



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

UAN: 111-001-122

PSX/N-999

NOTICE

August 20, 2021

Public Comments on the Draft Prospectus of International Packaging Films Limited

It is hereby informed to all concerned that **International Packaging Films Limited (the Company or the Issuer)** has applied for listing on the Exchange. The Company shall be issuing 63,500,000 Ordinary Shares using the 75% Book Building Method at a Floor Price of PKR 34/- per share. Details about the issue can be reviewed through the attached Draft Prospectus of the Company.

Pursuant to PSX Regulation No. 5.2.1(e), and Regulation 3 (11) of the Public Offering Regulations, 2017, the Draft Prospectus of the Issuer is being placed on the PSX Website for seeking public comments. All concerned are requested to provide their written comments on the Draft Prospectus, if any, to the Listing Department by emailing at comments.draftprospectus@psx.com.pk latest by **COB Monday, August 30, 2021**.

Asmaa Saleem Malik

Asmaa Saleem Malik

General Manager – Listing Department

Copy to:

Additional Director / HOD, PMADD, SMD - SECP

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5**, AND SEEK PROFESSIONAL ADVICE BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER PUBLIC OFFERING REGULATIONS, 2017. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE, UNDERWRITING COMMISSION, BIFURCATING AS TAKEUP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM. DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.



INTERNATIONAL PACKAGING FILMS LIMITED PROSPECTUS

Date and place of incorporation: October 2, 2015 in Karachi, Pakistan | **Incorporation number:** 0095533 | **Registered and Corporate Office:** Plot # 40 L-1, P.E.C.H.S, Block 6, Near Jason Trade Centre, Karachi, Pakistan 75400 | **Website:** <http://www.ipak.com.pk/> | **Contact Person:** Mr. Mohsin Anwer, Phone: 021-34384044 Ext: 042, Email: mohsin@ipak.com.pk; Mr. Haris Salim, Phone: 021-34384044 Ext: 024, Email: haris.salim@ipak.com.pk.

Issue Size: The Issue consists of 63,500,000 Ordinary Shares (i.e. 14.99% of the total post-IPO paid up capital of **International Packaging Films Limited**) of face value of PKR 10/- each. The Book Building portion of the Issue comprises of 47,625,000 ordinary shares (75% of the total issue) at a Floor Price of PKR 34.00 (including premium of PKR 24.00 per share) with a maximum price band of up to 40% (Justification of premium is given under "Valuation Section" i.e. Section 4A).

Method of Offering: 75% Book Building Method and 25% Retail/ General Public Portion

Book Building method and Floor Price: The IPO would be conducted through 75% Book Building method and the strike price would be determined based on the same. The Book Building portion of the Issue comprises of 47,625,000 ordinary shares (75% of the total issue) at a Floor Price of PKR 34.00 (including premium of PKR 24.00 per share) with a maximum price band of up to 40% (Justification of premium is given under "Valuation Section" i.e. Section 4A).

Retail/general public portion: General Public portion of the Issue comprises of 15,875,000 Ordinary Shares (25% of the total issue) at the Strike Price. The General Public portion will be fully underwritten. The Underwriters will be appointed upon determination of strike price and subsequently published in the supplement to the Prospectus.

Public Comments: Draft Prospectus was placed on PSX's website for seeking public comments starting from [.] , 2021 to [.] , 2021. The comments received have been duly responded by the Lead Managers.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on [.] , 2021 and will close at 3:00 pm on [.] , 2021

BIDDING PERIOD DATES: From [.] /2021 to [.] /2021 (From: 9:00 am to 5:00 pm)

DATE OF PUBLIC SUBSCRIPTION: From [.] /2021 to [.] /2021 (both days inclusive) From: 9:00 am to 5:00 pm

Lead Managers & Book Runners	Book Building Portion Will be Credit Underwritten By:
 AKD Securities Limited	 INTERMARKET SECURITIES LTD
 AKD Securities Limited	 INTERMARKET SECURITIES LTD

Bankers to the Book Building portion of the Issue: Bank AL Habib Limited, Meezan Bank Limited and Habib Metropolitan Bank Limited

Bankers for the Retail portion of the Issue:

Allied Bank Limited	Askari Bank Limited	Bank AL Habib Limited	Dubai Islamic Bank Limited	Faysal Bank Limited	Habib Bank Limited
Habib Metropolitan Bank Limited	MCB Bank Limited	Meezan Bank Limited	Silk Bank Limited	United Bank Limited	

For retail portion, investors can submit an application through both electronic and physical mode. Electronic/online applications can be submitted through (i) PSX's e-IPO system (PES) through the weblink "https://eipo.psx.com.pk", (ii) CDC's Centralized E-IPO system (CES) through the weblink, "www.cdceipo.com", and (iii) UBL's e-IPO system through the weblink, "http://www.ublirect.com/corporate/ebank". For details please refer to Section 13 of Prospectus.

Date of Publication of this Prospectus: [.] /2021

Prospectus and Subscription Form can be downloaded from the following websites: <https://www.psx.com.pk>, <https://www.cdceipo.com>, <http://akdsecurities.net/>, <http://www.imsecurities.com.pk/>

For further queries you may contact

International Packaging Films Limited: Mohsin Anwer; Phone: 021-34384044 Ext: 042; Email: mohsin@ipak.com.pk Haris Salim; Phone: 021-34384044 Ext: 024; Email: haris.salim@ipak.com.pk **AKD Securities Limited:** Abadan Mohajir; Phone: 021-35863512; E-mail: abadan.mohajir@akdsecurities.net, Afsheen Dhedhi; Phone: 021 35360533; Email: afsheen.dhedhi@akdsecurities.net, Ayesha Khairi; Phone: 021 35360533; Email: ayesha.khairi@akdsecurities.net **Intermarket Securities Limited:** Jawad Rauf; Phone: 021-35360533; Email: jawad.rauf@imsecurities.com.pk, Danyal Rizvi; Phone: 021-37131600 Ext: 403; E-mail: danyal.rizvi@imsecurities.com.pk and Hareem Zehra; Phone: 021-37131600 Ext: 404, E-mail: hareem.zehra@imsecurities.com.pk

The Company is Proposed to be listed at the Pakistan Stock Exchange Limited

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER AND THE ISSUER

July 01, 2021

WE, NAVEED GODIL, THE CHIEF EXECUTIVE OFFICER, AND MOHSIN ANWER, THE CHIEF FINANCIAL OFFICER OF INTERNATIONAL PACKAGING FILMS LIMITED CERTIFY THAT:

1. THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO DISCLOSURES AND APPROVALS HAVE BEEN FULFILLED.
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THIS PROSPECTUS.

For and behalf of **International Packaging Films Limited**

-Sd-

Naveed Godil
Chief Executive Officer

-Sd-

Mohsin Anwer
Chief Financial Officer

Note: This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of International Packaging Films Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of International Packaging Films Limited earlier published on [•]/2021

International Packaging Films Limited

- FLOOR PRICE: PKR 34.00/- PER SHARE
- STRIKE PRICE: PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE
- PRICE BAND (40% above the FLOOR PRICE): PKR47.60 /- PER SHARE

Underwriters to the Retail Portion of the Issue

S. No.	Names of Underwriter	No. of shares Underwritten	Amount (PKR)	Date of Underwriting Agreement	Date of Due Diligence Report
(i)	•	•	•		
(ii)	•	•	•		
(iii)	•	•	•		
TOTAL		•	•		

- Underwriting Commission (in % age):
- Take up Commission (in % age), if any:
- Interest of Underwriters, in the Issue and the Issuer other than their role as Underwriters: The Underwriters are deemed to be interested to the extent of underwriting & take-up commission payable to them by the Issuer for the amount underwritten. The Underwriters have no other interest in any property or profits of the Company

Category wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of shares provisionally allocated
1	Commercial Banks	•	•
2	Development financial institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	Total Institutional Investors	•	•
	Individual Investors:	•	•
12	Foreign Investors	•	•
13	Local	•	•
	Total Individual Investors	•	•
	GRAND TOTAL		

Glossary of Technical Terms

ACT	Securities Act, 2015
AKDS	AKD Securities Limited
B2B	Business selling goods and services to other commercial/industrial entities
Bps	Basis points
BVPS	Book Value Per Share
BOPP	<p>Biaxially Oriented Polypropylene Film</p> <p>The process of polypropylene being extruded and stretched in both the machine direction and across machine direction, it is called biaxially oriented polypropylene. Biaxial orientation increases strength and clarity. BOPP is widely used as a packaging material for packaging products such as snack foods, fresh produce and confectionery. It is easy to coat, print and laminate to give the required appearance and properties for use as a packaging material.</p>
BOPET	<p>Biaxially Oriented Polyethylene Terephthalate</p> <p>BoPET is a polyester film made from stretched polyethylene terephthalate (PET) and is used for its high tensile strength, chemical and dimensional stability, transparency, reflectivity, gas and aroma barrier properties, and electrical insulation.</p>
Bn	Billion
CAPEX	Capital Expenditure
CAST	Film Casting Unit
CAVITATED FILMS	Cavitated (BOPP) Film is a type of film used in the food industry to manufacture packaging for ice creams, chocolate bars and bottle labels, among other things.
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CENTURY	Century Paper & Board Mills Limited (CEPB)
CHERAT	Cherat Packaging Limited (CPPL)
Collection Bank (Book Building)	Habib Metropolitan Bank Limited & Meezan Bank Limited
Companies Act	Companies Act, 2017
Commission/SECP	Securities and Exchange Commission of Pakistan
CPF	Cast Packaging Films (Private) Limited
CPP	<p>Cast Polypropylene Film</p> <p>Polypropylene film or PP is a low density plastic film. The most important types of PP is cast polypropylene (CPP) being produced through casting process with good sealing performance, high elongation, used for the inner layer of the composite packaging bag.</p>
ECOP	Ecopack Limited (ECOP)
EPS	Earnings Per Share
ERF	Export Refinance Facility

EVOH	Ethylene-vinyl alcohol copolymer, used for superior barrier resistance properties extending life of packaged products.
FMCG	Fast Moving Consumer Goods
FY	Financial Year
FZE	Free Zone Establishment
GDP	Gross Domestic Product
GOP/GoP	Government of Pakistan
GPF	Global Packaging Films (Private) Limited
HS	Harmonized System for international trade
IMS	Intermarket Securities
IPO	Initial Public Offering
IPAK	International Packaging Films Limited
ISO	International Organization for Standardization
ISIL	Ismail Industries Limited
ITERF	Islamic Temporary Economic Refinance Facility
MACPL/MACPAC	MACPAC Films Limited
MDO	Machine Direction Orienter
MERIT	Merit Packaging Limited
Mn	Million
MW	Mega Watt
NAME-PLATE CAPACITY	Name-plate capacity is the theoretical full-load sustained output of the film manufacturing facility provided that such facility is operated for a standard 8,000 operating hours per annum
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
NON CONTROLLING GROUP	<p>The Non Controlling Group represents a minority interest in Petpack Films (Private) Limited wherein the non controlling group owns 47.99% of the issued and paid up share capital of Petpack Films (Private) Limited. The shareholders as part of the Non Controlling Group are as follows:</p> <ul style="list-style-type: none"> • Anis Yakoob • Sana Rashid • Noman Yakoob • Nida Noman Yakoob • Farah Haris Khanani <p>Details of the Non Controlling Group are given in Section 3.2.3.</p>
NOVATEX	Novatex Limited
p.a.	Per Annum
PGKGS	Packages Limited (PKGS)

P&G	Procter & Gamble Pakistan
PKR/PkR or Rs	Pakistan Rupee(s)
PFL	Plastiflex Films (Private) Limited
PPF	Petpak Films (Private) Limited
PPP	Pakistan Paper Products Limited
PSX / Exchange	Pakistan Stock Exchange Limited
SBP	State Bank of Pakistan
TDO	Transverse Direction Orienter
TERF	Temporary Economic Refinance Facility
TPF	Tuff Polyfilms (Private) Limited
TRIPF/TRIPACK	Tri-Pack Films Limited
Tn	Trillion
UIN	Unique Identification Number
UNDP	United Nations Development Program
Unilever	Unilever Pakistan Ltd. & Unilever Pakistan Foods Ltd and associated packaging entities
UPCO	Universal Packaging Company (Private) Limited
WINDER	Winder is a spherical round shaped steel cores which are used to wind up the films produced from the film line onto the jumbo reels which are later sent for slitting and metallizing (if applicable).

DEFINITIONS

Application Money	The total amount of money payable by a successful investor which is equivalent to the product of the Strike Price and the number of shares subscribed and allotted.
Banker to the Book Building	<p>Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.</p> <p>Bank AL Habib Limited, Habib Metropolitan Bank Limited and Meezan Bank Limited have been appointed in this IPO as the Bankers to the Book Building.</p>
Bid	<p>An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of International Packaging Films Limited at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section 12.1.3 for details.</p>
Bid Amount	The amount equal to the product of the number of shares Bid for and the Bid Price.
Bid Collection Center	Designated offices of the Book Runner specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in Section 12.1.6 of this Prospectus .
Bid Price	The price at which Bid is made for a specified number of shares.
Bid Revision	<p>The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p>As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the Bid Amount or Bid money remains the same.</p> <p>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</p>
Bidder	An Eligible Investor who makes bids for shares in the Book Building process.

Bidding Form	The form prepared by the Issuer for the purpose of making bids.
Bidding Period	<p>The period during which bids for subscription of shares are received.</p> <p>The Bidding Period shall be of two days, from [•], 2021 to [•], 2021 both days inclusive (daily from 9:00 a.m. to 5:00 p.m.)</p>
Book Building	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
Book Building Account	An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in Section 12.1.15 of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.
Book Runner	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p>AKD Securities Limited and Intermarket Securities Limited have been appointed as Joint Book Runners for this Issue.</p>
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Collection Banks	Bank AL Habib Limited, Habib Metropolitan Bank Limited and Meezan Bank Limited are the collection banks for the Book Building portion. For this purpose, the Company has opened an Account Titled " International Packaging Films Limited - Book Building ", Bank AL Habib Limited, Account Number [.] , [.] Branch, Habib Metropolitan Bank Limited, Account Number: [.] , [.] Branch and Meezan Bank Limited, Account Number: [.] , [.] Branch. The Collection Banks shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants/allottees are finalized and shares are credited to the successful bidders and applicants, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer's account(s).
Company	International Packaging Films Limited (the "Company" or "IPAK")

Company's Legal Advisor	Mohsin Tayebaly & Co. ("MTC")
Commission	Securities & Exchange Commission of Pakistan ("SECP").
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein.
Designated Institution	Pakistan Stock Exchange Limited ("PSX") is acting as the Designated Institution for this Issue and its Book Building System will be used for price discovery.
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.
e-IPO facility	<p>e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:</p> <p>(i) PSX's e-IPO System (PES):</p> <p>In order to facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the general public can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.</p> <p>For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:</p> <ul style="list-style-type: none"> • the investor himself, or • the TREC Holder with whom the investor has a sub-account, or • the Bank with whom the investor has a bank account. <p>Similarly, an e-IPO application can be filed by:</p> <ul style="list-style-type: none"> • the investor himself, or • the TREC Holder with whom the investor has a sub-account, or • the Bank with whom the investor has a bank account. <p>For further guidance and queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122, or contact at phone (021)-35274401-10 and email: itss@psx.com.pk.</p>

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on [.]

(ii) Centralized e-IPO System (CES):

In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES, list of which is available on above website.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors’ subaccount. In case the subaccount of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC’s IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

Eligible Investor	<p>Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on [.]</p> <p>(iii) e-IPO facilities by Bankers to the Issue:</p> <p>Currently, UBL is providing e-IPO facilities to their respective accountholders. UBL account holders can use UBL Net Banking to submit their application via link http://www.ubldirect.com/corporate/ebank</p> <p>Account holders of UBL can submit their applications through the abovementioned link 24 hours a day during the subscription period which will close at midnight on [•]/2021.</p>
Floor Price	<p>An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 1,000,000 (One Million Rupees only).</p>
General Public	<p>The minimum price per share set by the Issuer in consultation with Lead Manager. For this Issue, Floor Price is PKR 34.00/- per share.</p>
Initial Public Offer (IPO)	<p>All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.</p>
Institutional Investors	<p>Initial Public Offering or IPO means first time offer of securities to the general public.</p>
Issue	<p>Any of the following entities:</p> <ul style="list-style-type: none"> ▪ A financial institution; ▪ A company as defined in the Companies Act, 2017; ▪ An insurance company established under the Insurance Ordinance, 2000; ▪ A securities broker; ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee's fund established for beneficial of employees; ▪ Any other fund established under any special enactment; ▪ A foreign company or any other foreign legal person; and ▪ Any other entity as specified by the Commission. <p>Issue of 63,500,000 Ordinary Shares representing 14.99% of total post-IPO paid-up capital having face value of PKR 10/- each.</p> <p>Book Building portion of the Issue comprises of 47,625,000 Ordinary shares (75% of the total Issue) at a Floor Price of PKR 34.00 per share (including premium of PKR 24.00 per share).</p>

Issue Price	General Public portion of the Issue comprises of 15,875,000 Ordinary shares (25% of the total Issue) at the Strike Price.
Issuer	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
Key Employees	International Packaging Films Limited (the “Company” or “IPAK”)
Lead Manager	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
Limit Bid	Any person licensed by the Commission to act as a Consultant to the Issue.
Limit Price	AKD Securities Limited and Intermarket Securities Limited have been appointed as Joint Lead Managers by the Issuer for this Issue.
Listing Regulations	The Bid at a Limit Price.
Margin Money	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Minimum Bid Size	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled ‘Listing of Companies and Securities Regulations’.
Ordinary Shares	https://www.psx.com.pk/psx/themes/psx/uploads/PSX_Rulebook_%28updated_on-June_22_2021%29.pdf
Price Band	The partial or total amount, as the case may be, paid by a Bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the Bid money as Margin Money in respect of Bids placed by an individual investor and not less than twenty five percent (25%) of the Bid money as Margin Money in respect of bids placed by Institutional Investors.
PO Regulations	The Bid Amount equal to One Million Rupees (PKR 1,000,000/-).
Issue Price	Ordinary Shares of International Packaging Films Limited having face value of PKR 10.00/- each.
Lead Manager	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band.
Limit Bid	The Public Offering Regulations, 2017
Limit Price	https://www.secp.gov.pk/document/clean-copy-of-public-offering-regulations-2017-and-public-offering-regulated-securities-activities-licensing-regulations-2017/?wpdmdl=40172&refresh=5fd849b3350461608010163

Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from <u>DD/MM/2021</u> to <u>DD/MM/2021</u> from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
Related Employees	Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to Section 3A (V) for further details.
Sponsor	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-).
Strike Price	The price per Ordinary Share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Regulations, at which the shares are Issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Lead Manager, Book Runner and the Company.
Supplement to the Prospectus	The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1 APPROVALS AND LISTING ON THE STOCK EXCHANGE

APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan (the "Commission" or the "SECP") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by International Packaging Films Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the "Prospectus") vide their letter No. _____ dated _____, 2021.

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

APPROVAL OF PROSPECTUS BY PSX

The Prospectus of the Company has been approved by PSX vide letter No. _____ dated _____, 2021 in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.

IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND / OR MISTAKES, FOR DECISIONS AND /OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.

ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

International Packaging Films Limited has delivered to the Registrar of Companies as required under Sections 57 (1) of the Company's Act 2017, a copy of this Prospectus signed by all the Directors of the Company.

LISTING AT PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company. If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said twenty-one days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, the Application Money including the Bid Money, in case of Book Building, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Company may become liable to repay it under sub-section (2) of Section 69 of the Companies Act; and, if default is made in complying with the said sub-section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale.

2 SUMMARY OF THE PROSPECTUS

2.1 PRIMARY BUSINESS OF INTERNATIONAL PACKAGING FILMS LIMITED AND THE INDUSTRY IN WHICH IT OPERATES

International Packaging Films Limited (“IPAK” or the “Company”) was founded in 2015 as a green field project to manufacture Biaxially Oriented Polypropylene (“BOPP”) films. The Company was initially incorporated on October 02, 2015 as a private limited company under the Companies Ordinance 1984 (now repealed) and was later converted into a public limited company on June 11, 2021 under Companies Act, 2017. The Company’s manufacturing facility is situated at IPAK Plant, Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore, spanning over an area of ~ 6.9 Acres.

Biaxially Oriented Polypropylene (BOPP) Films:

The Company is a pioneer of the five-layer BOPP film in the packaging industry of Pakistan. With its complete state-of-the-art 8700mm Co-Extruded BOPP production line acquired from one of the world’s most renowned and largest manufacturer, Bruckner Maschinenbau (Germany), it harbors an operational name-plate capacity of 41,360 tons per annum capable of producing BOPP Films of various grades and thickness ranging between 10 to 60 microns.

Cast Polypropylene (CPP) Films:

As part of the expansion plan, IPAK ventured into the manufacturing and selling of CPP Films through a wholly owned subsidiary, Cast Packaging Films (Private) Limited which was incorporated in Karachi, Pakistan as a private limited company on April 1, 2020. CPF commenced its operations on April 01, 2021 by setting up a latest and most sophisticated five- layer Co-Extruded CPP production line acquired from one of the world’s most renowned and largest manufacturer, SML Maschinengesellschaft mbH (Austria) having an annual name-plate capacity of 9,900 tons per annum.

Product Portfolio:

BOPP	CPP
Transparent Films (Non Heat Sealable)	Transparent Films (Heat Sealable)
Transparent Films (Heat Sealable)	Metallized Films
White / Cavitated Films	White / Cavitated Films
Metallized Films	
Pearlized Films	
Matt Films	

Given below is revenue contribution of the above listed product segments of the Company:

Product Type	FY 2018		FY 2019		FY2020		9MFY21	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
Transparent Films	1,616	55.98%	3,176	54.64%	3,941	55.95%	3,956	59.81%
Metallized Films	746	25.84%	1,535	26.41%	1,790	25.41%	1,533	23.18%
Matt Films	41	1.42%	110	1.89%	194	2.75%	135	2.04%
Pearlized Films	239	8.28%	468	8.05%	315	4.47%	239	3.61%
White / Cavitated Films	74	2.56%	343	5.90%	577	8.19%	537	8.12%
Export Films ¹	7.8	0.27%	36	0.62%	186	2.57%	129	1.92%
Metallized Films	0.8	0.03%	1	0.02%	85	1.21%	32	0.48%
Transparent Films	7.0	0.24%	35	0.60%	101	1.43%	97	1.47%

¹ The Company exports BOPP films to Macedonia, Sri Lanka, Bulgaria, United Arab Emirates, Oman, Afghanistan and Canada.

Recycled Granules	163	5.65%	145	2.49%	41	0.58%	85	1.29%
Total Sales²	2,887	100.00%	5,813	100.00%	7,044	100.00%	6,614	100.00%

2.2 SPONSORS OF INTERNATIONAL PACKAGING FILMS LIMITED

The Sponsors of the Company are:

1. Naveed Godil
2. Ameer Ali
3. Mushtaq Ali Tejani
4. Taimoor Iqbal
5. Muhammad Usman Pirani
6. Arsalan Pirani
7. Muhammad Ashraf
8. Shumaila Aftab
9. Navaid Usman Memon Pirani
10. Kashan Younus Pirani
11. Furqan Muhammad Younus
12. Halima Naveed
13. Muhammed Amin
14. Muhammad Iqbal Dawood
15. Aftab Zahoor Raja

International Packaging Films Limited is not a family owned business. However, some Sponsors of the Company are related.

2.3 SALIENT FEATURES OF THE ISSUE

The Issue comprises of 63,500,000 Ordinary shares of face value worth PKR 10/- each, which constitutes 14.99% of the total post-IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 34.00/- per share (including a premium of PKR 24.00/- per share), whereby 75% of the total issue size i.e. 47,625,000 Ordinary Shares will be issued through the Book Building process to Eligible Investors. The balance 25% of the total issue size i.e. 15,875,000 Ordinary Shares will be issued to the General Public through retail offer at the Strike Price determined through the Book Building process. The Book Building Portion will be underwritten by AKD Securities Limited and Intermarket Securities Limited and names of the underwriters to the Retail Portion will be published in the Supplement to the Prospectus.

2.4 PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Post IPO, the share capital will increase from 360,000,000 ordinary shares to 423,500,000 ordinary shares. Given below is the Pre and Post Issue shareholding of the Sponsors of the Company:

Sponsors	No of Shares	% Shareholding Pre IPO	% Shareholding Post IPO
Naveed Godil	54,115,458	15.03%	12.78%
Ameer Ali	43,016,988	11.95%	10.16%

² Commercial production of Cast Polypropylene Films commenced on April 1, 2021, therefore it is not included in the above figures of revenue contribution.

Mushtaq Ali Tejani	38,446,602	10.68%	9.08%
Taimoor Iqbal	33,818,838	9.39%	7.99%
Muhammad Usman Pirani	26,199,656	7.28%	6.19%
Arsalan Pirani	22,371,808	6.21%	5.28%
Muhammad Ashraf	20,030,321	5.56%	4.73%
Shumaila Aftab	12,101,310	3.36%	2.86%
Navaid Usman Memon Pirani	6,450,841	1.79%	1.52%
Kashan Younus Pirani	4,567,806	1.27%	1.08%
Furqan Muhammad Younus	4,567,806	1.27%	1.08%
Halima Naveed	3,235,091	0.90%	0.76%
Muhammed Amin	2,964,706	0.82%	0.70%
Muhammad Iqbal Dawood	1,800,000	0.50%	0.43%
Aftab Zahoor Raja	568,019	0.16%	0.13%
Total	274,255,250	76.18%	64.76%

The Other Shareholders constitute to 23.82% of the issued and paid-up share capital of the Company. These shareholders were allotted/transferred ordinary shares of the Company during 2016 to 2021. Please refer to Section 3A for the details of Other Shareholders

2.5 PRINCIPAL PURPOSE OF THE ISSUE

The principal purpose of the Issue is to invest the entire amount raised at the Floor Price as equity investments in Cast Packaging Films (Private) Limited (“CPF”), Global Packaging Films (Private) Limited (“GPF”) and Petpak Films (Private) Limited (“PPF”). CPF and GPF are wholly owned subsidiaries of IPAK whereas PPF is a 52% owned subsidiary of the Company. Any excess proceeds raised over the Floor Price would be utilized either to fund the internal working capital requirement of IPAK or to make equity investments in CPF, GPF and PPF, as deemed appropriate by the BOD of IPAK.

The reason for not opting to list CPF, GPF or PPF instead of IPAK is that the management of the Company perceives that CPF has recently commenced operations whereas GPF and PPF, being greenfield projects have not yet commenced its operations and might not be able to encash its potential as of now; hence, routing the proceeds through IPAK is a more feasible option.

Following is a brief overview of the subsidiaries of IPAK:

Subsidiary	Date and Place of Incorporation	Nature of Business	No of Shares Held by IPAK ³	Total No. of Shares Outstanding	% of Shareholding	Status
Cast Packaging Films (Private) Limited	April 01, 2020, Karachi, Pakistan	Manufacturing and Selling of Cast Polypropylene films	49,999,998	50,000,000	99.99%	Commercial Production started in April 1, 2021
Petpak Films (Private) Limited	September 21, 2020, Karachi, Pakistan	Manufacturing and Selling of Biaxially-Oriented Polyethylene Terephthalate films	27,083,330	52,083,332	51.99%	Commercial Production will begin in April 2023

³ This represents IPAK’s shareholding as at March 31, 2021.

Global Packaging Films (Private) Limited	January 15, 2021, Karachi, Pakistan	Manufacturing and Selling of Biaxially Oriented Polypropylene films	50,000,000	50,000,002	99.99%	Commercial Production will begin in June 2023
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Historical production capacity and utilization of IPAK is as follows:

BOPP Films (Units In Tons)	FY2018 ⁴	FY2019	FY2020	9MFY2021 ⁵
Name-plate capacity	34,467	41,360	41,360	31,020
Maximum available capacity	26,667	32,000	32,000	24,000
Production	13,319	21,924	24,178	21,766
Utilization (as % of available capacity)	49.95%	68.51%	75.56%	90.70%

Note: The difference in the nameplate and the maximum available capacity is due to the weights of different variants of BOPP films ranging from 10 to 60 microns.

2.5.1 Overview of Cast Packaging Films (Private) Limited

IPAK has ventured into the manufacturing and selling of CPP films through its wholly owned subsidiary, Cast Packaging Films (Private) Limited. CPF was incorporated on April 01, 2020 in Karachi, Pakistan as a private limited company and has set a state-of-the-art production facility at Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore.

IPAK's one of its kind five-layer co-extruded production line in Pakistan for manufacturing CPP films has been imported from by one of the world's most renowned and largest manufacturer of CPP film machines, SML Maschinengesellschaft (Austria) with name-plate capacity of 9,900 tons p.a.

CPF commenced commercial operations on April 01, 2021 to produce CPP films which is known for its excellent characteristics of transparency, gloss, stiffness, moisture resistance, heat resistance and easy heat sealing. CPP films are generally used as a laminate film and are primarily used for food wraps, candy packaging, bakery products, retort packaging, garment/shirt bags, stationary packaging, deep freeze application etc.

The CPP films production vertical with one of the most technologically advanced production lines in Pakistan provides IPAK an edge in the industry over its competitors in terms of the enhanced product offerings of packaging films to the existing customers of its BOPP film products.

2.5.2 Overview of Petpak Films (Private) Limited

PPF which is a greenfield project was incorporated in Karachi, Pakistan as a private limited company on September 21, 2020 and it is a 52% owned subsidiary of IPAK. The principal purpose of PPF will be the manufacturing and sale of BOPET films.

⁴ This represents the name-plate capacity, maximum available production capacity, production and utilization adjusted for the period ending 10M FY2018.

⁵ This represents the name-plate capacity, maximum available production capacity, production and utilization adjusted for the period ending 9M FY2021.

PPF has already established the letter of credit for the import of complete state-of-the-art three-layer Co-Extruded 8,700 mm BOPET production line from Bruckner Maschinenbau (Germany). The name-plate capacity of the production line will be 40,980 tons p.a. which will enable the Company to obtain a significant market share.

PPF is in the process of acquiring⁶ 18.5 acres of land for the planned production facility which will be situated at Plot No. 1D - 4D at the Quaid-e-Azam Business Park (“QABP”) in Shekhupura. QABP is a Special Economic Zone and is ideally located on Lahore-Islamabad Motorway at Shekhupura, with links to all major cities, seaports and dry ports of the country through a network of national Highways and Motorways.

PPF is expected to commence commercial operations in April 2023.

2.5.3 Overview of Global Packaging Films (Private) Limited

IPAK has reached its optimal operational capacity in all product variants of BOPP films and is currently operating at 90.70% of maximum available capacity for 9MFY21⁷.

In order to meet the future demand of films locally as well as in the international market, the Company has decided to undertake a major greenfield expansion to enhance its BOPP Films capacity through its subsidiary GPF incorporated as a private limited company in Karachi, Pakistan on January 15, 2021.

GPF is in the process of acquiring⁸ 19.74 acres of land for the planned production facility which is situated at Plot No. 5D - 9D at the Quaid-e-Azam Business Park (“QABP”) in Shekhupura. QABP is a Special Economic Zone and is ideally located on Lahore-Islamabad Motorway at Shekhupura, linked with all major cities, seaports and dry ports of the country through a network of national Highways and Motorways.

GPF has already established the letter of credit for import of a more advanced and tech driven production line of 10,400 mm BOPP films from Bruckner Maschinenbau (Germany).

The name-plate capacity of GPF’s BOPP film production line is 59,480 tons p.a. which will enhance the total production capacity of BOPP films to 100,840 tons p.a. GPF is expected to commence commercial production in June 2023.

2.5.4 Special Economic Zone Entity

In exercise of the powers conferred by clause (n) of Section 3 read with Section 6(j) of the Special Economic Zone Act, 2012 and Rule 9(8) of the Special Economic Zones Rules, 2013, the Board of Approvals (“BOA”) in its 6th meeting held on October 07, 2020 approved Quaid-e-Azam Business Park as a Special Economic Zone in which PPF⁹ and GPF¹⁰ are in the process of acquiring lands of 18.5 acres and 19.74 acres respectively. As a zone enterprise, the following benefits would be available to GPF and PPF:

- **Exemption of Incomes from Imposition of Income Tax for 10 years;**
- **One-time exemption from Sales Tax, Income Tax and Custom Duty on import of Plant & Machinery**

2.5.5 Total Project Cost

The total cost of the three projects is estimated to be PKR 13,850 Mn as per the following break up:

⁶ Down payment of land has been paid and possession is under process.

⁷ The maximum available capacity for 9MFY21 was 24,000 Tons p.a. and the Company produced 21,766 Tons p.a. of BOP films.

⁸ Down payment of land has been paid and possession is under process

⁹ The downpayment amount of PPF was PKR 145,440,000.

¹⁰ The downpayment amount of GPF was PKR 131,157,144

Company	Project Description	Total Cost (PKR)	%	Equity Investment by IPAK via IPO (PKR)	%
Cast Packaging Films (Private) Limited	Manufacturing facility of CPP films with a capacity of 9,900 tons p.a.	1,587,715,238	11.46	731,143,818	33.86
Petpak Films (Private) Limited	Manufacturing facility of BOPET films with a capacity of 40,980 tons p.a.	6,057,739,360	43.74	686,108,982	31.78
Global Packaging Films (Private) Limited	Manufacturing facility of BOPP films with a capacity of 59,480 tons p.a.	6,204,463,244	44.80	741,747,199	34.36
Total		13,849,917,841	100.00	2,159,000,000	100.00

2.5.5.1 Sources of Funding

The Company intends to issue 63,500,000 Ordinary shares at a Floor price of PKR 34.00/- per share to raise PKR 2,159,000,000 through the IPO. Hence, the expansion shall be 15.6% funded by equity, 10.8% by long term financing, 21% by contribution of Non-Controlling Group and 52.6% by cashflows of the Company.

Break-up for the total estimated cost of the CPF, PPF and GPF projects is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	2,159,000,000	15.6%
Long Term Bank Financing	1,500,000,000	10.8%
Contribution by Non-Controlling Group	2,907,714,893	21.0%
Cashflows of the Company, CPF, PPF, and GPF	7,283,202,948	52.6%
Total Funding requirement	13,849,917,841	100.0%

Source of funding for the total estimated cost of the project of manufacturing of CPP films under **Cast Packaging Films (Private) Limited** is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	731,143,818	46.1%
Cashflows of IPAK and CPF	856,571,419	53.9%
Total Funding requirement	1,587,715,238	100.0%

Source of funding for the total estimated cost of the project of manufacturing of BOPET films under **Petpak Films (Private) Limited** is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	686,108,982	11.3%
Contribution by Non-Controlling Group	2,907,714,893	48.0%
Cashflows of IPAK and PPF	2,463,915,485	40.7%
Total Funding requirement	6,057,739,360	100.0%

Source of funding for the total estimated cost of the project of manufacturing of BOPP films under **Global Packaging Films (Private) Limited** is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	741,747,199	11.95%
Long Term Bank Financing	1,500,000,000	24.18%
Cashflows of IPAK and GPF	3,962,716,045	63.87%
Total Funding requirement	6,204,463,244	100.0%

Long Term Financing – Global Packaging Films (Private) Limited

IPAK through its subsidiary, GPF has arranged for long term financing of PKR 1,500 Mn from following financial institutions:

Financial Institutions	PKR	Tenor	Profit Rate ¹¹	Sanction Date
Bank Al Habib Limited	700,000,000	10 years including 2 years of grace period from date of disbursement	4% + SBP Refinance Rate	07-Apr-21
Dubai Islamic Bank Pakistan Limited	500,000,000	7 years including 2 years of grace period from date of disbursement	4% + SBP Refinance Rate	22-Feb-21
Faysal Bank Limited	300,000,000	5 years with 2 years grace period from date of disbursement	4% + SBP Refinance Rate	1-Mar-21
Total	1,500,000,000			

2.5.6 Utilization of IPO Proceeds

The table below shows breakup of utilization of IPO proceeds:

Break up of IPO Proceeds Utilization	PKR	%
Investment in CPF	731,143,818	33.86%
Investment in PPF	686,108,982	31.78%
Investment in GPF	741,747,199	34.36%
Total	2,159,000,000	100.00%

The table below shows the utilization of 33.86% of IPO proceeds amounting to PKR 731 Mn as part of equity investment in **Cast Packaging Films (Private) Limited**:

Description	PKR
Plant & Machinery	
Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	376,893,313
SML five-layers Co extruded CAST Film Production Line	260,551,210

¹¹ Currently, the SBP Islamic Temporary Economic Refinance Facility Rate is 1%.

High Capacity Roll Slitting and Winding Machine Model Unislit II 635	34,552,714
Handling System for CPP line	5,384,344
Duties & Other Expenses	
Duties & Other Expenses associated with import of Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	53,762,238
Total Investment in Cast Packaging Films (Private) Limited	731,143,818

The table below shows the utilization of 31.78% IPO proceeds amounting to PKR 686 Mn as part of equity investment in **Petpak Films (Private) Limited**:

Description	PKR
Plant & Machinery	
89/12 CHRO Blackline Slitter	176,969,240
Handling System for BOPET line	6,916,000
N.G.R Waste Recycling System	9,880,000
Freehold Land & Development Charges	
Land	85,360,600
Building & Civil Works	
Prefabricated Structure	98,800,000
Civil Construction Works	214,832,569
H-VAC, Electrical Works, Etc.	93,350,574
Total Investment in Petpak Films (Private) Limited	686,108,982

The table below shows the utilization of 34.36% of IPO proceeds of PKR 742 Mn as part of equity investment in how **Global Packaging Films (Private) Limited**:

Description	PKR
Plant & Machinery	
108/12 CHRO Blackline Slitter	63,900,477
Freehold Land & Development Charges	
Land	142,640,476
Building & Civil Works	
Prefabricated Structure	190,000,000
Civil Construction Works	285,779,059
H-VAC, Electrical Works, Etc.	59,427,188
Total Investment in Global Packaging Films (Private) Limited	741,747,199

A detailed break up of funds required by the Company and expenditure already incurred is provided in section 4.1.

2.6 JUSTIFICATION GIVEN BY THE LEAD MANAGER IN FAVOR OF FLOOR PRICE OF PKR 34/- PER SHARE MAY BE SEEN AT SECTION 4A OF THE PROSPECTUS, TITLED VALUATION SECTION

2.7 QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

The auditor of the Company, i.e. EY Ford Rhodes, has not given any qualified opinion on the financial statements of the Company in the past three financial years.

2.8 FINANCIAL INFORMATION (PLEASE REFER TO SECTION 6.4 FOR FURTHER DETAILS)

International Packaging Films Limited (Stand-alone Accounts)

In PKR Million, unless stated otherwise	Audited FY 2018	Audited FY 2019	Audited FY 2020	Audited 9M FY 2021
Share Capital	1,731	2,497	2,743	3,600
Net Worth	4,002	4,240	4,899	5,962
Revenue	2,887	5,813	7,044	6,614
Gross Margin	(0.02%)	7.17%	16.83%	22.06%
Operating Margin	(8.49%)	1.77%	13.63%	20.09%
Profit After Tax	(197)	10	667	1,099
Profit After Tax Margin	(6.83%)	0.18%	9.47%	16.61%
(Loss)/Earnings per share (PKR) ¹²	(1.14)	0.04	2.43	3.05
Break-up value per share (PKR) ¹³	23.12	16.98	17.86	16.56
Total Borrowings ¹⁴	306	1,353	1,083	799
Total Debt to Equity Ratio ¹⁵	0.08	0.32	0.22	0.13
Cash flows from Operations	(495)	(1,089)	518	1,682
Outstanding Shares	173	250	274	360

Note: Profit after Tax for FY 2020 has been restated to PKR 606 Mn. This has resulted in PAT Margin of 8.61%, EPS of PKR 2.2 per share for FY 2020. These adjustments shall be reflected in the Audited Financial Statements of FY 2021.

International Packaging Films Limited (Consolidated Accounts):

In PKR Mn, unless stated otherwise	Audited FY 2020	Audited 9M FY 2021
Share Capital	2,743	3,600
Net Worth	4,899	6,216
Revenue	7,044	6,614
Gross Margin	16.83%	22.06%
Operating Margin	13.63%	20.19%
Profit After Tax	667	1,103
Profit After Tax Margin	9.47%	16.68%
(Loss)/Earnings per share (PKR) ¹⁶	2.44	3.06
Break-up value per share (PKR) ¹⁷	17.86	17.27

¹² Earnings per share is based on total profit after tax divided by outstanding shares at corresponding period end

¹³ Break - up value per share is based on total equity of the company divided by outstanding shares at corresponding period end;

¹⁴ Total borrowings include long term debt, lease liabilities, current portion of the long-term debt, current portion of the lease liabilities and short-term borrowings;

¹⁵ Total Debt to Equity Ratio is based on total debt (long term debt, lease liabilities, current portion of the long-term debt, current portion of the lease liabilities and short-term borrowings) divided by total equity of the Company;

¹⁶ Earnings per share is based on total profit after tax divided by outstanding shares at corresponding period end

¹⁷ Break - up value per share is based on total equity of the company divided by outstanding shares at corresponding period end;

Total Borrowings ¹⁸	1,083	948
Total Debt to Equity Ratio ¹⁹	0.22	0.15
Cash flows from Operations	494	1,617
Outstanding Shares	274	360

Note: Profit after Tax for FY 2020 has been restated to PKR 606 Mn. This has resulted in PAT Margin of 8.61%, EPS of PKR 2.2 per share for FY 2020. These adjustments shall be reflected in the Audited Financial Statements of FY 2021.

