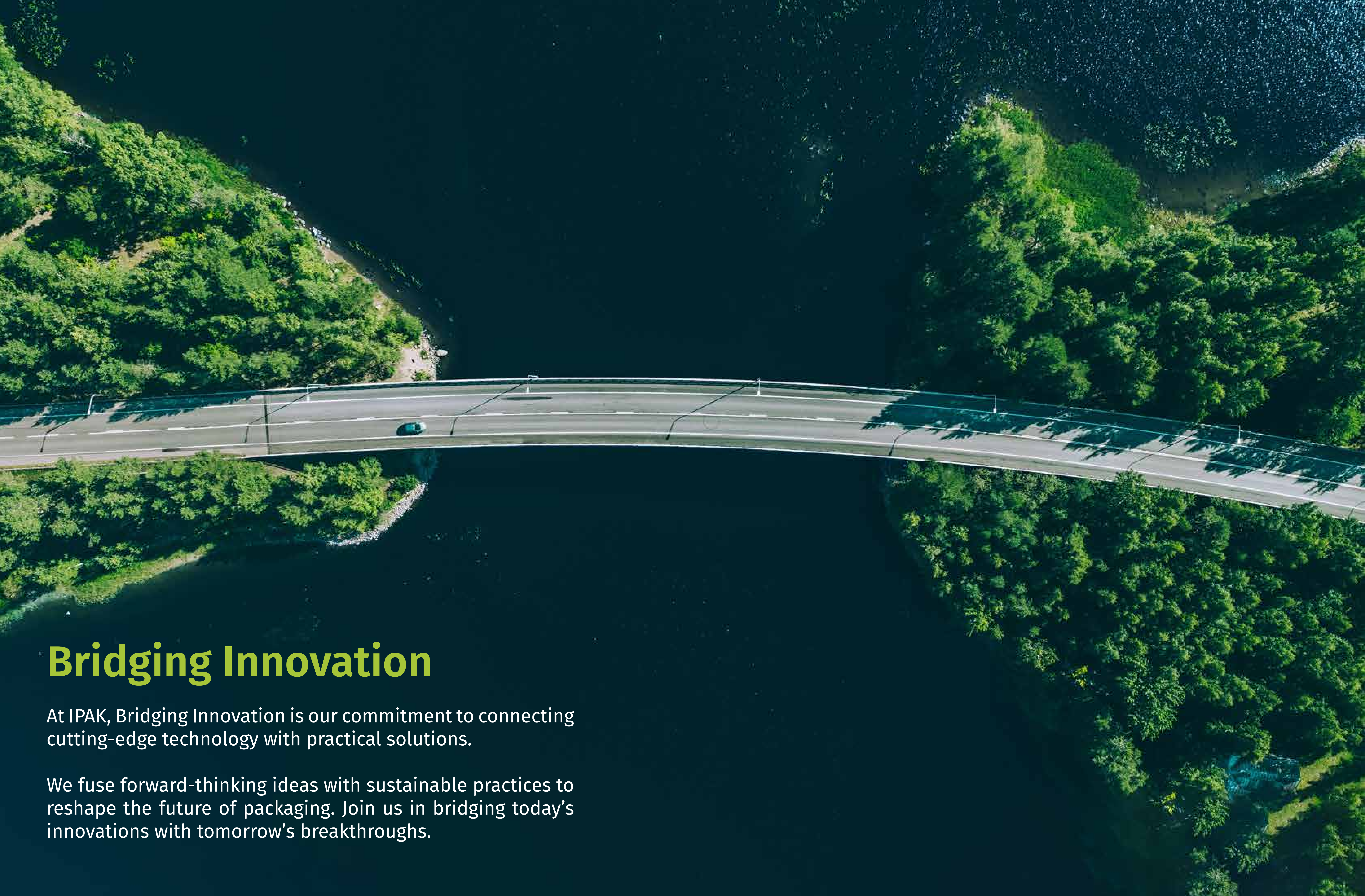
IPAK

INTERNATIONAL PACKAGING FILMS LIMITED

Bridging Innovation

ANNUAL REPORT '24



Bridging Innovation

At IPAK, Bridging Innovation is our commitment to connecting cutting-edge technology with practical solutions.

We fuse forward-thinking ideas with sustainable practices to reshape the future of packaging. Join us in bridging today's innovations with tomorrow's breakthroughs.

CEO'S Message

Dear Shareholders,

I am pleased to address you at the close of what has been an eventful and milestone-filled year for our company. Together with our three subsidiaries, we have achieved a remarkable position becoming the largest producer of packaging films in Pakistan. This is a testament to the hard work and commitment of our team, as well as the trust of our valued customers and stakeholders.

One of our proudest accomplishments this year was the successful listing of our company on the Pakistan Stock Exchange (PSX) through a well-received Initial Public Offering (IPO). The positive reception from investors reflects confidence in our long-term vision and growth potential. Despite the economic challenges faced by Pakistan, we are navigating these headwinds with resilience and determination.

As we move forward, I urge all shareholders to remain focused on our long-term strategy. It takes time to fully realize the potential of the significant production capacities that have recently come online. Additionally, the synergies between our group companies are expected to generate even greater value in the near future. These steps are critical to unlocking sustainable growth and enhancing shareholder value.

I also like to bring to the attention of policymakers the challenges posed by the new provincial regulations on plastic packaging materials, as well as the proposed Free Trade Agreement (FTA) with Gulf countries. These developments may cause significant difficulties for the industry, especially given the rising domestic business costs. Additionally, the current interest rates threaten both the sustainability and growth of local industries in the near future.

I would like to express my sincere gratitude to our management team for their loyalty, dedication, and hard work, which have been instrumental in our success. I also extend my thanks to the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) for their unwavering support throughout this journey. To our customers, your continued trust remains the cornerstone of our progress. Finally, I thank all other stakeholders who have contributed to our achievements.

We look forward to continuing this journey with you and building a stronger, more prosperous future together.

Warm regards,

Naveed Godil
Chief Executive Officer

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Organisational Overview and External Environment

Company Information

Board of Directors

Mr. Muhammed Amin	Chairman
Mr. Naveed Godil	Chief Executive Officer
Mr. Sarfaraz Ahmed Rehman	Independent Director
Mr. Saad Amanullah Khan	Independent Director
Mr. Aftab Zahoor Raja	Non- Executive Director
Mr. Mushtaq Ali Tejani	Non- Executive Director
Mr. Arsalan Pirani	Non- Executive Director
Mr. Taimoor Iqbal	Non- Executive Director
Mr. Abdul Aleem Tinwala	Non- Executive Director
Mr. Fazal ur Rehman	Non- Executive Director

Chief Executive Officer

Mr. Naveed Godil

Audit Committee

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

Human Resource and Remuneration (HR&R) Committee

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

Executive Management Team

Mr. Naveed Godil	Chairman
Mr. Mohsin Anwer	Group Chief Financial Officer
Mr. Muhammad Arif Malik	Group Director (Technical & Projects)
Mr. Muhammad Kamran Khan	Group Director (Production Operations)
Mr. Muhammad Asadullah Butt	Group Head Research & Development
Mr. Syed Athar Bukhari	Group Head HR & Admin
Mr. Muhammad Adnan Saleem	Head of Commercial
Mr. Khalid Mahmood	Group Head Sales & Marketing

Chief Financial Officer

Mr. Mohsin Anwer

Company Secretary

Mr. Fahad Alam

External Auditors & Advisor

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Fazle Ghani Advocates
K-Legal Advocates

Shares Registrar

CDC Share Registrar Services Limited
Email: info@cdcsrsl.com

Website

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

Registered Office

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

Plant

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

Banks

Bank Al Habib Limited
Meezan Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Bank Alfalah Limited
Askari Bank Limited
JS Bank Limited
MCB - Islamic Bank Limited
Standard Chartered Pakistan Limited
Muslim Commercial Bank
United Bank Limited

About the IPAK group

IPAK, together with its subsidiaries — Cast Packaging Films (Private) Limited (CPAK), Petpak Films (Private) Limited (PETPAK), Global Packaging Films (Private) Limited (GPAK) and IPAK Connect Packaging Materials Trading FZCo — is strategically positioned across multiple key locations. Collectively, the group forms the largest flexible packaging films manufacturing entity in Pakistan, with a total nameplate capacity exceeding 150,000 tons per annum, spread over 50 acres. Established in 2015, International Packaging Films Limited (IPAK) began as a greenfield project, specialising in the production of Biaxially Oriented Polypropylene (BOPP) films, using its state-of-the-art 8,700mm co-extruded BOPP production line from Bruckner Maschinenbau (Germany). The group offers a diverse portfolio of packaging solutions, including BOPP, CPP, and BOPET films, making it the first in Pakistan to provide one-window flexible packaging solutions, both domestically and globally.

Key Facts

2024

4 Production Facilities

600+ Employees

150,000T Name plate capacity

3 Product Lines

FAST GROWING FILMS MANUFACTURER IN PAKISTAN

PIONEER OF 5-LAYERS FILM IN PAKISTAN

LARGEST PACKAGING FILM MANUFACTURER

Vision

To be the global leader in innovative packaging solutions

Mission

To transform IPAK into a premier global brand, renowned for sustainable packaging innovations, superior quality, exceptional service and remarkable talent

Core Values

We shall abide by our corporate values while we strive to realize our Vision through our Mission.

Integrity:
Uphold the highest standards of honesty and transparency in all actions and decisions. Commit to doing what is right, even when it's challenging, to build trust and credibility with stakeholders.

Sustainability:
Prioritise environmentally friendly practices and advocate for sustainable development. Strive to minimise the ecological impact and contribute positively to the community and the planet.

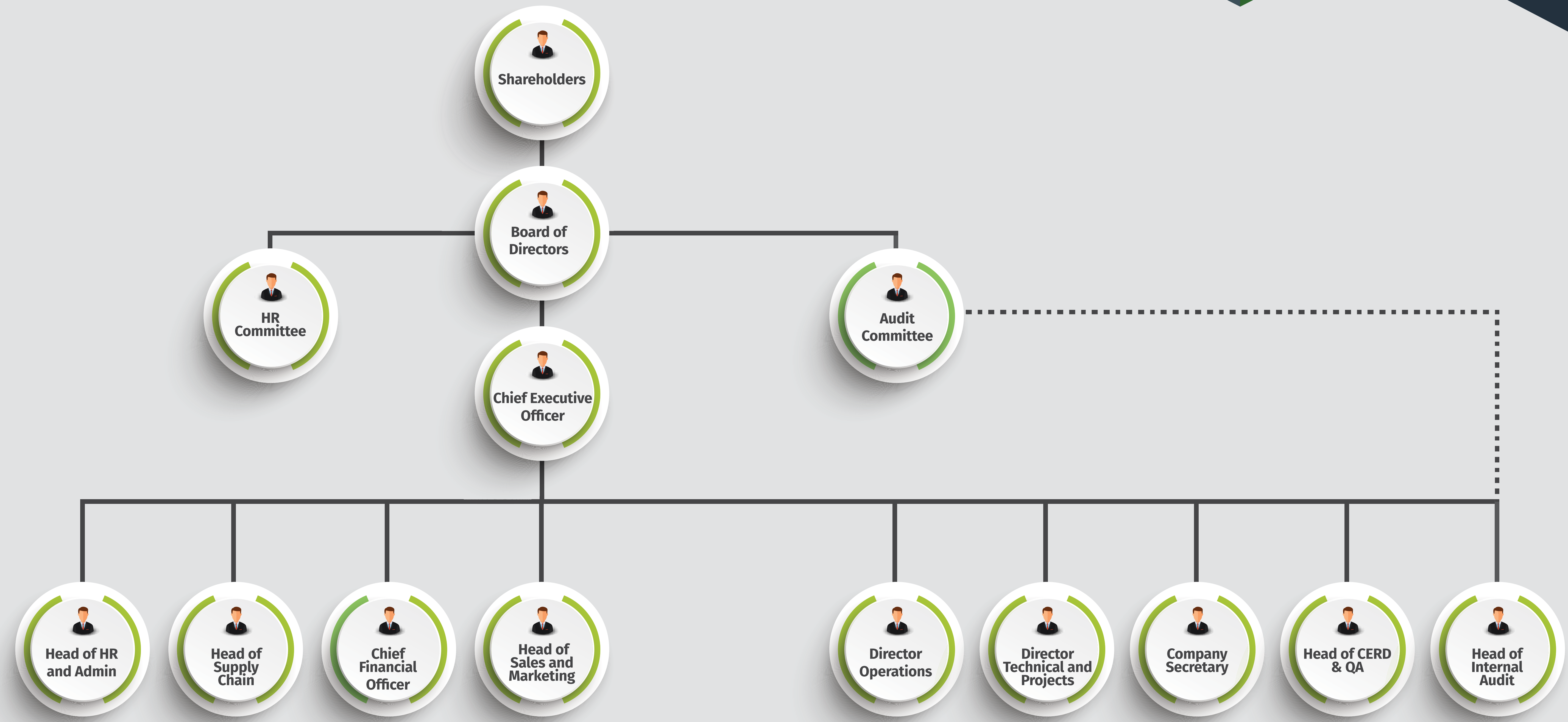
Excellence:
Aim for the highest quality in every aspect of the business. This commitment to excellence should reflect in products, services, customer relations, and employee engagement.

Empowerment:
Encourage employees to take initiative, make decisions, and lead within their roles. Empowerment fosters a sense of ownership and accountability, leading to greater innovation and job satisfaction.

Diversity and Inclusion:
Embrace a diverse workforce and promote an inclusive environment where all individuals feel valued and respected. Recognizing and celebrating diversity enhances creativity, innovation, and collaboration.

Innovation:
Foster a culture that encourages creativity and the exploration of new ideas. Continuously seek out ways to innovate, not just in products and services but in all areas of operation, to stay ahead of industry trends.

Organisational Structure



Key Milestones

2015

Incorporation:

International Packaging Films Limited (IPAK) was established in Pakistan as a private limited company.

2017

Commencement of Operations:

IPAK successfully imported, installed, and began commercial operations of its 8,700 mm BOPP film production line, catering to both local and international markets.

2018 2019

PepsiCo & BAT Certifications:

IPAK became an approved supplier for PepsiCo and BAT, while achieving ISO 9001, 14001, 18000, and 22000 certifications.

2020

Subsidiary Incorporation:

IPAK incorporated its first wholly owned subsidiary, Cast Packaging Films (Pvt.) Limited (CPAK), dedicated to producing CPP films.

2020

CPAK Commencement of Operations:

CPAK successfully began commercial operations, supplying high-quality CPP films to the market.

2021

Further Subsidiary Incorporation:

IPAK expanded its group structure by incorporating two more subsidiaries: Global Packaging Films (Pvt.) Limited (GPAK), a wholly owned subsidiary, and Petpak Films (Pvt.) Limited (PETPAK), a 52% owned subsidiary.

2024

Commissioning of New Plants:

IPAK successfully commissioned an 8,700 mm BOPET plant under PETPAK and a 10,400 mm BOPP plant under GPAK, positioning IPAK as the largest packaging films manufacturer in Pakistan.

Global Expansion:

IPAK established its wholly owned foreign subsidiary, IPAK Connect, in the UAE, strategically enhancing export sales and expanding its global footprint.

Listing on Pakistan Stock Exchange:

In 2024, IPAK successfully became a publicly listed company on the Pakistan Stock Exchange, marking a significant milestone in its growth journey.

Geographical Presence

Local
- Karachi
- Lahore
- Sheikhupura

International
- United Arab Emirates

International Markets Served

Markets Served
- Europe
- Africa
- Asia
- Ameria

Bridging Identity

At IPAK, we elevate brand with packaging solutions that offer clarity and distinction. Our advanced designs make products stand out and leave a memorable impression. We bridge the gap between functional packaging and impactful branding, enhancing the market presence.

Our Products

BOPP Product Portfolio

IPAK's BOPP films blend innovation with functionality, meeting diverse packaging and printing needs. Each film is engineered for performance, durability, and visual appeal, making them an ideal solution for packaging needs. IPAK's extensive BOPP portfolio covers various applications, ensuring the perfect solution for your needs.

Transparent Films – Non Heat Sealable

These high-gloss, transparent films provide excellent mechanical stability and non-shrinking properties, making them ideal for reverse printing, lamination, and label applications.

Transparent Films – Heat Sealable

With low friction, slip, antistatic, and anti-block properties, these films enhance packaging functionality. They are widely used in food, household, and industrial goods packaging.

High Gloss Transparent Label Films

Featuring a reflective surface that enhances color vibrancy and durability, these films are perfect for labeling in industries such as food, cosmetics, and pharmaceuticals.

Holographic BOPP Film

Combining aesthetic appeal and functionality, this film is ideal for premium packaging, providing strong heat seals and enhanced printability.

Cold Seal Release BOPP Film

Designed for easy separation without heat, this film is perfect for applications like overwrapping and sensitive item packaging.

Cigarette Grade Inner and Outer Wrap BOPP Film

Specialized for the tobacco industry, these films provide moisture and oxygen barriers, preserving product freshness and integrity.

Metallized Films

These films offer a metallic appearance and high moisture barrier, making them ideal for light-sensitive products such as snacks and chips.

High & Ultra High Barrier Metallized Films

Offering superior protection against moisture and oxygen, these films are perfect for extending shelf life in food, pharmaceutical, and personal care packaging.

White Films

With high opacity and anti-static properties, these white films are ideal for food packaging, ensuring safety and quality.

Pearlized Film

These sealable, aesthetically opaque films are perfect for high-quality printing and packaging, especially in ice cream and beverage packaging.

Transparent Soap Grade Film

Designed for soap wrapping, this durable, tear-resistant film provides clarity and machinability for high-speed packaging.

Wrap Around Label Pearlized Films

Lightweight and versatile, these films are designed for labeling applications requiring print quality and durability.

Matt Film

Offering a unique matte and glossy combination, these films are versatile for printing and lamination applications, including paper and board lamination.

Transparent High Heat-Resistant Film

Engineered to withstand high temperatures, this film is ideal for food packaging and high-performance industrial applications.

Metallized Wide Heat Seal Range

With enhanced barrier properties and a wide sealing window, this film is perfect for food packaging, providing protection and aesthetic appeal.

Pearlized Soap Grade Film

Specially designed for soap packaging, this film provides moisture and light barriers, ensuring product integrity and extended shelf life.

Sustainable Value Chain

IPAK's value chain is designed to deliver high-quality Biaxially Oriented Polypropylene (BOPP) films efficiently and sustainably. The value chain integrates every step of the production process, from raw material sourcing to final delivery, ensuring seamless operations and superior output.

1. **Raw Material Procurement:** IPAK sources polymers from global suppliers, spread across diverse geographical areas, to mitigate risks related to supply chain disruptions. The Company engages in a mix of long-term contracts and spot purchasing to manage price volatility and ensure the continuous availability of high-quality raw materials.
2. **Production:** The core of the value chain lies in IPAK's advanced BOPP production facilities, equipped with cutting-edge technology. The state-of-the-art machinery enables IPAK to produce a wide range of BOPP films, offering various thicknesses and specialised characteristics to meet the diverse needs of its customers.
3. **Quality Control:** At each stage of production, stringent quality checks are performed to ensure compliance with both local and international standards. These checks are vital for maintaining IPAK's reputation for delivering reliable and high-performing packaging solutions.
4. **Distribution:** IPAK partners with a network of reliable logistics partners to ensure the smooth distribution of its products both locally and internationally. This strategic collaboration allows the Company to deliver products efficiently, optimising its supply chain while reducing costs.
5. **Customer Relations and After-Sales Service:** IPAK maintains close relationships with its clients, offering after-sales support and technical assistance. The Company's focus on customer service ensures long-term partnerships and helps in adapting product offerings based on evolving customer needs.
6. **Innovation and Sustainability:** Continuous investment in research and development allows IPAK to stay ahead of market trends, particularly in developing sustainable packaging solutions. The Company's focus on sustainability extends to all aspects of the value chain, from using eco-friendly raw materials to optimising energy consumption during production.

Significant Factors Affecting the External Environment

	P POLITICAL	E ECONOMICAL	S SOCIAL	T TECHNOLOGICAL	E ENVIRONMENTAL	L LEGAL
DEFINITION	Political factors include government policies and the overall stability of the political environment.	Economic factors include inflation rates, exchange rates, interest rates, and overall economic growth or contraction.	Social factors include changing demographics, evolving consumer preferences, increasing demand for sustainable products, and Corporate Social Responsibility (CSR) initiatives focused on contributing to the well-being of societies.	Technology factors include advancements in manufacturing technologies, automation, and innovation in operational processes.	The term "environmental factors" describes how the Company is impacted by climatic shifts and environmental conditions. Each business has an effect on the environment.	Legal factors include compliance with tax laws, corporate laws, labor regulations, environmental regulations, and international trade laws that govern the industry.
FACTORS AFFECTING THE EXTERNAL ENVIRONMENT	Political uncertainties, changes in leadership, and inconsistent government policies can adversely impact overall consumer demand in the economy, leading to reduced sales and revenue. Additionally, these adverse political factors may create operational hindrances and disrupt the supply chain activities.	Rising inflation, fluctuating exchange rates, and high interest rates can increase production costs, reduce consumer demand, and raise borrowing costs, ultimately affecting the Company's ability to maintain profitability.	Shifts in consumer behavior, such as increased demand for packaging and ethical business practices, can influence market trends and affect IPAK's competitive positioning. This factors can a affect customer trust and market share.	Rapid technological advancements can lead to increased competition and pressure to continuously upgrade production processes. Failure to adopt new technologies may result in higher production costs, reduced efficiency, and a loss of competitive advantage.	It is crucial that organisations raise awareness, educate the public, and take appropriate action to lessen pollution and hazardous items in our environment as the effects of harsh weather and biological circumstances on human activity grow more and more apparent.	Changes in tax policies, corporate governance regulations, and environmental standards can increase operational costs and compliance burdens. Additionally, new trade laws and labor regulations may impact IPAK's ability to operate efficiently across various markets.
ORGANISATION'S RESPONSE	IPAK closely monitors the government policies and implements contingency plans to swiftly adapt to regulatory changes. Timely adjustments are made to organisational processes and policies in response to actual or anticipated shifts in government regulations.	IPAK has implemented strict cost control measures, optimised working capital, and diversified currency exposure to mitigate these risks. Pricing strategies are regularly adjusted to reflect inflationary pressures, ensuring financial stability in fluctuating economic conditions.	IPAK is committed to developing eco-friendly packaging solutions and integrating CSR initiatives that positively impact society. The Company invests in R&D to create sustainable products and actively contributes to community development, aligning with social expectations and strengthening its brand reputation.	IPAK remains at the forefront of technological innovation by continuously investing in state-of-the-art manufacturing technologies and automation. The Company also closely monitors emerging technological trends to stay ahead of the curve, ensuring operational efficiency and the development of cutting-edge, high-performance packaging solutions.	IPAK is constantly dedicated to making a beneficial contribution to the environment. We have matched our environmental and social responsibilities with the Sustainable Development Goals (SDGs) of the United Nations in order to conduct business sustainably, responsibly, and to have a bigger social impact.	IPAK ensures full compliance with all applicable tax, corporate, and regulatory laws. The Company engages with legal experts to stay updated on regulatory changes and proactively adapts its operations to meet new requirements. By maintaining strict adherence to laws, IPAK mitigates legal risks and ensures smooth operations in both domestic and international markets.

Industry Landscape and Strategic Positioning

The local packaging films industry is highly competitive, with a few dominant players. On the international stage, competition intensifies with manufacturers from various regions. IPAK, as a group, navigates this challenging landscape by focusing on specialized Biaxially Oriented Polypropylene (BOPP), Biaxially Oriented Polyester (BOPET), and Cast Polypropylene (CPP) films. Domestically, IPAK has cemented its position as the largest flexible packaging manufacturer by offering diverse solutions and continuously expanding its production capacity.

Domestic Competitors:

Locally, competition primarily arises from a few established players who either produce BOPP and CPP films or focus on BOPET films. However, IPAK holds a distinct competitive advantage as the only group in Pakistan to offer all three key packaging films—BOPP, CPP, and BOPET—under one roof, further strengthening its market share. The Company's commitment to quality, customer service, and innovation has allowed it to maintain a leadership position in the domestic market.

International Market Positioning:

IPAK, as a group, is also expanding its footprint in international markets, particularly through its subsidiary IPAK Connect, based in the UAE. With global demand increasing for high-quality, eco-friendly packaging solutions, IPAK is well-positioned to capitalise on these opportunities. By focusing on new markets and customer segments, the company aims to build strong distribution networks and long-term relationships with regional partners.

Threats from New Entrants:

While the demand for packaging films continues to rise, particularly due to growing requirements in the food and FMCG sectors, new entrants may be enticed to enter the market. However, the industry presents significant barriers to entry. Establishing a flexible packaging business requires extensive capital investment in advanced machinery and technology, as well as specialized human capital to ensure efficiency and quality. IPAK's established market position and state-of-the-art operations make it well-insulated from this risk.

Customer Power:

Given the increasing customer focus on sustainability and product quality, IPAK faces moderate pressure from buyers, particularly from large clients with significant purchasing power. However, IPAK's ability to offer a complete range of films, alongside its strong focus on customer-centric innovations, places it in a favorable position. The company's deep relationships with its customers, alongside consistent delivery of high-performance packaging solutions, mitigate the risk of customer influence over pricing and contract terms.

Strategic Positioning:

IPAK's strategy to remain ahead of the competition includes investing in the latest production technologies, maintaining strong relationships with suppliers, and focusing on innovation, particularly in developing sustainable, high-quality films. The group has also implemented effective cost control measures to maintain profitability amidst fluctuating raw material prices and evolving customer demands.

Significant Changes from Prior Year

IPAK Goes Public:

In 2024, IPAK took a significant step by going public, issuing 10.01% of new shares to the general public through its Initial Public Offering (IPO). This move has not only broadened the shareholder base but also strengthened the Company's capital structure, providing a platform for future growth and expansion. The IPO received a positive response from investors, highlighting confidence in IPAK's market positioning and long-term vision.

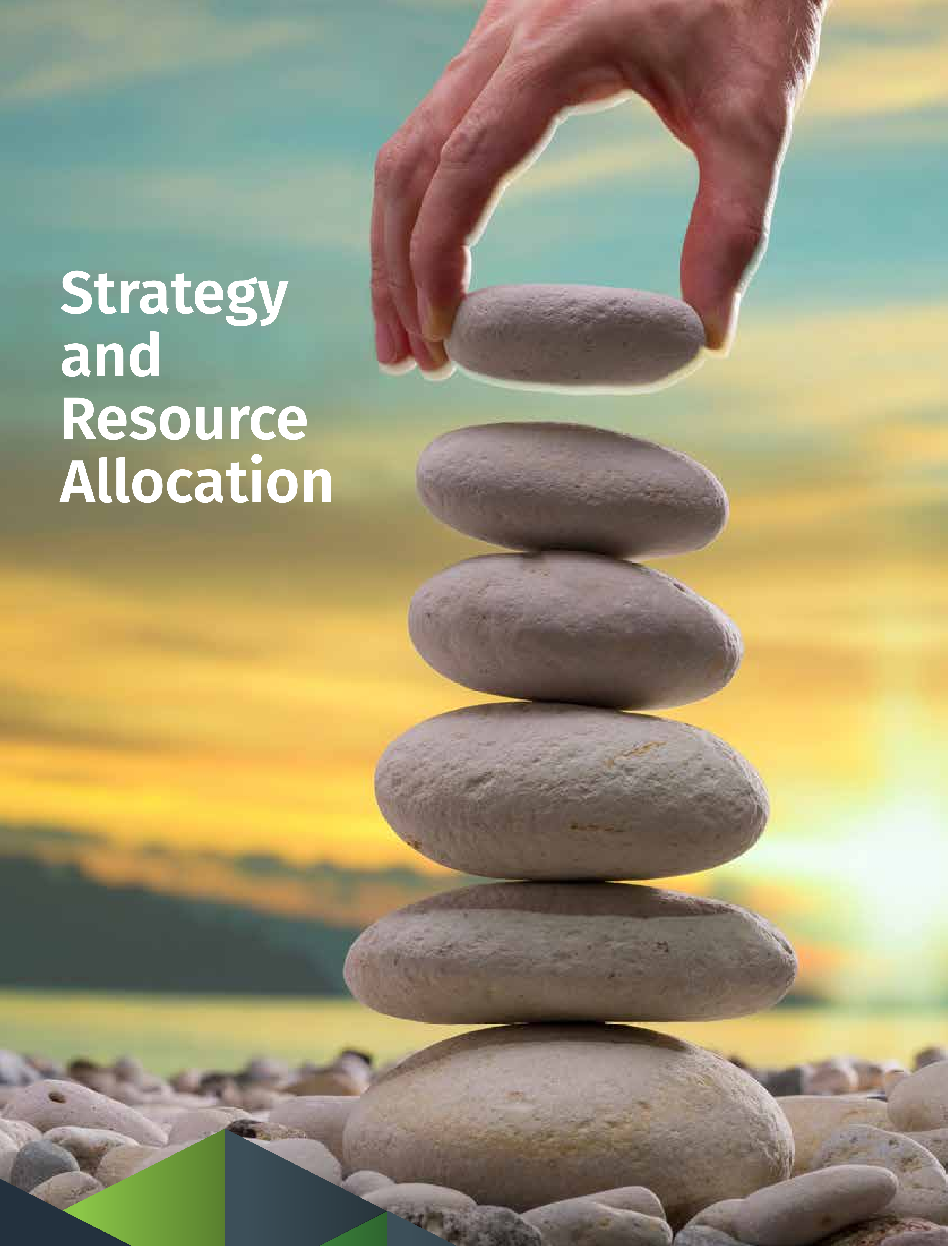
Expansion through Subsidiaries:

During the year, IPAK successfully launched two significant expansion projects. Global Packaging Films (Private) Limited (GPAK) and Petpak Films (Private) Limited (PPAK) commenced commercial operations. With GPAK expanding group's BOPP production capacity and PPAK introducing BOPET films into the portfolio, the group now offers the full spectrum of packaging solutions—BOPP, CPP, and BOPET. These expansion projects mark a significant milestone in IPAK's journey, positioning the Company as the largest flexible packaging manufacturer in Pakistan with enhanced product diversity and capacity.

Bridging Taste

At IPAK, we redefine food packaging with solutions that ensure peak freshness and quality. Our innovative films protect and enhance products, setting new benchmarks in food safety. We bridge the gap between traditional methods and modern demands, delivering exceptional results.

Strategy and Resource Allocation



Objectives, Strategy, and Resource Allocation Plan

S. No.	Nature	Objective	Nature	Resources Allocated
1	Short-Term	Enhance Operational Efficiency	Focus on optimising production processes and reducing operational costs through automation and better supply chain management.	Existing production team and supply chain management resources.
2	Short-Term	Expand Export Markets	Capitalise on existing capabilities by targeting new export markets through IPAK Connect and building strong relationships with local distributors.	International marketing team, regional export managers, and logistics partners.
3	Short-Term	Improve Product Quality and Customer Satisfaction	Implement quality control improvements and customer feedback mechanisms to ensure that products consistently meet market demands and customer expectations.	Quality control and customer service teams.
4	Medium-Term	Capacity Expansion	Successfully ramp up production through the operationalization of GPAK and PPAK, increasing output to meet rising demand in both domestic and international markets.	Production team, technical support, and operational managers.
5	Medium-Term	Drive Innovation in Sustainable Packaging	Invest in research and development to create new, eco-friendly packaging solutions aligned with global sustainability trends.	R&D team and sustainability experts.

S. No.	Nature	Objective	Nature	Resources Allocated
6	Medium-Term	Strengthen Talent Acquisition & Retention	Develop robust HR programs focused on hiring top talent and retaining skilled employees through career development initiatives and competitive compensation.	HR team and training resources.
7	Long-Term	Global Market Leadership	Establish IPAK group as a global leader in flexible packaging by increasing international market share and securing long-term partnerships in key regions like Europe, Africa, and the Far East.	International sales teams and global partnerships.
8	Long-Term	Leadership in Sustainability	Become a recognized leader in sustainable packaging by integrating circular economy practices into all areas of operations and reducing the Company's environmental footprint.	Environmental team and operational managers.
9	Long-Term	Diversified Product Portfolio	Expand IPAK's product portfolio further by developing innovative films and packaging solutions to meet the evolving needs of different industries and geographies.	R&D team and international market analysts.

Key Resources and Capabilities Providing Sustainable Competitive Advantage

IPAK's sustained competitive advantage is derived from:

- **State-of-the-Art Manufacturing Capabilities:** The latest technology in BOPP, BOPET, and CPP films production, ensuring high efficiency and product quality.
- **Diverse Product Portfolio:** Offering all three key packaging films (BOPP, CPP, and BOPET), making IPAK the only group in Pakistan with such a comprehensive product range.
- **Strategic Global Reach:** IPAK Connect enables access to international markets, with a strong distribution network across GCC, Africa, Far East, and Europe.
- **Innovation & R&D Focus:** A dedicated team driving continuous innovation, especially in the field of sustainable packaging solutions.
- **Robust Supplier Network:** Diversified sourcing from multiple regions reduces risks and ensures continuous production.
- **Talent & Culture:** Commitment to employee development and a customer-centric culture foster innovation and operational excellence.

Significant Plans and Decisions

In the coming years, IPAK plans to consolidate its position as the leading flexible packaging manufacturer in Pakistan while expanding internationally. The Company aims to increase production capacity through new investments in modern equipment and facilities, particularly in emerging markets. IPAK is also focused on developing sustainable packaging solutions in response to growing global demand for eco-friendly products. Additionally, the Company intends to strengthen its export operations by expanding its global distribution network and securing long-term partnerships in key regions.

Significant Changes in Objectives and Strategies

There have been no material changes in the Company's objectives or strategies from the prior year. The current objectives and strategies align closely with IPAK's mission statement and corporate strategy, ensuring a consistent approach toward growth and sustainability.

KPIs Used to Measure Achievements of Strategic Objectives

IPAK has a robust system to measure and evaluate the progress of its strategic objectives. Key Performance Indicators (KPIs) used include:

- **Revenue Growth:** Monitored on a monthly and annual basis to evaluate market expansion success.
- **Gross Profit Margin:** Measures operational efficiency and cost control strategies.
- **Market Share:** Assessed through sales performance in both domestic and international markets.
- **R&D and Innovation Metrics:** Tracks the number of new product launches, innovations, and sustainability initiatives.
- **Employee Retention & Engagement:** Regular surveys and turnover rates help assess the success of talent development programs.
- **Sustainability Metrics:** Carbon footprint reduction and progress on eco-friendly product development are closely monitored.

These KPIs are reviewed regularly to ensure the Company remains on track to meet its strategic goals.

Risks and Opportunities

Risk Management

Risk Management Framework and Methodology

IPAK's risk management framework is designed to identify, assess, and mitigate risks that could affect the company's ability to achieve its strategic objectives. This framework provides a structured approach to managing risks, ensuring that risks are consistently evaluated and mitigated across all levels of the organisation.

The framework includes:

- **Risk Identification:** Identifying internal and external risks that could impact operations, financial stability, or growth potential.
- **Risk Assessment:** Evaluating the likelihood and potential impact of identified risks on the business.
- **Risk Mitigation:** Developing strategies to manage and mitigate the risks, ensuring minimal disruption to the company.
- **Continuous Monitoring:** Regularly reviewing risks and the effectiveness of mitigation strategies to adapt to changing circumstances.

Risk Management Process

The risk management process at IPAK follows a structured approach that involves all key stakeholders, including management and the Board of Directors. This process includes:

1. **Risk Identification:** A proactive approach to identify risks from various sources, such as market conditions, regulatory changes, operational challenges, and technological developments.
2. **Risk Evaluation:** Each risk is evaluated based on its potential impact and the likelihood of occurrence. This helps prioritise which risks require immediate attention.
3. **Risk Mitigation Planning:** For each significant risk, the company develops a mitigation plan that outlines specific actions to reduce the risk's potential impact. These plans are aligned with the company's overall strategy and resources.
4. **Implementation:** Risk mitigation strategies are executed across relevant departments with oversight from management.
5. **Monitoring and Reporting:** Ongoing monitoring of risks and the effectiveness of mitigation strategies. This includes regular reporting to the Board and adjustments as needed to respond to emerging risks.

Involvement and Responsibility of the Board of Directors

The Board of Directors plays a crucial role in IPAK's risk management process. Their responsibilities include:

- **Oversight:** The Board reviews and monitors the effectiveness of the risk management framework, ensuring that appropriate measures are in place to manage significant risks.
- **Risk Appetite:** The Board sets the Company's risk appetite, determining how much risk the company is willing to accept in pursuit of its strategic objectives.
- **Approval of Mitigation Strategies:** The Board reviews and approves the risk mitigation plans proposed by management, ensuring that resources are allocated effectively to address the most critical risks.
- **Performance Monitoring:** The Board regularly assesses the performance of the risk management framework to ensure it remains effective in identifying and mitigating new risks.

This approach ensures that IPAK remains agile in the face of potential threats while capitalising on opportunities, with the Board ensuring alignment between risk management and corporate strategy.

Risks

S. No.	Risk Description	Source	Capital Affected	Priority	Mitigation	Objective Affected
1	**Raw Material Price Volatility:** The Company relies on petroleum-based raw materials such as polymers, which are subject to significant price fluctuations in global markets. These fluctuations can be driven by geopolitical factors, supply-demand imbalances, or disruptions in the supply chain, all of which can lead to increased production costs and reduced margins.	External	Financial, Operational	High	To mitigate this, the Company engages with multiple suppliers through a mix of long-term contracts and spot buying, providing flexibility to manage price changes. Adequate inventory levels are maintained to ensure stable supply, while price increases are incorporated into selling prices wherever possible.	Enhance Operational Efficiency
2	**Currency Exchange Risk:** The devaluation of the local currency increases the cost of imported raw materials, which are primarily purchased in foreign currencies, eroding profit margins. Fluctuations in exchange rates can result in significant financial losses, especially in a volatile economic environment. Although the Company has a strong domestic presence, reliance on imported materials makes this risk prominent.	External	Financial	High	Export expansion serves as a natural hedge. The Company also mixes deferred and sight payments to minimise immediate foreign liabilities. However, major devaluations may still result in exchange losses.	Enhance Operational Efficiency and Capacity Expansion

Risks

S. No.	Risk Description	Source	Capital Affected	Priority	Mitigation	Objective Affected
3	**Supply Chain Disruptions:** Geopolitical instability, particularly in regions affecting major sea routes, could lead to delays in the shipment of raw materials. As IPAK's raw material requirements have grown significantly by 150-200%, the impact of such disruptions has become more pronounced, potentially leading to production delays and unfulfilled orders.	External	Operational	Medium	The Company has diversified its supply chain by engaging suppliers from multiple regions and securing long-term contracts, reducing dependence on any single source. In addition, logistics partnerships have been diversified to ensure greater flexibility, and inventory buffers have been built to safeguard against delays.	Capacity Expansion
4	**Cash Flow Concerns:** Significant investments in new subsidiaries, such as Global Packaging Films and Petpak Films, have placed additional pressure on the Company's cash flow. Balancing capital expenditures with operational requirements is crucial to maintaining liquidity and ensuring the smooth operation of both new and existing business lines.	Internal	Financial	Medium	To address cash flow pressures, the group has optimised working capital management, improved cash flow forecasting, and secured additional financing to maintain liquidity for both operational and growth purposes.	Capacity Expansion
5	**Market Expansion Challenges:** Expanding into new international markets presents challenges like trade barriers, local competition, and establishing distribution networks. These hurdles may slow growth and impact margins, especially in regions where competition is well-entrenched.	External	Operational, Financial	Medium	The Company has conducted market research, formed partnerships with local distributors, and tailored product offerings to meet local demands, ensuring compliance with regulations and market conditions. Operational efficiency will help offset lower export margins.	Expand Export Markets

Risks

S. No.	Risk Description	Source	Capital Affected	Priority	Mitigation	Objective Affected
6	**Talent Retention:** Attracting and retaining skilled employees is critical to maintaining efficient operations and sustaining innovation. Losing key personnel could disrupt product development and operational effectiveness.	Internal	Human Capital	High	The Company has implemented competitive compensation packages, career development programs, and employee engagement initiatives to improve retention and reduce turnover in critical positions.	Strengthen Talent Acquisition & Retention
7	**Inflationary Pressures:** Rising inflation increases the cost of raw materials, labor, and energy, putting pressure on the Company's margins and overall competitiveness.	External	Financial, Operational	Medium	The Company reviews pricing strategies regularly and adjusts them to reflect inflation-driven cost increases. Operational efficiency measures have also been implemented to reduce waste and optimise processes, absorbing some of the costs.	Enhance Operational Efficiency
8	**Operational and Product Development Risks:** Continuous investment in operational excellence and new product development carries the risk of projects not delivering expected returns. If product innovations fail or operational upgrades do not generate efficiencies, profitability could be affected.	Internal	Operational, Financial	Medium	A stage-gate process is used to ensure only high-potential projects are pursued. Performance metrics are monitored to measure operational improvements. The Company is also considering new technologies to drive future efficiencies.	Drive Innovation in Sustainable Packaging

Opportunities

S. No.	Opportunity Description	Strategy to Achieve
1	Technological Leadership from Cutting-Edge Expansion: IPAK's acquisition of top-of-the-line technology enables it to offer next-generation packaging solutions and gives it a significant advantage in cost reduction, efficiency, and quality.	IPAK will continue to leverage its state-of-the-art technology to enhance operational efficiency, reduce costs, and maintain superior product quality.
2	Unique Position as a One-Window Solution for BOPP, CPP, and BOPET Films: IPAK is the only local producer offering all three packaging films, providing it a competitive edge.	IPAK will capitalise on its unique position by offering a diverse portfolio under one roof, attracting customers seeking comprehensive packaging solutions.
3	Synergy Between Group Companies: There is a great level of synergy within the group, particularly in intellectual skills, human capital, and R&D, allowing for enhanced innovation.	IPAK will foster collaboration across its subsidiaries, especially in R&D and human capital, to create innovative products and drive overall group efficiency.
4	Global Expansion through UAE Subsidiary (IPAK Connect): With a permanent establishment in the UAE, IPAK can strengthen its global footprint and expand outreach to international markets.	IPAK will expand its export operations through its UAE subsidiary, focusing on entering new markets in Europe, the Middle East, and Africa. Furrher, this subsidiary will focus on forming strategic partnerships with local distributors to penetrate these regions effectively.
5	Extraordinary Human Capital: IPAK's highly skilled workforce presents an opportunity to innovate and improve operational processes through their expertise.	IPAK will continue to invest in talent development and leverage its existing human capital to drive innovation, operational efficiency, and growth across the group.
6	Growing Demand for Sustainable Packaging Solutions: Rising consumer and regulatory pressure for eco-friendly packaging presents an opportunity to offer sustainable solutions.	IPAK will further its R&D investments to develop recyclable and eco-friendly packaging films that meet global sustainability standards.

Bridging Boundaries

At IPAK, we push the limits of packaging with a fusion of sustainability, and technology. Our advanced materials and eco-friendly practices redefine industry standards, breaking new ground in functionality and environmental responsibility. We bridge the gap between cutting-edge technology and practical solutions, driving progress and setting new benchmarks in packaging.

Sustainability and Coparate Social Responsibility

Safety, Health and Environment (SHE)

Safety, Health and Environment (SHE)

At IPAK, the safety and well-being of our employees, as well as our commitment to environmental stewardship, remain integral to our business operations. Our SH&E strategy is built on fostering a culture of proactive safety, promoting health awareness, and reducing environmental impact across all levels of the organisation.

Safety Initiatives:

We have implemented rigorous safety protocols and training programs to ensure a safe working environment. Regular safety audits, emergency drills, and incident management systems are in place to minimise risks and ensure that safety remains a top priority in all operations.

Health Programs:

Employee health and well-being are supported through comprehensive health programs, including regular health screenings, wellness initiatives, and mental health support. These programs are designed to promote a healthy work-life balance and enhance overall productivity.

Environmental Sustainability:

IPAK is dedicated to reducing its environmental footprint by adopting sustainable practices across its value chain. We continue to invest in energy-efficient technologies, waste reduction initiatives, and sustainable packaging solutions that align with global environmental standards. Our ongoing commitment to the United Nations Sustainable Development Goals (SDGs) drives our efforts to minimize environmental impact while delivering innovative products.

By integrating SH&E considerations into our strategic decisions, we aim to create a safe, healthy, and environmentally conscious workplace that contributes to the long-term success of IPAK and the communities in which we operate.

IPAK Redefines Packaging Standards

In September 2017, IPAK revolutionised Pakistan's packaging industry with the introduction of five-layer BOPP films. Rapidly becoming a market leader, IPAK offers a range of BOPP films, including Transparent, Metallized, and specialised varieties, catering to diverse packaging needs with precision.

Key Innovations

Cutting-edge Manufacturing: Equipped with Bruckner Maschinenbau BOPP Film Line for top-tier quality and efficiency.

Strategic Partnerships: Collaborations with industry giants like PepsiCo and British American Tobacco Company to develop tailored packaging solutions.

Milestones

PepsiCo: Developed domestically produced Ultra High Metallized Films, replacing imports.

British American Tobacco Company: Provided customised cigarette-grade films. These partnerships highlight IPAK's ability to meet unique packaging needs and maintain strong customer relationships, solidifying its position as an industry leader.

Driving Innovation

Market Leadership and Customer Satisfaction: In the fast-paced world of flexible packaging, IPAK is setting the standard for excellence.

Key Achievements:

Stakeholders' Value Creation

The Company priortises stakeholders' value creation and believes in value creation for them.

Active Engagement

The Sales team actively engages with customers through direct sales and prestigious events like Arab Plast and World Packaging Organisation workshops.

Expanded Solutions

Evolved into a group of companies offering comprehensive flexible packaging solutions, including BOPP, CPP, and PET films.

Fueled by a passion for innovation, IPAK continues to push boundaries and explore new possibilities. Our mission remains clear: to exceed customer expectations and solidify our position as the industry leader in flexible packaging solutions.

Women's Day Celebration

IPAK honored women with a heartfelt Women's Day celebration. Empowering speeches and recognition of female talent highlighted our commitment to gender equality and inclusivity.

Job Fairs & Campus Recruitment Drives

IPAK's participation in job fairs and campus recruitment drives showcased our dedication to nurturing young talent, opening doors to exciting career opportunities and collaborations.

These initiatives, meticulously planned and executed by the HR Department, have boosted morale and enhanced our employer brand. They signify our commitment to creating a vibrant and supportive workplace where every individual thrives, propelling IPAK towards greater success.

IPAK Goes Public

International Packaging Films Limited's Initial Public Offering (IPO) in early May was highly successful, with subscriptions exceeding expectations by 1.73 times. The total demand reached Rs. 2.54 billion against an issue size of Rs. 1.47 billion. This resulted in a strike price of Rs. 25.20 per share, a 20% premium over the base price of Rs. 21 and 1.53 times the par value of Rs. 10. In a first for Pakistan's IPO history, the company offered a discounted price of Rs. 24 to small investors to encourage their participation, leading to an oversubscription in the public segment as well.

On June 3, 2024, the company was officially listed on the Pakistan Stock Exchange, marked by a Gong Ceremony attended by the Executive Management Team and industry leaders. Chairman Muhammed Amin expressed gratitude for investors' trust and emphasised the company's commitment to enhancing shareholder value through strategies aimed at increasing market share, promoting domestic growth via import substitution, and expanding exports of specialised films. This achievement highlights the company's dedication to innovation, growth, and delivering high-quality packaging solutions, and they extend their thanks to all stakeholders for their support.

Launch of IPAKCONNECT – a link between IPAK and the world

In January 2024, IPAK announced the launch of its new subsidiary, IPAKCONNECT, in Dubai. This strategic move leverages Dubai's top-notch infrastructure and high service standards, facilitating strong international market connections and fruitful partnerships.

By capitalising on Dubai's strategic location, IPAKCONNECT aims to tap into international trade opportunities, driving industry innovation and developing cutting-edge packaging solutions. This initiative strengthens IPAK's position as a global leader in film manufacturing, delivering exceptional products and services worldwide.

Key Achievements:

- Seamless order execution
- Expanded customer base
- Future distribution hub

Arabplast – IPAK's First International Exhibit

Reflecting on a milestone, IPAK recalls its participation in Arabplast 2023 at the Dubai World Trade Centre. This event showcased IPAK's growth and achievements, with a focus on global expansion through IPAKCONNECT.

Highlights

The event fostered fruitful discussions on sustainable packaging needs and collaborative opportunities with industry peers, reinforcing IPAK's commitment to progress and sustainability.

Memberships

In a step towards shaping the future of the packaging industry, IPAK joined RecyClass and CEFLEX, marking a commitment to sustainability and innovation.

RecyClass

A non-profit initiative focused on advancing the recyclability of plastic packaging across Europe.

IPAK aims to contribute to a circular economy through this collaboration.

CEFLEX

A collaborative platform driving the transition to a circular economy within the flexible packaging value chain.

IPAK is dedicated to implementing sustainability initiatives and adhering to circular economy guidelines. These memberships underscore IPAK's resolve to make a positive impact and lead the charge towards a sustainable and circular future for packaging.

AMI – Specialty Packaging Films

IPAK proudly recalls the participation of Mr. Muhammad Ali Mirza, Director International - Sales & Marketing, at the AMI Specialty Packaging Films Conference in Bangkok. His engagement in discussions on "Sustainable Packaging - Challenges, Opportunities, and Practical Approaches" exemplified IPAK's commitment to innovation and environmental responsibility.

Mr. Mirza's insights contributed to the ongoing discourse on sustainable packaging solutions, highlighting IPAK's proactive approach to industry developments and driving positive change.

Conclusion

IPAK's recent initiatives and strategic moves reflect its unwavering commitment to innovation, sustainability, and global expansion. By leveraging new opportunities and fostering international partnerships, IPAK continues to set new standards in the packaging industry, paving the way for a future filled with growth and unparalleled customer satisfaction.

