراکت کی، جو ذمہ دارانہ کارپوریٹ شہریت اور معاشرے پر مثبت اثرات کے لیے گروپ کی مسلسل وابستگی کی عکاسی کرتی ہے۔

ماحولیاتی، سماجی اور گورننس (ESG) اقدامات

مالی سال 2025-26 کے دوران گروپ نے توانائی کی کارکردگی، قابل تجدید توانائی، وسائل کے بہتر استعمال، سرکلر اکانومی کے اقدامات، ذمہ دارانہ رپورٹنگ اور جامع ترقی کے ذریعے اپنے پائیداری کے ایجنڈے پر پیش رفت جاری رکھی۔

i. **توانائی کی کارکردگی اور اخراج:** ویسٹ ہیٹ ریکوری سسٹمز اور آپریشنل ایفیشینسی کے اقدامات نے روایتی توانائی کے ذرائع پر انحصار اور اس سے متعلق اخراج میں کمی کی معاونت کی۔

ii. **قابل تجدید توانائی:** متعلقہ آپریٹنگ مقامات پر سولر تنصیبات نے گروپ کے قابل تجدید توانائی کس میں اضافہ کیا اور توانائی کے وسائل کے زیادہ مؤثر استعمال کو سہارا دیا۔

iii. **لاجسٹکس اور وسائل کی کارکردگی:** بہتر لوڈنگ اور ٹرانسپورٹ پلاننگ نے غیر ضروری سفر، ایندھن کے استعمال اور متعلقہ اخراج میں کمی کی معاونت کی۔

4) مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق IFRS اکاؤنٹنگ اسٹینڈرڈز اور کمپنیز ایکٹ، 2017 کے تقاضوں کی پیروی کی گئی ہے۔ کسی بھی انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔

5) انٹرئل فنانشل کنٹرول فریم ورک قابل اعتماد مالیاتی رپورٹنگ، اثاثوں کے تحفظ اور قابل اطلاق تقاضوں کی تعمیل کے حوالے سے معقول یقین دہانی فراہم کرنے کے لیے تشکیل دیا گیا ہے اور اس کی باقاعدگی سے نگرانی اور جائزہ لیا جاتا ہے۔

6) کمپنی کی بطور گونگ کنسرن کام جاری رکھنے کی صلاحیت کے حوالے سے کوئی نمایاں شبہ موجود نہیں۔

7) انٹرپرائزر سک مینجمنٹ فریم ورک موجود ہے، جس کے ذریعے اہم کاروباری خطرات اور متعلقہ تدارکی اقدامات کا بورڈ اور اس کی متعلقہ کمیٹیوں کے ذریعے وقتاً فوقتاً جائزہ لیا جاتا ہے۔

8) قابل اطلاق کارپوریٹ گورننس تقاضوں سے کوئی اہم انحراف نہیں ہوا، سوائے ان امور کے جو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت بیانِ تعمیل میں ظاہر کیے گئے ہیں۔

9) گزشتہ چھ سال کے اہم آپریٹنگ اور مالیاتی اعداد و شمار اس سالانہ رپورٹ کے متعلقہ سیکشن میں پیش کیے گئے ہیں۔

10) ٹیکسز، ڈیویڈنڈ، لیویز اور دیگر قانونی واجبات کے حوالے سے کوئی واجب الادا قانونی ادائیگی موجود نہیں، سوائے ان رقوم کے جو معمول کے کاروبار کے دوران پیدا ہوئی ہوں یا مالیاتی گوشواروں میں بصورتِ دیگر ظاہر کی گئی ہوں۔

انٹرئل فنانشل کنٹرولز

کمپنی ایک جامع انٹرئل فنانشل کنٹرول فریم ورک برقرار رکھتی ہے، جس کا مقصد قابل اعتماد مالیاتی رپورٹنگ، اثاثوں کا تحفظ، ریکارڈ کی درستگی اور قابل اطلاق تقاضوں کی تعمیل کو یقینی بنانا ہے۔ دستاویزی پالیسیاں، طریقہ کار اور شعبہ جاتی کنٹرولز کا وقتاً فوقتاً جائزہ لیا اور انہیں مزید مضبوط کیا جاتا ہے تاکہ ان کی مسلسل موثریت برقرار رہے۔