Cast Packaging Films (Private) Limited

In PKR Million, unless stated otherwise	Audited April 01, 2020 – June 30, 2020 ²⁰	Audited 9M FY 2021
Share Capital	0.1	500
Net Worth	135	579
Revenue	-	-
Other Income		19
Profit After Tax	-	9
Break-up value per share (PKR)	13,534	11.59
Total Borrowings	-	148
Outstanding Shares	0	50

Petpak Films (Private) Limited:

In PKR Million, unless stated otherwise	Audited September 21, 2020 – March 31, 2021 ²¹
Share Capital	521
Net Worth	518
Revenue	0
Profit After Tax	(3)
Break-up value per share (PKR)	9.94
Total Borrowings	-
Outstanding Shares	52

Global Packaging Films (Private) Limited

In PKR Million, unless stated otherwise	Audited January 15, 2021 – March 31, 2021 ²²
Share Capital	500
Net Worth	497
Revenue	0
Profit After Tax	(3)

¹⁸ Total borrowings include long term debt, lease liabilities, current portion of the long-term debt, current portion of the lease liabilities and short-term borrowings;

¹⁹ Total Debt to Equity Ratio is based on total debt (long term debt, lease liabilities, current portion of the long-term debt, current portion of the lease liabilities and short-term borrowings) divided by total equity of the Company;

²⁰ Cast Packaging Films (Private) Limited was incorporated on April 01, 2020

²¹ Petpak Films (Private) Limited was incorporated on September 15, 2020

²² Global Packaging Films (Private) Limited was incorporated on January 15, 2021

Break-up value per share (PKR)	10
Total Borrowings	-
Outstanding Shares	50

2.9 LEGAL PROCEEDINGS

There are no outstanding legal proceedings involving the Issuer, its sponsors, substantial shareholders, directors and associated companies over which the Issuer has control. There are no outstanding legal proceedings even in the normal course of business involving the Issuer, its sponsors, substantial shareholders, directors and associated companies over which the Issuer has control.

There are no outstanding legal proceedings of CPF, PPF or GPF as of June 30, 2021.

2.10 RISK FACTORS

For key risk factors that may have an impact on the Company, its business operations and the Issue, please refer to Section 5 of the Prospectus.

2.11 SUMMARY OF RELATED PARTY TRANSACTIONS

International Packaging Films Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	FY 2018 (PKR Mn)	FY 2019 (PKR Mn)	FY 2020 (PKR Mn)	9MFY21 (PKR Mn)
Universal Packaging Company (Private) Limited	Common directorship	Sales	300	435	491	327
		Receipts against sales	232	297	536	400
		Purchase	-	-	-	(2)
		Payment against purchases	-	-	-	(2)
Saima Packaging (Private) Limited	Common directorship	Sales	-	-	460	220
		Receipts against sales	-	-	454	135
Ameer Ali ²³	Non-Executive Director	Advance received against future issue of shares	-	19	53	-
		Shares allotted during the year	32	191	53	52
Muhammad Ashraf ²⁴	Non-Executive Director	Advance received against future issue of shares	14	49	-	-
		Shares allotted during the year	48	63	-	24
Arsalan Pirani	Non-Executive Director	Advance received against future issue of shares	72	26	-	-
		Shares allotted during the year	8	-	18	27
Mushtaq Tejani	Non-Executive Director	Advance received against future issue of shares	52	40	-	8

²³ Mr. Ameer Ali has resigned as director on 28/06/2021.

²⁴ Mr. Muhamamd Ashraf has resigned as director on 28/06/2021.

		Shares allotted during the year	25	147	26	91
Taimoor Iqbal	Non-Executive Director	Advance received against future issue of shares	42	(9)	-	-
		Shares allotted during the year	20	83	42	41
Naveed Godil	Chief Executive Officer	Advance received against future issue of shares	8	11	44	33
		Shares allotted during the year	66	182	53	96
Abdul Aleem Tinwala ²⁵	Non-Executive Director	Advance refunded during the period	-	-	(3)	(25)
		Shares allotted during the year	-	-	4	14
Cast Packaging Films (Private) Limited	Subsidiary Company	Sale of Land	-	-	-	19
		Advance received against future issue of shares	-	-	136	435
		Shares allotted during the year	-	-	-	500
Pet Pak Films (Private) Limited	Subsidiary Company	Advance received against future issue of shares	-	-	-	271
		Shares allotted during the year	-	-	-	271
Global Packaging Films (Private) Limited	Subsidiary Company	Advance received against future issue of shares	-	-	-	500
		Shares allotted during the year	-	-	-	500

Cast Packaging Films (Private) Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	April 01, 2020 – June 30, 2020 (PKR Mn) ²⁶	9M FY 2021 (PKR Mn)
International Packaging Films (Private) Limited	Parent Company	Advance received against issuance of shares	136	435
		Shares issued during the period	0.1	500
		Purchase of Land	-	(19)
Naveed Godil	Key management personnel	Shares issued during the period	0.00001	-
Mushtaq Ali Tejani	Key management personnel	Shares issued during the period	0.00001	-

Petpak Films (Private) Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

²⁵ Mr. Abdul Aleem Tinwala has resigned as director on 28/06/2021.

²⁶ Cast Packaging Films (Private) Limited was incorporated on April 01, 2020

Name	Relationship	Nature	September 21, 2020 – March 31, 2021 (PKR Mn) ²⁷
International Packaging Films (Private) Limited	Parent Company	Advance received against issuance of shares	271
		Shares issued during the period	271
Naveed Godil	Key management personnel	Shares issued during the period	0.00001
Mushtaq Ali Tejani	Key management personnel	Shares issued during the period	0.00001
Noman Yakoob	Key management personnel	Advance received against issuance of shares	36
		Shares issued during the period	36

Global Packaging Films (Private) Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	January 15, 2021 – March 31, 2021 (PKR Mn) ²⁸
International Packaging Films (Private) Limited	Parent Company	Advance received against issuance of shares	500
		Shares issued during the period	500
Naveed Godil	Key management personnel	Shares issued during the period	0.00001
Mushtaq Ali Tejani	Key management personnel	Shares issued during the period	0.00001

²⁷ Petpak Films (Private) Limited was incorporated on September 21, 2020

²⁸ Global Packaging Films (Private) Limited was incorporated on January 15, 2021

3 OVERVIEW, HISTORY AND PROSPECTS

3.1 COMPANY HISTORY & OVERVIEW

Name	International Packaging Films Limited
Incorporation Number	0095533
Date of Incorporation and Place	02 October 2015 in Karachi
Date of Commencement of business	01 September 2017
Date of Conversion to Public Limited Company	June 11, 2021

International Packaging Films Limited was incorporated on October 02, 2015, as a private limited company under the Companies Ordinance 1984 (now repealed) and was later converted into a public limited company on June 11, 2021, under Companies Act, 2017. The Company started as a greenfield project to manufacture BOPP Films and its manufacturing facility is situated near Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore, spanning over an area of ~ 6.9 Acres (freehold land). The Company's registered head office is located at Plot # 40 L-1, P.E.C.H.S, Block 6, Near Jason Trade Centre, Karachi - 75400, Pakistan.

The Company started its commercial operations in 2017 in Lahore and is the pioneer of the five-layer BOPP films in the packaging industry of Pakistan. The Company imported its state-of-the-art 8700mm Co-Extruded production line of BOPP films from one of the world's most renowned and largest manufacturer of BOPP film machines, Bruckner Maschinenbau (Germany). The Bruckner production line has name-plate capacity of 41,360 tons p.a. and an operating width of 8700 mm wide films. The Company manufactures an extensive range of BOPP films encompassing Transparent Films (sealable and non-sealable), Metallized Films, White/Cavitated Films, Pearlized Films, and Matt Films of various grades and thickness ranging from 10 to 60 microns. IPAK's manufacturing facilities also include state-of-the-art and technologically advanced Vacuum Metallizing and Slitting machines.

Since its inception, the Company is investing in top-of-the-line latest equipment to cater to the emerging quality needs of the market. Within a span of 4 years, the Company has become a leading player in the local market²⁹ mainly because of its sheer commitment of quality and services to its valued customers. Aiming to provide differentiated flexible packaging solutions to the developing market needs, IPAK emerged from being a single Company to a group of Companies which will provide one window flexible packaging solution to its customers.

In April 2020, the Company ventured into its CPP Films project through its wholly owned subsidiary, Cast Packaging Films (Private) Limited (CPF). CPF was incorporated on April 01, 2020, as a private limited company and has established a state-of-the-art production facility at Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore. The commercial operations of the CPF commenced on April 01, 2021.

The five-layer co-extruded CPP production line has been imported from SML Maschinengesellschaft, Austria, which is one of the largest manufacturers of CPP machines globally. This production line has a name-plate capacity of 9,900 tons p.a and has a working width of 3,300 mm. CPF's manufacturing facilities also includes state-of-the-art and technologically advanced Metallizing and Slitting machines.

High value CPP Films produced through one of the most technologically advanced production lines in Pakistan add depth to the IPAK's overall product portfolio. This places IPAK in a sweet spot, with an edge over its competitors in terms of the enhanced product offerings to the existing customers of its BOPP film products.

There are multiple applications and usage avenues for BOPP and CPP Films. Major distribution and application opportunities include packaging, printing and lamination of food items, electrical appliances, stationary items, garments packaging, liquids (including medicines) and other wrapping formulations. The Company's end consumers

²⁹ This is based on the available production capacities of the major competitors

of the BOPP and CPP films include leading Fast Moving Consumer Goods (“FMCG”) companies such as Unilever, Procter & Gamble, Pepsi, English Biscuits, LU Biscuits, British American Tobacco, Reckitt, Mondeleze, Tapal Tea, etc.

The Company’s prime focus on quality is depicted through its certifications of ISO 9001:2015: Quality Management System, ISO 14001:2015: Environmental Management System, ISO 18001:2007: Occupational Health & Safety Management System, ISO 22000:2005: Food Safety Management System.

The Company is also in the process of expanding into the manufacturing of BOPET Films through a 52% owned subsidiary, Petpak Films (Private) Limited incorporated in Pakistan as a private limited company on September 20, 2020. PPF has already established the letter of credit for the import of its complete state-of-the-art three-layer Co-Extruded 8,700 mm BOPET production line from Bruckner Maschinenbau (Germany). The name-plate capacity of the production line will be 40,980 tons p.a. which will enable the Company to obtain a significant market share. PPF is in the process of acquiring 18.5 acres of land for the planned production facility which will be situated at Plot No. 1D - 4D at the Quaid-e-Azam Business Park (“QABP”) in Sheikhpura. QABP is a Special Economic Zone and is ideally located on Lahore-Islamabad Motorway at Sheikhpura, linked with all major cities, seaports, and dry ports of the country through a network of national highways and motorways.

IPAK has reached its optimal operational capacity in all variants segments of BOPP films and is currently operating at 90.70% of maximum available capacity for 9MFY21. However, the demand for packaging films is increasing by each passing year. In order to meet the future demand of films locally as well as in the international market, the Company has decided to undertake a major expansion to enhance its BOPP film capacities through its subsidiary, GPF incorporated as a private limited company on January 15, 2021.

The name-plate capacity of GPF’s BOPP film production line is 59,480 tons p.a. which will enhance the total production capacity of BOPP films to 100,840 tons p.a. GPF will commence commercial production in June 2023. GPAK has already established the letter of credit for the import of complete state-of-the-art production line of BOPP films from Bruckner Maschinenbau. GPF is in the process of acquiring 19.74 acres of land for the planned production facility which will be situated at Plot No. 5D - 9D at the Quaid-e-Azam Business Park (“QABP”) in Sheikhpura. QABP is a Special Economic Zone and is ideally located on Lahore-Islamabad Motorway at Sheikhpura, linked with all major cities, seaports, and dry ports of the country through a network of national Highways and Motorways.

3.2 PATTERN OF SHAREHOLDING:

3.2.1 Pattern of shareholding of International Packaging Films Limited

Shares held by Directors/ Sponsors of the Company	No. of shares	Shareholding %
Naveed Godil	54,115,458	15.03%
Ameer Ali	43,016,988	11.95%
Mushtaq Ali Tejani	38,446,602	10.68%
Taimoor Iqbal	33,818,838	9.39%
Muhammad Usman Pirani	26,199,656	7.28%
Arsalan Pirani	22,371,808	6.21%
Muhammad Ashraf	20,030,321	5.56%
Shumaila Aftab	12,101,310	3.36%
Navaid Usman Memon Pirani	6,450,841	1.79%
Kashan Younus Pirani	4,567,806	1.27%
Furqan Muhammad Younus	4,567,806	1.27%
Halima Naveed	3,235,091	0.90%
Muhammed Amin	2,964,706	0.82%
Muhammad Iqbal Dawood	1,800,000	0.50%
Aftab Zahoor Raja	568,019	0.16%
Sarfaraz Ahmed Rehman	1	0.000003%

Saad Amanullah Khan	1	0.0000003%
Sub-Total	274,255,252	76.18%
Shares held by other than Directors/ Sponsors of the Company	No. of shares	Shareholding %
Haji Hanif Ahmed	18,003,569	5.00%
Muhammad Ishrat	13,893,729	3.86%
Saima Muhammad Hanif	6,060,804	1.68%
Somia Rizwan Bava	6,060,804	1.68%
Sabeena Tinwala	6,060,804	1.68%
Hira Murtaza	6,060,804	1.68%
Abdul Aleem Tinwala	6,060,804	1.68%
Mohammad Masud	3,600,000	1.00%
Muhammad Haris Motiwala	3,495,146	0.97%
Muhammad Amir	3,420,000	0.95%
Muhammad Asif	3,420,000	0.95%
Faizan Ahmed	3,408,110	0.95%
Muhammad Javed	3,312,000	0.92%
Afshan Ahmed	1,230,018	0.34%
Fehmida Siddique	568,019	0.16%
Muhammad Farrukh	395,927	0.11%
Muhammad Iqbal Qasim	365,204	0.10%
Mohammad Saad	317,647	0.09%
Muhammad Sami Ishrat	11,359	0.003%
Sub-Total	85,744,748	23.82%
Total	360,000,000	100.00%

3.2.2 Pattern of shareholding of Cast Packaging Films (Private) Limited

Name	No of Shares	Shareholding %
International Packaging Films Limited	49,999,998	99.99%
Mushtaq Ali Tejani	1	0.000002%
Naveed Godil	1	0.000002%
Total	50,000,000.00	100.00%

3.2.3 Pattern of Shareholding of Petpak Films (Private) Limited:

Name	No of Shares	Shareholding %
Sponsor		
International Packaging Films Limited	27,083,330	52%
Non-Controlling Group*		
Anis Yakoob	7,145,833	13.72%
Sana Rashid	7,145,833	13.72%
Noman Yakoob	3,572,918	6.86%
Nida Noman Yakoob	3,567,708	6.85%
Farah Haris Khanani	3,567,708	6.85%
Others		
Mushtaq Ali Tejani	1	0.000002%
Naveed Godil	1	0.000002%
Total	52,083,332	100.00%

* None of the the people in the Non controlling group are related to the sponsors of IPAK.

3.2.4 Pattern of Shareholding of Global Packaging Films (Private) Limited:

Name	No of Shares	Shareholding %
International Packaging Films Limited	50,000,000	99.99%
Mushtaq Ali Tejani	1	0.000002%
Naveed Godil	1	0.000002%
Total	50,000,002	100.00%

3.3 REVENUE DRIVERS

3.3.1 Sale of Biaxially Oriented Polypropylene Films

The sale of BOPP films is the principal revenue driver of the Company and contributed 99%³⁰ to the total revenue of the Company. The manufacturing of packaging films is primarily influenced by FMCG sector of the country which is driven by the quantum of retail trade in the country. The consumers' ability to purchase these goods also impacts the demand for packaged films in consumer goods.

The Company's offtake of BOPP films accounted for PKR 6,614 Mn in 9M FY 2021 and is majorly streamlined through dedicated printers of the FMCG companies including PepsiCo, Reckitt, English Biscuit Manufacturers, Unilever, P&G, British American Tobacco, etc. The volumetric sales of the BOPP have increased from 11,177 tons in FY 2018 to 20,211 tons in 9M FY 2021 making IPAK one of the leading manufacturers of BOPP films in Pakistan. The sale of Transparent films contributed to more than 60% of the total sales of BOPP films followed by Metallized films which contributed approximately 23%.

The table below illustrates the volume-wise and value-wise break-up of BOPP films manufactured by IPAK from FY 2018 to 9M FY 2021:

Product Type	FY 2018		FY 2019		FY2020		9MFY21	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
Transparent Films	1,616	55.98%	3,176	54.64%	3,941	55.95%	3,956	59.81%
Metallized Films	746	25.84%	1,535	26.41%	1,790	25.41%	1,533	23.18%
Matt Films	41	1.42%	110	1.89%	194	2.75%	135	2.04%
Pearlized Films	239	8.28%	468	8.05%	315	4.47%	239	3.61%
White / Cavitated Films	74	2.56%	343	5.90%	577	8.19%	537	8.12%
Export Films ³¹	7.8	0.27%	36	0.62%	186	2.57%	129	1.92%
Metallized Films	0.8	0.03%	1	0.02%	85	1.21%	32	0.48%
Transparent Films	7.0	0.24%	35	0.60%	101	1.43%	97	1.47%
Recycled Granules	163	5.65%	145	2.49%	41	0.58%	85	1.29%
Total Sales³²	2,887	100.00%	5,813	100.00%	7,044	100.00%	6,614	100.00%

3.3.2 Sale of Cast Polypropylene Films

The Company has ventured into the manufacturing of CPP films through its wholly owned subsidiary Cast Packaging Films (Private) Limited which has recently commenced commercial operations on April 01, 2021. The CPP films

³⁰ This is the company's revenue as of 9MFY21 but moving forward CPP's revenue will also add to the Company's revenue statistics.

³¹ The Company exports BOPP films to Macedonia, Sri Lanka, Bulgaria, United Arab Emirates, Oman, Afghanistan and Canada.

³² Commercial production of Cast Polypropylene Films commenced on April 1, 2021, therefore it is not included in the above figures of revenue contribution.

production vertical with one of the most technologically advanced production lines in Pakistan will provide IPAK an edge in the industry over its competitors in terms of the enhanced product offerings of packaging films to the existing customers of its BOPP film products.

3.4 COST DRIVERS

3.4.1 Procurement of Raw Materials

Procurement of raw materials is the most significant cost driver in the BOPP film manufacturing business. There are three types of raw materials consumed in the manufacturing of several types on BOPP films namely Homopolymer, Copolymer and Masterbatches. The total purchases of total raw material in 9M FY 2021 stood at PKR 4,232 Mn which accounted for 82% of the total cost of goods sold. The main raw material required for the process is Homopolymer which constitutes 80% of the total purchases of raw material in 9M FY 2021 amounting to PKR 3,413 Mn.

The major purchases of Homopolymer are from Kuwait and Saudi Arabia from the leading suppliers of the world accounting for ~70% of the total purchases for the period ended 9M FY 2021. The Company has supply agreements in place with Petrochemical Industrial Company in Kuwait and National Petrochemical Industrialization Marketing Co. in Saudi Arabia for the purchase of Homopolymer.

Following is the break-up of top eight vendors of the Company constituting to 96.23% of the total purchases made during 9M FY 2021:

S. No.	Vendor Name	Country	Raw Material	Purchases during 9M FY 2021 (in PKR Mn)	% of Total Purchases during 9M FY 2021
1	Petrochemical Industrial Company	Kuwait	Homopolymer	2,044	48.30%
2	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	954	22.55%
3	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer and Masterbatch	461	10.89%
4	Borouge Pte Ltd	Abu Dhabi	Homopolymer	201	4.76%
5	A. Schulman Plastics BVBA	Turkey, Indonesia and Belgium	Masterbatch	205	4.85%
6	Ineos Sales (UK) LTD.	France and Belgium	Copolymer and Masterbatch	94	2.23%
7	Constab Polyolefien Additives GmbH	Germany and China	Masterbatch	56	1.32%
8	ICI Pakistan Limited	Pakistan	Masterbatch	57	1.33%
Total					96.23%

Following is the break-up of top eight vendors of the Company constituting to 93.39% of the total purchases made during FY 2020:

S. No.	Vendor Name	Country	Raw Material	Purchases during FY 2020 (in PKR Mn)	% of Total Purchases during FY 2020
1	Petrochemical Industrial Company	Kuwait	Homopolymer	2,342	50.40%

2	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	964	20.74%
3	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer and Masterbatch	442	9.50%
4	A. Schulman Plastics BVBA	Turkey, Indonesia and Belgium	Homopolymer	198	4.25%
5	Ampacet Europe SA	Thailand	Masterbatch	136	2.93%
6	Borouge Pte Ltd	Abu Dhabi	Copolymer and Masterbatch	99	2.14%
7	Constab Polyolefien Additives GmbH	Germany and China	Masterbatch	89	1.92%
8	Tricon Energy	China	Masterbatch	70	1.50%
Total				4,339	93.39%

Cast Packaging Films (Private) Limited:

Following is the break-up of top six vendors of the Company constituting to 100% of the total purchases made during 9M FY 2021:

S. No.	Vendor Name	Country	Raw Material	Purchases during 9M FY 2021 (in PKR Mn)	% of Total Purchases during 9M FY 2021
1	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer	18,166,303	21%
2	Borouge Pte Ltd	Abu Dhabi	Homopolymer	25,194,505	30%
3	Borouge Pte Ltd	Abu Dhabi	Copolymer	6,112,668	7%
4	CONSTAB Polyolefien Additives GmbH	Germany and China	Masterbatch	6,505,567	8%
5	Manfisa	Oman	Metalizer	9,277,575	11%
6	NATIONAL PETROCHEMICAL INDUSTRIALIZATION MARKETING CO.	Saudi Arabia	Homopolymer	19,894,698	23%
Total				85,151,315	100%

Petpak Films (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

Global Packaging (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

3.4.2 Fuel, Power and Water

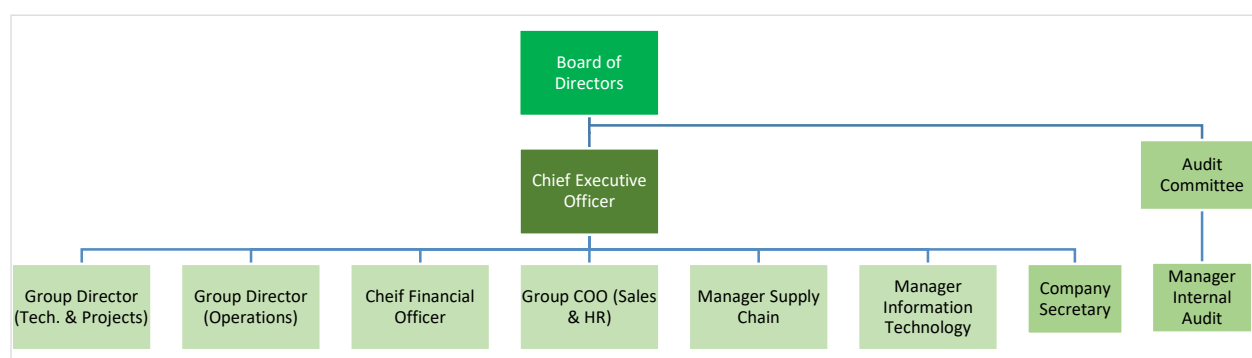
The Fuel, Power and Water expenses accounted for 8.28% and 6.25% of IPAK's total cost of goods sold during FY 2020 and 9M FY 2021, respectively. IPAK's Film Production Line has an in-house power generation facility with an

installed generation capacity of 6.4MW. This electricity generation unit is powered by 2x2MW CG170-20 Caterpillar gas engines and 1x2.4MW ABC diesel engine with supporting 350RT Absorption Chiller.

3.4.3 Human Resources

Salaries, wages, and benefits accounted for 5.09% and 4.89% in the aggregate of total costs of goods sold, distribution and administrative expenses of the Company for FY 2020 and 9M FY 2021, respectively. The Company as part of its long-term growth strategy has employed seasoned professionals at all levels of hierarchy to ensure a robust corporate culture. To reduce the cost of salaries and wages as a percentage of total revenue, IPAK has adhered to the philosophy of embracing and adopting latest technology, requiring minimal input and delivering the efficiencies of automation.

3.5 COMPANY ORGANOGRAM



3.6 KEY MILESTONES

Year	Event
2015	Incorporated as a private limited company
2017	Started manufacturing BOPP Films
2017	The Company started exporting BOPP films to Macedonia and Sri Lanka
2018	The Company qualified PepsiCo's approved supplier certifications
2018	Quality certifications ISO 9001, 14001, 18000 and 22000 were achieved
2019	The Company qualified British American Tobacco's supplier qualification program
2021	Received a long-term entity rating of A- and short-term rating of A-2 by JCR
2021	The Company was converted into a public limited company
2021	Commencement of Commercial Operations of Cast Packaging Films (Private) Limited, a wholly owned subsidiary of the Company

3.7 LOCATION OF PLANT AND PRODUCTION CAPACITY

3.7.1 Location of Plant and Production Capacity of International Packaging Films Limited

The Company's manufacturing facility is located at its factory site at Manga Chawk, Roohinala Raiwand By-Pass Road, Lahore. Following illustration depicts the production capacity and utilization from FY 2018 to 9M FY 2021:

BOPP Films (Units In Tons)	FY2018	FY2019	FY2020	9MFY2021 ³³
Name-plate capacity	34,467	41,360	41,360	31,020
Maximum available capacity	26,667	32,000	32,000	24,000
Production	13,319	21,924	24,178	21,766
Utilization (as % of available capacity)	49.95%	68.51%	75.56%	90.70%

As part of its expansion plan, the following activities are being performed:

Cast Packaging Films (Private) Limited

IPAK has ventured into the manufacturing and selling of CPP films through its wholly owned subsidiary, Cast Packaging Films (Private) Limited. CPF was incorporated on April 01, 2020, as a private limited company and has set up a state-of-the-art production facility at Manga Chowk, Roohinala, Raiwind By-Pass Road, near IPAK Plant, Lahore.

The five-layer co-extruded CPP production line has been imported from SML Maschinengesellschaft, Austria, which is one of the largest manufacturers of CPP machines globally. This production line has a name-plate capacity of 9,900 tons p.a and has a working width of 3,300 mm. CPF's manufacturing facilities also includes state-of-the-art and technologically advanced Metallizing and Slitting machines.

CPF commenced commercial operations on April 01, 2021, to produce CPP films that is known for its excellent characteristics of transparency, gloss, stiffness, moisture resistance, heat resistance and easy heat sealing. CPP films are generally used as a laminate film and are primarily used for food wraps, candy packaging, bakery products, retort packaging, garment/shirt bags, stationary packaging, deep freeze application etc.

The CPP films production vertical holds one of the most technologically advanced production lines in Pakistan, providing IPAK an edge in the industry over its competitors in terms of the enhanced product offerings of packaging films to the existing customers of its BOPP film products.

Petpak Films (Private) Limited

Petpak Films (Private) Limited was incorporated in Karachi, Pakistan as a private limited company on September 21, 2020 and is a 52% owned subsidiary of International Packaging Films Limited. The principal purpose of PPF will be the manufacturing and sale of BOPET films. The plant will have the largest single production line available to date for BOPET films production per year, in the country. This production line is one of kind in Pakistan and has pioneered the introduction of three-layer BOPET films in Pakistan. This line will have a production capacity of 40,980 Tons of BOPET films per year.

PPF has already established the letter of credit for the import of complete state-of-the-art three-layer Co-Extruded 8700 mm production line of BOPET films from Germany by one of the the world's most renowned and largest manufacturer of BOPET film machines, Bruckner Maschinenbau. The planned capacity of the production line is 40,980 tons p.a.,

PPF is in the process of acquiring³⁴ 18.5 acres of land for the planned production facility, which is situated at Plot No. 1D - 4D at the Quaid-e-Azam Business Park ("QABP") in Sheikhpura. QABP is a Special Economic Zone and is

³³ This represents the name-plate capacity, maximum available production capacity, production and utilization adjusted for the period ending 9M FY2021

³⁴ Down payment of land has been paid and possession is under process.

ideally located on Lahore-Islamabad Motorway at Sheikhpura, linked with all major cities, seaports, and dry ports of the country through a network of national Highways and Motorways.

PPF is expected to commence commercial operations in April 2023.

Global Packaging Films (Private) Limited

IPAK has reached its optimal operational capacity in all product variants of BOPP films and is currently operating at 90.70% of maximum available capacity for 9M FY 2021. However, the demand for packaging films is increasing by each passing year. In order to meet the future demand of films locally as well as in the international market, the Company has decided to undertake a major expansion greenfield project for manufacturing BOPP films through its subsidiary GPF incorporated as a private limited company on January 15, 2021.

GPF is in the process of acquiring³⁵ 19.74 acres of land for the planned production facility which will be situated at Plot No. 5D - 9D at the Quaid-e-Azam Business Park ("QABP") in Sheikhpura. QABP is a Special Economic Zone and is ideally located on Lahore-Islamabad Motorway at Sheikhpura, linked with all major cities, seaports, and dry ports of the country through a network of national highways and motorways.

GPAK has already established the letter of credit for the import of a complete state-of-the-art production line of 10,400mm BOPP films from one of the world's most renowned and largest manufacturer of BOPP film machines, Bruckner Maschinenbau, Germany.

The planned capacity of GPF's BOPP film production line is 59,480 tons p.a. which will enhance the total production capacity of BOPP films to 100,840 tons p.a.

GPF is expected to commence commercial production in June 2023.

Following table depicts differentiation between the BOPP, CPP and BOPET films:

	BOPP	CPP	BOPET
Key Characteristics	BOPP Films are commonly used for applications that require moisture resistance, optical clarity and high tensile strength.	CPP films have higher gloss, superior barrier properties and excellent heat seal strength property. They are generally used as a heat seal layer along with BOPP and/or Polyester films in multi-layered constructions for packing of food articles.	In comparison to other films, BOPET films are far more rigid and tough which allows these films to have excellent mechanical properties, be more chemical and oil resistant, possess excellent gas and aroma barrier and possess high tensile strength.
Application/End Users	Major applications of BOPP Films are: Food packaging Beverages packaging Garment Bags and Bagging Overwrap and extrusion coating	Major applications of CPP Films are: Food Wraps or Candy/Confectionery packaging. Bakery Products. Lamination. Garment Bags.	Major applications of BOPET Films are: Flexible packaging and food contact. Covering over paper. Insulating material. Solar, marine and aviation. Electronic and acoustic.

³⁵ Down payment of land has been paid and possession is under process.

	Adhesive and pressure sensitive tapes Printing pouching and strip packaging	Retort Packaging. Stationery Packaging. Vacuum Metallization. Deep Freeze Application.	Printing media.
Types of Films	i) Transparent Films (Non Heat Sealable) ii) Transparent Films (Heat Sealable) iii) Metallized Films iv) Pearlized Films v) Matt Films vi) White / Cavitated Films	i) Transparent Films (Heat Sealable) ii) Metallized Films iii) White / Cavitated Films	i) Transparent Films (Non Heat Sealable) ii) Transparent Films (Heat Sealable) iii) Metallized Films iv) Twist Metallized Films
Key Raw Materials	i) Homopolymer ii) Copolymer iii) Masterbatches	i) Homopolymer ii) Copolymer iii) Masterbatches	i) Pure Terephthalic Acid (PTA) ii) Ethylene Glycol (ETHANEDIOL) iii) Silica for film grades

3.8 INFRASTRUCTURE OVERVIEW

IPAK's production facility is located in Lahore at Manga Chowk, Roohinala, Raiwind By-Pass Road. The cutting-edge production line for the company was imported from Bruckner Maschinenbau in Germany and successfully installed in 2017. The production line features a five-layer Co-Extrusion technology with an 8,700 mm working width, 10-to-60-micron thickness range, 460m/min mechanical speed, and an annual nameplate output capacity of approximately 41,360 tonnes based on 8,000 operating hours in a 140mx26m area at an altitude of up to 1,500m above sea level.

This BOPP Film line employs innovative technologies and is unique in Pakistan, serving as a pioneer in the introduction of the five-layer structure production technology in the country. The five-layer BOPP technology confers numerous benefits to the flat films produced, including improved barrier properties against moisture and gas permeation, protection from spoilage and improved shelf life of the packaged product, increased mechanical properties for best performance at high-speed machines, and better optical properties, including optical properties in label, solid white, and pear. This new production approach aids in the development of long-lasting films with strong resistance to hydrocarbons, oils, and organic solvents, UV resistance, higher thermal stability, and improved clarity.

On an operational level, the five-layer method encourages the utilization of recycled material from industrial waste, lowering production costs and carbon impact. Because of the single layer distribution, the output offers a wide range of high gloss opaque films with an excellent density spread.

3.8.1.1 Vacuum Metallizing Machine

A Metallizing Machine from BOBST, UK, was installed in IPAK's BOPP production facilities in 2017. The machine coats the flat film with a shiny metal finish crucial in numerous snacks/confectionary packaging applications. This metallizing machine processes BOPP films with a thickness of 10 to 50 microns and unwinds metallized film with a width of 2,850mm.

3.8.1.2 Slitting Machines

IPAK's Film Production Line has an extended value-added facility for Slitting. The slitting machines provide customized slitting services as per the customer's requirements. Details of the Slitting machines are as follows:

- i) One (1) UNIVERSAL 89/12 Primary Slitting and Winding Machine which slit BOPP jumbo rolls with maximum widths of 8,700 mm having thickness from 10 to 60 microns into rolls of 3,050 mm.
- ii) One (1) UNISLIT 11630 Secondary Metallizer Slitting and Winding Machine which can slit rolls of 3,050 mm rolls into 350 mm rolls.
- iii) Two (2) Comexi D2 DS Secondary Slitters imported from Comexi, Italy which can slit rolls of 1,700 mm rolls into 40 mm rolls.

3.8.1.3 Process Support Facilities

IPAK's Film Production Line contains a 6.4MW on-site power generation facility. 2x2MW CG170-20 Caterpillar gas engines, 1x2.4MW ABC diesel engine, and a 350RT Absorption Chiller power the electricity producing unit. A heat recovery system is in place to satisfy the associated heating and cooling needs. It uses waste heat from the power generator's engines to heat thermal oil and cool it with an absorption chiller.

A 1x3000000 kCal/h thermal oil heater is also installed to maintain elevated temperatures for the film production line. A 1x650RT centrifugal chiller is present, with 1x350 and 1x250RT backup chillers. Three Atlas air compressors, a 30m³/hr KSB reverse osmosis plant (including pumping system) and an NGR 750kg/h waste BOPP Film recycling system augment the production process.

Overhead cranes and material handling systems process packaged films. IPAK has a completely automated material handling system for internal material mobility. Advanced testing equipment is housed in IPAK's Centre for Excellence, Research & Development, and Quality Assurance.

3.9 LOCAL & INTERNATIONAL ACCREDITATIONS:

Certification ID	Issue Date	Expiry Date	Certification Name	Details
PepsiCo Approved Supplier	18 th March 2018	31 st December 2022	PepsiCo Approved Supplier	This certification allows IPAK to manufacture and deliver packaging materials to PepsiCo and its associated entities.
ISO 9001:2015	20 th October 2018	20 th October 2021	Quality Management System	The standard demonstrates the ability to consistently provide products and services that meets or exceeds customer and regulatory requirements.
ISO 14001:2015	20 th October 2018	20 th October 2021	Environmental Management System	The International standard sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a

				competitive advantage and the trust of stakeholders.
ISO 45001:2018	1 st September 2020	20 th September 2021	Occupational Health & Safety Management System	The certification recognizing adherence to globally recognized occupational health and safety management systems. It supports organizations in demonstrating and promoting a culture of safety across all functional areas.
ISO 22000:2018	28 th September 2020	27 th November 2021	Food Safety Management System	The standard outlines the requirements for meeting criteria of food safety management systems. In this regard, an organization in the food chain needs to demonstrate its ability to control food safety related hazards in order to ensure that food is safe at the time of human consumption.

3.10 MANUFACTURING PROCESS

3.10.1 Manufacturing process of BOPP films

BOPP Films manufacturing process is divided into two main processing areas:

1. Film Line Process; and
2. Slitting & Metallization Process.

3.10.1.1 BOPP Film-Line Process

The production Film Line generates BOPP film in three stages. The film is stretched in two directions, machine direction (longitudinal direction) and transverse direction (90°). Because flat BOPP films are created on the manufacturing line, the film-line process is also called on-line.

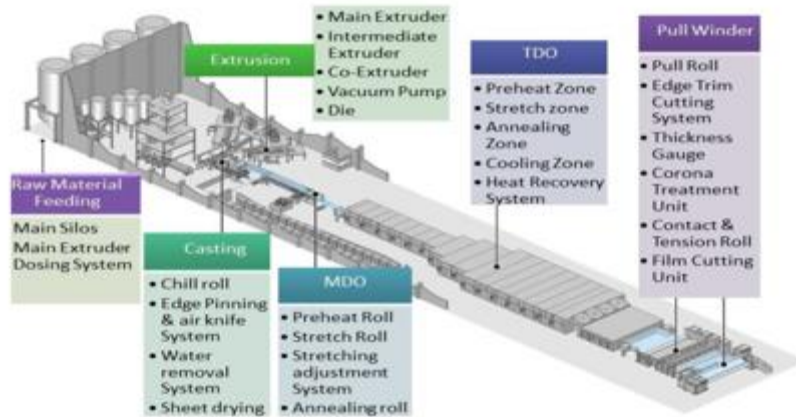
Process	Components	Description
Process 1 Raw Material to Cast	Extrusion system	The raw materials are fed into the extrusion system through a five-layer die. It melts the raw material and ejects it as a flat profile by pressing it from the melt die onto the chill roll.
	Melt Die	A three/five-layer die extracts the melt from a multi-layer film. The melt die evenly distributes the melt streams across the breadth.
	Film casting unit (“CAST”)	The film casting device draws the melt from the die and stabilizes it by chilling it.
Process 2 Stretching	Machine Direction Orienter (“MDO”)	Machine Direction Orienter serves to stretch the so far unstretched cast film in longitudinal direction, i.e., to orient it in machine direction.
	Transverse Direction Orienter (“TDO”)	The Transverse Direction Orienter stretches the already longitudinal oriented film in transverse direction. At the end of the stretching process the oven cooling blowers are installed to cool down the hot film.
Process 3 Finishing and Winding	Pull roll unit	The pull roll unit removes film from the track system and feeds it to the winder unit. The end film thickness gauge continually measures the film thickness and displays the thickness tolerance across the width.



Winder unit

The function of the winder - a two-station turret winder with an automatic cutting unit - is to wind up the final film into jumbo rolls. The winder unit contains:

- Winding Unit
- Automatic Cutting Unit



3.10.2 Manufacturing process of CPP films

Cast Polypropylene films manufacturing process is divided into two main processing areas:

1. Film Line Process; and
2. Slitting & Metallization Process.

3.10.2.1 CPP Film Line Process

Process	Components	Description
Process 1 Raw Material Dosing	Dosing system	Dosing system ensures proper product recipe formulation to achieve standard properties of film.
Process 2 Extrusion	Extrusion System	Extrusion system melts raw material and feeds it to die. Solid pellets are heated and melted inside the extruder. This melt stream is polymer filtered.
	EVOH Extruder	CPF had added to its system a special type of extruder that can aid EVOH materials. EVOH materials exhibits high barrier properties w.r.t to other materials
Process 3 Casting	Die	The die guarantees optimum layer distribution from each extruder and forms flat profile melt ready for casting. CPF's manufacturing facility has the newest reflex touchless die for smooth profile control in continuous process.
	Soft Box	Soft box ensures stable melt distribution over casting unit. It's another addition to latest CPP plant that CPF added to its machine for its uniform quality product.
	Casting unit	Melt web from die comes onto moving chill roll where the quenching of melt takes place and it gets solidified.

Process 4 Finishing and Winding	Profile Scanner	Thickness of cast film is measured by a thickness gauge. The deviation of thickness at any point is detected and is corrected automatically through profile control system.
	Treatment Unit	Treatment unit also known as corona treatment unit increases film surface tension to convert nonprintable film to printable film.
	Winder	The CPF's manufacturing facility presently features web oscillating winders. The web oscillating winders distribute film thickness variation points over the web width to ensure superior winding performance.

3.10.1.2 BOPP Slitting & Metallization Process

Slitting and Metallizing are value-added services after the film line process. The metallizer helps create specialty metallized packaging films, while the slitter cuts the films to customer specifications.

a) Slitting Process

Slitting is the process of cutting the jumbo rolls and/or reels into smaller sizes based on the specific needs of the customer. Slitting mainly involves two types:

- i) **Primary Slitting:** In this process the jumbo rolls produced at Main Film Production Line are slitted as per customer's requirements, for metallization process and for secondary slitting process.
- ii) **Secondary Slitting:** In this process, rolls processed through the primary slitter are passed on to either the metallizer slitter or secondary slitters for further reduction in size of the reels.

b) Metallization Process

Evaporation is used to combine metal and non-metallic substrates. Aluminium is the most often used vacuum metal. Principally, a thin layer of aluminium is deposited on the thin/flat film through evaporation within a vacuum chamber. After evaporation, the coated film is condensed onto a substrate web to finish it. The vacuum metallizer uses sophisticated technologies to supply the industry with the finest quality metallized films.

- i) **Hawkeye Pinhole Detector:** It is a dual function monitoring system used to monitor optical density of the films.
- ii) **Alubond:** This improves the adhesion of the Aluminum on the flat film and augments barrier properties.
- iii) **Dark Night:** This process is designed to eliminate the metallizing defects.
- iv) **Plasma Treatment Unit:** This unit improves metal adhesion and the substrate's resistance to oxygen and water vapor transmission. Prior to coating, the web is bombarded with plasma.