Flag of PETPAK & GPAK Wave High on Flagpole

In 2020, IPAK envisioned becoming Pakistan's largest film manufacturer, providing multiple packaging film technologies through seamless one-window operations. To achieve this, projects PETPAK and GPAK were initiated, focusing on BOPET and BOPP Films production lines.

Project Development:

Mission Statement: "To build and operate value-engineered green facilities today for a sustainable global icon tomorrow."

Location:

Quaid-e-Azam Business Park (QABP), a special economic zone.

Standards:

Designed to comply with USGBC LEED certification standards, with top consultants and state-of-the-art equipment.

Challenges and Execution:

The groundbreaking ceremony was on January 10, 2022, with construction spanning 39 acres.

Despite economic and political instability in Pakistan starting in summer 2022, which caused supply chain disruptions and hyper-inflation, the project continued with strong determination and smart project management techniques.

Achievements:

Both, PPAK and GPAK, successfully went live within planned timelines in the third and fourth quarters of FY-2024.

These milestones reflect the unwavering efforts and teamwork of the project team, overcoming challenges to realize IPAK's ambitious vision.

IPAK Harnesses Power of the Sun

In response to depleting fossil fuels and environmental challenges like air pollution, IPAK has committed to sustainability from the start. To make its facilities eco-friendly, IPAK is now leveraging green energy resources.

Key Steps:

Energy Study:

A thorough analysis of the existing power generation system highlighted the need for a strategy combining green and conventional energy sources to ensure a continuous, clean power supply.

Solar Power Implementation:

Location Advantage: Abundant sunlight and favorable climate conditions at the production facilities made solar power feasible.

Solar PV Panels:

Every available square foot was utilized to install high-efficiency solar panels, maximizing power output.

Achievements:

Lahore Facilities: Harnessed 1.45MW of solar energy.
Sheikhupura Facilities: Tapped into 4.1MW of solar power with an extension of 3.9MW in progress.

Future Goals:

Net-Zero Objective: Studies are underway to install battery storage systems, enabling the installation of more solar panels to meet production needs after sunset.

IPAK's dedication to sustainability and innovation in green energy reflects its commitment to reducing its carbon footprint and ensuring a sustainable future.

Innovation Under Pipeline

In the age of digitization, industries must be data-driven to make strategic decisions based on real-time insights. IPAK is embracing Industry 4.0 to stay ahead of industrial trends and changes.

Current Strategies:

Big Data Processing:
Utilising Intelligent Line Monitoring at production lines.

SAP ERP Deployment:
Implemented at the organisational level for integrated management.

Future Plans:
Industrial Internet of Things (IIoT) Based Building.

Automated Monitoring:
Integration of data from sensors for HVAC, power generation, air compressors, and fire alarm systems into a single operations solution.

Enhanced Efficiency:
Insights on machine performance to devise strategies for improving equipment efficiency.

Workforce Optimization:
Allows operators to monitor systems remotely, reducing the need for constant physical presence and enabling multitasking.

Failure Prevention:
Predictive data analysis to prevent potential failures and improve response time to alerts.

Workforce Impact:

Enhanced Work Experience:
The BMS system aims to alleviate workload, enabling the workforce to focus on cognitive and skill-based tasks.

Improved Performance:
A relaxed environment provided by BMS helps in better utilisation of employee skills, leading to enhanced performance.

IPAK's commitment to innovation and technology integration underscores its dedication to providing a better work experience and maintaining its competitive edge in the industry.

Empowering Connectivity and Security: IT Department's Triumph at IPAK

The IT Department at IPAK has reached a milestone by planning, deploying, and operating a state-of-the-art Data Center at our new site in Sheikhupura. This leap forward in our technological infrastructure ensures robust data management and seamless operations.

Additionally, we have implemented a cutting-edge firewall system, fortifying our network against cyber threats. This proactive measure safeguards sensitive information and strengthens our digital resilience.

Our commitment to security is further demonstrated by the installation of CCTV systems across the expansive 40-acre site. This comprehensive coverage enhances monitoring capabilities, deterring risks and enhancing safety protocols.

To guarantee uninterrupted connectivity, we have meticulously laid out Ring Fiber optics. This strategic investment ensures high-speed data transmission, minimal downtime, and optimal performance, empowering productivity and efficiency.

These efforts have modernised our infrastructure and fortified IPAK's position as a forward-thinking, secure organisation. This success underscores our dedication to harnessing innovation for sustainable growth and excellence in all operations.

Success Story of CERD & QA

IPAK Group's Center of Excellence in Research and Development & Quality Assurance (CERD & QA) is a beacon of success in the packaging films industry.

Committed to safety, efficiency, and client satisfaction, this department has set new industry standards.

Safety First:
Achieved zero injuries and unparalleled safe working hours due to meticulous safety protocols and procedures.

Operational Excellence:
Significant cost savings in recipe formulations, amounting to millions of dollars annually.
Continuous process optimisation driving down costs without compromising quality.

Effective Hierarchy:
A well-balanced hierarchy provides clear direction and guidance, fostering a cohesive team environment.

Quality Assurance:
Executes QA activities across all IPAK subsidiaries with precision, ensuring products meet the highest standards.

Innovation and Customer Satisfaction:
Conducts regular trials to explore new ideas and gather customer feedback, ensuring tailored products.

Team Camaraderie:
Fosters strong interpersonal relationships through monthly get-togethers and team-building exercises.
IPAK Group's CERD & QA exemplifies dedication, excellence, and innovation, leading the dynamic world of BOPP, CPP, & BOPET packaging films.

Empowering Engagement at IPAK

The HR Department at IPAK has elevated employee engagement through a series of impactful initiatives that foster companionship, well-being, and professional growth.

Annual Dinner:

The inaugural Annual Dinner was a spectacular celebration of achievements and unity. Employees enjoyed a night of recognition, entertainment, and team spirit, setting the stage for memorable experiences.

Winning Together:

Senior management embarked on a 2-day outdoor adventure, “Winning Together,” strengthening bonds and cultivating leadership skills and resilience, paving the way for a more cohesive team.

Iftar Dinners:

During Ramadan, Iftar dinners brought employees of diverse backgrounds closer, fostering understanding and harmony, enriching our organisational culture.

Corporate Governance

Directors

Mr. Muhammed Amin
Chairman
(Non-Executive Director)

Mr. Naveed Godil
(Chief Executive Officer)

Mr. Aftab Zahoor Raja
(Non-Executive Director)

Mr. Arsalan Pirani
(Non-Executive Director)

Mr. Mushtaq A. Tejani
(Non-Executive Director)

Mr. Taimoor Iqbal
(Non-Executive Director)

Mr. Abdul Aleem Tinwala
(Non-Executive Director)

Mr. Fazal ul Rehman
(Non-Executive Director)

Mr. Sarfaraz A. Rehman
(Independent Director)

Mr. Saad Amanullah Khan
(Independent Director)

Chairman's Review

I am pleased to present review on the performance of the company, the role of the Board of Directors and the effectiveness of the Board for the year ended June 30, 2024.

The year under review has been an eventful year. The Company got listed on Pakistan Stock Exchange on 3rd June, 2024. I extend my warmest congratulations to our valued shareholders on the successful listing of our Company's shares on the stock exchange. The overwhelming response from investors is a resounding testament to our strong track record and promising future prospects.

During the year, our two subsidiaries Global Packaging (Private) Limited (GPAK) and Petpak Films (Private) Limited (PPAK) successfully started its operations. The group now has the largest total flexible film manufacturing capacities, and it is strategically positioned to capitalise the local and export market opportunities. The Company has also established a wholly owned subsidiary IPAK Connect, to boost export.

The business environment has been volatile and challenging during the whole year. It is still marred by uncertainties. It is expected that the government will successfully conclude a new IMF program and the structural reform under the program will pave the way for a sustained growth.

Despite the challenging business environment, the leadership team has been focused on strategic objectives and delivering growth both in domestic and export markets. At the same time, we have deployed prudent financial strategies and robust risk management practices to navigate successfully.

The Board has been instrumental in setting the direction, guiding the team and establishing robust risk management practices through a variety of tools including Enterprise Risk Management process, internal audit, budget reviews and monitoring of results.

Review of Overall Performance of the Board
The Board consists of individuals with varied backgrounds and expertise, enabling comprehensive decision-making. The active involvement of non-executive and independent directors was a key aspect of the Board's effective functioning. These directors, who are not part of the day-to-day management, remained engaged in important decision-making, contributing to key discussions and choices, and bringing objective perspectives to the table. They also provided oversight, keeping a watchful eye on the company's affairs, ensuring accountability and transparency.

The Board provides guidance to the core management team, setting the Company's overall strategy and vision. The budget is approved by the Board annually. It monitors and approves quarterly financial results against the budget. The Board is committed to a robust governance environment. It ensures adherence to relevant legal requirements. It reviews and approves key policies. The Board has implemented a robust system to monitor and manage risks, ensuring operational integrity. The Board regularly reviews the Company's sustainability agenda and provides input and monitor results.

Board's Committees
The Board has constituted two committees that operate effectively within the framework of the law:

Audit Committee: An independent director chairs the Committee. It reviews financial results, related party transactions and policies and recommends them to the Board for approval. The Audit Committee also ensures that effective and efficient systems and procedures of internal controls are in place.

Human Resource and Remuneration Committee: An independent director chairs the Committee. It reviews personnel policies, remuneration and benefits. It reviews and recommends human resource policies for approval to the Board.

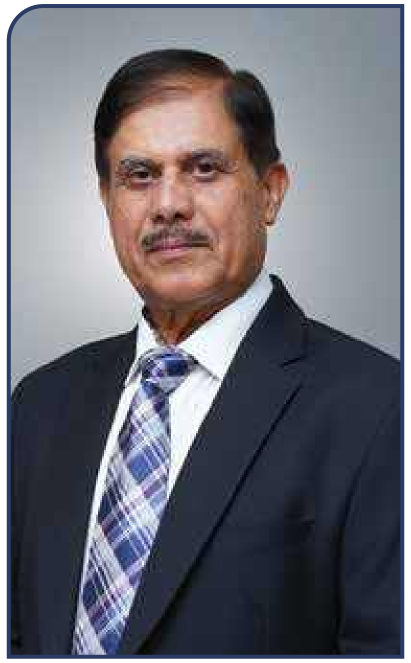
Overall, I am delighted to highlight our Board's dedication to effective governance, strategic leadership, and responsible decision-making, which contributes to the company's success and the Board's effectiveness.

I extend my sincere gratitude to all shareholders, customers, suppliers, bankers, and employees, for their trust and support during the year. I also thank the Board members, CEO, and his team for their dedication and hard work.

Muhammed Amin
Chairman

September 10, 2024

Executive Team



Mr. M. Arif Malik
Director- Technical & Projects

Mr. M. Kamran Khan
Director - Operations

Mr. Mohsin Anwer
Chief Financial Officer

Mr. Syed Athar Bukhari
Head of HR & Admin

Mr. Khalid Mahmood
Head of Sales & Marketing

Mr. M. Asadullah Butt
Head of CERD & QA

Mr. M. Adnan Saleem
Head of Supply Chain

Mr. Fahad Alam
Company Secretary

Directors’ Report

The Directors of International Packaging Films Limited (the “Company”) are pleased to present the Annual Report of your Company, together with the Standalone and Consolidated Audited Financial Statements for the year ended June 30, 2024.

LISTING ON PSX

We are delighted to extend our heartfelt congratulations to our esteemed shareholders on the successful listing of our Company’s shares on the Pakistan Stock Exchange (PSX). The tremendous response from investors is a powerful affirmation of our solid financial foundation and bright future prospects.

MACRO ECONOMIC OVERVIEW

Pakistan’s economy began recovering after a previous year’s contraction, achieving 2.4% GDP growth driven by agricultural expansion. The declining inflation and an improved current account balance helped stabilised exchange rate. The Pakistan Stock Exchange performed well during the period. We expect the government will successfully conclude a new IMF loan in due course and will implement structural reforms to achieve long term sustained growth.

FINANCIAL PERFORMANCE REVIEW

	2024	2023
	<PKR in ‘Millions’>	
Sales	17,089	16,618
Gross Profit	3,892	4,532
Operating Profit	3,273	3,823
Financial cost	1,527	633
Net Profit after Tax	1,138	2,082

The financial performance for the current period reveals both strengths and challenges faced by the Company.

Sales grew from PKR 16,618 million in the previous to PKR 17,089 million in the current year. The sales growth was driven by 11.7% volume growth. The average price was lower due to sales mix and higher export compared to the last year.

The gross profit for the year was Rs. 3,892 million, representing a healthy 23% of sales, though lower than the previous year. Last year’s higher gross margin was largely driven by inventory gains realized from excess levels to mitigate supply chain disruptions.

The impact of the lower gross margin was mitigated through strict control over operating expenses, despite inflationary pressures. This was further supported by an increase in other income. Financial costs were higher due to increased borrowings to fund expansion and the prevailing high interest rates. A profit after tax of 6.6% is an excellent achievement given the challenging environment. The Company continues to generate strong cash flows from its operating activities.

Consolidated Results:

	2024	2023
	<PKR in ‘Millions’>	
Sales	22,835	19,890
Gross Profit	4,496	5,481
Operating Profit	3,577	3,936
Financial Cost	1,815	753
Net (Loss)/Gain after Tax	(703)	1,888

The consolidated financial statements largely driven by the Holding Company's results, which account for 75% of the group's total gross revenue. Cast Packaging Films (Private) Limited, one of the three subsidiaries continues to perform well, operating at nearly full capacity. Meanwhile, the other two subsidiaries, Petpak Films (Private) Limited (PPAK) and Global Packaging Films (Private) Limited (GPAK) which have recently started their commercial production, are in the early stages of their revenue journey. These subsidiaries possess substantial capacities that are poised to drive significant growth in future periods.

The net loss after tax was primarily due to deferred tax charge, stemming from the capitalisation of our two subsidiaries, PPAK and GPAK. This resulted in a deferred tax liability of PKR 1,850 million. Excluding this non-cash charge, the Consolidated Profit after Tax would have been a positive PKR 1,148 million. The Company remains confident that these investments will lead to sustainable growth and long-term profitability.

FUTURE OUTLOOK

The Company has made significant investments in its subsidiaries, which have recently become operational and are expected to generate substantial growth and profitability. The Company and its subsidiaries now offer full range of flexible packaging films which will drive further domestic volume growth.

The Company is actively expanding its exports, targeting new markets and customers. To drive export growth, it has established a subsidiary, IPAK Connect, in the UAE. Increased volumes are expected to enhance operating efficiencies and create synergies, positively impacting profitability.

NAMES OF THE MEMBERS OF BOARD AND BOARD'S COMMITTEES

The members of the Committees of the Board are mentioned in the Statement of Compliance with Code of Corporate Governance on page 95 of the Annual Report.

EARNING PER SHARE

	2024	2023
	< in PKR >	
Unconsolidated	1.79	3.58
Consolidated	(0.06)	3.54

APPROPRIATION OF PROFIT

Net profit after tax for the year amounting to PKR 1,138 million transferred to the Revenue Reserve (Unappropriated profits). Although the Company made a profit this year, we are retaining cash to meet working capital needs and fulfill capital commitments. This ensures we have sufficient funds to manage our operations, invest in growth opportunities, and meet financial obligations.

CORPORATE & FINANCIAL REPORTING FRAMEWORK

The Company is committed to comply with the standards of best practice of corporate governance. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities and Exchanges Commission of Pakistan (SECP) and the related stock exchange listing regulations, as applicable.

The Directors confirm that:

a) The financial statements of the Company, as prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.

b) Proper books of accounts of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and the Company's accounting estimates are based on reasonable and prudent judgment.

d) International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017, have been followed in the preparation of the financial statements; of the Company, and any departure thereof has been adequately disclosed and explained

e) The system of internal control of the Company is sound in design and has been effectively implemented and monitored;

f) There are no significant doubts as to the Company's ability to continue as a going concern;

g) There is a risk management framework in place, the Board review the key business risks of the Company periodically.

h) There is no material departure from the best practices of Corporate Governance as per the applicable laws.

INTERNAL FINANCIAL CONTROLS

The Company maintains a robust internal controls framework, underpinned by comprehensive financial control manuals that are regularly reviewed and updated. These manuals provide detailed department-wise process flows, outlining specific controls for each activity and ensuring adherence to legal and operational requirements.

Our system of internal control is well-designed, effectively implemented, and rigorously monitored to ensure the integrity and reliability of financial reporting. Internal audit, along with other monitoring procedures, continuously evaluates and refines the internal control framework to identify areas for improvement.

As part of our ongoing commitment to excellence, we will continue to assess and enhance our internal controls, with the objective of further strengthening our governance and risk management practices.

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS AND DISCLOSURE OF REMUNERATION OF DIRECTORS

The fee of the Non-Executive, including Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board. The details of the remuneration paid during the year 2024, to the Chief Executive Officer and Non-Executive Directors of the Company, are described in note 43 of the financial statements.

EXTERNAL AUDITORS

Messrs. A.F. Ferguson & Co., Chartered Accountants have completed their assignment for the year ended June 30, 2024 and retire at the conclusion of the coming Annual General Meeting. Being eligible, they have offered themselves for reappointment of the year ending on June 30, 2025, at the remuneration mutually agreed.

PRINCIPAL ACTIVITY AND CHNAGES IN THE NATURE OF THE BUSINESS

The Company is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and allied products. There have been no changes in the nature of the business being conducted by the Company during the year.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company's overall contribution during the year to the Government exchequer on account of income tax, excise duty, sales tax, and other government levies stood at PKR 3,947 million.

HUMAN RESOURCES MANAGEMENT & EMPLOYEE RELATIONS

Diversity, Equity, and Inclusion (DE&I):

a. **"Jeet ki Zuban" Initiative:** Under the framework of DE&I, IPAK successfully launched the "Jeet ki Zuban" initiative, aimed at empowering individuals with hearing disabilities. Through this program, IPAK has integrated employees with hearing impairments into its workforce, fostering an inclusive and supportive environment.

b. **Diversity Focus:**

Gender Diversity: Since 2023, IPAK has prioritised enhancing gender diversity within the organisation. This effort has resulted in a significant and positive increase in the representation of women, reflecting the Company's commitment to an inclusive workforce.

Geographic and Ethnic Diversity: IPAK is dedicated to promoting geographic diversity by recruiting talent from all provinces and cities across Pakistan. With offices in Punjab and Sindh, IPAK proudly employs individuals from regions including Khyber Pakhtunkhwa, Balochistan, and Kashmir. By embracing the richness of various ethnicities, IPAK believes that diverse perspectives drive innovation and strengthen its organisational culture. This inclusive approach enables the Company to better understand regional needs and serve clients with a deeper level of insight. At IPAK, diversity is recognised as a key strength that fosters unity and drives success.

Leadership and Employee Development:

To cultivate leadership and enhance employee skills, IPAK has developed a comprehensive training calendar for 2024-2026. The program includes a wide array of training opportunities, such as "Developing Future Leaders," "Teamwork," and "Survive & Thrive in Crisis," aimed at nurturing leadership and fostering collaboration.

Youth Engagement:

a. **LEAP Program:** IPAK is deeply committed to nurturing young talent and providing pathways for professional growth. The Leadership Exploration and Acceleration Program (LEAP) serves as a comprehensive trainee program, designed to launch careers and empower the next generation of leaders in fields like Engineering, Management, Apprenticeships, and Associate Engineering.

b. **Job Fairs and Recruitment Drives:** IPAK actively participates in job fairs and conducts recruitment drives at leading institutions such as LUMS, UCP, UET, GCT, and TEVTA. These initiatives create valuable opportunities for young professionals and further solidify IPAK's role in fostering youth engagement.

Workplace Culture and Employee Well-being:

IPAK is committed to fostering a positive and collaborative workplace culture through various initiatives and activities. These include Iftar dinners, Women's Day celebrations, employee health seminars, annual dinners, birthday celebrations, and employee recognition programs. These efforts ensure that employees feel valued, supported, and motivated, enhancing overall well-being and creating a strong sense of community within the organisation.

MANAGEMENT INFORMATON SYSTEM

We are delighted to announce the successful deployment of S/4HANA, SAP ERP system across all business functions, a major milestone in our ongoing digital transformation initiative. This state-of-the-art technology is poised to significantly enhance our operational agility, transparency, and strategic decision-making capabilities. By leveraging S/4HANA's advanced features, we expect to achieve substantial gains in automation, process optimisation, and real-time insights, ultimately driving improved productivity, cost reductions, and enhanced competitiveness. This achievement underscores our dedication to embracing innovation and harnessing the power of technology to propel business growth, and we are eager to unlock the full potential of this robust system in the months ahead.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As part of the Corporate Social Responsibility program at IPAK, we have collaborated with the organizations to provide employment opportunities for the special people to enable them to support their families.

The Company provides financial support by donations to various charitable, educational & medicals organisations etc. During the year the Company made financial contributions of PKR 19.19 million.

SUSTAINBILITY INITIATIVES

To effectively manage sustainability related risks, the Company focuses on several key areas. These include reducing its 'Carbon Footprint' and promoting the use of 'Green energy' to mitigate environmental impact. Efficient 'Resource Management' and responsible 'Water Management' are prioritised to ensure long-term sustainability. The Company also emphasises adopting a 'Circular Economy' model to minimise waste, alongside achieving 'Operational excellence' to optimise processes. In 'Product Development', the focus is on creating environmentally friendly and sustainable products, while 'Sustainable Marketing' ensures that the Company's values and practices are transparently communicated, aligning with both environmental goals and consumer expectations.

SUBSEQUENT EVENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year ended on June 30, 2024, and the date of the Directors' Report.

TRANSACTIONS IN SHARES OF THE COMPANY

To comply with its reporting responsibilities under law and regulations, the Company maintains a vigilant oversight over the transactions in the shares of the Company by its directors, substantial shareholders and executives, whether directly or through spouse and minor child. All key officers of the Company which are directly reporting to the Chief Executive have been designated as Executive.

PRINCIPAL RISKS & UNCERTAINTIES:

1. **Raw Material Price Volatility:** The Company is exposed to fluctuations in the prices of petroleum-based raw materials, such as polymers. To mitigate this risk, the Company engages with multiple suppliers through a mix of long-term contracts and spot buying. It closely monitors factors influencing price changes to make timely inventory purchasing decisions at optimal prices. Additionally, the Company maintains adequate inventory levels, applies an effective costing mechanism, and adjusts selling prices as necessary to absorb cost increases, to the fullest extent possible.
2. **Currency Exchange Risk:** The devaluation of the local currency increases the cost of imported raw materials, potentially eroding profit margins. To mitigate this risk, the Company is expanding its exports to create a natural hedge against adverse exchange rate fluctuations. Additionally, the Company has diversified its sourcing to suppliers operating in various currencies and purchases inventory through a mix of usance and sight payments to partially reduce foreign liabilities. However, it is important to note that the risk is not entirely mitigated, and significant currency devaluation may still result in exchange losses.
3. **Supply Chain Disruptions:** Geopolitical instability, especially affecting sea routes, presents a risk of delayed raw material shipments, potentially disrupting production schedules. This risk has intensified due to the Group's significant increase in raw material requirements, which have grown by 150-200%. To mitigate this, the Company has entered into procurement arrangements with suppliers across diverse geographies and expanded its logistics partnerships, enhancing flexibility. Additionally, the Company has established inventory buffers to guard against delays and reduce reliance on vulnerable sea routes. Plans are also underway to secure more long-term contracts with new suppliers to further strengthen supply chain stability.
4. **Cash Flow Concerns:** Investments in new subsidiaries have placed pressure on the Company's cash flow. To manage this, the Company has optimized its working capital management, improved cash flow forecasting, and secured additional financing options to ensure liquidity. Investments have been prioritized to balance subsidiary growth with operational needs.
5. **Market Expansion Challenges:** Expanding into new export markets brings challenges such as regulatory

complexities, local competition, and establishing distribution networks. To address this, the Company has formed strategic partnerships and tailored products to meet local demands, ensuring compliance prior to entry.

While exports typically offer lower margins, the Company is focused on minimising this impact through operational efficiencies and sound financial planning. Additionally, by adopting a cash-positive strategy and spreading fixed costs over increased volumes, it aims to maintain profitability and support sustainable growth.

6. **Talent Retention:** Retaining skilled employees is critical, and losing key personnel could disrupt operations and innovation. To address this, the Company has implemented competitive compensation and benefits packages, introduced employee engagement programs, and created career development opportunities. These measures have helped improve employee retention and reduce turnover rates.
7. **Inflationary Pressures:** Rising inflation has increased operational costs, putting pressure on margins and overall competitiveness. The Company has regularly reviewed and adjusted its pricing strategies to reflect inflation-related cost increases. Additionally, operational efficiency has been improved by streamlining processes and reducing waste, helping to absorb some of the rising costs.
8. **Operational and Product Development Risks:** Continuous investment in operational excellence and product development could be risky if projects do not yield the expected returns. To mitigate this, the Company has implemented a stage-gate process for new product development, ensuring that only high-potential projects move forward. It also regularly monitors performance metrics to ensure that investments in operational excellence deliver the expected efficiencies and returns. Looking ahead, the Company recognises that overcoming future challenges may require further technological advancements. As such, it is considering investing in new technology to enhance both operational performance and product innovation, ensuring sustained competitiveness in an evolving market.

Pattern of Shareholding

The statement of the pattern of shareholding of the Company as at 30th June, 2024, is disclosed on page 266 of the Annual Report.

Acknowledgments

The Board would like to express its gratitude to the valued customers, regulators, bankers, and other stakeholders of the Company and its subsidiaries for their cooperation and support. The Board also deeply appreciates the hard work and dedication of the management and all employees across the Group.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director

10th September 2024

Corporate Governance

The Corporate Governance framework aims to guide the management and governance of the company to ensure compliance with laws, transparency, and efficient management. Key aspects include decision-making based on legal frameworks, proper oversight of business activities, independent supervision, and auditing to ensure accountability and financial reliability. The CEO is responsible for maximising corporate value, leading the company through defined visions and missions, and addressing risks by implementing systems for proper operational conduct. Overall, the policy emphasises sound governance, transparency, and accountability.

Board Decisions and Delegation

The Company has established a comprehensive Governance structure to guide the Board and management. The Board meeting is held quarterly, with additional meetings held as needed to address significant matters such as the approval of revenue and capital budgets, operational restructuring, and policy changes. All meetings and outcomes are duly communicated to the shareholders through PSX.

The Board operates through key committees, including the Board Audit & Compliance Committee and Human Resource & Remuneration Committee, ensuring thorough oversight of company operations. It is committed to maintaining sound, transparent, and efficient corporate management, making decisions in line with the objectives of the Company. The Board has delegated certain authority to the Chief Executive Officer (CEO) to maximise corporate efficiencies as allowed under applicable law and regulations. The Board continuously evaluates the company's performance to ensure proper governance and operational excellence.

Annual Evaluation of the Board and its Members, Including Chief Executive Officer

In accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has developed a well-designed mechanism of evaluation of the performance of Board a whole, its individual members and the performance of its committees. First evaluation will be carried out in the next year.

Director's Orientation and Training

Directors receive comprehensive induction training to ensure effectiveness in their roles. Board Members are regularly updated on relevant laws, regulations, and amendments, enhancing their understanding of powers, duties, and the company's corporate governance structure.

Remuneration Policy of Non-Executive Including Independent Directors

The Director's Remuneration Policy aims to attract and retain qualified directors to effectively govern the Company while promoting value addition. The Board of Directors periodically reviews and determines the remuneration for non-executive directors for attending meetings. Compensation is aligned with the Directors' responsibilities and expertise, ensuring it remains appropriate and does not compromise or influence their independence and professional judgment.

Governance Standards Beyond Legal Obligations

At IPAK, we prioritise exemplary corporate governance, exceeding mandatory requirements to ensure transparency and accountability. Beyond compliance with the Code of Corporate Governance, Companies Act, 2017, and relevant rules and regulations.

Diversity Policy & Inclusion

At IPAK, we prioritise diversity, equity, and inclusion (DEI) as a cornerstone of good governance and sustainable development. Our commitment to DEI encompasses ethnicity, age, gender, and ability, fostering a well-functioning workforce that drives business success.

We promote a culture that values diversity at all levels, integrating DEI objectives into our strategic plan, and conducting regular reviews of gender pay gaps, retention, and skill development. Our conducive work environment features enhanced maternity leave policies, anti-harassment redressal mechanisms, and opportunities for growth and development.

By embracing DEI, we create an inclusive, equitable, and secure environment where all employees thrive. We are committed to increasing female representation, empowering people with disabilities, breaking stereotypes, and partnering with reputable organizations to create inclusive employment opportunities. Through these efforts, we cultivate a workplace where everyone feels valued, respected, and empowered to contribute their best.

Related Party Transactions

Related party transactions for the fiscal year 2023-24 are disclosed in Note 47 of the financial statements, in compliance with the applicable laws as well as International Financial Reporting Standards. The Company's Related Party Transaction Policy, outlined in the annual report, ensures transparency and regulatory compliance.

Location of Board Meetings

For the financial year under review, the Company convened five Board meetings, all of which were held in Pakistan. The video conferencing facility was available to all Directors to attend the meetings remotely.

Safety of Company's Records

IPAK maintains secure, compliant records of financial transactions and business activities, both physically and digitally, adhering to regulatory requirements and leveraging digitisation for efficient access.

Investor Relations and Communication

IPAK has established an Investor Relations and Grievance Policy to ensure transparency, accountability, and responsiveness to its shareholders. This policy outlines the company's commitment to providing timely and accurate information, addressing shareholder concerns, and fostering a positive investor relations environment.

Through this policy, we aim to:

- Provide shareholders with relevant, precise, and timely information about the company

- Facilitate shareholders in all matters related to their relationship with the company

- Establish a fair and efficient mechanism for addressing shareholder grievances and concerns

To achieve these objectives, we have designated authorized representatives, established communication channels, and outlined procedures for information sharing, grievance redressal, and conflict resolution.

The policy ensures that the Company maintains the highest standards of transparency, accountability, and responsiveness, thereby strengthening its relationship with shareholders and contributing to its long-term success.

Business Continuity/ Disaster Management Plan

IPAK's Business Continuity Plan ensures seamless continuity and timely recovery of critical business functions during disruptions or emergencies. The plan identifies crucial systems, tasks, and processes, defines backup procedures, and assigns roles and responsibilities to personnel. Its objectives include protecting technology assets, minimising economic losses, and facilitating orderly business restoration. The BCP requires departments to develop action plans, document decision-making processes, and identify key individuals for recovery management. Additionally, it maintains a catalogue of outsourced services, necessary equipment, and internal/external resources for efficient recovery.

Beneficial Ownership

Detail of beneficial covered on the page 266 of the Annual Report.

Presence of the Chairman of the Audit Committee at the AGM

Mr. Saad Amanullah Khan, Chairman Audit Committee was present at the 8th Annual General Meeting of IPAK dated October 24, 2023 to answer questions on the Audit Committee's Activities and matters within the scope of the Audit Committee's responsibilities.

Internal Oversight

The Company's internal audit is led by the Head of Internal Audit, who leads IPAK's Internal Audit Function, and reports directly to the Board Audit Committee Chairperson. This ensures:

- Compliance with Code of Corporate Governance

- Safeguarding of assets and shareholder wealth

- Effective operational and compliance controls

- Risk management

Policies and procedures govern all organisational areas, are strictly followed, and regularly reviewed/updated.

Conflict of Interest

Definition and Scope

A conflict of interest arises when an employee's personal interests, or those of their family members, interfere or appear to interfere with the best interests of the Company. This includes situations where:

- An employee's personal interests influence their decision-making or actions
- An employee or family member has a financial or personal interest in a transaction or business arrangement involving the Company
- An employee's external activities or relationships impact their ability to perform Company duties objectively

Reporting Requirements

If an employee becomes aware of an actual, potential, or apparent conflict of interest, they must:

- Immediately notify their Head of Department
- Submit a Conflict-of-Interest application
- Provide detailed information about the conflict, including:
  - Nature of the conflict
  - Relevant parties involved
  - Potential impact on the Company

Purpose

This policy aims to ensure employees act in the best interests of the Company, maintain objectivity, and avoid situations that may compromise their judgment or loyalty.

Key Principles

- Employees must prioritise Company interests
- Employees must act with integrity and transparency
- Conflicts of interest will be addressed promptly

Purpose:

- Encourage employees to report wrongdoing, fraud, or unethical conduct.
- Provide a secure and confidential reporting mechanism
- Protect whistleblowers from victimisation

Scope:

- Covers misconduct, illegal activities, health and safety risks, environmental damage, and breach of company's policies
- Applies to all employees, stakeholders, and external parties

Whistleblowing Policy

Key Principles:

1. Confidentiality: Whistleblower identities protected
2. Protection: No victimisation or retaliation
3. Fair investigation: Independent and unbiased inquiry

Reporting Mechanisms:

Employees can report concerns through, Email, Phone and Written letter

Investigation Process:

1. Whistleblowing Committee (WBC) reviews and investigates
2. Expert opinion sought if necessary
3. Board Audit Committee (BAC) consulted for guidance

Action:

1. Disciplinary policy applied if offense confirmed
2. Penalties: warning, suspension, termination, recovery of losses
3. Legal proceedings may be initiated

Implementation:

1. Policy displayed prominently
2. Training sessions conducted
3. Annual policy audit

Responsibilities:

1. Whistleblowing Committee (WBC): investigates, recommends action
2. Head of Internal Audit: keeps records, ensures compliance
3. CEO: approves disciplinary action

Insider Trading

IPAK aims to promote compliance with securities laws, preserve reputation and integrity, and prevent insider trading. All directors, officers, employees, agents, and advisors are prohibited from buying or selling Company securities or engaging in actions that take advantage of material, unpublished price-sensitive information. This also applies to information related to customers or suppliers obtained during employment. Trading is restricted during closed periods, and directors, CEO, and employees must notify the Company Secretary of all trades in Company shares, providing detailed information within two days. Violations may result in disciplinary action.

Related Party Policy

The Related Party Policy of IPAK is designed to ensure transparency and accountability in transactions involving related parties. Here are the key elements:

Objective and Scope

The policy aims to ensure proper approval and reporting of transactions between IPAK and its related parties, including subsidiaries, associated undertakings, directors, nominees, key management personnel, significant stockholders, and certain entities or persons related to them.

Responsibility and Custodianship

The Chief Financial Officer (CFO) and Company Secretary are responsible for implementing, updating this policy.

Policy

- Transactions at Arm's Length: Details of related party transactions (except those in the ordinary course of business) are submitted to the Board Audit Committee (BAC) for review and approval
- Transactions not at Arm's Length: These transactions require justification and approval from the BAC and the Board
- Identification of Related Party Transactions: Directors and executive officers must inform Board/Company of potential related party transactions
- Maintenance of Records: The Company maintains a record of related party transactions, including transaction details and terms

Review and Approval

The BAC reviews related party transactions involving significant stockholders, directors, nominees, or key management personnel, considering factors such as fairness, business purpose, and conflict of interest.

Reporting

The Company reports significant related party transactions (exceeding 10% of total assets or annual turnover) to the Pakistan Stock Exchange (PSX) immediately upon entering into such transactions.

By implementing this policy, IPAK demonstrates its commitment to transparency, accountability, and compliance with regulatory requirements.

Social Media Policy

IPAK's Social Media protocols applies to all employees, representatives, and partners when acting on behalf of IPAK. These protocols require adherence to IPAK's core values of Care, Respect, Lead, Honesty, and Courage, and maintains confidentiality and integrity. Employees and representatives must avoid posting harmful or inappropriate content, confidential information, or intellectual property belonging to others without permission. Personal opinions must be clearly distinguished from representation of IPAK, and personal and IPAK social media accounts kept separate. Failure to comply with these protocols may result in disciplinary action, including termination. Employees are encouraged to consult the Human Resource Department if unsure about any aspect of the protocols, and to think carefully before posting online, remembering that content is permanent and globally visible.

Environment and Sustainability

The company, IPAK, has already undertaken several sustainability initiatives and has plans for future measures as outlined in the sustainability session document:

Existing Sustainability Measures:

a. Carbon Footprint Reduction

- Waste Heat Recovery Project has significantly reduced gas and electricity usage
- Installation of a 1.4MW solar power system
- Optimal transportation strategies have saved over 10,000 km, reducing carbon emissions

b. Digitalisation

Reduced paper usage, saving approximately 25,000 liters of water and lowering CO2 footprint

c. Sustainable Packaging

- Development of thinner, high-barrier films, leading to reduced material usage
- Introduction of recyclable films and uncoated alternatives to improve recyclability
- Use of PCR (Post-Consumer Recycled) and PIR (Post-Industrial Recycled) resins for sustainable packaging solutions

d. Sustainable Marketing

- Promoting sustainability through international conferences and platforms (Arabplast, Fachpack)
- Memberships in sustainability-focused organisations like CEFLEX and RecyClass

e. Certifications and Standards

- ISO certifications in Quality, Environment, Health & Safety, and Food Safety.
- Achieved ISCC Plus certification for circular economy efforts

f. Operational Efficiency

Achieved high machine performance and reduced waste generation, aligning with sustainable operational goals

Planned Future Initiatives:

a. GHG Emissions Monitoring

- Implementation of Scope 1, 2, and 3 emissions monitoring.
- Targeting ISO 14064 certification for greenhouse gas emissions

b. Sustainability Reporting

- Publishing a comprehensive Sustainability Report in 2024
- Setting Science-Based Targets (SBTi) to reduce emissions in line with global goals

c. Energy and Water Stewardship

Continued efforts to optimise energy use and manage water resources efficiently

d. Supply Chain Certification

Plans for obtaining certifications like Sedex to ensure a sustainable supply chain

e. Commitment to SDGs

Further aligning business practices with the UN's Sustainable Development Goals (SDGs), especially in collaboration with UNGC (United Nations Global Compact)

f. Sustainable Product Development

Further reductions in film thickness to enhance material efficiency and sustainability

These efforts position IPAK as a leader in sustainable innovation within its industry

Anti Harassment Policy

The company maintains a zero-tolerance policy towards workplace harassment, ensuring a diverse, safe, and healthy environment. Harassment based on race, color, sex, religion, national origin, age, or disability is strictly prohibited and considered a disciplinary matter. Specifically:

- Workplace harassment: Refusing to work with or cooperate with colleagues due to their disability, disease, or associations is prohibited.
- Sexual harassment: Any form of sexual misconduct, exploitation, or violence towards employees, clients, or beneficiaries is condemned and may result in termination.
- Retaliation against individuals reporting harassment is also prohibited.

The company complies with Pakistan's "Protection against Harassment of Women at the Workplace Act, 2010" and its rules, ensuring a workplace free from discrimination and unlawful harassment.

Key principles:

- Respect individual differences

- Maintain a safe and healthy work environment

- No tolerance for harassment or retaliation

- Compliance with relevant Pakistani laws and regulations

Board & Principal Board Committees

At present, the Board consists of 10 directors, including the Chief Executive Officer.

Board of Directors and its Meetings

During the year 2023-24, five (5) meetings of the Board of Directors were held. The attendance of each Director is as follow:

S.No.	Members	Designation	Attendance
1	Mr. Muhammed Amin	Chairman	5/5
2	Mr. Naveed Godil	Chief Executive Officer	5/5
3	Mr. Saad Amanullah Khan	Independent Director	4/5
4	Mr. Sarfaraz Ahmed Rehman	Independent Director	3/5
5	Mr. Abdul Aleem Tinwala	Non-Executive Director	4/5
6	Mr. Aftab Zahoor Raja	Non-Executive Director	5/5
7	Mr. Arsalan Pirani	Non-Executive Director	5/5
8	Mr. Fazal ur Rehman	Non-Executive Director	4/5
9	Mr. Mushtaq Ali Tejani	Non-Executive Director	4/5
10	Mr. Taimoor Iqbal	Non-Executive Director	5/5

Leave of absence was granted to the Directors who could not attend the Board meetings.

Audit Committee and its Meetings

The Company constituted the Audit Committee in 2021, three years prior to getting listed of PSX. It comprises of two (2) Non-Executive Directors and one (1) Independent Director including the Chairman. Four (4) meetings of the Audit Committee were held during the year. Attendance of each Member is given hereunder:

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

Terms of Reference of the Audit Committee

The Audit Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019, summarized as under,

The Board Audit Committee (BAC) plays a crucial role in ensuring the financial integrity and compliance of the Company. Its primary purpose is to assist the Board of Directors in overseeing financial reporting, internal control, audit processes, and compliance with laws and regulations. The BAC has the authority to determine internal audit scope, approve annual audit plans, and investigate matters authorized by the Board. It comprises at least three non-executive directors, including one independent director and one financially literate member.

The BAC's responsibilities include reviewing measures to safeguard Company assets, risk management procedures, financial statements, and compliance with accounting standards and regulatory requirements. It also facilitates external audits, reviews management letters, ensures coordination between internal and external auditors, and monitors compliance with statutory requirements. Additionally, the BAC reviews internal control systems, internal audit reports, and recommends appointment or removal of external auditors. The Committee meets quarterly, with all members expected to attend, and may convene additional meetings as needed.

Some of the BAC's key responsibilities include:

- Financial Oversight: Reviewing financial statements, preliminary announcements, and related party transactions
- Risk Management: Assessing risk management procedures and methodologies
- Audit Facilitation: Facilitating external audits and reviewing management letters
- Compliance Monitoring: Ensuring compliance with statutory requirements and regulatory regulations
- Internal Control: Reviewing internal control systems and internal audit reports
- Recommendations: Recommending appointment or removal of external auditors and other matters assigned by the Board

Human Resource and Remuneration Committee

The Company constituted the Human Resource and Remuneration Committee in 2021, three years prior to getting listed of PSX. The Human Resource and Remuneration Committee comprises of one (1) Non-Executive Directors and two Independent Directors, including the Chairman. One (1) meeting of the Human Resource and Remuneration Committee was held during the year. Attendance of each Member is given here under:

S.No.	Members	Designation	Attendance
1	Mr. Sarfaraz Ahmed Rehman	Chairman	1/1
2	Mr. Muhammed Amin	Member	1/1
3	Mr. Arsalan Pirani	Member	1/1

Terms of Reference of the Human Resource and Remuneration Committee

The HR & Remuneration Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019, summarized as under,

The Human Resource and Remuneration Committee plays a vital role in ensuring the company's human resources and remuneration practices are aligned with its overall objectives.

The committee's primary functions include:

- Remuneration Policy: Recommending a policy framework for determining director remuneration
- Performance Evaluation: Reviewing and recommending a formal process for evaluating the Board, its members, and committees
- HR Management: Recommending human resource management policies
- Key Management Positions: Recommending selection, evaluation, development, compensation, and retirement benefits for key positions
- Board Structure: Reviewing and recommending changes to the Board's structure, size, and composition

The committee meets at least once a year, with the option to meet more frequently if requested by the Board, committee members, or the CEO and Head of Human Resources. The terms of reference are approved by the Board of Directors.

Roles & Responsibilities of the Chairman and Chief Executive Officer

In addition to the specific statutory duties outlined in the Companies Act, 2017, and the Code of Corporate Governance Regulations, 2019, the Chairman of the Board and the Chief Executive Officer (CEO) of the Company have broader roles and responsibilities.

Chariman:

The Chairman of the Board, elected from among the non-executive directors, is responsible for providing leadership to the Board and ensuring that its proceedings are conducted effectively and efficiently in line with the best practices of corporate governance. The Chairman fosters an environment where the Board can actively contribute to the development and determination of the company's strategy and overall business objectives. By promoting constructive debate and engaging the Board in discussions, the Chairman ensures effective decision-making.

Chief Executive Officer:

The Chief Executive Officer, is responsible for leading the management of the Company and overseeing its day-to-day operations within the framework established by the Board. The CEO is tasked with recommending the corporate strategy to the Board and implementing it after receiving the Board's input and approval. The CEO regularly updates the Board on progress made towards achieving the agreed strategy and business objectives. Furthermore, the CEO leads the management committees and ensures that a robust system of internal controls, including risk management, is in place across all business activities. The CEO also ensures that the company adheres to all relevant laws and regulations by implementing effective compliance procedures.

External Audit and Audit Committee Oversight

The Board Audit Committee assures that the Company's internal control system is sound and effective, ensuring:

- Operational, compliance, and financial reporting objectives are met
- Assets and shareholders' wealth are safeguarded
- Effective financial, operational, and compliance controls and risk management are in place

External Auditors

A.F. Ferguson & Co, Chartered Accountants, have:

- Completed their audit for the financial year ended June 30, 2024
- Audited the Company's financial statements and Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
- Indicated willingness to continue as auditors

Audit Firm Quality Assurance

A.F. Ferguson & Co:

- Has a satisfactory rating under ICAP's Quality Control Review Programme
- Complies with IFAC's Code of Ethics and Guidelines
- Maintains separate engagement partners and teams for audit and taxation work

Reappointment Recommendation

The Board Audit Committee recommends reappointing A.F. Ferguson & Co as external auditors for the financial year ending June 30, 2025, with terms and remuneration negotiated by the management.

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A·F·FERGUSON&Co.

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of International Packaging Films Limited (the Company) for the period from June 3, 2024 to June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from June 3, 2024 to June 30, 2024.

Further, we highlight below instances of non-compliance with the requirements of the regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

	Reference	Description
(i)	Paragraph 1	It is mandatory that the Board shall have at least one female director. However, currently the Board does not have any female director.
(ii)	Paragraph 2	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. The Company does not have the requisite number of independent directors.

A F Ferguson & Co

A. F. Ferguson & Co
Chartered Accountants
Karachi
Dated: September 29, 2024
UDIN: CR202410611CROvsiqJN

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KARACHI LAHORE ISLAMABAD

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

For the period from June 3, 2024 to June 30, 2024.

Name of Company: **International Packaging Films Limited**

For the Period from June 3, 2024 to June 30, 2024.

The Company got listed on June 03, 2024 and thus is required to comply with the requirements of the Code of Corporate Governance for the period from June 3, 2024 to June 30, 2024. However, the Company has voluntarily complied with the requirements of the Code of Corporate Governance for the year ended June 30, 2024.

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

1. The total number of directors are ten (10) [Nine elected directors and the chief executive being a deemed director] as per the following:
   a. Male: 10
   b. Female: 0*
2. The composition of the Board is as follows,

	Nature of Directorship	Name of the Director
i.	Independent Directors*	1) Mr. Saad Amanullah Khan 2) Mr. Sarfaraz Ahmed Rehman
ii.	Non-executive Directors	1) Mr. Muhammed Amin, Chairman 2) Mr. Abdul Aleem Tinwala 3) Mr. Arsalan Pirani 4) Mr. Aftab Zahoor Raja 5) Mr. Fazal ur Rehman 6) Mr. Mushtaq Ali Tejani 7) Mr. Taimoor Iqbal
iii.	Executive Director	1) Mr. Naveed Godil, Chief Executive Officer
iv.	Female Director*	None

* The company got listed on June 3, 2024, therefore, the requirements of a female director and one-third independent directors will take effect when the Board is reconstituted (election of directors), which is scheduled on October 31, 2025.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meeting of the Board was presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Directors have been apprised of their duties and responsibilities from time to time. Directors' training is encouraged under the Regulations. Following directors have already attended the directors' training program:

Directors:

i) Mr. Saad Amanullah Khan

ii) Mr. Sarfaraz Ahmed Rehman

Executive:

i) Mr. Fahad Alam, Company Secretary

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Head of Internal Audit has resigned prior to the year end, the management is in the process to hire his replacement.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed two committees comprising of members given below;

a) Audit Committee

i. Mr. Saad Amanullah Khan - Chairman

ii. Mr. Muhammed Amin - Member

iii. Mr. Arsalan Pirani - Member

b) HR and Remuneration Committee

i. Mr. Sarfaraz Ahmed Rehman, Chairman

ii. Mr. Saad Amanullah Khan, Member

iii. Mr. Mushtaq Ali Tejani, Member

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

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

a) Audit Committee: Quarterly

b) HR and Remuneration Committee: Yearly;

15. The Board has set up an effective internal audit function staffed with suitably qualified and experienced personnel for the purpose and who are conversant with the policies and procedures of the Company. Prior to the year end on February 12, 2024, the position of Head of Internal Audit became vacant. The management is in the process of hiring his replacement;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the appointment of minimum number of independent directors and a female director which will be complied at the time of reconstitution of the Board.

19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 (non-mandatory requirements) are below:

S.No	Requirement	Explanation	Reg. No
1.	Role of the Board and its member to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term Corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in related to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated 12 June, 2024 will be complied with in the due course.	10 (A)
2.	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances	The responsibilities as prescribed for the nomination committee are being taken care of at the Board level, as and when needed, so a separate committee is not considered to be necessary.	29 (1)
3.	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has tasked the Board Audit Committee to oversee risk management related matters of the Company. The Board annually review the Key Business Risks.	30
4.	The Board shall appoint, determine remuneration, renew contracts and terms and conditions of employment of chief financial officer, company secretary and head of internal audit of the company.	The Board has appointed the Chief Financial Officer, Company Secretary and Head of Internal Audit. However, prior to the year end on February 12, 2024, the position of Head of Internal Audit became vacant. The management is in the process of hiring his replacement.	20

S.No	Requirement	Explanation	Reg. No
5.	The Company may post on its website key elements of its significant policies including but not limited to the following: i. Communication and disclosure policy; ii. Code of conduct for members of board of directors, senior management and other employees; iii. Risk management policy; iv. Internal control policy; v. Whistle blowing policy; vi. Corporate social responsibility / sustainability / environmental, social and governance related policy; vii. Policies for promoting DE&I and protection against harassment at the workplace.	The Company was listed on 3rd June 2024, therefore, so far only the Code of Conduct policy has been duly placed on the website of the Company. However, the Board will consider to place further significant policies on the website in the financial year 2024-2025.	35(1)

NAVEED GODIL
Chief Executive Officer

MUHAMMED AMIN
Chairman

Date: 10th September 2024

IT Governance

IT Governance

1. Information Technology Policy

- **Monitoring and Compliance:**
  - Purpose: Monitoring ensures data security, incident handling, capacity planning, and compliance.
  - Scope: Applies to all IPAK-owned and connected devices, including personal systems on IPAK networks.
  - User Awareness: Users are informed that their activities may be monitored.
  - Log Management: Logs are retained for three months; anonymised data is kept longer. Monthly log reviews are conducted.
- **Anti-Virus and Malware Policy:**
  - Overview: The policy addresses prevention and response to malware incidents.
  - Scope: Applies to all employees and affiliates.
  - Procedures: Includes installation of anti-virus software, regular updates, and monitoring for malware threats.
  - Licensing and Maintenance: Proper licensing and logging of maintenance actions are required. Infections may lead to device disconnection from the network.
  - Audit Controls: Documented procedures for threat detection, quarantine, and remediation are in place.
- **Helpdesk Management Policy**
  - Purpose: Establishes service expectations and prioritizes technology support requests.
  - Scope: Applies to all IPAK employees, including temporary and contracted staff.
  - Operational Hours: Helpdesk operates Monday to Saturday, 9 AM to 5 PM.
  - Service Levels: Requests are prioritized (Critical, Urgent, Important, Routine) with specified response times.
  - Request Management: A tiered support model ensures effective service with Level 1 handling initial responses and Level 2 managing escalated issues.
- **IT Asset Management**
  - Quarterly Verification: Regular audits of IT assets ensure accuracy and compliance through physical inspections and reconciliation with procurement records.