انٹرئل آڈٹ اہم کنٹرولز کا آزادانہ جائزہ لیتا ہے، بہتری کے شعبوں کی نشاندہی کرتا ہے اور متفقہ اصلاحی اقدامات کی مناسب گورننس چینلز کے ذریعے نگرانی کرتا ہے۔ ان انتظامات کو کمپنی کے گورننس، رسک مینجمنٹ اور کمپلائنس فریم ورک، متعلقہ بورڈ سے منظور شدہ پالیسیوں اور نگرانی کے طریقہ کار سے مزید تقویت ملتی ہے، جبکہ رسک اسیسمنٹ، کمپلائنس مانیٹرنگ، کاروباری تسلسل اور آپریشنل ریزیلیئنس پر مسلسل توجہ برقرار رکھی جاتی ہے۔ مجموعی طور پر یہ اقدامات کمپنی میں جواب دہی، شفافیت اور مضبوط کنٹرول ماحول کو فروغ دیتے ہیں۔

معاوضے کی پالیسی اور ڈائریکٹرز کا معاوضہ

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کی فیس بورڈ طے کرتا ہے۔ 30 جون 2026 کو ختم ہونے والے سال کے دوران چیف ایگزیکٹو آفیسر اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی تفصیلات مالیاتی گوشواروں کے متعلقہ نوٹ میں ظاہر کی گئی ہیں۔

متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقین کے ساتھ لین دین قابل اطلاق تقاضوں اور کمپنی کی منظور شدہ پالیسیوں کے مطابق کیا گیا۔ ایسے لین دین کا آڈٹ کمیٹی نے جائزہ لیا اور بورڈ نے توثیق کی۔ ان لین دین کی تفصیلات مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کی گئی ہیں۔

بیرونی آڈیٹرز

میسرز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2026 کو ختم ہونے والے سال کا آڈٹ مکمل کر لیا ہے اور آئندہ سالانہ عمومی اجلاس کے اختتام پر سبکدوش ہو جائیں گے۔ اہل ہونے کے باعث انہوں نے 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کی حیثیت سے دوبارہ تقرری کے لیے خود کو پیش کیا ہے، جس کا معاوضہ باہمی اتفاق سے طے کیا جائے گا۔

کریڈٹ ریٹنگز

سال کے دوران VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی اینٹیسیپی ریٹنگ 'A/A1' (سنگل اے / اے ون) کو 'اسٹیبیل' آؤٹ لک کے ساتھ برقرار رکھا۔ یہ ریٹنگز کمپنی کی مستحکم مارکیٹ پوزیشن، قرض کی ادائیگی کی مناسب صلاحیت اور محتاط کیپیٹلائزیشن پروفائل کی عکاسی کرتی ہیں۔

بنیادی کاروباری سرگرمی اور کاروبار کی نوعیت میں تبدیلی

کمپنی بنیادی طور پر فلیکسیبل پیکیجنگ کے استعمال کے لیے بانی ایکسیلی اور اینڈ پولی پروپیلین (BOPP) فلمز کی متنوع اقسام کی تیاری اور فروخت میں مصروف ہے۔ سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں ہوئی۔

قومی خزانے میں شراکت

سال کے دوران کمپنی نے قومی خزانے میں 2.9 ارب پاکستانی روپے کی شراکت کی، جبکہ کمپنی سمیت گروپ کی مجموعی شراکت 17.5 ارب پاکستانی روپے رہی۔ اس شراکت میں سیلز ٹیکس، انکم ٹیکس بشمول سپر ٹیکس، اور کسٹمز ڈیوٹی شامل ہیں، جو گروپ کی مالی ذمہ داریوں کی مسلسل تعمیل اور ذمہ دارانہ کارپوریٹ طرزِ عمل سے وابستگی کی عکاسی کرتی ہیں۔

کسٹولپڈینڈ	اسٹینڈالون	
ملین پاکستانی روپے میں		
سیلز ٹیکس	5,754	1,914
انکم ٹیکس (بشمول سپر ٹیکس)	1,325	844
کسٹمز ڈیوٹی	394	134
کل	7,473	2,892

رکھے۔ پیٹ بیک فلز (پرائیویٹ) لمیٹڈ (پیٹ پاک) نے اپنے آپریشنز میں مزید پیش رفت کی، جس میں پیداواری صلاحیت کے استعمال، مصنوعات کی ترقی اور مارکیٹ میں رسائی بڑھانے پر توجہ مرکوز رہی۔ جی پاک اور سی پاک کمپنی کی مکمل ملکیتی ذیلی کمپنیاں ہیں، جبکہ پیٹ پاک میں گروپ کی مجموعی ملکیت 61.6 فیصد رہی۔