3.11 PRODUCT PORTFOLIO

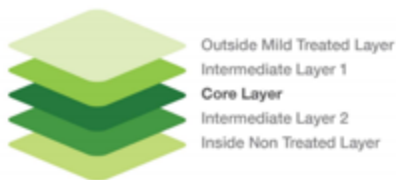
3.10.3 Product Portfolio of International Packaging Films Limited

a) Transparent Films – Non Heat Sealable

IPAK's flat film portfolio comprises transparent non-heat sealable films with high gloss surfaces and improved transparency. Its mechanical and non-shrinking qualities help maintain print sizes throughout glue drying.

BOPP Film Type	Application
Transparent Non Heat Sealable	These films are used for reverse printing, lamination purposes, label applications, album overlays and multipurpose bags.

5-Layer Film Illustration



b) Transparent Films – Heat Sealable

Another BOPP film category manufactured by IPAK is Transparent Films (Heat Sealable). These films' primary features are low coefficients of friction, improved optical qualities, and the presence of slip-antistatic and anti-block additives. This film has a wide range of applications, including widespread use in the packaging process for food, household items, industrial goods, and hot and cold seal formation. Heat sealable films are also utilised in high-quality printing and lamination.

BOPP Film Type	Application
Transparent Heat Sealable	These films are used for printing, lamination purposes, overwrapping application, label application, soap wrapping and cigarette Inner-Pack overwrapping.

5-Layer Film Illustration

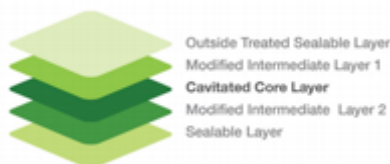


c) White / Cavitated Films

The IPAK production line also produces white/cavitated BOPP films with outstanding mechanical qualities, high opacity, and food contact. These films have a white brilliant surface and are anti-static.

BOPP Film Type	Application
White Film	These films are used for food contact purposes.

5-Layer Film Illustration

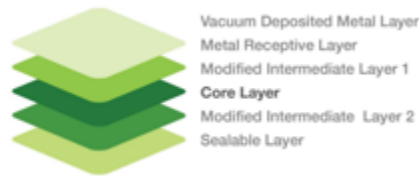


d) Metallized Films

Metallized films have a single metallized side and a single heat sealable side. IPAK's metallized films have a high moisture barrier and a bright metal surface. Metallized films safeguard light-sensitive products. Thinner metallized films are used for lamination, while thicker films are intended for mono web.

BOPP Film Type	Application
Metallized Film	These films are used for single and two-ply packaging structure and lamination application in chips/snacks packaging.

5-Layer Film Illustration

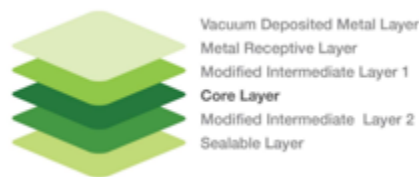


e) Pearalized Films

Pearlized films are white with a slightly shiny texture look and have sealable layers on both sides. These films are used for high-quality printing, ice cream, soap, and soft drink packaging. Strong tensile strength with moderate and steady density and high resistance to smell and light are some of its main characteristics.

BOPP Film Type	Application
Pearlized Film	These films are used for printing, lamination application, paperless soap wrapping and label application.

5-Layer Film Illustration

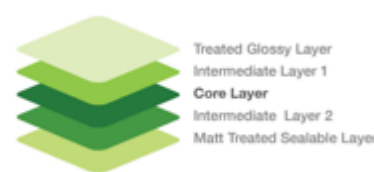


f) Matt Films

IPAK’s product trajectory includes Matt BOPP films, which are produced with one side matt/one side glossy, sealable/non-sealable and corona-treated specifications. These films are outlined by their matt and anti-static properties, and are suitable for lamination purposes, rotogravure and flexo printing.

BOPP Film Type	Application
Matt Film	These films are used for printing, web lamination, lamination of printed papers, boards, posters, book covers, etc.

5-Layer Film Illustration

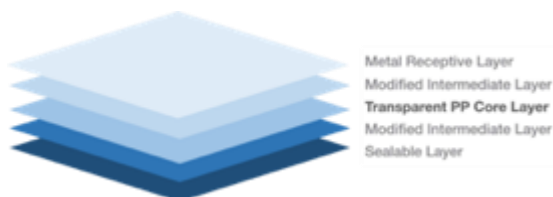


3.10.4 Product Portfolio of Cast Packaging Films Limited

a) Metallized Heat Sealable CPP Film

CPP Film Type	Metallized Heat Sealable CPP Film
Description	ia Co-extruded, One Side Heat Sealable, Other Side Vacuum deposited aluminum CPP Film.
Applications	used for lamination and general packaging purposes.

5-Layer CPP Film Illustration



b) Transparent Heat Sealable Corona Treated CPP Film

CPP Film Type	Transparent Heat Sealable Corona Treated CPP Film
Description	a Co-extruded, Transparent Both Side Heat Sealable, One Side Corona Treated CPP Film.
Applications	used for web lamination, food packaging (such as pasta or bakery items), jumbo packs, textile packaging, flower wrapping and board lamination.
5-Layer CPP Film Illustration	

c) Solid White Heat Sealable Corona Treated CPP Film

CPP Film Type	Solid White Heat Sealable Corona Treated CPP Film
Description	a Co-extruded Solid White, both side heat sealable, one side Corona treated CPP film.
Applications	is widely used for printing and lamination purposes.
5-Layer CPP Film Illustration	




3.11 END USERS, DEMAND FOR THE PRODUCTS AND NAMES OF THE COMPETITORS

Demand for BOPP and CPP films is mainly generated from major food, beverage, snacks and confectionary producers. As these products are then supplied to consumers through predominantly retail supply channels, IPAK’s end consumers are households, individuals and commercial users of FMCG, household and personal care products. Changing consumer preferences, rising income levels and increasing proportion of the middle class contribute to the growth in FMCG sales. The Company derives c. 80% of its total sales, directly and indirectly, from FMCGs.

Following are the the top customers of the Company:

S.No	End User Name	Company’s Customers (Printing/Packaging Company) ³⁶
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³⁶ The Customers (such as Pepsi Co, Uniliver and others) purchase flexible packaging from IPAK through the printing/packaging companies outlined.

1		PepsiCo	Cherat Packaging Limited Dynamic Packaging (Pvt.) Limited Kompass Pakistan (Pvt.) Limited Packages Converters Limited Roshan Packages Limited
2		British American Tobacco	Pakistan Tobacco Company Limited
3		Reckitt	M & F Commercial Corporation (Pvt.) Limited Packages Converters Limited Saima Packaging (Pvt.) Ltd
4		Unilever	Cherat Packaging Limited Kompass Pakistan (Pvt.) Limited Packages Converters Limited Saima Packaging (Pvt.) Limited
5		Procter & Gamble	Kompass Pakistan (Pvt.) Limited
6		English Biscuit Manufacturers	Kompass Pakistan (Pvt.) Limited Packages Converters Limited Printech Packages (Pvt.) Limited Roshan Packages Limited Saima Packaging (Pvt.) Limited Universal Packaging Company (Pvt.) Limited
7		LU Biscuits	Merit Packaging Limited Metatex (Pvt.) Limited Packages Converters Limited Universal Packaging Company (Pvt.) Limited
8		Mondeleze	Universal Packaging Company (Pvt.) Limited
9		Tapal Tea	Cherat Packaging Limited Fazleesons (Pvt.) Limited Merit Packaging Limited Printech Packages (Pvt.) Limited Universal Packaging Company (Pvt.) Limited
10		Coca Cola	Printech Packages (Pvt.) Limited Serajsons Printers (Pvt.) Limited

Following is the revenue-wise break-up of Top 15 customers of the Company for the periods FY 2020 and 9M FY 2021:

CUSTOMER	FY 2020 (PKR Mn)	%	9M FY 2021 (PKR Mn)	%
Packages Convertors Limited	418	6%	421	6%

Roshan Packages Limited	397	6%	405	6%
Dynamic Packaging (Private) Limited	328	5%	421	6%
Universal Packaging Company (Private) Limited	421	6%	280	4%
Fine Three Star Brothers by UPM	274	4%	342	5%
Hamza Flexible Printing and Packages (Private) Limited	282	4%	319	5%
Saima Packaging (Private) Limited	393	6%	188	3%
Cherat Packaging Limited	190	3%	252	4%
Ashraf Paper Mart	175	2%	127	2%
Kompass Pakistan (Private) Limited	118	2%	140	2%
Al-Aziz Rotoflex (Private) Limited	99	1%	122	2%
House of BOPP	88	1%	119	2%
Facilitrade Consortium International	197	3%	-	0%
Marth Trader	118	2%	65	1%
Golden Packages (Pvt.)Ltd	89	1%	89	1%
Total	3,587	52%	3,290	49%

Note: There are no agreements in place with any Customers of the Company.

Cast Packaging Films (Private) Limited:

The Company commenced commercial operations on April 01, 2021, hence the Company had no customer during the period ending 9M FY 2021.

Petpak Films (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

Global Packaging (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

Key competitors of the Company are as follows:

S. No.	Competitors	BOPP Films	CPP Films	BOPET Films	Status
1	Macpac Films Limited (“MACPAC”)	✓	✓	X	Listed
2	Tri-Pack Films Limited (“TRIPACK”)	✓	✓	X	Listed
3	Ismail Industries Limited (“ISIL”)	X	✓	✓	Listed
4	Plastiflex Films (Pvt.) Limited (“PFL”) ³⁷	✓	X	X	Unlisted
5	Novatex Limited (“NOVATEX”)	X	X	✓	Unlisted

3.12 INTELLECTUAL PROPERTY RIGHTS

IPAK has no intellectual property rights.

³⁷ Plastiflex Films (Private) Limited is a subsidiary of Ismail Industries Limited

3.13 DETAILS OF MATERIAL PROPERTY

S.No	Entity	Address	Total Area
1	International Packaging Films (Private) Limited	IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab	6.91 Acres
2	Cast Packaging Films (Private) Limited	IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab	0.625 Acres
3	Petpak Films (Private) Limited	Plot No. 1D to 4D, Quaid-e-Azam Business Park, Sheikhpura, Punjab	18.50 Acres
4	Global Packaging Films (Private) Limited	Plot No. 5D to 9D, Quaid-e-Azam Business Park, Sheikhpura, Punjab	19.74 Acres

3.14 FUTURE PROSPECTS AND DEMAND OUTLOOK

3.14.1 Riding on Pakistan's Strong Consumer Story

The packaging industry presents the dynamics of a Business to Business (“B2B”) industry, where demand for its products are derived from demand for its client’s products. In this regard, packaging industry is a feeder/supplier, catering to increased consumer demand for packaged foods. Hence the industry’s demand outlook is strongly correlated with wider macro-economic, population and demographic, household expenditure and urbanization trends in Pakistan.

3.14.2 Supportive Demographics

Pakistan is home to the world’s sixth largest population with the crucial 15-64yr age group constituting 55.9% of total population³⁸. Based on analysis by the United Nations Development Program (“UNDP”), the size of the population below the age of 30 stands at 68% with 27% aged between 15-29yrs³⁹, making for strong economic opportunities. In this regard, the youth of the country is more literate (~70% literacy), live in predominantly urban locations, are more connected to media and internet platforms⁴⁰. These more connected, educated and aware youth are driving consequent shifts in consumer behavior. This demographic backdrop forms the foundations of Pakistan’s FMCG, pharmaceuticals, food & beverages industry potential, pushing long term growth for flexible packaging.

3.14.3 Strong Macroeconomic Foundations

Pakistan’s consumer expenditure driven macroeconomic foundations are well-entrenched⁴¹ where the developments encouraging adoption of modern/formal spending channels are accelerating. These are showcased by consistent rise in the share of Services in total Gross Domestic Product (GDP) (57% for FY20⁴²), assisted by sustained output recorded under the Wholesale and Retail Trade header (5yr historic avg. growth of 7.5%, 4.3% in FY20) where the later amounts to PKR 7.2 Tn at current prices, the single largest subsector of the economy⁴³.

³⁸ World Bank & Pakistan Census 2017

³⁹ https://www.pk.undp.org/content/pakistan/en/home/library/development_policy/dap-vol7-issue1-empowering-our-youth.html

⁴⁰ https://www.pk.undp.org/content/pakistan/en/home/library/development_policy/dap-vol7-issue1-empowering-our-youth.html

⁴¹ Pakistan Development Update – World Bank

⁴² Pakistan Bureau of Statistics 2021 - Gross Domestic Product of Pakistan (at current basic prices) – Table-4

⁴³ Pakistan Bureau of Statistics 2021 - Gross Domestic Product of Pakistan (at current basic prices) – Table-4

Additionally, the expenditure approach to GDP highlights the role played by Household Final Consumption Expenditure in driving overall GDP growth, with consumption spending contributing 80.0% to overall growth⁴⁴. Thus, domestic economic growth and consumer spending are interconnected hence proving that sustainable economic growth would be difficult to attain without having consumer spending as its subset. Flexible packaging industry growth trends are based on strong foundations, with higher growth periods likely to see significant uptick in demand for innovative packaging solutions.

3.14.4 Household Spending

Household spending is the cornerstone of the real economy, where a comprehensive analysis of household consumption trends underlines a hefty spend on fulfilling food and commodity needs. Based on the results of the latest Household Integrated Economic Survey for 2018-19⁴⁵ average household monthly incomes have risen by 16.5% over the last survey period of 2015-16. In terms of spending, Food & Non-Alcoholic Beverages account for 36% of overall household spending. Major Food items on which overall household spending is centered on includes Milk (22.8%), Wheat (11.2%), Vegetables (8.7%) and Hotels/Food Service (6.2%)⁴⁶. While varying across income quintiles, the majority of household spending is firmly centered on consumption of food items, and as such consumption spending for these commodities remains a core tenet of economic output in the economy. These conform to the wider macro data observations, where the sustainability of food & beverage demand is supported and the need for food packaging materials and solutions is underscored.

3.14.5 Urbanization

Higher rates of urbanization can be witnessed, where normalized population growth in urban areas over the last five years is double than national population growth⁴⁷ (4.7% for urban population vs. 2.3% for total population) with the proportion of urban population at 43.2%⁴⁸. Considering the accelerating pace of urbanization, household spending and income patterns have also undergone significant shifts, where average family size is smaller, employment status are likely linked to the formal economy, have higher income levels and in turn enhanced spending⁴⁹. In comparison with South Asian peers, Pakistan is urbanizing at a faster rate⁵⁰ than its peers, where the United Nations Development Program estimates 50% urbanization by 2025, where the subsequent rise in population density and impact on consumption are catalyst to demand for organized retail packaged foods.

3.14.6 Food & Beverages Sector Dynamics

The food and beverage processing industry are the 2nd largest industry of Pakistan after textiles, accounting for 27% of the value-added production and 16% of employment in the manufacturing sector⁵¹. Food processing accounted for an annual average of \$223.5m in FDI from 2012-2018. In terms of gross investment in the consumer retail and wholesale trade subsector, Gross Capital Formation data indicates PKR 540.2 Bn invested in capital activities in the sector with the investment in FY20 of PKR 115.5 Bn the highest annual investment in the space. Capital invested in the modern retail or organized retail and wholesale sectors have witnessed normalized growth of 9.1% between 2015 and 2020⁵².

Further segmentation in the sector revolved around product lines and business segments. These include: Frozen Foods, Packaged Commodities (formal sector presence in Wheat, Rice etc.), Edible Oils, Dairy, Beverages (including

⁴⁴ Pakistan Bureau of Statistics 2021 - Expenditure on Gross Domestic Product at current prices – Table - 8

⁴⁵ Household Integrated Economic Survey 2018-19 - Pakistan Bureau of Statistics & State Bank of Pakistan

⁴⁶ Household Integrated Economic Survey 2018-19 - Pakistan Bureau of Statistics & State Bank of Pakistan

⁴⁷ Pakistan Economic Survey – MoF - 2021

⁴⁸ Pakistan Economic Survey – MoF - 2021

⁴⁹ UNDP – Sustainable Urbanization – May/2019

⁵⁰ UNDP – Sustainable Urbanization – May/2019

⁵¹ PBS - BOI

⁵² PBS – table 10a

caffeinated, carbonated and water), Fruits & Vegetables, Value Additive commodities (Corn flour, Rice Flour etc.) and Confectionaries and Snacks.

Major food segments that are benefitting from significant shifts in consumer patterns accompanied by strong competitive forces driving demand away from the unorganized sector to formal/packaged space include Snacks & Confectionaries, beverages and Tobacco. Additionally, the shift to adopt organized sales channels, modern trade (superstores, grocery retailers and e-commerce) as opposed to informal, neighborhood grocery outlets is well underway, where the large domestic retailers such as Imtiaz, Al-Fatah and Chase-up are expanding their footprint significantly.

3.14.7 Organized Sales Channels

Modern retail channels have grown in prominence over the last few years. This has been a consequence of multiple factors, where the Govt's drive for increased documentation in the economy, consumer preference for increased quality perception and influx of domestic retail chains with a focus on price competitiveness have raised consumer footfall. For packaging sector dynamics, this is an opportune development for two reasons. Firstly, modern trade outlets have the ability to hold large quantity of inventory, while dealing in formal/packaged goods with long shelf lives. Secondly, as core offering for customers of this sales channel as opposed to traditional retail are the economical private label ranges on offer, which lower the barriers for low-income consumers to transition into packaged/ formal foods sector customers, as they offer better quality at lower prices than established brands.

3.14.8 Conducive Policy Environment

Public policy measures adopted by the Govt in two major policy areas are proving to be demand catalysts for the domestic packaging sector. Firstly, the Govt's tariff plan under the National Tariff Commission's National Tariff Policy 2019-24 has a stated goal of enhancing trade competitiveness by lowering trade tariffs on raw materials and intermediate goods. To that end, customs duty and regulatory duty structures are gradually curbed over a period of five years⁵³. For packaging industry, this has translated to lower duty structures. Additionally, the Govt has imposed strict labelling restrictions on import of food and beverage products from July 2019, whereby goods without proper expiry and manufacturing information and halal certification are barred from being imported. These measures were adopted to limit the import of foreign manufactured food and beverage products while promoting investments in domestic manufacturing for meeting local needs and setting the roadmap for tapping exports.

3.15 RAW MATERIALS REQUIRED FOR PRODUCTION AND VENDORS TO THE ISSUER

Following is the list of raw materials required for the manufacturing of BOPP and CPP films:

BOPP - Raw Material	Origin
Homopolymer	Imported
Copolymer	Imported
Masterbatch ⁵⁴	Locally Sourced & Imported

Homopolymer and Copolymer are not manufactured in Pakistan so they have to be imported.

International Packaging Films Limited:

Following is a break-up of top eight vendors of the Company constituting to 96.23% of the total purchases made during 9M FY 2021:

⁵³ <https://pide.org.pk/blog/pakistans-new-tariff-policy-long-overdue-strategy-for-the-future/>

⁵⁴ In FY20 and 9MFY21, 0.07% and 1.35% respectively of Masterbatch was procured locally

S. No.	Vendor Name	Country	Raw Material	Purchases during 9M FY 2021 (in PKR)	% of Total Purchases during 9M FY 2021
1	Petrochemical Industrial Company	Kuwait	Homopolymer	2,044	48.30%
2	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	954	22.55%
3	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer and Masterbatch	461	10.89%
4	Borouge Pte Ltd	Abu Dhabi	Homopolymer	201	4.76%
5	A. Schulman Plastics BVBA	Turkey, Indonesia and Belgium	Masterbatch	205	4.85%
6	Ineos Sales (UK) LTD.	France and Belgium	Copolymer and Masterbatch	94	2.23%
7	Constab Polyolefien Additives GmbH	Germany and China	Masterbatch	56	1.32%
8	ICI Pakistan Limited	Pakistan	Masterbatch	57	1.33%
Total				4,072	96.23%

Following is the break-up of top eight vendors of the Company constituting to 93.39% of the total purchases made during FY 2020:

S. No.	Vendor Name	Country	Raw Material	Purchases during FY 2020 (in PKR Mn)	% of Total Purchases during FY 2020
1	Petrochemical Industrial Company	Kuwait	Homopolymer	2,342	50.40%
2	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	964	20.74%
3	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer and Masterbatch	442	9.50%
4	A. Schulman Plastics BVBA	Turkey, Indonesia and Belgium	Homopolymer	198	4.25%
5	Ampacet Europe SA	Thailand	Masterbatch	136	2.93%
6	Borouge Pte Ltd	Abu Dhabi	Copolymer and Masterbatch	99	2.14%
7	Constab Polyolefien Additives GmbH	Germany and China	Masterbatch	89	1.92%
8	Tricon Energy	China	Masterbatch	70	1.50%
Total				4,339	93.39%

Cast Packaging Films (Private) Limited:

Following the is a break-up of top six vendors of the Company constituting to 100% of the total purchases made during 9M FY 2021:

S. No.	Vendor Name	Country	Raw Material	Purchases during 9M FY 2021 (in PKR Mn)	% of Total Purchases during 9M FY 2021
1	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer	18,166,303	21%
2	Borouge Pte Ltd	Abu Dhabi	Homopolymer	25,194,505	30%
3	Borouge Pte Ltd	Abu Dhabi	Copolymer	6,112,668	7%
4	CONSTAB Polyolefien Additives GmbH	Germany and China	Masterbatch	6,505,567	8%
5	Manfisa	Oman	Metalizer	9,277,575	11%
6	NATIONAL PETROCHEMICAL INDUSTRIALIZATION MARKETING CO.	Saudi Arabia	Homopolymer	19,894,698	23%
Total				85,151,315	100%

Petpak Films (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

Global Packaging (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

3.16 ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

There are no industry specific Government and other approvals required for carrying on the business of the Issuer.

3.17 ASSOCIATED COMPANIES

Name of Company	Nature of Relation	Shareholding of IPAK	Nature of Business
Universal Packaging Company (Private) Limited	Common Directorship	0%	Printing and Lamination Services
Cast Packaging Films (Private) Limited	Subsidiary Company (100% owned)	100%	Manufacturing and Selling of CPP Films
Petpak Films (Private) Limited	Subsidiary Company (52% owned)	52%	Manufacturing and Selling of BOPET Films
Petpak Plus (Private) Limited	Subsidiary Company (52% owned)	52% (Indirect) ⁵⁵	Manufacturing and Selling of BOPET Films
Global Packaging Films (Private) Limited	Subsidiary Company (100% owned)	100%	Manufacturing and Selling of BOPP Films
Fauji Fertilizer Bin Qasim Limited	Common Directorship	0%	Manufacturing, Purchasing and Marketing of Fertilizers
Fauji Foods Limited	Common Directorship	0%	Processing and Selling of Various Dairy Products and Juices
Askari Bank Limited	Common Directorship	0%	Business of Banking

⁵⁵ Petpak Plus (Pvt.) Limited is a wholly owned subsidiary of IPAK's 52% owned subsidiary Petpak (Pvt.) Limited.

Unilever Foods Pakistan Limited	Common Directorship	0%	Manufacturing and Selling of Fast Moving Consumer Goods.
Fauji Fertilizer Company Limited	Common Directorship	0%	Manufacturing, Purchasing and Marketing of Fertilizers
NBP Fund Management Limited	Common Directorship	0%	Open Ended Mutual Fund
ZIL Limited	Common Directorship	0%	Manufacturing and Selling of Skin Cleansing Products
Jaffer Brothers (Private) Limited	Common Directorship	0%	Conglomerate Business
Burque Corporations (Private) Limited	Common Directorship	0%	Sales Management and Distribution of FMCG Brands
14th Street Pizza Co. (Private) Limited	Common Directorship	0%	Fast Food Chain
Universal Coating Films (Private) Limited	Common Directorship	0%	Manufacturing and Trade of Coating and Conversion Products
Universal Films (Private) Limited	Common Directorship	0%	Manufacturing and Selling of Flexible Packaging Products
Adpak (Private) Limited	Common Directorship	0%	Manufacturing and Selling of Adhesives
Universal Carton Industries (Private) Limited	Common Directorship	0%	Manufacturing and Selling of Corrugated Carton and its Allied Products

3.18 RELATED PARTY TRANSACTIONS

International Packaging Films Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	FY 2018 (PKR Mn)	FY 2019 (PKR Mn)	FY 2020 (PKR Mn)	9MFY21 (PKR Mn)
Universal Packaging Company (Private) Limited	Common directorship	Sales	300	435	491	327
		Receipts against sales	232	297	536	400
		Purchase	-	-	-	(2)
		Payment against purchases	-	-	-	(2)
Saima Packaging (Private) Limited	Common directorshi	Sales	-	-	460	220
		Receipts against sales	-	-	454	135
Ameer Ali ⁵⁶	Non-Executive Director	Advance received against future issue of shares	-	19	53	-
		Shares allotted during the year	32	191	53	52
Muhammad Ashraf ⁵⁷	Non-Executive Director	Advance received against future issue of shares	14	49	-	-
		Shares allotted during the year	48	63	-	24

⁵⁶ Mr. Ameer Ali has resigned as director on 28/06/2021.

⁵⁷ Mr. Muhamamd Ashraf has resigned as director on 28/06/2021.

Arsalan Pirani	Non-Executive Director	Advance received against future issue of shares	72	26	-	-
		Shares allotted during the year	8	-	18	27
Mushtaq Tejani	Non-Executive Director	Advance received against future issue of shares	52	40	-	8
		Shares allotted during the year	25	147	26	91
Taimoor Iqbal	Non-Executive Director	Advance received against future issue of shares	42	(9)	-	-
		Shares allotted during the year	20	83	42	41
Naveed Godil	Chief Executive Officer	Advance received against future issue of shares	8	11	44	33
		Shares allotted during the year	66	182	53	96
Abdul Aleem Tinwala ⁵⁸	Non-Executive Director	Advance refunded during the period	-	-	(3)	(25)
		Shares allotted during the year	-	-	4	14
Cast Packaging Films (Private) Limited	Subsidiary Company	Sale of Land	-	-	-	19
		Advance received against future issue of shares	-	-	136	435
		Shares allotted during the year	-	-	-	500
Pet Pak Films (Private) Limited	Subsidiary Company	Advance received against future issue of shares	-	-	-	271
		Shares allotted during the year	-	-	-	271
Global Packaging Films (Private) Limited	Subsidiary Company	Advance received against future issue of shares	-	-	-	500
		Shares allotted during the year	-	-	-	500

Cast Packaging Films (Private) Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	April 01, 2020 – June 30, 2020 (PKR Mn) ⁵⁹	9M FY 2021 (PKR Mn)
International Packaging Films (Private) Limited	Parent Company	Advance received against issuance of shares	137	435
		Shares issued during the period	100	500
		Purchase of Land	-	(19)
Naveed Godil	Key management personnel	Shares issued during the period	0.00001	-
Mushtaq Ali Tejani	Key management personnel	Shares issued during the period	0.00001	-

Petpak Films (Private) Limited

⁵⁸ Mr. Abdul Aleem Tinwala has resigned as director on 28/06/2021.

⁵⁹ Cast Packaging Films (Private) Limited was incorporated on April 01, 2020

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	September 21, 2020 – March 31, 2021 (PKR Mn) ⁶⁰
International Packaging Films (Private) Limited	Parent Company	Advance received against issuance of shares	271
		Shares issued during the period	271
Naveed Godil	Key management personnel	Shares issued during the period	0.00001
Mushtaq Ali Tejani	Key management personnel	Shares issued during the period	0.00001
Noman Yakoob	Key management personnel	Advance received against issuance of shares	36
		Shares issued during the period	36

Global Packaging Films (Private) Limited

The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	January 15, 2021 – March 31, 2021 (PKR Mn) ⁶¹
International Packaging Films (Private) Limited	Parent Company	Advance received against issuance of shares	500
		Shares issued during the period	500
Naveed Godil	Key management personnel	Shares issued during the period	0.00001
Mushtaq Ali Tejani	Key management personnel	Shares issued during the period	0.00001

3.19 INDUSTRY OVERVIEW

3.19.1 Global Landscape of Packaging Industry

The global industrial packaging market is segmented along three major criteria, namely: 1) material, 2) product and 3) application⁶². In terms of materials used in packaging; plastics, glass, metal, paper & board and wood are employed to deliver packaging solutions, available in multiple product formats such as drums, sacks, pouches, wraps catering to the needs of multiple industry applications including foods, beverages and pharmaceuticals.

Packaging demand across the world reached US\$ 914.7bn⁶³ in 2019 and is expected to grow in the coming years. Despite the Covid-19 outbreak in 2020, consumer spending recovery on the international front, prevalence of home

⁶⁰ Petpak Films (Private) Limited was incorporated on September 21, 2020

⁶¹ Global Packaging Films (Private) Limited was incorporated on January 15, 2021

⁶² <https://www.fortunebusinessinsights.com/industry-reports/food-packaging-market-101941>

⁶³ <https://www.smithers.com/services/market-reports/packaging/future-packaging-long-term-strategic-forecast-2030>

care and personal care demand growth are catalysts for global packaging recovery in 2021⁶⁴. Paperboard is the most used packaging material, accounting for around a third of world packaging markets consumption, followed by flexible packaging at 25.5%, rigid plastics at 18.7% and metal at 12.1%, glass packaging accounts for 5.8% and other packaging 4.7%⁶⁵.

International Packaging Films Limited operates in the flexible packaging segment in Pakistan, a market that mirrors the accelerants driving Asia-Pacific regional growth, where 41% of industry growth is expected to originate over the next five years⁶⁶. In this regard, key growth markets of China and India are expected to outpace advanced economies. Central to the industry's growth expectations is the increased demand for pharmaceuticals, food, beverages, personal, household and retail products, where numerous flexible packaging applications are deployed⁶⁷. Thus, increasing diversification and penetration of these industries will have positive spill overs for the demand of flexible packaging solutions.

From a broad perspective high growth in these regions is due to the global shifts in demographics, such as increasing urbanization, growing number of the small households and rising middle-class population. Consequently, these demographic shifts have changed the consumer buying behavior and taste and preference of the consumers, thereby leading to an increase in demand for packaged products⁶⁸. Additionally, the role played by modern trade channels, e-commerce platforms and other specialized sales channels is essential in driving demand for packaging solutions.

Food packaging is expected to account for the largest share of the end-user segment for flexible packaging over the near term. The potential for growth in packaged food sales is slated to drive demand for packaging globally. Changing lifestyles and food habits are significant factors underlying the growth of the packaged food industry across the world⁶⁹. In terms of sustainability, flexible packaging offers lower wastage, is less energy intensive, while having a demonstrated impact in reducing food wastage⁷⁰. Other than food packaging purposes, flexible packaging market is expected to ride on the tailwinds of higher strong cosmetics and personal care segment growth as the prevalence of smaller, more economical product variants (pouches, sachets) which is likely to replace rigid plastic packaging⁷¹.

3.19.2 Domestic Flexible Packaging Landscape

Pakistan's packaging film industry demand is catered by three main channels, namely: 1) locally manufactured films, 2) imported films and 3) the smuggled/grey market product. Pakistan packaging film industry is dominated by locally manufactured films. Based on the market knowledge of IPAK's management, locally manufactured BOPP has a market share of 98% of total flexible packaging demand. The remaining share of demand is met largely by imported films and grey suppliers, which includes smuggled, below standard product, where the confluence of tougher import barriers, stringent food quality enforcement measures and increased range of products from locally manufactured players has reduced the share of grey market in this product segment.

3.19.3 Competitive Landscape of Flexible Packaging

The major segments in the domestic packaging market amount to 127,600 tons p.a., 49,900 tons p.a. and 90,000 tons p.a. annual production capacities of BOPP, CPP and BOPET, respectively. Total production capacity for BOPP accounts for ~54% of cumulative flexible packaging production capacity, making it the largest segment in the country. In terms of capacity share, the two largest players dominate the landscape with Tripack and IPAK being the largest

⁶⁴ <https://www.smithers.com/resources/2021/feb/flexible-packaging-market-grow-3-4-to-2026>

⁶⁵ <https://www.propakvietnam.com/world-packaging-market-to-top-us1-trillion-in-2024/>

⁶⁶ <https://www.technavio.com/report/packaging-market-industry-analysis>

⁶⁷ <https://www.transparencymarketresearch.com/pressrelease/flexible-packaging-for-healthcare-market.htm>

⁶⁸ <https://www.businesswire.com/news/home/20171121005795/en/Global-Packaging-Market---Segmentation-Analysis-and%20Forecast-by-Technavio>

⁶⁹ <https://www.propakvietnam.com/world-packaging-market-to-top-us1-trillion-in-2024/>

⁷⁰ US Flexible Packaging Association Data Sheet

⁷¹ <https://www.globenewswire.com/news-release/2020/10/28/2116155/0/en/The-global-flexible-plastic-packaging-market-size-is-projected-to-grow-from-USD-160-8-billion-in-2020-to-USD-200-5-billion-by-2025-at-a-Compound-Annual-Growth-Rate-CAGR-of-4-5.html>

and second largest players with cumulative production of 108,160 tons p.a. As per industry analysis workings conducted by the management of the Company, IPAK, Macpac, and Tripack constitute about 95% of total domestic manufactured sales of BOPP films, whereas IPAK being the only player with capacity in the Northern region.

Total CPP production capacity in the country rests at 49,900 m tons, with more dispersed production capabilities, as the top three players hold 42,900 m tons of capacity. IPAK is the third largest player in this segment. Furthermore, BOPET capacity in Pakistan is currently held by only two player, offering significant room to IPAK for launching its planned expansions and expanding its presence in an untapped market. Ismail Industries Limited and Novatex Limited are the two market players in the BOPET industry having capacities 60,000 tons p.a and 30,000 tons p.a. respectively operating in the Southern region of the Country which gives IPAK an added advantage as IPAK will be the sole BOPET manufacturer in the Northern region of the country. Moreover, through its subsidiary Plastiflex Films (Private) Limited, on a consolidated level, Ismail Industries Limited is the only player in all three main segments of flexible packaging in the country. However, after the planned expansion, IPAK will become the manufacturer of all three films with the largest available capacities.

Following is product-wise competitive landscape of the major players of in the industry:

S. No.	Company	BOPP Films	CPP Films	BOPET Films
1	International Packaging Films Limited	✓	✓	X
2	Macpac Films Limited (“MACPAC”)	✓	✓	X
3	Tri-Pack Films Limited (“TRIPACK”)	✓	✓	X
4	Ismail Industries Limited ⁷² (“ISIL”)	X	✓	✓
5	Plastiflex Films (Pvt.) Limited (“PFL”) ⁷³	✓	X	X
6	Novatex Limited (“NOVATEX”)	X	X	✓

Following is the break-up of annual capacities⁷⁴ of BOPP, CPP and BOPET of the major packaging companies in Pakistan.

Company	IPAK ⁷⁵	MACPAC	TRIPACK	ISIL	PFL	NOVATEX	Total
BOPP	41,360	15,000	66,800 ⁷⁶	-	4,500	-	127,660
CPP	9,900	7,000	17,000	16,000	-	-	49,900
BOPET	-	-	-	60,000	-	30,000	90,000
Total	51,260	22,000	83,800	76,000	4,500	30,000	267,560

IPAK is the only major manufacturer of BOPP and CPP films in the province of Punjab in the organized sector whereas majority of the players are located in the province of Sindh including ISIL, Macpac, Tri-Pack and TPF. However, Tri-Pack has one of its manufacturing facilities in KPK being the only major player in the province, but it is not operational. From a geographic standpoint, the majority of flexible packaging capacity remains centered in the South, offering strategic tailwinds to IPAK, as the only organized player in the North, to leverage future growth.

Following table and chart depict the province-wise footprint of competitive landscape:

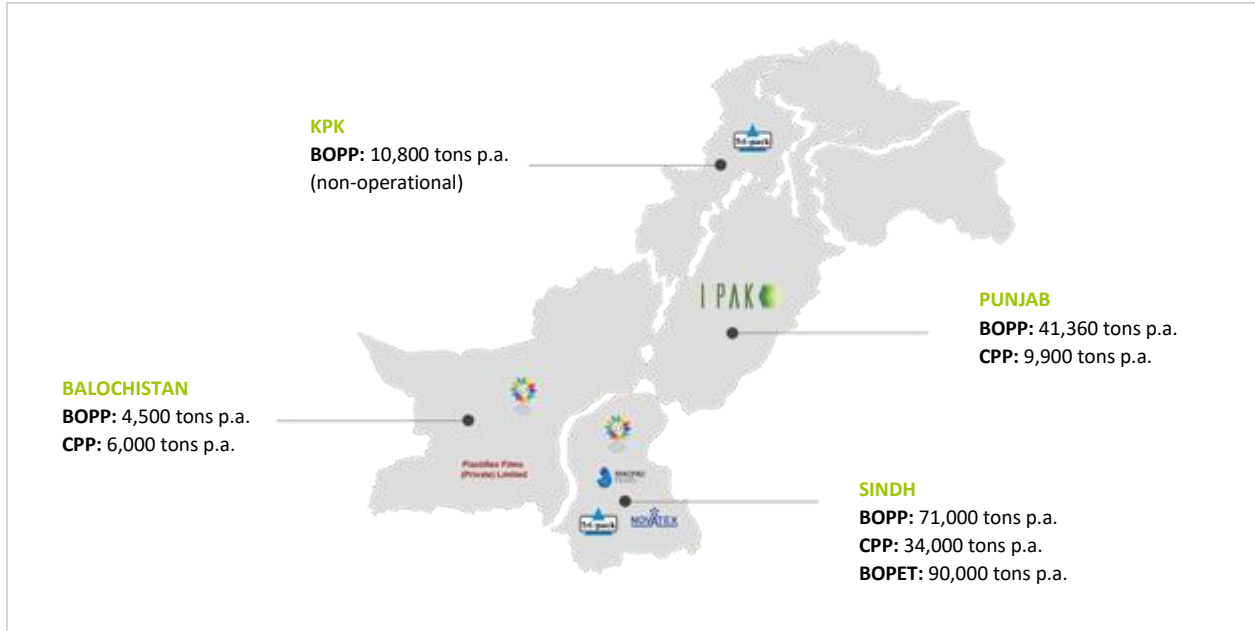
⁷³ Plastiflex Films (Private) Limited is an associate of Ismail Industries Limited

⁷⁴ Source: Financial Statements and websites of respective companies.

⁷⁵ IPAK is in the process of expanding into BOPET through its 52% owned subsidiary, Petpak Films (Private) Limited with an annual capacity of 40,980 tons p.a. The Company is in the process of increasing the capacity of the BOPP films through its wholly owned subsidiary, Global Packaging (Private) Limited by setting up a new production line of a capacity of 59,480 tons p.a.

⁷⁶ As per the corporate briefing session 2020, two BOPP lines in Hattar of combined capacity of 10,800 tons p.a. are non-operational on temporary or permanent basis. Operational capacity of Tri-Pack is 56,000 tons p.a. Source: <https://www.tripack.com.pk/pdf/Corporate-Briefing-Session-2020.pdf>

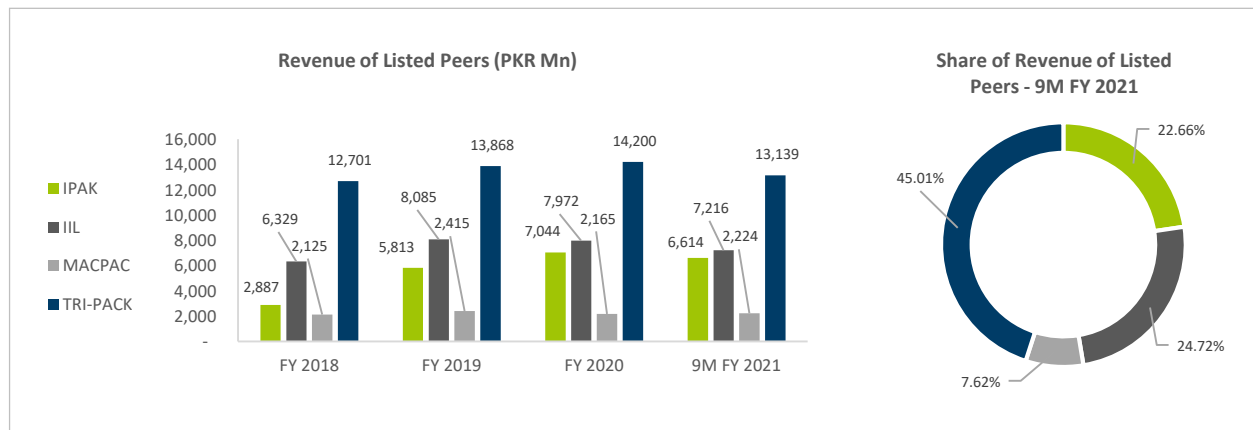
IPAK	Tri-Pack	Macpac	ISIL	PFL	TPF
Punjab	KPK, Sindh	Sindh	Sindh	Sindh	Sindh



Market Size

Between FY 2018 and FY 2020 total industry sales across all film segments have witnessed annualized sales growth of 14.2% p.a., resting at cumulative annual sales of PKR 31.4 Bn⁷⁷ for FY 2020. During the most recent reported period of 9MFY21, combined contribution of these three players in total sales of packaging films in Pakistan reached PKR 29.2 Bn⁷⁸. IPAK constitutes 22.7% to the abovementioned packaging films sales over the period, making it the second largest of BOPP sales in Pakistan, the only player in the Northern region of the Country and the third largest player by sales in comparison to other peers in the film industry.