2. IT Governance and Security Policy

The Board Audit Committee of International Packaging Films Limited (IPAK) oversees cybersecurity and IT governance. An annual audit of Information System (IS) & Information Technology (IT) General Controls, including IT governance and cybersecurity, is carried out according to the internal audit plan, with findings reported to the Board Audit Committee.

Regular tests and reviews are conducted to ensure the integrity of IT frameworks and networks, with results escalated to senior management and the Board Audit Committee when necessary. Key elements of this policy include:

- Comprehensive risk assessments of the IS and IT functions.

- Penetration tests conducted internally and externally, with the assistance of expert third parties, to identify vulnerabilities.
- Regular updates and monitoring of security patches provided by IT equipment manufacturers.
- Firewall protections with protocols to regulate internet traffic, ensuring secure access at all levels.
- Continuous monitoring of internet traffic to detect potential risks, with immediate action taken to mitigate them.
- Regular IT security awareness training for employees, covering topics such as password protection, safe browsing, email security, and ransomware defense.

ERP Investment: IPAK has also made substantial investments in its ERP system (SAP S4 HANA), ensuring regular updates that comply with industry best practices. System controls are prioritised over manual controls, improving efficiency and ensuring consistent application. The system enables real-time data access, enhancing decision-making capabilities and reducing operational risks.

3. SAP S4 HANA Implementation and Operation

As part of IPAK's focus on operational excellence, the successful implementation of SAP S4 HANA has been a key milestone. This advanced ERP solution supports end-to-end business processes and ensures seamless integration across departments.

- **Operational Efficiency:** SAP S4 HANA has automated many routine processes, resulting in significant time and cost savings.
- **Data-Driven Decision Making:** The platform provides real-time insights that allow leadership to make informed decisions based on accurate data.
- **Enhanced Security:** SAP S4 HANA includes robust security features that contribute to the overall cybersecurity framework of the company.
- **Continuous Improvement:** The system is regularly upgraded to align with industry standards, ensuring IPAK stays at the forefront of technology.

4. Disaster Recovery Plan (DRP)

- **Backup Procedures:** Employee data is backed up weekly, with critical machine backups conducted daily.
- **Backup Verification:** Verified applications are used for backups, and stored data is monitored weekly.
- **Data Access and Security:** Employee data is accessible only to the respective employee and their manager to maintain integrity.
- **Data Retention:** Employee data is permanently retained, while modified data is kept for one week.
- **Restore Requests:** IT is responsible for data restoration within a week; timelines for special cases will be communicated.
- **SQL and Virtualized Backups:** Weekly backups of databases are performed, with multiple versions retained.
- **Off-Site Backups:** Monthly off-site backups are performed manually, ensuring that data is secure in case of any system failures.

Performance and Position

Horizontal Analysis

	2024		2023		2022		2021		2020		2019	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Statement of Financial Position												
Property, plant and equipment	4,706,987	(4.4)	4,921,992	(4.5)	5,152,750	21.2	4,253,190	(1.4)	4,313,044	(2.2)	4,408,436	(1.3)
Intangible assets	54,380	(11.0)	61,115	254.4	17,244	52.2	11,331	(9.2)	12,484	2.5	12,185	94.2
Right-of-use asset	12,247	(66.6)	36,671	177.8	13,201	(47.9)	25,355	N/A	-	0.0	-	0.0
Long-term deposits	52,671	726.8	6,371	517.0	1,032	0.0	1,032	0.0	1,032	2,653.2	38	0.0
Long-term loans	22,262	146.4	9,035	N/A	-	0.0	-	0.0	-	0.0	-	0.0
Long-term investments - subsidiaries	13,853,022	24.0	11,168,241	259.0	3,110,817	91.4	1,625,706	1,098.9	135,600	N/A	-	0.0
Stores, spares and consumables	291,403	12.7	258,650	32.2	195,590	101.4	97,099	10.8	87,645	12.4	78,007	397.8
Stock-in-trade	2,357,955	(8.9)	2,588,702	33.4	1,940,762	35.4	1,433,202	47.2	973,941	30.3	747,245	22.4
Trade receivables	3,431,798	38.7	2,474,715	32.3	1,869,970	61.0	1,161,672	4.4	1,112,427	(1.4)	1,127,813	56.9
Trade deposits and short-term prepayments	15,294	(20.8)	19,318	(36.6)	30,471	62.8	18,716	(37.1)	29,737	277.9	7,869	8.4
Loans and advances	221,336	111.5	104,659	(71.3)	364,812	495.6	61,247	54.6	39,608	6.3	37,246	34,509.0
Taxation - net	-	-	-	(100.0)	502,496	44.2	348,506	23.2	282,886	55.9	181,429	113.2
Other receivables	157,076	265.2	43,014	(27.1)	58,997	78.7	33,007	(37.6)	52,934	34.7	39,287	15,705.2
Loan to subsidiaries	2,374,865	N/A	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Sales tax refundable	-	(100.0)	65,324	(21.8)	83,543	(20.9)	105,551	(63.0)	285,180	(28.0)	396,194	7.7
Cash and bank balances	80,752	(50.3)	162,618	44.7	112,355	37.7	81,565	129.5	35,534	29.4	27,464	(14.4)
	27,632,048	26.1	21,920,425	62.9	13,454,039	45.3	9,257,180	25.7	7,362,052	4.2	7,063,213	11.9
Issued, subscribed and paid-up capital	7,002,000	11.1	6,300,945	75.0	3,600,000	0.0	3,600,000	31.3	2,742,598	9.8	2,497,343	44.3
Revaluation surplus on property, plant and equipment	1,555,685	(1.3)	1,575,520	(13.3)	1,816,727	51.0	1,202,964	(6.0)	1,279,484	(4.5)	1,339,978	(4.5)
Share premium	2,470,722	66.1	1,487,566	N/A	-	0.0	-	0.0	-	0.0	-	0.0
Reserve for investment in subsidiaries	3,259,000	N/A	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Unappropriated profit	1,259,985	(61.2)	3,251,135	2.5	3,170,627	94.0	1,634,523	268.1	444,005	(329.8)	(193,179)	(27.6)
Advance against future issue of shares	-	-	-	0.0	-	0.0	-	(100.0)	433,854	(27.1)	595,430	(47.5)
Deferred taxation - net	1,242,928	(3.7)	1,290,712	9.3	1,180,886	53.8	767,755	39.7	549,441	35.8	404,579	(3.4)
Staff retirement benefits	153,093	47.3	103,922	73.6	59,869	132.5	25,755	N/A	-	0.0	-	0.0
Long-term financing - secured	2,148,695	19.3	1,800,459	13,424.9	13,312	(51.6)	27,519	N/A	-	0.0	-	0.0
Lease liabilities	18,013	(41.9)	30,988	3,563.6	846	(94.2)	14,674	N/A	-	0.0	-	0.0
Deferred income - government grant	7,714	(2.4)	7,900	0.4	7,866	257.5	2,201	N/A	-	0.0	-	0.0

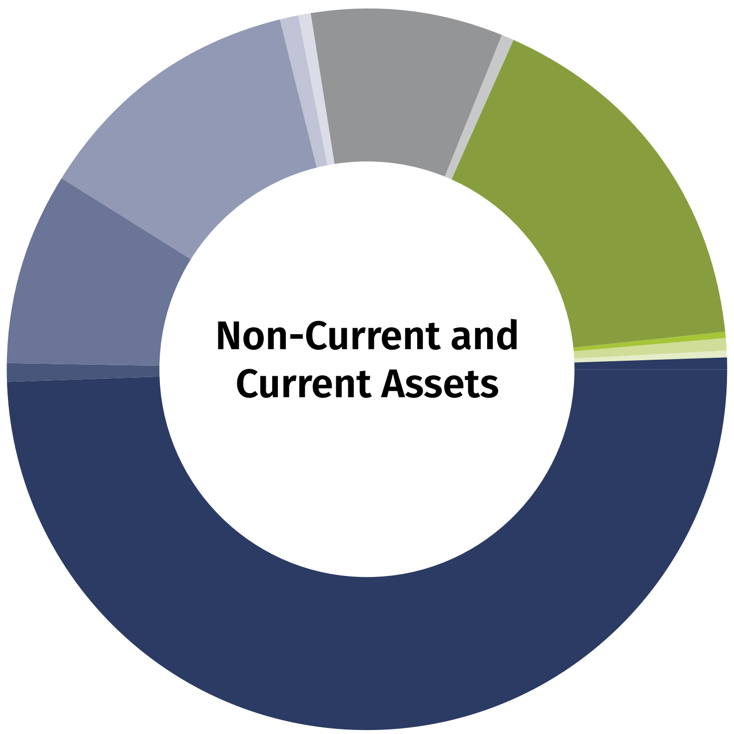
	2024		2023		2022		2021		2020		2019	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Trade and other payables	3,468,182	39.4	2,488,376	106.1	1,207,244	14.1	1,057,644	33.3	793,509	(23.4)	1,035,921	(34.6)
Contract liabilities	172,076	(23.6)	225,179	71.3	131,459	100.9	65,434	125.1	29,070	0.0	-	0.0
Short-term borrowings - secured	4,185,917	51.7	2,758,460	26.4	2,182,199	177.4	786,580	(27.4)	1,083,020	(20.0)	1,353,002	341.9
Accrued markup	184,588	38.3	133,460	267.3	36,336	1,169.9	2,861	(51.0)	5,839	(80.6)	30,139	2,240.7
Taxation - net	387,139	(1.1)	391,608	N/A	-	0.0	0.0	0.0	-	0.0	-	0.0
Current portion of long-term financing - secured	76,549	21.5	63,007	123.6	28,183	(46.3)	52,497	N/A	-	0.0	-	0.0
Current maturity of lease liabilities	622	(94.3)	10,836	(27.7)	14,980	23.4	12,139	N/A	-	0.0	-	0.0
Current portion of deferred income - government grant	352	(0.1)	352	(89.9)	3,504	(24.4)	4,635	N/A	-	0.0	-	0.0
Sales tax payable	38,788	N/A	0.0	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Unclaimed dividend	-	0.0	0.0	0.0	-	0.0	-	(100.0)	1,233	N/A	-	0.0
	27,632,048	26.1	21,920,425	62.9	13,454,039	45.34	9,257,180	25.7	7,362,052	4.2	7,063,213	11.9
Statement of Profit or Loss												
Revenue from contracts with customers	17,088,885	2.8	16,617,710	41.1	11,776,777	25.3	9,400,773	33.5	7,044,101	21.2	5,813,032	101.3
Cost of sales	13,197,144	9.2	12,086,153	28.0	9,443,572	29.9	7,269,175	24.4	5,844,254	8.3	5,396,491	86.9
Gross profit	3,891,741	(14.1)	4,531,557	94.2	2,333,204	9.5	2,131,598	77.7	1,199,847	188.0	416,541	(75,965.0)
Selling and distribution expenses	303,763	26.3	240,499	71.3	140,422	19.1	117,917	24.1	95,042	85.8	51,165	12.9
Administrative expenses	386,812	20.5	320,977	73.9	184,606	60.6	114,967	56.7	73,344	44.4	50,804	59.9
Reversal of charge / (charge) of loss allowance on trade receivables	7,666	(84.9)	50,782	N/A	-	0.0	-	0.0	-	0.0	-	0.0
Other operating expenses	223,560	(7.8)	242,549	(38.6)	395,111	242.9	115,222	6.3	108,402	(52.1)	226,440	29.0
Other income	287,355	96.5	146,247	205.8	47,823	(44.3)	85,827	433.7	16,083	8.2	14,860	83.1
Operating profit	3,272,627	(14.4)	3,822,997	130.2	1,660,888	(11.2)	1,869,319	99.0	939,142	811.9	102,993	(142.0)
Finance costs	1,527,181	141.4	632,586	396.2	127,490	65.6	77,007	(58.9)	187,590	76.1	106,548	1,582.0
Profit before levies and income tax	1,745,446	(45.3)	3,190,411	108.1	1,533,398	(14.4)	1,792,312	138.5	751,552	(21,238.2)	(3,555)	(98.6)
Levies - final tax	6,348	256.4	1,781	(51.5)	3,673	146.0	1,493	(19.6)	1,856	416.4	359	360.8
Profit before income tax	1,739,098	(45.5)	3,188,630	108.4	1,529,725	(14.6)	1,790,820	138.9	749,696	(19,250.5)	(3,915)	(98.4)
- Current	712,744	(36.9)	1,130,230	N/A	-	0.0	-	0.0	-	0.0	-	0.0
- Deferred	111,159	370.1	23,646	(53.1)	50,461	(76.7)	216,821	51.6	143,006	892.9	14,404	(73.5)
Net profit for the year	1,137,513	(45.4)	2,082,046	40.7	1,479,264	(6.0)	1,573,998	159.4	606,690	5,684.2	10,489	(105.3)

Vertical Analysis

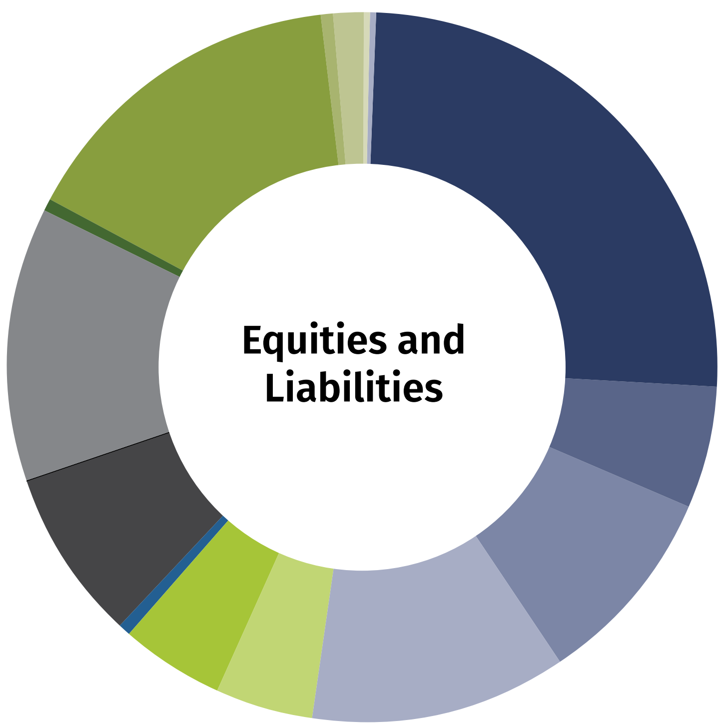
	2024		2023		2022		2021		2020		2019	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Statement of Financial Position												
Property, plant and equipment	4,706,987	17.0	4,921,992	22.5	5,152,750	38.3	4,253,190	45.9	4,313,044	58.6	4,408,436	62.4
Intangible assets	54,380	0.2	61,115	0.3	17,244	0.1	11,331	0.1	12,484	0.2	12,185	0.2
Right-of-use asset	12,247	0.0	36,671	0.2	13,201	0.1	25,355	0.3	-	0.0	-	0.0
Long-term deposits	52,671	0.2	6,371	0.0	1,032	0.0	1,032	0.0	1,032	0.0	38	0.0
Long-term loans	22,262	0.1	9,035	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Long-term investments - subsidiaries	13,853,022	50.1	11,168,241	50.9	3,110,817	23.1	1,625,706	17.6	135,600	1.8	-	0.0
Stores, spares and consumables	291,403	1.1	258,650	1.2	195,590	1.5	97,099	1.0	87,645	1.2	78,007	1.1
Stock-in-trade	2,357,955	8.5	2,588,702	11.8	1,940,762	14.4	1,433,202	15.5	973,941	13.2	747,245	10.6
Trade receivables	3,431,798	12.4	2,474,715	11.3	1,869,970	13.9	1,161,672	12.5	1,112,427	15.1	1,127,813	16.0
Trade deposits and short-term prepayments	15,294	0.1	19,318	0.1	30,471	0.2	18,716	0.2	29,737	0.4	7,869	0.1
Loans and advances	221,336	0.8	104,659	0.5	364,812	2.7	61,247	0.7	39,608	0.5	37,246	0.5
Taxation - net	-	0.0	-	0.0	502,496	3.7	348,506	3.8	282,886	3.8	181,429	2.6
Other receivables	157,076	0.6	43,014	0.2	58,997	0.4	33,007	0.4	52,934	0.7	39,287	0.6
Loan to subsidiaries	2,374,865	8.6	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Sales tax refundable	-	0.0	65,324	0.3	83,543	0.6	105,551	1.1	285,180	3.9	396,194	5.6
Cash and bank balances	80,752	0.3	162,618	0.7	112,355	0.8	81,565	0.9	35,534	0.5	27,464	0.4
	27,632,048	**100.0**	**21,920,425**	**100.0**	**13,454,039**	**100.0**	**9,257,180**	**100.0**	**7,362,052**	**100.0**	**7,063,213**	**100.0**
Issued, subscribed and paid-up capital	7,002,000	25.3	6,300,945	28.7	3,600,000	26.8	3,600,000	38.9	2,742,598	37.3	2,497,343	35.4
Revaluation surplus on property, plant and equipment	1,555,685	5.6	1,575,520	7.2	1,816,727	13.5	1,202,964	13.0	1,279,484	17.4	1,339,978	19.0
Share premium	2,470,722	8.9	1,487,566	6.8	-	0.0	-	0.0	-	0.0	-	0.0
Reserve for investment in subsidiaries	3,259,000	11.8	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Unappropriated profit	1,259,985	4.6	3,251,135	14.8	3,170,627	23.6	1,634,523	17.7	444,005	6.0	(193,179)	(2.7)
Advance against future issue of shares	-	0.0	-	0.0	-	0.0	-	0.0	433,854	5.9	595,430	8.4
Deferred taxation - net	1,242,928	4.5	1,290,712	5.9	1,180,886	8.8	767,755	8.3	549,441	7.5	404,579	5.7
Staff retirement benefits	153,093	0.6	103,922	0.5	59,869	0.4	25,755	0.3	-	0.0	-	0.0
Long-term financing - secured	2,148,695	7.8	1,800,459	8.2	13,312	0.1	27,519	0.3	-	0.0	-	0.0
Lease liabilities	18,013	0.1	30,988	0.1	846	0.0	14,674	0.2	-	0.0	-	0.0
Deferred income - government grant	7,714	0.0	7,900	0.0	7,866	0.1	2,201	0.0	-	0.0	-	0.0
Trade and other payables	3,468,182	12.6	2,488,376	11.4	1,207,244	9.0	1,057,644	11.4	793,509	10.8	1,035,921	14.7

	2024		2023		2022		2021		2020		2019	
	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %	Rs. (000')	Variance %
Contract liabilities	172,076	0.6	225,179	1.0	131,459	1.0	65,434	0.7	29,070	0.4	-	0.0
Short-term borrowings - secured	4,185,917	15.1	2,758,460	12.6	2,182,199	16.2	786,580	8.5	1,083,020	14.7	1,353,002	19.2
Accrued markup	184,588	0.7	133,460	0.6	36,336	0.3	2,861	0.0	5,839	0.1	30,139	0.4
Taxation - net	387,139	1.4	391,608	1.8	-	0.0	-	0.0	-	0.0	-	0.0
Current portion of long-term financing - secured	76,549	0.3	63,007	0.3	28,183	0.2	52,497	0.6	-	0.0	-	0.0
Current maturity of lease liabilities	622	0.0	10,836	0.0	14,980	0.1	12,139	0.1	-	0.0	-	0.0
Current portion of deferred income - government grant	352	0.0	352	0.0	3,504	0.0	4,635	0.1	-	0.0	-	0.0
Sales tax payable	38,788	0.1	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Unclaimed dividend	-	0.0	-	0.0	-	0.0	-	0.0	1,233	0.0	-	0.0
	27,632,048	100.0	21,920,425	100.0	13,454,039	100.0	9,257,180	100.0	7,362,052	100.0	7,063,213	100.0
Statement of Profit or Loss												
Revenue from contracts with customers	17,088,885	100.0	16,617,710	100.0	11,776,777	100.0	9,400,773	100.0	7,044,101	100.0	5,813,032	100.0
Cost of sales	13,197,144	77.2	12,086,153	72.7	9,443,572	80.2	7,269,175	77.3	5,844,254	83.0	5,396,491	92.8
Gross profit	3,891,741	22.8	4,531,557	27.3	2,333,204	19.8	2,131,598	22.7	1,199,847	17.0	416,541	7.2
Selling and distribution expenses	303,763	1.8	240,499	1.4	140,422	1.2	117,917	1.3	95,042	1.3	51,165	0.9
Administrative expenses	386,812	2.3	320,977	1.9	184,606	1.6	114,967	1.2	73,344	1.0	50,804	0.9
Reversal of charge / (charge) of loss allowance on trade receivables	7,666	0.0	50,782	0.3	-	0.0	-	0.0	-	0.0	-	0.0
Other operating expenses	223,560	1.3	242,549	1.5	395,111	3.4	115,222	1.2	108,402	1.5	226,440	3.9
Other income	287,355	1.7	146,247	0.9	47,823	0.4	85,827	0.9	16,083	0.2	14,860	0.3
Operating profit	3,272,627	19.2	3,822,997	23.0	1,660,888	14.1	1,869,319	19.9	939,142	13.3	102,993	1.8
Finance costs	1,527,181	8.9	632,586	3.8	127,490	1.1	77,007	0.8	187,590	2.7	106,548	1.8
Profit before levies and income tax	1,745,446	10.2	3,190,411	19.2	1,533,398	13.0	1,792,312	19.1	751,552	10.7	(3,555)	(0.1)
Levies - final tax	6,348	0.0	1,781	0.0	3,673	0.0	1,493	0.0	1,856	0.0	359	0.0
Profit before income tax	1,739,098	10.2	3,188,630	19.2	1,529,725	13.0	1,790,820	19.0	749,696	10.6	(3,915)	(0.1)
- Current	712,744	4.2	1,130,230	6.8	-	0.0	-	0.0	-	0.0	-	0.0
- Deferred	111,159	0.7	23,646	0.1	50,461	0.4	216,821	2.3	143,006	2.0	14,404	0.2
Net profit for the year	1,137,513	6.7	2,082,046	12.5	1,479,264	12.6	1,573,998	16.7	606,690	8.6	10,489	0.2

Composition Statement of Financial Position 2024

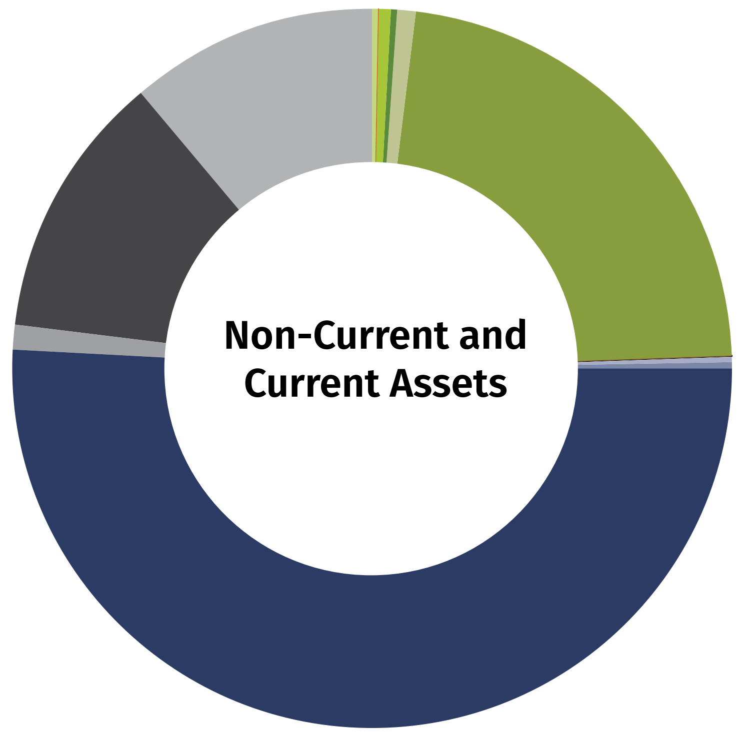


Property, plant and equipment	17.03%
Right-of-use asset	0.04%
Long-term loans	0.08%
Stores, spares and consumables	1.05%
Trade receivables	12.42%
Loans and advances	0.82%
Loan to subsidiaries	8.59%
Intangible assets	0.20%
Long-term deposits	0.19%
Long-term investments - subsidiaries	50.13%
Stock-in-trade	8.53%
Trade deposits and short-term prepayments	0.06%
Other receivables	0.57%
Cash and bank balances	0.29%

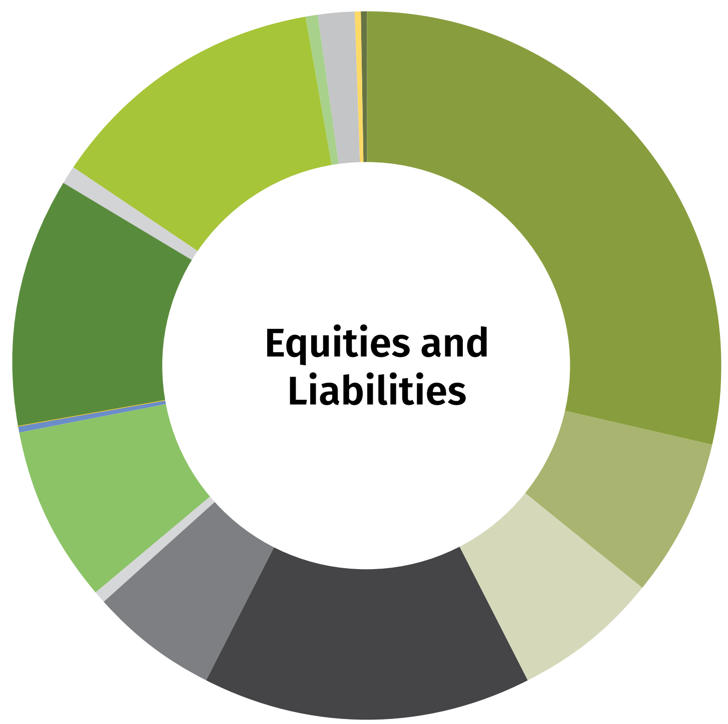


Share capital	25.34%
Revaluation surplus on property, plant and equipment	5.63%
Share premium	8.94%
Reserve for investment in subsidiaries	11.79%
Unappropriated profit	4.56%
Deferred taxation - net	4.50%
Staff retirement benefits	0.55%
Long-term financing - secured	7.78%
Lease liabilities	0.07%
Deferred income - government grant	0.03%
Trade and other payables	12.55%
Contract liabilities	0.62%
Short-term borrowings - secured	15.15%
Accrued markup	0.67%
Taxation - net	1.40%
Current portion of long-term financing - secured	0.28%
Sales tax payable	0.14%

Composition Statement of Financial Position 2023



Property, plant and equipment	22.45%
Right-of-use asset	0.17%
Long-term loans	0.04%
Stores, spares and consumables	1.18%
Trade receivables	11.29%
Loans and advances	0.47%
Sales tax refundable	0.30%
Intangible assets	0.28%
Long-term deposits	0.03%
Long-term investments - subsidiaries	50.95%
Stock-in-trade	11.81%
Trade deposits and short-term prepayments	0.09%
Other receivables	0.20%
Cash and bank balances	0.74%

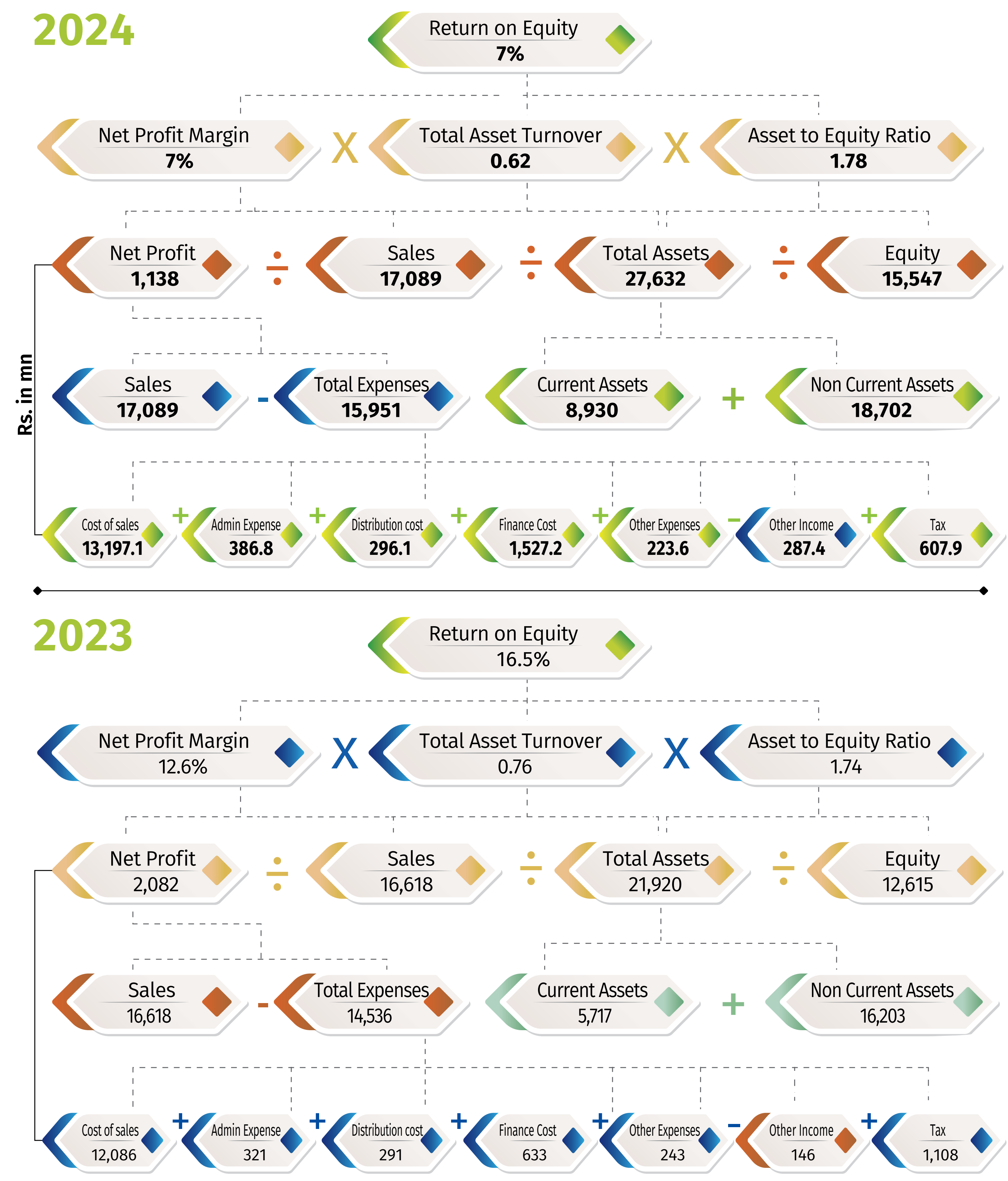


Share capital	28.74%
Revaluation surplus on property, plant and equipment	7.19%
Share premium	6.79%
Unappropriated profit	14.83%
Deferred taxation - net	5.89%
Staff retirement benefits	0.47%
Long-term financing - secured	8.21%
Lease liabilities	0.14%
Deferred income - government grant	0.04%
Trade and other payables	11.35%
Contract liabilities	1.03%
Short-term borrowings - secured	12.58%
Accrued markup	0.61%
Taxation - net	1.79%
Current portion of long-term financing - secured	0.29%
Current maturity of lease liabilities	0.05%

Ratio Analysis

	2024	2023	2022	2021	2020	2019
Profitability Ratios						
Return on equity / shareholder funds	7.3%	16.5%	17.2%	24.5%	12.4%	0.2%
Return on capital employed	17.1%	24.1%	16.9%	25.7%	17.2%	2.2%
Gross profit ratio	22.8%	27.3%	19.8%	22.7%	17.0%	7.2%
Net profit/Loss to sale	6.7%	12.5%	12.6%	16.7%	8.6%	0.2%
EBITDA margin to sale	21.3%	25.2%	16.5%	22.9%	17.0%	5.9%
Shareholders Funds	56.3%	57.5%	63.8%	69.5%	60.7%	51.6%
Liquidity Ratios						
Current ratio	1.0	0.9	1.4	1.7	1.5	1.1
Quick / Acid test ratio	0.7	0.5	0.8	0.9	1.0	0.8
Cash flow from Operations to Sales	0.1	0.2	0.0	0.2	0.1	(0.2)
Cash Flow to Capital Expenditure	0.5	0.5	0.2	1.2	1.7	(5.8)
Cash Flow Coverage Ratio	0.2	0.8	0.1	2.3	0.5	(0.8)
Activity / Turnover Ratios						
Inventory turnover	5.3	5.3	1.4	1.5	1.7	2.0
No of Days in Inventory	68	68	65	60	54	46
Debtor turnover ratio	5.8	7.6	7.8	8.3	6.3	6.3
No of Days in Receivables	63	48	47	44	58	58
Creditors turnover ratio	4.4	6.5	8.3	7.9	6.4	4.1
No of Days in payables	82	56	44	46	57	89
Total Assets turnover ratio	0.7	0.9	1.0	1.1	1.0	0.9
Fixed Assets turnover ratio	3.5	3.3	2.5	2.2	1.6	1.3
Operating Cycle	49	60	68	58	55	15
Investment / Market Ratios						
Earnings per share (EPS)	1.79	3.58	2.54	2.71	1.04	0.02
Price earning ratio	13.18	N/A	N/A	N/A	N/A	N/A
Break-up Value per share	22.20	20.02	23.85	17.88	17.87	16.98
Capital Structure Ratios						
Net assets per share	22.20	20.02	23.85	17.88	17.87	16.98
Financial Leverage ratio	1.8	1.7	1.5	1.5	1.8	2.1
Weighted average cost of debt	23.8%	13.7%	5.7%	8.9%	17.3%	7.9%
Total Debt to equity ratio	41.2%	36.6%	25.9%	13.5%	22.1%	31.9%
Long Term Debt to Equity Ratio	14.3%	14.8%	0.5%	1.2%	0.00%	0.00%
Interest coverage	2.1	6.0	13.0	24.3	5.0	1.0