مستقبل کا منظر نامہ

مالی سال 2027 میں گروپ اپنی توسیع شدہ پیداواری صلاحیت کو پائیدار نمو اور بہتر منافع میں تبدیل کرنے پر توجہ مرکوز رکھے گا۔ اس مقصد کے لیے پیداواری صلاحیت کے زیادہ موثر استعمال، پروڈکٹ کس اور لاگت کی بہتری، ورکنگ کیپیٹل میں نظم و ضبط اور آپریشنل ہم آہنگی میں اضافے کو ترجیح دی جائے گی۔

برآمدات اس حکمتِ عملی کا اہم حصہ رہیں گی، جنہیں وسیع تر مارکیٹ رسائی، پرتگال میں گروپ کی توسیع اور BOPE، کوئٹہ اور ہائی بیریز سلوشنز سمیت خصوصی اور ویلیو ایڈڈ فلز پر بڑھتی ہوئی توجہ سے تقویت ملے گی۔ خام مال اور توانائی کی قیمتوں میں اتار چڑھاؤ، مالیاتی حالات اور جغرافیائی و سیاسی غیر یقینی صورتحال کا روباری ماحول پر اثر انداز ہو سکتی ہے؛ تاہم گروپ کا متنوع پروڈکٹ پورٹ فولیو، مربوط پیداواری پلیٹ فارم اور بڑھتی ہوئی بین الاقوامی موجودگی ”نمو سے عہدگی تک“ کے سفر اور پائیدار طویل مدتی قدر کی تخلیق کے لیے مضبوط بنیاد فراہم کرتے ہیں۔

ڈائریکٹرز اور بورڈ کمیٹیوں کے اراکین کے نام

بورڈ آف ڈائریکٹرز

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران درج ذیل افراد نے کمپنی کے ڈائریکٹرز کی حیثیت سے خدمات انجام دیں۔

شمار	نام	بورڈ میں حیثیت
1	جناب محمد امین	چیئرمین
2	جناب نوید گوڈیل	ایگزیکٹو ڈائریکٹر / چیف ایگزیکٹو آفیسر
3	جناب سرفراز احمد رحمان	آزاد ڈائریکٹر
4	جناب سعد امان اللہ خان	آزاد ڈائریکٹر
5	محترمہ سائرہ ناصر	آزاد ڈائریکٹر
6	جناب ارسلان پیرانی	نان ایگزیکٹو ڈائریکٹر
7	جناب تیمور اقبال	نان ایگزیکٹو ڈائریکٹر
8	جناب آفتاب ظہور راجہ	نان ایگزیکٹو ڈائریکٹر
9	جناب مشتاق علی تجانی	نان ایگزیکٹو ڈائریکٹر
10	جناب فضل الرحمن	نان ایگزیکٹو ڈائریکٹر
11	جناب عبدالعلیم ٹن والا	نان ایگزیکٹو ڈائریکٹر — 31 اکتوبر 2025 کو سبکدوش ہوئے

بورڈ کمیٹیاں

بورڈ کمیٹیوں کی تشکیل، سال کے دوران منعقدہ اجلاسوں کی تفصیلات اور ڈائریکٹرز کی حاضری اس سالانہ رپورٹ کے کارپوریٹ گورننس سیکشن میں دی گئی ہے۔

بورڈ کی کارکردگی کا جائزہ

کمپنی نے بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی سالانہ کارکردگی کے جائزے کے لیے باقاعدہ طریقہ کار قائم کر رکھا ہے۔ سال کے دوران یہ جائزہ ایک منظم عمل کے ذریعے مکمل کیا گیا اور اس کے نتائج بورڈ کے سامنے پیش کیے گئے۔ اس عمل سے مجموعی موثریت کا جائزہ لینے اور مسلسل بہتری کے شعبوں کی نشاندہی میں مدد ملی۔

فی حصص آمدنی (EPS)

	2026	2025
	جون 30	
	→ پاکستانی روپے ←	
کنسولیدیشنڈ	6.73	1.64
اسٹینڈالون	1.79	1.16

منافع کی تخصیص

بورڈ نے 30 جون 2026 کو ختم ہونے والے سال کے لیے 20 فیصد حتمی نقد منافع منقسمہ، جو 2.00 پاکستانی روپے فی حصص کے مساوی ہے، کی سفارش کی ہے۔ مجوزہ نقد منافع منقسمہ آئندہ سالانہ عمومی اجلاس میں حصص یافتگان کی منظوری سے مشروط ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