Following is the revenue⁷⁹ of the listed peers generated from FY 2018 to 9M FY 2021:



⁷⁷ Source: Financial Statements of the respective companies

⁷⁸ Source: Financial Statements of the respective companies

⁷⁹ Source: Financial Statements of the respective companies. The revenue of ISIL represents the revenue from the plastics segment as reported in the published financial statements. The revenue of Tri-Pack has been adjusted from CY to FY in order to align the revenue with other peers.

Duty Structure and Tariff

Strong support of the Government of Pakistan (“GoP”) in the form of tariff protection is apparent from the duty structure applicable on finished products. The duty structure in film form (BOPP, CPP & BOPET) being 27% across all major segments as opposed to 3% duty levies on major raw material constituents (Homopolymer, Copolymer, Masterbatches), extending to 27% for some high value materials such as Metallizer, which constitute a minor share of raw materials. This cushion is expected to continue rising for domestic manufacturers as the GoP embarks on its 2019-24 National Tariff Policy with the stated goal of promoting domestic value addition and discouraging finished product imports.

Following is the duty tariff for the raw materials procured by the Company:

Raw Material	HS Code	Basic Duty	Additional Duty	Total Duty
Homopolymer	3902.1000	3%	0%	3%
Copolymer	3902.3000	3%	0%	3%
Masterbatch	3902.3000	3%	0%	3%
Masterbatch	3902.1000	3%	0%	3%
Metallizer	6903.9090	20%	7%	27%
Metallizer	7605.1900	20%	7%	27%
Pure Terephthalic Acid (PTA)	2917.3610	16%	4%	20%
Ethylene Glycol (ETHANEDIOL)	2905.3100	0%	2%	2%
Silica for film grades	3907.6910	11%	2%	13%

Following is the duty tariff for the imported finished products that the Company produces in Pakistan:

Item	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Total Duty	Sales Tax	Income Tax (Tariff)
BOPP Plain	3902.2010	20%	7%	-	27%	17%	11%
BOPP Printed	3902.2020	20%	7%	-	27%	17%	11%
BOPP Metallized	3902.2030	20%	7%	-	27%	17%	11%
BOPP Laminated	3902.2040	20%	7%	-	27%	17%	11%
CPP Film	3902.2090	20%	7%	-	27%	17%	11%
BOPET Film	3902.6200	20%	7%	-	27%	17%	11%

3A SHARE CAPITAL AND RELATED MATTERS

3A (i) Share Capital

No. of shares	%	Shareholders	Face Value (PKR)	Premium (PKR)	Total (PKR)
		AUTHORIZED CAPITAL			
430,000,000		Ordinary shares of PKR 10/- each	10	-	4,300,000,000
		ISSUED, SUBSCRIBED, & PAID UP CAPITAL			
360,000,000		Ordinary Shares of PKR. 10/- each	10	-	3,600,000,000
360,000,000		Total			3,600,000,000

ISSUED, SUBSCRIBED & PAID-UP CAPITAL OF INTERNATIONAL PACKAGING FILMS LIMITED IS HELD AS FOLLOWS:

No. of shares	%	Shares held by Directors/ Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total (PKR)
54,115,458	15.03%	Naveed Godil	10	-	541,154,580
43,016,988	11.95%	Ameer Ali	10	-	430,169,880
38,446,602	10.68%	Mushtaq Ali Tejani	10	-	384,466,020
33,818,838	9.39%	Taimoor Iqbal	10	-	338,188,380
26,199,656	7.28%	Muhammad Usman Pirani	10	-	261,996,560
22,371,808	6.21%	Arsalan Pirani	10	-	223,718,080
20,030,321	5.56%	Muhammad Ashraf	10	-	200,303,210
12,101,310	3.36%	Shumaila Aftab	10	-	121,013,100
6,450,841	1.79%	Navaid Usman Memon Pirani	10	-	64,508,410
4,567,806	1.27%	Kashan Younus Pirani	10	-	45,678,060
4,567,806	1.27%	Furqan Muhammad Younus	10	-	45,678,060
3,235,091	0.90%	Halima Naveed	10	-	32,350,910
2,964,706	0.82%	Muhammed Amin	10	-	29,647,060
1,800,000	0.50%	Muhammad Iqbal Dawood	10	-	18,000,000
568,019	0.16%	Aftab Zahoor Raja	10	-	5,680,190
1	0.0000003%	Sarfaraz Ahmed Rehman	10	-	10
1	0.0000003%	Saad Amanullah Khan	10	-	10
274,255,252	76.18%				2,742,552,520

No. of shares	%	Shares held by other than Directors/ Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total (PKR)
18,003,569	5.00%	Haji Hanif Ahmed	10	-	180,035,690
13,893,729	3.86%	Muhammad Ishrat	10	-	138,937,290
6,060,804	1.68%	Saima Muhammad Hanif	10	-	60,608,040
6,060,804	1.68%	Somia Rizwan Bava	10	-	60,608,040
6,060,804	1.68%	Sabeena Tinwala	10	-	60,608,040
6,060,804	1.68%	Hira Murtaza	10	-	60,608,040
6,060,804	1.68%	Abdul Aleem Tinwala	10	-	60,608,040
3,600,000	1.00%	Mohammad Masud	10	-	36,000,000
3,495,146	0.97%	Muhammad Haris Motiwala	10	-	34,951,460
3,420,000	0.95%	Muhammad Amir	10	-	34,200,000
3,420,000	0.95%	Muhammad Asif	10	-	34,200,000
3,408,110	0.95%	Faizan Ahmed	10	-	34,081,100
3,312,000	0.92%	Muhammad Javed	10	-	33,120,000

1,230,018	0.34%	Afshan Ahmed	10	-	12,300,180
568,019	0.16%	Fehmida Siddique	10	-	5,680,190
395,927	0.11%	Muhammad Farrukh	10	-	3,959,270
365,204	0.10%	Muhammad Iqbal Qasim	10	-	3,652,040
317,647	0.09%	Mohammad Saad	10	-	3,176,470
11,359	0.003%	Muhammad Sami Ishrat	10	-	113,590
85,744,748	23.72%	Sub-Total	-	-	857,447,480
85,744,748	100%	Total	-	-	3,600,000,000
360,000,000	100.00%	Pre-IPO Paid up Capital	10	-	3,600,000,000

PRESENT ISSUE OF ORDINARY SHARES

No. of shares	%	Description	Face Value (PKR)	Premium (PKR)	Total (PKR)
63,500,000	14.99	New Shares Issuance	10	24	2,159,000,000
423,500,000		Post-IPO Paid-up Capital	10	-	4,235,000,000

ALLOCATION OF PRESENT ISSUE

No. of shares	Allocation	Face Value (PKR)	Premium (PKR)	Total (PKR)
47,625,000	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	10	24	1,619,250,000
15,875,000	General Public Portion	10	24	539,750,000
63,500,000	Total Issue size	10	24	2,159,000,000

Note: The Other Shareholders constitute to 23.82% of the issued and paid-up share capital of the Company. These shareholders were allotted/transferred ordinary shares of the Company during 2016 and 2021.

3A (ii) Sponsors shares to be kept in blocked form

Given below are Sponsors' shareholding to be kept in blocked form as per the below mentioned regulations:

Sponsors	Shareholding	% Post IPO Paid-up Capital
Naveed Godil	54,115,458	12.78%
Ameer Ali	43,016,988	10.16%
Mushtaq Ali Tejani	38,446,602	9.08%
Taimoor Iqbal	33,818,838	7.99%
Muhammad Usman Pirani	26,199,656	6.19%
Arsalan Pirani	22,371,808	5.28%
Muhammad Ashraf	20,030,321	4.73%
Shumaila Aftab	12,101,310	2.86%
Navaid Usman Memon Pirani	6,450,841	1.52%
Kashan Younus Pirani	4,567,806	1.08%
Furqan Muhammad Younus	4,567,806	1.08%
Halima Naveed	3,235,091	0.76%
Muhammed Amin	2,964,706	0.70%
Muhammad Iqbal Dawood	1,800,000	0.43%
Aftab Zahoor Raja	568,019	0.13%
Total	274,255,250	64.76%

Note:

1. As per regulation 5(1) of the PO Regulations, the sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
2. As per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty five percent of the paid-up capital of the Company for not less than three financial years from the last date for the public subscription;
3. As per regulation 5(3) of the PO Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
4. Subject to compliance with sub-regulation 1 and 2 of regulation 5 of the PO Regulations and with the prior approval of the securities exchange, the sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of the PO Regulations.

3A (iii) Present Issue

Issue comprises of 63,500,000 Ordinary Shares of face value of PKR 10/- each, which constitutes 14.99% of the total post-IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 34.00 per share (including a premium of PKR 24.00 per share), whereby 75% of the total Issue size i.e. 47,625,000 Ordinary shares will be issued through the Book Building process to Eligible Investors. The balance 25% of the total Issue size i.e. 15,875,000.00.

Ordinary Shares will be issued to the General Public through retail offer at the Strike Price determined through the Book Building process. The Book Building Portion is underwritten by AKDS and IMS and the names of underwriters to the Retail Portion will be published in the Supplement to the Prospectus.

3A (iv) Shares Issued in Preceding Years

S. No	No. of Shares Issued	Consideration	Total Value (PKR)	Date of Issuance / Allotment
1	100,000	Cash/Bank	1,000,000	2-Oct-15
2	41,600,000	Cash/Bank	416,000,000	4-Jul-16
3	75,846,501	Cash/Bank	758,465,010	21-Jun-17
4	55,569,387	Cash/Bank	555,693,870	21-Jun-18
5	76,618,460	Cash/Bank	766,184,600	3-Jun-19
7	24,525,494	Cash/Bank	245,254,940	23-Jun-20
8	20,000,000	Bonus	200,000,000	24-Dec-20
9	45,740,158	Cash/Bank	457,401,580	19-Mar-21
10	20,000,000	Bonus	200,000,000	30-Mar-21
Total	360,000,000		3,600,000,000	

Other than the above-mentioned shares, there has been no issuance of shares since incorporation of the Company.

3A (v) Related Employees of the Company

- Related Employees of the Company (**International Packaging Films Limited**)

S. No	Name	Designation
1	Mr. Naveed Godil	Chief Executive Officer
2	Mr. Mohsin Anwer	Chief Financial Officer
3	Syed Haris Salim	Company Secretary

- Related employees of the Lead Manager and Book Runner (**AKD Securities Limited and Intermarket Securities Limited**)

AKD Securities Limited		
S. No	Name	Designation
1	Mr. Muhammad Farid Alam	Chief Executive Officer
2	Mr. Khurram Shahid	Head, Investment Banking
3	Mr. Abadan Mohajir	Vice President, Investment Banking
4	Mr. Ali Asghar Poonawala	Assistant Vice President, Investment Banking
5	Mr. Imran Afzal	Assistant Vice President, Investment Banking
6	Ms. Afsheen Dhedhi	Associate, Investment Banking
7	Mr. Owais Ibrahim	Associate, Investment Banking
8	Ms. Minhaj Shahid	Senior Analyst, Investment Banking
9	Ms. Ayesha Khairi	Analyst, Investment Banking

Intermarket Securities Limited		
S. No	Name	Designation
1	Mr. Wajid Hussain	Chief Executive Officer
2	Mr. Raza Jafri, CFA	Head of Equities
3	Mr. Fahad Zia	Head of Institutional Sales
4	Mr. Jawad Rauf	Consultant, Investment Banking
5	Mr. Danyal Rizvi	Senior Associate, Investment Banking
6	Ms. Hareem Zehra	Analyst, Investment Banking

Note:

1. As per regulation 7(9) of the PO Regulations the associates of the Lead Manager and the Book Runner shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Lead Manager and the Book Runner that are Financial Institutions Mutual Funds and Insurance companies
2. As required under regulation 20(10) of the PO Regulations, Related Employees of the Issuer, Lead Manager and Book Runner to the Issue shall not participate in the bidding for shares.

Undertaking from the Sponsors of the Issuer regarding IPO Utilization

Pakistan Stock Exchange

Stock Exchange Building
 Stock Exchange Road
 Karachi – 74000, Pakistan

UNDERTAKING

We, **Naveed Godil**, being Sponsor/Chief executive Officer of International Packaging Films Limited CNIC No. 42201-6948703-7, resident of Karachi, Pakistan, (2) **Ameer Ali**, being Sponsor of International Packaging Films Limited CNIC No. 35201-2608584-5, resident of Lahore, Pakistan, (3) **Mushtaq Ali Tejani** being Sponsor/ Non-Executive Director of International Packaging Films Limited CNIC No. 42201-0492689-9, resident of Karachi, Pakistan, (5) **Muhammad Usman Pirani** being Sponsor of International Packaging Films Limited CNIC No. 42301-0988566-9, resident of Dubai, UAE, (6) **Arsalan Pirani** being Sponsor/ Non-Executive Director of International Packaging Films Limited CNIC No. 42301-5834151-9, resident of Dubai, UAE, (7) **Muhammad Ashraf** being Sponsor of International Packaging Films Limited CNIC No. 42000-6583721-7, resident of Dubai, UAE, (8) **Shumaila Aftab** being Sponsor of International Packaging Films Limited CNIC No. 35201-5998706-4, resident of Lahore, Pakistan, (9) **Navaid Usman Memon Pirani** being Sponsor of International Packaging Films Limited CNIC No. 42000-0522719-1, resident of Karachi, Pakistan, (10) **Kashan Younus Pirani** being Sponsor of International Packaging Films Limited CNIC No. 42301-4629192-1, resident of Karachi, Pakistan, (11) **Furqan Muhammad Younus** being Sponsor of International Packaging Films Limited CNIC No. 42301-5622154-7, resident of Dubai, UAE, (12) **Halima Naveed** being Sponsor of International Packaging Films Limited CNIC No. 42201-4165130-4, resident of Karachi, Pakistan, (13) **Muhammed Amin** being Sponsor/ Non-Executive Director of International Packaging Films Limited CNIC No. 42101-1806379-7, resident of Karachi, Pakistan, (14) **Muhammad Iqbal Dawood** being Sponsor of International Packaging Films Limited CNIC No. 42000-5277402-1, resident of Dubai, UAE and (15) **Aftab Zahoor Raja** being Sponsor/ Non Executive Director of International Packaging Films Limited CNIC No. 35201-6878132-9, resident of Lahore, Pakistan do hereby state on solemn affirmation on behalf of the International Packaging Films Limited as under:do hereby state on solemn affirmation on behalf of the International Packaging Films Limited as under:

- (1) That We are the sponsors and majority shareholder/owner of the shares of International Packaging Films Limited (the “Issuer”);
- (2) That the IPO Proceeds of International Packaging Films Limited shall be utilized as per the purpose disclosed in the Prospectus.

Naveed Godil
Sponsor Shareholder/Chief Executive Officer
 International Packaging Films Limited

Ameer Ali
Sponsor Shareholder/Director
 International Packaging Films Limited

Mushtaq Ali Tejani
Sponsor Shareholder/Director
 International Packaging Films Limited

Taimoor Iqbal
Sponsor Shareholder/Director
International Packaging Films
Limited

Arsalan Pirani
Sponsor Shareholder/Director
International Packaging Films
Limited

Muhammad Amin
Sponsor Shareholder/Director
International Packaging Films
Limited

Aftab Zahoor Raja
Sponsor Shareholder/Director
International Packaging Films
Limited

Muhammad Ashraf
Sponsor Shareholder
International Packaging Films
Limited

Halima Naveed
Sponsor Shareholder
International Packaging Films
Limited

Kashan Younus Pirani
Sponsor Shareholder
International Packaging Films
Limited

Naveed Usman Memon Pirani
Sponsor Shareholder
International Packaging Films
Limited

Muhammad Iqbal Dawood
Sponsor Shareholder
International Packaging Films
Limited

Furqan Muhammad Younus
Sponsor Shareholder
International Packaging Films
Limited

Muhammad Usman Pirani
Sponsor Shareholder
International Packaging Films
Limited

Shumaila Aftab
Sponsor Shareholder
International Packaging Films
Limited

Date:

4 PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

4.1 PRINCIPAL PURPOSE OF THE ISSUE

The purpose of new issuance is to partially fund the Company's expansion project. The purpose of the expansion project is to set up a CPP Plant in Cast Packaging Films (Private) Limited, BOPET plant in Petpak Films (Private) Limited and BOPP line in Global Packaging Films (Private) Limited.

4.1.1 Utilization of Total Proceeds

Sources of Funds:

The Company intends to issue 63,500,000 Ordinary shares at a Floor price of PKR 34.00/- per share to raise PKR 2,159,000,000 through the IPO. Hence, the expansion shall be funded by equity (15.6%), long term financing (10.8%), contribution by Non-Controlling Group (21.0%) and cashflows of the Company (52.6%).

Source of funding for the total estimated cost of the CPF, PPF and GPF projects is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	2,159,000,000	15.6%
Long Term Bank Financing	1,500,000,000	10.8%
Contribution by Non-Controlling Group	2,907,714,893	21.0%
Cashflows of the Group	7,283,202,948	52.6%
Total Funding requirement	13,849,917,841	100.0%

Utilization of Total Proceeds:

The total cost of the three projects is estimated to be PKR 13,850 Mn as per the following break up:

Company	Project Description	Total Cost (PKR)	Equity Investment by IPAK via IPO (PKR)
Cast Packaging Films (Private) Limited	Manufacturing facility of Cast Polypropylene films with a capacity of 9,900 tons p.a.	1,587,715,238	731,143,818
Petpak Films (Private) Limited	Manufacturing facility of Biaxially-Oriented Polyethylene Terephthalate films with a capacity of 40,980 tons p.a.	6,057,739,360	686,108,982
Global Packaging Films (Private) Limited	Manufacturing facility of Biaxially Oriented Polypropylene films with a capacity of 59,480 tons p.a.	6,204,463,244	741,747,199
Total		13,849,917,841	2,159,000,000

Description	Funds Required	% Allocation	Already Incurred (PKR)	% Completed	To-be-Incurred (PKR)	% Remaining
Plant & Machinery	10,644,401,503	76.9%	1,053,977,902	9.9%	9,590,423,601	90.10%

Duties & Other Expenses	399,212,116	2.9%	157,019,435	39.3%	242,192,681	60.67%
Freehold Land & Development Expenses	985,941,500	7.1%	295,288,644	29.9%	690,652,856	70.05%
Building & Civil Works	1,820,362,722	13.1%	135,362,722	7.4%	1,685,000,000	92.56%
Total Funding Requirement	13,849,917,841	100.0%	1,641,648,703	11.9%	12,208,269,138	88.15%

4.1.2 Utilization of IPO Proceeds:

Following is the break up of IPO proceeds utilization:

Break up of IPO Proceeds Utilization	PKR	%
Investment in CPF	731,143,818	33.86%
Investment in PPF	686,108,982	31.78%
Investment in GFP	741,747,199	34.36%
Total	2,159,000,000	100.00%

Cast Packaging Films (Private) Limited:

Source of funding for the total estimated cost of the project of manufacturing of CPP films under **Cast Packaging Films (Private) Limited** is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	731,143,818	46.1%
Cashflows of IPAK and CPF	856,571,419	53.9%
Total Funding requirement	1,587,715,238	100.0%

Description	Funds Required (PKR)	% Allocation	Already Incurred (PKR)	% Completed	To-be-Incurred (PKR)	% Remaining
Plant & Machinery	1,222,879,343	77.0%	400,760,216	32.8%	822,119,127	67.23%
Duties & Other Expenses	210,781,673	13.3%	157,019,435	74.5%	53,762,238	25.51%
Freehold Land & Development Expenses	18,691,500	1.2%	18,691,500	100.0%	0	0.00%
Building & Civil Works	135,362,722	8.5%	135,362,722	100.0%	0	0.00%
Total Funding Requirement	1,587,715,238	100.0%	711,833,873	44.8%	875,881,365	55.17%

The table below shows the utilization of 33.86% of IPO proceeds amounting to PKR 731 Mn as part of equity investment in **Cast Packaging Films (Private) Limited**:

Description	Supplier	Date of Placement of Order	Actual Date of Delivery	PKR
Plant & Machinery*				
Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	Bobst Manchester Ltd. (United Kingdom)	July 03, 2020	June 21, 2021	376,893,313
SML five-layers Co extruded CAST Film Production Line	SML Maschinengesellschaft MBH (Austria)	July 14, 2020	December 31, 2020	260,551,210
High Capacity Roll Slitting and Winding Machine Model Unislit II 635	Kampf Schneid- Und Wickeltechnik GmbH & Co. KG (Germany)	June 30, 2020	December 28, 2020	34,552,714
Handling System for CPP line	Bonfanti S.R.L (Italy)	Sept 18, 2020	March 30, 2021	5,384,344
Duties & Other Expenses				
Duties & Other Expenses associated with import of Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	N/A	N/A	N/A	53,762,238
Total Investment in Cast Packaging Films (Private) Limited				731,143,818

* No second hand equipment has been or will be purchased

Description	Cost (PKR)	Duties, Taxes & Other Expenses (PKR)	Total Cost (PKR)	Cost Incurred till date (PKR)	Funding via IPO Proceeds (PKR)
CPF					
Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	384,015,986	53,762,238	437,778,224	7,122,674	376,893,313
SML five-layers Co extruded CAST Film Production Line	580,098,507	82,908,293	663,006,800	257,718,043	260,551,210
High Capacity Roll Slitting and Winding Machine Model Unislit II 635	138,210,854	19,899,157	158,110,012	123,557,298	34,552,714
Handling System for CPP line	53,843,435	8,103,006	61,946,441	56,562,098	5,384,344

a) SML 05 Layers Co extruded CAST Film Production Line

Supplier - SML Maschinengesellschaft MBH, Austria

Please refer to Section 3.10.1 for the CPP film manufacturing process.

Key terms

Payment	10.00% paid as advance 20.00% payable on presentation of sea freight documents 20.00% payable after 12 months from the bill of lading date i.e. 28-11-2021 25.00% payable after 20 months from the bill of lading date i.e. 28-07-2022 25.00% payable after 24 months from the bill of lading date i.e. 28-11-2022
Warranty	1-year warranty which covers the operational defects
Delivery	Arrived on December 31, 2020
Assistance in Installation and Start-up	SML's specialized supervisors and engineers provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. SML's personnel also provided theoretical and practical training on the plant operation and maintenance.

b) Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater**Supplier** - BOBST Manchester Limited, United Kingdom**Key terms**

Payment	2.50% payable on presentation of airfreight documents 47.50% payable on presentation of sea freight documents 50.00% payable after 12 months from the bill of lading date i.e. 22-05-2022
Warranty	2 years warranty which covers the operational defects
Delivery	Arrived on June 21, 2021
Assistance in Installation and Start-up	BOBST's specialized supervisors and engineers will provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. BOBST's personnel will also provide theoretical and practical training on the plant operation and maintenance.

c) High Capacity Roll Slitting and Winding Machine Model Unislit II 635**Supplier** - KAMPF Schneid- Und Wickeltechnik Gmbh & Co. KG**Key terms**

Payment	75.00% payable on presentation of sea freight documents 25.00% payable after 8 months from the bill of lading date i.e. 25-11-2021
Warranty	1-year warranty which covers the operational defects

Delivery	Arrived on December 28, 2020
Assistance in Installation and Start-up	KAMPF's specialized supervisors and engineers will provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. KAMPF's personnel will also provide theoretical and practical training on the plant operation and maintenance.

d) Handling System for CPP line

Supplier - Bonfanti S.R.L

Key terms

Payment	90.00% payable on presentation of sea freight documents 10.00% payable after 9 months from the bill of lading date i.e. 25-11-2021
Warranty	1-year warranty which covers the operational defects.
Delivery	Arrived on March 30, 2021
Assistance in Installation and Start-up	Bonfanti's specialized supervisors and engineers provided services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. Bonfanti's personnel also provided theoretical and practical training on the plant operation and maintenance.

Description	Location	Area	Estimated Cost (PKR)	Status	Title of Land	Nature of Land
Land – CPF*	IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab	0.625 Acres	18,691,500	Acquired in July 2020.	Cast Packaging Films (Private) Limited	Freehold

Petpak Films (Private) Limited:

Source of funding for the total estimated cost of the project of manufacturing of BOPP films under **Petpak Films (Private) Limited** is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
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IPO Proceeds	686,108,982	11.3%
Contribution by Non-Controlling Group	2,907,714,893	48.0%
Cashflows of IPAK and PPF	2,463,915,485	40.7%
Total Funding requirement	6,057,739,360	100.0%

Description	Funds Required (PKR)	% Allocation	Already Incurred (PKR)	% Completed	To-be-Incurred (PKR)	% Remaining
Plant & Machinery	4,648,518,980	76.7%	342,524,917	7.4%	4,305,994,063	92.63%
Duties & Other Expenses	92,970,380	1.5%	-	0.0%	92,970,380	100.00%
Freehold Land & Development Expenses	473,750,000	7.8%	145,440,000	30.7%	328,310,000	69.30%
Building & Civil Works	842,500,000	13.9%	-	0.0%	842,500,000	100.00%
Total Funding Requirement	6,057,739,360	100.0%	487,964,917	8.1%	5,569,774,443	91.94%

The table below shows the utilization of 31.78% IPO proceeds amounting to PKR 686 Mn as part of equity investment in **Petpak Films (Private) Limited**:

Description	Supplier/ Consultant	Date of Placement of Order	Expected Date of Delivery	PKR
Plant & Machinery*				
89/12 CHRO Blackline Slitter	Kampf Schneid- Und Wickeltechnik Gmbh & Co. KG (Germany)	August 05, 2021	Q2 FY 2023	176,969,240
Handling System for BOPET line	Bonfanti S.R.L (Italy)	To be ordered	-	6,916,000
N.G.R Waste Recycling System	Next Generation Recyclingmaschinen GmbH (Austria)	To be ordered	-	9,880,000
Freehold Land & Development Charges				
Land	N/A	N/A	N/A	85,360,600
Building & Civil Works				
Prefabricated Structure	Ahad and Associates	N/A	N/A	98,800,000
Civil Construction Works	Ahad and Associates	N/A	N/A	214,832,569
H-VAC, Electrical Works, Etc.	Ahad and Associates	N/A	N/A	93,350,574
Total Investment in Petpak Films (Private) Limited				686,108,982

*No second hand equipment has been or will be purchased.

Note: Petpak Films (Private) Limited has entered into a Memorandum of Understanding on June 21, 2021 with Ahad and Associates for the consultancy of the entire building and civil works of the project.

Description	Cost (PKR)	Duties, Taxes & Other Expenses (PKR)	Total Cost (PKR)	Cost Incurred till date (PKR)	Funding via IPO Proceeds (PKR)
PPF					
89/12 CHRO Blackline Slitter	369,918,980	7,398,380	377,317,360	-	176,969,240
Handling System for BOPET line	133,000,000	2,660,000	135,660,000	-	6,916,000
N.G.R Waste Recycling System	190,000,000	3,800,000	193,800,000	-	9,880,000

a) 89/12 CHRO Blackline Slitter

Supplier - KAMPF Schneid- Und Wickeltechnik Gmbh & Co. KG

Key terms

Payment	15.00% Advance 75.00% payable on presentation of sea freight documents 10.00% payable after 8 months from the bill of lading date for last shipment
Warranty	1-year warranty which covers the operational defects
Delivery	Expected arrival in August 2022
Assistance in Installation and Start-up	KAMPF's specialized supervisors and engineers will provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. KAMPF's personnel will also provide theoretical and practical training on the plant operation and maintenance.

Description	Location	Area	Estimated Cost (PKR)	Status	Title of Land	Nature of Land
Land - PPF	Plot No. 1D to 4D at Quaid-E-Azam Business Park, Sheikhpura, Punjab	18.50 Acres	473,750,000	Downpayment of PKR 142,710,000 was paid in November, 2020. Provisional allotment received on June, 2021.	Petpak Films (Private) Limited	Freehold

Note: Title documents will be executed once the installment plan is completed, till then the land is owned by Punjab Industrial Estate Development and Management Company.

Consultant for Building & Civil works for Petpak Films (Private) Limited:

The Company has entered into a MOU for consultancy for the over all Building and Civil works with a renowned engineering consulting firm, Ahad and Associates. Ahad and Associates was incorporated in Lahore in 2012, the firm

brings a unique perspective & depth of knowledge to all its projects. They are known for their expertise in Civil, Mechanical and Electrical works.

Global Packaging Films (Private) Limited:

Source of funding for the total estimated cost of the project of manufacturing of BOPP films under **Global Packaging Films (Private) Limited** is given below:

Break up of fund requirement	Funds (PKR)	Contribution of mode of financing
IPO Proceeds	741,747,199	11.95%
Long Term Bank Financing	1,500,000,000	24.18%
Cashflows of the Company	3,962,716,045	63.87%
Total Funding requirement	6,204,463,244	100.0%

Description	Funds Required (PKR)	% Allocation	Already Incurred (PKR)	% Completed	To-be-Incurred (PKR)	% Remaining
Plant & Machinery	4,773,003,180	76.9%	310,692,769	6.5%	4,462,310,411	93.49%
Duties & Other Expenses	95,460,064	1.5%	-	0.0%	95,460,064	100.00%
Freehold Land & Development Expenses	493,500,000	8.0%	131,157,144	26.6%	362,342,856	73.42%
Building & Civil Works	842,500,000	13.6%	-	0.0%	842,500,000	100.00%
Total Funding Requirement	6,204,463,244	100.0%	441,849,913	7.1%	5,762,613,331	92.88%

The table below shows the utilization of 34.36% of IPO proceeds of PKR 742 Mn as part of equity investment in **Global Packaging Films (Private) Limited**:

Description	Supplier/ Consultant	Date of Placement of Order	Expected Date of Delivery	PKR
Plant & Machinery*				
108/12 CHRO Blackline Slitter	Kampf Schneid- Und Wickeltechnik Gmbh & Co. KG (Germany)	July 19, 2021	Q3 FY 2023	63,900,477
Freehold Land & Development Charges				
Land	N/A	N/A	N/A	142,640,476
Building & Civil Works				
Prefabricated Structure	Ahad and Associates	N/A	N/A	190,000,000
Civil Construction Works	Ahad and Associates	N/A	N/A	285,779,059
H-VAC, Electrical Works, Etc.	Ahad and Associates	N/A	N/A	59,427,188

Total Investment in Global Packaging Films (Private) Limited
741,747,199

Note: Global Packaging Films (Private) Limited has entered into a Memorandum of Understanding on June 21, 2021 with Ahad and Associates for the consultancy of the entire building and civil works of the project.

* No second hand equipment has been or will be purchased.

Description	Cost (PKR)	Duties, Taxes & Other Expenses (PKR)	Total Cost (PKR)	Cost Incurred till date (PKR)	Funding via IPO Proceeds (PKR)
GPF					
108/12 CHRO Blackline Slitter	426,003,180	8,520,064	434,523,244	-	63,900,477

a) 108/12 CHRO Blackline Slitter

Supplier - KAMPF Schneid- Und Wickeltechnik GmbH & Co. KG

Key terms

Payment	15.00% Advance 45.00% payable on presentation of sea freight documents 40.00% payable after 18 months from the bill of lading date for last shipment
Warranty	1-year warranty which covers the operational defects
Delivery	Expected arrival in March 2023
Assistance in Installation and Start-up	KAMPF's specialized supervisors and engineers will provide services with regard to installation of machinery, mechanical & electrical commissioning and supervision to startup. KAMPF's personnel will also provide theoretical and practical training on the plant operation and maintenance.

Description	Location	Area	Estimated Cost (PKR)	Status	Title of Land	Nature of Land
Land - GPF	Plot No. 5D to 9D, Quaid-e-Azam Business Park, Sheikhpura, Punjab	19.74 Acres	493,500,000	Downpayment of PKR 91,157,144 was paid in February 2021. Provisional allotment received on August, 2021	Global Packaging Films (Private) Limited	Freehold

Note: Title documents will be executed once the installment plan is completed till then the land is owned by Punjab Industrial Estate Development and Management Company.

Consultant for Building & Civil works for Global Packaging Films (Private) Limited:

The Company has entered into a MOU for consultancy for the over all Building and Civil works with a renowned engineering consulting firm, Ahad and Associates. Ahad and Associates was incorporated in Lahore in 2012, the firm brings a unique perspective & depth of knowledge to all its projects. They are known for their expertise in Civil, Mechanical and Electrical works. Following are the details of Ahad and Associates.

4.1.3 Implementation Schedule

Details of date wise implementation schedule for the expansion plan is as follows:

Cast Packaging Films (Private) Limited

S. No	Particulars	Start	Completion	Current Status ⁸⁰
1	Purchase and installation of CPP Production Line	Q1 FY 2021	Q4 FY 2021	Installed and commissioned.
2	Purchase and installation of High Capacity Roll Slitting and Winding Machine Model Unislit II 635	Q4 FY 2020	Q4 FY 2021	Installed and commissioned.
3	Purchase and installation of Handling System for CPP line	Q1 FY 2021	Q4 FY 2021	Installed and commissioned.
4	Purchase and installation of Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	Q1 FY 2021	Q1 FY 2022	Installation and commissioning is in process.

Note: Cast Packaging Films (Private) Limited commenced commercial operations in April 2021. The Vacuum Metallizer is an extension to the CPP production line for the metallization process of the CPP films. The Vacuum Metallizer shall commence operations in Q1 FY 2022.

Petpak Films (Private) Limited

S. No	Particulars	Start	Completion	Current Status
1	Acquisition of Land	Q2 FY 2021	Q4 FY 2023	Downpayment has been paid and site possession has been obtained. Transfers of title will be made after completion of installment plan.
2	Building, Civil Works and Construction	Q2 FY 2022	Q2 FY 2023	Drawings and outlay plan have been finalized. Technical teams are finalizing the execution of civil construction. Discussions have been initiated to finalize the pre-fabrication contracts.
3	H-VAC, Electrical Works, etc.	Q3 FY 2022	Q2 FY 2023	Drawings and outlay plan is under discussion.
4	Purchase and installation of BOPET Production Line	Q3 FY 2021	Q3 FY 2023	LC has been established.

⁸⁰ The machinery for Cast Packaging Films (Private) Limited has been installed however, partial payments are still pending, The details of payment terms are mentioned in Section 4.1.4.

5	Purchase and installation of 89/12 CHRO Blackline Slitter	Q4 FY 2021	Q3 FY 2023	LC has been established.
6	Purchase and installation of Handling System for BOPET line	Q2 FY 2022	Q3 FY 2023	LC to be established in Q2 FY 2022.
7	Purchase and installation of Waste Recycling System	Q2 FY 2022	Q3 FY 2023	LC to be established in Q2 FY 2022.

Note: Petpak Films (Private) Limited is expected to commence commercial operations in April 2023.

Global Packaging Films (Private) Limited

S. No	Particulars	Start	Completion	Current Status
1	Acquisition of Land	Q3 FY 2021	Q4 FY 2023	Downpayment has been paid and site possession has been obtained. Transfers of title will be made after completion of installment plan.
2	Building, Civil Works and Construction	Q2 FY 2022	Q2 FY 2023	Drawings and outlay plan have been finalized. Technical teams are finalizing the execution of civil construction. Discussions have been initiated to finalize the pre-fabrication contracts.
3	H-VAC, Electrical Works, etc.	Q2 FY 2022	Q2 FY 2023	Drawings and outlay plan is under discussion.
4	Purchase and installation of BOPP Production Line	Q4 FY 2021	Q4 FY 2023	LC has been established.
5	Purchase and installation of 108/12 CHRO Blackline Slitter	Q4 FY 2021	Q4 FY 2023	LC has been established.

Note: Global Packaging Films (Private) Limited is expected to commence commercial operations in June 2023.

As per clause (i) and (ii) of regulation 16 of the PO Regulations, the Company shall:

1. report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly / half-yearly and annual accounts; till the fulfillment of the commitments mentioned in the prospectus, and;
2. submit a half yearly progress report and annual progress report reviewed by the auditor providing the status of the commitments mentioned in the prospectus to PSX till the fulfillment of the commitments mentioned in the prospectus as per the format given in regulation 16 of the PO Regulations.
3. submit a final report reviewed by the auditor after the fulfillment of the commitments given in the prospectus.

4.1.4 Information relating to Land

With regards to the overall expansion plan of International Packaging Films Limited, the Company has acquired a land of 0.625 Acres for Cast Packaging films (Pvt.) limited near IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab. The Company is also in the process of acquiring land of 18.5 Acres for Petpak Film (Pvt.) Limited situated at Plot No. 1D to 4D, Quaid-e-Azam Business Park, Sheikhpura, Punjab The Company is also in the process of acquiring 19.74 Acres of land for Global Packaging (Pvt.) Limited situated at Plot No. 5D to 9D,

Quaid-e-Azam Business Park, Sheikhupura, Punjab. This will facilitate the Company in enhancing its product portfolio and production capacity. Brief particulars of the land are as follows:

Description	Location	Area	Estimated Cost (PKR)	Status
Land – CPF*	CPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab	0.625 Acres	18,691,500	Acquired on July 2020.
Land - PPF	Plot No. 1D to 4D at Quaid-E-Azam Business Park, Sheikhupura, Punjab	18.50 Acres	473,750,000	Downpayment of PKR 142,710,000 was paid in November, 2020. Provisional allotment received on June, 2021.
Land - GPF	Plot No. 5D to 9D, Quaid-e-Azam Business Park, Sheikhupura, Punjab	19.74 Acres	493,500,000	Downpayment of PKR 91,157,144 was paid in February 2021. Provisional allotment received on August, 2021
Total			985,941,500	

*Note: The land was acquired from International Packaging Films Limited for PKR 18.5 Mn (excluding charges PKR 191,500) at a rate of PKR 185,000 per Marla which was the prevailing market rate at the time of acquisition.

4.1.5 Details regarding the Completion of Expansion

The Company expects the completion of the overall expansion plan by 4Q FY 2023.

4.1.6 Utilization of excess IPO funds, in case the Strike Price is determined above the Floor

Any excess proceeds raised over the Floor Price would be utilized either to fund the internal working capital requirement of IPAK or to make equity investments in CPF, GPF and PPF, as deemed appropriate by the BOD of IPAK.

4.1.7 Increase in Capacity Post Expansion

Given below are the pre and post expansion production capacities:

Product	PRE-IPO	POST-IPO			Total (tons)
	IPAK (tons)	CPF (tons)	PPF (tons)	GPF (tons)	
BOPP Films	41,360	-	-	59,480	100,840
CPP Films	-	9,900	-	-	9,900
BOPET Films	-	-	40,980	-	40,980

Note: All above capacities are name plate capacities.

4.1.8 The Need for Expansion

One of IPAK's core strategic objectives is to become a comprehensive provider of flexible packaging products meeting the requirement of major flexible packaging users. This has led IPAK to expand into manufacturing of CPP and BOPET films. Part of the expansion also includes a new production line for BOPP films through a wholly owned subsidiary Global Packaging Films (Private) Limited.

Besides organizational goals, operating in the backdrop of Pakistan's consumer expenditure driven dynamics, the company has chartered a path to improved profitability from riding the tailwinds of this core growth dynamics. These factors complement IPAK's expansionary approach towards entering into major verticals of flexible packaging films.

Pakistan's demographic statistics based on the analysis by UNDP suggests the size of population below the age of 30 stands at 68% which hints towards strong economic opportunities based on the consumer patterns of such age group. This population bracket is majorly connected, educated and aware, hence driving consequent shifts in consumer behavior. These salient traits of the youth form foundation of Pakistan's FMCG, pharmaceuticals, food & beverages industry potential, pushing long term growth for flexible packaging.

4A VALUATION SECTION

The ordinary shares of International Packaging Films Limited are being issued at Floor Price of PKR 34.0/- per share amounting to a premium of PKR 24.0/- per ordinary share to the face value of PKR 10.0/- per ordinary share. The Lead Manager has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 34.0/- per share is justified based on:

4A (i) Successful Operational History

Incorporated in 2015, International Packaging Films Limited was amongst the forerunners to launch five-layer BOPP technology in the packaging industry of Pakistan. The company operates with a production capacity of 41,360 tons per annum producing BOPP films of varying grades and thickness ranging from 10 to 60 microns. IPAK has recorded strong growth, standing at a market share of 22.7%. The Company offers a diverse product portfolio with an impressive operational trajectory, meeting emergent customer demands with high quality packaging solutions. IPAK adheres to the highest levels of operational excellence, evident in IPAK's articulate list of international accreditations and certifications, including ISO 9001, ISO 14001, ISO 45001 and ISO 22000. In a short span of time, the Company has developed a strong clientele of renowned FMCG companies such as PepsiCo, Unilever, P&G, British American Tobacco, Reckitt, Tapal Tea, LU Biscuits, Mondeleze etc. The Company derives c. 80% of its total sales from supplying directly or indirectly to the FMCG industry of Pakistan.

IPAK has also ventured into commercial production of CPP films through its wholly owned subsidiary, Cast Packaging Films (Private) Limited. The CPP films business vertical utilizes one of the most technologically advanced production lines in Pakistan with a capacity of 9,900 tons p.a. lending IPAK a competitive edge over its competitors in terms of enhanced product offerings. Additionally, this extended product profile allows the company to cross-sell CPP products to the existing customers of its BOPP film products.

4A (ii) State-of-the-art Infrastructure

International Packaging Films Limited:

The Company started as a Greenfield project to manufacture BOPP Films and the manufacturing facility is situated near Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore, spanning over an area of ~ 6.9 Acres. IPAK has a track record of employing world-class machinery sourced from the best available suppliers, with a persistent emphasis on optimizing process efficiency and delivering high product quality.