DuPont Analysis

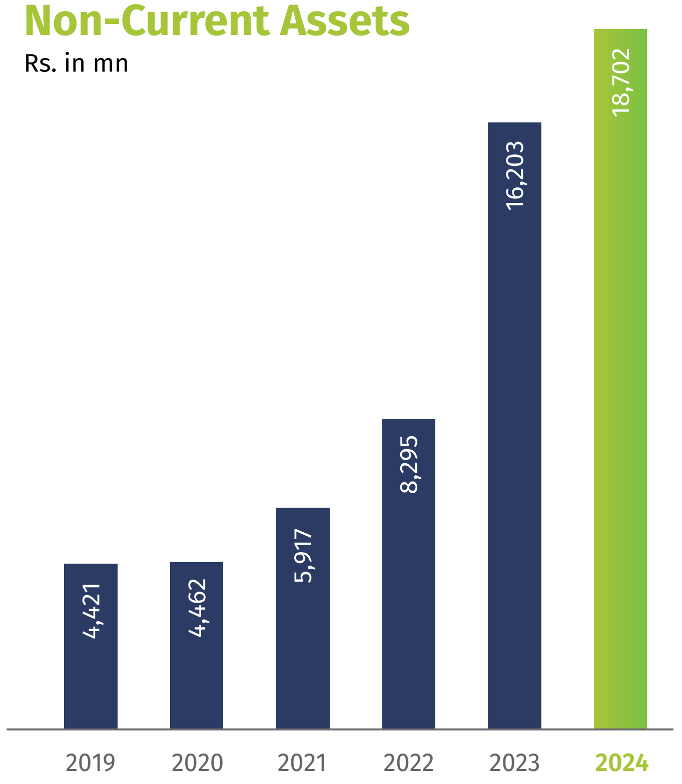


Graphical Presentation of DuPont Analysis

Graphical Presentation

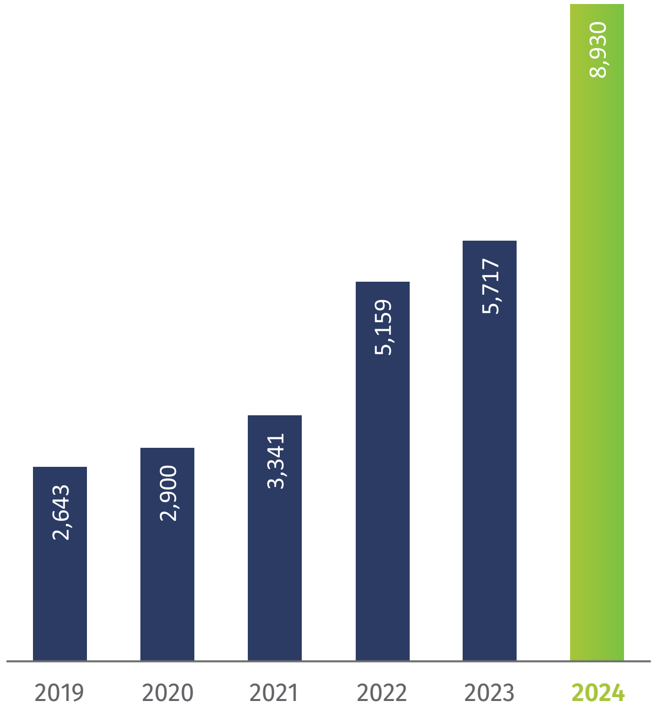
Non-Current Assets

Rs. in mn



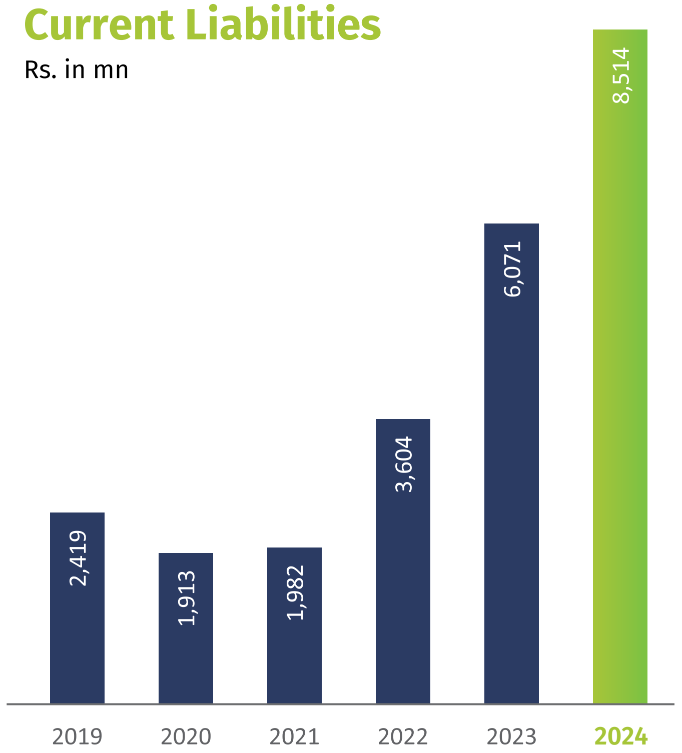
Current Assets

Rs. in mn



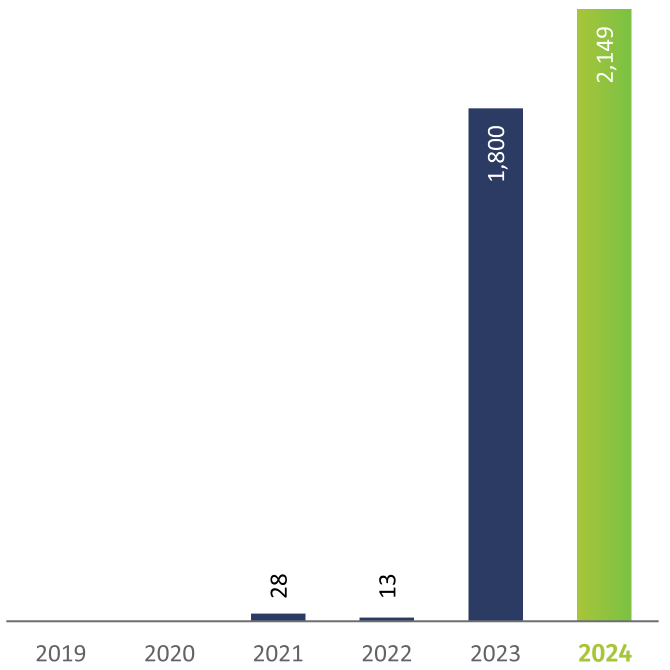
Current Liabilities

Rs. in mn

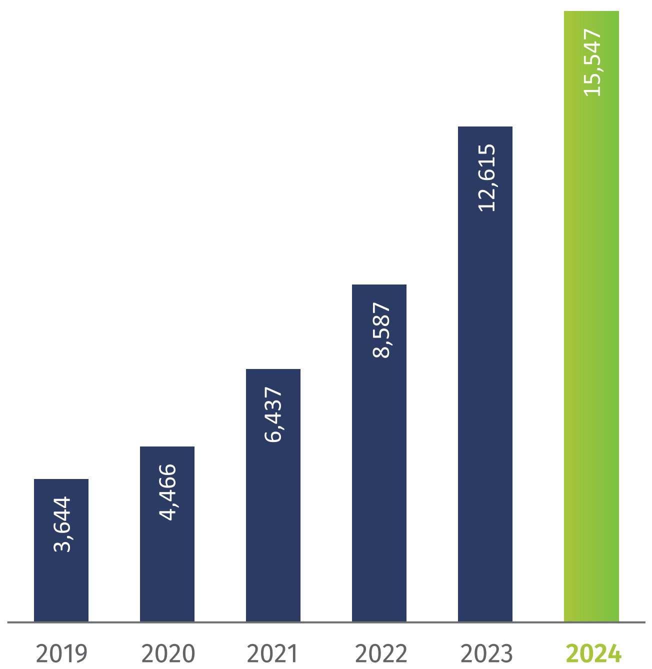


Long Term Borrowing

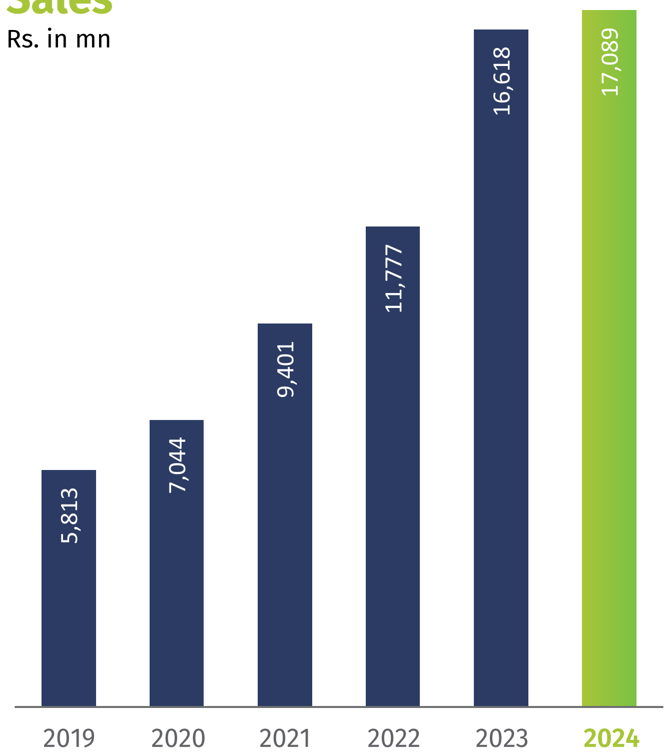
Rs. in mn



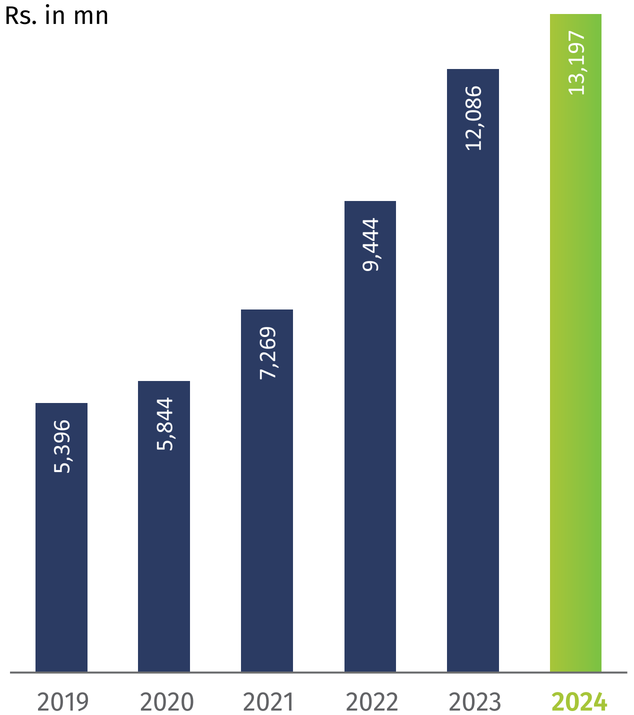
Equity & Reserves
Rs. in mn



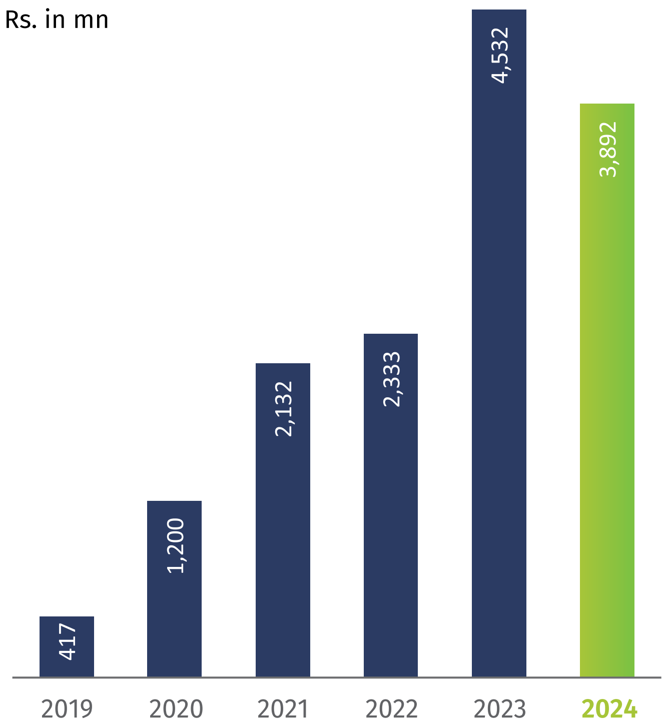
Sales
Rs. in mn



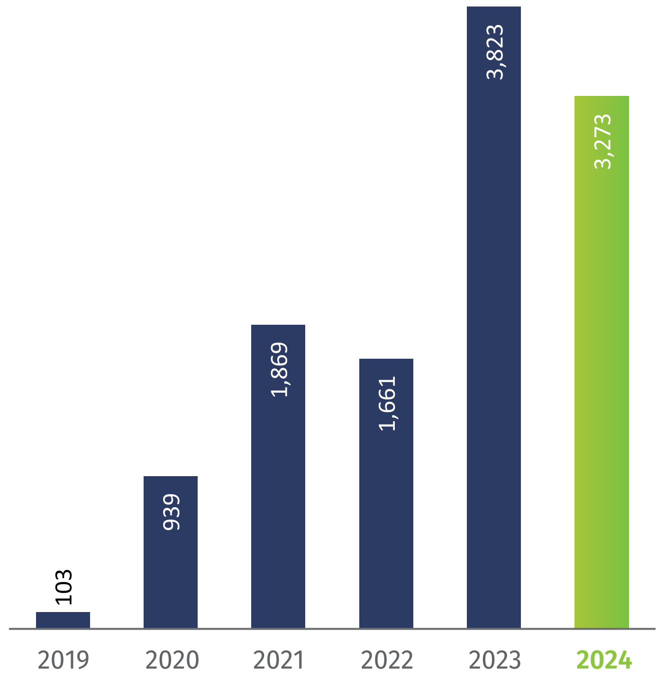
Cost of Goods Sold
Rs. in mn



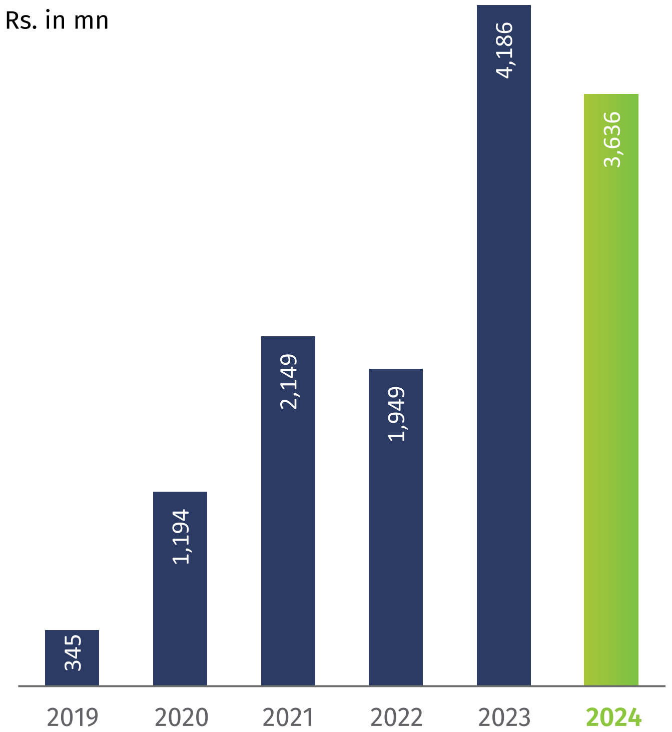
Gross Profit
Rs. in mn



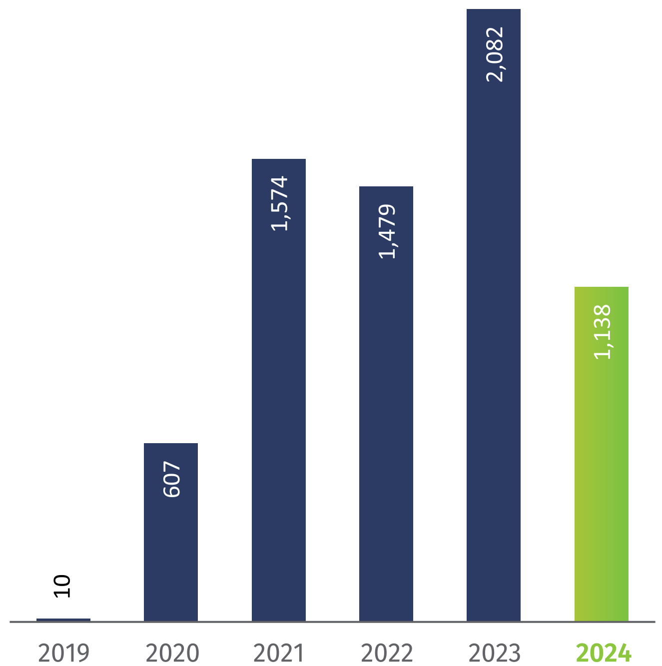
Operating Profit
Rs. in mn



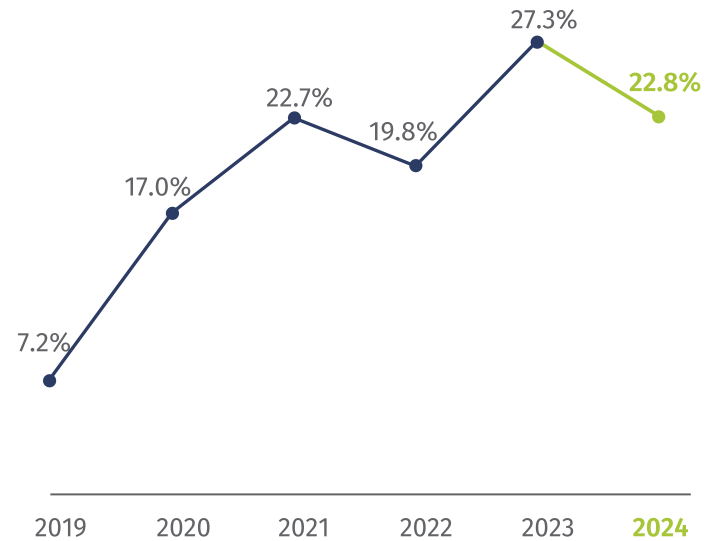
EBITDA
Rs. in mn



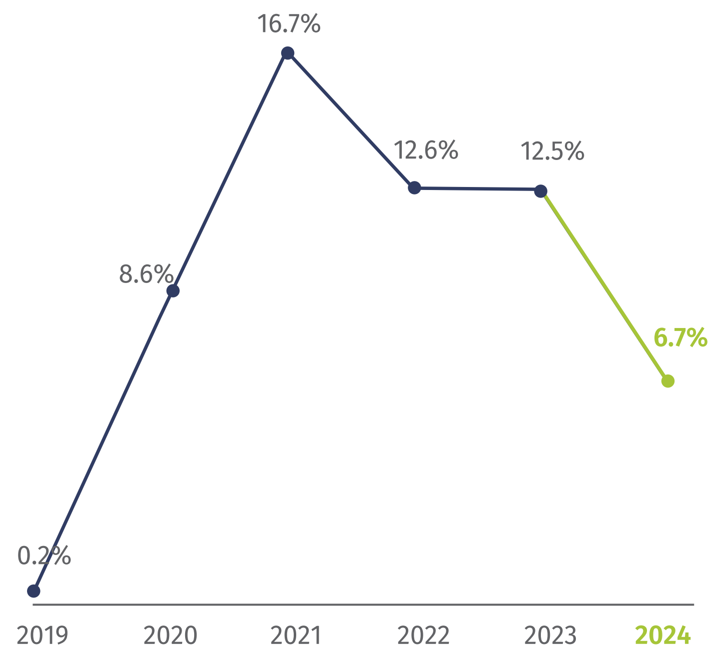
Net Profit / (Loss) after tax
Rs. in mn



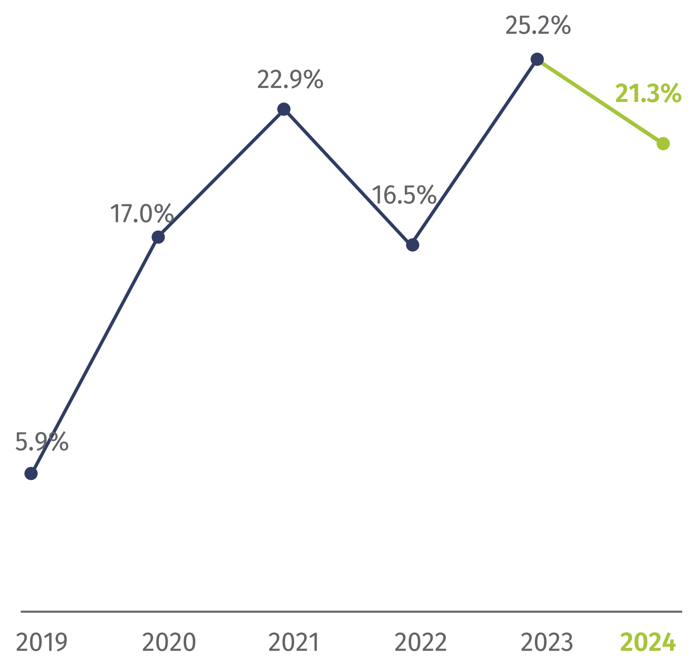
Gross Profit Margin



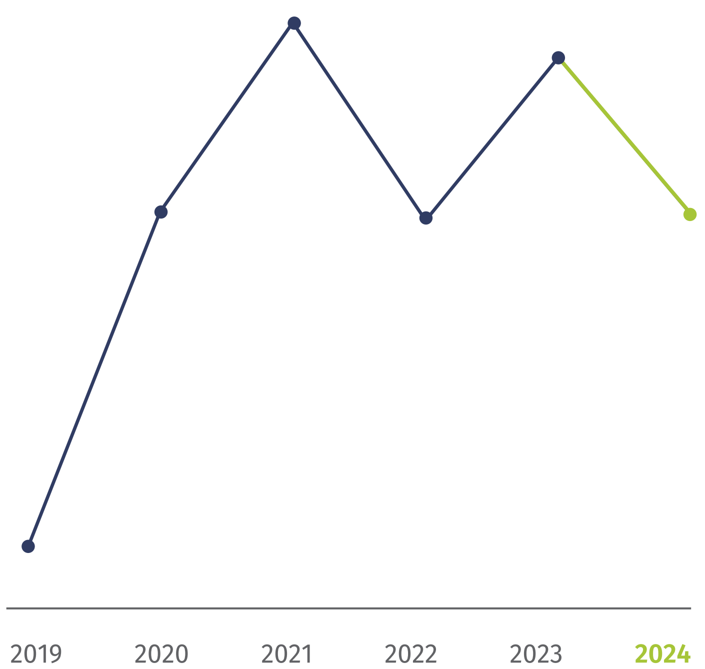
Net Profit / (Loss) Margin



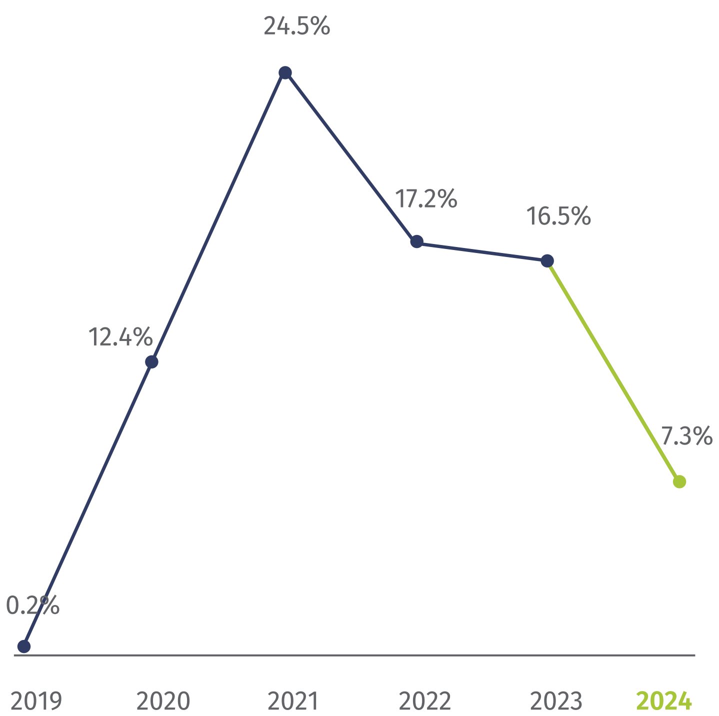
EBITDA Margin to Sales



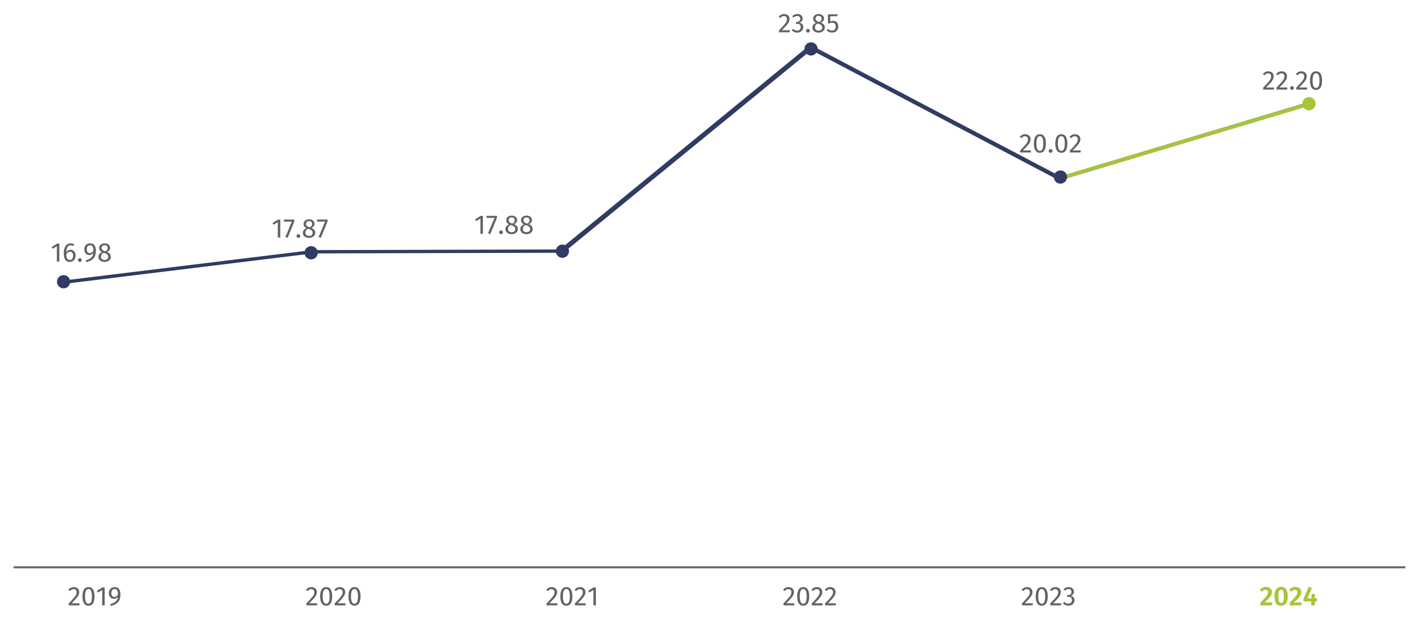
Return on Capital Employed



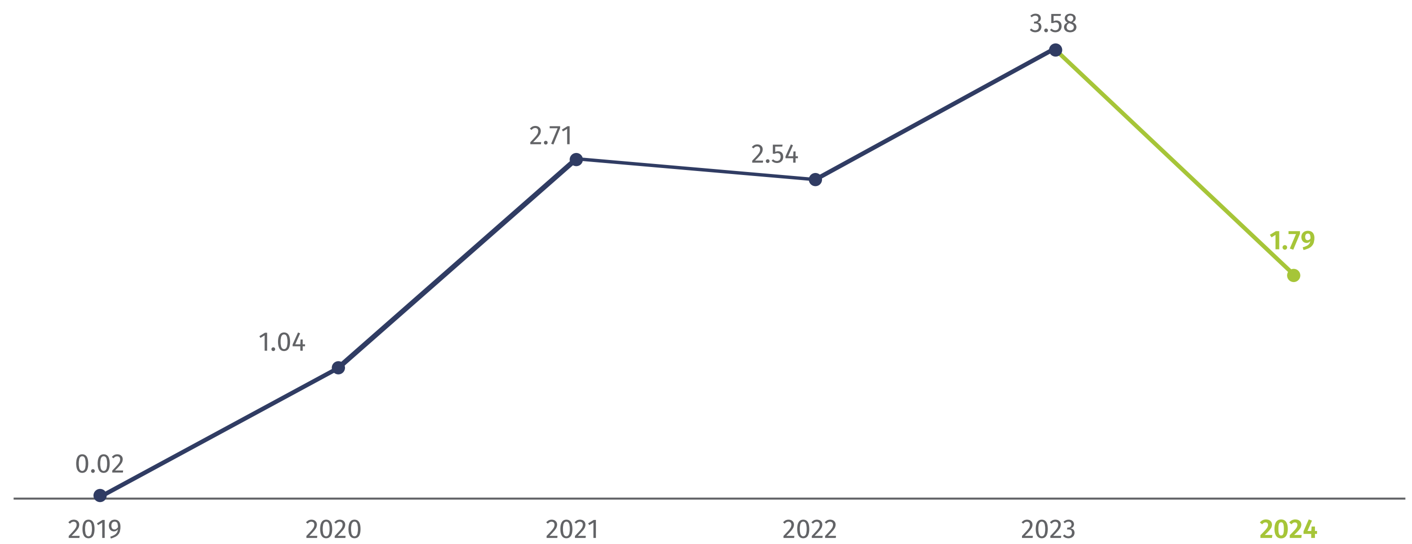
Return on Equity



Breakup Value Per Share

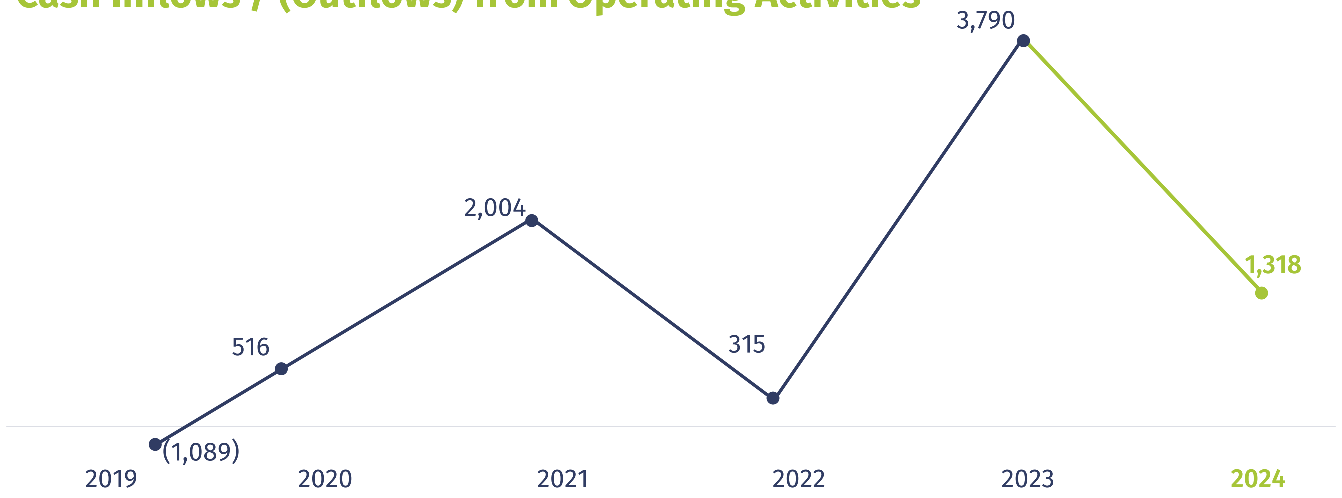


Earning Per Share

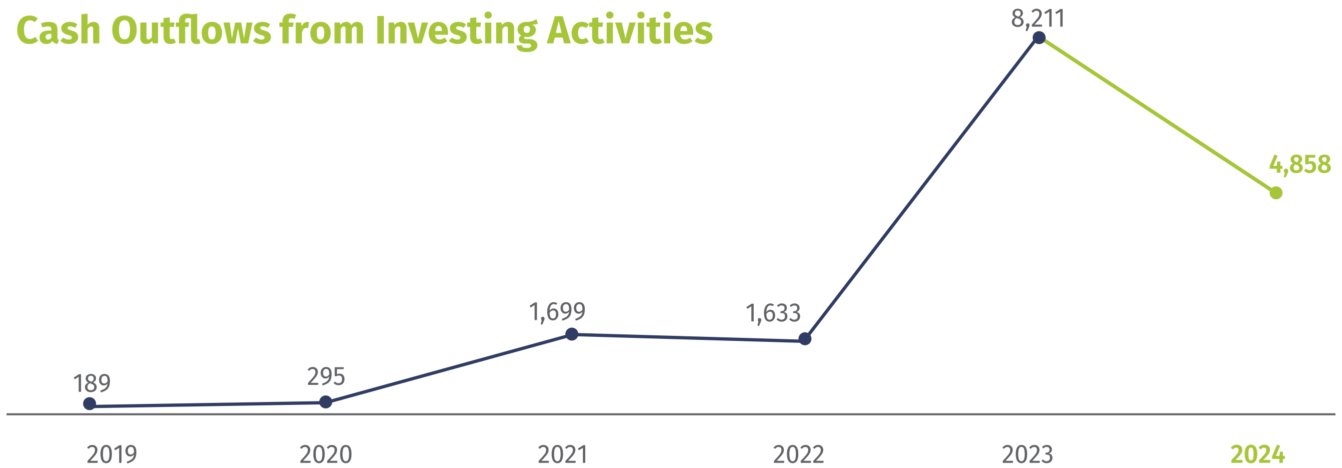


Graphical Presentation

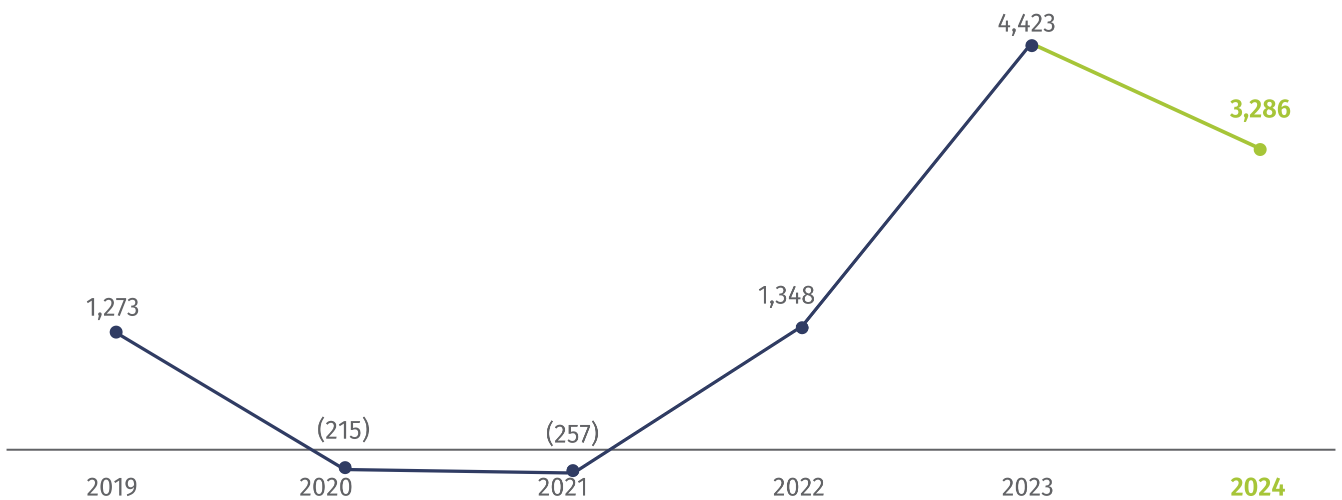
Cash Inflows / (Outflows) from Operating Activities



Cash Outflows from Investing Activities



Cash Inflows / (Outflows) from Financing Activities



Sources and Application of Funds

	2024	2023	2022	2021	2020	2019
	Rupees in Thousand					
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated from operations	3,577,619	4,573,453	565,005	2,143,393	830,461	(915,003)
Long-term deposit	(46,300)	(5,340)	-	-	(995)	-
Taxes paid	(723,561)	(237,907)	(153,990)	(65,620)	(101,457)	(96,320)
Increase in long-term loans	(13,227)	-	-	-	-	-
Finance costs paid	(1,467,578)	(530,147)	(94,016)	(73,932)	(211,890)	(77,697)
Gratuity paid	(9,435)	(10,178)	(1,676)	(218)	-	-
Net cash generated from operating activities	**1,317,518**	**3,789,881**	**315,324**	**2,003,623**	**516,120**	**(1,089,020)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(29,139)	(129,060)	(148,950)	(229,291)	(160,054)	(183,147)
Additions to intangibles	(90)	(48,834)	(7,143)	(165)	(859)	(5,928)
Investment in subsidiaries	(277,853)	(7,933,352)	(1,588,000)	(1,270,733)	-	-
Advance given against future issuance of shares	(2,406,928)	(124,073)	102,889	(219,373)	(135,600)	-
Profit on saving accounts	11,209	6,712	2,452	872	496	-
Proceeds from disposal of operating fixed assets	7,004	17,448	6,016	20,032	1,298	-
Payment against loan to subsidiaries	(2,162,208)	-	-	-	-	-
Net cash used in investing activities	**(4,858,005)**	**(8,211,159)**	**(1,632,735)**	**(1,698,659)**	**(294,718)**	**(189,075)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds against right issue	-	2,088,197	-	-	-	-
Proceeds against IPO	1,763,978	-	-	-	-	-
Expenses incurred in relation to IPO	(79,767)	-	-	-	-	-
Dividends paid	-	-	-	(61,233)	(28,767)	-
Advance received against future issues of shares	-	-	-	23,547	83,680	226,677
Repayments of lease liabilities	(14,825)	(14,888)	(13,184)	(7,798)	-	-
Short term borrowings - net	1,254,925	527,852	1,395,619	(296,440)	(269,983)	1,046,802
Long-term financing - obtained	2,150,000	1,850,000	22,251	112,970	-	-
Long-term financing - repaid	(1,788,222)	(28,029)	(56,485)	(28,243)	-	-
Net cash generated from financing activities	**3,286,089**	**4,423,132**	**1,348,201**	**(257,195)**	**(215,070)**	**1,273,479**
Net cash (outflow)/inflow	**(254,398)**	**1,854**	**30,790**	**47,769**	**6,332**	**(4,616)**

Sources and Application of Funds - Analysis

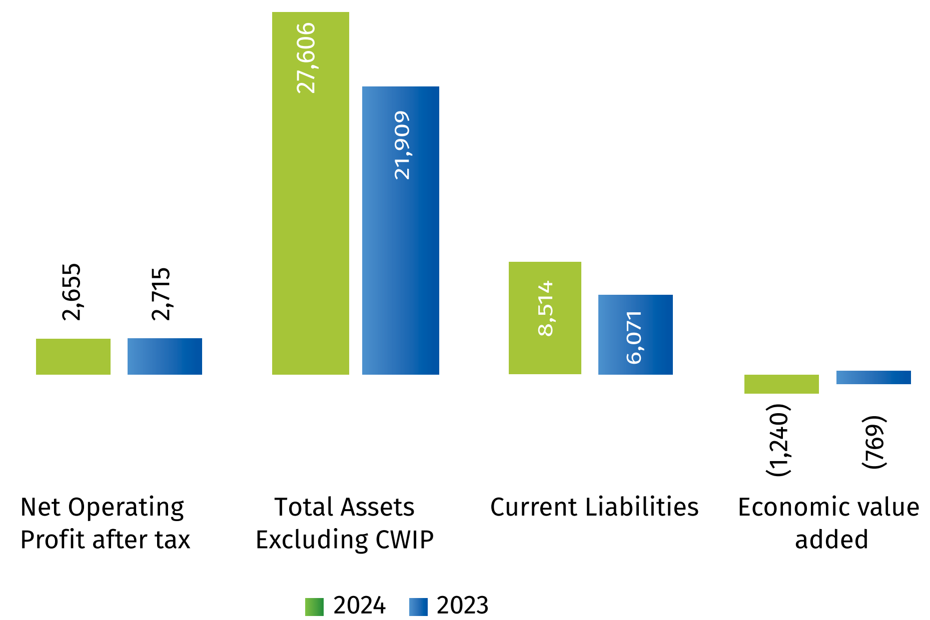
	2024	2023
	Rupees in Thousand	
Cash and Cash Equivalents - Opening	**114,209**	112,355
Long-term financing - net	**361,778**	1,821,971
Short term financing - net	**1,254,925**	527,852
Repayment of lease liablities	**(14,825)**	(14,888)
Proceeds against share investment	**1,684,211**	2,088,197
Capital Expenditure	**(22,225)**	(160,446)
Profit received on bank balances	**11,209**	6,712
Investment / loans to subsidiaries	**(4,846,989)**	(8,057,425)
Cash inflow / (out flow) from Operations	**1,317,518**	3,789,881
Cash and Cash Equivalents - Closing	**(140,189)**	114,209

Economic Value Added

	2024	2023
	Rupees in Thousand	
Operating profit	**3,272,627**	3,822,997
Income tax - net	**(607,933)**	(1,108,365)
Net Operating profit after tax	**2,664,694**	2,714,632
Cost of Capital	**(3,904,671)**	(3,483,920)
Economic value added	**(1,239,977)**	(769,288)
Total Assets excluding CWIP	**27,606,119**	21,909,272
Current liabilities	**(8,514,213)**	(6,071,278)
Invested Capital	**19,091,906**	15,837,994
WACC %	**20.5%**	22.0%
Cost of capital	**3,904,671**	3,483,920

Comparison

Rs in mn



Future Outlook

1. Forward Looking Statement

The Company remains optimistic about the upcoming financial year, considering the recent economic developments:

- **Policy Rate Reduction:** The prevailing policy rate has been reduced by 200 basis points, which is expected to positively impact financial costs, reducing borrowing expenses. This reduction may also stimulate aggregate demand in the economy, which will help improve consumer purchasing power and drive demand for flexible packaging solutions.
- **Exchange Rate Stability:** The exchange rate has shown stability throughout the year, aided by ongoing compliance with IMF requirements. With reduced monetary and fiscal policy uncertainties, the Company is better positioned to plan its operations and financial forecasts with more certainty.
- **Strategic Focus:** IPAK remains focused on leveraging its recent expansions, including GPAK and PPAK, to diversify its portfolio. The Company is committed to entering new export markets, further strengthening its position as a global leader in flexible packaging.

2. Company Performance Against Forward-Looking Disclosures Made Last Year

This is the first year of IPAK's annual report being published following the IPO, so there were no forward-looking disclosures in the previous year. As a result, this section is not applicable for this year's report.

3. Source of Information and Assumptions Used for Forecasting

IPAK bases its financial forecasts and future outlook on a combination of internal and external sources, which include:

- **Internal Reports:** Monthly and quarterly performance reviews, production capacity analyses, and business development data form the foundation of forecasting.
- **External Sources:** Industry reports, government economic indicators, market research, and data from relevant trade associations are also utilised.
- **Assumptions:** The forecast assumes that the economic environment, including interest rates, exchange rates, and inflation levels, will remain within expected ranges. Projections are also based on the continued growth of domestic and international demand for flexible packaging solutions.

4. Status of Capital Projects

IPAK successfully completed two significant expansion projects—Global Packaging Films (GPAK) and Petpak Films (PPAK). These projects are now fully operational and expected to contribute to the group's top-line and bottom-line growth from this year onward. The enhanced production capacity will allow IPAK to capture higher market share, both locally and internationally, while optimising operational efficiencies.

5. Responding to Challenges and Uncertainties

IPAK acknowledges that market volatility, raw material price fluctuations, and global economic challenges remain potential hurdles. However, the Company has implemented several key strategies to mitigate these risks:

- **Cost Control Measures:** Focused on optimising operational efficiencies and streamlining processes to manage raw material costs and inflationary pressures.
- **Sustainability:** Investing in R&D for eco-friendly packaging to meet regulatory requirements and align with consumer preferences for sustainable solutions.
- **Strategic Partnerships:** Strengthening relationships with local and international suppliers to ensure supply chain resilience.

6. Responses to External Environment

IPAK has proactively responded to the external environment through its strategic planning, as highlighted by its comprehensive approach to the PESTEL factors:

Political: IPAK closely monitors political shifts and adapts its policies to comply with regulatory changes.

Economic: The Company has adjusted its pricing strategies in response to inflation, exchange rates, and interest rates to maintain profitability.

Social: Commitment to sustainable practices and eco-friendly products aligns with evolving consumer preferences.

Technological: Investments in advanced technologies, such as automation and digital transformation, have enabled operational excellence.

Environmental: IPAK prioritises minimizing its environmental footprint through responsible sourcing and production practices.

Legal: The Company ensures full compliance with local and international laws, mitigating potential legal risks through rigorous governance.

Business Model

Inputs

IPAK's business model is built on a strong foundation of key inputs that drive its success:

- **Financial Capital:** IPAK allocates capital efficiently across its operations, leveraging investments in state-of-the-art technology and capacity expansion. The Company maintains a balanced capital structure to ensure optimal liquidity and financial strength.
- **Human Capital:** The Company's extraordinary human resource is its greatest asset. IPAK attracts, develops, and retains talent by providing growth opportunities, competitive compensation, and fostering a culture of innovation and empowerment.
- **Operational Excellence:** IPAK's focus on efficiency, quality control, and automation leads to best-in-class manufacturing processes. The Company's operational excellence is underpinned by continuous process improvements and adherence to global standards.
- **Social and Relationship Inputs:** The Company values strong relationships with its stakeholders, including customers, suppliers, and communities. IPAK engages in meaningful collaborations and upholds high standards of corporate social responsibility.
- **Natural Capital:** IPAK's commitment to sustainability is evident in its responsible use of natural resources. The Company prioritises eco-friendly packaging solutions and ensures that its operations minimize environmental impact, supporting the global shift towards a circular economy.

Output

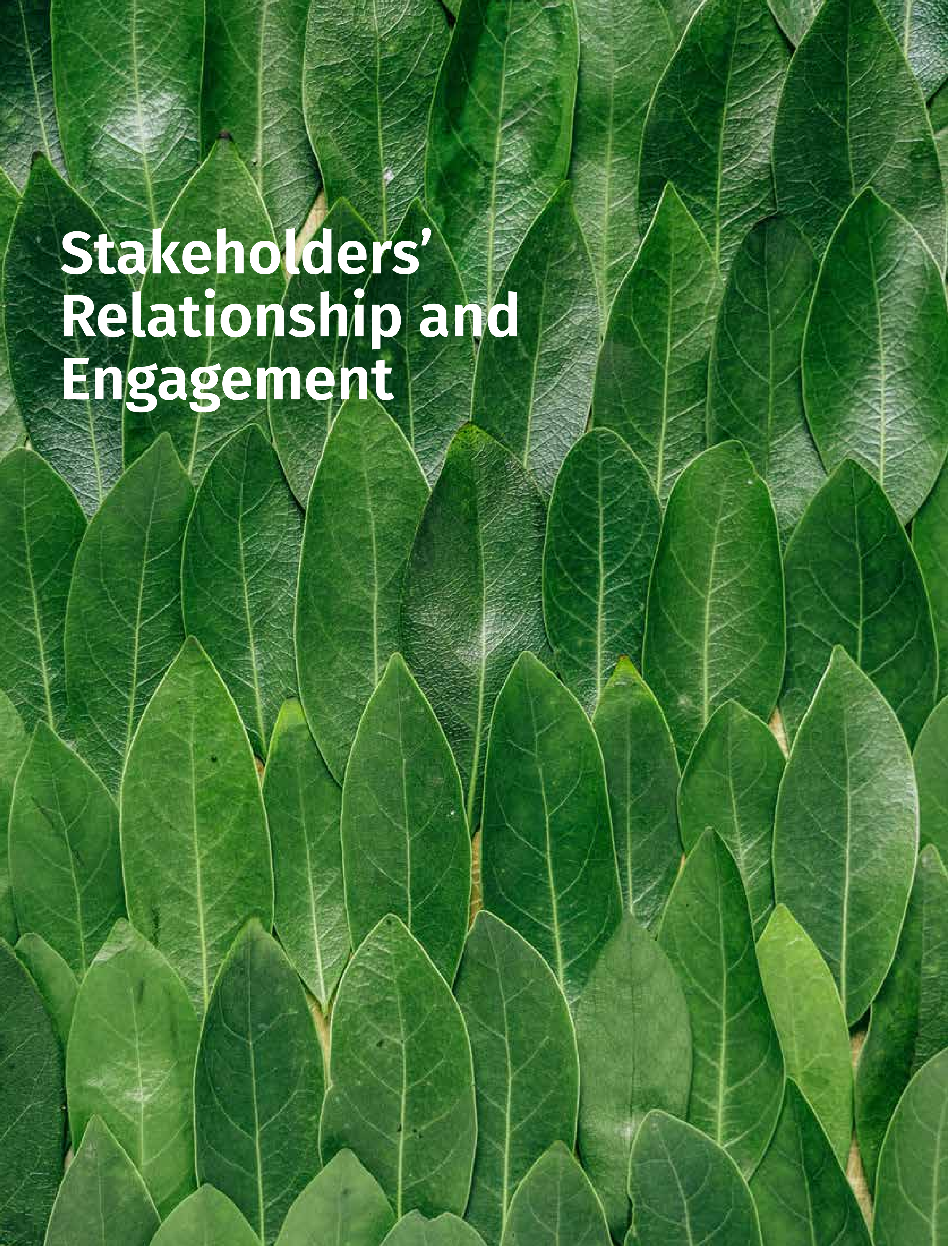
The combination of IPAK's robust inputs and business activities results in tangible, observable outputs:

- **Multiplication of Financial Capital:** IPAK consistently delivers strong financial performance, creating significant shareholder wealth through profitable operations and prudent investment decisions.
- **Exceptional Human Capital:** IPAK's workforce is recognised for its high performance and dedication. The Company's focus on talent development has created a culture of innovation, leadership, and excellence.
- **Efficient Manufacturing System:** IPAK operates one of the most efficient manufacturing systems in the packaging industry, known for its operational capabilities and ability to produce a wide range of high-quality packaging solutions.
- **Extended Corporate Social Responsibilities:** IPAK actively engages in corporate social responsibility initiatives, contributing positively to the communities it operates in and promoting sustainability through eco-friendly packaging solutions.

Business Activities

IPAK's differentiated business activities are central to delivering value and maintaining its competitive edge:

- **Efficient Business Processes:** IPAK's streamlined operations and automated processes allow it to optimise productivity, reduce waste, and minimize operational costs, enhancing overall efficiency.
- **Utilization of State-of-the-Art Technology:** IPAK employs the latest technology in its production facilities, ensuring that products are manufactured with precision and consistency. The use of advanced machinery enables flexibility and scalability in production.
- **Consciousness for Best Quality:** IPAK is dedicated to delivering the highest quality products. Rigorous quality assurance processes are implemented at every stage, ensuring that products meet or exceed customer expectations.
- **Consciousness for Continuous Innovation and Improvement:** IPAK places a strong emphasis on research and development, seeking new ways to innovate and improve its product offerings and processes to stay ahead in the packaging industry.
- **Adaptability to Change:** The Company has built a flexible and responsive operational model that allows it to adapt quickly to changing market dynamics, consumer preferences, and regulatory environments.
- **Strict Adherence to Ethical Principles:** IPAK's operations are guided by ethical business practices, ensuring transparency, integrity, and accountability in all its dealings with stakeholders.



Stakeholders' Relationship and Engagement

Our stakeholders play a pivotal role in shaping our growth and survival. Our strategy is focused on identifying upcoming trends, potential risks, and maximising value for all stakeholders, including shareholders, employees, customers, suppliers, society, and regulators.

1. Shareholders

We recognise that maintaining ongoing communication with shareholders is key to fostering transparency and collaboration. We address shareholders' needs for information by enhancing our corporate reporting system. Active shareholder participation is encouraged at General Meetings, and we prioritise timely disclosures through PSX. Our website, updated frequently, provides both financial and non-financial information to ensure our stakeholders are informed of the latest developments.

- Corporate Briefing Session: This year, for the first time IPAK will conduct a corporate briefing session for its shareholders and analysts, covering market and financial reviews, project updates, and future outlook.
- Minority Shareholders: IPAK ensures that all shareholders, including minority shareholders, have equal opportunities to attend, voice opinions, and vote at general meetings.
- Investor Relations: IPAK maintains 'Investor Relations' section on its website, offering comprehensive information and guidance to its shareholders.
- AGM Proceedings: The 8th Annual General Meeting of IPAK took place on October 24, 2023. Shareholders briefed on the Company's financial statements, future outlook, and economic challenges. External Auditors also reappointed in the meeting.

2. Customers

Customer engagement is at the heart of our service. IPAK has consistently invested in managing customer relationships. A dedicated team works closely with customers, ensuring regular interaction to meet and exceed their expectations and exceptional services that drive their productivity and profitability.

3. Suppliers

Our sustained growth is tied to partnering with reputable, dependable suppliers. IPAK collaborates with global vendors to maintain high-quality standards in product supply while anticipating its production requirements. We maintain a specialised department dedicated to managing these essential relationships.

4. Banks

Our relationship with banks is a testament to the trust they've placed in us, demonstrated by the significant financial support they've provided for our business. We sustain this trust by keeping banks aligned and updated with our strategies and progress.

5 Regulators

We are committed to strict legal compliance in both letter and spirit. We engage with regulators through report submissions, responding to inquiries, and participating in regulatory forums, which ensures improved compliance standards.

6. Community

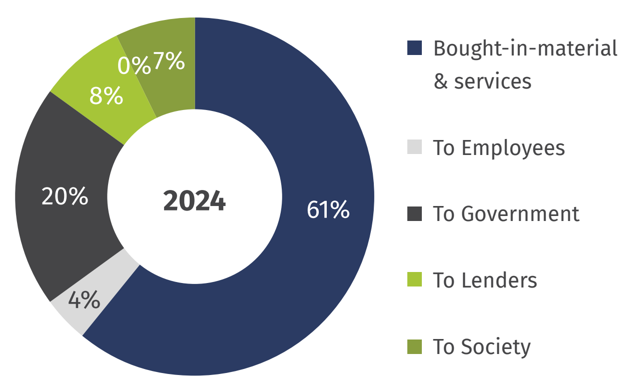
At IPAK, giving back to society is a core value. We actively engage in various corporate social responsibility initiatives, supporting causes related to health, education, and social welfare, reflecting our commitment as a responsible corporate entity.

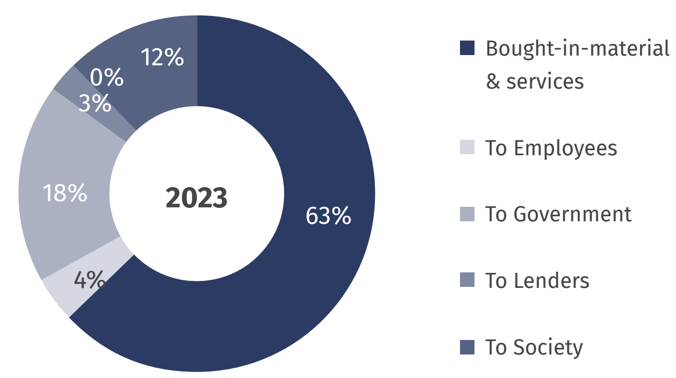
7. Employees

We believe that fostering business growth begins with empowering our people. Through a robust training needs analysis, annual gatherings, and other engagement activities, we invest in our employees' development. Employee satisfaction is gauged through engagement surveys, providing insight into areas for improvement and benchmarking against other large companies. Number of employees are disclosed in the financial statement.

Wealth Generated & Distributed

	2024 Rs. in thousand	%	2023 Rs. in thousand	%
Wealth Generated				
Sales	**19,909,204**	**98.6**	19,585,225	99.3
Other Income	**287,355**	**1.4**	146,247	0.7
	20,196,559	**100.0**	19,731,472	100.0
Wealth Distributed				
Bought-in-material & services	**12,392,525**	**61.4**	12,396,581	62.8
To Employees				
Remuneration benefits and facilities	**818,617**	**4.1**	693,120	3.5
To Government				
Taxation, excise, custom duty, WWF	**3,946,899**	**19.5**	3,547,613	18.0
To Lenders				
Mark up & finance cost	**1,518,704**	**7.5**	627,271	3.2
To Society				
Donations	**19,185**	**0.1**	22,086	0.1
Retained for Reinvestment & Future Growth				
Unappropriated Profit, Depreciation & Amortization	**1,500,629**	**7.4**	2,444,801	12.4
	20,196,559	**100.0**	19,731,472	100.0





Unreserved Statement of Compliance

IPAK has prepared its Annual Report 2024 including Financial Statement, in accordance with the Accounting and Reporting Standards as applicable in Pakistan which comprise of,

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act;
- Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange (PSX);
- Integrated Reporting (IR) framework issued by International Integrated Reporting Council (IIRC); and
- Best practices on companies reporting as promoted by Joint Committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accounting (ICMA);

Where provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

Reporting Period

This Annual Report covers reporting period from July 01, 2023 till June 30, 2024. Any subsequent events till the Board Approval date i.e. September 10, 2024 have also been mentioned in line with relevant reporting standards.

Shariah Advisor Report

The Company is not required to have a Shariah Advisory Board hence there is no Sharia Advisory report during the Financial Year ended June 30, 2024.

INTEGRATED REPORTING FRAMEWORK

Integrated Reporting:

In our inaugural Annual Report following listing, IPAK has made a concerted effort to incorporate the principles of integrated reporting, combining financial and non-financial information to provide a comprehensive view of the Company's performance. This integrated approach enables stakeholders to gain a deeper understanding of our position and make informed decisions, aligning with our commitment to transparency and accountability.

Integrated Reporting Framework

IPAK's integrated reporting approach is guided by three fundamental concepts:

i. **Value Creation:** Enhancing financial returns for providers of capital and benefits for society.

ii. **Capitals:** Leveraging financial, manufactured, intellectual, human, and other forms of capital.

iii. **Value Creation Process:** Transforming capitals into stakeholder value.

Guiding Principles

Our annual report adheres to the International Integrated Reporting Framework (IIRF) guidelines:

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Consistency and comparability
- Materiality
- Conciseness
- Reliability and completeness

Governance and Oversight

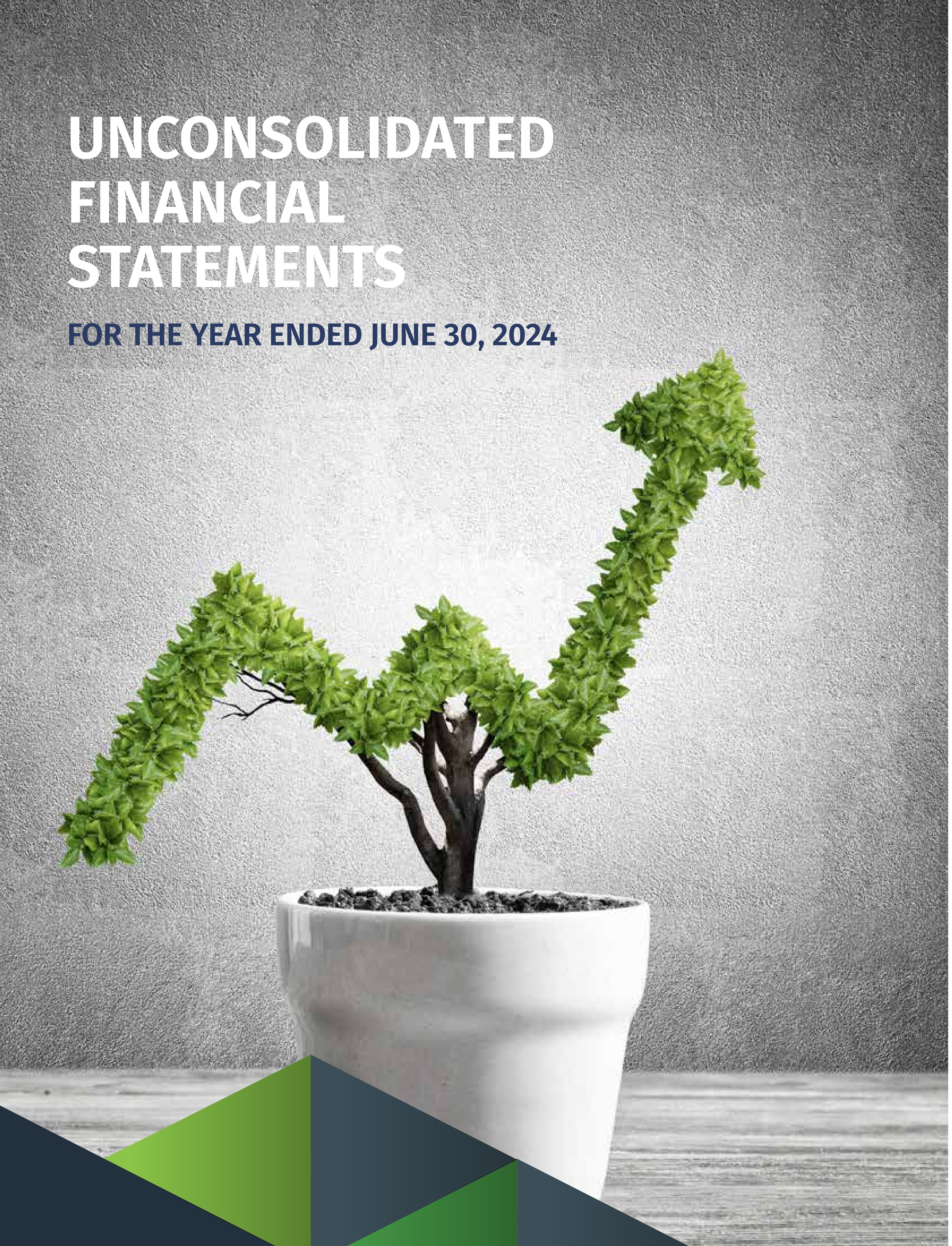
The Board ensures oversight of value creation in the short, medium, and long term.

Best Corporate Report (BCR) Standard

The Best Corporate Report (BCR) is a benchmark for annual reports, jointly established by ICAP and ICMAP, designed to set criteria for high-quality disclosures to the stakeholders of listed companies. As IPAK was listed only recently, there were some practical constraints in fully meeting all the disclosure requirements of the BCR standards. Nonetheless, IPAK has made significant efforts to provide comprehensive information and disclose relevant facts to the fullest extent possible in this annual report.

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024



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INDEPENDENT AUDITOR'S REPORT

To the members of International Packaging Films Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of International Packaging Films Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

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KARACHI LAHORE ISLAMABAD

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** *(Refer note 3.12 and note 31 to the unconsolidated financial statements)* The Company recognises revenue from domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and revenue for the year has increased as compared to the last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures amongst others included the following: - Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; - Understood and evaluated the accounting policy with respect to revenue recognition; - Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; - Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; - Verified that sales prices are negotiated and approved by appropriate authority; and - Ensured that presentation and disclosures related to revenue are being addressed appropriately.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The unconsolidated financial statements of the Company for the year ended June 30, 2023, were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated October 3, 2023.