بورڈ اعلیٰ معیار کی کارپوریٹ گورننس، شفاف رپورٹنگ اور جواب دہی برقرار رکھنے کے لیے پُر عزم ہے۔ اس ضمن میں ڈائریکٹرز تصدیق کرتے ہیں کہ:

1) انتظامیہ کی جانب سے تیار کردہ اسٹینڈالون اور کنسولیدیشنڈ مالیاتی گوشوارے کمپنی اور گروپ کی مالی حالت، آپریٹنگ نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

2) کمپنی کے حسابات کی مناسب کتب برقرار رکھی گئی ہیں۔

3) مناسب اکاؤنٹنگ پالیسیاں مستقل بنیادوں پر لاگو کی گئی ہیں، جبکہ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔

ڈائریکٹر کی رپورٹ

انٹرنیشنل پیکیجنگ فلز لمیٹڈ (“کمپنی”) کے ڈائریکٹر کو 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ، اسٹیٹڈ الون اور کنسولیڈیٹڈ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ، پیش کرتے ہوئے خوشی ہو رہی ہے۔

مجموعی معاشی جائزہ

مالی سال 2026 کے دوران پاکستان کی معیشت میں بتدریج بحالی کا عمل جاری رہا، جسے معاشی نمو میں بہتری، فی کس آمدنی میں اضافے اور افراطِ زر میں اعتدال سے تقویت ملی۔ کارکنوں کی ریکارڈ ترسیلاتِ زر اور زر مبادلہ کے ذخائر میں بہتری کے باعث بیرونی کھاتہ مجموعی طور پر متوازن رہا۔ آئی ایم ایف پروگراموں کے تحت مسلسل پیش رفت نے معاشی استحکام کو مزید سہارا دیا، جبکہ پاکستان کی خود مختار کریڈٹ ریٹنگز میں بہتری نے ملکی معاشی منظر نامے پر بڑھتے ہوئے اعتماد کی عکاسی کی۔ تاہم، سال کے اختتام کی جانب افراطِ زر کے دباؤ، تجارتی خسارے میں اضافے، مالیاتی اخراجات اور جغرافیائی و سیاسی غیر یقینی صورتحال کا روباری ماحول پر اثر انداز ہوتی رہی۔

کارکردگی کا جائزہ

اسٹیٹڈ لون		کنسولیڈیٹڈ	
برائے مالی سال 2026			
2025	2026	2025	2026
→ ----- ملین روپوں میں -----<			
15,565	13,347	34,369	42,167
2,688	3,078	4,994	9,388
2,604	3,001	3,825	8,141
(1,321)	(840)	(2,219)	(1,864)
(432)	(844)	(942)	(1,325)
851	1,317	664	4,952
		1,202	4,951
		(538)	1
		664	4,952

سیلز	
گراس منافع	
آپریٹنگ منافع	
فنانس کاسٹ	
ٹیکس اور لیویز سے پہلے منافع	
ٹیکس کے بعد منافع	
منافع کا انتساب	
آئی پیک (ہولڈنگ کمپنی)	
پی پاک (اقلیتی شیئر ہولڈرز)	

نوٹ—کنسولیڈیٹڈ مالیاتی گوشواروں پر ڈیفیڈ ٹیکس کا اثر

گزشتہ برسوں کی طرح، گروپ کے کنسولیڈیٹڈ نتائج میں ڈیفیڈ ٹیکس کے اثرات اور متعلقہ کنسولیڈیشن ایڈجسٹمنٹس شامل رہے، جو مکمل طور پر ایڈجسٹ یاریورس ہونے تک رپورٹ شدہ نتائج پر اثر انداز ہوتے رہیں گے۔ مالی سال 2026 کے دوران 452 ملین پاکستانی روپے کا خالص ڈیفیڈ ٹیکس چارج تسلیم کیا گیا، جس کے نتیجے میں رپورٹ شدہ کنسولیڈیٹڈ بعد از ٹیکس منافع 4,952 ملین پاکستانی روپے رہا۔ چونکہ یہ ایک نان کیش اکاؤنٹنگ چارج ہے، اس کے اثر کو خارج کرنے کی صورت میں کنسولیڈیٹڈ بعد از ٹیکس منافع تقریباً 5,404 ملین پاکستانی روپے ہوتا۔