The Company imported its production line of BOPP films from Germany from one of the world's most renowned and largest manufacturer of BOPP film machines, Bruckner Maschinenbau. The Bruckner production line has a capacity of 41,360 tons p.a. of 8,700mm wide films. IPAK has the manufacturing capability to supply an extensive range of BOPP films encompassing Transparent Films (sealable and non-sealable), White/Cavitated Solid Films, Metallized Films, Pearllized Films, and Matt Films of various grades and thickness ranging from 10 to 60 microns.

These manufacturing facilities include state-of-the-art Vacuum Metallizing and Slitting machines. IPAK's BOPP production facilities include a Metallizing Machine imported from BOBST, United Kingdom, which was installed in 2017. The machine helps develop metallized films by producing a shiny metal coating over the flat film. This metallizing machine operates with a maximum machine speed of 1,000 m/min, processes BOPP films with a thickness ranging from 10 to 50 microns, and unwinding metallized film width of 2,850mm.

IPAK's Film Production Line has an extended value-added facility for Slitting. The slitting machines are harbored at the plant premises and provides customized slitting services as per the customer's requirements. Details of the Slitting machines are as follows:

IPAK's Film Production Line has an extended value-added facility for Slitting. The slitting machines provide customized slitting services as per the customer's requirements. Details of the Slitting machines are as follows:

- (i) One (1) UNIVERSAL 89/12 Primary Slitting and Winding Machine which slit BOPP jumbo rolls with maximum widths of 8,700 mm having thickness from 10 to 60 microns into rolls of 3,050 mm.
- (ii) One (1) UNISLIT 11630 Secondary Metallizer Slitting and Winding Machine which can slit rolls of 3,050 mm rolls into 350 mm rolls.
- (iii) Two (2) Comexi D2 DS Secondary Slitters imported from Comexi, Italy which can slit rolls of 1,700 mm rolls into 40 mm rolls.

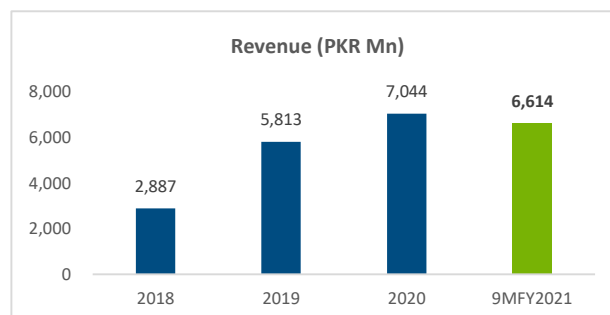
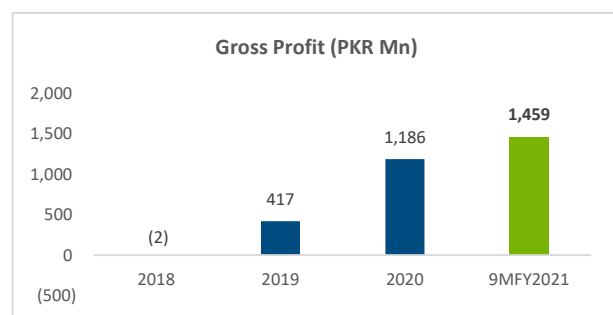
Cast Packaging Films (Private) Limited:

In 2019, the Company ventured into the manufacturing and selling of Cast Polypropylene films through its wholly owned subsidiary, Cast Packaging Films (Private) Limited. CPF was incorporated on 01 April 2020 as a private limited company and has set a state-of-the-art production facility at Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore.

The five-layer co-extruded production line for the manufacturing CPP films has been imported from Austria by the world-renowned manufacturer of CPP film machines, SML Maschinengesellschaft mbH, with a production name-plate capacity of 9,900 tons p.a. The CPF manufacturing facilities include modern Vacuum Metallizer and Slitting machines procured from Bobst and Kamph Schined, respectively.

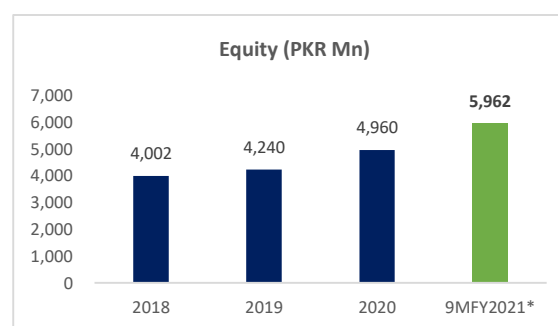
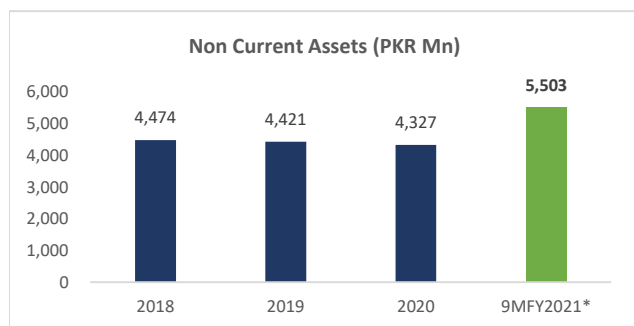
4A (iii) Financial Performance

Over the last 4 years, International Packaging Films Limited has witnessed significant growth in the Company's annual revenue from PKR 2,887 Mn in FY 2018 to PKR 6,614 Mn 9M FY 2021, reflective of the robust demand backdrop for IPAK's products and increasing clientele. Sustained growth in the gross margin of the Company from negative territory in FY 2018 to 22.06% in 9M FY 2021 echoes the efficiencies and economies of scale achieved in the manufacturing process which have also translated in higher net margins of 16.61% in 9M FY 2021 from loss in FY 2018.



	FY 2018	FY 2019	FY 2020	9M FY 2021
Gross Margin	(0.02%)	7.17%	16.83%	22.06%
Net Margin	(6.83%)	0.18%	9.47%	16.61%
EBIDTA	(4.28%)	5.94%	17.25%	23.18%




IPAK's growth on the operational front is accredited to its profuse manufacturing infrastructure foundations. The Company has undertaken persistent investments in its state-of-the-art manufacturing facilities resulting in an increase in Non Current assets of the Company from PKR 4,474 Mn in FY 2018 to PKR 5,503 Mn in 9M FY 2021. In terms of profitability, the remarkable growth in bottom-line of Company has resulted in strong internal cashflow generation, lifting equity of the Company from PKR 4,002 Mn in FY 2018 to PKR 5,962 in 9M FY 2021.









4A (iv) Key Customers

Since 2018, the Company has developed a strategic demand outlook for its product portfolio and supplies packaging films to major food, beverage, snacks and confectionary producers including Multinational FMCG companies such as PepsiCo, Unilever, P&G, British American Tobacco, Reckitt, LU Biscuits, English Biscuits Manufacturers, Mondeleze etc. The Company derives c. 80% of its total sales from supplying directly or indirectly to the FMCG industry of Pakistan.

Among the top customers of the Company are the Following:

S.No	End User Name	Company's Customers (Printing/Packaging Company) ⁸¹
1	 PepsiCo	Cherat Packaging Limited Dynamic Packaging (Pvt.) Limited Kompass Pakistan (Private) Limited Packages Converters Limited Roshan Packages Limited
2	 British American Tobacco	Pakistan Tobacco Company Limited
3	 Reckitt	M & F Commercial Corporation (Pvt) Limited Packages Converters Limited Saima Packaging Pvt Ltd
4	 Unilever	Cherat Packaging Limited Kompass Pakistan (Private) Limited Packages Converters Limited Saima Packaging Pvt Ltd

⁸¹ IPAK's customers (such as Pepsi Co etc) purchase their orders through printing and packaging companies.

5		Procter & Gamble	Kompass Pakistan (Private) Limited
6		English Biscuits Manufacturers	Kompass Pakistan (Private) Limited Packages Converters Limited Printech Packages (Pvt.) Limited Roshan Packages Limited Saima Packaging Pvt Ltd Universal Packaging Company (Pvt) Limited
7		LU Biscuits	Merit Packaging Limited Metatex (Private) Limited Packages Converters Limited Universal Packaging Company (Pvt) Limited
8		Mondeleze	Universal Packaging Company (Pvt) Limited
9		Tapal Tea	Cherat Packaging Limited Fazleesons (Pvt.) Limited Merit Packaging Limited Printech Packages (Pvt.) Limited Universal Packaging Company (Pvt) Limited
10		Coca Cola	Printech Packages (Pvt.) Limited Serajsons Printers (Private) Limited

Following is the revenue-wise break-up of Top 15 customers of the Company for the periods FY 2020 and 9M FY 2021:

CUSTOMER	FY 2020 (PKR Mn)	%	9M FY 2021 (PKR Mn)	%
Packages Convertors Limited	418	6%	421	6%
Roshan Packages Limited	397	6%	405	6%
Dynamic Packaging (Private) Limited	328	5%	421	6%
Universal Packaging Company (Private) Limited	421	6%	280	4%
Fine Three Star Brothers by UPM	274	4%	342	5%
Hamza Flexible Printing and Packages (Private) Limited	282	4%	319	5%
Saima Packaging (Private) Limited	393	6%	188	3%
Cherat Packaging Limited	190	3%	252	4%
Ashraf Paper Mart	175	2%	127	2%
Kompass Pakistan (Private) Limited	118	2%	140	2%
Al-Aziz Rotoflex (Private) Limited	99	1%	122	2%
House of BOPP	88	1%	119	2%
Facilitrade Consortium International	197	3%	-	0%
Marth Trader	118	2%	65	1%
Golden Packages (Pvt.)Ltd	89	1%	89	1%

Total	3,587	52%	3,290	49%
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Note: There are no agreements in place with any Customers of the Company.

Cast Packaging Films (Private) Limited:

The Company commenced commercial operations on April 01, 2021, hence the Company had no customer during the period ending 9M FY 2021.

Petpak Films (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

Global Packaging (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet

4A (v) Wide Product Range

The Company offers a wide range of BOPP films with over 20 variants encompassed within six major categories. Each major category serves distinct packaging needs, for a variety of products including food, liquids, tobacco, confectionary etc. Moreover, on-going expansions will help the Company to further enhance its product portfolio to produce CPP and BOPET films, making IPAK the supplier of choice for industry players with multiple products across categories.

4A (vi) Diversified Business Segments

In addition to cross-selling opportunities, IPAK's post-expansion product offerings will allow it to capitalize on distinct industrial users of BOPET and CPP packaging solutions. While some degree of overlap exists in the customers for BOPP, BOPET and CPP, the material characteristics of each are distinct, and diverge in terms of industry applications. Accordingly, with manufacturing capabilities extending to all three product segments, the company will have effective defensive characteristics, cushioning against softening demand trends for any one product category.

4A (vii) Innovation

Incorporated in 2015, IPAK has emerged as a forerunner to introducing high quality packaging solutions. One of the pioneers of five-layer technology for the production of BOPP Films in the country, IPAK has persistently adopted innovative machinery to optimize efficiencies. The Company's state of the art production lines introduced the latest BOPP production technology in Pakistan. Since then, the Company has been successful in creating strategic alliances with a diverse customer base and recording significant volumetric growth.

4A (viii) Geographic Footprint

With the majority of industry players possessing manufacturing facilities in the Southern region, IPAK's presence in the mid-country market, near major markets of Punjab, affords its packaging solutions superior positioning. Additionally, this geographic positioning strays IPAK away from aggressive competitive pressures created by players in the south.

4A (ix) Accreditation

IPAK continues to ensure it caters to the quality requirements which is reflected in the acquisition of ISO 9001, ISO 14001, ISO 45001 and ISO 22000 Certifications in 2018, displaying the Company's ability to practice quality :

Certification ID	Issue Date	Expiry Date	Certification Name	Details
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PepsiCo Approved Supplier	18 th March 2018	31 st December 2022	PepsiCo Approved Supplier	This certification allows IPAK to manufacture and deliver packaging materials to PepsiCo and its associated entities.
ISO 9001:2015	20 th October 2018	20 th October 2021	Quality Management System	The standard demonstrates the ability to consistently provide products and services that meets or exceeds customer and regulatory requirements.
ISO 14001:2015	20 th October 2018	20 th October 2021	Environmental Management System	The International standard sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.
ISO 45001:2018	1 st September 2020	20 th September 2021	Occupational Health & Safety Management System	The certification recognizing adherence to globally recognized occupational health and safety management systems. It supports organizations in demonstrating and promoting a culture of safety across all functional areas.
ISO 22000:2018	28 th September 2020	27 th November 2021	Food Safety Management System	The standard outlines the requirements for meeting criteria of food safety management systems. In this regard, an organization in the food chain needs to demonstrate its ability to control food safety related hazards in order to ensure that food is safe at the time of human consumption.

4A (x) Justification

Based on our review, the Lead Manager is of the opinion that the operational performance of the Company, diversified clientele segments and the demand for their quality products indicates sustainability of business performance in the future.

The shares of the Company are being issued at a Floor price of PKR 34.00 per share while the Book value per share of the Company as at March 31, 2021 is PKR 16.56.

4A (xi) Post IPO Free Float Disclosure

Post IPO, the Share Capital will increase from 360,000,000 Ordinary Shares to 423,500,000 Ordinary Shares. The free float status post IPO is presented in the below table:

Description	Number of shares	% Shareholding status
Held by Sponsor and Directors	274,255,250	64.76%
Held by other Shareholders	85,744,748	20.25%
Held by General Public – Free Float	63,500,000	14.99%
Total	423,500,000	100%

4A (xii) Peer Group Analysis

Trailing Twelve Months Peer Analysis (as of March'21)

Company	Share Price (PKR)	EPS ³ (PKR)	BVPS ⁴ (PKR)	P/E	P/B	ROE ⁵	ROA ⁶	Free Float (Shares)	Free Float %
ROSHAN	32.26	1.95	42.08	16.56	0.77	4.6%	3.0%	44.3	31.25%
CENTURY	127.43	16.67	55.23	7.64	2.31	30.2%	15.3%	61.8	35.00%
MERIT	18.79	(7.34)	2.72		6.91			36.3	45.00%
CHERAT	210.99	15.97	132.89	13.21	1.59	12.0%	5.7%	25.5	60.00%
SECURITY PAPER	149.92	24.93	105.04	6.01	1.43	23.7%	19.2%	23.7	40.00%
PPP	90.50	7.61	122.41	11.90	0.74	6.2%	4.6%	4.0	50.00%
PGKGS	553.19	37.12	530.47	14.90	1.04	7.0%	6.6%	22.3	25.00%
ECOP	38.25	1.63	21.37	23.53	1.79	7.6%	2.5%	30.5	80.00%
TRIPF	189.93	30.01	109.20	6.33	1.74	27.5%	8.5%	13.6	35.00%
MACPL	21.68	2.54	23.06	8.54	0.94	11.0%	4.7%	20.8	35.00%
ISIL	400.00	26.27	165.84	15.23	2.41	15.8%	4.4%	3.3	5.00%
IPAK	34²	3.84	16.56	8.85	2.05	23.2%	16.1%	63.5	14.99%

Note: Apart from TRIPF, MACPL and ISIL all other packaging manufacturers used in the peer comparison are not true comparables of the Company.

¹ Share price as at June 14, 2021.

² Floor Price

³ Last twelve months earnings per share as of March 31, 2021.

⁴ Book value per share as at March 31, 2021.

⁵ ROE is calculated by dividing last twelve months profit after tax with total equity as at March 31, 2021.

⁶ ROA is calculated by dividing last twelve months profit after tax with total assets as at March 31, 2021.

5 RISK FACTORS

5.1 INTERNAL RISK

Business Risk

Business risk is the possibility of the Company reporting lower than anticipated profits or loss due to factors such as:

- Increase in input costs due to external factors, such as rupee depreciation, commodity market fluctuations
- Loss of brand power including detriments to reputation and
- Heightened volatility in sales volume or sales price

Operational Risk

Operational risk is associated with any interruptions or failure in the operational procedures of the company including processes, systems or policies. Inefficient operational conduct can damage the Company's reputation or may cause financial or legal repercussions. Primary risks that associate with operational failure eventually cause detrimental impact on the stakeholder relationships and undermine Company's net worth.

IPAK leverages its skilled employee base and state of the art production line process for smooth execution of operational activities. Inexcessive employee turnover and the absence of any accidents over the years (see table below) are a reflection of the Company's performance on the operational front.

IPAK's production plants are powered by the Company's captive power generation sets which have a capacity of 6.4 MW. This protects the Company from grid reliability concerns or escalations in wider industrial power tariffs. Even so, any undue interruption in electricity supply from the powerhouse due to technical difficulty may affect the production line and cause delays in scheduled supply of packaged films to customers. The company manages this risk through structuring its genset in such a way that backup supplies are available. Also, this powerhouse allows the Company to run on alternative fuels, thus, reducing the risk on relying on one particular type of fuel.

	FY 2018	FY 2019	FY 2020
Staff Turnover (In Numbers)	19	17	16
Accident/Incident Count	Nil	Nil	Nil

Liquidity Risk

IPAK maintains effective working capital and cash flow management controls, where the firm's management continues to exercise strong cost controls. Exhibiting the characteristics of most manufacturing concerns, the Company has to maintain adequate inventory and raw materials, remaining reliant on these stocks to meet customer demand and ensure that sufficient cash-flow to effectively manage the business operations. As per March 31, 2021 financial statements, total current assets of the Company stand at PKR 3,091 million against current liabilities of PKR 1,832 million with a current ratio 1.69x which means IPAK has adequate resources and ability to meet its current financial obligations. Finally, any inability to service its financial obligations as per the contractual covenants, may cause financial damages to the Company and affect its relationships with the financial institutions.

Credit Risk

Credit risk represents the risk of financial loss due to the customer's failure to pay or meet contractual obligations. As at 31st March 2021, the total trade debt of the Company stands at PKR 1,301mn. However, none of the customer is over 10% in terms of the overall revenue of the Company.

Risk of Negative Cash flow from Operations

The Company has recorded negative cash flow from operations for the year ended June 30, 2018 and 2019 amounting to PKR 495mn and PKR 1,089mn respectively however the Company posted positive cash-flow from operations in Mar 31, 2021 of PKR 1,617mn. The negative cash-flow during the year 2018 and 2019 can be attributed to initial capacity building with investment being made in the working capital.

Vendor Concentration Risk

The Company has diversified sourcing channels with access to leading global suppliers of the world. The Company has raw material sourcing agreements with Petrochemical Industrial Company – Kuwait, National Petrochemical Industrialization Marketing – Saudi Arabia, Basell International Trading FZE along with other vendors. Please refer to section 3.16 for further detail.

Risk of delay in commissioning of the Capital Expenditure

The Company has undertaken multiple projects in the form of investment in its group entities i.e. CPF, PPF and GPF with more than 50% of the capital expenditure being funded through internal cash-flow. Furthermore, 48% of investment in PPF will be funded by non-controlling group. There could be delays in the commissioning of the mentioned Project as these are long-cycle projects and associated risks may arise due to unforeseen events. However, the Company and project sponsors have showcased a track record of successfully executing similar capital expenditure nature historically. That said, any delay in the IPO may have an adverse impact on the commissioning of these projects and overall profitability of the Company.

Risk associated with orders not having been placed for plant and machinery:

The overall expansion project of the Company involves ordering multiple plant, machinery and equipment and the Company has already placed orders for the majority portion of the expansion of PPF and GPF including primary machinery. Whereas, all the machinery for CPF has already arrived and has been installed. CPF has also commercial operations on April 01, 2021. However, there is a risk that the orders for the remaining portion of the expansion of PPF and GPF are not placed due to force majeure.

Please refer to Section 11 for details of Letters of Credit of CPF, PPF and GPF which have already been established.

Risk of Non-Compliance with Regulation of SECP and PSX

The Company shall be required to comply with the regulatory requirements of SECP and PSX. In case of non-compliance, the Company can be placed in the Defaulter segment of the Exchange, damaging its reputation in the market and leading to a potential suspension of its shares' trading on the Exchange.

5.2 EXTERNAL RISK

Raw Material Supply Risk

Core raw materials utilized by IPAK are Homopolymer, Copolymer and Masterbatch which are being traded in various global commodity markets with pricing determined on weekly basis for settlement. Thus, cost of sales for the Company are also influenced by fluctuations in polymer chain. To mitigate these swings, the Company subscribed to, and actively monitors international pricing of raw materials through multiple global platforms i.e. ICIS and Platts with the aim of passing on price escalations and altering sourcing cycles to protect margins.

Furthermore, in order to streamline fluctuation in the inventory chain, the Company has entered into long term contracts and also maintains adequate inventory level at Company warehouse. However, these agreements may not be effective and provide exhaustive coverage to the Company in the event of force majeure, which has a very remote

probability under extremely rare circumstances. In addition to this, Company has experience staff who are engaged in the clearing process which reduces downtime at the custom clearance.

Covid-19 Risk

The on-going global pandemic, Covid-19 has introduced an adverse impact on the macroeconomic environment of Pakistan and has damaged the purchasing ability of the residents in the country. Multiple notifications for lockdowns across the country would reflect in a negative impact on the performance, sales and profitability of the Company. Despite this, the federal Govt's stated policy of avoiding a wide-ranging national lockdown is encouraging. Any unexpected delays can prevail in the implementation of the expansion process in the event of nationwide measures to curb the spread of the virus. That said, the widespread availability and effective national vaccination drive already in full swing across the country offers a pathway to normalization.

Foreign Exchange Risk

The Company's major raw materials used for the production of packaging film types of BOPP, CPP and BOPET are exposed to an adverse impact from heightened volatility or persistent depreciation in the value of the Rupee against the US Dollar. Rupee devaluation will inflate the raw material cost, thus driving cost of production and forcing the industry to pass on this cost escalation to the end consumer. On the flipside PKR depreciation supports domestic producer in their competition against imported competition.

Similarly, the cost of the expansion projects amounting to PKR 13,850mn may be adversely affected by the devaluation of the Rupee against the US Dollar and Euro.

Risk Relating to Potential Change in Regulatory/Custom Duties

While the current Government of Pakistan (GoP) has implemented a long-term National Tariff Plan 2019-24 with the stated goal of promoting localization, levying higher import duties on finished products and lowering tariffs on raw materials, any reversal of the same could be negative for sector profitability. Any untoward and abrupt deviation from these policy imperatives would raise costs for the Company, pushing for a shift to imported products.

Custom Laws regarding Anti-dumping

Imposition of anti-dumping duty on raw materials would also raise product prices, prompting the industry to pass-on additional cost to consumers. Homopolymer, Copolymer and Masterbatches are core raw materials where the imposition of additionally import duties would lead to cost inflation for IPAK.

Threat of New Entrant

IPAK is currently one of the leading manufacturers of packaging films in Pakistan with major competitors operating in the organized sector. Any new entrant in the packaging films packaging films industry in Pakistan might adversely affect Company's market share.

The setting up packaging films plant requires high level of technical expertise and understanding of business. The key management of IPAK has experience of setting up and/or packaging films manufacturing plant in the country.

Due to the management's technical expertise and past experience, IPAK has been able to turn the Company profitable by reducing spoilage and bringing efficiency in production process.

Grey Market Risk

While effective border controls, customs enforcement, increased documentation and conducive duty structure for raw materials has severely curbed grey market share in the industry, any reversal of these policy measures could revive this unorganized activity.

Economic Slowdown

Global economic growth may slow down in 2021 due effects of COVID-19 and its collateral damage to industries thus depressing demand drivers. Slow down and/or deterioration of macroeconomic conditions as a whole could trigger reduction in disposable incomes and affect consumer discretionary spending, thus compelling consumers to switch to alternatives. An economic slowdown may adversely affect the overall revenue and thus underlying profitability of the Company.

Interest Rate Risk

The Company has entered into financing agreements in order to finance its capital expenditure and working capital requirements. Any unforeseen increase in interest rates will increase the cost of borrowing for the Company and may affect its profitability, as existing debts are based on floating rate. As at Mar 31, 2021 the Company's short-term and long-term borrowing stands at PKR 855mn and PKR 110mn respectively.

Under-subscription Risk

The Share Issue of International Packaging Films Limited may be under-subscribed due to a lack of interest by the investors. The book building process shall be cancelled if:

- The number of bids received are less than the number of shares allocated under the Book Building portion;
- The Company doesn't receive at least 40 bids.

In case of cancellation, the bid money deposited by the investors shall be refunded.

Capital Market Risk

Post listing at the Pakistan Stock Exchange, the price of Company's shares will be determined by market forces which react primarily to host of factors i.e. performance of the Company, competitive landscape, regulatory changes, interest rate environment, social economic event etc. The value of share will be subject to fluctuation based on combined impact of market forces identified above.

Note: The above internal and external risks mentioned are or will be similar for CPF, PPF and GPF as they operate in the same industry. Please note that currently some risks do not apply to PPF and GPF as these companies are yet to commence commercial operations.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

5.3 CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

July 07, 2021

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

We being the Chief Executive Officer and Chief Financial Officer of the Issuer accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that we have reviewed this Prospectus and that it contains all the necessary information with regard to the Issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intendeds expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and behalf of **International Packaging Films Limited**

-Sd-

Naveed Godil
Chief Executive Officer

-Sd-

Mohsin Anwer
Chief Financial Officer

5.4 UNDERTAKING BY THE COMPANY AND ITS SPONSORS (SCANNED)

AE148595

MUHAMMAD OWAIS STAMP VENDOR
Lic. No. 118, Booth # 1, Seven Star Villa,
Al-Farooq Street, Plot # 342, Garden West, Karachi

S.No. 592 Date: _____
Issue to With Address: _____
Through With Address: _____
Purpose: _____
Value Rs. 50 Attached: _____
Stamps Vendor Signature: _____

06 JUL 2021

OFFICE SUPERINTENDENT
(RUPEES FIFTY ONLY)
Karachi

08 JUL 2021
(Date: _____)

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its Sponsors undertake that:

- Neither issuer nor its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any Company:
 - Which had been declared defaulter by the securities exchange or future exchange; or
 - Whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company/Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any/or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

On behalf of International Packaging Films Limited
(the Company or Issuer)

[Signature]
Naveed Godil
Chief Executive Officer / Director /
Authorized Signatory / Sponsor Shareholder

[Signature]
Amir Ali
Sponsor Shareholder

[Signature]
Tahir Iqbal
Director / Sponsor Shareholder

[Signature]
Haris Salim
Company Secretary /
Authorized Signatory

[Signature]
Mushtaq Ali Tejani
Director / Sponsor Shareholder

[Signature]
Arsalan Pirani
Director / Sponsor Shareholder

ATTESTED
Muhammad Aslam (Advocate)
HC-326
NOTARY PUBLIC
KARACHI-PAKISTAN

5.5 STATEMENT BY THE ISSUER

June 24, 2021

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of International Packaging Films Limited (“IPAK” or the “Company”), we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **International Packaging Films Limited**

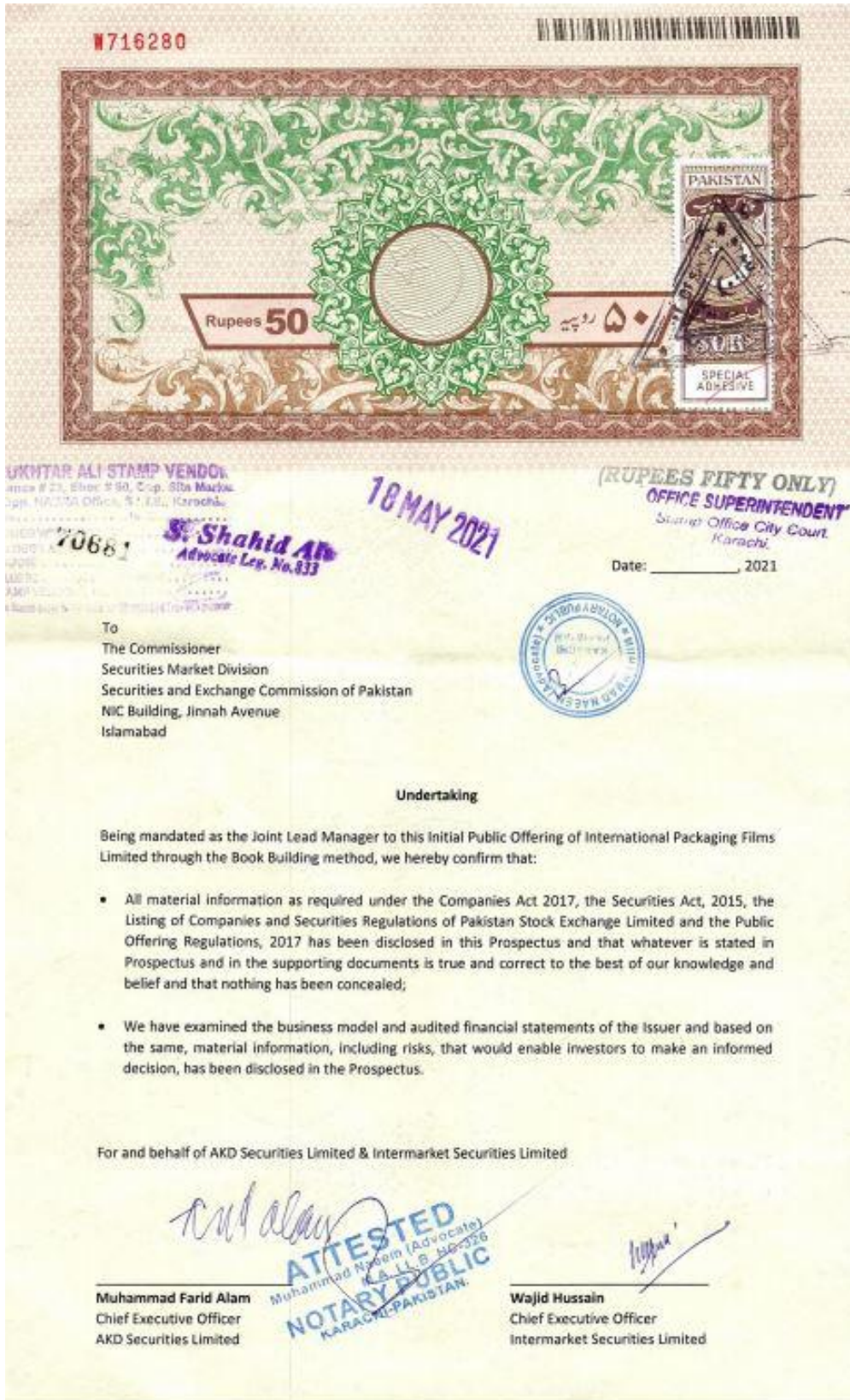
-Sd-

Naveed Godil
Chief Executive Officer

-Sd-

Mohsin Anwer
Chief Financial Officer

5.6 STATEMENT BY THE LEAD MANAGER (SCANNED)



5.7 STATEMENT BY THE BOOK RUNNER

July 07, 2021

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Book Runner to this Initial Public Offering of International Packaging Films Limited through the Book Building process, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **AKD Securities Limited and Intermarket Securities Limited**

-sd-

Wajid Hussain

Chief Executive Officer
Intermarket Securities Limited

-sd-

Muhammad Farid Alam

Chief Executive Officer
AKD Securities Limited

-sd-

Wajid Hussain

Chief Executive Officer
Intermarket Securities Limited

-sd-

Muhammad Farid Alam

Chief Executive Officer
AKD Securities Limited

6 FINANCIAL INFORMATION

6.1 AUDITORS REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS OF INTERNATIONAL PACKAGING FILMS LIMITED

International Packaging Films Limited



Building a better working world

EY Firm Name:
Chartered Accountants
Progressive Plaza, Seawood Road
P.O. Box 15541, Karachi 75530
Pakistan

UAE: +9221 111 11 39 37 (EXTN)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1065
e:ipak@pk.ey.com
ip.com/pk

AD/MP/2053/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's report under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017

Dear Sirs

We have been requested to provide you with a report with respect to information of the Company as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2047/21 dated 25 June 2021.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 1 of section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to report the information as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulations, 2017. Our report is being issued in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited interim consolidated financial statements for the nine months' period ended 31 March 2021 and financial statements for the years ended 30 June 2020 and 30 June 2019 in terms of the requirements of clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017.



A member firm of Ernst & Young Global Limited



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Auditor's report

Based on the procedures mentioned in the preceding paragraph above, we are pleased to state the following:

- 1- We have audited the interim consolidated financial statements for the nine months' period ended 31 March 2021 and the financial statements for the years ended 30 June 2020 and 30 June 2019.
- 2- In terms of the requirement under clause 1 of section 2 of the First Schedule of Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
 - a) Summary of assets, liabilities and shareholders' equity of the Company for the nine months' period as at 31 March 2021, 30 June 2020 and 30 June 2019 is included in Annexure 'A' of this report; and
 - b) The statement of profit or loss and other comprehensive income of the Company for the nine months' period ended 31 March 2021 and years ended 30 June 2020 and 30 June 2019 is included in Annexure 'B' of this report;
 - c) Cash dividend amounting to Rs. 60 million and Rs. 30 million has been declared and paid during the period / year ended on 31 March 2021 and 30 June 2020 respectively. Further, during the nine months' period ended 31 March 2021, the Company has issued 40 million bonus shares aggregating to Rs. 400 million.
 - d) During the nine months' period ended 31 March 2021, the Company incorporated subsidiaries, namely, PETPAK Films (Private) Limited and Global Packaging Films (Private) Limited. Further, during the year ended 30 June 2020, the Company also incorporated a subsidiary namely Cast Packaging Films (Private) Limited.

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes

TFK/MP/1r.



Annexure 'A' to the letter reference AD/MP/2053/21 dated 28 June 2021
SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2021 Rupees	June 30 2020 Rupees	June 30 2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5,765,426,005	4,313,515,937	4,408,436,054
Intangibles	12,216,489	12,464,202	12,184,870
Right of use asset	17,354,987	-	-
Long-term deposit	1,032,450	1,032,450	37,500
	5,796,032,541	4,327,032,589	4,420,658,424
CURRENT ASSETS			
Stores, spares and consumables	88,734,523	87,644,775	78,007,281
Stock-in-trade	1,101,647,770	973,941,223	747,245,153
Trade debts - unsecured, considered good	1,301,413,439	1,112,426,845	1,127,812,809
Trade deposits and short-term prepayments	32,201,547	29,737,154	7,868,895
Loans, advances and other receivables	325,138,776	402,549,071	472,727,383
Taxation - net	301,973,436	282,885,800	181,429,285
Cash and bank balances	541,266,412	145,846,221	27,464,059
	3,692,375,903	3,035,031,089	2,642,564,885
TOTAL ASSETS	9,488,408,444	7,362,063,678	7,063,213,089
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
365,000,000 (2020: 300,000,000)			
Ordinary shares of Rs. 10/- each	3,650,000,000	3,000,000,000	2,500,000,000
Issued, subscribed and paid-up capital			
360,000,000 (2020: 274,259,842)			
Ordinary shares of Rs. 10/- each fully paid in cash	3,600,000,000	2,742,598,420	2,497,343,480
Revenue reserve			
Accumulated profits / loss	1,133,610,211	443,748,089	(193,179,452)
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of deferred tax	1,234,113,369	1,279,484,087	1,339,978,381
	5,067,723,580	4,465,830,596	3,644,142,409
Non-controlling interest	248,496,745	-	-
Advance against future issue of shares	-	433,854,482	595,420,670
NON-CURRENT LIABILITIES			
Deferred taxation	730,767,597	549,440,989	404,578,510
Deferred staff benefit liability	16,060,028	-	-
Long-term financing	40,812,044	-	-
Lease liability	11,455,000	-	-
Deferred government grant	2,915,843	-	-
Payable against property, plant and equipment	277,374,789	-	-
	1,079,385,381	549,440,989	404,578,510
CURRENT LIABILITIES			
Trade and other payables	1,196,467,622	793,776,281	1,013,511,350
Contract liabilities	75,072,683	29,069,751	22,409,631
Unclaimed dividend	-	1,232,548	-
Short-term borrowing	855,244,600	1,063,019,789	1,353,002,315
Current maturity of lease liability	6,645,674	-	-
Current maturity of long-term financing	51,608,424	-	-
Current maturity of deferred government grant	4,897,858	-	-
Accrued markup	2,665,877	5,839,242	30,139,204
	2,192,802,738	1,912,937,611	2,419,062,500
TOTAL EQUITY AND LIABILITIES	9,488,408,444	7,362,063,678	7,063,213,089



Annexure 'B' to the letter reference AD/MP/2053/21 dated 28 June 2021
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	July 01, 2020 to March 31, 2021	July 01, 2019 to June 30, 2020	July 01, 2018 to June 30, 2019
	Rupees	Rupees	Rupees
Sales - net	6,614,463,293	7,044,100,892	5,813,031,899
Cost of goods sold	(5,155,238,695)	(5,858,400,109)	(5,396,490,575)
Gross profit	1,459,224,598	1,185,700,783	416,541,324
Distribution expenses	(82,077,241)	(97,290,996)	(51,164,548)
Administrative expenses	(86,080,446)	(78,141,271)	(50,804,255)
Finance costs	(51,062,637)	(187,589,669)	(106,548,359)
Other income	121,832,526	16,082,917	14,859,905
Other expense	(77,522,044)	(68,260,065)	(226,439,864)
Profit / (loss) before taxation	1,284,314,756	772,501,699	(3,555,797)
Taxation	(181,326,601)	(105,538,843)	14,044,529
Net profit for the period	1,102,988,155	666,962,856	10,488,732
Other comprehensive income	-	-	-
Total comprehensive income for the period / year	1,102,988,155	666,962,856	10,488,732
NET PROFIT / (LOSS) ATTRIBUTABLE TO:			
Equity holders of the Parent Company	1,104,491,404	666,962,856	10,488,732
Non-controlling interest	(1,503,249)	-	-
	1,102,988,155	666,962,856	10,488,732
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	1,104,491,404	666,962,856	10,488,732
Non-controlling interest	(1,503,249)	-	-
	1,102,988,155	666,962,856	10,488,732

Erna

Cast Packaging Films (Private) Limited

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.ahil@pk.ey.com
ey.com/pk

AD/MP/2051/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's report under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017

Dear Sirs

We have been requested to provide you with a report with respect to information of the subsidiary company, namely Cast Packaging Films (Private) Limited as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2047/21 dated 25 June 2021.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Parent Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 1 of section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to report the information as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulations, 2017. Our report is being issued in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited interim financial statements for the nine months' period ended 31 March 2021 and the first financial statements for the period ended 30 June 2020 in terms of the requirements of clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017.





-: 2 :-

Auditor's report

Based on the procedures mentioned in the preceding paragraph above, we are pleased to state the following:

- 1- We have audited the interim financial statements for the nine months' period ended 31 March 2021 and the first financial statements for the period ended 30 June 2020.
- 2- In terms of the requirement under clause 1 of section 2 of the First Schedule of Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
 - a) Summary of assets, liabilities and shareholders' equity of the subsidiary company i.e. Cast Packaging Films (Private) Limited as at 31 March 2021 and 30 June 2020 is included in Annexure 'A' of this report;
 - b) The statement of profit or loss and other comprehensive income of the subsidiary company i.e. Cast Packaging Films (Private) Limited for the nine months' period ended 31 March 2021 and for the period ended 01 April 2020 to 30 June 2020 is included in Annexure 'B' of this report;
 - c) No dividend has been paid by the subsidiary company during the nine months' period ended 31 March 2021 and period ended 30 June 2020; and

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Parent Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully



TFK/MP/tr.



Annexure 'A' to the letter reference AD/MP/2051/21 dated 28 June 2021
 SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2021 Rupees	June 30 2020 Rupees
ASSETS		
NON-CURRENT ASSETS		
Capital work-in-progress	985,724,424	472,151
	<u>985,724,424</u>	<u>472,151</u>
CURRENT ASSETS		
Stores and spares	72,018	-
Stock in trade	85,013,332	-
Trade deposits	2,960,000	-
Other receivables	96,950,204	-
Advance to supplier	39,999,238	24,826,890
Taxation - net	10,057,780	-
Cash and bank balances	171,000	110,312,209
	<u>235,232,572</u>	<u>135,139,099</u>
TOTAL ASSETS	<u>1,220,956,996</u>	<u>135,611,250</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Capital		
100,000,000 (2020: 10,000) ordinary shares of Rs. 10/- each issued, subscribed and paid-up capital	1,000,000,000	100,000
50,000,000 (2020: 10,000) ordinary shares of Rs. 10/- each fully paid in cash	500,000,000	100,000
Revenue reserve		
Accumulated profits / (loss)	9,019,154	(256,500)
	<u>509,019,154</u>	<u>(156,500)</u>
Advance against future issue of shares	70,427,640	135,500,000
NON-CURRENT LIABILITIES		
Deferred taxation	3,788,648	-
Payable against property, plant and equipment	277,374,789	-
	<u>281,163,437</u>	<u>-</u>
CURRENT LIABILITIES		
Trade and other payables	211,824,855	267,750
Short-term borrowing	146,024,600	-
Accrued markup	497,300	-
	<u>360,346,755</u>	<u>267,750</u>
TOTAL EQUITY AND LIABILITIES	<u>1,220,956,996</u>	<u>135,611,250</u>





Annexure 'B' to the letter reference AD/MP/2051/21 dated 28 June 2021
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	July 01, 2020 to March 31, 2021	April 01, 2020 to June 30, 2020
	Rupees	Rupees
Administrative expenses	(4,925,321)	(256,500)
Finance costs	(877,239)	-
Other income - exchange gain	18,866,862	-
Profit before taxation	17,989,623	(256,500)
Taxation	(3,788,640)	-
Net profit / (loss) for the period	9,275,654	(256,500)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	9,275,654	(256,500)

EY

Petpak Films (Private) Limited

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3565 1965
ey@hlpk.ey.com
ey.com/pk

AD/MP/2054/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's report under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017

Dear Sirs

We have been requested to provide you with a report with respect to information of the subsidiary company, namely PETPAK Films (Private) Limited as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2047/21 dated 25 June 2021.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Parent Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 1 of section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to report the information as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulations, 2017. Our report is being issued in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited first interim financial statements for the period ended 31 March 2021 in terms of the requirements of clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017.