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

Afferguson &Co

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 29, 2024

UDIN: AR202410611igFlhC8Tm

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	4,706,987	4,921,992
Right-of-use assets	5	12,247	36,671
Intangible assets	6	54,380	61,115
Long-term investments - subsidiaries	7	13,853,022	11,168,241
Long-term loans	8	22,262	9,035
Long-term deposits		52,671	6,371
		18,701,569	16,203,425
CURRENT ASSETS			
Stores, spares and consumables	9	291,403	258,650
Stock-in-trade	10	2,357,955	2,588,702
Trade receivables	11	3,431,798	2,474,715
Loans and advances	12	221,336	104,659
Trade deposits and short-term prepayments	13	15,294	19,318
Other receivables	14	157,076	43,014
Sales tax refundable		-	65,324
Loan to subsidiaries	15	2,374,865	-
Cash and bank balances	16	80,752	162,618
		8,930,479	5,717,000
TOTAL ASSETS		27,632,048	21,920,425
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	17	7,002,000	6,300,945
Capital reserves			
Share premium	18	2,470,722	1,487,566
Reserve for investment in subsidiaries	19	3,259,000	-
Revaluation surplus on property, plant and equipment	20	1,555,685	1,575,520
Revenue reserves			
Unappropriated profit		1,259,985	3,251,135
TOTAL SHAREHOLDERS' EQUITY		15,547,392	12,615,166

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	21	**2,148,695**	1,800,459
Deferred income - government grant	22	**7,714**	7,900
Deferred taxation - net	23	**1,242,928**	1,290,712
Staff retirement benefits	24	**153,093**	103,922
Lease liabilities	25	**18,013**	30,988
		3,570,443	3,233,981
CURRENT LIABILITIES			
Trade and other payables	26	**3,468,182**	2,488,376
Contract liabilities	27	**172,076**	225,179
Short-term borrowings - secured	28	**4,185,917**	2,758,460
Current portion of long-term financing - secured	21	**76,549**	63,007
Current portion of deferred income - government grant	22	**352**	352
Current portion of lease liabilities	25	**622**	10,836
Sales tax payable		**38,788**	-
Taxation - net	29	**387,139**	391,608
Accrued mark-up		**184,588**	133,460
		8,514,213	6,071,278
TOTAL LIABILITIES		**12,084,656**	9,305,259
CONTINGENCIES AND COMMITMENTS	30		
TOTAL EQUITY AND LIABILITIES		**27,632,048**	21,920,425

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

Naveed Godil	**Saad Amanullah Khan**	**Mohsin Anwer**
Chief Executive Officer	Director & Chairman Board Audit Committee	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	Restated 2023
		(Rupees in '000)	
Revenue from contracts with customers	31	**17,088,885**	16,617,710
Cost of sales	32	**(13,197,144)**	(12,086,153)
Gross profit		**3,891,741**	4,531,557
Selling and distribution expenses	33	**(303,763)**	(240,499)
Administrative expenses	34	**(386,812)**	(320,977)
Reversal of charge / (charge) of loss allowance on trade receivables	11.5	**7,666**	(50,782)
Other operating expenses	35	**(223,560)**	(242,549)
		(906,469)	(854,807)
Other income	36	**287,355**	146,247
Operating profit		**3,272,627**	3,822,997
Finance costs	37	**(1,527,181)**	(632,586)
Profit before levies and income tax		**1,745,446**	3,190,411
Levies - final tax	38	**(6,348)**	(1,781)
Profit before income tax		**1,739,098**	3,188,630
Income tax expense	39		
- Current		**(712,744)**	(1,130,230)
- Deferred		**111,159**	23,646
		(601,585)	(1,106,584)
Profit for the year after taxation		**1,137,513**	2,082,046
		----- (Rupees) -----	
Earnings per share - basic and diluted	40	**1.79**	3.58

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

Naveed Godil	**Saad Amanullah Khan**	**Mohsin Anwer**
Chief Executive Officer	Director & Chairman Board Audit Committee	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
Profit for the year after taxation		**1,137,513**	2,082,046
Other comprehensive income			
Items that will not be subsequently reclassified to			
unconsolidated statement of profit or loss			
Remeasurement loss on defined benefit plans	24	**(2,646)**	(8,958)
Related deferred tax credit for the year		**1,032**	3,821
		(1,614)	(5,137)
Surplus on revaluation of property, plant and equipment	20	**176,525**	-
Related deferred tax charge for the year		**(64,409)**	(137,293)
		112,116	(137,293)
Other comprehensive income / (loss) for the year - net of tax		**110,502**	(142,430)
Total comprehensive income for the year		**1,248,015**	1,939,616

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

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves	Total
		Share premium	Reserve for investment in subsidiaries	Revaluation surplus on property, plant and equipment	Unappropriated profits	
	(Rupees in '000)					
Balance as at July 1, 2022	3,600,000	-	-	1,816,727	3,170,627	8,587,354
Profit for the year	-	-	-	-	2,082,046	2,082,046
Other comprehensive loss for the year	-	-	-	(137,293)	(5,137)	(142,430)
Total comprehensive (loss) / income for the year	-	-	-	(137,293)	2,076,909	1,939,616
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	(103,914)	103,914	-
Transactions with owners in their capacity as owners						
Issuance of 60,063,030 ordinary shares each fully paid in cash	600,630	1,487,566	-	-	-	2,088,196
Bonus shares issued in the ratio of 50 bonus shares for every 100 shares held	2,100,315	-	-	-	(2,100,315)	-
Balance as at June 30, 2023	**6,300,945**	**1,487,566**	**-**	**1,575,520**	**3,251,135**	**12,615,166**
Profit for the year	**-**	**-**	**-**	**-**	**1,137,513**	**1,137,513**
Other comprehensive income / (loss) for the year	**-**	**-**	**-**	**112,116**	**(1,614)**	**110,502**
Total comprehensive income for the year	**-**	**-**	**-**	**112,116**	**1,135,899**	**1,248,015**
Transferred from unappropriated profits to reserve for investment in subsidiaries	**-**	**-**	**3,259,000**	**-**	**(3,259,000)**	**-**
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	**-**	**-**	**-**	**(28,884)**	**28,884**	**-**
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	**-**	**-**	**-**	**(103,067)**	**103,067**	**-**
Transactions with owners in their capacity as owners						
Issuance of 70,105,455 ordinary shares each fully paid in cash - note 17.3	**701,055**	**1,062,923**	**-**	**-**	**-**	**1,763,978**
Write off of expenses on account of issue of shares through Initial Public Offering - note 18	**-**	**(79,767)**	**-**	**-**	**-**	**(79,767)**
Balance as at June 30, 2024	**7,002,000**	**2,470,722**	**3,259,000**	**1,555,685**	**1,259,985**	**15,547,392**

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

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	**3,577,619**	4,573,453
Finance costs paid		**(1,467,578)**	(530,147)
Staff retirement benefits paid		**(9,435)**	(10,178)
Income tax and levies paid		**(723,561)**	(237,907)
Increase in long-term loans		**(13,227)**	-
Increase in long-term deposits		**(46,300)**	(5,340)
		(2,260,101)	(783,572)
Net cash generated from operating activities		**1,317,518**	3,789,881
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		**(29,139)**	(129,060)
Payment for acquisition of intangible assets		**(90)**	(48,834)
Payment for investment in subsidiaries		**(277,853)**	(7,933,352)
Advances paid against future issuance of shares		**(2,406,928)**	(124,073)
Return on PLS savings accounts		**11,209**	6,712
Proceeds from disposal of property, plant and equipment		**7,004**	17,448
Payment against loan to subsidiaries		**(2,162,208)**	-
Net cash used in investing activities		**(4,858,005)**	(8,211,159)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares through Initial Public Offering (IPO)		**1,763,978**	-
Proceeds from issue of shares through right issue		-	2,088,197
Expenses incurred in relation to IPO		**(79,767)**	-
Lease rentals paid		**(14,825)**	(14,888)
Receipt of short-term borrowings - net		**1,254,925**	527,852
Proceeds from long-term financing		**2,150,000**	1,850,000
Repayment of long-term financing		**(1,788,222)**	(28,029)
Net cash generated from financing activities		**3,286,089**	4,423,132
Net (decrease) / increase in cash and cash equivalents		**(254,398)**	1,854
Cash and cash equivalents at beginning of the year		**114,209**	112,355
Cash and cash equivalents at end of the year	42	**(140,189)**	114,209

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

Naveed Godil Chief Executive Officer	**Saad Amanullah Khan** Director & Chairman Board Audit Committee	**Mohsin Anwer** Chief Financial Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

International Packaging Films Limited (the "Company") was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on October 2, 2015, and is domiciled in the province of Sindh. On June 11, 2021, the Company's status was converted into a public limited company, and the Company was subsequently listed on the Pakistan Stock Exchange Limited on June 3, 2024.

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Accounting Standards / IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant and equipment (notes 3.1 & 4)
- Lease liability and right-of-use assets (notes 3.3, 5 & 25)
- Trade receivables (notes 3.5.2.1 & 11)
- Stores, spares and consumables (notes 3.6 & 9)
- Stock-in-trade (notes 3.7 & 10)
- Taxation (notes 3.8, 29 & 39)
- Staff retirement benefits (notes 3.10 & 24)
- Impairment of financial and non-financial assets (note 3.15)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to accounting and reporting standards that are effective during the current year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial reporting and have not been detailed in these unconsolidated financial statements.

b) Standards and amendments to accounting and reporting standards that are not yet effective

There are standards and certain other amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and therefore, have not been disclosed in these unconsolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computations adopted in the preparation of these unconsolidated financial statements set out below have been applied consistently to all the periods presented in these financial statements, except as indicated below in notes 3.8 and 3.22 (Levies).

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

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

Measurement

Property, plant and equipment (except freehold land, buildings on freehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at revalued amount, whereas buildings on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment loss, if any. The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) Borrowing costs, if any.

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Subsequent expenditure

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

Depreciation

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

Revaluation surplus

Revaluation of property, plant and equipment is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of property, plant and equipment is recognised, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the unconsolidated statement of profit or loss, in which case the increase is first recognised in the unconsolidated statement of profit or loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset and all other decreases are charged to unconsolidated statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. At each reporting date, the difference between depreciation based on the revalued carrying amount of the asset charged to the unconsolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to unappropriated profits.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the unconsolidated statement of profit or loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to unappropriated profits.

3.1.2 Capital work-in-progress

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

3.2 Intangible assets

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.3 Lease liability and right-of-use assets

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

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

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

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

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

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

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

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

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

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

3.4 Investments

Investments in subsidiaries

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

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

3.5 Financial instruments

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

3.5.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

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

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

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the unconsolidated statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the unconsolidated statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the unconsolidated statement of profit or loss.

Subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the unconsolidated statement of profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the unconsolidated statement of profit or loss.

3.5.2 Non-derivative financial assets

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

3.5.2.1 Trade receivables, advances and other receivables

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

3.5.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings.

3.5.3 Financial liabilities

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

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

3.5.3.1 Trade and other payables

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

3.5.3.2 Contract liabilities

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

3.5.4 Offsetting of financial assets and financial liabilities

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

3.6 Stores, spares and consumables

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

3.7 Stock-in-trade

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

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

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.8 Taxation

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

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

Provisions for current taxation is based on taxability of certain income streams of the Company under final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. Provisions of current tax is determined using the tax rate enacted at the reporting date.

Deferred tax

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

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

Further, the Company also recognises deferred tax liability on the surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Levies

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

3.9 Share capital

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

3.10 Staff retirement benefits

3.10.1 Defined benefit plan

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

The Company's obligation under the gratuity scheme is determined through actuarial valuations carried out under the "Projected unit Credit Method". Actuarial valuations are conducted annually, and the latest valuation was conducted at the reporting date, June 30, 2024. Service costs are recognised in unconsolidated statement of profit or loss in the period in which they occur. Net interest on net defined benefit liability is also recognised in unconsolidated statement of profit or loss. Net of tax remeasurement comprising actuarial gain / (loss) is recognised in unconsolidated statement of comprehensive income.

3.11 Foreign currency transactions and translation

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

3.12 Revenue recognition

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

Revenue from sale of goods is recognised at a point in time when control of goods have been transferred to a customer i.e. when the performance obligations are met.

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

A contract asset is initially recognised for revenue earned in exchange for goods that the Company has transferred to the customer when the right is conditioned on something other than the passage of time. Upon satisfaction of the condition, the amount recognised as contract asset is reclassified to trade receivables. Contract assets are subject to impairment assessment, if any.

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

3.13 Other Income

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

3.14 Mark-up bearing borrowings and borrowing costs

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

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.15 Impairment

3.15.1 Financial assets

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

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

The Company considers a financial asset in default when it is more than 90 days past due from third parties and more than 365 days for related parties.

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

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

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

3.15.2 Non-financial assets

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

3.16 Provisions

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

3.17 Contingent liabilities

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

3.18 Segment reporting

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

3.19 Dividend and appropriation to / from reserves

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

3.20 Government grants

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

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

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

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

3.21 Earnings per share

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

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

3.22 Restatement

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these unconsolidated financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the unconsolidated statement of financial position, unconsolidated statement of cash flows and earnings per share as a result of this change.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees in '000					
Effect on unconsolidated statement of profit or loss						
Levies	**-**	**(6,348)**	**(6,348)**	-	(1,781)	(1,781)
Profit before income tax	**1,745,446**	**(6,348)**	**1,739,098**	3,190,411	(1,781)	3,188,630
Income tax expense	**(607,933)**	**6,348**	**(601,585)**	(1,108,365)	1,781	(1,106,584)

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Operating assets	4.1	**4,681,058**	4,910,840
Capital work-in-progress	4.2	**25,929**	11,152
		4,706,987	4,921,992

4.1 Operating assets

	Freehold land (revalued - note 4.12)	Buildings on freehold land (revalued - note 4.1.2)	Plant and machinery (revalued - note 4.1.2)	Electrical installations	Office equipment	Furniture and fittings	Motor vehicles	Total
	(Rupees in '000)							
Year ended June 30, 2024								
Opening net book value	326,625	467,468	3,937,798	9,678	18,498	10,390	140,383	4,910,840
Additions	-	2,852	1,936	-	8,306	187	-	13,281
Transfers from capital work-in-progress - note 4.2	-	-	1,081	-	-	-	-	1,081
Disposals - note 4.1.6								
- Cost	-	-	(85,539)	-	(270)	-	(1,904)	(87,713)
- Accumulated depreciation	-	-	10,587	-	259	-	1,148	11,994
	-	-	(74,952)	-	(11)	-	(756)	(75,719)
Depreciation charge - note 4.1.1	-	(32,012)	(270,361)	(4,255)	(9,021)	(3,435)	(25,866)	(344,950)
Revaluation Surplus - note 20								
- Cost	11,375	(33,248)	(395,885)	-	-	-	-	(417,758)
- Accumulated depreciation	-	63,900	530,383	-	-	-	-	594,283
	11,375	30,652	134,498	-	-	-	-	176,525
Closing net book value	**338,000**	**468,960**	**3,730,000**	**5,423**	**17,772**	**7,142**	**113,761**	**4,681,058**

	Freehold land (revalued - note 4.1.2)	Buildings on freehold land (revalued - note 4.1.2)	Plant and machinery (revalued - note 4.1.2)	Electrical installations	Office equipment	Furniture and fittings	Motor vehicles	Total
	(Rupees in '000)							
Gross carrying value as at June 30, 2024								
Cost / revalued amount	338,000	468,960	3,730,000	87,883	80,544	21,763	170,603	4,897,753
Accumulated depreciation	-	-	-	(82,460)	(62,772)	(14,621)	(56,842)	(216,695)
Net book value	**338,000**	**468,960**	**3,730,000**	**5,423**	**17,772**	**7,142**	**113,761**	**4,681,058**
Year ended June 30, 2023								
Opening net book value	326,625	498,406	4,175,000	20,228	14,605	12,134	59,959	5,106,957
Additions	-	350	4,767	-	5,905	1,513	105,373	117,908
Transfers from capital work-in-progress - note 4.2	-	600	28,641	1,229	5,590	244	9,489	45,793
Disposals								
- Cost	-	-	-	-	(1,156)	-	(25,305)	(26,461)
- Accumulated depreciation	-	-	-	-	943	-	11,392	12,335
	-	-	-	-	(213)	-	(13,913)	(14,126)
Depreciation charge - note 4.1.1	-	(31,888)	(270,610)	(11,779)	(7,389)	(3,501)	(20,525)	(345,692)
Revaluation Surplus - note 20								
- Cost	-	-	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Closing net book value	326,625	467,468	3,937,798	9,678	18,498	10,390	140,383	4,910,840
Gross carrying value as at June 30, 2023								
Cost / revalued amount	326,625	499,356	4,208,407	87,883	72,508	21,576	172,507	5,388,862
Accumulated depreciation	-	(31,888)	(270,609)	(78,205)	(54,010)	(11,186)	(32,124)	(478,022)
Net book value	326,625	467,468	3,937,798	9,678	18,498	10,390	140,383	4,910,840
Depreciation rates per annum (%)	-	5	4 - 25	20	20 - 33	20	15 - 25	

* Items having an aggregate cost of Rs. 118.59 million (2023: Rs. 113.54 million) at the end of the year have been fully depreciated and are still in use of the Company.

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

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	32	**328,072**	332,789
Selling and distribution expenses	33	**2,362**	2,377
Administrative expenses	34	**14,516**	10,526
		344,950	345,692

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

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

4.1.3 The revaluation of freehold land and buildings, including plant and machinery located at the lPAK Plant, was carried out by an independent valuer, K. G. Traders (Pvt.) Limited, as of June 30, 2024, with reference to market-based evidence, based on relevant inquiries and information as considered necessary, and adjusted for any differences in the nature, location, or condition of the specific properties. The revaluation resulted in a surplus amounting to Rs. 176.525 million, which was incorporated into the Company's books as of June 30, 2024. There has been no change to the valuation technique during the year.

4.1.4 The forced sale value of the aforementioned assets as at June 30, 2024 has been assessed as follows:

	2024	2023
	(Rupees in '000)	
Freehold land	**270,400**	261,300
Buildings on freehold land	**375,168**	398,725
Plant and machinery	**2,611,000**	2,922,500
	3,256,568	3,582,525

The carrying amount of the aforementioned assets as at June 30, 2024, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
	(Rupees in '000)		
Freehold land	**42,999**	**-**	**42,999**
Buildings on freehold land	**326,095**	**(93,973)**	**232,122**
Plant and machinery	**2,612,085**	**(711,943)**	**1,900,142**
As at June 30, 2024	**2,981,179**	**(805,916)**	**2,175,263**
As at June 30, 2023	3,024,226	(693,821)	2,330,405

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

4.1.6 Details of property, plant and equipment disposed off having net book value of five hundred thousand rupees or more each are as follows:

ASSET CATEGORY	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	-------------- (Rupees in '000)				--------------			
Plant and machinery								
ABC Diesel Engine - 1	42,536	(5,435)	37,101	3,027	(34,074)	Negotiation	Industrial Engineering Company	Third Party
ABC Diesel Engine - 2	43,003	(5,152)	37,851	3,027	(34,824)	Negotiation	Industrial Engineering Company	Third Party
	85,539	**(10,587)**	**74,952**	**6,054**	**(68,898)**			
Motor vehicles								
Suzuki Cultus	1,904	(1,148)	756	952	196	As per Company's policy	Mr. Rizwan Ishaq	Employee
2024	**87,443**	**(11,735)**	**75,708**	**7,006**	**(68,702)**			
2023	26,461	(12,335)	14,126	17,448	3,322			

4.2 Capital work-in-progress

	2024				2023			
	As at July 1, 2023	Additions / Adjustments	Transfers	As at June 30, 2024	As at July 1, 2022	Additions / Adjustments	Transfers	As at June 30, 2023
	---------- (Rupees in '000)							----------
Buildings on freehold land	-	-	-	-	600	-	(600)	-
Plant and machinery	11,016	15,942	(1,081)	25,877	28,641	11,016	(28,641)	11,016
Electrical installations	-	-	-	-	1,229	-	(1,229)	-
Office equipment	136	(84)	-	52	5,590	136	(5,590)	136
Furniture and fittings	-	-	-	-	244	-	(244)	-
Motor vehicles	-	-	-	-	9,489	-	(9,489)	-
	11,152	**15,858**	**(1,081)**	**25,929**	45,793	11,152	(45,793)	11,152

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
5. RIGHT-OF-USE ASSETS			
Balance as at July 01		**36,671**	13,201
Modification during the year	5.2	**(13,083)**	35,571
Depreciation charge for the year		**(11,341)**	(12,101)
Balance as at June 30		**12,247**	36,671
Depreciation rate (per annum)		**33.33%**	33.33%

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

5.2 During the year, the Company terminated two rental agreements ahead of schedule, resulting in a modification of the original terms. The early termination was necessitated by the fact that the space was no longer needed for business operations.

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

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	32	**5,448**	7,468
Selling and distribution expenses	33	**2,486**	1,290
Administrative expenses	34	**3,407**	3,343
		11,341	12,101
6. INTANGIBLE ASSETS			
Operating intangible assets	6.1	**54,380**	61,115
6.1 Operating intangible assets			
Opening net book value		**61,115**	10,544
Additions / transfers		**90**	55,534
Amortisation	6.1.2	**(6,825)**	(4,963)
Closing net book value		**54,380**	61,115
Gross carrying value as at June 30			
Cost		**68,506**	68,416
Accumulated amortisation		**(14,126)**	(7,301)
Net book value		**54,380**	61,115
Amortisation rate (per annum)		**10%**	10%

6.1.1 Intangible assets comprise of computer software.

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

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	32	**92**	61
Administrative expenses	34	**6,733**	4,902
		6,825	4,963

7. LONG-TERM INVESTMENTS - SUBSIDIARIES

2024	2023		Note	2024	2023
(Number of shares)				(Rupees in '000)	
Un-quoted Companies					
		Cast Packaging Films (Private) Limited			
158,800,000	158,800,000	- subsidiary company, at cost (ordinary shares of Rs. 10 each)	7.1	**1,588,000**	1,588,000
		Global Packaging Films (Private) Limited			
609,445,000	609,445,000	- subsidiary company, at cost (ordinary shares of Rs. 10 each)	7.2	**6,094,450**	6,094,450
		- advance against future issuance of shares		**2,163,122**	244,600
		PETPAK Films (Private) Limited			
337,999,991	310,973,528	- subsidiary company, at cost (ordinary shares of Rs. 10 each)	7.3	**3,380,000**	3,109,735
		- advance against future issuance of shares		**612,275**	131,456
		IPAK Connect Packaging Materials Trading - FZCO			
1	-	- subsidiary company, at cost (ordinary share of AED 100,000)	7.4	**7,588**	-
		- advance against future issuance of shares		**7,587**	-
				13,853,022	11,168,241

7.1 The Company holds 100% (2023: 100%) ownership interest in Cast Packaging Films (Private) Limited (CPAK). CPAK has its registered office situated at Plot No. 40-L-1, P.E.C.H.S, Block 6, near Jason Trade Centre, Karachi. The principal business activity of this subsidiary is the manufacturing and sale of flexible packaging materials mainly comprising of CPP (Cast Polypropylene) film and its allied products. The book value of CPAK based on the audited financial statements as at June 30, 2024 is Rs. 2,444.73 million (2023: Rs. 1,947.63 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
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7.2 The Company holds 100% (2023: 100%) ownership interest in Global Packaging Films (Private) Limited (GPAK). GPAK has its registered office situated at Plot No. 40-L-1, P.E.C.H.S, Block 6, near Jason Trade Centre, Karachi. The principal business activity of this subsidiary is the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (biaxially-oriented polypropylene) film and its allied products. The book value of GPAK based on the audited financial statements as at June 30, 2024 is Rs. 8,527.31 million (2023: Rs. 6,078.92 million).

7.3 The Company holds 52% (2023: 52%) ownership interest in PETPAK Films (Private) Limited (PPAK). PPAK has its registered office situated at Plot No. 40-L-1, P.E.C.H.S, Block 6, near Jason Trade Centre, Karachi. The principal business activity of this subsidiary is the manufacturing and sale of flexible packaging materials mainly comprising of BO-PET (biaxially-oriented polyethylene terephthalate) film and its allied products. The book value of PPAK based on the audited financial statements as at June 30, 2024 is Rs. 5,923.85 million (2023: Rs. 6,231.37 million).

7.4 The Company holds 100% (2023: Nil) ownership interest in IPAK Connect Packaging Materials Trading - FZCO (IPAK Connect) which is a wholly owned foreign subsidiary of the Company, incorporated in Dubai, United Arab Emirates under their local laws. The registered office of IPAK Connect is situated at Building A2, Dubai Digital Park, Silicon Oasis, Dubai. The financial statements of IPAK Connect for the period ended June 30, 2024, are audited by an auditor licensed under the local laws, who has expressed an unqualified opinion thereon. Paid-up capital of IPAK Connect is AED 100,000 (2023: Nil) while AED 100,000 are invested as advance against future issuance of shares. The book value of IPAK Connect based on the financial statements as at June 30, 2024 is AED 32,991 (Rs. 2.5 million) (2023: Nil).

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

	Note	2024	2023
		(Rupees in '000)	
8. LONG-TERM LOANS			
Considered good - secured			
Loan to employees		**34,429**	18,681
Less: Recoverable within one year	12	**(12,167)**	(9,646)
		22,262	9,035

8.1 Loans to employees are made under the scheme and are extended to facilitate the purchase of cars or construction of houses with repayment terms ranging between three to five years. These loans are secured against employees' retirement fund balances.

8.2 Long term loans include loan provided to key management personnel amounting to Rs. 17.85 million (2023: Rs. 7.14 million).

8.3 These long term loans are non-interest bearing and have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

	2024	2023
	(Rupees in '000)	
9. STORES, SPARES AND CONSUMABLES		
Lubricants	**12,712**	11,575
Fuel	**8,596**	22,924
Spare parts and consumables	**270,095**	224,151
	291,403	258,650

	Note	2024	2023
		(Rupees in '000)	
10. STOCK-IN-TRADE			
Raw material - in hand	10.1	**598,796**	1,530,979
- in transit		**893,625**	675,487
		1,492,421	2,206,466
Work-in-process		**256,887**	190,910
Finished goods - in hand		**245,625**	144,975
- in transit	10.2	**338,316**	21,350
		583,941	166,325
Packaging materials		**24,706**	25,001
		2,357,955	2,588,702

10.1 Raw materials include stocks held with third parties amounting to Rs. 22.23 million (2023: Rs. 0.80 million).

10.2 These pertain to finished goods enroute to the port, held at the port for export, and goods dispatched to customers in the southern region.

	Note	2024	2023
		(Rupees in '000)	
11. TRADE RECEIVABLES			
Considered good - unsecured			
Due from related parties	11.4	**198,221**	377,353
Others		**1,631,161**	918,862
		1,829,382	1,296,215
Considered good - secured	11.1		
Due from related parties	11.4	**294,768**	364,593
Others		**1,350,764**	864,689
		1,645,532	1,229,282
		3,474,914	2,525,497
Allowance for expected credit losses	11.5	**(43,116)**	(50,782)
		3,431,798	2,474,715

11.1 These represent trade receivables arising on account of export sales of Rs. 536 million (2023: Nil) which are secured by way of export Letters of Credit and Rs. 1,110 million (2023: Rs. 1,229 million) on account of domestic sales which are secured by way of Inland Letters of Credit.

11.2 Related parties from whom trade receivables are due as at June 30, 2024 are as under:

	2024	2023
	(Rupees in '000)	
Universal Packaging (Private) Limited	**200,540**	540,534
Saima Packaging (Private) Limited	**142,853**	58,252
Universal Coating Films (Private) Limited	**132,850**	136,840
IPAK Connect Packaging Materials Trading - FZCO	**16,746**	-
Cast Packaging Films (Private) Limited	**-**	5,618
Universal Films (Private) Limited	**-**	702
	492,989	741,946

11.3 The maximum aggregate amount of receivable outstanding at any time during the year is as follows:

	2024	2023
	(Rupees in '000)	
Universal Packaging (Private) Limited	**692,718**	624,155
Universal Coating Films (Private) Limited	**217,609**	136,840
Saima Packaging (Private) Limited	**142,853**	254,010
IPAK Connect Packaging Materials Trading - FZCO	**16,751**	-
Cast Packaging Films (Private) Limited	**5,618**	5,618
Universal Films (Private) Limited	**702**	702

11.4 The age analysis of these related party receivables as at June 30, 2024 is as follows:

	2024	2023
	(Rupees in '000)	
Not yet due	**362,500**	533,684
Past due but not yet impaired		
- 1 to 90 days	**52,782**	201,392
- 91 to 180 days	**75,940**	5,102
- 181 to 365 days	**-**	1,768
- older than 365 days	**1,767**	-
	492,989	741,946

	Note	2024	2023
		(Rupees in '000)	
11.5 Allowance for expected credit losses			
Balance as at July 01		**50,782**	-
(Reversal of charge) / charge of loss allowance on trade receivables	11.6	**(7,666)**	50,782
Balance as at June 30		**43,116**	50,782

11.6 These reversals were made in ordinary course of business.

12. LOANS AND ADVANCES

	Note	2024	2023
		(Rupees in '000)	
Advances			
- suppliers		**192,080**	94,242
- against shipping guarantees		**16,510**	712
- employees		**579**	59
		209,169	95,013
Current portion of long term loans to employees	8	**12,167**	9,646
		221,336	104,659

13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	2024	2023
		(Rupees in '000)	
Trade deposits	13.1	**9,291**	15,684
Short term prepayments		**6,003**	3,634
		15,294	19,318

13.1 This includes container deposits amounting to Rs. 8.90 million (2023: Rs. 15.35 million).

13.2 These trade deposits are non interest bearing.

14. OTHER RECEIVABLES

	Note	2024	2023
		(Rupees in '000)	
Rebate receivable against import		**123,145**	42,287
Rebate receivable against export		**31,262**	-
Other receivables		**2,669**	727
		157,076	43,014

15. LOAN TO SUBSIDIARIES

	Note	2024	2023
PETPAK Films (Private) Limited	15.1	**2,320,798**	-
Cast Packaging Films (Private) Limited	15.2	**54,067**	-
		2,374,865	-

15.1 This represents an unsecured loan provided to PETPAK Films (Private) Limited to meet its cash flow requirements, carrying an interest rate of 3 months KIBOR + 0.75% per annum. The maximum amount due at the end of any month during the year was Rs. 2,320.80 million (2023: Nil). The principal portion of the loan amounts to Rs. 2,108.14 million (2023: Nil).

15.2 This represents an unsecured interest-free loan provided to Cast Packaging Films (Private) Limited to meet its cash flow requirements. The maximum amount due at the end of any month during the year was Rs. 54.07 million (2023: Nil).This loan falls under general exemptions granted through S.R.O. 1239(I)/2017 together read with section 199 of the Companies Act, 2017.

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16. CASH AND BANK BALANCES

		Note	2024	2023
			(Rupees in '000)	
Cash at bank				
Conventional				
Savings accounts	- local currency	16.1	**137**	1,781
Islamic				
Current accounts	- local currency		**13,287**	78,684
	- foreign currency		**9,906**	-
Savings accounts	- local currency	16.1	**57,302**	82,056
			80,495	160,740
Cash in hand			**120**	97
			80,752	162,618

16.1 At June 30, 2024, the rates of mark up / profit on savings accounts range from 8.5% to 17.5% (2023: from 6.5% to 10%) per annum.

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Authorized share capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
930,000,000	930,000,000	Ordinary shares of Rs. 10 each	**9,300,000**	9,300,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
450,168,485	380,063,030	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	**4,501,685**	3,800,630
250,031,515	250,031,515	Ordinary shares of Rs. 10 each allotted as bonus shares	**2,500,315**	2,500,315
700,200,000	630,094,545		**7,002,000**	6,300,945

17.1 Movement in issued, subscribed and paid-up share capital

	Note	2024	2023
		(Number of shares)	
Ordinary shares			
Number of shares outstanding as at July 01		**630,094,545**	360,000,000
Shares issued through rights issue		**-**	60,063,030
Shares issued through bonus issue		**-**	210,031,515
Shares issued through initial public offering	17.3	**70,105,455**	-
Number of shares outstanding as at June 30		**700,200,000**	630,094,545

17.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

17.3 During the year, the Company has issued 70,105,455 ordinary shares, through Initial Public Offering (IPO), at an average price of PKR 25.16 per share (i.e. premium of Rs. 15.16 per share) to be listed on the Pakistan Stock Exchange (PSX). The purpose of raising funds was an early repayment of the long-term bank loan and accordingly all proceeds from the issue were utilised forthwith for the said repayment with due intimation to the PSX.

18. SHARE PREMIUM

This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

19. RESERVE FOR INVESTMENT IN SUBSIDIARIES

The Board of Directors of the Company, in its meeting held on September 12, 2023, decided to earmark a sum of Rs. 3,259 million as not available for distribution by way of dividend, on account of a capital reserve named "Reserve for investment in subsidiaries". The said amount was transferred from unappropriated profits to this capital reserve.

20. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property, plant and equipment carried at revalued amount.

	2024	2023
	(Rupees in '000)	
Revaluation surplus as at July 01	**1,575,520**	1,816,727
Surplus arising on revaluation:		
- Freehold land	**11,375**	-
- Buildings on freehold land	**30,652**	-
- Plant and machinery	**134,498**	-
	176,525	-
Deferred tax liability on revaluation surplus	**(64,409)**	(137,293)
	1,687,636	1,679,434
Net amount transferred to unappropriated profit on account of		
- Incremental depreciation	**(168,962)**	(170,351)
- Deferred tax on incremental depreciation	**65,895**	66,437
- Transfer of revaluation surplus on disposal of plant and machinery	**(28,884)**	-
	(131,951)	(103,914)
	1,555,685	1,575,520

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20.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

21. LONG-TERM FINANCING - secured

	Note	2024	2023
		(Rupees in '000)	
Islamic			
SBP's Financing Scheme for Renewable Energy	21.2	**12,744**	13,486
Sale and leaseback under Diminishing Musharakah	21.3	**2,212,500**	1,850,000
		2,225,244	1,863,466
Less: current portion of long-term financing			
SBP's Financing Scheme for Renewable Energy	21.2	**(1,152)**	(1,028)
Sale and leaseback under Diminishing Musharakah	21.3	**(75,397)**	(61,979)
		(76,549)	(63,007)
		2,148,695	1,800,459

21.1 Facility	Loan type	Repayment terms - Principal	Mark-up		Effective (%) 2024	Facility amount (Rupees in '000)	Date of drawdown	Last repayment date
			Payable basis	Rate (per annum)				
Islamic								
SBP's Financing Scheme For Renewable Energy	Term - loan	39 Installments	Quarterly	4%	16.87% to 17.1%	33,000	July 02, 2022	May 13, 2032
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	20.11 % to 22.97%	20.11 % to 22.97%	2,000,000	April 27, 2023	July 06, 2028
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	20.11% to 22.97%	20.11 % to 22.97%	1,500,000	March 29, 2024	March 30, 2029
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	20.11% to 22.97%	20.11 % to 22.97%	500,000	August 09, 2023	August 09, 2028

21.1.1 In relation to above borrowings, the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

21.2 This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 33 million (2023: Rs. 33 million) out of which Rs. 22.80 million (2023: Rs. 22.80 million) is utilised which carries profit at the rate of 4% per annum.

21.2.1 This facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Registered exclusive hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 33 million;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhuchoki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

21.3 This represents a diminishing musharaka arrangement with Bank AL Habib (BAHL) upto the amount of Rs. 4,000 million (2023: Rs. 2,000 million) at a mark-up of 6 month KIBOR + 1% per annum to be determined on a semi-annual basis. The facility was obtained to sale and leaseback the BOPP Film Production Line installed at IPAK Plant, Had Bast Mauza Bhuchoki Mahja, Tehsil Raiwind, District Lahore. The title and ownership of the asset is in the joint ownership of Bank and the Company in proportion to their investment ratios.

21.3.1 This facility is secured by way of:

- Equity participation equivalent to 10% of cost of Musharakah asset;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 2.67 billion (inclusive of 25% margin);
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhuchoki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

22. DEFERRED INCOME - GOVERNMENT

	Note	2024	2023
		(Rupees in '000)	
GRANT			
Balance as at July 01		**8,252**	11,370
Less: government grant recognised in income	36	**(186)**	(3,118)
Balance as at June 30		**8,066**	8,252
Less: current portion of deferred income			
- government grant		**(352)**	(352)
		7,714	7,900

22.1 This represents the value of benefit of below-market interest rate which has been accounted for as government grant under IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

23. DEFERRED TAXATION - NET

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the unconsolidated statement of financial position as follows:

	2024	2023
	(Rupees in '000)	
Deferred tax liability	**1,326,476**	1,367,359
Deferred tax asset	**(83,548)**	(76,647)
	1,242,928	1,290,712

23.1 Analysis of change in deferred taxation

	Accelerated tax depreciation	Revaluation surplus on property, plant and equipment	Right-of-use assets	Lease liabilities	Staff retirement benefits	Allowance for expected credit losses	Total
	(Rupees in '000)						
Balance at July 1, 2023	**527,092**	**825,965**	**14,302**	**(16,312)**	**(40,530)**	**(19,805)**	**1,290,712**
(Charge) / credit to profit or loss for the year	(11,404)	(84,362)	(9,526)	9,286	(18,145)	2,990	(111,161)
Credit / (charge) to other comprehensive income for the year	-	64,409	-	-	(1,032)	-	63,377
Balance at June 30, 2024	**515,688**	**806,012**	**4,776**	**(7,026)**	**(59,707)**	**(16,815)**	**1,242,928**
Balance at July 1, 2022	446,401	755,109	4,356	(5,223)	(19,757)	-	1,180,886
Credit / (charge) to profit or loss for the year	80,691	(66,437)	9,946	(11,089)	(16,952)	(19,805)	(23,646)
Credit / (charge) to other comprehensive income for the year	-	137,293	-	-	(3,821)	-	133,472
Balance at June 30, 2023	527,092	825,965	14,302	(16,312)	(40,530)	(19,805)	1,290,712

23.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However, Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million, 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.

24. STAFF RETIREMENT BENEFITS

24.1 Defined benefit plan

24.1.1 As stated in note 3.10, the Company operates an unapproved and unfunded gratuity scheme for all its permanent employees. The scheme defines an amount of gratuity benefit that an employee will receive upon retirement subject to minimum service requirement under the scheme. Actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2024.

24.1.2 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Demographic risks

- Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

24.1.3 The latest actuarial valuation of the gratuity scheme as at June 30, 2024 was carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

	Note	2024	2023
		(Rupees in '000)	
24.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation	24.1.5	**153,093**	103,922
24.1.5 Movement in the present value of defined benefit obligation			
Obligation as at July 01		**103,922**	59,869
Current service cost	24.1.6	**39,839**	38,015
Interest cost		**16,121**	7,258
Benefits paid		**(9,435)**	(10,178)
Remeasurement on obligation	24.1.7	**2,646**	8,958
Obligation as at June 30		**153,093**	103,922
24.1.6 Expense recognised in unconsolidated statement of profit or loss			
Current service cost		**39,839**	**38,015**
Interest cost		**16,121**	**7,258**
		55,960	**45,273**
24.1.7 Remeasurement recognised in other comprehensive income			
Actuarial (gain) / loss from changes in financial assumptions		**(633)**	**865**
Experience adjustments		**3,279**	**8,093**
		2,646	**8,958**
24.1.8 Net recognised liability			
Balance as at July 01		**103,922**	59,869
Expense for the year	24.1.6	**55,960**	45,273
Benefits paid		**(9,435)**	(10,178)
Remeasurements recognised in other comprehensive income	24.1.7	**2,646**	8,958
Balance as at June 30		**153,093**	103,922

	2024	2023
	--------- per annum ---------	
24.1.9 Actuarial assumptions		
Financial Assumptions		
Discount rate	**14.75%**	16.25%
Salary increase rate	**13.75%**	15.25%
Demographic Assumptions		
Mortality rate	**SLIC 2001-2005**	SLIC 2001-2005
Retirement assumption	**Age 60 years**	Age 60 years

24.1.10 Maturity profile of the defined benefit obligation

	2024	2023
	----------- Years -----------	
Weighted average duration of the defined benefit obligation	**9**	9

	2024	2023
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	**26,979**	19,575
Two years	**16,196**	12,196
Three years	**18,635**	14,380
Four years	**20,937**	16,572
Five years	**26,156**	18,801
Six years and onwards	**12,549,771**	13,946,533

24.1.11 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2024	2023
	(Rupees in '000)	
Discount rate + 1%	**(13,326)**	(8,830)
Discount rate - 1%	**15,735**	10,407
Long term salary increases + 1%	**16,049**	10,620
Long term salary increases - 1%	**(13,826)**	(9,164)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

24.1.12 The expense in relation to gratuity benefit plan for the year ending June 30, 2025 is expected to be Rs. 76.94 million.

25. LEASE LIABILITIES

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Company and lessor. Wherever practicable, the Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

25.1 Set out below is the carrying amount of lease liabilities and the movements during the year:

	2024	2023
	(Rupees in '000)	
Balance as at July 01	**41,824**	15,826
Modification during the year	**(16,841)**	35,571
Interest expense	**8,477**	5,315
Payments	**(14,825)**	(14,888)
Balance as at June 30	**18,635**	41,824
Current portion	**622**	10,836
Non-current portion	**18,013**	30,988
	18,635	41,824

25.2 The maturity analysis of lease liabilities is as follows:

	2024			2023		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	Rupees in '000					
Less than one year	**10,877**	**1,785**	**9,092**	16,235	5,400	10,835
Between one and five years	**11,492**	**1,949**	**9,543**	35,892	4,903	30,989
	22,369	**3,734**	**18,635**	52,127	10,303	41,824

25.3 Finance charge ranges between 10.6% to 24.7% per annum has been used for discounting factor.

25.4 Following are the amounts recognised in the unconsolidated statement of profit or loss:

	2024	2023
	(Rupees in '000)	
Depreciation expense of right-of-use assets	**11,341**	12,101
Interest expense on lease liabilities	**8,477**	5,315
Expense relating to short-term leases	**4,840**	2,740
	24,658	**20,156**

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26. TRADE AND OTHER PAYABLES

	Note	2024	2023
		(Rupees in '000)	
Trade creditors		**2,334,779**	2,012,739
Payable to related parties	26.1	**373,717**	-
Accrued liabilities		**297,190**	9,509
Taxes deducted at source and payable to statutory authorities		**45,992**	23,196
Provision for Infrastructure Cess	26.2	**273,586**	162,973
Workers' Profit Participation Fund	26.3	**93,569**	141,345
Workers' Welfare Fund	26.4	**35,530**	128,289
Others		**13,819**	10,325
		3,468,182	2,488,376

26.1 This represents payable to Cast Packaging Films (Private) Limited and Global Packaging Films (Private) Limited amounting to Rs. 50.2 million (2023: Nil) and Rs. 323.52 million (2023: Nil) respectively on account of raw material received on a returnable basis as loan stock.

26.2 The Company has challenged the constitutionality of the Sindh Infrastructure Cess, imposed on the import value of goods under the Sindh Infrastructure Development Cess Act, 2017, before the Supreme Court of Pakistan (SCP). The SCP, through Interim Order No. C.P.L.A. 5605/2021 dated November 10, 2021, has granted a stay order, directing the company to provide a bank guarantee equivalent to the amount of cess payable under the Act. The matter remains sub judice before the SCP, and the final outcome will be determined upon the disposal of the petition.

On June 4, 2021, the SHC ruled in favor of the Excise and Taxation Department of Sindh, upholding the validity of the cess and affirming that it falls within the provincial legislature's authority under the Sindh Finance Act, 2017. The Company has challenged the SHC's decision by filing Civil Petition for Leave to Appeal (CPLA) No. 5605/2021 before the SCP. The SCP has suspended the SHC's order and directed all petitioners to furnish a 100% bank guarantee for all future consignments.

As at June 30, 2024, the total amount of bank guarantees related to the infrastructure cess is Rs. 275 million (2023: Rs. 175 million), and this amount has been fully provided for by management.

26.3 Workers' Profit Participation Fund

	2024	2023
	(Rupees in '000)	
Balance as at July 01	**141,345**	80,705
Charge for the year	**93,569**	171,648
Payments made during the year	**(141,345)**	(111,008)
Balance as at June 30	**93,569**	141,345

	2024	2023
	(Rupees in '000)	
26.4 Workers' Welfare Fund		
Balance as at July 01	**128,289**	57,388
Charge for the year	**36,023**	70,901
Payments made during the year	**(128,782)**	-
Balance as at June 30	**35,530**	128,289

27. CONTRACT LIABILITIES

27.1 During the year, the Company recognised revenue amounting to Rs. 225.18 million (2023: Rs. 131.46 million) out of the contract liabilities balance outstanding at beginning of the year.

	Note	2024	2023
		(Rupees in '000)	
28. SHORT-TERM BORROWINGS - secured			
Islamic			
Short-term borrowings under Musawammah Facility	28.1	**2,905,726**	2,410,051
Short-term borrowings under Tijarah Facility	28.2	**1,059,250**	300,000
Short-term borrowings under Running Musharakah	28.3	**220,941**	48,409
		4,185,917	2,758,460

28.1 This represents Musawammah facility obtained from commercial banks, having limit of Rs. 4,800 million (2023: Rs. 3,600 million) out of which Rs. 1,894.27 million (2023: Rs. 1,189.95 million) remains unutilised for Musawammah facility at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.75% to 6 months KIBOR + 0.75% per annum (2023: 3 months KIBOR + 0.75% to 6 months KIBOR + 1%) per annum.

28.1.1 This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 7,333 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 1,375 million;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhuchoki Mahja, Tehsil Raiwind, District Lahore;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhupura; and
- Corporate Guarantee of Global Packaging Films (Private) Limited amounting to Rs. 1,000 million.

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28.2 This represents Tijarah facility obtained from commercial banks, having limit of Rs. 1,600 million (2023: Rs. 300 million) out of which Rs. 540.75 million (2023: Nil) remains unutilised for Tijarah Finance at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 1% per annum (2023: 3 months KIBOR + 0.75%) per annum.

28.2.1 This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 3,067 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 575 million;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhupura;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure;
- Corporate Guarantee of Global Packaging Films (Private) Limited amounting to Rs. 800 million.

28.3 This represents a Running Musharakah facility having limit of Rs. 300 million (2023: Rs. 300 million) out of which Rs. 79.06 million (2023: 251.59 million) remains unutilised at the reporting date. The rate of mark-up on this facility is 3 months KIBOR + 1% (2023: 3 months KIBOR + 1%) per annum.

28.3.1 This facility is secured by way of Lien over A-rated Financial Institution approved Accepted Local Usance Bills Drawn under LC with 10% margin.

	Note	2024	2023
		(Rupees in '000)	
29. TAXATION - NET			
Balance as at July 01		**(391,608)**	502,496
Tax payments / adjustments made during the year		**723,561**	237,907
		331,953	740,403
Less: Provision for levies and income tax	38 & 39	**(719,092)**	(1,132,011)
Balance as at June 30		**(387,139)**	(391,608)

29.1 The Company has challenged the vires of amendment before the Islamabad High Court (IHC) concerning to the chargeability of super tax on high earning persons through Finance Act, 2023 for the tax year 2023 and onwards. In accordance with the said amendment, the rate of super tax increased from 4% to 10% for tax year 2023 and onwards to all sectors having income of more than Rs. 500 million in addition to the corporate tax at the rate of 29%.

In response, the Islamabad High Court (IHC) issued an interim relief order (W.P. No. 4305/2023) dated December 18, 2023, directing that no super tax at the enhanced rate will be recovered from the petitioners until the final disposal of the case. The court instructed that the petitioners should continue to pay super tax at the pre-amendment rate of 4%. In compliance with IHC order, the Company has discharged its super tax liability for the tax year 2023 by paying Rs. 113.38 million, which represents the 4% super tax rate (pre-amendment rate).

Keeping in view the above, the management, as a matter of prudence, has provided full tax expense on account of super tax amounting to Rs. 185.21 million being 10% of the income chargeable to super tax for the tax year 2024.

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

As at the reporting date, there are no contingencies to report other than those disclosed in note 29.1.

30.2 Commitments

The facilities for opening letters of credit and guarantees issued from banks as at June 30, 2024 amounted to Rs. 7,200 million (2023: Rs. 6,250 million) and Rs. 676 million (2023: Rs. 576 million) respectively, of which the utilised balance at year end amounted to Rs. 3,179 million (2023: Rs. 2,125 million) and Rs. 615 million (2023: Rs. 515 million) respectively.

The Company has also issued a cross corporate guarantee to the bank in favour of Global Packaging Films (Private) Limited, its wholly owned subsidiary company against its long-term and short-term facilities.

31. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024	2023
	(Rupees in '000)	
Sale of goods - net		
Local	**18,088,880**	19,526,841
Sales tax	**(2,820,319)**	(2,967,515)
Sales returns	**(48,176)**	(26,923)
	15,220,385	16,532,403
Export	**1,880,214**	85,430
Sales returns	**(11,714)**	(123)
	1,868,500	85,307
	17,088,885	16,617,710

31.1 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets.