برآمدات کا تجزیہ

مالی سال 2026 کے دوران برآمدات ایک اہم تزویراتی ترجیح رہیں۔ کنسولیڈیٹڈ برآمدی فروخت 30 فیصد اضافے کے ساتھ 8,028 ملین پاکستانی روپے سے بڑھ کر 10,407 ملین پاکستانی روپے ہو گئی، جو کنسولیڈیٹڈ فروخت کا تقریباً 25 فیصد بنتی ہے، جبکہ گزشتہ سال یہ تناسب 23 فیصد تھا۔ یہ اضافہ گروپ کی بڑھتی ہوئی بین الاقوامی موجودگی اور بیرونِ ملک منڈیوں کی مسلسل ترقی کی عکاسی کرتا ہے۔

کمپنی کی سطح پر برآمدی فروخت 2,845 ملین پاکستانی روپے رہی، جبکہ گزشتہ سال یہ 4,742 ملین پاکستانی روپے تھی۔ یہ تبدیلی دستیاب پیداواری صلاحیت کو ان مقامی منڈیوں کی جانب تزویراتی طور پر مختص کرنے کی عکاس ہے جہاں سال کے دوران نسبتاً بہتر مارجن دستیاب تھے۔ آئندہ گروپ کی برآمدی حکمتِ عملی حجم اور جغرافیائی رسائی میں اضافے کے ساتھ ساتھ جدت اور خصوصی ویلیو ایڈڈ فلمز کے بڑھتے ہوئے پورٹ فولیو کے ذریعے برآمدی قدر بڑھانے پر بھی مرکوز رہے گی، تاکہ بین الاقوامی منڈیوں میں بہتر مارجن اور زیادہ نمایاں امتیاز حاصل کیا جاسکے۔

مالی کارکردگی

مالی سال 2026 کے دوران آئی پاک گروپ نے مضبوط مالی کارکردگی کا مظاہرہ کیا، جسے پیداواری صلاحیت کے بہتر استعمال، موزوں پروڈکٹ کس، لاگت پر نظم و ضبط اور ذیلی کمپنیوں کی بہتر شراکت سے تقویت ملی۔ کنسولیڈیٹڈ فروخت مالی سال 2025 میں 34.4 ارب پاکستانی روپے سے بڑھ کر مالی سال 2026 میں 42.2 ارب پاکستانی روپے ہو گئی، جو 23 فیصد نمو کی نمائندگی کرتی ہے۔

آمدنی میں بہتری کے نتیجے میں منافع میں نمایاں اضافہ ہوا۔ مجموعی منافع 5.2 ارب پاکستانی روپے سے بڑھ کر 9.4 ارب پاکستانی روپے جبکہ آپریٹنگ منافع 3.8 ارب پاکستانی روپے سے بڑھ کر 8.1 ارب پاکستانی روپے ہو گیا۔ فنانس کاسٹ 16 فیصد کمی کے ساتھ 1.9 ارب پاکستانی روپے رہی، جبکہ گزشتہ سال یہ 2.2 ارب پاکستانی روپے تھی۔ نتیجتاً، گروپ نے 4,952 ملین پاکستانی روپے کنسولیڈیٹڈ بعد از ٹیکس منافع ریکارڈ کیا، جبکہ مالی سال 2025 میں یہ 664 ملین پاکستانی روپے تھا۔ ہولڈنگ کمپنی کے مالکان سے منسوب منافع 4,951 ملین پاکستانی روپے رہا، جبکہ گزشتہ سال یہ 1,202 ملین پاکستانی روپے تھا۔

اسٹیٹڈ الون بنیاد پر کمپنی نے 13.3 ارب پاکستانی روپے کی فروخت ریکارڈ کی، جبکہ مالی سال 2025 میں یہ 15.6 ارب پاکستانی روپے تھی، جو بدلتی ہوئی مارکیٹ صورتحال کے دوران فروخت میں اعتدال کی عکاسی کرتی ہے۔ کم آمدنی کے باوجود، بعد از ٹیکس منافع 55 فیصد بڑھ کر 851 ملین پاکستانی روپے سے 1,317 ملین پاکستانی روپے ہو گیا، جسے لاگت کے منظم انتظام، بہتر کاروباری کس اور مقامی و بین الاقوامی منڈیوں کی مسلسل ترقی سے تقویت ملی۔