-: 2 :-

Auditor's report

Based on the procedures mentioned in the preceding paragraph above, we are pleased to state the following:

- 1- We have audited the first interim financial statements for the period ended 31 March 2021.
- 2- In terms of the requirement under clause 1 of section 2 of the First Schedule of Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
 - a) Summary of assets, liabilities and shareholders' equity of the subsidiary company i.e. PETPAK Films (Private) Limited as at 31 March 2021 is included in Annexure 'A' of this report;
 - b) The statement of profit or loss and other comprehensive income of the subsidiary company i.e. PETPAK Films (Private) Limited for the period ended 21 September 2020 to 31 March 2021 is included in Annexure 'B' of this report; and
 - c) No dividend has been paid by the subsidiary company during the period ended 31 March 2021;

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Parent Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhoads

TFK/MP/tr.



Annexure 'A' to the letter reference AD/MP/2054/21 dated 28 June 2021
 SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2021 Rupees
ASSETS	
NON-CURRENT ASSETS	
Capital work-in-progress	485,234,917
Investment in subsidiary	100,000
Deferred taxation	1,258,130
	<u>486,593,047</u>
CURRENT ASSETS	
Income tax refundable	42,739
Other receivable	267,451
Cash and bank balances	31,071,517
	<u>31,381,707</u>
TOTAL ASSETS	<u><u>517,974,754</u></u>
EQUITY AND LIABILITIES	
SHARE CAPITAL AND RESERVES	
Authorised Capital	
100,000,000 (2020: 10,000) ordinary shares of Rs. 10/- each	1,000,000,000
Issued, subscribed and paid-up capital	
Issuance of 52,083,332 ordinary shares of Rs. 10/- each fully paid in cash	520,833,320
Revenue reserve	
Accumulated loss	(3,080,249)
	<u>517,753,071</u>
Advance against future issue of shares	13,052
CURRENT LIABILITIES	
Trade and other payables	208,631
	<u>208,631</u>
TOTAL EQUITY AND LIABILITIES	<u><u>517,974,754</u></u>






Annexure 'B' to the letter reference AD/MP/2054/21 dated 28 June 2021
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	September 21, 2020 - March 31, 2021
	Rupees
Administrative expenses	(4,607,670)
Other income	284,926
Finance costs	(15,635)
Loss before taxation	(4,338,379)
Taxation	1,258,130
Net loss for the period	(3,080,249)
Other comprehensive income	-
Total comprehensive loss for the period	(3,080,249)

EY

Global Packaging Films (Private) Limited

 EY Building a better working world	EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 19541, Karachi 75530 Pakistan	UAN: +9221 111 11 39 37 (EYFR) Tel: +9221 3555 0007-11 Fax: +9221 3568 1969 ey.kh@pk.ey.com ey.com/pk
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AD/MP/2052/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's report under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017

Dear Sirs

We have been requested to provide you with a report with respect to information of the subsidiary company, namely Global Packaging Films (Private) Limited as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2047/21 dated 25 June 2021.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Parent Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 1 of section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to report the information as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulations, 2017. Our report is being issued in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited first interim financial statements for the period ended 31 March 2021 in terms of the requirements of clause 1 of section 2 of the First Schedule of the Public Offering Regulation, 2017.

[Signature]

A member firm of Ernst & Young Global Limited



-: 2 :-

Auditor's report

Based on the procedures mentioned in the preceding paragraph above, we are pleased to state the following:

- 1- We have audited the first interim financial statements for the period ended 31 March 2021.
- 2- In terms of the requirement under clause 1 of section 2 of the First Schedule of Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
 - a) Summary of assets, liabilities and shareholders' equity of the subsidiary company i.e. Global Packaging Films (Private) Limited as at 31 March 2021 is included in Annexure 'A' of this report;
 - b) The statement of profit or loss and other comprehensive income of the subsidiary company i.e. Global Packaging Films (Private) Limited for the period ended 15 January 2021 to 31 March 2021 is included in Annexure 'B' of this report; and
 - c) No dividend has been paid by the subsidiary company during the period ended 31 March 2021;

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Parent Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully



TFK/MP/fr.



Annexure 'A' to the letter reference AD/MP/2052/21 dated 28 June 2021
 SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2021 Rupees
ASSETS	
NON-CURRENT ASSETS	
Capital work-in-progress	91,157,144
Deferred taxation	1,265,152
	<u>92,422,296</u>
CURRENT ASSETS	
Refundable taxes	83
Cash and bank balances	404,685,441
	<u>404,685,524</u>
TOTAL ASSETS	<u>497,108,820</u>
EQUITY AND LIABILITIES	
SHARE CAPITAL AND RESERVES	
Authorised Capital	
100,000,000 (2020: 10,000) ordinary shares of Rs. 10/- each	1,000,000,000
Issued, subscribed and paid-up capital	
Issuance of 50,000,002 ordinary shares of Rs. 10/- each fully paid in cash	500,000,020
Revenue reserve	
Accumulated losses	(3,097,442)
	<u>496,902,578</u>
Advance against future issue of shares	8,680
CURRENT LIABILITIES	
Trade and other payables	197,562
	<u>197,562</u>
TOTAL EQUITY AND LIABILITIES	<u>497,108,820</u>





Annexure 'B' to the letter reference AD/MP/2052/21 dated 28 June 2021
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	January 15, 2021 to March 31, 2021
	Rupees
Administrative expenses	(4,360,410)
Finance costs	(2,185)
Loss before taxation	(4,362,595)
Taxation	1,285,152
Net loss for the period	(3,097,442)
Other comprehensive income	-
Total comprehensive loss for the period	(3,097,442)

E-11

6.2 AUDITOR CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY

International Packaging Films Limited



EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1905
ey.ahil@pk.ey.com
ey.com/pk

AD/MP/2046/21
23 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's certificate on issued, subscribed and paid-up capital under Public Offering Regulations, 2017

Dear Sirs

We have been requested to provide you with a certificate on issued, subscribed and paid-up capital of International Packaging Films Limited as at 31 March 2021 as required under clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2041A/21 dated 22 June 2021.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

It is the management's responsibility to ensure compliance with the clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The management's responsibility includes causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital as at 31 March 2021 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to the procedures mentioned below:

- trace the issued, subscribed and paid-up capital of the Company from its audited interim unconsolidated financial statements for the nine months' period ended 31 March 2021;
- obtained Form 3 'Return of Allotment of Shares' filed with Securities and Exchange Commission of Pakistan and traced the amount and number of shares subscribed / allotted by / to shareholders.

Certificate

Based on the procedures mentioned above, we certify that break-up of shareholding of the Company as at 31 March 2021, is as follows:

[Handwritten signature]

A member firm of Ernst & Young Global Limited



:- 2 :-

31 March 2021
Audited
(Rupees)

320,000,000 ordinary shares of Rs. 10 each fully paid in cash	3,200,000,000
40,000,000 ordinary shares of Rs. 10 each issued as bonus shares	400,000,000
	<u>3,600,000,000</u>

Name of shareholders	Number of ordinary shares of Rs. 10 each	Amount in Rupees
Naveed Godil (Director)	54,115,459	541,154,590
Ameer Ali (Director)	43,016,988	430,169,880
Mushtaq Ali Tejani (Director)	38,446,602	384,466,020
Taimoor Iqbal (Director)	33,818,838	338,188,380
Arsalan Pirani (Director)	22,371,808	223,718,080
Muhammad Ashraf (Director)	20,030,321	200,303,210
Abdul Aleem Tinwala (Director)	6,060,804	60,608,040
Aftab Zahoor Raja (Director)	568,019	5,680,190
Muhammad Usman Pirani	26,199,656	261,996,560
Haji Hanif Ahmed	18,003,569	180,035,690
Muhammad Ishrat	13,893,729	138,937,290
Shumaila Aftab	12,101,310	121,013,100
Navaid Usman Memon Pirani	6,450,841	64,508,410
Saima Muhammad Hanif	6,060,804	60,608,040
Somia Rizwan Bava	6,060,804	60,608,040
Sabeena Tinwala	6,060,804	60,608,040
Hira Murtaza	6,060,804	60,608,040
Kashan Younus Pirani	4,567,806	45,678,060
Furqan Muhammad Younus	4,567,806	45,678,060
Mohammad Masud	3,600,000	36,000,000
Muhammad Haris Motiwala	3,495,146	34,951,460
Muhammad Amir	3,420,000	34,200,000
Muhammad Asif	3,420,000	34,200,000
Faizan Ahmed	3,408,110	34,081,100
Muhammad Javed	3,312,000	33,120,000
Halima Naveed	3,235,091	32,350,910
Muhammed Amin	2,964,706	29,647,060
Muhammad Iqbal Dawood	1,800,000	18,000,000
Afshan Ahmed	1,230,018	12,300,180
Fehmida Siddique	568,019	5,680,190
Muhammad Farrukh	395,927	3,959,270
Muhammad Iqbal Qasim	365,204	3,652,040
Mohammad Saad	317,647	3,176,470
Muhammad Sami Ishrat	11,360	113,600
	<u>360,000,000</u>	<u>3,600,000,000</u>

EY



:- 3 :-

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this certificate should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully

TFK/MP/tr.

Cast Packaging Films (Private) Limited, Petpak Films (Private) Limited and Global Packaging Films (Private) Limited



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.kh@pk.ey.com
ey.com/pk

AD/MP/2050/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's certificate on issued, subscribed and paid-up capital under Public Offering Regulations, 2017

Dear Sirs

We have been requested to provide you with a certificate on issued, subscribed and paid-up capital of subsidiary companies as at 31 March 2021 as required under clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2041A/21 dated 22 June 2021.

As of 31 March 2021, the subsidiary companies include Cast Packaging Films (Private) Limited, PETPAK Films (Private) Limited and Global Packaging Films (Private) Limited.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Parent Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

It is the management's responsibility to ensure compliance with the clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The management's responsibility includes causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to certify the Issued, subscribed and paid-up capital as at 31 March 2021 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to the procedures mentioned below:

- trace the issued, subscribed and paid-up capital of the subsidiary companies from its audited interim financial statements for the nine months' period ended 31 March 2021;
- obtained Form 3 'Return of Allotment of Shares' filed with Securities and Exchange Commission of Pakistan and traced the amount and number of shares subscribed and allotted by / to shareholders.

Certificate

Based on the procedures mentioned above, we certify that break-up of shareholding of the subsidiary companies as at 31 March 2021, is as follows:



: 2 :

50,000,000 Ordinary shares of Rs. 10 each fully paid in cash
 52,083,332 Ordinary shares of Rs. 10 each fully paid in cash
 50,000,002 Ordinary shares of Rs. 10 each fully paid in cash

Cast Packaging Films (Private) Limited 31 March 2021 Audited	PETPAK Films (Private) Limited 31 March 2021 Audited	Global Packaging Films (Private) Limited 31 March 2021 Audited
500,000,000	-	-
-	520,833,320	-
-	-	500,000,020
500,000,000	520,833,320	500,000,020

Name of shareholders**Number of ordinary shares of Rs. 10 each****Directors / sponsors of the Company**

	Cast Packaging Films (Private) Limited	PETPAK Films (Private) Limited	Global Packaging Films (Private) Limited
International Packaging Films Limited	49,999,998	27,083,330	50,000,000
Naveed Godil	1	1	1
Mushtaq Ali Tejani	1	1	1
Anis Yakoob	-	7,145,833	-
Noman Yakoob	-	3,572,918	-
Nida Noman Yakoob	-	3,567,708	-
Farah Haris Khanani	-	3,567,708	-
Sana Rashid	-	7,145,833	-
	50,000,000	52,083,332	50,000,002

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Parent Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this certificate should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully



TFK/MP/Tr.

6.3 SHARE BREAK-UP VALUE CERTIFICATE

International Packaging Films Limited



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

LIAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.kh@pk.ey.com
ey.com/pk

AD/MP/2048/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's certificate on break-up value per share based on audited interim consolidated financial statements of 31 March 2021

Dear Sirs

We have been requested to provide you with a certificate on break-up value of ordinary shares of the Company based on audited interim consolidated financial statements of the Company for the nine months' period ended 31 March 2021 as required under clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2041/21 dated 22 June 2021.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

The responsibility for computation of break-up value of ordinary share of the Company based on the audited interim consolidated financial statements of the Company for the nine months' period ended 31 March 2021 is primarily that of the management of the Company. The management's responsibility includes causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to certify the break-up value of ordinary shares of the Company based on the audited interim consolidated financial statements of the Company for the nine months' period ended 31 March 2021 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practising Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to trace the relevant financial information used for the purpose of calculating the break-up value of ordinary shares by the management of the Company from the audited interim consolidated financial statements for the nine months' period ended 31 March 2021. In this regard, we have also reviewed the compliance with the requirements of Technical Release (TR) - 22 of ICAP.



: 2 :

Certificate

Based on the procedures mentioned above, we certify that the break-up value of ordinary shares of the Company as at 31 March 2021, based on audited interim consolidated financial statements of the Company for the nine months' period ended 31 March 2021, is as follows:

	Note	<u>31 March 2021</u> Audited
Issued, subscribed and paid up capital (Rupees)		3,600,000,000
Unappropriated profit - revenue reserve (Rupees)		1,133,610,211
Revaluation surplus on property, plant and equipment - capital reserve (Rupees)		<u>1,234,113,369</u>
		5,967,723,580
Non-controlling interest		<u>248,496,745</u>
Total shareholders' equity (including revaluation surplus on property, plant and equipment) - (Rupees)	A	<u>6,216,220,325</u>
Total shareholders' equity (excluding revaluation surplus on property, plant and equipment) - (Rupees)	B	<u>4,982,106,956</u>
Number of ordinary shares of Rs. 10/- each	C	<u>360,000,000</u>
Break-up value per ordinary share of Rs. 10/- each (including revaluation surplus on property, plant and equipment) - (Rupees)	D=A/C	<u>17.27</u>
Break-up value per ordinary share of Rs. 10/- each (excluding revaluation surplus on property, plant and equipment) - (Rupees)	E=B/C	<u>13.84</u>

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully



TFK/NP/ty.

Cast Packaging Films (Private) Limited, Petpak Films (Private) Limited and Global Packaging Films (Private) Limited


EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Deaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1905
ey.khi@pk.ey.com
ey.com/pk

AD/MP/2049/21
28 June 2021

The Board of Directors
International Packaging Films Limited (the Company)
Karachi

Auditor's certificate on break-up value per share based on audited interim financial statements of 31 March 2021

Dear Sirs

We have been requested by the Parent Company to provide a certificate on break-up value of ordinary shares of the subsidiary companies based on audited interim financial statements of the subsidiary companies for the nine months' period ended 31 March 2021 as required under clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The terms and conditions of our engagement are governed under the engagement letter no. AD/MP/2041/21 dated 22 June 2021.

As of 31 March 2021, the subsidiary companies include Cast Packaging Films (Private) Limited, PETPAK Films (Private) Limited and Global Packaging Films (Private) Limited.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Parent Company for the purpose of inclusion of information in prospectus to be issued for initial public offer as required under clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management's Responsibility

The responsibility for computation of break-up value of ordinary share of the subsidiary companies based on the audited interim financial statements for the nine months' period ended 31 March 2021 is primarily that of the management of the Parent Company. The management's responsibility includes causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditor's Responsibility

Our responsibility is to certify the break-up value of ordinary shares of the subsidiary companies based on the audited interim financial statements of the subsidiary companies for the nine months' period ended 31 March 2021 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to trace the relevant financial information used for the purpose of calculating the break-up value of ordinary shares by the management of the Parent Company from the audited interim financial statements for the nine months' period ended 31 March 2021. In this regard, we have also reviewed the compliance with the requirements of Technical Release (TR) - 22 of ICAP.





-: 2 :-

Certificate

Based on the procedures mentioned above, we certify that break-up value of ordinary shares of the subsidiary companies as at 31 March 2021, based on audited interim financial statements of the subsidiary Companies for the nine months' period ended 31 March 2021, is as follows:

Note	Cast Packaging Films (Private) Limited	PETPAK Films (Private) Limited	Global Packaging Films (Private) Limited
	31 March 2021 Audited	31 March 2021 Audited	31 March 2021 Audited
Issued, subscribed and paid up capital (Rupees)	500,000,000	520,833,320	500,000,020
Unappropriated profit / (loss) - revenue reserve (Rupees)	9,019,154	(3,080,249)	(3,097,442)
Advance against future issue of shares	70,427,640	13,052	8,680
Total shareholders' equity (Rupees)	579,446,794	517,766,123	496,911,258
Number of ordinary shares of Rs. 10/- each	50,000,000	52,083,332	50,000,002
Break-up value per ordinary share of Rs. 10/- each - (Rupees)	11.59	9.94	9.94

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Parent Company for the purpose of inclusion in prospectus to be issued for initial public offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used / distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully



TFK/MP/tr.

6.4 LATEST MANAGEMENT ACCOUNTS:

International Packaging Films Limited

INTERNATIONAL PACKAGING FILMS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Sales - net	9,400,771,325	7,044,100,892
Cost of goods sold	<u>(7,308,444,607)</u>	<u>(5,858,400,109)</u>
Gross profit	2,092,326,718	1,185,700,783
Distribution expenses	(116,454,300)	(97,290,996)
Administrative expenses	(110,750,652)	(75,884,771)
Finance costs	(77,002,994)	(187,589,669)
Other income	38,461,040	16,082,917
Other expense	<u>(55,506,365)</u>	<u>(68,260,065)</u>
Profit before taxation	1,771,073,447	772,758,199
Taxation	<u>(218,264,789)</u>	<u>(105,538,843)</u>
Net profit for the year	1,552,808,659	667,219,356
Other comprehensive income	-	-
Total comprehensive income for the year	1,552,808,659	667,219,356

Note: Profit after Tax for FY 2020 has been restated to PKR 606 Mn. This has resulted in PAT Margin of 8.61%, EPS of PKR 2.2 per share for FY 2020. These adjustments shall be reflected in the Audited Financial Statements of FY 2021.

INTERNATIONAL PACKAGING FILMS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	2021 Rupees	2020 Rupees
ASSETS		
NON CURRENT ASSETS		
Property Plant & Equipment	4,253,190,350	4,313,043,786
Intangibles	12,070,842	12,484,202
Investment in Subsidiary	1,625,706,026	100,000
Right to Use Asset	24,833,686	-
Long Term Deposits	1,032,450	1,032,450
	5,916,833,354	4,326,660,438
CURRENT ASSETS		
Stock-in-Trade	1,433,202,056	973,941,223
Trade Debts	1,156,313,538	1,112,426,845
Cash and Bank Balances	80,548,888	35,534,012
Stores, Spares and Consumables	97,099,182	87,644,775
Trade Deposits and short term prepayments	19,333,007	29,737,154
Loans, Advances and Other Receivables	141,962,300	513,222,181
Taxation - net	348,505,750	282,885,800
	3,276,964,722	3,035,391,990
TOTAL ASSETS	9,193,798,076	7,362,052,428
EQUITY & LIABILITIES		
SHARE CAPITAL & RESERVES		
Authorised Capital		
430,000,000 (2020: 300,000,000) Ordinary Shares of Rs. 10/- each	4,300,000,000	3,000,000,000
Issued, subscribed and paid-up capital		
360,000,000 (2020: 274,259,842)		
Ordinary shares of Rs. 10/- each fully paid in cash	3,600,000,000	2,742,598,420
Revenue Reserve		
Accumulated profits/(losses)	1,613,333,357	444,004,589
Capital Reserve		
Surplus on revaluation of property, plant and equipment - net of deferred tax	1,202,964,069	1,279,484,087
	6,416,297,425	4,466,087,096
Advance against future issue of shares	-	433,854,482
NON - CURRENT LIABILITIES		
Deferred taxation	767,705,687	549,440,989
Lease liability	14,678,932	-
Deferred staff benefit liability	34,646,534	-
Deferred government grant	2,200,505	-
Long Term Financing	27,518,532	-
	846,750,190	549,440,989
CURRENT LIABILITIES		
Trade and other payables	1,013,258,216	793,508,531
Contract liabilities	59,059,669	29,069,751
Unclaimed Dividend	-	1,232,548
Short term borrowing	786,580,000	1,083,019,789
Current maturity of lease liability	11,858,993	-
Current maturity of long term liability	52,497,272	-
Current maturity of deferred government grant	4,634,885	-
Accrued markup	2,861,426	5,839,242
	1,930,750,460	1,912,669,861
TOTAL EQUITY AND LIABILITIES	9,193,798,075	7,362,052,428

6.5 SUMMARY OF FINANCIAL HIGHLIGHTS OF INTERNATIONAL PACKAGING FILMS LIMITED:

International Packaging Films Limited (Stand-alone Accounts)

<i>PKR Million</i>	Audited	Audited	Audited	Audited
Fiscal Year	2018	2019	2020	9MFY2021
Income Statement				
Revenue	2,887	5,813	7,044	6,614
Cost of Goods Sold	2,888	5,396	5,858	5,155
Gross Profit	(1)	417	1,185	1,459
Operating Expenses	77	102	173	154
Other Operating Expenses	176	226	68	78
Other Operating Income	8	15	16	101
Operating Profit	(245)	103	960	1,329
Financial Charges	6	107	188	50
Profit/(Loss) before Taxation	(251)	(4)	773	1,279
Taxation	(54)	(14)	106	180
Profit/(Loss) after Taxation	(197)	10	667	1,099
EBIT	(245)	103	960	1,329
EBITDA	(124)	345	1,215	1,530
Depreciation and Amortization	121	242	255	201
Balance Sheet				
Non-Current Assets	4,474	4,421	4,326	5,503
Current Assets	1,838	2,643	3,035	3,091
Total Assets	6,312	7,063	7,362	8,595
Equity	2,599	2,900	3,620	4,744
Surplus on revaluation of fixed assets	1,403	1,340	1,279	1,218
Total Equity	4,002	4,240	4,899	5,962
Long-Term Debt	0	0	0	52
Current Portion of non-current liabilities	0	0	0	57
Short-Term Borrowings	306	1,353	1,083	707
Non-Current Liabilities	419	405	549	801
Current Liabilities	1,891	2,419	1,912	1,832
Stock-in-trade	611	747	973	1,017
Trade debts	719	1,128	1,112	1,301
Trade and other payables	1,583	1,014	793	984
Cash Flow Statement				
Cash Flow from Operating Activities	(495)	(1,089)	518	1,682
Cash Flow from Investing Activities	(284)	(189)	(295)	(1,295)
Cash Flow from Financing Activities	803	1,273	(215)	(317)
Net increase in cash and cash equivalents	24	(5)	8	70
Cash and cash equivalents at the beginning of the year	8	32	27	36
Net Cash Balance	32	27	36	105
Capex	282	183	160	110

Growth				
Sales Growth (%)	N/A	101%	21%	23%
EBITDA Growth (%)	53%	379%	252%	123%
Profit after tax Growth (%)	206%	105%	6261%	187%
Margins				
Gross Margin (%)	(0.02)%	7.17%	16.83%	22.06%
Operating Margin	(8.49)%	1.77%	13.63%	20.09%
EBITDA Margin (%)	(4.28)%	5.94%	17.25%	23.18%
Profit before tax Margin (%)	(8.71)%	-0.06%	10.97%	19.33%
Profit after tax Margin (%)	(6.83)%	0.18%	9.47%	16.61%
Profitability Ratios				
Earnings per share ¹ (PKR)	(1.14)	0.04	2.43	3.05
Break-up value per share ² (PKR)	23.12	16.98	17.86	16.56
Return on equity ³ (%)	(4.9)%	0.2%	13.6%	18.4%
Return on assets ⁴ (%)	(3.1)%	0.1%	9.06%	12.8%
Outstanding shares (Million)	173	250	274	360
Balance Sheet Ratios				
Fixed Asset Turnover ⁵	0.84	1.31	1.61	1.35
Asset Turnover ⁶	0.62	0.87	0.97	0.83
Current Ratio	0.97	1.09	1.58	1.69
Capex to total Assets (%)	4.5%	2.6%	2.1%	1.3%
Receivable Turnover (days)	45	58	57	67
Inventory Turnover (days)	54	46	57	70
Payable Turnover (days)	144	88	67	62
Leverage Ratios				
Debt to Equity	0.08	0.32	0.22	0.14
Debt to Total Capital	0.08	0.32	0.22	0.14
EBITDA/Interest	(19.5)	3.2	6.5	30.6
Interest Coverage ⁷	(38.69)	0.97	5.12	26.49
Debt / EBITDA	(2.48)	3.92	0.89	0.53
EBITDA - CAPEX	(406)	162	1,055	1,422
EBITDA - CAPEX/Interest	(64.08)	1.52	5.62	28.35
Industry Analysis⁸²				
Receivable Turnover (days)	45	51	50	79
Inventory Turnover (days)	77	64	58	119
Payable Turnover (days)	88	82	84	157

¹Earnings per share is based on total profit after tax divided by outstanding shares of the Company at the corresponding period

²Break-up value per share is calculated by dividing equity of the Company by outstanding shares of the Company at the corresponding period end.

³Return of equity is based on profit after tax divided by period end equity.

⁴Return on asset is based on profit after tax divided by total assets of the Company at year end.

⁸² Industry Analysis – Cash conversion cycle is based on average of four industry players i.e TRIPACK, MACPAC, IPAK and ISIL. The Cash Conversion Cycle variables for 9M FY 2021 are on a higher side as TRIPACK's numbers do not represent an entire nine month cycle. Excluding TRIPACK the Receivable, Inventory and Payable Turnover days would be 57, 79 and 97 days, respectively.

⁵Fixed Asset Turnover is calculated by dividing net sales to average of opening and closing fixed assets

⁶Asset Turnover is calculated by dividing net sales to average of opening and closing total assets

⁷Interest Coverage is calculated by dividing EBIT to financial charges.

Note: Profit after Tax for FY 2020 has been restated to PKR 606 Mn. This has resulted in PAT Margin of 8.61%, EPS of PKR 2.2 per share for FY 2020. These adjustments shall be reflected in the Audited Financial Statements of FY 2021.

International Packaging Films Limited (Consolidated Accounts)

<i>PKR Million</i>	Consolidated	Consolidated
Fiscal Year	FY20	9MFY21
Income Statement		
Revenue	7,044	6,614
Cost of Goods Sold	5,858	5,155
Gross Profit	1,185	1,459
Operating Expenses	173	168
Other Operating Expenses	68	78
Other Operating Income	16	122
Operating Profit	960	1,335
Financial Charges	188	51
Profit/(Loss) before Taxation	773	1,284
Taxation	106	181
Profit/(Loss) after Taxation	667	1,103
EBIT	960	1,335
EBITDA	1,216	1,537
Depreciation and Amortization	255	201
Balance Sheet		
Non-Current Assets	4,327	5,796
Current Assets	3,035	3,692
Total Assets	7,362	9,488
Equity	3,620	4,982
Surplus on revaluation of fixed assets	1,279	1,234
Total Equity	4,899	6,216
Long-Term Debt	0	41
Current Portion of non-current liabilities	0	52
Short-Term Borrowings	1,083	855
Non-Current Liabilities	549	1,079
Current Liabilities	1,912	2,193
Stock-in-trade	973	1,102
Trade debts	1,112	1,301
Trade and other payables	793	1,196
	7,362	9,488
Cash Flow Statement		
Cash Flow from Operating Activities	494	1,617
Cash Flow from Investing Activities	(160)	(1,303)
Cash Flow from Financing Activities	(215)	81
Net increase in cash and cash equivalents	118	395
Cash and cash equivalents at the beginning of the year	27	146
Net Cash Balance	146	541
Capex	161	1,305

Note: Profit after Tax for FY 2020 has been restated to PKR 606 Mn. This has resulted in PAT Margin of 8.61%, EPS of PKR 2.2 per share for FY 2020. These adjustments shall be reflected in the Audited Financial Statements of FY 2021.

Cast Packaging Films (Private) Limited

PKR Million	Audited April 01, 2020 – June 30, 2020⁸³	Audited 9M FY 2021
Income Statement		
Revenue	-	-
Cost of Goods Sold	-	-
Gross Profit	-	-
Operating Expenses	-	5
Other Operating Expenses	-	-
Other Operating Income	-	19
Operating Profit	-	14
Financial Charges	-	1
Profit/(Loss) before Taxation	-	13
Taxation	-	4
Profit/(Loss) after Taxation	-	9
EBIT	-	14
EBITDA	-	14
Depreciation and Amortization	-	-
Balance Sheet		
Non-Current Assets	0.5	986
Current Assets	135	235
Total Assets	136	1,221
Equity	(0.2)	509
Surplus on revaluation of fixed assets	-	-
Total Equity	135	579
Long-Term Debt	-	277
Current Portion of non-current liabilities	-	-
Short-Term Borrowings	-	148
Non-Current Liabilities	-	281
Current Liabilities	0.3	360
Stock-in-trade	-	85
Trade debts	-	-
Trade and other payables	-	212
Cash Flow Statement		
Cash Flow from Operating Activities	-	-
Cash Flow from Investing Activities	-	-
Cash Flow from Financing Activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Net Cash Balance	110	0.2

Petpak Films (Private) Limited

⁸³ Cast Packaging Films (Private) Limited was incorporated on April 01, 2020

PKR Million	Audited
Income Statement	September 21, 2020 – March 31, 2021⁸⁴
Revenue	-
Cost of Goods Sold	-
Gross Profit	-
Operating Expenses	5
Other Operating Expenses	-
Other Operating Income	0.3
Operating Profit	(4)
Financial Charges	0.02
Profit/(Loss) before Taxation	(4)
Taxation	1
Profit/(Loss) after Taxation	(3)
EBIT	(4)
EBITDA	(4)
Depreciation and Amortization	0
Balance Sheet	
Non-Current Assets	485
Current Assets	33
Total Assets	518
Equity	518
Surplus on revaluation of fixed assets	-
Total Equity	518
Long-Term Debt	-
Current Portion of non-current liabilities	-
Short-Term Borrowings	-
Non-Current Liabilities	-
Current Liabilities	0.2
Stock-in-trade	-
Trade debts	-
Trade and other payables	0.2
Cash Flow Statement	
Cash Flow from Operating Activities	-
Cash Flow from Investing Activities	-
Cash Flow from Financing Activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	-
Net Cash Balance	31
Capex	-

Global Packaging Films (Private) Limited

PKR Million	Audited
Income Statement	January 15, 2021 – March 31, 2021⁸⁵
Revenue	-
Cost of Goods Sold	-

⁸⁴ Petpak Films (Private) Limited was incorporated on September 21, 2020

⁸⁵ Global Packaging Films (Private) Limited was incorporated on January 15, 2021

Gross Profit	-
Operating Expenses	4
Other Operating Expenses	-
Other Operating Income	-
Operating Profit	(4)
Financial Charges	0.002
Profit/(Loss) before Taxation	(4)
Taxation	1
Profit/(Loss) after Taxation	(3)
EBIT	(4)
EBITDA	(4)
Depreciation and Amortization	-
Balance Sheet	
Non-Current Assets	92
Current Assets	405
Total Assets	497
Equity	497
Surplus on revaluation of fixed assets	-
Total Equity	497
Long-Term Debt	-
Current Portion of non-current liabilities	-
Short-Term Borrowings	-
Non-Current Liabilities	-
Current Liabilities	0.2
Stock-in-trade	-
Trade debts	-
Trade and other payables	0.2
Cash Flow Statement	
Cash Flow from Operating Activities	-
Cash Flow from Investing Activities	-
Cash Flow from Financing Activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	-
Net Cash Balance	405
Capex	-

6.6 SUMMARY OF REVENUE AND EXPENDITURE OF INTERNATIONAL PACKAGING FILMS LIMITED

6.6.1 Revenue

Product Type	FY 2018		FY 2019		FY2020		9MFY21	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
Transparent Films	1,616	55.98%	3,176	54.64%	3,941	55.95%	3,956	59.81%
Metallized Films	746	25.84%	1,535	26.41%	1,790	25.41%	1,533	23.18%
Matt Films	41	1.42%	110	1.89%	194	2.75%	135	2.04%
Pearlized Films	239	8.28%	468	8.05%	315	4.47%	239	3.61%
White / Cavitated Films	74	2.56%	343	5.90%	577	8.19%	537	8.12%
Export Films ⁸⁶	7.8	0.27%	36	0.62%	186	2.57%	129	1.92%

⁸⁶ The Company exports BOPP films to Macedonia, Sri Lanka, Bulgaria, United Arab Emirates, Oman, Afghanistan and Canada.

Metallized Films	0.8	0.03%	1	0.02%	85	1.21%	32	0.48%
Transparent Films	7.0	0.24%	35	0.60%	101	1.43%	97	1.47%
Recycled Granules	163	5.65%	145	2.49%	41	0.58%	85	1.29%
Total Sales⁸⁷	2,887	100.00%	5,813	100.00%	7,044	100.00%	6,614	100.00%

6.6.2 Expenditure

In PKR MN	FY 2018	%	FY 2019	%	FY 2020	%	9MFY 2021	%
Cost of Sales	2,888	100	5,396	100	5,858	100	5,155	100
Raw Materials Consumed	2,309	80	4,152	77	4,541	78	4,124	80
Others	579	20	1,244	23	1,317	22	1,031	20
Distribution Expenses	45	100	51	100	97	100	82	100
Salaries Wages & Other Benefits	23	51	29	57	35	36	27	33
Outward Expenses	8	18	10	20	47	48	41	50
Others	14	31	12	23	15	16	14	17
Administrative Expenses	32	100	51	100	76	100	72	100
Salaries Wages & Other Benefits	17	53	27	53	40	53	33	46
Travelling and Conveyance	6	19	9	18	3	4	6	
Others	9	28	15	29	33	43	33	46
Other Operating Expenses	175	100	226	100	68	100	78	100
Workers' Welfare Fund	0	0	0	0	0	0	14	18
Workers' Profit Participation Fund	0	0	0	0	0	0	64	82
Exchange Loss	175	100	226	100	68	100	0	0

6.7 SUMMARY OF OTHER INCOME

In PKR Mn	FY18	FY19	FY20	9MFY21
Other Income	8	15	16	101
Other income as % of operating profit (%)	-3%	15%	2%	8%
Other income as % of sales (%)	0.28%	0.26%	0.23%	1.53%

6.8 Breakdown of Other Income (In case Other Income constitutes more than 25% of the Operating Income or 10% of the Revenue)

Not Applicable

6.9 SUMMARY OF MATERIAL PURCHASES

International Packaging Films Limited:

Following is a break-up of top eight vendors of the Company constituting to 96.23% of the total purchases made during 9M FY 2021:

⁸⁷ Commercial production of Cast Polypropylene Films commenced on April 1, 2021, therefore it is not included in the above figures of revenue contribution.

S. No.	Vendor Name	Country	Raw Material	Purchases during 9M FY 2021 (PKR Mn)	% of Total Purchases during 9M FY 2021
1	Petrochemical Industrial Company	Kuwait	Homopolymer	2,044	48.30%
2	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	954	22.55%
3	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer and Masterbatch	461	10.89%
4	Borouge Pte Ltd	Abu Dhabi	Homopolymer	201	4.76%
5	A. Schulman Plastics BVBA	Turkey, Indonesia and Belgium	Masterbatch	205	4.85%
6	Ineos Sales (UK) LTD.	France and Belgium	Copolymer and Masterbatch	94	2.23%
7	Constab Polyolefien Additives GmbH	Germany and China	Masterbatch	56	1.32%
8	ICI Pakistan Limited	Pakistan	Masterbatch	57	1.33%
Total				4,072	96.23%

Following is the break-up of top eight vendors of the Company constituting to 93.39% of the total purchases made during FY 2020:

S. No.	Vendor Name	Country	Raw Material	Purchases during FY 2020 (in PKR Mn)	% of Total Purchases during FY 2020
1	Petrochemical Industrial Company	Kuwait	Homopolymer	2,342	50.40%
2	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	964	20.74%
3	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer and Masterbatch	442	9.50%
4	A. Schulman Plastics BVBA	Turkey, Indonesia and Belgium	Homopolymer	198	4.25%
5	Ampacet Europe SA	Thailand	Masterbatch	136	2.93%
6	Borouge Pte Ltd	Abu Dhabi	Copolymer and Masterbatch	99	2.14%
7	Constab Polyolefien Additives GmbH	Germany and China	Masterbatch	89	1.92%
8	Tricon Energy	China	Masterbatch	70	1.50%
Total				4,339	93.39%

Cast Packaging Films (Private) Limited:

Following the is a break-up of top six vendors of the Company constituting to 100% of the total purchases made during 9M FY 2021:

S. No.	Vendor Name	Country	Raw Material	Purchases during 9M FY 2021 (in PKR Mn)	% of Total Purchases during 9M FY 2021
1	Basell International Trading FZE	Netherland, Australia and Thailand	Copolymer	18,166,303	21%
2	Borouge Pte Ltd	Abu Dhabi	Homopolymer	25,194,505	30%
3	Borouge Pte Ltd	Abu Dhabi	Copolymer	6,112,668	7%
4	CONSTAB Polyolefien Additives Gmbh	Germany and China	Masterbatch	6,505,567	8%
5	Manfisa	Oman	Metalizer	9,277,575	11%
6	National Petrochemical Industrialization Marketing Co.	Saudi Arabia	Homopolymer	19,894,698	23%
Total				85,151,315	100%

Petpak Films (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

Global Packaging Films (Private) Limited:

The Company is a greenfield project and has not commenced commercial operations as yet.

6.10 CONTINGENCIES AND COMMITMENTS

As of March 31, 2021, the Company has commitments from various banks against letter of credit and bank guarantee amounting to PKR 1,414 million and PKR 145 million respectively.

6.11 COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

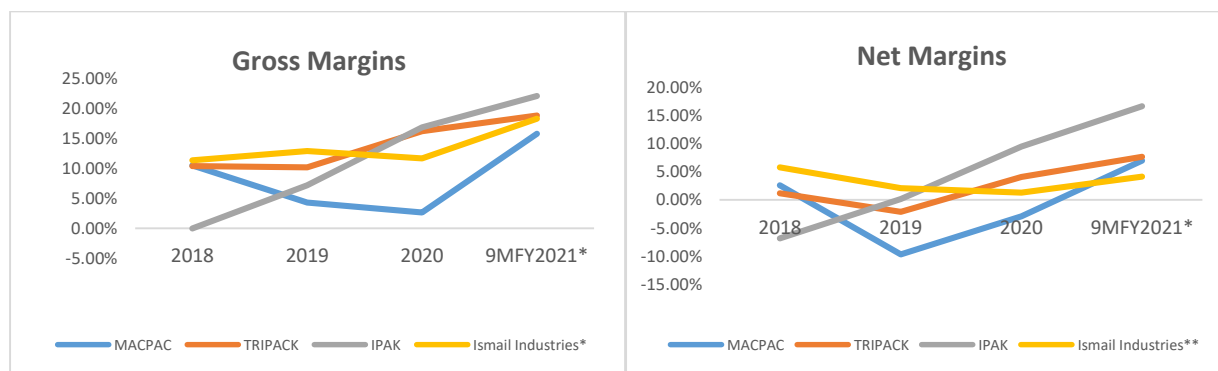
In companies listed on PSX, only Macpac Films, Tripack and Ismail Industries Limited are involved in production of flexible packaging.

Financial Performance

Recently, IPAK embarked on a growth trajectory amid low margins and profitability was observed relatively to the listed peers prior FY19. From FY20 onwards, the company managed to exceed gross and net margins of its peer industry, during a period where COVID-19 hampered broader operational functions. In this regard, IPAK has reported superior growth of 21% while industry players underwent total sales growth of only 1% in FY20.

In terms of margins, the expansion in gross margins for IPAK outpaces listed peers during FY20, resting 660bps above the average for listed peers at 16.8% vs. 10.2% average for the three listed peers. This follows through to the latest reporting period numbers for 9MFY21 where in spite of listed peers raising average gross margins to average 17.6%, IPAK managed to solidify margins further to 22.1% taking the difference to 450bps.

IPAK's net margins have remained in the green from FY19 onwards, while listed peers have reported losses, while following FY20, the company has continued the trend of outperformance, with net margins for FY20 and 9MFY21 at 9.47% and 16.61% while industry average augmented to 0.81% and 6.26% respectively.



Gross Margin	FY18	FY19	FY20	9MFY21	Net Margin	FY 2018	FY 2019	FY 2020	1QFY2021
MACPAC	10.48%	4.28%	2.65%	15.79%	MACPAC	2.58%	(9.68)%	(2.90)%	6.99%
TRIPACK	10.41%	10.15%	16.18%	18.79%	TRIPACK	1.19%	(2.11)%	4.07%	7.65%
IPAK	(0.02)%	7.17%	16.83%	22.06%	IPAK	(6.83)%	0.18%	9.47%	16.61%
ISIL ¹	11.34%	12.91%	11.64%	18.26%	ISIL ²	5.77%	2.09%	1.27%	4.14%

Note: Profit after Tax for FY 2020 has been restated to PKR 606 Mn. This has resulted in PAT Margin of 8.61%, EPS of PKR 2.2 per share for FY 2020. These adjustments shall be reflected in the Audited Financial Statements of FY 2021.