	2024	2023
	(Rupees in '000)	
Primary geographical markets:		
Local sales	**15,220,384**	16,532,402
Export sales		
- Asia	**1,780,007**	75,758
- Europe	**88,494**	-
- North America	**-**	9,550
	17,088,885	16,617,710

32. COST OF SALES

	Note	2024	2023
		(Rupees in '000)	
Raw materials consumed	32.1	**10,897,909**	9,046,889
Fuel, power and water		**1,183,937**	1,701,082
Depreciation on operating assets	4.1.1	**328,072**	332,789
Depreciation on right-of-use asset	5.3	**5,448**	7,468
Packing materials consumed	32.2	**348,255**	228,904
Salaries, wages and other benefits	32.4	**577,257**	477,056
Rent, rates and taxes		**10,213**	28,056
Stores and spares consumed	32.3	**148,237**	118,164
Travelling and conveyance		**71,125**	89,016
Lubricants consumed		**24,719**	28,180
Insurance		**35,482**	23,515
Inward transportation		**14,407**	1,127
Repair and maintenance		**20,809**	14,605
Sampling cost		**251**	425
Fee for technical services		**146**	6,885
Clearing agent charges		**847**	2,621
Postage and communication		**5,001**	4,234
Subscription expenses		**1,073**	1,362
Quality certifications		**1,992**	825
Commission on import		**-**	423
Amortisation of intangible assets	6.1.2	**92**	61
Others		**5,465**	14,421
		13,680,737	12,128,108
Work-in-process			
Opening stock		**190,910**	125,744
Closing stock	10	**(256,887)**	(190,910)
		(65,977)	(65,166)
Cost of goods manufactured		**13,614,760**	12,062,942
Finished goods			
Opening stock		**166,325**	189,536
Closing stock	10	**(583,941)**	(166,325)
		(417,616)	23,211
		13,197,144	12,086,153

	Note	2024	2023
		(Rupees in '000)	
32.1 Raw materials consumed			
Opening stock		**1,530,979**	1,402,520
Purchases		**9,592,009**	9,175,348
Loan stock received		**373,717**	-
Closing stock	10	**(598,796)**	(1,530,979)
		10,897,909	9,046,889
32.2 Packaging materials consumed			
Opening stock		**25,001**	27,575
Purchases		**347,960**	226,330
Closing stock	10	**(24,706)**	(25,001)
		348,255	228,904
32.3 Stores and spares consumed			
Opening stock		**224,151**	165,806
Purchases		**194,181**	176,509
Closing stock	9	**(270,095)**	(224,151)
		148,237	118,164

32.4 This includes Rs. 41.03 million (2023: Rs. 32.31 million) in respect of charge for defined benefit plan.

	Note	2024	2023
		(Rupees in '000)	
33. SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	33.1	**70,160**	76,872
Outward expenses		**161,437**	140,687
Travelling and conveyance		**24,748**	9,996
Depreciation on operating assets	4.1.1	**2,362**	2,377
Depreciation on right-of-use asset	5.3	**2,486**	1,290
Trade promotion		**4,828**	1,846
Export charges		**26,610**	1,883
Repair and maintenance		**109**	192
Insurance		**1,175**	1,074
Postage and communication		**609**	378
Rent, rates and taxes		**-**	272
Printing and stationary		**659**	133
Others		**8,580**	3,499
		303,763	240,499

33.1 This includes Rs. 6.06 million (2023: Rs. 4.91 million) in respect of charge for defined benefit plan.

	Note	2024	2023
		(Rupees in '000)	
34. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	34.1	**171,200**	139,192
Travelling and conveyance		**68,725**	34,513
Depreciation on operating fixed assets	4.1.1	**14,516**	10,526
Depreciation on right-of-use asset	5.3	**3,407**	3,343
Legal and professional charges		**12,293**	30,286
Rent, rates and taxes		**-**	2,816
License fee		**38,007**	22,802
Postage and communication		**3,954**	2,315
Entertainment		**3,820**	4,937
Auditor's remuneration	34.2	**5,025**	4,306
Utilities		**4,582**	4,419
Repair and maintenance		**1,545**	1,628
Insurance		**12,110**	6,779
Printing and stationary		**2,836**	1,149
Staff training and development		**707**	1,008
Amortisation of intangible assets	6.1.2	**6,733**	4,902
Donations	34.3	**19,185**	22,086
Security expenses		**10,497**	9,820
Subscription expenses		**372**	-
Others		**7,298**	14,150
		386,812	320,977

34.1 This includes Rs. 11.90 million (2023: Rs. 8.05 million) in respect of charge for defined benefit plan.

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	2024	2023
	(Rupees in '000)	

34.2 Auditors' remuneration

	2024	2023
Audit services		
Annual audit fee	2,800	2,300
Out of pocket expenses	850	206
	3,650	2,506
Non-audit services		
Certifications for regulatory purposes	300	1,800
Tax advisory services	1,075	-
	5,025	4,306

34.3 Donations

34.3.1 This includes donations to the following organisations that exceed either 10% of the total amount of donations made or Rs. 1 million, whichever is higher.

	2024	2023
	(Rupees in '000)	
Baitussalam Welfare Trust	5,376	4,603
Dhoraji Association	5,500	6,000
Dhoraji Youth Services	-	2,500
Indus Hospital and Health Network	-	2,500
Saylani Welfare International Trust	-	2,500
	10,876	18,103

34.3.2 Donations did not include any amount paid to any person or organization in which a director or his / her spouse had any interest.

35. OTHER OPERATING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Exchange loss - net		25,253	-
Workers' Profit Participation Fund	26.3	93,569	171,648
Workers' Welfare Fund	26.4	36,023	70,901
Loss on disposal of property, plant and equipment		68,715	-
		223,560	242,549

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36. OTHER INCOME

	Note	2024	2023
		(Rupees in '000)	
Income from financial assets			
Return on PLS savings accounts		11,209	6,712
Exchange gain - net		-	90,812
Markup income on loan to subsidiary - PETPAK		212,657	-
Income from non-financial assets			
Gain on disposal of property, plant and equipment		-	3,322
Gain on modification of lease		3,758	-
Others			
Scrap sales		27,623	32,967
Export rebate		31,922	9,316
Amortisation of deferred income	22	186	3,118
		287,355	146,247

37. FINANCE COST

	2024	2023
Islamic:		
- Mark-up on long-term financing	624,642	70,305
- Mark-up on short-term borrowings	869,396	533,305
	1,494,038	603,610
Interest on lease liabilities	8,477	5,315
Commission on letter of credit	6,913	3,973
Bank and guarantee charges	17,753	19,688
	1,527,181	632,586

38. LEVIES - FINAL TAX

	Note	2024	2023
Final tax	38.1	6,348	1,781

38.1 This represent final tax on export sales under section 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

39. INCOME TAX EXPENSE

	Note	2024	2023
		(Rupees in '000)	
Current	39.1	712,744	1,130,230
Deferred		(111,159)	(23,646)
		601,585	1,106,584

39.1 The returns of income tax have been filed up to and including tax year 2023, which are deemed assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

39.2 Relationship between income tax expense and accounting profit

	2024	2023	2024	2023
	(Effective tax rate %)		(Rupees in '000)	
Profit before levies and income tax			**1,745,446**	3,190,411
Tax at the enacted tax rate	**(29.00)**	(29.00)	**(506,179)**	(925,219)
Tax effect of:				
Super tax	**(10.00)**	(10.00)	**(174,545)**	(319,041)
Income taxed under final tax regime	**4.48**	0.08	**78,206**	2,668
Tax credit on donations	**0.18**	0.20	**3,154**	6,405
Tax credit under section 65D	**-**	5.13	**-**	163,633
Others	**(0.49)**	(1.15)	**(8,569)**	(36,811)
Levies and income tax - notes 38 & 39	**(34.83)**	(34.74)	**(607,933)**	(1,108,365)

40. EARNINGS PER SHARE - BASIC AND DILUTED

	Note	2024	2023
		(Rupees in '000)	
Profit for the year attributable to ordinary shareholders		**1,137,513**	2,082,046
		----------- (Numbers) -----------	
Weighted average number of ordinary shares outstanding at end of the year	40.1	**635,936,666**	581,359,104
		----------- (Rupees) -----------	
Earnings per share - basic and diluted		**1.79**	3.58

40.1 Weighted average number of ordinary shares

	2024	2023
	----------- (Numbers) -----------	
Issued ordinary shares as at July 01	**630,094,545**	540,000,000
Effect of right shares issued	**-**	35,233,185
Effect of bonus shares issued	**-**	6,125,919
Effect of number of shares issued	**5,842,121**	-
Weighted average number of ordinary shares as at June 30	**635,936,666**	581,359,104

40.2 There were no convertible dilutive potential ordinary shares outstanding as at 30 June, 2024 and 2023.

41. CASH GENERATED FROM / (USED IN) FROM OPERATIONS

	Note	2024	2023
		(Rupees in '000)	
Profit before levies and income tax		**1,745,446**	3,190,411
Adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment	4.1.1	**344,950**	345,692
Amortisation of intangible assets	6.1.2	**6,825**	4,963
Depreciation of right-of-use assets	5.3	**11,341**	12,101
Loss / (gain) on disposal of property, plant and equipment	35	**68,715**	(3,322)
Unrealised exchange gain		**3,992**	269
Return on PLS savings accounts	36	**(11,209)**	(6,712)
Gain on modification of lease	36	**(3,758)**	-
Markup income on loan to subsidiary - PETPAK		**(212,657)**	-
Provision for staff retirement benefits	24.1.6	**55,960**	45,273
Amortisation of deferred income	36	**(186)**	(3,118)
Allowance for expected credit losses	11.5	**(7,666)**	50,782
Finance cost	37	**1,527,181**	632,586
		3,528,934	4,268,925
Changes in working capital	41.1	**48,685**	304,528
		3,577,619	4,573,453

41.1 CHANGES IN WORKING CAPITAL

	2024	2023
(Increase) / decrease in current assets:		
Stores, spares and consumables	**(32,753)**	(63,060)
Stock-in-trade	**230,747**	(647,940)
Trade receivables	**(949,417)**	(655,526)
Loans and advances	**(116,677)**	251,118
Trade deposits and short-term prepayments	**4,024**	11,153
Other receivables	**(114,062)**	15,983
Sales tax refundable	**-**	18,217
	(978,138)	(1,070,055)
Increase / (decrease) in current liabilities:		
Trade and other payables	**975,814**	1,280,863
Contract liabilities	**(53,103)**	93,720
Sales tax payable	**104,112**	-
	48,685	304,528

42. CASH AND CASH EQUIVALENTS

	Note	2024	2023
		(Rupees in '000)	
Cash and bank balances	16	**80,752**	162,618
Short-term borrowings under Running Musharakah	28	**(220,941)**	(48,409)
		(140,189)	114,209

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	**2024**	2023	**2024**	2023
	(Rupees in '000)					
Managerial remuneration	**14,400**	14,400	**-**	-	**287,558**	224,927
Bonus	**1,200**	2,400	**-**	-	**22,002**	32,223
Retirement benefits	**1,947**	1,214	**-**	-	**32,072**	29,449
Reimbursable expenses	**-**	-	**-**	-	**7,900**	7,060
Other perquisites and benefits	**-**	-	**-**	-	**26,764**	44,356
Directors' fees	**-**	-	**19,950**	14,451	**-**	-
	17,547	18,014	**19,950**	14,451	**376,296**	338,015
Number of persons	**1**	1	**9**	9	**53**	43

43.1 Chief Executive and certain executives are provided with the use of Company maintained cars and telephone facility, which are reimbursed at actual to the extent of their entitlements as per their terms of employment.

43.2 Fees paid to 9 (2023: 9) non-executive directors were Rs. 19.95 million (2023: Rs. 14.45 million) on account of meetings attended by them.

44. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

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44.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		(Rupees in '000)	
Long-term deposits		**52,671**	6,371
Long-term loans	8	**22,262**	9,035
Trade receivables - net of provision	11	**3,431,798**	2,474,715
Trade deposits	13	**9,291**	15,684
Loans and advances	12	**221,336**	104,659
Other receivables	14	**157,076**	43,014
Loan to subsidiaries	15	**2,374,865**	-
Bank balances	16	**80,632**	162,521
		6,349,931	2,815,999

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2024	2023
	(Rupees in '000)	
Domestic	**2,168,660**	2,514,363
Export	**1,306,254**	11,134
	3,474,914	2,525,497

44.1.2 Impairment losses

The ageing of trade debtors as per above at the reporting date was as follows:

	2024		2023	
	Gross	**Impairment**	Gross	Impairment
	(Rupees in '000)			
Not yet Due	**2,508,040**	**4,495**	1,599,696	-
0 - 30 days	**742,677**	**6,745**	689,545	34,867
31 - 60 days	**81,833**	**2,609**	186,714	8,000
61 - 90 days	**49,509**	**4,719**	16,756	637
91 - 120 days	**5,029**	**962**	11,951	4
121 - 180 days	**79,204**	**19,004**	11,063	446
181 - 270 days	**3,828**	**1,783**	1,682	607
271 - 365 days	**47**	**52**	83	29
Over 365 days	**4,747**	**2,747**	8,007	6,192
	3,474,914	**43,116**	2,525,497	50,782

Management believes that the unimpaired balances that are past dues are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

44.1.3 Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	Rating Agency	Rating Short term	Rating Long term
Bank AL Habib Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Dubai Islamic Bank Pakistan Limited	VIS	A1+	AA
Faysal Bank Limited	VIS	A1+	AA
Bank Alfalah Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
MCB Bank Limited	PACRA	A1+	AAA
United Bank Limited	VIS	A1+	AAA

44.1.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

44.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

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	2024					
		Contractual cashflows				
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long-term financing	2,225,244	(2,710,835)	(215,608)	(919,559)	(1,568,869)	(6,799)
Lease liabilities	18,635	(22,369)	(5,358)	(11,184)	(5,827)	-
Trade and other payables	2,645,788	(2,645,788)	(2,645,788)	-	-	-
Short-term borrowings	4,185,917	(4,185,917)	(4,185,917)	-	-	-
Accrued mark-up	184,588	(184,588)	(184,588)	-	-	-
	9,260,172	(9,749,497)	(7,237,259)	(930,743)	(1,574,696)	(6,799)

	2023					
		Contractual cashflows				
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long-term financing	1,863,466	(1,871,059)	(40,902)	(78,628)	(1,742,063)	(9,466)
Lease liabilities	41,824	(52,127)	(7,963)	(16,763)	(27,401)	-
Trade and other payables	2,032,573	(2,032,573)	(2,032,573)	-	-	-
Short-term borrowings	2,758,460	(2,758,460)	(2,758,460)	-	-	-
Accrued mark-up	133,460	(133,460)	(133,460)	-	-	-
	6,829,783	(6,847,679)	(4,973,358)	(95,391)	(1,769,464)	(9,466)

44.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up have been disclosed in respective notes to these unconsolidated financial statements.

44.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

44.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

44.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2024			2023		
	Rupees	**US Dollars**	**Euro**	Rupees	US Dollars	Euro
	(In '000)			(In '000)		
Financial assets						
Bank Balance	**9,906**	**29**	**6**	-	-	-
Trade debts	**1,306,254**	**4,570**	**115**	11,134	39	-
Financial liabilities						
Trade and other payables	**(1,050,946)**	**(3,731)**	**(36)**	(1,129,529)	(6,097)	(186)
Net exposure	**265,214**	**868**	**85**	(1,118,395)	(6,058)	(186)

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	2024	2023
	Buying/Selling	Buying/Selling
US Dollars (USD) to Pakistan Rupee	**278.3 / 278.8**	286.18 / 286.6
Euro to Pakistan Rupee	**297.88 / 298.41**	312.84 / 313.29

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD and Euro as at June 30 would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for both the years.

	Effect on unconsolidated statement of profit or loss	
	2024	2023
	(Rupees in '000)	
As at 30 June		
Effect in USD	**3,924**	(114,748)
Effect in Euro	**1,675**	(3,848)

44.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

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At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is:

	Note	Carrying amount	
		2024	2023
		(Rupees in '000)	
Fixed rate instruments			
Financial liabilities	21 & 28	**12,744**	13,466
Variable rate instruments			
Financial liabilities	21 & 28	**6,398,417**	4,608,460

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and the profit after tax by Rs. 34.55 million (2023: Rs. 24.88 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the unconsolidated statement of profit or loss.

44.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	2024					
	Short-term borrowings	Long-term financing	Accured Mark-up	Lease liabilities	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at July 1, 2023	2,758,460	1,863,466	133,460	41,824	3,251,135	8,048,345
Changes from financing cash flows						
Repayment of long-term loan	-	(1,788,222)	-	-	-	(1,788,222)
Proceeds from long-term loan	-	2,150,000	-	-	-	2,150,000
Receipt of short-term borrowings	1,427,457	-	-	-	-	1,427,457
Lease liability payments	-	-	-	(6,348)	-	(6,348)
Total changes from financing activities	1,427,457	361,778	-	(6,348)	-	1,782,887
Other changes						
Modifications in lease liabilities	-	-	-	(16,841)	-	(16,841)
Interest expense	-	-	1,518,706	8,477	-	1,527,183
Interest paid	-	-	1,467,578	(8,477)	-	(1,476,055)
Total loan related other changes	-	-	51,128	(16,841)	-	34,287
Equity related other changes	-	-	-	-	(1,991,150)	(1,991,150)
Balance as at June 30, 2024	4,185,917	2,225,244	184,588	18,635	1,259,985	7,874,369

	2023					
	Short-term borrowings	Long-term financing	Accured Mark-up	Lease liabilities	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at July 1, 2022	2,182,200	41,495	36,336	15,826	3,170,627	5,446,484
Changes from financing cash flows						
Repayment of long-term loan	-	(28,029)	-	-	-	(28,029)
Proceeds from long-term loan	-	1,850,000	-	-	-	1,850,000
Changes in short-term borrowings	576,260	-	-	-	-	576,260
Lease liability payments	-	-	-	(9,573)	-	(9,573)
Total changes from financing activities	576,260	1,821,971	-	(9,573)	-	2,388,658
Other changes						
Additions to lease liabilities	-	-	-	35,571	-	35,571
Interest expense	-	-	627,271	5,315	-	632,586
Interest paid	-	-	(530,147)	(5,315)	-	(535,462)
Total loan related other changes	-	-	97,124	35,571	-	132,695
Equity related other changes	-	-	-	-	80,508	80,508
Balance as at June 30, 2023	2,758,460	1,863,466	136,460	41,824	3,251,135	8,048,345

44.5 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no exposure to price risk as its investments are measured at cost.

44.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the unconsolidated statement of financial position approximate their fair values.

44.7 Financial instruments by categories

	Note	2024	2023
		(Rupees in '000)	
Financial assets			
Held at amortised cost			
- Long-term loans	8	**22,262**	9,035
- Long-term deposits		**52,671**	6,371
- Trade receivables	11	**3,431,798**	2,474,715
- Loans and advances	12	**221,336**	104,659
- Trade deposits	13	**9,291**	15,684
- Other receivables	14	**157,076**	43,014
- Loan to subsidiaries	15	**2,374,865**	-
- Cash and bank balances	16	**80,752**	162,618
		6,350,051	2,816,096

	Note	2024	2023
		(Rupees in '000)	
Financial liabilities			
Held at amortised cost			
- Long-term financing	21	**2,225,244**	1,863,466
- Trade and other payables	26	**2,645,788**	2,032,573
- Short-term borrowings - secured	28	**4,185,917**	2,758,460
- Lease liabilities	25	**18,635**	41,824
- Accrued mark-up		**184,588**	133,460
		9,260,172	6,829,783

45. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

46. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. freehold land, buildings on freehold land and plant and machinery) with sufficient regularity. Involvement of external valuers is decided upon by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability , the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2024, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Company measures freehold land, buildings on freehold land and plant and machinery at fair value and all of the resulting fair value estimates in relation to freehold land, buildings on freehold land and plant and machinery of the Company are included in Level 2.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the unconsolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Company's freehold land, buildings on freehold land and plant and machinery measured at fair value:

Assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
Revalued property, plant and equipment			
- Freehold land, buildings on freehold land and plant and machinery	June 30, 2024	In determining the valuations for land, buildings and plant and machinery, the valuer has performed detailed enquiries from numerous independent local estate agents and developers and inspected current trends in prices of real estate in the vicinity. For valuation of plant and machinery, the valuer obtained available specifications with help of photographs and enquired about the present value of similiar machinery from various authoried dealers who deal in such machineries. Replacement value was ascertained from competitive rates of machines, thereafter, an average depreciation factor was applied on the replacement value of the machines. The fair valuation of land, building and plant and machinery is considered to represent a level 2 valuation based on inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).	The fair values are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values.

Management assessed that the fair values of cash and cash equivalents, other receivables, trade deposits, trade debts, short-term borrowings, trade and other payables and accrued mark-up approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are at market rates.

47. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the subsidiary companies, associated undertakings, directors of the Company and key management personnel. The Company continues to follow a policy whereby transactions with related parties are entered into at commercial terms and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

47.1 Transactions with related parties

	2024	2023
	(Rupees in '000)	
Subsidiary companies		
Sales	**16,751**	5,618
Receipts against sales	**5,618**	-
Advance paid against future issue of shares	**2,406,928**	8,057,584
Loan stock received	**647,455**	-
Loan stock issued	**273,738**	-
Loan issued	**2,162,208**	-
Markup income on loan issue	**212,657**	
Shares issued	**-**	7,933,352
Expense incurred	**-**	170
Associated companies		
Sales	**2,057,642**	2,371,110
Receipts against sales	**2,317,876**	2,129,711
Purchase	**2,601**	10,473
Payment against purchases	**2,459**	1,957
Key management personnel		
Remuneration	**393,843**	356,029
Bonus share issued	**-**	1,247,464
Right issue	**-**	1,142,508
Non-executive directors		
Directors' fee	**19,950**	14,451

47.2 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year.

Name of the Related Party	Relationship and percentage of shareholding
Cast Packaging Films (Private) Limited	Wholly owned subsidiary company
Universal Coating Films (Private) Limited	Associated company by virtue of common directorship
PETPAK Films (Private) Limited	Subsidiary company - 52% (2023:52%) shareholding
Global Packaging Films (Private) Limited	Wholly owned subsidiary company
IPAK Connect Packaging Materials Trading FZCO	Wholly owned subsidiary company
Universal Packaging Company (Private) Limited	Associated company by virtue of common directorship
Saima Packaging Company (Private) Limited	Associated company by virtue of common directorship
Universal Films (Private) Limited	Associated company by virtue of common directorship

47.3 Outstanding balances with related parties have been separately disclosed in trade and other payables. These are settled in ordinary course of business.

	2024	2023
	(Tons)	
48. PLANT CAPACITY AND ACTUAL PRODUCTION		
Operational capacity	**41,360**	41,360
Actual production of the group	**32,184**	28,809

48.1 Production of films during the year is based on market demand.

49. OPERATING SEGMENT

49.1 These unconsolidated financial statements have been prepared on the basis of a single operating segment.

49.2 Revenue from the sale of BOPP films represents 100% (2023: 100%) of the total revenue.

49.3 Geographic Information

The Company's 89.07% (2023: 99.49%) of the sales of BOPP films are domestic sales whereas 10.93% (2023: 0.51%) of the sales are export / foreign sales.

The Company's net revenue from external customers by geographical location is disclosed in note 31.1.

All non-current assets of the Company are located in Pakistan as at June 30, 2024 with an exception of its investment in IPAK Connect Packaging Materials Trading - FZCO which is domiciled in Dubai, United Arab Emirates as disclosed in note 7.4.

49.4 Revenue from major customer

There were no major customers with whom revenue individually accounted for more than 10% during the year from sale of BOPP films.

	2024	2023
	(Number)	
50. NUMBER OF EMPLOYEES		
The details of number of employees are as follows:		
Number of employees at June 30		
- Permanent	**295**	246
- Contractual	**100**	105
	395	351
Average number of employees during the year		
- Permanent	**275**	234
- Contractual	**96**	101
	371	335

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

51. NON-ADJUSTING EVENTS AFTER REPORTING DATE

Subsequent to year end on July 01, 2024, PETPAK Films (Private) Limited offerred 61,227,398 right shares to the Company at a par value of Rs. 10 per share each amounting to Rs. 612.27 million. The Company duly accepted the right offer in full.

52. CORRESPONDING FIGURES

Comparative information has been reclassified or re-arranged in these unconsolidated financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current year, having insignificant impact.

53. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were approved and authorised for issue by the Board of Directors on September 10, 2024.

Naveed Godil	**Saad Amanullah Khan**	**Mohsin Anwer**
Chief Executive Officer	Director & Chairman Board Audit Committee	Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

pwc A·F·FERGUSON&CO.

INDEPENDENT AUDITOR'S REPORT

To the members of International Packaging Films Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of International Packaging Films Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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KARACHI LAHORE ISLAMABAD

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** *(Refer note 3.12 and note 30 to the consolidated financial statements)* The Group recognises revenue from domestic as well as export customers when the performance obligation is satisfied by transferring control of a promised good to the customer. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group and revenue for the year has increased as compared to last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures amongst others included the following: - Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; - Understood and evaluated the accounting policy with respect to revenue recognition; - Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; - Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; - Verified that sales prices are negotiated and approved by appropriate authority; and - Ensured that presentation and disclosures related to revenue are being addressed appropriately.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Affel

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Affel

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

The consolidated financial statements of the Group for the year ended June 30, 2023, were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated October 03, 2023.

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

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 29, 2024

UDIN: AR202410611OMWLA4Pjz

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024	(Restated) 2023
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	32,997,316	23,082,659
Right-of-use assets	5	12,247	36,671
Intangible assets	6	55,153	61,115
Long-term loans	7	22,262	9,035
Long-term deposits		104,359	6,371
		33,191,337	23,195,851
CURRENT ASSETS			
Stores, spares and consumables	8	335,475	275,938
Stock-in-trade	9	4,532,240	3,193,199
Trade receivables	10	5,788,935	3,348,647
Loans and advances	11	552,475	314,138
Trade deposits and short-term prepayments	12	77,125	28,833
Other receivables	13	167,756	42,682
Sales tax refundable		856,316	391,717
Cash and bank balances	14	245,918	333,144
		12,556,240	7,928,298
TOTAL ASSETS		45,747,577	31,124,149
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	15	7,002,000	6,300,945
Capital reserves			
Share premium		2,470,722	1,487,566
Reserve for investment in subsidiaries	17	3,259,000	-
Revaluation surplus on property, plant and equipment	18	3,505,136	1,642,280
Revenue reserves			
Accumulated loss / unappropriated profits		(28,903)	3,138,416
Exchange translation reserves		245	-
TOTAL SHAREHOLDERS› EQUITY		16,208,200	12,569,207
Non-controlling interest		3,707,543	3,183,774
		19,915,743	15,752,981
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing - secured	19	3,545,420	2,910,061
Deferred income - government grant	20	909,519	639,711
Deferred taxation - net	21	3,780,195	1,501,872
Staff retirement benefits	22	178,665	112,130
Lease liabilities	23	18,013	30,988
Supplier's credit	24	-	2,159,537
		8,431,812	7,354,299
CURRENT LIABILITIES			
Trade and other payables	25	8,560,158	3,947,120
Contract liabilities	26	261,805	252,233
Short-term borrowings - secured	27	5,651,785	3,261,147
Current portion of long-term financing - secured	19	303,474	122,955
Current portion of deferred income - government grant	20	23,691	18,057
Current portion of lease liabilities	23	622	10,836
Supplier's credit	24	2,235,642	-
Taxation - net	28	102,060	258,785
Accrued mark-up		260,785	145,736
		17,400,022	8,016,869
TOTAL LIABILITIES		25,831,834	15,371,168
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		45,747,577	31,124,149

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

Naveed Godil	**Saad Amanullah Khan**	**Mohsin Anwer**
Chief Executive Officer	Director & Chairman Board Audit Committee	Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	(Restated) 2023
		(Rupees in '000)	
Revenue from contracts with customers	30	22,834,738	19,890,341
Cost of sales	31	(18,339,098)	(14,409,600)
Gross profit		4,495,640	5,480,741
Selling and distribution expenses	32	(371,687)	(259,455)
Administrative expenses	33	(505,675)	(435,297)
Charge of loss allowance on trade receivable	10.5	(5,077)	(59,099)
Other operating expenses	34	(271,068)	(879,291)
		(1,153,507)	(1,633,142)
Other income	35	234,407	88,835
Operating profit		3,576,540	3,936,434
Finance costs	36	(1,815,116)	(753,164)
Profit before levies and income tax		1,761,424	3,183,270
Levies - final tax	37	(6,348)	(1,781)
Profit before income tax		1,755,076	3,181,489
Income tax expense	38		
- Current		(712,744)	(1,130,230)
- Deferred		(1,745,182)	(163,602)
		(2,457,926)	(1,293,832)
(Loss) / profit for the year after taxation		(702,850)	1,887,657
(Loss) / profit attributable to:			
- Owners of Holding Company		(41,119)	2,059,370
- Non-controlling interest (NCI)		(661,731)	(171,713)
		(702,850)	1,887,657
		------------ (Rupees) ------------	
			(Restated)
(Loss) / earnings per share - basic and diluted	39	(0.06)	3.54

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	(Restated) 2023
		(Rupees in '000)	
(Loss) / profit for the year after taxation		(702,850)	1,887,657
Other comprehensive income			
Items that will not be subsequently reclassified to consolidated statement of profit or loss			
Remeasurement loss on defined benefit plans	22	(5,680)	(9,664)
Related deferred tax credit for the year		1,217	4,096
		(4,463)	(5,568)
Surplus on revaluation of property, plant and equipment	18	3,397,279	-
Related deferred tax charge for the year		(534,359)	(143,696)
		2,862,920	(143,696)
Items that will be subsequently reclassified to consolidated statement of profit or loss			
Foreign operations - foreign currency translation difference		245	-
Other comprehensive income / (loss) for the year - net of tax		2,858,702	(149,264)
Total comprehensive income for the year		2,155,852	1,738,393
Total comprehensive income attributable to:			
- Owners of Holding Company		1,954,782	1,910,106
- Non-controlling interest (NCI)		201,070	(171,713)
		2,155,852	1,738,393

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up capital	Capital reserves: Share premium	Capital reserves: Reserve for investment in subsidiaries	Capital reserves: Revaluation surplus on property, plant and equipment	Revenue reserves: Unappropriated profits / accumulated loss - restated	Revenue reserves: Exchange translation reserves	Non-controlling interest - restated	Total
	....	....	....	(Rupees in '000)	....	....	....	....
Balance as at July 1, 2022	3,600,000	-	-	1,889,890	3,081,015	-	560,410	9,131,315
Profit for the year - restated	-	-	-	-	2,059,370	-	(171,713)	1,887,657
Other comprehensive loss for the year	-	-	-	(143,696)	(5,568)	-	-	(149,264)
Total comprehensive (loss) / income for the year - restated	-	-	-	(143,696)	2,053,802	-	(171,713)	1,738,393
Advance against future issuance of shares - PETPAK Films (Private) Limited	-	-	-	-	-	-	2,795,077	2,795,077
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	(103,914)	103,914	-	-	-
Transactions with owners in their capacity as owners								
Issuance of 60,063,030 ordinary shares each fully paid in cash	600,630	1,487,566	-	-	-	-	-	2,088,196
Bonus shares issued in the ratio of 50 bonus shares for every 100 shares held	2,100,315	-	-	-	(2,100,315)	-	-	-
Balance as at June 30, 2023 - restated	**6,300,945**	**1,487,566**	**-**	**1,642,280**	**3,138,416**	**-**	**3,183,774**	**15,752,981**
Loss for the year	**-**	**-**	**-**	**-**	**(41,119)**	**-**	**(661,731)**	**(702,850)**
Other comprehensive income / (loss) for the year	**-**	**-**	**-**	**1,998,824**	**(3,168)**	**245**	**862,801**	**2,858,702**
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**1,998,824**	**(44,287)**	**245**	**201,070**	**2,155,852**
Advance against future issuance of shares - PETPAK Films (Private) Limited	**-**	**-**	**-**	**-**	**-**	**-**	**322,699**	**322,699**
Transferred from unappropriated profits to reserve for investment in subsidiaries	**-**	**-**	**3,259,000**	**-**	**(3,259,000)**	**-**	**-**	**-**
Transferred from revaluation surplus on disposal of property, plant and equipment - net of tax	**-**	**-**	**-**	**(28,884)**	**28,884**	**-**	**-**	**-**
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	**-**	**-**	**-**	**(107,084)**	**107,084**	**-**	**-**	**-**
Transactions with owners in their capacity as owners								
Issuance of 70,105,455 ordinary shares each fully paid in cash - note 15.3	**701,055**	**1,062,923**	**-**	**-**	**-**	**-**	**-**	**1,763,978**
Write off of expenses on account of issue of shares through Initial Public Offering - note 16	**-**	**(79,767)**	**-**	**-**	**-**	**-**	**-**	**(79,767)**
Balance as at June 30, 2024	**7,002,000**	**2,470,722**	**3,259,000**	**3,505,136**	**(28,903)**	**245**	**3,707,543**	**19,915,743**

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	**4,294,851**	4,505,709
Finance costs paid		**(1,691,591)**	(647,084)
Staff retirement benefits paid		**(10,321)**	(10,549)
Income tax and levies paid		**(875,817)**	(313,474)
Increase in long-term loans		**(13,227)**	-
Increase in long-term deposits		**(97,988)**	(5,342)
		(2,688,944)	(976,449)
Net cash generated from operating activities		**1,605,907**	3,529,260
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		**(7,204,362)**	(13,890,576)
Payment for acquisition of intangible assets		**(890)**	(48,834)
Return on PLS savings accounts		**28,043**	36,106
Proceeds from disposal of property, plant and equipment		**7,004**	17,448
Net cash used in investing activities		**(7,170,205)**	(13,885,856)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares through Initial Public Offering (IPO)		**1,763,978**	-
Proceeds from issue of shares through right issue		**-**	2,088,197
Expenses incurred in relation to IPO		**(79,767)**	-
Lease rentals paid		**(14,825)**	(14,888)
Receipt of short-term borrowings - net		**2,218,106**	745,130
Suppliers credit		**-**	2,159,537
Receipt against issue of shares to non-controlling interest		**322,699**	2,795,077
Proceeds from long-term financing		**2,859,411**	2,670,901
Repayment of long-term financing		**(1,765,307)**	(28,864)
Net cash generated from financing activities		**5,304,295**	10,415,090
Net (decrease) / increase in cash and cash equivalents		**(260,003)**	58,494
Cash and cash equivalents at beginning of the year		**284,735**	226,241
Effects of exchange rate changes in cash and cash equivalents		**245**	-
Cash and cash equivalents at end of the year	41	**24,977**	284,735

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of International Packaging Films Limited (the Holding Company), its wholly owned subsidiaries namely Cast Packaging Films (Private) Limited and Global Packaging Films (Private) Limited, its 52% owned subsidiary namely PETPAK Films (Private) Limited, its 52% indirectly owned subsidiary PETPAK Plus (Private) Limited and its wholly owned foreign subsidiary namely IPAK Connect Packaging Materials Trading - FZCO [together referred to as "the Group" and individually as "Group entities"].

1.2 The Holding Company was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on October 2, 2015. On June 11, 2021, the Holding Company's status was converted into a public limited company, and it was subsequently listed on the Pakistan Stock Exchange Limited on June 3, 2024. The Holding Company is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and allied products. It commenced its commercial operations effective in September 2017.

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

- The registered office of the Company is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the Holding Company is situated at IPAK Plant, Manga Chowk, Raiwind, Bypass road, Raiwind district, Lahore, Punjab.

1.3 Cast Packaging Films (Private) Limited (CPAK) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on April 01, 2020. It is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of CPP (Cast Polypropylene) film and its allied products. It commenced its commercial operations effective in April 2021.

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

- The registered office of the Subsidiary Company is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the Subsidiary Company is situated at Kharsa No. 557 and 563, Qita No. 7 and 13, 3.5 KM, Manga Bypass Road, Raiwand, Lahore.

1.4 Global Packaging Films (Private) Limited (GPAK) was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on January 15, 2021, It is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BOPP (Biaxially-oriented Polypropylene) films and its allied products. It commenced its commercial operations effective in June 2024.

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

- The registered office of the Subsidiary Company is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.
- The manufacturing plant of the Subsidiary Company is situated at Plot No. 5D - 9D, Quaid-e-Azam Business Park, Sheikhupura, Punjab.

1.5 PETPAK Films (Private) Limited (the Company) is incorporated in Pakistan as a private limited company under the Companies Act, 2017 on September 21, 2020. The Company is principally engaged in the manufacturing and sale of flexible packaging materials mainly comprising of BO-PET (biaxially-oriented polyethylene terephthalate) films and allied products of PET Packaging. It commenced its commercial operations effective in February 2024.

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

- The registered office of the Subsidiary Company is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.

- The manufacturing plant of the Subsidiary Company is situated at Plot No. 1D - 4D, Quaid-e-Azam Business Park, Sheikhupura, Punjab.

1.6 PETPAK Plus (Private) Limited (PPPAK) is a 52% indirectly owned subsidiary through PETPAK Films (Private) Limited and was incorporated in Pakistan as a private limited company under the Companies Act, 2017 on October 05, 2020. The Board of Directors of the subsidiary company have approved to dissolve the Company and filed an application under Companies (Easy Exit) Regulation, 2014 with Securities and Exchange Commission of Pakistan (SECP) to strike off the name of the subsidiary company from the register of the Companies under section 426 of the Companies Act, 2017.

- The registered office of the Subsidiary Company is situated at 40-L-1, P.E.C.H.S., Block 6, near Jason Trade Centre, Karachi, Sindh.

1.7 IPAK Connect Packaging Materials Trading - FZCO was incorporated in Dubai Economic Integrated Zones, Dubai, United Arab Emirates on January 10, 2024. It is principally engaged in the trading of packing and packaging materials, equipment and containers trading under the license no. 40083. Its registered office and sales office is situated at Building A2, Dubai Digital Park, Silicon Oasis, Dubai.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Accounting Standards / IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the Holding Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant & equipment (notes 3.1 & 4)
- Lease liability and right-of-use assets (notes 3.3, 5 & 23)
- Trade receivables (notes 3.4.2.1 & 10)
- Stores, spares & consumables (notes 3.5 & 8)
- Stock-in-trade (notes 3.6 & 9)
- Taxation (notes 3.7, 28 & 38)
- Staff retirement benefits (notes 3.10 & 22)
- Impairment of financial & non-financial assets (notes 3.15)

2.5 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to accounting and reporting standards that are effective during the current year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Group's financial reporting and have not been detailed in these consolidated financial statements.

b) Standards and amendments to accounting and reporting standards that are not yet effective

There are standards and certain other amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2024. However, these are considered either not to be relevant or to have any significant impact on the Group's financial statements and operations and therefore, have not been disclosed in these consolidated financial statements.

2.6 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include International Packaging Films Limited (the Holding Company) and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Subsidiaries have same reporting period as that of the Group. The accounting policies of subsidiaries have been changed to conform with accounting policies of the Group, wherever needed.

Where the ownership of a subsidiary is less than 100% and therefore, a non controlling interest (NCI) exists,

the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computations adopted in the preparation of these consolidated financial statements set out below have been applied consistently to all the periods presented in these financial statements, except as indicated below in notes 3.8 and 3.22 (Levies).

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

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

Measurement

Property, plant and equipment (except freehold land, buildings on freehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at revalued amount, whereas buildings on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment loss, if any. The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) Borrowing costs, if any.

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

Subsequent expenditure

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

Depreciation

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

Revaluation surplus

Revaluation of property, plant and equipment is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of property, plant and equipment is recognised, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the consolidated statement of profit or loss, in which case the increase is first recognised in the consolidated statement of profit or loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset and all other decreases are charged to consolidated statement of profit or loss. The revaluation reserve is not available for distribution to the Group's shareholders. At each reporting date, the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to unappropriated profits.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the consolidated statement of profit or loss, and the related revaluation surplus on property, plant and equipment, if any, is transferred directly to unappropriated profits.

3.1.2 Capital work-in-progress

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

3.2 Intangible assets

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

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

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

3.3 Lease liability and right-of-use assets

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

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

Right-of-use assets are measured at cost comprising the following: - The amount of the initial measurement of lease liability;

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

The Group has various lease agreements for its head office, warehouses, staff quarters and guest houses which were previously classified by the Company based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all the leases - i.e. these leases are on statement of financial position.

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

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

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

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

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

3.4 Financial instruments

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

3.4.1 Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

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

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

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the consolidated statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the consolidated statement of profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

Subsequent measurement

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the consolidated statement of profit or loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains and losses and impairment, if any, are recognised in the consolidated statement of profit or loss.

3.4.2 Non-derivative financial assets

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

3.4.2.1 Trade receivables, advances and other receivables

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

3.4.2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.4.3 Financial liabilities

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

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

3.4.3.1 Trade and other payables

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

3.4.3.2 Contract liabilities

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

3.4.4 Offsetting of financial assets and financial liabilities

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

3.5 Stores, spares and consumables

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

3.6 Stock-in-trade

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

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

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

3.7 Taxation

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

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years

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

Deferred tax

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

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

Further, the Group also recognises deferred tax liability on the surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

3.8 Levies

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

3.9 Share capital

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

3.10 Staff retirement benefits

3.10.1 Defined benefit plan

The Holding Company, CPAK, GPAK and PPAK operate a defined benefit plan i.e. unapproved and unfunded gratuity scheme for its permanent employees. The eligible service for the purpose of gratuity benefits shall be calculated from the date of appointment or date of introduction of scheme whichever is later.

The obligation of Holding Company, CPAK, GPAK and PPAK under the gratuity scheme is determined through actuarial valuations carried out under the "Projected unit Credit Method". Actuarial valuations are conducted annually, and the latest valuation was conducted at the reporting date, June 30, 2024. Service costs are recognised in consolidated statement of profit or loss in the period in which they occur. Net interest on net defined benefit liability is also recognised in consolidated statement of profit or loss. Net of tax remeasurement comprising actuarial gain / (loss) is recognised in consolidated statement of comprehensive income.

3.11 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the consolidated statement of profit or loss currently. The exchange gain on export receivable is restricted as per foreign exchange circulars issued by State Bank of Pakistan.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.12 Revenue recognition

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

Revenue from sale of goods is recognised at a point in time when control of goods have been transferred to a customer i.e. when the performance obligations are met.

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer.

A contract asset is initially recognised for revenue earned in exchange for goods that the Group has transferred to the customer when the right is conditioned on something other than the passage of time. Upon satisfaction of the condition, the amount recognised as contract asset is reclassified to trade receivables. Contract assets are subject to impairment assessment, if any.

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

3.13 Other Income

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

3.14 Mark-up bearing borrowings and borrowing costs

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

3.15 Impairment

3.15.1 Financial assets

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

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

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

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

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

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

3.15.2 Non-financial assets

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

3.16 Provisions

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

3.17 Contingent liabilities

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

3.18 Segment reporting

These consolidated financial statements have been prepared on the basis of single reportable segment which is consistent with the internal reporting of the Group.

3.19 Dividend and appropriation to / from reserves

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

3.20 Government grants

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

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

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

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

3.21 Earnings per share

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

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

3.22 Restatement

3.22.1 During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these consolidated financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the consolidated statement of financial position, consolidated statement of cash flows and earnings per share as a result of this change.

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	**Impact of change in accounting policy**	**After incorporating effects of change in accounting policy**	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	---------- Rupees in '000 ----------					
Effect on consolidated statement of profit or loss						
Levies	**-**	**(6,348)**	**(6,348)**	-	(1,781)	(1,781)
Profit before income tax	**1,761,424**	**(6,348)**	**1,755,076**	3,183,270	(1,781)	3,181,489
Income tax expense	**(6,348)**	**6,348**	**-**	(1,781)	1,781	-

3.22.2 The Holding Company has made the following restatement in the consolidated statement of financial position and in statement of profit or loss due to following:

The management has carried out a reconciliation of its outstanding foreign exchange liabilities during the current year. As a result of this exercise, the management has identified that the exchange loss in respect of foreign currency liabilities was excessively recorded by Rs. 246.97 million. This mainly represented excess foreign exchange loss recorded on "Bruckner Maschinenbau GMBH" outstanding for Rs. 223.33 million, whereas the remaining amount pertained to foreign exchange loss recorded in respect of other foreign currency liabilities. The Company has corrected the error in accordance with the requirement of IAS 8 "Accounting Policies, Change in Accounting Estimates and Errors" and the prior years figures have been restated.

The effect of the above mentioned changes have been presented below. However, there is no impact of the above restatement at the beginning of the preceding year to the consolidated financial statements, therefore third consolidated statement of financial position has not been presented.

	As at June 30, 2023		
	As previously reported	**As Restated**	Restatement adjustment
	------------ (Rupees in '000) ------------		
Effect on consolidated statement of financial position			
Trade and other payables	4,194,087	**3,947,120**	246,967
Unappropriated profits	3,009,993	**3,138,416**	(128,423)
Non-controlling interest	3,065,230	**3,183,774**	(118,544)
			-
Effect on consolidated statement of profit or loss and statement of comprehensive income			
Other operating expenses			
Exchange loss	839,337	**592,370**	246,967

Effect on consolidated statement of cash flows

There is no impact on the total operating, investing and financing cash flows for the year ended June 30, 2023. However following line items are restated within operating activities:

	For the year ended June 30, 2023		
	As previously reported	**As Restated**	Restatement adjustment
	.... (Rupees in '000)		
Cash used In Operations			
Profit before levies and income tax	2,936,303	**3,183,270**	(246,967)
Unrealised exchange gain	267,217	**20,250**	246,967
			-

	Note	2024	2023
4. PROPERTY, PLANT AND EQUIPMENT		(Rupees in '000)	
Operating assets	4.1	**29,723,045**	6,335,417
Capital work-in-progress	4.2	**3,274,271**	16,685,634
In-transit		**-**	61,608
		32,997,316	23,082,659

4.1 Operating assets

	Freehold land (revalued - note 4.1.4)	Buildings on freehold land (revalued - note 4.1.4)	Plant and machinery (revalued - note 4.1.4)	Electrical installations	Office equipment	Furniture and fittings	Motor vehicles	Total
	.... (Rupees in '000)							
Year ended June 30, 2024								
Opening net book value	347,042	555,028	5,213,135	26,562	22,839	16,017	154,794	6,335,417
Additions	521,579	2,852	3,112	-	17,925	18,098	16,879	580,445
Transfers from capital work-in-progress - note 4.2	576,136	1,948,122	17,464,309	56,128	56,116	4,550	-	20,105,361
Disposals - note 4.1.6								
- Cost	-	-	(85,539)	-	(270)	-	(1,904)	(87,713)
- Accumulated depreciation	-	-	10,587	-	259	-	1,148	11,994
	-	-	(74,952)	-	(11)	-	(756)	(75,719)
DEPRECIATION CHARGE - NOTE 4.1.1	-	(56,553)	(502,553)	(11,094)	(12,607)	(7,333)	(29,598)	(619,738)
Revaluation Surplus - note 18								
- Cost	490,660	5,970	1,896,659	-	-	-	-	2,393,289
- Accumulated depreciation	-	98,700	905,290	-	-	-	-	1,003,990
	490,660	104,670	2,801,949	-	-	-	-	3,397,279
Closing net book value	**1,935,417**	**2,554,119**	**24,905,000**	**71,596**	**84,262**	**31,332**	**141,319**	**29,723,045**

	Freehold land (revalued - note 4.1.4)	Buildings on freehold land (revalued - note 4.1.4)	Plant and machinery (revalued - note 4.1.4)	Electrical installations	Office equipment	Furniture and fittings	Motor vehicles	Total
	....	....	....	.... (Rupees in '000)				
Gross carrying value as at June 30, 2024								
Cost / revalued amount	1,935,417	2,554,119	24,905,000	173,737	151,717	50,584	205,746	29,976,320
Accumulated depreciation	-	-	-	(102,141)	(67,455)	(19,252)	(64,427)	(253,275)
Net book value	**1,935,417**	**2,554,119**	**24,905,000**	**71,596**	**84,262**	**31,332**	**141,319**	**29,723,045**
Year ended June 30, 2023								
Opening net book value	347,042	589,399	5,470,000	42,897	15,947	13,351	69,483	6,548,119
Additions	-	1,659	9,431	150	9,619	6,433	112,667	139,959
Transfers from capital work-in-progress - note 4.2	-	725	74,768	1,229	5,665	284	9,490	92,161
Disposals								
- Cost	-	-	-	-	(1,156)	-	(25,305)	(26,461)
- Accumulated depreciation	-	-	-	-	943	-	11,392	12,335
	-	-	-	-	(213)	-	(13,913)	(14,126)
Depreciation charge - note 4.1.1	-	(36,755)	(341,064)	(17,714)	(8,179)	(4,051)	(22,933)	(430,696)
Revaluation Surplus - note 18								
- Cost	-	-	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Closing net book value	347,042	555,028	5,213,135	26,562	22,839	16,017	154,794	6,335,417
Gross carrying value as at June 30, 2023								
Cost / revalued amount	347,042	597,175	5,626,459	117,609	77,946	27,936	190,771	6,984,938
Accumulated depreciation	-	(42,147)	(413,324)	(91,047)	(55,107)	(11,919)	(35,977)	(649,521)
Net book value	347,042	555,028	5,213,135	26,562	22,839	16,017	154,794	6,335,417
Depreciation rates per annum (%)	**-**	**5**	**4 - 25**	**20**	**20 - 33**	**20**	**25 - 15**	

** Items having an aggregate cost of Rs. 118.59 million (2023: Rs. 113.54 million) at the end of the year have been fully depreciated and are still in use of the Group.*

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4.1.1 During the year, GPAK and PPAK transferred their manufacturing facility and production plant for the manufacturing of flexible packaging materials, primarily comprising BOPP (biaxially-oriented polypropylene) films and BO-PET (biaxially-oriented polyethylene terephthalate) film and their allied film packaging products, from capital work in progress to operating assets upon receiving completion certificate from the contractor.

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

	Note	2024	2023
		(Rupees in '000)	
Cost of sales	31	**597,282**	414,466
Selling and distribution expenses	32	**3,071**	2,377
Administrative expenses	33	**19,385**	13,853
		619,738	430,696

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

Location	**Usage of immovable property**	**Total area**	**Covered area**
		------------- (acres) -------------	
lPAK Plant, Manga Chowk, Raiwind, Bypass Road, Raiwind district, Lahore, Punjab	Manufacturing Plant	**6.91**	3.59
CPAK Plant, Kharsa No. 557 and 563, Qita No. 7 and 13, 3.5 KM, Manga Bypass Road, Raiwand, Lahore	Manufacturing Plant	**0.63**	0.35
PETPAK Plant, Plot No. 1D - 4D, Quaid-e-Azam Business Park Special Economic Zone, Sheikhupura, Punjab	Manufacturing Plant	**18.80**	5.58
GPAK Plant Plot No. 5D - 9D, Quaid-e-Azam Business Park Special Economic Zone, Sheikhupura, Punjab	Manufacturing Plant	**19.70**	5.75

4.1.4 The revaluation of freehold land, buildings and plant and machinery of the Holding Company including its subsidiaries namely CPAK, GPAK and PPAK, was carried out by an independent valuer, K. G. Traders (Pvt.) Limited, as of June 30, 2024, with reference to market-based evidence, based on relevant inquiries and information as considered necessary, and adjusted for any differences in the nature, location, or condition of the specific properties. The revaluation resulted in a surplus amounting to Rs. 3,397.28 million, which was incorporated into the Group's books as of June 30, 2024. There has been no change to the valuation technique during the year.