ذیلی کمپنیوں نے گروپ کے متنوع پیداواری پلیٹ فارم کو مزید مضبوط کیا اور کنسولیڈیٹڈ کارکردگی میں بہتری میں اپنا کردار ادا کیا۔ گلوبل پیکیجنگ فلز (پرائیویٹ) لمیٹڈ (جی پاک) نے پیداواری صلاحیت کے بہتر استعمال اور مارکیٹ ڈیولپمنٹ کے ذریعے نمو کو سہارا دیا، جبکہ کاسٹ پیکیجنگ فلز (پرائیویٹ) لمیٹڈ (سی پاک) نے مستحکم آپریشنز برقرار

Proxy Form

I/We _____ of _____ being a member of **International Packaging Films Limited** and holder of _____ Ordinary Shares having CDC Account No. _____ hereby appoint Mr./Ms. _____ of _____ or failing him Mr./Ms. _____ of _____ as my/our proxy in my/our absence to vote for me/us and on my/our behalf at the **Annual General Meeting** of the Company to be held on **Monday, October 26, 2026 at 09:30 a.m.** and at any adjournment thereof.

Signed thisday of..... **2026**

Please affix
revenue stamp
of appropriate
value

WITNESSES:

1. Signature: _____

Name: _____

Address: _____

CNIC No. _____

2. Signature: _____

Name: _____

Address: _____

CNIC No. _____

Signature
(As per CNIC)

Note:

- Proxies must be received by the Company not less than 48 hours before the meeting.
- Please attach with this Proxy Form photocopy of CNIC (Computerized National Identity Card) of both shareholder and his/her Proxy(s).

پراکسی فارم

میں/ہم کا / کے _____
جو کہ انٹرنیشنل پبلیکینگ فلز لمیٹڈ کا رکن ہوں اور _____ عام حصص کا حامل ہوں، جس کا سی ڈی سی اکاؤنٹ نمبر _____ ہے، اس کے ذریعے مسٹر/مس _____ کے /کی _____ یا ان کے ناکام ہونے کی صورت میں مسٹر/مس _____ کے /کی _____ کو میری/ہماری غیر موجودگی میں میرے/ہماری جانب سے ووٹ ڈالنے کے لئے نامزد کرتا/کرتی ہوں/ہیں، جو کمپنی کی سالانہ جنرل میٹنگ میں پیر، 26 اکتوبر 2026 کو صبح 9:30 بجے منعقد ہوگی اور اس کے ملتوی ہونے کی صورت میں کسی بھی التوا پر۔

دن _____ مہینہ _____ 2026 کو دستخط کیے گئے۔

Please affix
revenue stamp
of appropriate
value

گواہان:

1. دستخط:

نام:

پتہ:

سی این آئی سی نمبر:

2. دستخط:

نام:

پتہ:

سی این آئی سی نمبر:

نوٹ:

- پراکسیز میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانی چاہئیں۔

- براہ کرم اس پراکسی فارم کے ساتھ شیئر ہولڈر اور اس کے پراکسی ہولڈر کی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی فوٹو کاپی منسلک کریں۔



INTERNATIONAL PACKAGING FILMS LIMITED

E-DIVIDEND MANDATE FORM

Date: _____

According to applicable laws a listed company require to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders.

In view of above, Shareholder(s) are advised to provide their complete bank account / IBAN detail as per the format given below,

For physical Shareholder (s):

CDC Share Registrar Services Limited

CDC House, 99-B, Block B, S.M.C.H.S.,

Main Shara-e-Faisal, Karachi – 74400.

Email: info@cdcsrsl.com

For CDC Account holder (s):

In case of CDC account holder / Sub-account holder, please provide said details to CDC / respective Stock Broker

Company Secretary

E-Dividend Mandate Details

It is requested that my cash Dividend declared by the Company credited to the following bank account:

Folio Number / CDC Participants ID A/c No.	
Name of Shareholder.	
Title of the Bank Account.	
Bank Account Number (Complete) / IBAN.	
Bank's Name, Branch Name, Branch Code and Address.	
Cell Number.	
Landline Number, if any.	
Email Address.	
CNIC Number/ Passport Number (in case of foreign Shareholder) (attach copy).	

It is stated that the above-mentioned information is correct.

Signature of Shareholder

(Please affix company stamp in case of a corporate entity)

Note:

Please provide complete IBAN, after checking with your concerned bank branch to enable electronic credit directly into your bank account.



I PAK

INTERNATIONAL PACKAGING FILMS LIMITED

Plot # 40-L-1, P.E.C.H.S., Block 6, Near
Jason Trade Centre, Karachi 75100,
Pakistan

www.ipak.com.pk