¹The Gross margins have been calculated for the packaging segment of the company provided in segmental reporting section of financial statements.

²Due to unavailability of bottom line numbers, net margin is calculated on the consolidated profitability of the company.

Debt to Equity

Debt to Equity ratio of the Company has remained in range of 0.08x to 0.32x over the last three years as compared to its peers whose D/E Ratio has ranged between 0.31x and 2.32x.

Debt to Equity	FY 2018	FY 2019	FY 2020	9MFY21
MACPAC	0.31	1.27	0.71	0.44
TRIPACK	1.82	1.48	1.19	1.18
IPAK	0.08	0.32	0.22	0.14
ISIL	1.68	2.08	2.32	2.16

Source: Companies Financials

6.12 REVALUATION OF FIXED ASSETS

The Company's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land which is stated at cost

The Company has carried out revaluation of its fixed assets in 2018 by K. G. Traders (Private) Limited. Fixed assets shown in the financial statements are at re-valued amount. No subsequent revaluation of fixed assets has been carried out by the Company. Revaluation surplus of Property, Plant and Equipment – net of deferred tax as at March 31, 2021 is PKR 1,218,087,643.

6.13 DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board’s recommendation and shareholders’ approval, where required.

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act 2017.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act 2017.

Under Section 242 of the Companies Act 2017, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, “Dividend Mandate”.

Details of dividends and/or bonus shares issued over the past five years is as follows:

Description	FY 2017	FY 2018	FY 2019	FY 2020	1QFY 2021
Dividends (PKR)	-	-	-	30,000,000	60,000,000
Dividend (%)	-	-	-	1.20%	2.20%
Bonus Shares	-	-	-	-	400,000,000
Bonus (%)	-	-	-	-	12.50%

6.13.1 Covenants / Restriction on Payment of Dividends:

It is stated that there is no restriction on IPAK, CPF, PPF and GPF by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.


6.13.2 Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.


6.14 DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES

Not Applicable

6.15 SHARIAH SCREENING CERTIFICATE



Meezan Bank
The Premier Islamic Bank



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

July 16, 2021

Ref#: MBL/IB/E/21/37R


Shariah Screening Certificate

Al-Hamdulillah, Meezan Bank Limited, in the capacity of Banker to the Issue for general public and book building, has reviewed the Audited Financials of International Packaging Films (Private) Limited based on 31st March, 2021. We found the said financials to be in compliance with KSE Meezan Islamic Index Criteria set out by Pakistan Stock Exchange.

On the basis of reviewed financial statements, it is allowed to participate in IPO of International Packaging Films (Private) Limited with the provision that the investee will be required to purify its dividend income as per company's annual dividend purification rate determined on semi-annual basis in KMI-All Share Islamic Index.

This is pertinent to highlight that the Shariah compliance status of the company's financial statements may vary from one financial period to the other. So, this certificate shall remain valid as long as company's latest available financial accounts are for the period ended June 30, 2020.

And Allah (s.w.t.) knows the best.



For and On Behalf of Meezan Bank Limited

Meezan Bank Ltd.
Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
PABX: (92-21) 35103500 UAN: 111-331-331 & 111-331-332 www.meezanbank.com

7 BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

7.1 BOARD OF DIRECTORS OF THE COMPANY

S.no	Name	Designation	Address	CNIC	Current Directorships	Past Directorships	Period of Directorship in IPAK
1	Muhammed Amin	Chairman and Non-Executive Director	House # 44/1, Khayaban-e-Muslim, DHA Phase 6, Karachi South, Pakistan	42101-1806379-7	Universal Coating Films (Private) Limited	Gillette Pakistan Limited Mondelez Pakistan Limited Engro Foods Limited Al Shaheer Corporation Limited Sunridge Foods (Private) Limited	07 July 2021
2	Naveed Godil	Chief Executive Officer	House # : 44/2 Khayaban-e-Muslim DHA Phase 6 Karachi South, Pakistan	42201-6948703-7	Cast Packaging Films (Private) Limited Global Packaging Films (Private) Limited Petpak Films (Private) Limited Petpak Plus (Private) Limited Universal Packaging Company (Private) Limited 14th Street Pizza Co. (Private) Limited Universal Coating Films (Private) Limited Universal Films (Private) Limited Universal Carton Industries (Private) Limited Adpak (Private) Limited	Al Shaheer Corporation Limited Apex Securities (Private) Limited Fortune Securities (Private) Limited Sunridge Foods (Private) Limited	2-Oct-15
3	Aftab Zahoor Raja	Non-Executive Director	House # 205, Sarwar Colony, Sarwar Road, Lahore Cantt, District Lahore, Pakistan	35201-6878132-9	N/A	Al Shaheer Corporation Limited	31-Oct-16
4	Mushtaq Ali Tejani	Non-Executive Director	House # : C-54, Block 9, Navy Housing Scheme Zam Zama, Clifton, Karachi South, Pakistan	42201-0492689-9	Cast Packaging Films (Private) Limited Global Packaging Films (Private) Limited Petpak Films (Private) Limited	N/A	31-Oct-16
5	Arsalan Pirani	Non-Executive Director	Villa No 22, Courtyard CA4, Al Dea The Villa	42301-5834151-9	N/A	N/A	31-Oct-16

6	Taimoor Iqbal	Non-Executive Director	Dubai Land, Dubai, United Arab Emirates House # 9, Street 12, PAF Falcon Complex, Karachi East, Pakistan	42301-9468531-3	N/A	N/A	2-Oct-15
7	Saad Amanullah Khan	Independent Director	House No 1- A/2, Sunset Boulevard Phase 2, DHA, Karachi, Pakistan	42301-0870735-9	Fauji Fertilizer Company Limited NBP Fund Management Limited ZIL Limited Jaffer Brothers (Private) Limited Burque Corporations (Private) Limited	Pakistan Stock Exchange (PSX) State Life Insurance Corporation	07 July 2021
8	Sarfaraz Ahmed Rehman	Independent Director	Apartment No. A-703, Creek Vista Apartments, DHA Phase 8, Clifton, Karachi, Pakistan	35201-9515709-3	Fauji Fertilizer Bin Qasim Limited Fauji Foods Limited Askari Bank Limited Unilever Foods Pakistan Limited	Dawood Lawrencepur Limited Engro Corporation Limited Engro Foods Limited Al Shaheer Limited	07 July 2021

7.2 PROFILES OF DIRECTORS

Muhammed Amin (Chairman and Non-Executive Director)

Mr. Muhammed Amin is a Chartered Accountant. He has over 30 years of experience with reputed FMCGs at senior management positions.

He was CEO of Gillette Pakistan Limited till December 2000 and Regional Business Director, Gillette Middle East and Africa from 2001 to 2003. He headed Mondelez Pakistan Limited as CEO for over ten years till 2014. Later, he established Sunridge Foods in 2015 and headed the company until January 2020.

He has served on the Board of Directors of Engro Foods Limited from 2006 to 2016 and Al Shaheer Corporation Limited from 2016 to 2019. He has also been on the Board of Governors of the British Overseas School, Executive Committee of the American Business Council, Management Committee of the Lasbela Chamber of Industry and Executive Committee of the Pakistan Advertisers Society. He is a sponsor and non executive director of International Packaging Films Limited.

Naveed Godil (Chief Executive Officer - Executive Director)

Mr. Naveed Godil is an inspirational business leader and Innovator with 24 years of experience in business leadership. Experienced in all aspects of business, he is a visionary product developer with deep knowledge in research and analytics. Graduated from University of Karachi, Mr. Godil began his career in 1996 from Financial Market of Karachi Stock Exchange. He excelled himself charismatically and emerged as an entrepreneur in no time by establishing his first own company named "Fortune Securities Private limited" in 1999 as a member of Karachi Stock Exchange.

Trusting his exceptional entrepreneurial flair, he later stepped into new business ventures to exhibit versatile leadership skill and in 2008 became a co-founding of Al Shaheer Corporation Limited where he greatly contributed

in success of the company by developing a strategic business model and helped the company to grow in the right direction.

In 2010, he entered in Packaging Industry and established a large scale company named Universal Packaging Company (Private) Limited specialized in Rotogravure Printing Packaging. Gradually he expanded his business in packaging to an extent where he has become a pioneer today in the Packaging Industry of Pakistan. In 2015, he continued achieving new milestones of success and established International Packaging Films Limited which, in a quick succession, turned from a single company to a large group of companies each aiming to provide quality centered and differentiated products to the packaging industry. He is currently serving as the Chief Executive of International Packaging Films Limited, Universal Packaging Company (Private) Limited, Cast Packaging Films (Private) Limited, Petpak Films (Private) Limited, Global Packaging Films (Private) Limited, Universal Coating Films (Private) Limited, Universal Films (Private) Limited.

Aftab Zahoor Raja (Non-Executive Director)

Mr. Aftab Zahoor Raja boasts an immaculate profile in the world of business with his main ventures consisting of Real Estate investments and Packaging Industry companies. He began his career as an exporter of Shell Suits and Spices and later ventured into Real Estate investments. For the past 6 years Mr. Aftab has diversified into the Manufacturing sector where he co-founded along with his partners, International Packaging Films Limited.

In addition to being a sponsor and his position on the Board of International Packaging Films, Mr. Aftab is currently managing Town Planners Developers and Real Estate Consultants (Lahore Pakistan- Real Estate Development).

He holds a Bachelor of Arts in Social Sciences Degree from Punjab University. With regards to his philanthropic endeavors, Mr. Raja is guided by his desire to serve the community through his entrepreneurial efforts.

Mushtaq Ali Tejani (Non-Executive Director)

Mr. Mushtaq Ali Tejani is an entrepreneur with more than 25 years of experience in the domestic consumer goods landscape. He boasts an immaculate profile in the world of business with his main ventures consisting of Local Fast Manufacturing Consumers Goods and Packaging Industry.

For the past 4 years Mr. Tejani has developed diversified businesses in the Packaging sector where he co-founded International Packaging Films (Private) Limited is a sponsor and Non-executive director. Mr. Mushtaq Ali Tejani is currently the Managing Director / Partner of Saarim Enterprises and Feroz Products.

Arsalan Pirani (Non-Executive Director)

Mr. Arsalan Pirani is a Bachelor in Accounting and Finance degree from Heriot-Watt University, Edinburgh, Scotland and is a seasoned business entrepreneur with immense leadership skills. He is a lead sponsor and Non-Executive director at International Packaging Films Limited. He is also the Managing Director of Pirani Group International which is actively involved in diverse business concerns situated across multiple countries.

Mr. Pirani has effectively steered the strategy, planning and implementation of various projects, while overseeing different companies of the group including NJ Auto Industries (Private) Limited, PM Auto Industries Pakistan, Pirani Engineering, Pirani Incorporation (Ontario-Canada Real Estate Development and Investments), Universal Carton Industries LLC (UAE), Tabeer Real Estate Brokers & Tabeer Real Estate Development LLC (UAE).

Arsalan has vast experience of Packaging Industry, Real Estate Development, Automobile Manufacturing and various trading operations.

Taimoor Iqbal (Non-Executive Director)

Mr. Taimoor Iqbal is an experienced entrepreneur with leadership roles in numerous industry segments spread across Pakistan and the UAE. In addition to his role in International Packaging Films Limited, he is presently the Managing Director of companies involved in Automobiles, Real Estate Development and various trading concerns.

For the past 4 years Mr. Taimoor has added immense value to the IPAK's operations and has the Company maintained string relations with the International Suppliers such as Bruckner, BOBST, SML, etc through its charismatic personality and flair.

Mr. Iqbal holds a Bachelor of Business Administration from the world's renowned American University of Sharjah (AUS).

Saad Amanullah Khan (Independent Director)

Mr. Saad Amanullah Khan spent three decades with Procter & Gamble in senior management including seven years as Chief Executive Officer of Gillette Pakistan. He has been elected twice as President of American Business Council (ABC) and is an active Executive Director of Overseas Investors Chamber of Commerce and Industry (OICCI).

Mr. Khan took early retirement in 2014 to following his passion in social impact and driving governance in organizations. Currently he is also director on the boards of CTM360 (Cyber Threat Management), Jaffar Brothers, NBP Funds, Pakistan Stock Exchange and ZIL Limited.

An action social worker, he is sitting on the board of over a dozen NGO's and an advisor to another half a dozen social enterprises. He is also Chairman and founder of Pakistan Innovation Foundation (PIF); Founding board member and past Chairman of South East Asia Leadership Academy (SEALA); Founding board member and General Secretary of I Am Karachi Consortium; Board member and past President of Public Interest Law Association of Pakistan (PILAP).

He is author of a business book "It's Business, It's Personal" and has authored many research papers and actively writes in newspapers on economic growth, democracy, entrepreneurship, social development and leadership.

Mr. Khan holds two engineering degrees (Systems Engineering and Computer Science Engineering) and an MBA from The University of Michigan, USA. He is also the Chairman of the Audit Committee of FFC.

Sarfraz Ahmed Rehman (Independent Director)

Mr. Sarfraz Ahmed Rehman is a chartered accountant and business executive having contributed his expertise to multinational companies such as Unilever, SB (GSK), Jardine Matheson/Olayan JV and PepsiCo during his varied career.

In 2005, Mr. Sarfraz helped establish Engro Foods as its CEO. The company quickly grew from a greenfield, to become the largest liquid dairy company in Pakistan. He took a sabbatical from Engro Foods to establish the Karachi School for Business and Leadership project in 2012. Sarfraz rejoined Engro Foods as CEO in 2013 where he remained CEO till 2015. Engro Foods sold 51% of its shares to Royal Friesland Campina for half a billion dollars in 2015- one of the biggest private foreign investment in Pakistan's history.

From Oct 2015, Mr. Sarfraz was involved in consultancy projects with ICI, IBL, JSPE, Shan Foods, Burque, CCL and Al-Shaheer. In 2016-17. He acted an executive coach with Grant Thornton Pakistan, during a culture change project for a large bank. He was also Chairman of the Broadcasters and Advertisers Council till 2018- a joint body of Pakistan Broadcasters Association and Pakistan Advertisers Society, controlling advertising in Pakistan. He was also the first Chairman of the Effie Awards (Oscar of advertising) in Pakistan. He also conducted a renowned coaching/mentoring role, with many corporate executives, including Careem and Gatron-Novatex.

Lately he has returned to a corporate executive role from Jun 2020, as the CEO of FFBL. In his tenure, FFBL has turned a large loss-making situation into a profit position.

Mr. Sarfaraz is deeply interested in playing his part in giving back to society and has worked on an online interactive education model for mass education, to resolve the issue of literacy in Pakistan. In the past he was associated with Shaukat Khanum Hospital as a Board of Governor and with WWF as a Director. He is also associated with Hisaar Foundation and its work on water/environmental issues in Pakistan.

7.3 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors, including the Chief Executive Officer.

7.4 PROFILE OF SENIOR MANAGEMENT

Mr. Mohsin Anwer – Chief Financial Officer

Mohsin Anwer is the Chief Financial Officer of International Packaging Films Limited. He has been part of IPAK's strategic management team since early 2016 and is currently responsible for overseeing the corporate finance functions of the group including the financial accounting & reporting, taxation, audit, treasury, planning & analysis and investor relations.

Mr. Anwer is an associate member of the Institute of Chartered Accountants of Pakistan (ICAP) and has also been affiliated with A. F. Ferguson & Co (a member firm of the PwC network), in past. He is well-versed with the Business and Financial knowledge and is experienced in building and leading effective teams through his charismatic profile. He is also contributing to the Company by successfully leading the ERP section of the entity to ensure smooth flow of information throughout the organization.

Syed Haris Salim – Company Secretary

Syed Haris Salim is the Company Secretary of the Company. Mr. Haris brings with himself 11 years of professional experience in regulatory compliance and corporate governance. He is an Associate Certified Chartered Accountant, started his career with M/s. A. F. Ferguson. & Co. (a member of firm of PWC Network).

During the course his career he has held leadership roles in compliance and corporate affairs functions of reputable organizations which includes, Jubilee Life Insurance Company Limited, Dalda Foods (Private) Limited, L'Oréal Pakistan (Private) Limited and Asian Consumer Care Pakistan (Private) Limited. In addition to managing the compliance risk he has been actively involved in policy formulation, internal controls, risk management and financial reporting.

Mr. Babar Baig – Group Chief Operating Officer (Sales and HR)

Mr. Babar is currently serving as Group COO of International Packaging Films Limited. He is one of the founding members of IPAK and as such, associated with the company from its inception. He brings with him 33 years of rich experience and knowledge in Sales, Human Resource and General Management. He is also a certified Director and member of PICG. His extensive experience in senior-level management roles in renowned consumer and industrial companies solidifies his career credentials.

Mr. Babar served as a Marketing Manager in Packages Ltd. in 1992 in the Rice-Pack Division. In 1993 he opted transfer to the newly formed sister concern, Tri-Pack Films Ltd. During his 22 years at Tri-Pack Films he held various positions including Head of exports & international Projects, and Head of HR. He left the company in 2016 as Head of Marketing. Prior to his role in Packages Group, he served as a Marketing Manager for once renowned Montgomery Biscuits & Sweets. Mr. Baig did his MBA in Marketing from London in 1988.

Mr. Mohammad Arif Malik – Group Director (Technical & Projects)

Mr. Mohammad Arif Malik is an Electrical Engineer by qualification and is currently the Group Director (Technical & Projects). He is the founding member of International Packaging Films Ltd. He specializes in project consultancy and execution having more than 45 years of experience under his belt. He excels in bringing industrial projects from concept to reality using his technical and project management skills.

After graduating from Faculty of Engineering & Technology – University of Peshawar in 1975, he has worked on the team constructing the Mangla Hydel Power plant (2x200MW), served with Ministry of Defense (KSA) as a consultant for 12 years and also supervised the installation of MMSM Sugar Mills.

Since 1995 he is involved in Biaxially Oriented Polypropylene Film (BOPP) manufacturing. He has served the roles of both Technical Manager & Plant Manager at Tripack. As a Technical Manager he has elaborate expertise in managing smooth operations. Later as a Project Manager he headed the design and execution of three BOPP lines.

After joining International Packaging Films Ltd., he headed the design and execution of Greenfield projects, namely, installation of BOPP and CPP film lines. Responsible for managing technical and plant operations while serving as General Manager (Operations), Mr. Malik is now tasked with leading the company's expansion into planned BOPP and BOPET Film lines as a Group Director.

Mr. Mohammad Kamran Khan – Group Director (Production Operations)

Mr. Mohammad Kamran Khan is currently handling the production operations of the company. He is responsible for the designing and executing the company's operations and all associated systems. He started his journey at IPAK as Core Project Team member.

Mr. Kamran has worked in top management positions possessing more than 25 years of experience in his portfolio. He has also worked at strategic committee level positions, therefore he has vast experience in Operations Management, Project Management, Quality Management Systems, Supply Chain Management, Production Planning and Enterprise Resource Planning (ERP) & SAP Software Implementation.

He is a Specialist in corporatizing green field projects, i.e. embedding corporate governance and effective support systems. His qualifications include Masters in Engineering Management (2009), Center for Advanced Studies in Engineering, Pakistan, Bachelors in Mechanical Engineering (1995), & University of Engineering and Technology Peshawar, Pakistan.

Mr. Muhammad Adnan Saleem – Commercial Manager

Mr. Adnan is currently serving as Commercial Manager of International Packaging Films Limited. He joined the company as a Procurement Manager in 2016 and operated in the same capacity during the initial years of the company.

He has been serving as a core member of the management team, successfully managing the supply chain function. His valuable contributions have enabled the company to conclude various long-term contracts with international suppliers of Plastic Resin, thereby contributing significantly in the company's manifold growth.

He is also contributing to the company in terms of policy-making and strategic raw material planning initiatives. He has represented the company in various international forums and exhibitions such as GPCA, K-Show, Gulf Packaging, Arab Plast, etc.

Mr. Adnan has been nominated by the company to attend courses of Strategic Procurement, Negotiation Skills, Building High Efficiency Teams etc. at Lahore University of Management Sciences (LUMS) further enabling him to execute his responsibilities in a proficient & professional manner.

He has obtained his Bachelors in Business Administration from University of Karachi (UoK) & Masters in Business Administration from Hamdard University, Karachi.

7.5 QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.6 APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 87.

As per Article 86, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per article 88, any casual vacancy occurring on the Board of Directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

As per Article 90, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed on 31st October, 2019.

7.7 INTEREST OF DIRECTORS AND PROMOTERS

The directors may deem to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the sponsors in the capital of the Company.

Following directors are holding ordinary shares of the Company:

Name of Shareholder	Designation	Numbers of Shares held	Value of Shares held
Naveed Godil	Chief Executive Officer	54,115,457.00	541,154,570.00
Mushtaq Ali Tejani	Non-Executive Director	38,446,602.00	384,466,020.00
Taimoor Iqbal	Non-Executive Director	33,818,838.00	338,188,380.00
Arsalan Pirani	Non-Executive Director	22,371,808.00	223,718,080.00
Aftab Zahoor Raja	Non-Executive Director	568,019.00	5,680,190.00
Muhammed Amin	Chairman and Non-Executive Director	2,964,706.00	29,647,060.00
Sarfaraz Ahmed Rehman	Independent Director	1.00	10.00
Saad Amanullah Khan	Independent Director	1.00	10.00

7.8 INTEREST OF DIRECTORS AND PROMOTERS IN PROPERTIES/ASSETS AND PROFIT OF THE COMPANY

Directors do not have any interest in property of the Company. Directors do not have any profit-sharing agreement with the Company, however, when the Company declares a dividend they will be entitled to receive the payment based on their shareholding in the Company.

7.9 REMUNERATION OF THE DIRECTORS

As per article 71, the remuneration of a Director other than regular paid Chief Executive, full time working director shall be sum as may be fixed by the directors

As per article 72, the Directors may allow and pay to any director for the purpose of attending a meeting such sum as the directors may consider fair compensation for travelling and other expenses in addition to his fee for attending such meeting as above specified and the directors may from time to time fix the remuneration to be paid to any member or members of the body constituting a committee appointed by the directors in terms of these Articles and may pay the same.

As per article 73, If any director being willing shall be called upon to perform extra services or to make any special exertion for any of the purpose of the Company, the Company shall remunerate such Director by a fixed sum as may be determined by the directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Given below is the remuneration paid to the directors over the last three years:

Remuneration (PKR)	FY 2018	FY 2019	FY 2020	9MFY21
Chief Executive Officer*			5,000,022	3,749,994
Executive Director	-	-	-	-

Since inception to date, the directors of IPAK are not entitled to any remuneration.

*This is the salary of the CEO.

7.10 BENEFITS TO PROMOTERS AND OFFICERS

No benefit has been given or is intended to be given by the Company to the promoters and officers of the Company other than remuneration for services rendered by them as full time executives of the Company.

7.11 VOTING RIGHTS

As per article 57, on a show of hands every member present in person shall have one vote so that no person present shall be entitled to cast more than one vote on a show of hands. On a poll every member present in person or by proxy shall have one vote for every share held by him.

According to article 58, a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, or other legal guardian and any such committee or legal guardian may, on a poll, vote by proxy.

7.12 AUDIT COMMITTEE

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full-time basis. The Board Audit Committee (BAC) shall meets at minimum once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information, systems of Internal Control, Risk Management, and the Audit Processes. The BAC has the power to call for information from the management and to consult directly with external auditors or their advisors, as considered appropriate. The chief financial officer and the head of internal audit will be available to attend BAC meetings by invitation to discuss matters relating to financial statements and audits

The audit committee comprises of the following members:

1. Mr. Saad Amanullah Khan (Chairman)
2. Mr. Arsalan Pirani (Member)

3. Mr. Muhammad Amin (Member)

7.13 HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full-time basis.

The human resource and remuneration committee comprises of the following members:

1. Mr. Sarfaraz Ahmed Rehman (Chairman)
2. Mr. Saad Amanullah Khan (Member)
3. Mr. Mushtaq Ali Tejani (Member)

7.14 BORROWING POWERS OF DIRECTORS

As per article 36, the Directors may from time to time exercise all the powers of the Company to obtain finance or otherwise raise or borrow money/term capital, participatory redeemable capital or in any other legal form from banks, financial institutions or from any other Institution and secure the payment of any such sum or sums of money and to mortgage or charge its undertaking, property and to issue participation term certificate, term finance certificate, Modaraba/Musharaka certificates, debentures, debenture stock and any other securities in all legal manners, whether outright or as security for any debt, liability or obligation of the Company or for any third party.

As per article 37, the Directors may raise and secure payments or repayment of such sum or sum of money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable debentures or by creating mortgage or charge or any other security on the undertaking of the whole or any part of the property of the Company, present and future, for the time being and any other securities.

As per article 38, any bonds, debentures, debenture-stocks or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, conversion into equity, allotment of shares and voting at General meetings of the Company, appointment of Directors and otherwise subject to such restrictions, as provided under the law.

As per article 39, if the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

7.15 POWERS OF DIRECTORS

The control of the Company shall be vested in the Board of Directors and the business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company and do all such acts and things as may be exercised or done by the Company as by the Companies Act or by Articles of the Company or by a special resolution expressly directed or required to be exercised or done by the Company.

7.16 INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per article 125, subject to provision of Section 194 of the Ordinance, every Director, auditor and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors to pay out the funds of the Company – all costs, losses and expenses, which any such officer or servant may incur or become liable to by reasons of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including travelling expenses and in particular, as not to limit the generality of the

foregoing provisions, against all liabilities incurred by him as such Director, manager officer or servant in defending any proceedings whether civil or criminal, in which judgements is given in his favor or he is acquitted or in connection with which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lieu on the property of Company and have priority as between the Members over all other claims

7.17 CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019. Furthermore, the Company will also ensure that:

1. by June 30th, 2021, at least half of the directors on its board;
2. by June 30th, 2022 at least 75% of the directors on its board; and
3. by June 30th, 2022 all the directors on its board

have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.

The Company shall also encourage representation of minority shareholders on its board of directors.

8 LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1 LEGAL PROCEEDINGS

There are no outstanding legal proceedings involving the Issuer, its sponsors, substantial shareholders, directors and associated companies over which the Issuer has control. There are no outstanding legal proceedings even in the normal course of business involving the Issuer, its sponsors, substantial shareholders, directors and associated companies over which the Issuer has control.

There are no outstanding legal proceedings involving CPF, PPF and GPF.

8.2 OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its sponsor and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

9 UNDERWRITING ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES

9.1 UNDERWRITING

Book Building Portion

AKD Securities Limited and Intermarket Securities Limited has been appointed as the Book Runner to the Issue. The Book Runner will underwrite the Book Building Portion of the Issue which comprises 75% of 47,625,000.00 Ordinary Shares as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

General Public Portion

The General Public Portion of the Issue of 15,875,000 Ordinary Shares will be fully underwritten as required under 7(3) of the PO Regulations.

9.2 Rate of Underwriting and Take up Commission

The names of the underwriters to the retail portion, rate of underwriting and take up commission will be published in the Supplement to the Prospectus.

9.3 BUY BACK / REPURCHASE AGREEMENT

THE BOOK RUNNER IN THE CAPACITY AS UNDERWRITER OF THE BOOK BUILDING PORTION HAS NOT ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE COMPANY OR ANY OTHER PERSON IN RESPECT OF THIS ISSUE OF SHARES.

ALSO, NEITHER THE COMPANY NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE BOOK RUNNERS IN THE CAPACITY AS UNDERWRITER OR ITS ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE BOOK RUNNERS AND ITS ASSOCIATES TAKEN UP, IF ANY, BY IT IN CAPACITY AS THE BOOK RUNNER.

9.4 COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

9.5 FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM ("CES")

Commission on application received through the e-IPO systems of PSX and CDC CES will be paid to PSX and CDC, which shall not be more than 0.8% of the total transaction value. PSX and CDC will share the fee with other participants of the e-IPO system at a ratio agreed amongst them

9.6 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

9.7 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 109,617,850/-. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Lead Manager and Book Runner Fee	2.65%	53,165,375
Underwriters commission	1.50%	8,096,250
Take up commission general public	2.00%	10,795,000
Commission to Banker for general public	0.25%	809,625
CDC and PSX E-IPO facility charge	0.80%	1,727,200
E IPO Bank charges		300,000
Brokers commission	1.00%	21,590,000
PSX listing fee		1,500,000
PSX Service fee		50,000
PSX Book Building software charges		500,000
Share Registrar, Transfer Agent and Balloting Agent		300,000
Marketing & Printing Expenses		6,000,000
CDC Fresh Issue fee	0.16%	3,454,400
CDC Annual Listing fee		680,000
SECP IPO Application Processing fee		150,000
Miscellaneous Expenses		500,000
Total		109,617,850

¹ Please note that fee mentioned in percentages above are calculated on the basis of floor price. The actual fee will be finalized once the strike price is determined in the book building process

10 MISCELLANEOUS INFORMATION

10.1 REGISTERED OFFICE/ CORPORATE OFFICE

International Packaging Films Limited

Plot No. 40-L-1,
 P.E.C.H.S., Block-6,
 Karachi.
 Phone: +92 21 34384044
 Fax: +92 42 366-61674
 Website: www.ipak.com.pk
 E-mail: info@ipak.com.pk

10.2 BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

S.No	Name	Address	Contact no.	Email
1	Bank Al Habib Limited	Showroom No. 4&5 Plot No.19-1-A, Business Centre, Block-6,P.E.C.H.S, Shahrah-e-Faisal Karachi - Pakistan	34392413	Inam.Zuberi@bankalhabib.com
2	Bank Al Habib Limited	Business Centre 19-1-A, Block-6, PECHS Karachi	34530144	1003-BM@bankalhabib.com
3	Habib Bank Limited	Habib rehmatullah road, KDA Scheme 1, Karsaz, Karachi	34520205	saira.shaukat@hbl.com
4	Meezan Bank Limited	Plot No. B/9-C, Estate Avenue, SITE Area, Karachi Pakistan	32550328	bm.khi08@meezanbank.com
5	Meezan Bank Limited	Nice Trade Orbit Block No 6 PECHS Razi Road Karachi	34370151	PBM.KHI9951@meezanbank.com
6	Faysal Bank Limited	Showroom no.3, ground floor, Citi Towers, Block 6, PECHS, Karachi.	34320135	talhajawed@faysalbank.com
7	Habib Metro Bank Limited	Showroom No. 4 City Tower Shahrah-e-Faisal, Karachi	34323562	aslam.dewani@habibmetro.com
8	Dubai Islamic Bank	Plot No 21-22 sub Block D, S.M.C.H.S, Block A Sindhi Muslim CHS (SMCHS), Karachi,	34392162	imran.ma@dibpak.com
9	Muslim Commercial Bank	Plot No. 45-A, Shop G-6, Fortune Centre, PECHS, Block-6, Nursery, Shahrah-e-Faisal, Karachi	34310168	cso0042@mcb.com.pk
10	Bank Alfalah Limited	5512 Ground floor, Fortune Centre, Shakra e faisal, Karachi, Pakistan.	34313580	hifza.ashraf@bankalfalah.com
11	Askari Bank Limited	Plot No. 33-A, Shop # 2, Citi Tower, Block 6, PECHS, Karachi.	34370093	noman.11564@askaribank.com.pk
12	MCB – Islamic Bank Limited	27-A, Business Arcade,Block# 6, PECHS, Shakra e Faisal, Karachi	34501000	muhammad.kashif@mcbislamicbank.com
13	JS Bank Limited	7th Floor, Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi – 74200, Pakistan	38907430	asif.bhatti10927@jsbl.com
14	Habib Bank Limited	172-U, BLOCK-2, P.E.C.H.S, KARACHI	34522623	shamshad.Lodhi@hbl.com
15	Standard Chartered Pakistan	14-A Block-6 PECHS Shahrah-e-Faisal Karachi	32489027	saad-ahmed.sadiq@sc.com

16	United Bank Limited	UBL Building I.I Chundrigar Road Karachi	32416403	fazal.moid@ubl.com.pk
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10.3 AUDITORS OF THE COMPANY

EY Ford Rhodes

7th floor, Progressive Plaza,
Beaumont road,
Karachi , Pakistan

Name of Engagement Partner: Mr. Tariq Feroz

Office: +92 21 111 11 39 37

Email: tariq.feroz@pk.ey.com

Website: <http://www.ey.com>

10.4 LEGAL ADVISOR OF THE COMPANY

Mohsin Tayebaly & Co.

Dime Centre, Khayaban-e-Iqbal,
Block 9, Clifton,
Karachi, Pakistan

Phone: +9221111682529

Fax: +922135870240

E-mail: contact@mtclaw.com.pk

10.5 COMPUTER BALLOTTERS & SHARE REGISTRAR

CDC Share Registrar Services Limited

Office: CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi-74400

Tel: 0800-23275

Fax: (92-21) 34326053

Email: info@cdcsrsl.com, ipo@cdcpak.com

10.6 JOINT LEAD MANAGER & JOINT BOOK RUNNERS

AKD Securities Limited

602, Continental Trade Centre,
Clifton Block 8,
Karachi, Pakistan

UAN: +92111-253-111

FAX: +92(21) 3586-7992

Website: www.akdsecurities.net

Email: ib@akdsecurities.net

Intermarket Securities Limited

5th Floor (Extension Block),
Bahria Complex IV,
Chaudhry Khaliq-uz-Zaman Road,
Clifton, Karachi

Phone: 021-37131600 Ext: 403

Website: www.imsecurities.com.pk

Email: ib@imsecurities.com.pk

10.7 BANKER TO THE ISSUE FOR BOOK BUILDING

Bank AL Habib Limited

Plot # 18, Block 10-A
 Work Co-operative Housing Society Ltd.,
 KDA Scheme No. 24,
 Gulshan-e-Iqbal,
 Karachi
 Phone: 92 21 34968750
 Email: naeem.tahir@bankalhabib.com

Meezan Bank Limited

Meezan House,
 C-25, Estate Avenue,
 SITE, Karachi
 Phone: 92333-2387-591
 Email: Ayub.Baig@meezanbank.com

Habib Metropolitan Bank Limited

2nd Floor, HBZ Plaza,
 I. I. Chundrigarh Road,
 Karachi
 Phone: +92-21-3264-8294
 Email: jawad.shami@habibmetro.com

10.8 BANKER TO THE ISSUE FOR GENERAL SUBSCRIPTION

01	Allied Bank Limited
02	Askari Bank Limited
03	Bank AL Habib limited
04	Dubai Islamic Bank Limited
05	Faysal Bank Limited
06	Habib Bank Limited
07	Habib Metropolitan Bank Limited
08	MCB Bank Limited
09	Meezan Bank Limited
10	Silk Bank Limited
11	United Bank Limited

11 MATERIAL CONTRACTS

11.1 Details of Short-Term Financing Facilities of International Packaging Films Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned	Expiry/ Review Date
Bank Al Habib Limited	Facility 1 - Letter of Credit (Sight) - Foreign I	2,300	0.10% flat	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.1 - Letter of Credit (Usance including deferred payment)	2,300	0.10% flat	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.2 - Letter of Credit (Acceptance)	2,300	0.10% flat	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.3 - Musawama Finance (Local) – (120 days maximum)	2,000	Avg. KIBOR (Tenor Corresponding) + 1.5%	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.4 - Istisna Finance (Foreign/Local)	2,000	3M KIBOR + 1.5%	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.4.1 - IERF under Istisna Finance	200	SBP Refinance Rate* + 1%	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.5 - Letter of Credit - Local (Usance) - Fuel	300	0.15% flat	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.5.1 - Letter of Credit - Local (Acceptance) - Fuel	300	0.15% flat	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 2 - Musawama Finance (Bank Risk Line) – 120 days maximum	300	Avg. KIBOR (Tenor Corresponding) + 1.5%	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 3 - Letter of Credit (Sight) - Foreign II	500	0.10% flat	24-12-2020	30-11-2021
Faysal Bank Limited	Facility 1 - Letter of Credit (Sight) - Foreign	300	0.05% per quarter	14-01-2021	31-10-2021
Faysal Bank Limited	Facility 2.1 - IERF under Istisna Finance (Bank Risk Line)	100	SBP Refinance Rate* + 1%	14-01-2021	31-10-2021

*Currently the SBP Islamic Export Refinance Rate is 2%.

11.2 Details of Short-Term Financing Facilities of Cast Packaging (Private) Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned	Expiry/ Review Date
Bank Al Habib Limited	Facility 1 - Istisna Finance (Local) – (120 days maximum)	500	Avg. KIBOR (Tenor Corresponding) + 1.5%	18-01-2021	31-05-2021*
Bank Al Habib Limited	Facility 1.1 - Letter of Credit (Sight) - Foreign	500	0.10% flat	18-01-2021	31-05-2021*
Bank Al Habib Limited	Facility 1.1 - Letter of Credit (Usance) - Foreign	500	0.10% flat	18-01-2021	31-05-2021*
Bank Al Habib Limited	Facility 1.1 - Letter of Credit (Acceptance) - Foreign	500	0.10% flat	18-01-2021	31-05-2021*

*Renewal in process.

11.3 Details of Long-Term Financing Facilities of International Packaging Films Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned	Expiry/ Review Date
Bank Al Habib Limited	Facility 1 - Ijarah I - Non Commercial Vehicle (One-Off)	20	6M KIBOR + 1.25% (Floor 5% p.a. and Cap 18% p.a.)	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 1.1 - Ijarah II - Non Commercial Vehicle (One-Off)	10	6M KIBOR + 1.25% (Floor 5% p.a. and Cap 18% p.a.)	24-12-2020	30-11-2021
Bank Al Habib Limited	Facility 2 - Diminishing Musharaka - I (Sale & Lease Back) (SBP RF Scheme for Salaries and Wages)	55.5	SBP Refinance Rate* + 3%	24-12-2020	28-12-2022
Bank Al Habib Limited	Facility 2 – Diminishing Musharaka – I (Sale & Lease Back) (SBP RF Scheme for Salaries and Wages)	68	SBP Refinance Rate* + 3%	13-08-2020	23-12-2022

*Currently the SBP Refinance Rate for Payment of Wages and Salaries of Workers and Employees is 2%.

11.4 Details of Long-Term Financing Facilities of Global Packaging Films (Private) Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned	Expiry/ Review Date
Bank Al Habib Limited	Diminishing Musharaka under ITERF	700	SBP Refinance Rate* + 4%	07-04-2021	10 years from the date of drawdown (inclusive of grace period of 2 years)
Faysal Bank Limited	Diminishing Musharaka under ITERF	300	SBP Refinance Rate* + 4%	01-03-2021	7 years from the date of drawdown

							(inclusive of grace period of 2 years)
Dubai Islamic Bank Pakistan Limited	Bank	Diminishing Musharaka under ITERF	500	SBP Refinance Rate* + 4%	22-02-2021		7 years from the date of drawdown (inclusive of grace period of 2 years)

*Currently the SBP Islamic Temporary Economic Refinance Facility Rate is 1%.

11.5 Details of Letters of Credit of Cast Packaging Films (Private) Limited

LC Number	Particulars	Supplier	Country	Establishment Date	Value in Foreign Currency	Value (PKR)*
5001LC34023/2020	SML 05 Layers Co extruded Cast Film Production Line	SML Maschinengesellschaft MBH	Austria	14-07-2020	USD 3,638,747	580,098,507
5001LC35409/2020	Vacuum Metallizer Model Expert K5 3300 Vacuum Web Coater	Bobst Manchester Ltd	United Kingdom	03-07-2020	EUR 2,021,137	384,015,986
5001LC35080/2020	High Capacity Roll Slitting and Winding Machine Model Unislit II 635	Kampf Schneid- Und Wickeltechnik GmbH & Co. KG	Germany	30-06-2020	EUR 728,100	138,210,854
5001LC42674/2020	HANDLING SYSTEM FOR CCP LINE	Bonfanti S.R.L.	Italy	18-09-2020	EUR 278,500	53,843,435

*EUR to PKR conversion rate: ~190 PKR/EUR for Vacuum Metallizer and High Capacity Roll Slitting Machine. EUR to PKR conversion rate: ~193 PKR/EUR for Handling System.

*USD to PKR conversion rate: ~160 PKR/USD.

11.6 Details of Letters of Credit of Petpak Films (Private) Limited

LC Number	Particulars	Supplier	Country	Establishment Date	Value in Foreign Currency	Value (PKR)*
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5001LC27121/ 2021	One Complete 8.7M Polyester (BOPET) Line capable of producing 3- layer Co- Extruded BO- PET film	Bruckner Maschinenbau GmbH & Co. KG	Germany	02-03-2021	EUR 19,640,000	3,731,600,000
LC/99/003/376	89/12 CHRO Blackline Slitter	Kampf Schneid- Und Wickeltechnik GmbH & Co. KG	Germany	05-08-2021	EUR 1,946,942	372,000,000

*EUR to PKR conversion rate: ~190 PKR/EUR.

11.7 Details of Letters of Credit of Global Packaging Films (Private) Limited

LC Number	Particulars	Supplier	Country	Establishment Date	Value in Foreign Currency	Value (PKR)*
5001LC56274/ 2021	One complete 10.4M BOPP Line	Bruckner Maschinenbau GmbH & Co. KG	Germany	20-04-2021	EUR 17,500,000	3,325,000,000
LC/99/003/369	108/12 CHRO Blackline Slitter	Kampf Schneid- Und Wickeltechnik GmbH & Co. KG	Germany	19-07-2021	EUR 2,242,121	426,003,180

*EUR to PKR conversion rate: ~190 PKR/EUR.