4.1.5 The forced sale value of the aforementioned assets as at June 30, 2024 has been assessed as follows:

	2024	2023
	(Rupees in '000)	
Freehold land	**1,547,200**	276,500
Buildings on freehold land	**2,043,296**	471,519
Plant and machinery	**17,433,500**	3,829,000
	21,023,996	4,577,019

The carrying amount of the aforementioned assets as at June 30, 2024, if the said assets had been carried at historical cost, would have been as follows:

	Cost	Accumulated depreciation	Net book value
	------------ (Rupees in '000) ------------		
Freehold land	1,159,405	-	1,159,405
Buildings on freehold land	2,369,067	(128,625)	2,240,442
Plant and machinery	21,417,470	(1,082,981)	20,334,489
As at June 30, 2024	**24,945,942**	**(1,211,606)**	**23,734,336**
As at June 30, 2023	4,478,748	(842,778)	3,635,970

4.1.6 The carrying amount of property, plant and equipment pledged as security against long-term financing and short-term borrowings is disclosed in notes 19 and 27 to these consolidated financial statements.

4.1.7 Details of property, plant and equipment disposed off having net book value of five hundred thousand rupees or more each are as follows:

Asset category	Original COST	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	-------------- (Rupees in '000) -------------							
Plant and machinery								
ABC Diesel Engine - 1	42,536	(5,435)	37,101	3,027	(34,074)	Negotiation	Industrial Engineering Company	Third Party
ABC Diesel Engine - 2	43,003	(5,152)	37,851	3,027	(34,824)	Negotiation	Industrial Engineering Company	Third Party
	85,539	**(10,587)**	**74,952**	**6,054**	**(68,898)**			
Motor vehicles								
Suzuki Cultus	1,904	(1,148)	756	952	196	As per Group's policy	Mr. Rizwan Ishaq	Employee
2024	**87,443**	**(11,735)**	**75,708**	**7,006**	**(68,702)**			
2023	26,461	(12,335)	14,126	17,448	3,322			

4.1.8 In November 2020, PETPAK Films (Private) Limited purchased freehold land measuring 18.80 acres in Quaid-e-Azam Business Park, Sheikhupura, with the intention of constructing a new factory on the site. The Company has made a payment of Rs. 238.65 million towards the acquisition of this land, out of a total cost of Rs. 476.77 million, and has obtained possession of the land. The Company will start the process of transferring the legal title of this land to its name after the remaining payment of Rs. 238.12 million in December 2024. As of the reporting date, the legal title remains in the name of the seller, M/s Punjab Industrial Estate Development and Management Company.

Similarly, in February 2021, Global Packaging Films (Private) Limited also purchased freehold land, measuring 19.70 acres, in the same business park with the intention of constructing a new factory. For this land, the Company has paid Rs. 337.25 million out of the total Rs. 620.70 million and has also obtained possession. The process of transferring the legal title to its name will commence after the remaining payment of Rs. 283.45 million in December 2024. As of the reporting date, the legal title is still in the name of the seller, M/s Punjab Industrial Estate Development and Management Company.

4.2 Capital work-in-progress

	2024				2023			
	As at July 1, 2023	Additions / Adjustments	Transfers	As at June 30, 2024	As at July 1, 2022	Additions / Adjustments	Transfers	As at June 30, 2023
	---------- (Rupees in '000) ----------							
Freehold land	576,114	22	(576,136)	-	575,652	462	-	576,114
Buildings on freehold land	2,047,931	585,107	(1,948,122)	684,916	504,636	1,544,020	(725)	2,047,931
Plant and machinery	13,419,947	5,457,659	(17,464,309)	1,413,297	1,876,770	11,617,945	(74,768)	13,419,947
Electrical installations	639,371	591,973	(56,128)	1,175,216	4,656	635,944	(1,229)	639,371
Office equipment	2,215	54,743	(56,116)	842	5,665	2,215	(5,665)	2,215
Furniture and fittings	56	4,494	(4,550)	-	284	56	(284)	56
Motor vehicles	-	-	-	-	9,490	-	(9,490)	-
	16,685,634	6,693,998	(20,105,361)	3,274,271	2,977,153	13,800,642	(92,161)	16,685,634

4.2.1 The amount of borrowing costs capitalised by the Global Packaging Films (Private) Limited during the year ended June 30, 2024 was Rs. 160.62 million (2023: Rs. 99.26 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3 months KIBOR plus 2%, which is the effective interest rate of the local currency loan.

Similarily, the amount of borrowing costs capitalised by the PETPAK Films (Private) Limited during the year ended June 30, 2024 was Rs. 46.54 million (2023: Rs. 88.1 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3 months KIBOR plus 2%, which is the effective interest rate of the local currency loan.

	Note	2024	2023
		(Rupees in '000)	
5. RIGHT-OF-USE ASSETS			
Balance as at July 01		**36,671**	13,201
Modification during the year	5.2	**(13,083)**	35,571
Depreciation charge for the year		**(11,341)**	(12,101)
Balance as at June 30		**12,247**	36,671
Depreciation rate (per annum)		**33.33%**	33.33%

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

5.2 During the year, the Holding Company terminated two rental agreements ahead of schedule, resulting in a modification of the original terms. The early termination was necessitated by the fact that the space was no longer needed for business operations.

		Note	2024	2023
			(Rupees in '000)	
5.3	The depreciation charge for the year has been allocated as follows:			
	Cost of sales	31	5,448	7,468
	Selling and distribution expenses	32	2,486	1,290
	Administrative expenses	33	3,407	3,343
			11,341	12,101
6.	**INTANGIBLE ASSETS**			
	Operating intangible assets	6.1	54,753	61,115
	Capital work-in-progress		400	-
			55,153	61,115
6.1	**Operating intangible assets**			
	Opening net book value		61,115	10,544
	Additions / transfers		490	55,534
	Amortisation	6.1.2	(6,852)	(4,963)
	Closing net book value		54,753	61,115
	Gross carrying value as at June 30			
	Cost		68,906	68,416
	Accumulated amortisation		(14,153)	(7,301)
	Net book value		54,753	61,115
	Amortisation rate (per annum)		10%	10%

6.1.1 Intangible assets comprise of computer software.

		Note	2024	2023
6.1.2	The amortisation expense for the year has been allocated as follows:			
	Cost of sales	31	119	61
	Administrative expenses	33	6,733	4,902
			6,852	4,963
7.	**LONG-TERM LOANS**			
	Considered good - secured			
	Loan to employees		34,429	18,681
	Less: Recoverable within one year	11	(12,167)	(9,646)
			22,262	9,035

7.1 Loans to employees are made under the scheme and are extended to facilitate the purchase of cars or construction of houses with repayment terms ranging between three to five years. These loans are secured against employees' retirement fund balances.

7.2 Long term loans includes loan provided to key management personnel amounting to Rs. 17.85 million (2023: Rs. 7.14 million).

7.3 These long term loans are non-interest bearing and have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

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			Note	2024	2023
				(Rupees in '000)	
8.	**STORES, SPARES AND CONSUMABLES**				
	Lubricants			19,118	14,464
	Fuel			11,557	22,924
	Spare parts and consumables				
		- in hand		304,800	237,966
		- in transit		-	584
				335,475	275,938
9.	**STOCK-IN-TRADE**				
	Raw material	- in hand	9.1	1,607,792	1,927,846
		- in transit		1,176,656	818,024
				2,784,448	2,745,870
	Work-in-process			706,684	199,666
	Finished goods	- in hand		437,852	179,045
		- in transit	9.2	560,025	36,818
				997,877	215,863
	Packaging materials			64,013	31,800
				4,553,022	3,193,199
	Less: provision for net realisable value			(20,782)	-
				4,532,240	3,193,199

9.1 Raw materials of Holding Company include stocks held with third parties amounting to Rs. 22.23 million (2023: Rs. 0.80 million).

9.2 These pertain to finished goods enroute to the port, held at the port for export, and goods dispatched to customers in the southern region.

		Note	2024	2023
			(Rupees in '000)	
10.	**TRADE RECEIVABLES**			
	Considered good - unsecured			
	Due from related parties	10.4	385,082	724,296
	Others		3,382,535	1,191,227
			3,767,617	1,915,523
	Considered good - secured	10.1		
	Due from related parties	10.4	337,252	364,593
	Others		1,748,242	1,127,630
			2,085,494	1,492,223
			5,853,111	3,407,746
	Allowance for expected credit losses	10.5	(64,176)	(59,099)
			5,788,935	3,348,647

10.1 These represent trade receivables arising on account of export sales of Rs. 539.85 million (2023: Nil) which are secured by way of export Letters of Credit and Rs. 1,545.64 million (2023: Rs. 1,492.22 million) on account of domestic sales which are secured by way of Inland Letters of Credit.

10.2 Related parties from whom trade receivables are due as at June 30, 2024 are as under:

	Note	2024	2023
		(Rupees in '000)	
Universal Packaging (Private) Limited		**413,267**	893,095
Saima Packaging (Private) Limited		**142,853**	58,252
Universal Coating Films (Private) Limited		**166,214**	136,840
Universal Films (Private) Limited		**-**	702
		722,334	1,088,889

10.3 The maximum aggregate amount of receivable outstanding at any time during the year is as follows:

	2024	2023
	(Rupees in '000)	
Universal Packaging (Private) Limited	**1,150,716**	1,108,574
Universal Coating Films (Private) Limited	**250,957**	136,840
Saima Packaging (Private) Limited	**142,853**	254,010
Universal Films (Private) Limited	**702**	702

10.4 The age analysis of these related party receivables as at June 30, 2024 is as follows:

	2024	2023
	(Rupees in '000)	
Not yet due	**427,592**	681,037
Past due but not yet impaired		
- 1 to 90 days	**78,450**	399,781
- 91 to 180 days	**214,525**	6,303
- 181 to 365 days	**-**	1,768
- older than 365 days	**1,767**	-
	722,334	1,088,889

10.5 **Allowance for expected credit losses**

	2024	2023
Balance as at July 01	**59,099**	-
Charge of loss allowance on trade receivables	**5,077**	59,099
Balance as at June 30	**64,176**	59,099

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	Note	2024	2023
		(Rupees in '000)	
11. LOANS AND ADVANCES			
Advances			
- suppliers		**508,207**	123,072
- against shipping guarantees		**26,010**	7,712
- employees		**6,091**	803
		540,308	131,587
Margin against letter of credit		**-**	172,905
Current portion of long term loans to employees	7	**12,167**	9,646
		552,475	314,138
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	12.1 & 12.2	**31,993**	24,262
Short term prepayments		**45,132**	4,571
		77,125	28,833

12.1 This includes container deposits amounting to Rs. 20.02 million (2023: Rs. 16.36 million).

12.2 These trade deposits are non interest bearing.

		Note	2024	2023
			(Rupees in '000)	
13. OTHER RECEIVABLES				
Rebate receivable against import			**133,041**	42,287
Rebate receivable against export			**31,262**	-
Other receivables			**3,453**	395
			167,756	42,682
14. CASH AND BANK BALANCES				
Cash at bank				
Conventional				
Savings accounts	- local currency	14.1	**538**	1,781
Islamic				
Current accounts	- local currency		**22,002**	111,042
	- foreign currency		**9,906**	-
Savings accounts	- local currency	14.1	**210,224**	127,047
			242,132	238,089
Term deposit receipt			**-**	93,000
Cash in hand			**3,248**	274
			245,918	333,144

14.1 At June 30, 2024, the rates of mark up / profit on savings accounts range from 8.5% to 17.5% (2023: from 6.5% to 10%) per annum.

15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Authorised share capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
930,000,000	930,000,000	Ordinary shares of Rs. 10 each	**9,300,000**	9,300,000

Issued, subscribed and paid-up capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
450,168,485	380,063,030	Ordinary shares of Rs. 10 each allotted for consideration paid in cash	**4,501,685**	3,800,630
250,031,515	250,031,515	Ordinary shares of Rs. 10 each allotted as bonus shares	**2,500,315**	2,500,315
700,200,000	630,094,545		**7,002,000**	6,300,945

15.1 Movement in issued, subscribed and paid-up share capital

	Note	2024	2023
		(Number of shares)	
Ordinary shares			
Number of shares outstanding as at July 01		**630,094,545**	360,000,000
Shares issued through rights issue		**-**	60,063,030
Shares issued through bonus issue		**-**	210,031,515
Shares issued through initial public offering	15.3	**70,105,455**	-
Number of shares outstanding as at June 30		**700,200,000**	630,094,545

15.2 All ordinary shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Group.

15.3 During the year, the Holding Company has issued 70,105,455 ordinary shares, through Initial Public Offering (IPO), at an average price of PKR 25.16 per share (i.e. premium of Rs. 15.16/- per share) to be listed on the Pakistan Stock Exchange (PSX). The purpose of raising funds was an early repayment of the long-term bank loan and accordingly all proceeds from the issue were utilised forthwith for the said repayment with due intimation to the PSX.

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16. SHARE PREMIUM

This reserve can be utilised by the Holding Company only for the purpose specified in section 81 of the Companies Act, 2017.

17. RESERVE FOR INVESTMENT IN SUBSIDIARIES

The Board of Directors of the Holding company, in its meeting held on September 12, 2023, decided to earmark a sum of Rs. 3,259 million as not available for distribution by way of dividend, on account of a capital reserve named "Reserve for investment in subsidiaries". The said amount was transferred from unappropriated profits to this capital reserve.

18. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property, plant and equipment carried at revalued amount.

	Note	2024	2023
		(Rupees in '000)	
Revaluation surplus as at July 01		**1,642,280**	1,889,890
Surplus arising on revaluation:			
- Freehold land		**490,660**	-
- Buildings on freehold land		**104,670**	-
- Plant and machinery		**2,801,949**	-
		3,397,279	-
Deferred tax liability on revaluation surplus		**(534,359)**	(143,696)
		4,505,200	1,746,194
Net amount transferred to unappropriated profit on account of			
- Incremental depreciation		**(172,979)**	(170,351)
- Deferred tax on incremental depreciation		**65,895**	66,437
- Transfer of revaluation surplus on disposal of plant and machinery		**(28,884)**	-
- Share of Non-controlling interest		**(864,096)**	-
		(1,000,064)	(103,914)
		3,505,136	1,642,280

18.1 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

19. LONG-TERM FINANCING - secured

	Note	2024	2023
		(Rupees in '000)	
Islamic			
SBP's Temporary Economic Refinance Facility	19.2	**1,227,303**	1,047,626
SBP's Financing Scheme for Renewable Energy	19.3	**409,091**	135,390
Sale and leaseback under Diminishing Musharakah	19.4	**2,212,500**	1,850,000
		3,848,894	3,033,016
Less: current portion of long-term financing			
SBP's Temporary Economic Refinance Facility	19.2	**(189,798)**	(58,025)
SBP's Financing Scheme for Renewable Energy	19.3	**(38,279)**	(2,951)
Sale and leaseback under Diminishing Musharakah	19.4	**(75,397)**	(61,979)
		(303,474)	(122,955)
		3,545,420	2,910,061

19.1 Long-term finances utilised under mark-up arrangements

Facility	Loan type	Repayment terms - Principal	Mark-up		Effective (%) 2024	Facility amount (Rupees in '000)	Date of drawdown	Last repayment date
			Payable basis	Rate (per annum)				
Islamic								
International Packaging Films Limited								
SBP's Financing Scheme for Renewable Energy	Term - loan	39 Installments	Quarterly	4%	16.87% to 17.1%	33,000	July 02, 2022	May 13, 2032
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	20.11% to 22.97%	20.11% to 22.97%	2,000,000	April 27, 2023	July 06, 2028
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	20.11% to 22.97%	20.11% to 22.97%	1,500,000	March 29, 2024	March 30, 2029
Sale and leaseback under Diminishing Musharakah	Term - loan	48 Installments	Monthly	20.11% to 22.97%	20.11% to 22.97%	500,000	August 09, 2023	August 09, 2028
Global Packaging Films (Private) Limited								
Temporary Economic Refinance Facility	Term - loan	32 Installments	Quarterly	4% + SBP rate	12.37% to 24.05%	700,000	February 01, 2022	April 28, 2032
Temporary Economic Refinance Facility	Term - loan	20 Installments	Quarterly	4% + SBP rate	23.06%	500,000	March 09, 2023	December 09, 2029
Temporary Economic Refinance Facility	Term - loan	12 Installments	Quarterly	4% + SBP rate	23.06%	300,000	March 10, 2023	March 10, 2028
SBP's Financing Scheme for Renewable Energy	Term - loan	40 Installments	Quarterly	2% + SBP rate	16.93% to 24.68%	400,000	June 16, 2022	November 27, 2035
PETPAK Films (Private) Limited								
SBP's Financing Scheme for Renewable Energy	Term - loan	40 Installments	Quarterly	2% + SBP rate	17.34% to 24.44%	400,000	June 15, 2022	June 15, 2034
Cast Packaging Films (Private) Limited								
SBP's Financing Scheme for Renewable Energy	Term - loan	39 Installments	Quarterly	2% + SBP rate	16.87% to 17.81%	66,000	May 13, 2022	August 31, 2032

19.1.1 In relation to above borrowings, the Company needs to observe certain financial and non-financial covenants as specified in the agreement with respective lenders which are complied with as of the reporting date.

19.2 This represent long-term financing obtained under the Islamic Temporary Economic Refinance Facility (ITERF) by the following group of companies:

Subsidiary Company - Global Packaging Films (Private) Limited

This represents Islamic Temporary Economic Refinance Facility (ITERF) obtained from commercial banks which was introduced by the State Bank of Pakistan (SBP) with reference to IH&SMEFD Circular No. 02 of 2020 in order to support sustainable economic growth by providing concessioriary refinance for setting up of new industrial units. The total facility of the loan amounted to Rs. 1,500 million (2023: Rs. 1,500 million) out of which Rs. 1,500 million (2023: Rs. 1,500 million) is utilised which carries profit at the rate of 5% per annum.

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 1,873 million;
- Equitable and token registered mortgage over property bearing Plot No. 5D - 9D, Quaid -e- Azam Business Park, Special Economic Zone, Sheikhupura;
- Personal guarantees of Mr. Naveed Godil and Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure;
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company).

19.3 This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) by the following group of companies:

Holding Company

This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 33 million (2023: Rs. 33 million) out of which Rs. 22.80 million (2023: Rs. 22.80 million) is utilised which carries profit at the rate of 4% per annum. This facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Registered exclusive hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 33 million;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhuchoki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

Subsidiary Company - Cast Packaging Films (Private) Limited

This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 66 million (2023: Rs. 66 million) out of which Rs. 45.60 million (2023: Rs. 45.60 million) were utilised which carries profit at the rate of 4% per annum. The loan is repayable in 39 equal quarterly instalments commenced from August 2022. The financing is secured by way of:

- 10% Equity participation of the Company;
- Registered exclusive hypothecation charge over DM asset (purchased under DM SBP IFRE Scheme);
- Title and ownership of asset in the name of BAHL and Customer proportionate to their investment ratio;
- Equitable Mortgage along with TRM (Land & Building), over property located at Had Bast Village, Bhuchoki Mahja, Tehsil Raiwind, District Lahore;
- Personal Guarantee of all directors of the Company i.e. Mr. Naveed Godil & Mr. Mushtaq Ali Tejani, each amounting to Rs. 2,000 million covering aggregate exposure; and
- Cross Corporate Guarantee of M/s International Packaging Films Limited amounting to Rs. 2,000 million covering aggregate exposure.

Subsidiary Company - Global Packaging Films (Private) Limited

This represents Islamic Financing Facility for Renewable Energy obtained from commercial bank which was introduced by the State Bank of Pakistan (SBP) with reference to IH&SMEFD Circular No. 10 dated July 26, 2019 and IH&SMEFD Circular No. 12 dated August 21, 2019 in order to promote the use of renewable energy. The total facility of the loan amounted to Rs. 400 million (2023: Rs. 400 million) out of which Rs. 326.5 million (2023: Rs. 74.5 million) is utilised which carries profit at the rate of 5% per animatism facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 372.52 million;
- Personal guarantees of Mr. Naveed Godil and Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure;
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company).

Subsidiary Company - PETPAK Films (Private) Limited

This is with reference to IH&SMEFD Circular No. 10 dated July 26, 2019 and IH&SMEFD Circular No. 12 dated August 21, 2019 wherein SBP has introduced the Islamic Financing Facility for Renewable Energy to promote the use of renewable energy. Under this facility, the total amount of the facility from Commercial Bank is Rs. 400 million, out of which the Company has utilised 324.50 million as at June 30, 2024 for installation of solar power system. The facility carry interest rate of 5% for 12 years (inclusive of 2 years grace period from first drawdown) and is repayable in 40 equal quarterly instalments commencing from September 2024 and maturing in June 2034. The facility is secured by way of:

- Equity participation by the customer equivalent to 10% of the cost of Diminishing Musharakah (DM) Assets;
- Registered exclusive hypothecation charge over DM ASSETS and (Purchase under DM I /DM II SBP IFRE Scheme);
- Equitable mortgage along with TRM over property bearing Plot No. 1D, 2D, 3D, & 4D Quaid e Azam Business Park, Special Economic Zone Sheikhupura;
- Personal guarantees of all the directors each carrying aggregate exposure; and
- Cross corporate guarantee of M/s International Packaging Films Limited (the Holding Company) covering aggregate exposure.

19.4 This represents a long-term financing obtained under a Diminishing Musharakah arrangement by the following group of companies:

Holding Company

This represents a Diminishing Musharaka arrangement with Bank AL Habib (BAHL) upto the amount of Rs. 4,000 million (2023: Rs. 2,000 million) at a mark-up of 6 month KIBOR + 1% per annum to be determined on a semi-annual basis. The facility was obtained to sale and leaseback the BOPP Film Production Line installed at IPAK Plant, Had

Bast Mauza Bhuchoki Mahja, Tehsil Raiwind, District Lahore. The title and ownership of the asset is in the joint ownership of Bank and the Company in proportion to their investment ratios. The facility is secured by way of:

- Equity participation equivalent to 10% of cost of Musharakah asset;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 2.67 billion (inclusive of 25% margin);
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhuchoki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

20. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2024	2023
		(Rupees in '000)	
Balance as at July 01		**657,768**	268,705
Deferred grant recorded:			
- under SBP's Financing Scheme for Renewable Energy	20.1	**278,226**	392,650
Less: government grant recognised as income	35	**(2,784)**	(3,587)
Balance as at June 30		**933,210**	657,768
Less: current portion of deferred income			
- government grant		**(23,691)**	(18,057)
		909,519	639,711

20.1 This represents the value of benefit of below-market interest rate which has been accounted for as government grant under IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

21. DEFERRED TAXATION - NET

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the consolidated statement of financial position as follows:

	2024	2023
	(Rupees in '000)	
Deferred tax liability	**3,872,398**	1,586,434
Deferred tax asset	**(92,203)**	(84,562)
	3,780,195	1,501,872

21.1 Analysis of change in deferred taxation

	Accelerated tax depreciation	Revaluation surplus on property, plant and equipment	Right-of-use assets	Lease liabilities	Staff retirement benefits	Allowance for expected credit losses	Precommence-ment expenditure	Unused tax losses	TOTAL
	(Rupees in '000)								
Balance at July 1, 2023	**716,552**	**855,580**	**14,302**	**(16,312)**	**(41,828)**	**(23,049)**	**(3,373)**	**-**	**1,501,872**
Credit / (charge) to profit or loss for the year	1,845,493	(84,362)	(9,526)	9,286	(19,028)	1,547	1,772	-	**1,745,182**
Credit / (charge) to other comprehensive income for the year	-	534,359	-	-	(1,218)	-	-	-	**533,141**
Balance at June 30, 2024	**2,562,045**	**1,305,577**	**4,776**	**(7,026)**	**(62,074)**	**(21,502)**	**(1,601)**	**-**	**3,780,195**
Balance at July 1, 2022	563,972	778,321	4,356	(5,223)	(19,757)	-	-	(122,999)	1,198,670
Credit / (charge) to profit or loss for the year	152,580	(66,437)	9,946	(11,089)	(17,975)	(23,049)	(3,373)	122,999	163,602
Credit / (charge) to other comprehensive income for the year	-	143,696	-	-	(4,096)	-	-	-	139,600
Balance at June 30, 2023	716,552	855,580	14,302	(16,312)	(41,828)	(23,049)	(3,373)	-	1,501,872

21.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2022, companies operating in certain sectors are liable to pay super tax at 10% for tax year 2022 and upto 4% for tax year 2023 and onwards. However Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million, 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate for Holding Company and Cast Packaging Films (Private) Limited.

22. STAFF RETIREMENT BENEFITS

22.1 Defined benefit plan

22.1.1 As stated in note 3.10, the group entities operates an unapproved and unfunded gratuity scheme for all their permanent employees. The scheme defines an amount of gratuity benefit that an employee will receive upon retirement subject to minimum service requirement under the scheme. Actuarial valuation of this plan is carried out every year and the latest actuarial valuation was carried out as at June 30, 2024.

22.1.2 Risks on account of defined benefit plan

The group entities face the following risks on account of defined benefit plan:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the group entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Demographic risks

- Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

22.1.3 The latest actuarial valuation of the gratuity scheme as at June 30, 2024 was carried out using the Projected Unit Credit Method. Details of the scheme as per the actuarial valuation are as follows:

	Note	2024	2023
		(Rupees in '000)	
22.1.4 Statement of financial position reconciliation			
Present value of defined benefit obligation	22.1.5	**178,665**	112,130
22.1.5 Movement in the present value of defined benefit obligation			
Obligation as at July 01		**112,130**	61,380
Current service cost	22.1.6	**53,812**	43,777
Past service cost		**-**	420
Interest cost		**17,364**	7,438
Benefits paid		**(10,321)**	(10,549)
Remeasurement on obligation	22.1.7	**5,680**	9,664
Obligation as at June 30		**178,665**	112,130
22.1.6 Amount recognised in statement of profit or loss / Capital work-in-progress			
Current service cost		**53,812**	43,777
Past service cost		**-**	420
Interest cost		**17,364**	7,438
		71,176	51,635
Charged to capital work-in-progress		**8,473**	4,880
Charged to statement of profit or loss		**62,703**	46,755
		71,176	51,635
22.1.7 Remeasurement recognised in other comprehensive income			
Actuarial (gain) / loss from changes in financial assumptions		**(773)**	909
Experience adjustments		**6,453**	8,755
		5,680	9,664
22.1.8 Net recognised liability			
Balance as at July 01		**112,130**	61,380
Expense for the year	22.1.6	**71,176**	51,635
Benefits paid		**(10,321)**	(10,549)
Remeasurements recognised in other comprehensive income	22.1.7	**5,680**	9,664
Balance as at June 30		**178,665**	112,130

	2024	2023
	per annum	
22.1.9 Actuarial assumptions		
Financial Assumptions		
Discount Rate	**14.75% - 15.75%**	15.75% - 16.25%
Salary increase rate	**13.00% - 13.75%**	14.75% - 15.75%
Demographic Assumptions		
Mortality rate	**SLIC 2001-2005**	SLIC 2001-2005
Retirement assumption	**Age 60 years**	Age 60 years

22.1.10 Maturity profile of the defined benefit obligation

	2024	2023
	Years	
Weighted average duration of the defined benefit obligation	**8 - 10 years**	8 - 10 years

	2024	2023
	(Rupees in '000)	
Distribution of timing of benefit payments		
One year	**32,582**	21,917
Two years	**22,812**	15,144
Three years	**28,560**	18,168
Four years	**30,439**	22,805
Five years	**36,832**	23,946
Six years and onwards	**19,513,423**	18,802,017

22.1.11 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2024	2023
	(Rupees in '000)	
Discount rate + 1%	**(15,458)**	(9,450)
Discount rate - 1%	**17,924**	11,148
Long term salary increases + 1%	**18,313**	11,387
Long term salary increases - 1%	**(16,058)**	(9,816)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

22.1.12 The expense in relation to gratuity benefit plan for the year ending June 30, 2025 is expected to be Rs. 104.27 million.

23. LEASE LIABILITIES

Rental contracts are made for a fixed period subject to renewal upon mutual consent of the Holding Company and lessor. Wherever practicable, the Holding Company seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

23.1 Set out below is the carrying amount of lease liabilities and the movements during the year:

	2024	2023
	(Rupees in '000)	
Balance as at July 01	41,824	15,826
Modification during the year	(16,841)	35,571
Interest expense	8,477	5,315
Payments	(14,825)	(14,888)
Balance as at June 30	18,635	41,824
Current portion	622	10,836
Non-current portion	18,013	30,988
	18,635	41,824

23.2 The maturity analysis of lease liabilities is as follows:

	2024			2023		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000)					
Less than one year	10,877	1,785	9,092	16,235	5,400	10,835
Between one and five years	11,492	1,949	9,543	35,892	4,903	30,989
	22,369	3,734	18,635	52,127	10,303	41,824

23.3 The weighted average lessee's incremental borrowing rate applied to the lease at the inception of leases range from 10.61% to 24.7% per annum.

23.4 Following are the amounts recognised in the consolidated statement of profit or loss:

	2024	2023
	(Rupees in '000)	
Depreciation expense of right-of-use assets	11,341	12,101
Interest expense on lease liabilities	8,477	5,315
Expense relating to short-term leases	4,840	2,740
	24,658	20,156

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24. SUPPLIER'S CREDIT

This represents payable against the purchase of Bruckner Maschinenbau BO-PET film line by PETPAK Films (Private) Limited on deferred payment basis and is payable in various installments ending on March 09, 2025. The payable amount has been discounted at a rate of 8.23% per annum to arrive at the present value. The reconciliation of the carrying amount is as follows:

	Note	2024	2023
		(Rupees in '000)	
Supplier's credit		2,159,537	1,907,329
Add: Unwinding of discount		173,490	54,645
Exchange (gain) / loss		(97,385)	197,563
		2,235,642	2,159,537

25. TRADE AND OTHER PAYABLES

	Note	2024	(Restated) 2023
		(Rupees in '000)	
Trade creditors		7,355,544	3,163,039
Accrued liabilities		479,351	221,096
Taxes deducted at source and payable to statutory authorities		94,384	45,560
Provision for Infrastructure Cess	25.1	404,665	194,624
Workers' Profit Participation Fund	25.2	124,588	170,547
Workers' Welfare Fund	25.3	53,524	140,644
Others		48,102	11,610
		8,560,158	3,947,120

25.1 The holding company and its subsidiaries CPAK, GPAK and PETPAK have challenged the constitutionality of the Sindh Infrastructure Cess, imposed on the import value of goods under the Sindh Infrastructure Development Cess Act, 2017, before the Supreme Court of Pakistan (SCP). The SCP, through Interim Order No. C.P.L.A. 5605/2021, 5606/2021, 3584/2022 and 3585/2022 dated November 10, 2021 and June 01, 2023 respectively, has granted a stay order, directing the group entities to provide a bank guarantee equivalent to the amount of cess payable under the Act. The matter remains sub judice before the SCP, and the final outcome will be determined upon the disposal of the petition.

On June 4, 2021, the SHC ruled in favour of the Excise and Taxation Department of Sindh, upholding the validity of the cess and affirming that it falls within the provincial legislature's authority under the Sindh Finance Act, 2017. The Group entities have challenged the SHC's decision by filing Civil Petition for Leave to Appeal (CPLA) No. 5605/2021, 5606/2021, 3584/2022 and 3585/2022 before the SCP. The SCP has suspended the SHC's order and directed all petitioners to furnish a 100% bank guarantee for all future consignments.

As at June 30, 2024, the total amount of bank guarantees related to the infrastructure cess is Rs. 408 million (2023: Rs. 213 million), and this amount has been fully provided for by management.

	Note	2024	2023
		(Rupees in '000)	
25.2 Workers' Profit Participation Fund			
Balance as at July 01		**170,547**	80,705
Charge for the year		**123,244**	203,665
Payments made during the year		**(169,203)**	(113,823)
Balance as at June 30		**124,588**	170,547
25.3 Workers' Welfare Fund			
Balance as at July 01		**140,644**	57,388
Charge for the year		**47,417**	83,256
Payments made during the year		**(134,537)**	-
Balance as at June 30		**53,524**	140,644

26. CONTRACT LIABILITIES

During the year, the Group recognised revenue amounting to Rs. 252.23 million (2023: Rs. 134.86 million) out of the contract liabilities balance outstanding at beginning of the year.

27. SHORT-TERM BORROWINGS - secured

	Note	2024	2023
		(Rupees in '000)	
Short-term borrowings under Musawammah Facility	27.1	**2,905,726**	2,410,051
Short-term borrowings under Tijarah Facility	27.2	**1,059,250**	300,000
Short-term borrowings under Murabaha Facility	27.3	**96,368**	-
Short-term borrowings under Istisna Finance	27.4 & 27.5	**1,369,500**	502,687
Short-term borrowings under Running Musharakah	27.6	**220,941**	48,409
		5,651,785	3,261,147

27.1 This represents Musawammah facility obtained by the Holding Company from commercial banks, having limit of Rs. 4,800 million (2023: Rs. 3,600 million) out of which Rs. 1,894.27 million (2023: Rs. 1,189.95 million) remains unutilised for Musawammah facility at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.75% to 6 months KIBOR + 0.75% per annum (2023: 3 months KIBOR + 0.75% to 6 months KIBOR + 1%) per annum.

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 7,333 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 1,375 million;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhuchoki Mahja, Tehsil Raiwind, District Lahore;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhupura; and
- Corporate Guarantee of subsidiary company, Global Packaging Films (Private) Limited amounting to Rs. 1,000 million.

27.2 This represents Tijarah facility obtained by the Holding Company from commercial banks, having limit of Rs. 1,600 million (2023: Rs. 300 million) out of which Rs. 540.75 million (2023: Nil) remains unutilised for Tijarah Finance at the reporting date. The rates of mark-up on these facilities range from 3 months KIBOR + 0.5% to 6 months KIBOR + 1% per annum (2023: 3 months KIBOR + 0.75%) per annum.

27.2.1 This facility is secured by way of:

- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 3,067 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 575 million;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhupura;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure;
- Corporate Guarantee of subsidiary company, Global Packaging Films (Private) Limited amounting to Rs. 800 million.

27.3 This represents Murabaha facility obtained by Subsidiary Company - Global Packaging Films (Private) Limited from commercial banks, having limit of Rs. 189 million (2023: Nil) out of which Rs. 92.63 million (2023: Nil) remains unutilised for Murabaha facility at the reporting date. The rate of mark-up on this facility is 6 months KIBOR + 0.75% per annum (2023: Nil).

27.3.1 This facility is secured by way of:

- Registered Hypothecation Pari Passu charge over current assets i.e. stock and receivables of the Company for Rs. 2,080 million, inclusive of 25% margin;
- Personal guarantees of Mr. Naveed Godil and Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure;
- Cross corporate guarantee of International Packaging Films Limited (the Holding Company); and
- Equitable and token registered mortgage over property bearing Plot No. 5D - 9D, Quaid -e- Azam Business Park, Special Economic Zone, Sheikhupura.

27.4 This represents Istisna Finance obtained by Subsidiary Company - PETPAK Films (Private) Limited obtained from a commercial bank, having a limit of Rs. 400 million (2023: Nil) which were fully utilized at the reporting date. These facilities carry mark-up of KIBOR + 0.75% per annum (2023: Nil) and are repayable within 120 days from the disbursement date.

27.4.1 This facility is secured by way of:

- First Pari Passu Hypothecation charge over Current Assets of M/s. Petpak Films (Pvt.) Ltd with 25% margin i.e. Rs. 534 Million;
- First Pari Passu Hypothecation charge over Plant & Machinery of M/s, PetPak Films Pvt. Ltd with 25% margin i.e. Rs. 534 Million;
- Personal Guarantees of directors i.e. Mr. Naveed Godil, Mr. Mushtaq Ali Tejani & Mr. Noman Yakoob with 25% margin along with Personal Net worth Statements covering the entire exposure;

27.5 This represents Istisna Finance obtained by Subsidiary Company - Cast Packaging Films (Private) Limited from a commercial bank, having a limit of Rs. 1,375 million (2023: Rs. 875 million) out of which Rs. 405.5 million (2023: Rs. 372 million) remains unutilised for Istisna Finance at the reporting date. These facilities carry mark-up of 3 month's KIBOR + 0.75% per annum (2023: 3 month's KIBOR + 0.75%) and is repayable within 120 days from the disbursement date.

27.5.1 This facility is secured by way of:

- Registered 1st Hypothecation Charge over Movables & Receivables of the Company amounting to Rs. 1,907 million inclusive of 25% margin;
- Cross Corporate Guarantee of M/s. International Packaging Films Limited amounting to Rs. 2,000 million;
- Personal Guarantee of all directors of the Company i.e. Mr. Naveed Godil & Mr. Mushtaq Ali Tejani each amounting Rs. 2,000 million covering aggregate exposure;
- Equitable Mortgage along with TRM (Land & Building) over property located at Had Bast Village, Bhuchoki Mahja, Tehsil Raiwind, District Lahore;
- 4 Kanal which is 80 / 1521 portion out of Salam Khata measuring 76 Kanal 1 Marla, 13 Qitat, bearing Khewat No.02, Khatoni No. 09 to 11; and
- 1 Kanal which is 20 / 582 portion out of Salam Khata measuring 29 Kanal 2 Marla, 7 Qitat, bearing Khewat No.678, Khatoni No. 1205 to 1206.

27.6 This represents a Running Musharakah facility obtained by the Holding Company having limit of Rs. 300 million (2023: Rs 300 million) out of which Rs. 79.06 million (2023: 251.59 million) remains unutilised at the reporting date. The rate of mark-up on this facility is 3 months KIBOR + 1% (2023: 3 months KIBOR + 1%).

27.6.1 This facility is secured by way of Lien over A-rated Financial Institution approved Accepted Local Usance Bills Drawn under LC with 10% margin.

28. TAXATION - NET

	Note	2024	2023
		(Rupees in '000)	
Balance as at July 01		**(258,785)**	559,753
Tax payments / adjustments made during the year		**875,817**	313,473
		617,032	873,226
Less: Provision for levies and income tax	37 & 38	**(719,092)**	(1,132,011)
Balance as at June 30		**(102,060)**	(258,785)

28.1 The Holding Company has challenged the vires of amendment before the Islamabad High Court (IHC) concerning to the chargeability of super tax on high earning persons through Finance Act, 2023 for the tax year 2023 and onwards. In accordance with the said amendment, the rate of super tax increased from 4% to 10% for tax year 2023 and onwards to all sectors having income of more than Rs. 500 million in addition to the corporate tax at the rate of 29%.

In response, the Islamabad High Court (IHC) issued an interim relief order (W.P. No. 4305/2023) dated December 18, 2023, directing that no super tax at the enhanced rate will be recovered from the petitioners until the final disposal of the case. The court instructed that the petitioners should continue to pay super tax at the pre-amendment rate of 4%. In compliance with IHC order, the Holding Company has discharged its super tax liability for the tax year 2023 by paying Rs. 113.38 million, which represents the 4% super tax rate (pre-amendment rate).

Keeping in view the above, the management, as a matter of prudence, has provided full tax expense on account of super tax amounting to Rs. 185.21 million being 10% of the income chargeable to super tax for the tax year 2024.

29. CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

As at the reporting date, there are no contingencies to report other than those disclosed in note 28.1.

29.2 Commitments

Commitments under letter of credits for raw material and plant and machinery as at June 30, 2024 amounted to Rs. 4,644.26 million (2023: Rs. 1,279.13 million).

The facilities for opening letters of credit and guarantees issued from banks as at June 30, 2024 amounted to Rs. 9,663.72 million (2023: Rs. 8,713.72 million) and Rs. 1,264.32 million (2023: Rs. 622 million) respectively, of which the utilised balance at year end amounted to Rs. 5,384.02 million (2023: Rs. 4,278.64 million) and Rs. 1,156.93 million (2023: Rs. 561 million) respectively.

30. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024	2023
	(Rupees in '000)	
Sale of goods - net		
Local	**24,898,333**	23,380,186
Sales tax	**(3,884,427)**	(3,547,430)
Sales returns	**(61,833)**	(27,722)
	20,952,073	19,805,034
Export	**1,894,379**	85,430
Sales returns	**(11,714)**	(123)
	1,882,665	85,307
	22,834,738	19,890,341

30.1 DISAGGREGATION OF REVENUE

In the following table, revenue is disaggregated by primary geographical markets

Primary geographical markets:	2024	2023
	(Rupees in '000)	
Local sales	**20,952,073**	19,805,034
Export sales		
- Asia	**1,794,171**	75,757
- Europe	**88,494**	-
- North America	**-**	9,550
	22,834,738	19,890,341

	Note	2024	2023
		(Rupees in '000)	
31. COST OF SALES			
Raw materials consumed	31.1	**15,735,391**	11,113,037
Fuel, power and water		**1,603,641**	1,775,572
Depreciation on operating assets	4.1.2	**597,282**	414,466
Depreciation on right-of-use asset	5.3	**5,448**	7,468
Packing materials consumed	31.2	**461,842**	266,243
Salaries, wages and other benefits	31.4	**717,078**	506,882
Rent, rates and taxes		**10,213**	28,856
Stores and spares consumed	31.3	**211,993**	124,674
Travelling and conveyance		**71,141**	89,016
Lubricants consumed		**26,263**	28,503
Insurance		**65,330**	28,795
Inward transportation		**43,497**	1,140
Repair and maintenance		**31,167**	15,861
Fee for technical services		**146**	6,885
Clearing agent charges		**913**	3,741
Postage and communication		**5,077**	4,239
Subscription expenses		**1,246**	1,766
Quality certifications		**2,534**	825
Commission on import		**-**	423
Amortisation of intangible assets	6.1.2	**119**	61
Detention charges		**2,405**	14
Provision for net realisable value written down against finished goods		**20,782**	-
Others		**14,622**	15,383
		19,628,130	14,433,850
Work-in-process			
Opening stock		**199,666**	151,084
Closing stock	9	**(706,684)**	(199,666)
		(507,018)	(48,582)
Cost of goods manufactured		**19,121,112**	14,385,268
Finished goods			
Opening stock		**215,863**	240,195
Closing stock	9	**(997,877)**	(215,863)
		(782,014)	24,332
		18,339,098	14,409,600

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	Note	2024	2023
		(Rupees in '000)	
31.1 Raw materials consumed			
Opening stock		**1,927,846**	1,603,305
Purchases		**15,415,337**	11,437,578
Closing stock	9	**(1,607,792)**	(1,927,846)
		15,735,391	11,113,037
31.2 Packaging materials consumed			
Opening stock		**31,800**	37,195
Purchases		**494,055**	260,848
Closing stock	9	**(64,013)**	(31,800)
		461,842	266,243
31.3 Stores and spares consumed			
Opening stock		**237,966**	174,891
Purchases		**278,827**	187,749
Closing stock	8	**(304,800)**	(237,966)
		211,993	124,674

31.4 This includes Rs. 46.77 million (2023: Rs. 33.73 million) in respect of charge for defined benefit plan.

	Note	2024	2023
		(Rupees in '000)	
32. Selling and Distribution Expense			
Salaries, wages and other benefits	32.1	**75,064**	76,872
Outward expenses		**210,992**	158,732
Travelling and conveyance		**24,748**	9,996
Depreciation on operating assets	4.1.2	**3,071**	2,377
Depreciation on right-of-use asset	5.3	**2,486**	1,290
Trade promotion		**14,850**	1,846
Export charges		**26,712**	2,079
Repair and maintenance		**120**	192
Insurance		**2,664**	1,677
Postage and communication		**609**	378
Rent, rates and taxes		**-**	272
Printing and stationary		**949**	133
Entertainment expense		**425**	-
Website design		**76**	-
Others		**8,921**	3,611
		371,687	259,455

32.1 This includes Rs. 6.25 million (2023: Rs. 4.91 million) in respect of charge for defined benefit plan.

33. ADMINISTRATIVE EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Salaries, wages and other benefits	33.1	**200,407**	140,502
Travelling and conveyance		**88,686**	44,682
Depreciation on operating fixed assets	4.1.2	**19,385**	13,853
Depreciation on right-of-use asset	5.3	**3,407**	3,343
Legal and professional charges		**35,464**	107,225
Rent, rates and taxes		**1,819**	4,229
License fee		**38,007**	22,802
Postage and communication		**6,007**	2,642
Entertainment		**12,029**	6,082
Auditor's remuneration	33.2	**12,477**	5,952
Utilities		**5,324**	5,557
Repair and maintenance		**4,019**	2,864
Insurance		**15,947**	7,010
Printing and stationary		**6,548**	1,748
Staff training and development		**707**	1,008
Amortisation of intangible assets	6.1.2	**6,733**	4,902
Donations		**19,720**	22,730
Security expenses		**19,526**	15,179
Computer related expenses		**-**	1,296
Others		**9,463**	21,691
		505,675	435,297

33.1 This includes Rs. 12.72 million (2023: Rs. 12.99 million) in respect of charge for defined benefit plan.

33.2 Auditors' remuneration

	2024	2023
	(Rupees in '000)	
Audit services		
Annual audit fee	**5,000**	3,681
Out of pocket expenses	**1,120**	320
	6,120	4,001
Non-audit services		
Certifications for regulatory purposes	**300**	1,951
Tax advisory services	**6,057**	-
	12,477	5,952

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33.3 Donations

33.3.1 This includes donations to the following organisations that exceed either 10% of the total amount of donations made or Rs. 1 million, whichever is higher.

	2024	2023
	(Rupees in '000)	
Baitussalam Welfare Trust	**5,376**	4,603
Dhoraji Association	**5,500**	6,000
Dhoraji Youth Services	**-**	2,500
Indus Hospital and Health Network	**-**	2,500
Saylani Welfare International Trust	**-**	2,500
	10,876	18,103

33.3.2 Donations did not include any amount paid to any person or organizstion in which a director or his/her spouse had any interest.

34. OTHER OPERATING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Exchange loss - net		**31,502**	592,370
Workers' Profit Participation Fund	25.2	**123,244**	203,665
Workers' Welfare Fund	25.3	**47,417**	83,256
Loss on disposal of property, plant and equipment		**68,715**	-
Others		**190**	-
		271,068	879,291

35. OTHER INCOME

	Note	2024	2023
Income from financial assets			
Return on PLS savings accounts		**28,043**	36,106
Exchange gain - net		**114,337**	-
Income from non-financial assets			
Gain on disposal of property, plant and equipment		**-**	3,322
Gain on modification of lease		**3,758**	-
Others			
Scrap sales		**46,856**	35,974
Export rebate		**32,826**	9,847
Amortisation of deferred income	20	**2,784**	3,586
Others		**5,803**	-
		234,407	88,835

	Note	2024	2023
		(Rupees in '000)	
36. FINANCE COSTS			
Islamic:			
- Mark-up on long-term financing		**644,063**	74,946
- Mark-up on short-term borrowings		**1,049,299**	638,212
		1,693,362	713,158
Interest on lease liabilities		**8,477**	5,315
Unwinding of discount on supplier's credit		**69,396**	2,207
Commission on letter of credit		**11,218**	7,190
Bank and guarantee charges		**32,663**	25,294
		1,815,116	753,164
37. LEVIES - FINAL TAX			
Final tax	37.1	**6,348**	1,781

37.1 These represent final tax on export sales under section 154 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

	Note	2024	2023
		(Rupees in '000)	
38. INCOME TAX EXPENSE			
Current	38.1	**712,744**	1,130,230
Deferred	38.2	**1,745,182**	163,602
		2,457,926	1,293,832

38.1 The returns of income tax have been filed up to and including tax year 2023, which are deemed assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

38.2 This includes deferred tax expense on Global Packaging Films (Private) Limited and PETPAK Films (Private) Limited comprising of taxable temporary differences on account of accelerated tax depreciation on property, plant and equipment which would start to diminish after the conclusion of the tax holiday period. Both of these entities qualify for a tax exemption under Clause 126 E of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

38.3 **Relationship between income tax expense and accounting profit**

	2024	2023	2024	2023
	(Effective tax rate %)		(Rupees in '000)	
Profit before levies and income tax			**1,761,424**	3,183,270
Tax at the enacted tax rate	**(29.00)**	(29.00)	**(510,813)**	(923,148)
Tax effect of:				
Super tax	**(12.19)**	(11.93)	**(214,789)**	(379,631)
Income taxed under final tax regime	**4.44**	0.08	**78,206**	2,668
Tax credit on donations	**0.18**	0.20	**3,154**	6,405
Tax credit under section 65D	**10.25**	6.68	**180,532**	212,684
Others	**166.23**	74.66	**2,927,984**	2,376,635
Levies and income tax - notes 37 & 38	**139.90**	40.70	**2,464,274**	1,295,613

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	Note	2024	(Restated) 2023
		(Rupees in '000)	
39. EARNINGS PER SHARE - BASIC AND DILUTED			
(Loss) / profit for the year attributable to owners of the Holding Company		**(41,119)**	2,059,370
		----------- (Numbers) -----------	
Weighted average number of ordinary shares outstanding at end of the year	39.1	**635,936,666**	581,359,104
		----------- (Rupees) -----------	
(Loss) / earnings per share - basic and diluted		**(0.06)**	3.54

39.1 **Weighted average number of ordinary shares**

	2024	2023
	------------ (Numbers) ----------	
Issued ordinary shares as at July 01	**630,094,545**	540,000,000
Effect of right shares issued	**-**	35,233,185
Effect of bonus shares issued	**-**	6,125,919
Effect of number of shares issued	**5,842,121**	-
Weighted average number of ordinary shares as at June 30	**635,936,666**	581,359,104

39.2 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2024 and 2023

	Note	2024	(Restated) 2023
40. CASH GENERATED FROM / (USED IN) FROM OPERATIONS		(Rupees in '000)	
Profit before levies and income tax		**1,761,424**	3,183,270
Adjustments for non-cash charges and other items			
Depreciation of property, plant and equipment	4.1.2	**619,738**	430,696
Amortisation of intangible assets	6.1.2	**6,852**	4,963
Depreciation of right-of-use assets	5.3	**11,341**	12,101
Loss / (gain) on disposal of property, plant and equipment	34 & 35	**68,715**	(3,322)
Unrealised exchange gain		**(124,563)**	20,250
Return on PLS savings accounts	35	**(28,043)**	(36,106)
Gain on modification of lease	35	**(3,758)**	-
Provision for staff retirement benefits	22.1.6	**62,703**	46,755
Amortisation of deferred income	35	**(2,784)**	(3,586)

	Note	2024	2023
		(Rupees in '000)	
Allowance for expected credit losses	10.5	**5,077**	59,099
Finance cost	36	**1,815,116**	753,164
		4,191,818	4,467,284
Changes in working capital	40.1	**103,033**	38,425
		4,294,851	4,505,709

40.1 CHANGES IN WORKING CAPITAL

	2024	2023
(Increase) / decrease in current assets:		
Stores, spares and consumables	**(59,537)**	(70,720)
Stock-in-trade	**(1,339,041)**	(799,683)
Trade receivables	**(2,445,365)**	(1,142,572)
Loans and advances	**(238,337)**	303,281
Trade deposits and short-term prepayments	**(48,292)**	6,456
Other receivables	**(125,074)**	(163,784)
Sales tax refundable	**(464,599)**	(134,798)
	(4,720,245)	(2,001,820)
Increase / (decrease) in current liabilities:		
Trade and other payables	**4,737,601**	1,922,867
Contract liabilities	**9,572**	117,378
Suppliers' credit	**76,105**	-
	103,033	38,425

41. CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and bank balances	14	**245,918**	333,144
Short-term borrowings under Running Musharakah	27	**(220,941)**	(48,409)
		24,977	284,735

42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in '000)					
Managerial remuneration	**14,400**	14,400	**-**	-	**328,004**	234,340
Bonus	**1,200**	2,400	**-**	-	**24,258**	34,031
Retirement benefits	**1,947**	1,214	**-**	-	**33,505**	30,461
Reimbursable expenses	**-**	-	**-**	-	**8,826**	7,216
Other perquisites and benefits	**-**	-	**-**	-	**32,919**	52,613
Directors' fees	**-**	-	**19,950**	14,451	**-**	-
	17,547	18,014	**19,950**	14,451	**427,512**	358,661
Number of persons	**1**	1	**9**	9	**68**	52

42.1 Chief Executive and certain executives are provided with the use of Company maintained cars and telephone facility, which are reimbursed at actual to the extent of their entitlements as per their terms of employment.