11.8 Details of Raw Material Supply Agreements of International Packaging Films Limited

TITLE OF AGREEMENT	PARTY TO THE AGREEMENT	EFFECTIVE DATE	EXPIRY DATE	PARTICULAR
Long Term Sales Agreement for Polypropylene	Petrochemical Industries Co. K.S.C.	01-01-2021	31-12-2021	Agreement for the procurement of raw materials
Sale and Supply of Polypropylene Agreement	National Petrochemicals Industrialization Marketing Company	01-01-2021	31-12-2021	Agreement for the procurement of raw materials
Sales Agreement	Basell International Trading FZE	01-01-2021	31-12-2021	Agreement for the procurement of raw materials
Sales Agreement	Basell International Trading FZE	01-01-2021	31-12-2021	Agreement for the procurement of raw materials

Note: The Agreements are subject to renewal upon the mutual consent of both the parties

11.9 Details of Machinery Supply Contract of Cast Packaging Films (Private) Limited

TYPE OF AGREEMENT	PARTY TO THE AGREEMENT	DATE
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Supply contract for CPP Production Line for Cast Packaging Films (Private) Limited	SML Maschinengesellschaft Mb	26-11-2019
Supply contract for High Capacity Roll Slitting and Winding Machine for Cast Packaging Films (Private) Limited	Kampf Schneid	23-03-2020
Supply contract for Vacuum Metalizing Machine for Cast Packaging Films (Private) Limited	Bobst Manchester	30-04-2020

Note: Please refer to Section 4.1.2 for details of Key Terms of the above-mentioned machinery.

11.10 Details of Machinery Supply Contract of Petpak Films (Private) Limited

TITLE OF AGREEMENT	PARTY TO THE AGREEMENT	DATE
Supply Contract for BOPET Production Line for Petpak Films (Private) Limited	Bruckner Maschinenbau	10-12-2020
89/12 CHRO Blackline Slitter for Petpak Films (Private) Limited	Kampf Schneid- Und Wickeltechnik GmbH & Co. KG	10-06-2021

Note: Please refer to Section 4.1.2 for details of Key Terms of the above-mentioned machinery.

11.11 Details of Machinery Supply Contract of Global Packaging Films (Private) Limited

TYPE OF AGREEMENT	PARTY TO THE AGREEMENT	DATE
Supply Contract for BOPP Production Line for Global Packaging Films (Private) Limited	Bruckner Maschinenbau	10-12-2020
Supply contract for 108/12 CHRO Blackline Slitter for Global Packaging Films (Private) Limited	Kampf Schneid- Und Wickeltechnik GmbH & Co. KG	31-05-2021

Note: Please refer to Section 4.1.2 for details of Key Terms of the above-mentioned machinery.

11.12 Details of Rental Agreements of International Packaging Films Limited

TYPE OF AGREEMENT	PARTY TO THE AGREEMENT	DATE	PARTICULAR
Rental Agreement	Abdul Hafeez	19-11-2020	Rental Agreement for Warehouse located in Raiwand, Lahore
Rental Agreement	Qamar Usman	16-10-2010	Rental Agreement for Head Office located in Karachi

11.13 Details of Land Agreements of International Packaging Films Limited

TYPE OF AGREEMENT	COMPANY	PARTY TO THE AGREEMENT	ADDRESS	AREA
Land Purchase Agreement	International Packaging Films Limited	Crescent Insurance Limited.	Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore	~6.59 acres (52.7 kanals or 1,054 marlas)
Land Purchase Agreement	International Packaging Films Limited	Muhammad Hafeez	Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore	~0.94 acres (7.55 kanals or 151 marlas)

11.14 Details of Land Agreements of Cast Packaging Films (Private) Limited

TYPE OF AGREEMENT	COMPANY	PARTY TO THE AGREEMENT	ADDRESS	AREA
Land Purchase Agreement	Cast Packaging Films Limited	International Packaging Films Limited	Manga Chowk, Roohinala, Raiwind By-Pass Road, Lahore	0.625 acres (5 kanals or 100 marlas)

Note: The land was acquired from International Packaging Films Limited for PKR 18.5 Mn (excluding charges PKR 191,500) at a rate of PKR 185,000 per Marla which was the prevailing market rate at the time of acquisition in July, 2020.

11.15 Details of Project Related Letter of Credit Facilities for Machinery Import of Cast Packaging Films (Private) Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned
Bank Al Habib Limited	Facility 1 - Letter of Credit (Sight) – Foreign – One Off Basis	757	0.10% flat	04-06-2020
Bank Al Habib Limited	Facility 1.1 - Letter of Credit (Usance/Deferred) – Foreign – One Off Basis	467	0.10% flat	04-06-2020
Bank Al Habib Limited	Facility 1.2 - Letter of Credit (Acceptance) – Foreign – One Off Basis	467	0.10% flat	04-06-2020
Bank Al Habib Limited	Facility 2 - Letter of Credit (Sight) – Foreign – One Off Basis	384.2	0.10% flat	24-06-2020
Bank Al Habib Limited	Facility 2.1 - Letter of Credit (Usance/Deferred) – Foreign – One Off Basis	192.1	0.10% flat	24-06-2020
Bank Al Habib Limited	Facility 2.2 - Letter of Credit (Acceptance) – Foreign – One Off Basis	192.1	0.10% flat	24-06-2020
Bank Al Habib Limited	Facility 3 - Letter of Credit (Sight) – Foreign – One Off Basis	58.5	0.10% flat	02-09-2020
Bank Al Habib Limited	Facility 4 - Letter of Credit (Sight) – Foreign – One Off Basis	3.1	0.10% flat	01-12-2020
Bank Al Habib Limited	Facility 5 - Letter of Credit (Sight) – Foreign – One Off Basis	49.8	0.10% flat	09-12-2020

11.16 Details of Project Related Letter of Credit Facilities for Machinery Import of Petpak Films (Private) Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned
Bank Al Habib Limited	Facility 1 - Letter of Credit (Sight) – Foreign – One Off Basis	4,222.6	0.10% flat	25-02-2021
Bank Al Habib Limited	Facility 1.1 - Letter of Credit (Usance/Deferred) – Foreign – One Off Basis	1,689	0.10% flat	25-02-2021
Bank Al Habib Limited	Facility 1 - Letter of Credit (Acceptance) – Foreign – One Off Basis	1,689	0.10% flat	25-02-2021
Habib Metropolitan Bank Limited	Facility 1 - Letter of Credit (Sight) (P&M) – Advance Payment - One Off Basis	372	0.10% flat	30-06-2021

11.17 Details of Project Related Letter of Credit Facilities for Machinery Import of Global Packaging Films (Private) Limited

Bank	Facility	Limit (PKR Million)	Markup / Commission	Date Sanctioned
Bank Al Habib Limited	Facility 1 - Letter of Credit (Sight) – One Off Basis	3,762.5	0.10% flat	07-04-2021
Habib Metropolitan Bank Limited	Facility 1 - Letter of Credit (Sight) (P&M) – Advance & Deferred Payment - One Off Basis	430	0.10% flat	30-06-2021

11.18 Details of Project Related Other Agreement of Petpak Films (Private) Limited

Title	Party	Date	Details
Memorandum of Understanding	Ahad and Associates	21-06-2021	Memorandum of Understanding for the Building, Civil Works, HVAC for the PPF Manufacturing Facility situated at Quaid-e-Azam Business Park, Sheikhpura.

11.19 Details of Project Related Other Agreement of Global Packaging Films (Private) Limited

Title	Party	Date	Details
Memorandum of Understanding	Ahad and Associates	21-06-2021	Memorandum of Understanding for the Building, Civil Works, HVAC for the GPF Manufacturing Facility situated at Quaid-e-Azam Business Park, Sheikhpura.

11.20 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of the agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

11.21 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.22 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on July 1 and ends of June 30.

12 BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1 BOOK BUILDING PROCEDURE

12.1.1 Brief Structure

The Present Issue

The Issue comprises of 63,500,000 Ordinary Shares of face value of PKR 10.00 each which constitutes 14.99% of the post-IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 34.00/share (including a premium of PKR 24.00/share), whereby 75% of the total issue size i.e. 47,625,000 Ordinary Shares will be issued through the Book Building process to the Eligible Investors. The balance 25% of the total Issue size i.e. 15,875,000 Ordinary Shares will be issued to the General Public through retail offer at the Strike Price determined through the Book Building process.

The General Public Portion of the Issue of 15,875,000 Ordinary Shares will be fully underwritten as required as required 7(3) of the Regulations. Names of Underwriters to the Retail Portion will be published in the Supplement to the Prospectus.

As per PO Regulations, any Bid above the Price Band of 40% is not acceptable. Thus, in this case, the maximum Strike Price of PKR 47.60/share can be achieved, given that Floor Price of PKR 34.00/share.

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.1.2 Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 45.00 per share, based on which the total Application Money would amount to PKR 45 million. In this case the Bid Amount will be also PKR 45 million. Since the Bidder has placed a Limit Bid of PKR 45.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 45.00 per share.

- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 1,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder, for instance bids for 0.70 million shares at PKR 42.00/- per share, 0.60 million shares at PKR 43.00/- per share and 0.50 million shares at PKR 45.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 86.2 million, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 77.7 million in the Book Building Account as Margin Money which is 100% of PKR 77.7 million and (ii) Institutional Investors shall deposit at least PKR 19.43 million in the Book Building Account as Margin Money which is 25% of PKR 77.7 million.

RESTRICTIONS:

- (i) AN ELIGIBLE INVESTOR SHALL NOT:**
- (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
 - (b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION**
 - (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
 - (d) PLACE CONSOLIDATED BID**
 - (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
 - (f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
 - (g) WITHDRAW BID**
- (ii) RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.**
- (iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE LEAD MANAGER TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNERS ARE PROVIDED IN SECTION 3A (v).

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must fill-in the part of the Bidding Form under the heading, “Dividend Mandate” to enable the Company to directly credit their cash dividend, if any, in their respective International Bank Account Number (IBAN).

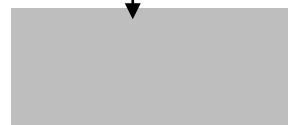
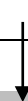
12.1.3 Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 47,625,000 Ordinary Shares
2. Floor Price: PKR 34.00/- per Ordinary Share with maximum price band of 40% i.e. PKR 47.60/- per share
3. Bidding Period: From [•]/2021 to [•]/2021
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/s hare)	Quantity	Cumulative Number of shares	Category of Order
Institution A	45.00	4,500,000	4,500,000	Limit Price
Institution B	44.50	4,600,000	9,100,000	Limit Price
HNWI A	44.00	5,500,000	14,600,000	Step Bid
Institution C	43.50	4,900,000	19,500,000	Limit Price
Institution D	43.25	3,800,000	23,300,000	Limit Price
Institution E	43.00	3,500,000	26,800,000	Limit Price
HNWI B	42.75	5,700,000	32,500,000	Limit Price
HNWI A	42.25	4,500,000	37,000,000	Step Bid
Institution F	42.00	5,900,000	42,900,000	Limit Price
Institution G	41.75	4,700,000	47,600,000	Limit Price
Institution H	41.50	4,100,000	51,700,000	Limit Price
HNWI C	41.25	4,800,000	56,500,000	Limit Price
Institution I	41.00	3,200,000	59,700,000	Step Bid
Institution H	40.75	3,100,000	62,800,000	Limit Price
HNWI D	40.50	2,600,000	62,300,000	Step Bid
Institution J	40.25	1,200,000	63,500,000	Limit Bid



HNWI E	40.00	3,000,000	66,500,000	Limit Price
Strike Price determine through Dutch Auction Method	Bid has been revised upwards and placed at PKR 41.50		Total shares bid for at and above the Floor Price	

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 40.25 per share to sell the required quantity of 63,500,000 ordinary shares.

At PKR 45.00 per share, investors are willing to buy 4,500,000 shares. Since 59,000,000 shares are still available, therefore the price will be set lower.

At PKR 44.50 per share, investors are willing to buy 4,600,000 shares. Since 54,400,000 shares are still available, therefore the price will be set lower.

At PKR 44.00 per share, investors are willing to buy 5,500,000 shares. Since 48,900,000 shares are still available, therefore the price will be set lower.

At PKR 43.50 per share, investors are willing to buy 4,900,000 shares. Since 44,000,000 shares are still available, therefore the price will be set lower.

At PKR 43.25 per share, investors are willing to buy 3,800,000 shares. Since 40,200,000 shares are still available, therefore the price will be set lower.

At PKR 43.00 per share, investors are willing to buy 3,500,000 shares. Since 36,700,000 shares are still available, therefore the price will be set lower.

At PKR 42.75 per share, investors are willing to buy 5,700,000 shares. Since 31,000,000 shares are still available, therefore the price will be set lower.

At PKR 42.25 per share, investors are willing to buy 4,500,000 shares. Since 26,500,000 shares are still available, therefore the price will be set lower.

At PKR 42.00 per share, investors are willing to buy 5,900,000 shares. Since 20,600,000 shares are still available, therefore the price will be set lower.

At PKR 41.75 per share, investors are willing to buy 4,700,000 shares. Since 15,900,000 shares are still available, therefore the price will be set lower.

At PKR 41.50 per share, investors are willing to buy 4,100,000 shares. Since 11,800,000 shares are still available, therefore the price will be set lower.

At PKR 41.25 per share, investors are willing to buy 4,800,000 shares. Since 7,000,000 shares are still available, therefore the price will be set lower.

At PKR 41.00 per share, investors are willing to buy 3,200,000 shares. Since 3,800,000 shares are still available, therefore the price will be set lower.

At PKR 40.50 per share, investors are willing to buy 2,600,000 shares. Since 1,200,000 shares are still available, therefore the price will be set lower.

At PKR 40.25 per share, investors are willing to buy 1,200,000 shares. **Since after bidding for 1,200,000 shares at PKR 40.25 per share, no shares will be available therefore the Strike Price will be set at PKR 40.25 per share for the entire lot of 63,500,000 shares.**

The Bidders who have placed Bids at prices above the Strike Price (which in this illustration is PKR 40.25 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the Bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the Bids made at the Strike Price on proportionate basis as per regulation 9(12) of the PO Regulations.

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such Bidders shall be made within three (3) working days from the close of the bidding period.

Since this Issue is being made through 75% book building, as per the regulation 7(3) of the PO Regulation, the Bidders shall be allowed to place Bids for seventy five percent (75%) percent of the issue size and the strike price shall be the price at which seventy five percent (75%) percent of the issue size is subscribed.

12.1.4 Timeframe for intimation to the successful bidders and mechanism for payment of the balance amount by the successful bidders

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

12.1.5 Book Runner to the Issue:

AKD Securities Limited and Intermarket Securities Limited have been appointed by the Issuer as Lead Manager & Book Runner to this Issue.

Roles and Responsibilities of the Book Runner

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Lead Manager and all the related employees;
8. ensure that names and UIN of all the persons mentioned under section 13.1.26 are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding five per cent (10%) is made by the associated companies and associated undertakings of the Lead Manager and the Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and

14. ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner have established bid collection centers at the following addresses (direct & fax numbers in all centers).

12.1.6 Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

	KARACHI	
Contact Officer	Muhammad Owais Ibrahim	Danyal Rizvi
Direct No.	+92 21 35374301	+92 21 35155121
PABX No.	+92 21 111 253 111 Ext. 665	+92 21 111 467 000 Ext. 403
Fax No.	+92 21 35374291	-
Email	owais.ibrahim@akdsecurities.net	danyal.rizvi@imsecurities.com.pk
Postal Address	602, Continental Trade Centre, Block 8, Clifton, Karachi – Pakistan	5 th Floor, Extension Block, Bahria Complex 4, Chaudhri Khaliq-uz-Zaman Road, Clifton, Gizri, Karachi – Pakistan
	LAHORE	ISLAMABAD
Contact Officer	Ehsan Ahmad Qureshi	Khalid Hussain
Direct No.	+92 42-111-253-111	+92-51-2894325
Fax. No.	+92-42 36280745	+92-51 2894323
Email	ehsan.ahmad@akdtrade.com	malik.khalid@akdtrade.com
Postal Address	Room No: 512-513, 5th Floor, Lahore Stock Exchange Building, Lahore - Pakistan.	Room No: 302 - 303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Islamabad -Pakistan.
	FAISALABAD	ABBOTABAD
Contact Officer	Aun Raza	Ali Asghar
Direct No.	+92-41-2620361	+92-992-381431-33
PABX No.	+92-41-2620365-68 Ext. 101	+92-992-408215-17
Fax No.	-	+92-992-408218
Email	aun.raza@akdtrade.com	ali.asghar@akdtrade.com
Postal Address	Office No. 3, First Floor, Meezan Executive Tower, Liaquat Road, Faisalabad	Office # 6, First Floor, Sarmayakari Markaz, Al-Fateh Shopping Center, Opposite Radio Station, Mansehra Road, Abbottabad
	QUETTA	PESHAWAR
Contact Officer	Ubaid-ur-Rehman	Umar Hayat
Direct No.	+92-81-2845308	+92-91-5275784
Fax. No.	-	-
Email	ubaid.rehman@habibmetro.com	umar.hayat@habibmetro.com
Postal Address	Shop # 2-7/35, Sharrah-e-Iqbal, Quetta	HabibMetro Bank Ltd 95-A Saddar road Peshawar CANTT
	AZAD KASHMIR	GILGIT BALTISTAN
Contact Officer	Ayesha Parveen	Ehsan Ali
Direct No.	+05-82-7448040	+92-346-9560543/+05-81-450718
Fax. No.	-	+05-81-450722
Email	ayesha.parveen@habibmetro.com	ehsan.sultan@habibmetro.com

Postal Address	Habib Metropolitan Bank, Ezaz Plaza, Allama Iqbal Road, Mirpur AJK, Azad Kashmir	Snow Leopard Market, Shahrah-e-Quaid-e- Azam, Jutial, Gilgit
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12.1.7 Roles and Responsibilities of the Designated Institution

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
 - a. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
6. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
7. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
8. Discover the strike price at the close of the Bidding Period;
9. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
10. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.1.8 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. the Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;

2. the Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not been sponsors or substantial shareholders in any company:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Lead Manager, Book Runner, Underwriter, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
5. the shares shall be issued in book-entry form only.

12.1.9 Opening and Closing of the Registration Period

The Registration period shall be for **Five (5)** working days as under:

REGISTRATION PERIOD	
[•]/2021	9:00am to 5:00pm
[•]/2021	9:00am to 5:00pm
[•]/2021	9:00am to 5:00pm
[•]/2021	9:00am to 5:00pm
[•]/2021	9:00am to 3:00pm

12.1.10 Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2)** working days as under:

BIDDING PROCESS STARTS ON	[•]/2021 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	[•]/2021 (9:00 AM to 5:00 PM)

12.1.11 Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000/- (Rupees One Million only).

12.1.12 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of AKDS and IMS and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Lead Manager, Book Runner, the Company, and the Exchange i.e. <https://www.akdsecurities.net/default.aspx>, <http://www.imsecurities.com.pk/>, <http://www.ipak.com.pk/>, and www.psx.com.pk.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in **Section 10.6** for registration for submitting their Bids.

4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.13.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12.1.6 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF BANK AL HABIB LIMITED, HABIB METROPOLITAN BANK LIMITED AND MEEZAN BANK LIMITED (THE BANKERS TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY BANK AL HABIB LIMITED, HABIB METROPOLITAN BANK LIMITED AND MEEZAN BANK LIMITED TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT BANK AL HABIB LIMITED, HABIB METROPOLITAN BANK LIMITED AND MEEZAN BANK LIMITED.

12.1.13 Registration form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in Section 12.1.6 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for Five (5) working days i.e. [•]/2021 to [•]/2021 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on [•]/2021.
 - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
 - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in Section 12.1.6.
 - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
 - The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder or its associates.
 - Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**

- The pay order shall be made in favor of “**International Packaging Films Limited - Book Building**”. For online transfer the payment shall be made into Account No. the Account [.] maintained at **Bank AL Habib Limited – [.] Branch** Account [.] maintained at **Habib Metropolitan Bank Limited – [.] Branch** or Account No. [.] maintained at **Meezan Bank Limited – [.] Branch**. Please note that online transfer facility shall only be allowed to Bank AL Habib Limited, Habib Metropolitan Bank Limited and Meezan Bank Limited customers.
- Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made “Payable at any Branch”. Intra city payment instruments that are not made “Payable at any Branch” will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

12.1.14 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
 - Bids can be placed either at the “Limit Price” or as a “Step Bid”. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).
 - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see **Section 12.1.6** for addresses and contact detail of persons at the Bid Collection Centers.
 - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
 - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.

- The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
- The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
- **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**
- **The Bidders shall not withdraw the Bids.**
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third-party payment instruments shall not be accepted.
- The Book Runner may on its own discretion accept a bid without Margin Money, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the “Order Book”). The Order Book should also show the revised bids and the bids withdrawn. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in **Section 12.1.22** of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares **provisionally** allotted to each of them. The successful bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in **Section 13.1.12**

- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

12.1.15 Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of **“International Packaging Films Limited - Book Building”** or online transfer of the Bid money into the respective Book Building account [.] maintained at **Bank AL Habib Limited – [.] Branch or Account No. [.] at Habib Metropolitan Bank Limited – [.] Branch or Account No.[.] maintained at Meezan Bank Limited – [.] Branch**, and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into **the Account [.] maintained at Bank AL Habib Limited – [.] Branch Account [.] maintained at Habib Metropolitan Bank Limited – [.] Branch or Account No. [.] maintained at Meezan Bank Limited – [.] Branch** with the Account Title **“International Packaging Films Limited - Book Building”**. Please note that online transfer facility shall only be allowed for **Bank AL Habib Limited, Habib Metropolitan Bank Limited and Meezan Bank Limited** customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF “INTERNATIONAL PACKAGING FILMS LIMITED – BOOK BUILDING” IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 million shares at a price of PKR 45.00/- per share, then the total Application Money would amount to PKR 45 million. In such a case, (i) Individual Investor shall deposit PKR 45 million

in the Book Building account as the bid amount which is 100% of PKR 45 million; and (ii) Institutional Investor shall deposit at least PKR 11.25 million in the Book Building account as the Margin Money which is 25% of PKR 45 million.

▪ PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 0.70 million shares at PKR 42.00/- per share, 0.60 million shares at PKR 43.00/- per share and 0.50 million shares at PKR 45.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 86.2 million, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 77.7 million in the Book Building Account as Margin Money which is 100% of PKR 77.7 million and (ii) Institutional Investors shall deposit at least PKR 19.43 million in the Book Building Account as Margin Money which is 25% of PKR 77.7 million.

12.1.16 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in [Section 12.1.15](#) of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 of this Prospectus.

The shares issued to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

12.1.17 Procedure for Rejection of Bids

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

12.1.18 Time frame for upward revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.1.19 Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 34.00 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 34.00 per share, registered bidders may place or revise their bids at/to any price between PKR 34.00 per share to PKR 37.40 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 34.00 per share to PKR 36.00 per share, the registered bidders may place or upward revise their bids at/to between PKR 36.00 per share to PKR 39.6 per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. Rs.47.60 per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.1.20 Restriction on Downward Revision or Withdrawal of Bids by the Bidder

Under regulation (10)(2)(vi) of the PO Regulations the Bidders shall not make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

Under regulation (10)(2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

12.1.21 Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).

12.1.22 Basis of Allotment of Shares

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

12.1.23 Refund of Margin Money

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

12.1.24 Publication of Supplement to the Prospectus

In accordance with regulation 11(1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13 APPLICATION AND ALLOTMENT INSTRUCTION

13.1.1 Eligible Investors Include:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

APPLICATION MUST BE MADE ON SECP's APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

13.1.2 Copies of Prospectus

Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their branches, the Lead Manager, the Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<http://www.akdsecurities.net>, <http://www.imsecurities.com.pk> , <http://ipak.com.pk/>, www.psx.com.pk & www.cdceipo.com;

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

NAMES(S) AND ADDRESS(ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED

ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

13.1.3 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on [•]/2021 and will close on [•]/2021 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on [•]/2021.**

13.1.4 E-IPO SYSTEM

e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:

1. PSX's e-IPO System (PES):

In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>).

Investors can register themselves online at any time 24/7. On behalf of an investors, registration can also be done by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on DD/MM/YYYY. On behalf of investors, e-IPO applications can also be filed by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Subscription money can paid by the investor through 1LINK or NIFT. On behalf of investors, subscription money can also be paid by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122 or (021)-35274401-10, and email: itss@psx.com.pk.

2. Centralized e-IPO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

3. E-IPO Facilities by Bankers to the Issue

Currently, United Bank Limited (UBL) is providing e-IPO facilities to their respective accountholders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

Account holders of UBL can submit their applications through the above-mentioned link 24 hours a day during the subscription period which will close at midnight on xxx.

Account holders of UBL can submit their applications through the above-mentioned link 24 hours a day during the subscription period which will close at midnight on [.].

13.1.5 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Headmaster of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

13.1.6 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Headmaster of High School or bank manager in the country of applicant's residence can attest copies of such documents.
2. Attested photocopies of the documents mentioned in 13.1.5 must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

13.1.7 ADDITIONAL INSTRUCTIONS FOR INVESTORS

1. **Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.**
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "**International Packaging Films Limited - General Subscription**" and crossed "**A/C PAYEE ONLY**".

4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

13.1.8 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / Non- resident investors should follow payment instructions given in [Section 12.1.16](#) of this Prospectus.

13.1.9 CODE OF OCCUPATION OF INVESTORS/APPLICANTS

Code	Occupation
01	Business
02	Business Executive
03	Service
04	Housewife
05	Household
06	Professional
07	Student
08	Agriculturist
09	Industrialist
10	Other

13.1.10 NATIONALITY CODE

Code	Name of Country
001	U.S.A
002	U.K
003	U.A.E
004	K.S.A
005	Oman
006	Bangladesh
007	China
008	Bahrain
009	Other

13.1.11 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. **SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
 - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.

- If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
 - First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then
 - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
 8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
 9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.12 BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.2 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.3 ISSUE AND CREDIT OF SHARE CERTIFICATES

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.4 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.5 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	Allied Bank Limited
02	Askari Bank Limited
03	Bank Al Habib Limited
04	Dubai Islamic Bank
05	Faysal Bank Limited
06	Habib Bank Limited
07	Habib Metropolitan Bank Limited
08	MCB Bank Limited
09	Meezan Bank Limited
10	Silk Bank Limited
11	United Bank Limited*

*These Banks are providing their own e-IPO facilities. Account holders of these Banks may apply for subscription of shares electronically.

13.6 MINIMUM AMOUNT OF APPLICATION

As per PO Regulations, the minimum amount of application shall not be less than the **“Issue Price x 500 shares”**

13.7 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.8 ELIGIBILITY FOR DIVIDEND

The Ordinary Shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.9 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.10 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

Serial #	Capital Gain Tax for FY 21	Filer	Non-Filer
1	Applicable Capital Gain Tax Rate	12.5%	30%

13.11 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15%

13.12 TAX ON BONUS SHARES

As per section 236M of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been omitted and will not be applicable from 1st July 2018 and onwards.

13.13 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.14 DEFERRED TAXATION

Deferred tax is accounted for using the balance sheet liability method in respect of on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As of March 30th, 2020, Company has reported a deferred tax liability of PKR 729.5 million.

13.15 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

13.16 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.17 TAX CREDIT FOR INVESTMENT IN IPO

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

14 SIGNATORIES TO THE PROSPECTUS

Naveed Godil
Chief Executive Officer

Muhammad Amin
Chairman

Mushtaq Ali Tejani
Director

Taimoor Iqbal
Director

Arsalan Pirani
Director

Aftab Zahoor Raja
Director

Muhammad Amin
Director

Sarafaraz Ahmed Rehman
Director

Saad Amanullah Khan
Director

WITNESSES:

Name:
CNIC:

Name:
CNIC:

Certified by:

Haris Salim
Company Secretary

15 MEMORANDUM OF ASSOCIATION

THE COMPANIES ACT, 2017
(Company Limited by Shares)
MEMORANDUM OF ASSOCIATION
OF
INTERNATIONAL PACKAGING FILMS LIMITED

- I. The name of the Company is "**International Packaging Films Limited**"
- II. The Registered Office of the Company will be situated in the Province of Sindh.
- III.
 - (i) The principal line of business of the Company shall be to carry on the business of manufacturing, selling, exporting or dealing in flexible packing material primarily comprising BOPP (Biaxially Oriented Polypropylene) Film, CPP (Cast Oriented Polypropylene) Film BO-PET (biaxially-oriented polyethylene terephthalate), HDPE (Bi-axially oriented high-density polyethylene) Film and their allied products.
 - (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or induce, directly or indirectly in the business of a Banking Company, Non-banking Finance Company, Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business, Insurance Business, Mudharaba management company, Stock Brokerage business, forex, managing agency business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
 - (iv) It is hereby undertaken that the Company shall not:
 - a. engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - b. launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business; and
 - c. engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.
- IV. The liability of the members is Limited.

- 1 -

Certified True Copy
International Packaging Films Ltd


 Company Secretary




- V. The authorized share capital of the Company is Rs. 4,300,000,000/- (Rupees Four Billion Three Hundred Million Only) divided into 430,000,000 (Four Hundred Thirty Million Only) ordinary shares of Rs. 10/- (Rupees Ten Only) each with powers to increase and reduce the capital of the Company and to divide the shares, in the capital for the time being into several classes and to vary, modify or abrogate any such rights, privileges and conditions attached thereto in such manner as may be consistent with the provisions of the Companies Act, 2017.

Certified True Copy
International Packaging Films Ltd.


Company Secretary



16 REGISTRATION FORM

 INTERNATIONAL PACKAGING FILMS LIMITED	Book Runner	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL <input type="checkbox"/> ABT <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> GLT/BLT						
	 AKD Securities Limited	 INTERMARKET <small>SECURITIES LTD</small>	<table border="1"> <tr> <td>Registration Dates</td> <td>XX/XX/XXXX</td> </tr> <tr> <td>Bidding Dates</td> <td>XX/XX/XXXX</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Registration Dates	XX/XX/XXXX	Bidding Dates	XX/XX/XXXX	Bidding Form No.
Registration Dates	XX/XX/XXXX							
Bidding Dates	XX/XX/XXXX							
Bidding Form No.								

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF GAS & OIL PAKISTAN LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 85.00 85.00 PER SHARE (INCLUDING A PREMIUM OF PKR 75.00 75.00/- PER SHARE)

**PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE.
ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.**

Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	

PLEASE TICK THE APPROPRIATE BOX

<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Resident
<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Non Resident
<input type="checkbox"/> Individual Investor	<input type="checkbox"/> Foreigner

Nationality
(If other than Pakistani)

***INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Payment Details:	Payments to be made in favor of "International Packaging Films Limited - <i>Book Building</i> "		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			
CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	
CDC Details for Investor A/C			
CDC Investor Service A/C ID		CDC Investor A/C No.	

I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.

I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.

Signature of Bidder: _____

17 BIDDING FORM

	Joint Book Runners 	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSL <input type="checkbox"/> ABT <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> GLT/BLT Bidding Dates _____ Bidding Form No. _____	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF INTERNATIONAL PACKAGING FILMS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 34.00 PER SHARE (INCLUDING A PREMIUM OF PKR 24.00/- PER SHARE)			
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE			
Name	PLEASE TICK THE APPROPRIATE BOX		
	<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Individual Investor
Address	Cell #	Resident	Nationality (If other than Pakistani)
	Land Line #	Non-Resident	
		Foreigner	
Fax #	E-mail:	CNIC/UIN/Passport	
		NTN*	
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.			
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:			
Title of Account			
Account Number			
Bank Name			
Branch Name & Address			
The Directors of International Packaging Films Limited Plot # 40, L-1, P.E.C.H.S., Block 6, Karachi, Pakistan – 75400 Dear Sir, On the basis of Prospectus by International Packaging Films Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:			
Bid Details			
	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
Bid Option (Please tick)			
Limit Order			
Step Order:			
Option (1)			
Option (2)			
Option (3)			
Option (4)			
Total (Shares and Price)			
Important Instructions: 1) Bids should be placed for a minimum amount of PKR 1,000,000/-. It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least PKR 1,000,000/-. 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to PKR 1,000,000/- at least. 3) Any Bid received below the Floor Price will not be accepted by the Book Runner. 4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. 5) An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.			
Signature of Bidder: _____		 For investor education please visit www.jamapuri.pk Jama Puri is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan	

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filing of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FOREIGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of "**International Packaging Films Limited- Book Building**". For online transfer facility (pay order or demand draft may be deposited at any branch of Bank AL Habib Limited, Habib Metropolitan Bank Limited and Meezan Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # [.] being maintained at Bank AL Habib Limited [.] branch, A/C # [.] being maintained at Habib Metropolitan Bank Limited [.] branch and A/C # [.] being maintained at Meezan Bank Limited [.] branch
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders "**payable at any branch**" will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can only upward revise their bids online. Please visit www.bkb.psx.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the floor price. **However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: _____



For investor education please visit www.jamapunji.pk
 Jama Punji is an Investor Education Initiative of the
 Securities & Exchange Commission of Pakistan

To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

18 GENERAL SUBSCRIPTION FORM

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(3) OF THE SECURITIES ACT, 2015

تعمیراتی اور غیر تعمیراتی درخواستیں ایک ہی فارم پر جمع کی جاسکتی ہیں۔ اگر آپ کو کوئی شک ہے تو براہ کرم اس فارم سے احتیاط سے نمٹیں۔

تعمیراتی اور غیر تعمیراتی درخواستیں ایک ہی فارم پر جمع کی جاسکتی ہیں۔ اگر آپ کو کوئی شک ہے تو براہ کرم اس فارم سے احتیاط سے نمٹیں۔

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.

INTERNATIONAL PACKAGING FILMS LIMITED
APPLICATION FOR SUBSCRIPTION OF SHARES

As per the Section 72 of Companies Act, 2017, the Company shall have shares in book-entry form only. Therefore, shares of International Packaging Films Limited shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.3 on the reverse hereof)

IPAK
INTERNATIONAL PACKAGING FILMS LIMITED

The Directors of International Packaging Films Limited
Plot # 40, L-1, P.E.C.H.S.,
Block 6, Karachi,
Pakistan - 75400

Do you want to avail CDC's facility of IPO FACILITATION ACCOUNT
Yes No

1) I/We apply for the following number of Shares at Issue Price for the value indicated below:

No. of Shares Applied For	Amount Payable in PKR	Cheque/ Demand Draft/Pay Order No.
---------------------------	-----------------------	------------------------------------

2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if No Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.

3) DECLARATION

I/We declare that: (i) I am/We are not a minor(s); (ii) I/We have not made nor have I/We instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fiduciary name; (iii) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/We understand that I/We shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time. Yours faithfully,

Signature(s) _____

4) ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN

(i) Name in Full (as per CNIC) _____
Please Tick

Father's/Mother's Name (as per CNIC) _____
Identity Number (CNIC/Passport/Registration No.) _____
Identity Number (NTN) _____

Full Address (Including Email Address) _____

Phone No. (Including Mobile Number) _____
Occupation Code _____ Muslim Non Muslim

International Bank Account Number (IBAN) _____
Bank Name _____
Branch Name & Address _____

Additional Information - For Non-Resident Pakistanis and Foreign Investors Only

Place of Issue of Passport _____ Date of Issue of Passport (MM/YYYY) (DD) _____
Corporate Business Letter enclosed Yes No Nationality Code _____ Country of Residence _____

5) FOR JOINT HOLDER, IF ANY

(i) Name in Full (as per CNIC) _____
Please Tick

Identity Number (CNIC/Passport/Registration No.) _____
Consent Mandate: Mark tick (✓) in the appropriate boxes Yes No

In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholder Holder bank account, instead through dividend warrants, please fill in the following boxes:

Title of Account _____
International Bank Account Number (IBAN) _____
Bank Name _____
Branch Name and Address _____
Signature of the Applicant as per the Bank account _____

(TO BE FILLED IN BY THE APPLICANT'S BANKER)

6) It is certified that the above-mentioned applicant(s) is/are maintaining account number as mentioned above at the bank branch and his/her/their particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through the branch. We also confirm that the original CNIC/Passport has been seen by us.

Bank's Authorized Signatory
Bank's Rubber Stamp

7) NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC) _____
SPECIMEN SIGNATURE(S) OF THE APPLICANT _____

80 _____
90 _____

Bankers to the Issuer's Provisional acknowledgment of application for shares of The Origin: Mast Company Limited _____ application for _____ Shares _____

Name of Bank _____ Branch Code _____ Application Serial No. _____ Date of Receipt _____
Signature of Authorized Representative & Rubber Stamp of Receiving Bank _____

IMPORTANT: (i) This is NOT A RECEIPT by the Applicant. (ii) Please read instructions provided with this application.

APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible investors include:
 - Foreign citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistan nationality;
 - Foreign Nationals whether living in or outside Pakistan;
 - Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan to the extent permitted by their constitutive documents and existing regulations, as the case may be;
 - Mutual Funds, Provident pension funds, trusts, (subject to the terms of the Trust Deed and existing regulations); and
 - Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
- Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, the Contactee to the Issue and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: <http://www.ipak.com.pk>, <http://www.ipo.com.pk>, <http://www.ahdc securities.net>, <http://www.interestfree.com.pk>, <http://www.ubid.com.pk>
- The Applicants are required to complete the relevant sections of the application to get the Shares in book entry form. In accordance with provisions of the Central Depositories Act, 1987 and the CDC Regulations, credit of such Shares are allowed ONLY in the applicant's own CDC Account.
- Names and addresses must be written in full block letters, in English and should not be abbreviated.
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis)/Passport (in case of non-resident Pakistanis and PIO) as the case may be, should be enclosed and the number of CNIC/Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government/Govt. Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
 - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be returned by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - Applications made by companies, corporate bodies, mutual funds, provident/pensioning/charity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument/document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
 - Attested photocopies of the documents mentioned in i) (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, after verification, be returned by the bank branch along with the application.
- Only one application will be accepted against each Applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares will be credited to the CDC account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded to cheque or other means to be used, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
- Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "International Packaging Films Limited - General Subscription" and crossed "NO PAYEE ONLY".
- For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.
- Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.
- To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholder, the applicants must fill in relevant part of the Shares Subscription Form under the heading "Dividend Mandate".
- Shares will be issued only in the book-entry form. Therefore, the applicants must provide their CDC account Number in the Shares Subscription Form.
- Applications are not to be made by minors and/or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the applicant liable and the applicant or the bank shall be liable for legal action.
- Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
- It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such amount instead of remitting the same by cheque, pay order or bank draft. Applicants should, however, not fail to give their bank account numbers.
- Submission of false and false applications is an offence under section 837 of the Securities Act, 2015 and such applications' money is liable to confiscation under section 838 of the Securities Act, 2015.

عوام و ناس مطلع کیا جاتا ہے کہ سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن 87(7) کے تحت سہولتی پر عمل درآمد فرمائیں۔ جتنے عوام و ناس سہولت سے بہتر استفادہ کر رہے ہیں۔ جو کہ سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن 87(8) کے تحت سہولتی پر عمل کرتے رہیں۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- Foreign / Non - resident investor's should follow payment instruction given in Section 13 of the Prospectus.

BASES OF ALLOTMENT

- The minimum value of application for subscription of 500 shares (base Price x 500 shares) Application for amount below the minimum value shall not be entertained.
- Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
- Allotment of Shares to successful applicants shall be made in accordance with the relevant criteria/instructions disclosed in the Prospectus.
- Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
- The Company will credit the respective CDC accounts of the successful applicants.

BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	Alfalah Bank Limited	07	Bank of Punjab Limited
02	Azadi Bank Limited	08	MCB Bank Limited
03	Bank of Habib Limited	09	Meezan Bank Limited
04	Qada Islamic Bank Pakistan Limited	10	Sah Bank Limited
05	Faisal Bank Limited	11	United Bank Limited
06	Habib Bank Limited		

II. OCCUPATION CODE

Code	Description	Code	Description
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculture
04	Housewife	09	Industrialist
05	Household	10	Other

- In order to facilitate investors, United Bank Limited (UBL), Bank Alfalah Limited (BAFL), and Faisal Bank Limited (FBL) are offering electronic submission of application (e-PO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via <http://www.ubl.com.pk/ipo>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on 15/01/2025.
- The Central Depository Company of Pakistan (CDC) has developed a Computerized e-PO System (CES) through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in the IPO which can be accessed through the web link www.ipo.com.pk. Payment of subscription money can be made through UBL's member banks available for CES, list of which is available on above website.
- For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filing the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDC Account (Investor Account or sub Account) may register themselves with CES.
- Investors who do not have CDC account may visit www.ipo.com.pk for information and details. For further guidance and queries regarding CES and opening of CDC account, investors may contact CDC at phone number 3860 - 20275 (CDCPL) and e-mail info@ipo.com.pk or contact SA Farooq Ahmed at Phone 021-3430553 and email farooq.ahmed@ipo.com.pk. For further details on CES, please refer section 13 (j) of the Prospectus.

13. NATIONALITY CODE

Code	Name of Country	Code	Name of Country
001	U.S.A.	306	Bangladesh
002	U.K.	307	China
003	U.S.A.	308	Bahrain
004	U.S.A.	309	Other
005	Other		

For further queries you may contact:

International Packaging Films Limited: Mr. Haris Salim; Phone: +92 34384044; E-mail: haris.salim@ipak.com.pk
 AKD Securities Limited: Mr. Ovais Bhatani; Phone: +92 21 35360533; E-mail: ovais.bhatani@akdscurities.net
 Intermarket Securities Limited: Mr. Garyal Rizvi; Phone: +92 21 35155121; E-mail: garyal.rizvi@intermarket.com.pk