42.2 Fees paid to 9 (2023: 9) non-executive directors were Rs. 19.95 million (2023: Rs. 14.45 million) on account of meetings attended by them.

43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of respective group entities have overall responsibility for the establishment and oversight of the risk management framework for the respective group entity. Each group entity has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board of Directors of respective group entities meets frequently throughout the year for developing and monitoring the risk management of the respective group entity. The risk management policies are established for each group entity to identify and analyse the risks faced by the respective entity, to set appropriate risk limits and controls, and to monitor risks including adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the respective group entity's activities. Each group entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the respective group entity's management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group entity.

43.1 Credit risk

Credit risk is the risk of financial loss to a group entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

43.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2024	2023
		(Rupees in '000)	
Long-term deposits		**104,359**	6,371
Long-term loans	7	**22,262**	9,035
Trade receivables - net of provision	10	**5,788,935**	3,348,647
Trade deposits	12	**31,993**	24,262
Loans and advances	11	**552,475**	314,138
Other receivables	13	**167,756**	42,682
Bank balances	14	**242,670**	332,870
		6,910,450	4,078,005

The group entities does not take into consideration the value of collateral while testing financial assets for impairment. The group entities consider the credit worthiness of counterparties as part of their risk management.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2024	2023
	(Rupees in '000)	
Domestic	**4,540,112**	3,396,609
Export	**1,312,999**	11,137
	5,853,111	3,407,746

43.1.2 Impairment losses

The ageing of trade debtors as per above at the reporting date was as follows:

	2024		2023	
	Gross	**Impairment**	Gross	Impairment
	(Rupees in '000)			
Not yet Due	**4,223,990**	**7,235**	2,065,532	1,698
0 - 30 days	**1,147,411**	**10,565**	928,953	39,438
31 - 60 days	**153,375**	**5,107**	238,613	8,896
61 - 90 days	**87,125**	**5,660**	139,509	1,196
91 - 120 days	**56,321**	**3,421**	13,712	4
121 - 180 days	**174,346**	**25,779**	11,063	446
181 - 270 days	**3,922**	**1,783**	1,682	607
271 - 365 days	**577**	**582**	83	29
Over 365 days	**6,044**	**4,044**	8,600	6,785
	5,853,111	**64,176**	3,407,747	59,099

Management of the Group entities believe that the unimpaired balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

43.1.3 Bank balances

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks within which balances are held or credit lines available:

Bank	**Rating Agency**	**Rating Short term**	**Rating Long term**
Bank AL Habib Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Dubai Islamic Bank Pakistan Limited	VIS	A1+	AA
Faysal Bank Limited	VIS	A1+	AA
Bank Alfalah Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
MCB Bank Limited	PACRA	A1+	AAA
United Bank Limited	VIS	A1+	AAA

43.1.4 Concentration of credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group entity's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at reporting date.

43.2 Liquidity risk

Liquidity risk is the risk that a group entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the group entity could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The approach of group entities to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's or group's reputation. The group entities ensure that they have sufficient liquidity including credit lines to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2024					
		Contractual cashflows				
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long-term financing	**3,848,894**	**(5,388,460)**	**(399,105)**	**(1,134,345)**	**(3,110,558)**	**(744,452)**
Lease liabilities	**18,635**	**(22,369)**	**(5,358)**	**(11,184)**	**(5,827)**	**-**
Trade and other payables	**7,882,997**	**(7,882,997)**	**(7,882,997)**	**-**	**-**	**-**
Short-term borrowings	**5,651,785**	**(5,651,785)**	**(5,651,785)**	**-**	**-**	**-**
Accrued mark-up	**260,785**	**(260,785)**	**(260,785)**	**-**	**-**	**-**
Supplier's Credit	**2,235,642**	**(2,341,088)**	**-**	**(2,341,088)**	**-**	**-**
	19,898,738	**(21,547,484)**	**(14,200,030)**	**(3,486,617)**	**(3,116,385)**	**(744,452)**

	2023					
		Contractual cashflows				
	Carrying amount	Total contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees in '000)					
Financial liabilities						
Long-term financing	3,033,016	(3,992,242)	(44,059)	(219,384)	(3,121,261)	(607,538)
Lease liabilities	41,824	(52,127)	(7,963)	(16,763)	(27,401)	-
Trade and other payables	3,395,745	(3,395,745)	(3,395,745)	-	-	-
Short-term borrowings	3,261,147	(3,261,147)	(3,261,147)	-	-	-
Accrued mark-up	145,736	(145,736)	(145,736)	-	-	-
Supplier's Credit	2,159,537	(2,458,142)	-	-	(2,458,142)	-
	12,037,005	(13,305,139)	(6,854,650)	(236,147)	(5,606,804)	(607,538)

43.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rates of mark-up have been disclosed in respective notes to these consolidated financial statements.

43.2.2 Long-term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Group entities to repay the respective loans earlier than as directed in the above table.

43.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect a group entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Group entities are exposed to currency risk and interest rate risk only.

43.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Group is exposed to currency risk on trade debts, bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Group. The Group's exposure to foreign currency risk is as follows:

	2024			2023		
	Rupees	US Dollars	Euro	Rupees	US Dollars	Euro
	(In '000)			(In '000)		
Financial assets						
Bank Balance	**9,906**	**29**	**6**	-	-	-
Trade debts	**1,312,999**	**4,594**	**115**	11,137	39	-
Financial liabilities						
Trade and other payables	**(3,758,314)**	**(10,043)**	**(3,193)**	(1,590,347)	(6,667)	(1,135)
Supplier's Credit	**(2,235,642)**	**-**	**(7,492)**	(2,159,537)	-	(6,893)
Net exposure	**(4,671,051)**	**(5,420)**	**(10,564)**	(3,738,747)	(6,628)	(8,028)

The following significant exchange rates were applicable during the year:

	Reporting date rate	
	2024	2023
	Buying/Selling	Buying/Selling
US Dollars (USD) to Pakistan Rupee	**278.3 / 278.8**	286.18 / 286.6
Euro to Pakistan Rupee	**297.88 / 298.41**	312.84 / 313.29

Sensitivity analysis

A 10 percent strengthening / weakening of the Pak Rupee against the USD and Euro as at June 30 would have decreased / increased the equity / profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for both the years.

	Effect on consolidated statement of profit or loss	
	2024	2023
	(Rupees in '000)	
As at 30 June		
Effect in USD	**(111,895)**	(125,534)
Effect in Euro	**(208,153)**	(166,072)

43.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short and long-term borrowings from banks.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instrument is:

	Note	Carrying amount 2024	Carrying amount 2023
		(Rupees in '000)	
Fixed rate instruments			
Financial liabilities	19 & 27	**409,091**	135,390
Variable rate instruments			
Financial liabilities	19 & 27	**7,864,285**	5,111,147

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and the profit after tax by Rs. 42.47 million (2023: Rs. 27.6 million) with the corresponding effect on the carrying amount of the liability. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for both the years.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss.

43.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

2024	Short-term borrowings	Long-term financing	Accrued mark-up	Lease liabilities	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at July 1, 2023	3,261,147	3,033,016	145,736	41,824	3,138,416	9,620,139
Changes from financing cash flows						
Repayment of long-term loan	-	(2,043,533)	-	-	-	(2,043,533)
Proceeds from long-term loan	-	2,859,411	-	-	-	2,859,411
Receipt of short-term borrowings	2,390,638	-	-	-	-	2,390,638
Lease liability payments	-	-	-	(6,348)	-	(6,348)
Total changes from financing activities	2,390,638	815,878	-	(6,348)	-	3,200,168
Other changes						
Modifications in lease liabilities	-	-	-	(16,841)	-	(16,841)
Interest expense	-	-	1,806,640	8,477	-	1,815,117
Interest paid	-	-	(1,691,591)	(8,477)	-	(1,700,068)
Total loan related other changes	-	-	115,049	(16,841)	-	98,208
Equity related other changes	-	-	-	-	(3,167,319)	(3,167,319)
Balance as at June 30, 2024	5,651,785	3,848,894	260,785	18,635	(28,903)	9,751,196

2023	Short-term borrowings	Long-term financing	Accrued mark-up	Lease liabilities	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at July 1, 2022	2,467,608	681,430	40,418	15,826	3,081,015	6,286,297
Changes from financing cash flows						
Repayment of long-term loan	-	(319,315)	-	-	-	(319,315)
Proceeds from long-term loan	-	2,670,901	-	-	-	2,670,901
Changes in short-term borrowings	793,539	-	-	-	-	793,539
Lease liability payments	-	-	-	(9,573)	-	(9,573)
Total changes from financing activities	793,539	2,351,586	-	(9,573)	-	3,135,552
Other changes						
Additions to lease liabilities	-	-	-	35,571	-	35,571
Interest expense	-	-	752,402	5,315	-	757,717
Interest paid	-	-	(647,084)	(5,315)	-	(652,399)
Total loan related other changes	-	-	105,318	35,571	-	140,889
Equity related other changes	-	-	-	-	57,401	57,401
Balance as at June 30, 2023	3,261,147	3,033,016	145,736	41,824	3,138,416	9,620,139

43.5 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The group entities have no exposure to price risk as its investments are measured at cost.

43.6 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in the Consolidated Statement of Financial Position approximate their fair values.

43.7 Financial instruments by categories

	Note	2024	2023
		(Rupees in '000)	
Financial assets			
Held at amortised cost			
- Long-term loans	7	**22,262**	9,035
- Long-term deposits		**104,359**	6,371
- Trade receivables	10	**5,788,935**	3,348,647
- Loans and advances	11	**552,475**	314,138
- Trade deposits	12	**31,993**	24,262
- Other receivables	13	**167,756**	42,682
- Cash and bank balances	14	**245,918**	333,144
		6,913,698	4,078,279

	Note	2024	2023
		(Rupees in '000)	
Financial liabilities			
Held at amortised cost			
- Long-term financing	19	**3,848,894**	3,033,016
- Trade and other payables	25	**7,882,997**	3,395,745
- Short-term borrowings - secured	27	**5,651,785**	3,261,147
- Lease liabilities	23	**18,635**	41,824
- Accrued mark-up		**260,785**	145,736
		17,663,096	9,877,468

44. CAPITAL MANAGEMENT

The objective of the group entities when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The group entities intends to manage their capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

45. MEASUREMENT OF FAIR VALUES

Management engages an independent external expert / valuer to carry out valuation of its non-financial assets (i.e. freehold land, buildings on freehold land and plant and machinery) with sufficient regularity. Involvement of external valuers is decided upon by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

When measuring the fair value of an asset or a liability , the Group entities use valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2**: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2024, all financial assets and financial liabilities are carried at amortised cost which is approximate to their fair value. The Group entities measures freehold land, buildings on freehold land and plant and machinery at fair value and all of the resulting fair value estimates in relation to freehold land, buildings on freehold land and plant and machinery of the Company are included in Level 2.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

The following table provides the valuation approach, inputs used and inter-relationship between significant unobservable inputs and fair value measurement of the Group's freehold land, buildings on freehold land and plant and machinery measured at fair value:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Assets measured at fair value	Date of valuation	Valuation approach and inputs used	Inter-relationship between significant unobservable inputs and fair value measurement
Revalued property, plant and equipment			
- Freehold land, buildings on freehold land and plant and machinery	June 30, 2024	In determining the valuations for land, buildings and plant and machinery, the valuer has performed detailed enquiries from numerous independent local estate agents and developers and inspected current trends in prices of real estate in the vicinity. For valuation of plant and machinery, the valuer obtained available specifications with help of photographs and enquired about the present value of similiar machinery from various authorised dealers who deal in such machineries. Replacement value was ascertained from competitive rates of machines, thereafter, an average depreciation factor was applied on the replacement value of the machines. The fair valuation of land, building and plant and machinery is considered to represent a level 2 valuation based on inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).	The fair values are subject to change owing to changes in input. However, management does not expect material sensitivity to the fair values.

Management of the Group assessed that the fair values of cash and cash equivalents, other receivables, trade deposits, trade receivables, short-term borrowings, trade and other payables and accrued mark-up approximate their carrying amounts largely due to short-term maturities of these instruments. For long-term deposit and long-term financing, management consider that their carrying values approximates fair value owing to credit standing of counterparties and interest payable on borrowings are at market rates.

46. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the associated undertakings, directors of the group entities and key management personnel. The group entities continue to follow a policy whereby transactions with related parties are entered into at commercial terms and at rate agreed under a contract / arrangement / agreement. Remuneration of key management personnel are in accordance with their terms of engagements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the respective group entities. The Group entities considers their Chief Executive Officer, Chief Financial Officer, Company Secretary, non-executive directors and departmental heads to be their key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

	2024	2023
	(Rupees in '000)	
46.1 Transactions with related parties		
Associated companies		
Sales	**2,573,439**	3,044,613
Receipts against sales	**2,940,158**	2,452,064
Purchase	**2,601**	13,550
Payment against purchases	**2,459**	5,034
Key management personnel		
Remuneration	**445,059**	376,675
Bonus share issued	**-**	1,247,464
Right issue	**-**	1,142,508
Non-executive directors		
Director's fee	**19,950**	14,451

46.2 The following are the related parties with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year.

Name of the Related Party	Relationship and percentage of shareholding
Universal Coating Films (Private) Limited	Associated company by virtue of common directorship
Universal Packaging Company (Private) Limited	Associated company by virtue of common directorship
Saima Packaging Company (Private) Limited	Associated company by virtue of common directorship
Universal Films (Private) Limited	Associated company by virtue of common directorship
Pakistan Synthetics Limited	Associated company by virtue of common directorship

46.3 Outstanding balances with related parties have been separately disclosed in trade and other payables. These are settled in ordinary course of business.

	2024	2023
	(Tons)	
47. PLANT CAPACITY AND ACTUAL PRODUCTION		
Operational capacity of the group (annualised basis)	**152,660**	51,260
Actual production of the group	**46,573**	35,442

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

47.1 The commercial production of Global Packaging Films (Private) Limited and PETPAK Films (Private) Limited commenced during the year. Furthermore, the production of films by other group entities during the year is based on market demand.

48. OPERATING SEGMENT

48.1 These consolidated financial statements have been prepared on the basis of a single reportable segment.

48.2 Revenue from the sale of BOPP, CPP and BO-PET films represents 100% (2023: 100%) of the total revenue.

48.3 Geographic Information

The Group's 91.76% (2023: 99.57%) of the sales of BOPP, CPP and BO-PET films are domestic sales whereas 8.24% (2023: 0.43%) of the sales are export / foreign sales.

The Group's net revenue from external customers by geographical location is disclosed in note 30.1.

48.4 Revenue from major customer

Revenue from major customers individually accounting for more than 10% of the revenue from sale of BO-PET and CPP films was Rs. 674.47 million (2023: Rs. 1,179.25 million).

49. NON-CONTROLLING INTERESTS

Set out below is summarised financial information of Subsidiary Company, PETPAK Films (Private) Limited which has non-controlling interests that are material to the group. The amounts disclosed are before inter-company eliminations.

	2024	2023
	(Rupees in '000)	
NCI Percentage (%)	**48%**	48%
Non-current assets	**11,447,744**	8,746,025
Current assets	**2,615,979**	279,977
Non-current liabilities	**1,148,169**	2,239,925
Current liabilities	**6,991,705**	554,706
Net assets attributable to non-controlling interests	**3,707,543**	3,183,774
Revenue	**1,869,248**	-
Expenses	**(3,247,855)**	(357,736)
Profit for the year	**(1,378,607)**	(357,736)
Profit attributable to non-controlling interests	**(661,731)**	(171,713)
Other comprehensive income attributable to non-controlling interests	**862,801**	-
Total comprehensive income attributable to non-controlling interests	**201,070**	(171,713)
Net cash used in operating activities	**(1,268,538)**	(11,745)
Net cash used in investing activities	**(2,708,682)**	(7,770,762)
Net cash generated from financing activities	**4,005,414**	7,785,713

50. NUMBER OF EMPLOYEES

	2024	2023
	----- (Number) -----	
The details of the number of employees of the group are as follows:		
Number of employees at June 30th		
- Permanent	**550**	366
- Contractual	**300**	142
	850	508
Average number of employees during the year		
- Permanent	**483**	310
- Contractual	**201**	124
	684	434

51. CORRESPONDING FIGURES

Comparative information has been reclassified or re-arranged in these consolidated financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current year, having insignificant impact except for the restatement as disclosed in note 3.22.

52. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on September 10, 2024.

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

Shareholders' Information

Registered Office

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+92 21 34384044, +92 21 34384046-48
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Shares Registrar

CDC House, 99-B, Block B,
S.M.C.H.S. Main Shahra-e-Faisal,
Karachi 74400. Pakistan
0800 23275 (CDCPL)
info@cdcsrsl.com

Ownership

On June 30, 2024, there were 1,841 members on the record of the Company's ordinary shares.

Financial Calendar

9th Annual General Meeting of the Company will be held on **October 23, 2024**.

Listing on Stock Exchange

The equity shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX).

Stock Code

The trading symbol for dealing in equity shares of the Company at the PSX is 'IPAK'.

Share Registrar

CDC Share Registrar Services Limited (CDCSRS) serves as the Company's share registrar, providing efficient services to shareholders through its advanced infrastructure and experienced team. Key services include dematerialisation, share transfers, duplicate certificates, address changes, and more. With online connectivity to the Central Depository Company of Pakistan Limited (CDC), CDCSRS ensures seamless and secure share registration processes.

Service Standards

IPAK prioritises prompt investor services, committing to timely execution of various requests. The Company has established service standards with defined time limits, ensuring efficient processing upon receipt of complete documentation. Well-qualified personnel at the Share Registrar oversee the delivery of these services, guaranteeing prompt assistance to investors.

Dematerialisation of Shares

As of June 30, 2024, 99.99% of the equity shares of the Company have been dematerialised by the shareholders.

Web Presence

For the latest information on the Company, visit our website at www.ipak.com.pk, featuring financial results, company profile, corporate philosophy, and product portfolio.

Pattern of Shareholding

No. of Shareholders	Having Shares		Share Held	Percentage
	From	To		
68	1	100	2,829	0.00%
416	101	500	196,77	0.03%
404	501	1000	396,803	0.06%
663	1001	5000	1,522,502	0.22%
62	5001	10000	550,673	0.08%
88	10001	50000	2,371,814	0.34%
42	50001	100000	3,036,481	0.43%
34	100001	500000	7,468,912	1.07%
15	500001	1000000	10,923,128	1.56%
6	1000001	2000000	7,993,212	1.14%
16	2000001	5000000	59,075,847	8.44%
12	5000001	10000000	81,163,658	11.59%
5	10000001	20000000	77,625,922	11.09%
1	20000001	30000000	21,899,849	3.13%
5	30000001	40000000	170,052,873	24.29%
0	40000001	50000000	-	0.00%
3	50000001	60000000	163,879,518	23.40%
0	60000001	70000000	-	0.00%
0	70000001	80000000	-	0.00%
0	80000001	90000000	-	0.00%
1	90000001	100000000	92,039,203	13.14%
1841			**700,200,000**	**100%**

Categories of Shareholders	Number of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouses	12	313,702,442	44.80%
Related parties (Individuals)	16	161,545,267	23.07%
Modaraba and Mutual Funds	4	865,851	0.12%
General Public (Local)	1788	193,348,949	27.61%
Others			
- Trusts and Provident Funds	4	106,482	0.02%
- Joint Stock Companies	17	30,631,009	4.37%
	1841	**700,200,000**	**100.00%**

Key Shareholding

Directors and their spouse(s)

Names	No. of Shares
Naveed Godil	92,039,203
Mushtaq Ali Tejani	59,655,196
Taimoor Iqbal	50,728,255
Arsalan Pirani	35,506,573
Fazal Ur Rehman	32,601,043
Shumaila Aftab	18,151,963
Abdul Aleem Tinwala	14,868,489
Halima Naveed	4,852,636
Muhammed Amin	4,447,057
Aftab Zahoor Raja	852,025
Sarfaraz Ahmed Rehman	1
Saad Amanullah Khan	1
	313,702,442

Shareholders holding 10% or more voting rights

Names	No. of Shares	%
Naveed Godil	92,039,203	13.14%

FREE FLOAT AND NON-FREE FLOAT OF SHARES

	Shares
Free-Float of Shares	140,531,002
Non-Free Float of Shares	559,668,998
Total No. of Shares	700,200,000

Notice of the Annual General Meeting

Notice is hereby given that the 9th Annual General Meeting (AGM) of International Packaging Films Limited (the Company) will be held on Wednesday, October 23, 2024 at 9:30 AM, at ICAP Auditorium at Chartered Accountants Avenue, Block 8 Clifton, Karachi, Karachi City, Sindh, 75600:

ORDINARY BUSINESS

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, together with the Auditors' and Directors' Reports thereon.

- In accordance with Section 223 of the Companies Act, 2017, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link www.ipak.com.pk/financials.

QR Code – IPAK Annual Report 2024

2. To appoint Auditors of the Company for the year ending June 30, 2025 and fix their remuneration. The present auditors M/s. A.F. Ferguson & Co. Chartered Accountants, being eligible, have offered themselves for re-appointment at a fee to be mutually agreed and the Board of Directors has recommended their appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, pass with or without modification, a 'Special Resolution' under section 199 of the Companies Act, 2017, as purposed by the Board of Directors of the Company, for the purpose of approving long term loan to and Corporate Guarantees in favour of Petpak Films (Private) Limited a associated (52% subsidiary) company as follows,

   Proposed Special Resolution

   Resolved that the Company is hereby authorised to provide long term loan to Petpak Films (Private) Limited, an associated (subsidiary) company up to the limit of Rs. 2,108.14 million for a maximum tenure of three (3) years, as per the terms and conditions mutually agreed subject to applicable laws and regulations.

   Further resolved that the Company is hereby authorised to provide Corporate Guarantee(s) to any Bank in favour of Petpak Films (Private) Limited, an associated (subsidiary) company to secure the bank loan borrowed by Petpak Films (Private) Limited, not exceeding the limit of Rs. 5 billion at any time for the period of three (3) years, as per the terms and conditions mutually agreed and subject to applicable laws and regulations.

   Further resolved that the Chief Executive and/or the Company Secretary jointly or singly be authorised to take any or all actions which may be required for the investment in associated companies as authorised above.

4. To consider and if thought fit, pass with or without modification, an 'Ordinary Resolution' to approve transmission of the annual balance sheet, profit and loss account, auditors report, directors' report & ancillary statements/notes/documents ('Annual Audited financial statements') to the shareholders through QR enabled code and weblink, pursuant to SRO 389(I)/2023, issued by Securities and Exchange Commission of Pakistan.

   The statement under section 134 of the Companies Act, 2017, pertaining to the special business referred above is being sent to the members with the notice.

By Order of the Board
Fahad Alam
Company Secretary

Karachi: September 10, 2024

Notes to AGM Notice:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from Thursday, October 17, 2024 to Wednesday, October 23, 2024 (both days inclusive). Share transfers received in order at the office of our Share Registrar / Transfer Agent, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, by the close of business on Wednesday, October 16, 2024 shall be treated as being in time for the purpose of attending, and voting at, the AGM.

2. Participation in the AGM (In person or through proxy)

Members whose names appear in the Register of Members as of October 16, 2024, are entitled to attend and vote at the AGM. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him / her. An instrument of proxy applicable for the AGM is being provided with the Notice sent to the members.

An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be deposited through email on cs@ipak.com.pk or by post at the registered address of the Company's Share Registrar, CDC Share Registrar Services Limited (as provided above) not less than forty-eight (48) hours before the time of AGM, excluding public holidays. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.

3. Participation in the AGM through video conferencing:

a) To attend the AGM through video-conferencing facility, members are requested to register themselves by providing the following information through email at cs@ipak.com.pk at least forty-eight (48) hours before the AGM:

i. Name of Member;
ii. CNIC / NTN No.;
iii. Folio No. / CDC IAS No.;
iv. Cell No.; and
v. Email Address.

b) Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.

c) Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned in point 'a' above).

d) The login facility will remain open from 9:00 a.m. till the end of AGM.

4. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Investor Account Holders:

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

a) For attending the AGM:

i. In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or valid passport at the time of attending the AGM.

ii. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the AGM.

b) For appointing Proxies:

i. In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.

iv. The proxy shall produce his original CNIC or original valid passport at the time of the AGM.

v. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

5. E-voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in a General Meeting, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

i. E-Voting Procedure

a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses on or before October 16, 2024.

b) The web address, login details, will be communicated to members via email.

c) Identity of the members intending to cast vote through E-Voting shall be authenticated through authentication for login.

d) E-Voting lines will start from October 18, 2024, 9:00 a.m., and shall close on October 22, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

ii. Postal Ballot

1. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.ipak.com.pk to download.

2. The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at 40L-1, Block 6, PECHS, Karachi (Attention to Company Secretary) by Tuesday, October 22, 2024 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.

Ballot Paper

Ballot Paper for voting through post for the Special Businesses at the Annual General Meeting to be held on Wednesday, October 23, 2024, at 9:30 AM at ICAP Auditorium at Chartered Accountants Avenue, Block 8 Clifton, Karachi, Karachi City, Sindh 75600 and through video conferencing.

Contact Details of the Chairman at which the duly filled in ballot paper may be sent:

Address: The Chairman, 40L-1, Block 6, PECHS, Karachi. Attention to the Company Secretary E-mail address: cs@ipak.com.pk Phone: +92-21-34384044 Website: www.ipak.com.pk.

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name and CNIC of Authorized Signatory	
I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by conveying my/our assent or dissent to the resolutions by placing tick (√) mark in the appropriate box below:	
(In case if both the boxes are marked as (√), your poll shall be treated as "Rejected").	

I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by conveying my/our assent or dissent to the resolutions by placing tick (√) mark in the appropriate box below: (In case if both the boxes are marked as (√), your poll shall be treated as "Rejected").

S.#	Agenda & Description of Special Business	I/We assent to the Resolution(s) (FOR)	I/We dissent to the Resolution(s) (AGAINST)
1.	**Agenda No.3 – Special Resolution** To consider and if thought fit, pass with or without modification, a 'Special Resolution' under section 199 of the Companies Act, 2017, as purposed by the Board of Directors of the Company, for the purpose of approving long term loan to and Corporate Guarantees in favor of Petpak Films (Private) Limited a associated (52% subsidiary) company as follows, a. Resolved that the Company is hereby authorized to provide long term loan to Petpak Films (Private) Limited, an associated (subsidiary) company up to the limit of Rs. 2,108.14 million for a maximum tenure of three (3) years, as per the terms and conditions mutually agreed subject to applicable laws and regulations. b. Further resolved that the Company is hereby authorized to provide Corporate Guarantee(s) to any Bank in favor of Petpak Films (Private) Limited, an associated (subsidiary) company to secure the bank loan borrowed by Petpak Films (Private) Limited, not exceeding the limit of Rs. 5 billion at any time for the period of three (3) years, as per the terms and conditions mutually agreed and subject to applicable laws and regulations.		
2.	**Agenda No.4 – Ordinary Resolution** To consider and if thought fit, pass with or without modification, an 'Ordinary Resolution' to approve transmission of the annual balance sheet, profit and loss account, auditors report, directors' report & ancillary statements/notes/documents ('Annual Audited financial statements') to the shareholders through QR enabled code and weblink, pursuant to SRO 389(I)/2023, issued by Securities and Exchange Commission of Pakistan.		

1. Duly filled ballot paper should be sent to the Chairman at 40L-1, Block 6, PECHS, Karachi. Attention to the Company Secretary or e-mail at cs@ipak.com.pk.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form
3. Ballot paper should reach the Chairman within business hours by or before Tuesday, October 22, 2024. Any postal Ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: www.ipak.com.pk.

____

Shareholder / Proxy Holder Signature/Authorized Signatory

(In case of corporate entity, please affix company Stamp)

Statement under section 134(3) of the Companies Act, 2017

This Statement sets out the material facts pertaining to the Special Business described in the Notice of AGM, intended to be transacted at the 9th AGM of the Company that is scheduled to be held on October 23, 2024.

Agenda item No.3: Investment in Associated Company

a. Loan to subsidiary (associate)

In accordance with Section 199 of the Companies Act, 2017, approval is being sought through a special resolution to convert funding provided to the subsidiary, Petpak Films (Private) Limited (PPAK), into a term loan.

The Company currently holds a 52% stake in PPAK, while the remaining 48% is owned by another business group and its associated individuals ("minority partners"). As per a shareholders' agreement between the Company and the minority partners, both parties are required to maintain this ownership ratio when providing funding to the subsidiary.

During the financial year, the Company, with the standing approval of shareholders, made critical contributions to PPAK, in shape of share deposit money, to meet its cash flow requirements and facilitate the setup of its plant. However, the minority partners faced internal constraints, which prevented them from contributing their proportionate share, resulting in an excess contribution from the Company. The Company stepped up with excess funding, being the parent company given the PPAK's need for timely funding. As of June 30, 2024, this excess stands funding at Rs. 2,108.14 million.

In compliance with relevant regulations, this excess funding has been reflected as a loan in the Company's financial statements, with a return charged in accordance with regulatory requirements. The Board of Directors has now approved the proposal to seek shareholders' approval for the formal conversion of this Rs. 2,108.14 million excess contribution into a term loan to PPAK.

This approval is essential to regularize the Company's financial exposure to PPAK and to align with both regulatory requirements and the ongoing operational needs of the subsidiary.

b. Corporate Guarantee in favour of the subsidiary (associate)

We are seeking authorization to issue corporate guarantee(s) up to the cumulative limit of Rs. 5 billion for the period of 3 years to the Bank to secure their loans to be extended to PPAK. PPAK has recently commenced its commercial production and, therefore, yet to establish a track record of profitability. Due to this, the banks providing these loans require the corporate guarantee of the holding company as an additional security, alongside PPAK's own assets.

This step is essential to ensure PPAK secures the necessary funding to support its ongoing operations and growth, which is expected to contribute positively to the overall performance of the Company and the Group as a whole.

Following is the information required under Companies (Investment in Associated Companies or Associated Undertaking) Regulations, 2017 (the Regulations), for the purpose of approving loan to and corporate guarantee in benefit of Petpak Films (Private) Limited ("PPAK").

1.	Name of associated company	Petpak Films (Private) Limited
2.	Basis of relationship	52% owned subsidiary/Common directorship
3.	Loss per share for the last three years	2024: Rs. 2.12; 2023: Rs. 0.60; 2022: Rs. 0.02
4.	Break-up value per share as per latest audited accounts	Rs. 9.11 per Share (Par Value Rs. 10/- per share)
5.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	**Amounts in '000'** Assets: Rs. 14,063,723 Liability: Rs. 8,139,874 Equity: Rs. 5,923,849 Accumulated Loss: Rs. 1,753,602
7.	Maximum amount of investment to be made	Loan: Rs. 2,108.14 million Corporate Guarantee: Rs. 5 billion
8.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Purpose: To support the subsidiary in its initial phase of business operations. Benefits: Mark up, capital appreciation of previous equity investments and future dividends. Period: Three (3) Years.
9.	Sources of funds to be utilized for investment.	Internally generated funds.
11.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The term of agreement (for both loan and corporate guarantee) is three (3) years. The return shall be as per minimum rate prescribed under the Regulations.
12.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The Chief Executive Officer, Mr. Naveed Godil and a Director, Mr. Mushtaq Ali Tejani are common directors holding only qualifying shares (i.e. 1 share each) in PPAK.
13.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	-Equity Investment: Rs. 3,380 million -Advance against future Issue of Shares: Rs. 612 million. -No impairment or write-off
14.	Any other important details necessary for the members to understand the transaction.	Explained in the start of the note.
15.	Category-wise amount of investment;	- Term Loan - Corporate Guarantee
16.	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	- Term Loan: Six months KIBOR+ 1% - Corporate Guarantee: 0.1% per quarter
17.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Six months KIBOR+ 1%
18.	Particulars of collateral or security to be obtained in relation to the proposed investment;	N/A
19.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
20.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Principal repayment will commence after 12 months from the date of loan conversion thereafter, payable on quarterly basis. Tenure of loan will be 3 years, inclusive of the 12 months' grace period.

- **The Directors of the Company undertake that they have carried out necessary due diligence for the proposed investment in the Associated Company.**
- **No Director and Chief Executive Officer has any interest in the investee company. The Chief Executive Officer, Mr. Naveed Godil and a Director Mr. Mushtaq Ali Tejani are common directors with subsidiary (associated) company, holding only qualifying shares i.e. one (1) share each in Investee Company.**

Agenda item No.4: Transmission of Annual Audited Accounts via QR enabled Code and weblink

SECP vide SRO 389(I)/2023, has allowed listed companies to circulate their annual balance sheet, profit and loss account, auditor's report, directors' report and ancillary statements/notes/documents ("Annual Audited Accounts") along with notice of general meeting to its shareholders in electronic form through QR enabled code and weblink. This would result in cost effective and timely delivery of Annual Audited Accounts to the shareholders.

For the convenience of its shareholders, the Company will place on its website a standard request form along with postal and e-mail address of Company Secretary/Share Registrar, so that shareholders may request a hard copy of the Audited Annual Accounts. The Company will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of receipt of request.

The Company is seeking shareholder approval to circulate the Annual Audited Accounts along with notice of general meeting in electronic form as aforesaid and pass the Resolution noted at Agenda item 4 with or without modification.

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Proxy Form

I/We____of________________________________ being a member of International Packaging Films Limited and holder of _________________ Ordinary Shares having CDC Account No.______________________________ hereby appoint Mr./Ms.________________________________ of_________________________ or failing him Mr./Ms.____of as my/our proxy in my/our absence to vote for me/us and on my/our behalf at the **Annual General Meeting** of the Company to be held on **Wednesday, October 23, 2024** at **9.30 a.m.** and at any adjournment thereof.

Signed this ....day of.......................2024

Signature
(As per CNIC)

WITNESSES:

1. Signature: _________________________________
Name: _____________________________________
Address: ___________________________________
CNIC No. ___________________________________

2. Signature: _________________________________
Name: _____________________________________
Address: ____________________________________
CNIC No. ____________________________________

Note:

- Proxies must be received by the Company not less than 48 hours before the meeting.
- Please attach with this Proxy Form photocopy of CNIC (Computerized National Identity Card) of both shareholder and his/her Proxy(s).

پراکسی فارم

میں/ہم ____________________ ولد/دختر ____________________

جو کہ انٹرنیشنل پیکیجنگ فلمز لمیٹڈ کا رکن ہوں اور ____________________ عام حصص کا حامل ہوں، جس کا سی ڈی سی اکاؤنٹ نمبر

____________________ ہے، اس کے ذریعے مسٹر/مس ____________________ ولد/دختر

____________________ یا ان کے ناکام ہونے کی صورت میں مسٹر/مس ____________________ ولد/دختر

____________________ کو میری/ہماری غیر موجودگی میں میرے/ہماری جانب سے ووٹ ڈالنے کے لئے نامزد کرتا/کرتی ہوں/ہیں، جو کمپنی کی سالانہ جنرل میٹنگ میں بدھ، 23 اکتوبر 2024 کو صبح 9:30 بجے منعقد ہوگی اور اس کے ملتوی ہونے کی صورت میں کسی بھی التوا پر۔

دن __________ مہینہ __________ 2024 کو دستخط کیے گئے۔

____

دستخط

(سی این آئی سی کے مطابق)

گواہان:

1. دستخط: ____________________

نام: ____________________

پتہ: ____________________

سی این آئی سی نمبر: ____________________

2. دستخط: ____________________

نام: ____________________

پتہ: ____________________

سی این آئی سی نمبر: ____________________

نوٹ:

- پراکسیز میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانی چاہئیں۔
- براہ کرم اس پراکسی فارم کے ساتھ شیئر ہولڈر اور اس کے پراکسی کی کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی فوٹو کاپی منسلک کریں۔

لیتی ہے اور انہیں منظوری کے لیے بورڈ کے سامنے پیش کرتی ہے۔ آڈٹ کمیٹی یہ بھی یقینی بناتی ہے کہ اندرونی کنڑول کے مؤثر اور مؤثر نظام اور طریقہ کار موجود ہیں۔

ہیومن ریسورس اور ریمیونریشن کمیٹی: اس کمیٹی کی سربراہی ایک آزاد ڈائریکٹر کرتے ہیں۔ یہ کمیٹی عملے کی پالیسیاں، تنخواہیں اور فوائد کا جائزہ لیتی ہے۔ یہ کمیٹی بورڈ کو منظوری کے لیے انسانی وسائل کی پالیسیاں تجویز کرتی ہے۔

مجموعی طور پر، میں بورڈ کی مؤثر گورننس، اسٹریٹیجک قیادت اور ذمہ دارانہ فیصلہ سازی پر زور دینا چاہتا ہوں، جو کمپنی کی کامیابی اور بورڈ کی مؤثریت میں اہم کردار ادا کرتی ہیں۔

میں تمام شیئر ہولڈرز، صارفین، سپلائرز، بینکاروں اور ملازمین کا اس سال کے دوران اعتماد اور تعاون کے لیے دل کی گہرائیوں سے شکریہ ادا کرتا ہوں۔ میں بورڈ ممبران، سی ای او اور ان کی ٹیم کا بھی ان کی محنت اور لگن کے لیے تہہ دل سے شکریہ ادا کرتا ہوں۔

محمد امین
چیئرمین

10 ستمبر 2024

چیئرمین کی جائزہ رپورٹ

مجھے یہ خوشی ہے کہ میں کمپنی کی کارکردگی، بورڈ آف ڈائریکٹرز کے کرداراور بورڈ کی مؤثریت کا جائزہ پیش کررہا ہوں،جوسال 30جون 2024 کو ختم ہوا۔

یہ سال بہت اہمیت کا حامل رہا۔ کمپنی 3 جون 2024 کو پاکستان اسٹاک ایکسچینج میں لسٹ ہوئی۔ میں اپنے معزز شیئر ہولڈرز کو کمپنی کے شیئرز کی اسٹاک ایکسچینج پر کامیاب لسٹنگ پر دلی مبارکباد پیش کرتا ہوں۔ سرمایہ کاروں کی زبردست دلچسپی ہماری مضبوط سابقہ کارکردگی اور مستقبل کے روشن امکانات کا ایک بڑا ثبوت ہے۔

اس سال کے دوران ہماری دو ذیلی کمپنیاں، گلوبل پیکیجنگ (پرائیویٹ) لمیٹڈ (GPAK) اور پیٹ پیک فلمز (پرائیویٹ) لمیٹڈ (PPAK) نے کامیابی کے ساتھ اپنے آپریشنز شروع کیے۔ اس وقت گروپ کی سب سے بڑی مجموعی لچکدار فلم بنانے کی صلاحیت موجود ہے اور یہ مقامی اور برآمدی مارکیٹ کے مواقع سے بھرپور فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔ کمپنی نے اپنی مکمل ملکیتی ذیلی کمپنی IPAK Connect بھی قائم کی ہے تاکہ برآمدات کو مزید فروغ دیا جا سکے۔

پورا سال کاروباری ماحول غیر مستحکم اور چیلنجنگ رہا ہے۔ ابھی بھی غیر یقینی حالات قائم ہیں۔ امید کی جاتی ہے کہ حکومت کامیابی کے ساتھ ایک نیا آئی ایم ایف پروگرام مکمل کرے گی، اور اس پروگرام کے تحت ڈھانچاتی اصلاحات ملک کی پائیدار ترقی کی راہ ہموار کریں گی۔

چیلنجنگ کاروباری ماحول کے باوجود، قیادت کی ٹیم نے اسٹریٹیجک مقاصد پر توجہ مرکوز رکھی اور ملکی اور برآمدی مارکیٹوں میں ترقی کو برقرار رکھا۔ اسی دوران ہم نے محتاط مالی حکمت عملیوں اور مضبوط رسک مینجمنٹ پریکٹسز کو لاگو کیا تاکہ کامیابی سے مشکلات کا سامنا کیا جا سکے۔

بورڈ نے کمپنی کی سمت متعین کرنے، ٹیم کی رہنمائی کرنے، اور مختلف ٹولز کے ذریعے مضبوط رسک مینجمنٹ پریکٹسز قائم کرنے میں اہم کردار ادا کیا، جن میں انٹرپرائز رسک مینجمنٹ کا عمل، اندرونی آڈٹ، بجٹ کا جائزہ اور نتائج کی نگرانی شامل ہیں۔

بورڈ کی مجموعی کارکردگی کا جائزہ

بورڈ مختلف پس منظر اور مہارت رکھنے والے افراد پر مشتمل ہے، جس سے جامع فیصلہ سازی ممکن ہوئی۔ غیر انتظامی اور آزاد ڈائریکٹرز کی فعال شمولیت بورڈ کی مؤثر کارکردگی کا ایک کلیدی پہلو رہا۔ یہ ڈائریکٹرز، جو روزمرہ کی انتظامیہ کا حصہ نہیں ہیں، اہم فیصلوں میں مصروف رہے اور گفتگو میں اہم کردار ادا کیا، جس سے معروضی نکتہ نظر حاصل ہوا۔ انہوں نے کمپنی کے معاملات پر نگاہ رکھتے ہوئے شفافیت اور جوابدہی کو یقینی بنایا۔

بورڈ کمپنی کی مجموعی حکمت عملی اور ویژن کو متعین کرنے میں انتظامیہ کی رہنمائی کرتا ہے۔ بجٹ کو سالانہ طور پر بورڈ سے منظور کیا جاتا ہے۔ بورڈ بجٹ کے خلاف سہ ماہی مالیاتی نتائج کی نگرانی اور منظوری دیتا ہے۔ بورڈ ایک مضبوط گورننس ماحول کے لیے پرعزم ہے اور قانونی تقاضوں پر عملدرآمد کو یقینی بناتا ہے۔ بورڈ کلیدی پالیسیوں کا جائزہ لیتا اور انہیں منظور کرتا ہے۔ بورڈ نے رسک کو مانیٹر اور مینج کرنے کے لیے ایک مضبوط نظام نافذ کیا ہے، جس سے آپریشنز کی دیانت داری کو یقینی بنایا جا سکے۔ بورڈ کمپنی کے پائیداری ایجنڈے کا باقاعدگی سے جائزہ لیتا ہے اور نتائج کی نگرانی کرتا ہے۔

بورڈ کی کمیٹیاں

بورڈ نے دو کمیٹیاں تشکیل دی ہیں، جو قانون کے دائرے میں مؤثر طریقے سے کام کرتی ہیں:

آڈٹ کمیٹی: اس کمیٹی کی سربراہی ایک آزاد ڈائریکٹر کرتے ہیں۔ یہ کمیٹی مالیاتی نتائج، متعلقہ فریقوں کے ساتھ لین دین اور پالیسیوں کا جائزہ

ہنر کی برقراری: ہنر مند ملازمین کو برقرار رکھنا بہت اہم ہے، اور کلیدی عملے کو کھونے سے آپریشنز اور اختراعات میں رکاوٹ پیدا ہو سکتی ہے۔ اس سے نمٹنے کے لیے، کمپنی نے مسابقتی تنخواہوں اور فوائد کے پیکیجز نافذ کیے ہیں، ملازمین کی مصروفیت کے پروگرام متعارف کرائے ہیں، اور کیریئر کی ترقی کے مواقع پیدا کیے ہیں۔ ان اقدامات نے ملازمین کی برقراری کو بہتر بنانے اور ٹرن اوور کی شرح کو کم کرنے میں مدد کی ہے۔

افراط زر کے دباؤ: بڑھتی ہوئی مہنگائی نے آپریشنل اخراجات میں اضافہ کر دیا ہے، جس سے مارجن اور مجموعی مسابقت پر دباؤ پڑ رہا ہے۔ کمپنی نے باقاعدگی سے اپنی قیمتوں کی حکمت عملیوں کا جائزہ لیا اور مہنگائی سے متعلقہ اخراجات میں اضافے کی عکاسی کرنے کے لیے انہیں ایڈجسٹ کیا ہے۔ اس کے علاوہ، آپریشنل کارکردگی کو عمل کو ہموار کرکے اور فضلہ کو کم کرکے بہتر بنایا گیا ہے، جس سے کچھ بڑھتے ہوئے اخراجات کو جذب کرنے میں مدد ملتی ہے۔

آپریشنل اور پروڈکٹ ڈویلپمنٹ کے خطرات: آپریشنل ایکسیلنس اور پروڈکٹ ڈویلپمنٹ میں مسلسل سرمایہ کاری اس وقت خطرناک ہو سکتی ہے جب منصوبے متوقع نتائج حاصل نہ کریں۔ اس خطرے کو کم کرنے کے لیے، کمپنی نے نئے پروڈکٹ ڈویلپمنٹ کے لیے ایک اسٹیج گیٹ عمل لاگو کیا ہے، اس بات کو یقینی بناتے ہوئے کہ صرف اعلیٰ صلاحیت کے حامل منصوبے آگے بڑھیں۔ اس کے علاوہ، کمپنی باقاعدگی سے کارکردگی کے میٹرکس کی نگرانی کرتی ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ آپریشنل ایکسیلنس میں کی جانے والی سرمایہ کاری سے متوقع کارکردگی اور منافع حاصل ہو۔ مستقبل میں، کمپنی تسلیم کرتی ہے کہ چیلنجوں سے نمٹنے کے لیے مزید تکنیکی ترقیات کی ضرورت پڑ سکتی ہے۔ اس لیے، کمپنی نئی ٹیکنالوجی میں سرمایہ کاری پر غور کر رہی ہے تاکہ آپریشنل کارکردگی اور پروڈکٹ کی جدت دونوں کو بڑھایا جا سکے، اس بات کو یقینی بناتے ہوئے کہ ایک ارتقائی مارکیٹ میں مسابقت برقرار رہے۔

شیئر ہولڈنگ کا موازنہ

کمپنی کے شیئر ہولڈنگ کے نمونے کی تفصیل 30 جون 2024 تک سالانہ رپورٹ کے صفحہ 266 پر ظاہر کی گئی ہے۔

شکریہ

بورڈ اپنے معزز صارفین، ریگولیٹرز، بینکاروں اور کمپنی اور اس کی ذیلی کمپنیوں کے دیگر اسٹیک ہولڈرز کا ان کے تعاون اور حمایت کے لیے تہہ دل سے شکریہ ادا کرتا ہے۔ بورڈ گروپ بھر میں مینجمنٹ اور تمام ملازمین کی محنت اور لگن کی بھی دلی طور پر قدر کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

نوید گوڈیل
چیف ایگزیکٹو آفیسر

سعد امان اللہ خان
ڈائریکٹر

10 ستمبر 2024

مینجمنٹ انفارمیشن سسٹم

ہمیں یہ اعلان کرتے ہوئے بے حد خوشی ہو رہی ہے کہ ہم نے اپنے تمام کاروباری شعبوں میں SAP ERP، S/4HANA سسٹم کو کامیابی کے ساتھ نافذ کر دیا ہے، جو ہماری ڈیجیٹل تبدیلی کے عمل میں ایک اہم سنگ میل ہے۔ یہ جدید ترین ٹیکنالوجی ہمارے آپریشنل عمل میں S/4HANA کی جدید خصوصیات سے فائدہ اٹھا کر، ہم آٹومیشن، عمل کی بہتری اور حقیقی وقت میں بصیرت حاصل کرنے میں زبردست کامیابیاں حاصل کرنے کی توقع رکھتے ہیں، جو بالآخر پیداواری صلاحیت میں اضافے، لاگتوں میں کمی، اور مسابقت کو بہتر بنانے میں مدد فراہم کرے گا۔ یہ کامیابی ہماری جدت کو اپنانے اور ٹیکنالوجی کی طاقت کو کاروباری ترقی کے فروغ کے لیے استعمال کرنے کے عزم کو اجاگر کرتی ہے، اور ہم آنے والے مہینوں میں اس مضبوط نظام کی پوری صلاحیت کو کھولنے کے لیے پرعزم ہیں۔ چستی، شفافیت اور اسٹریٹیجک فیصلہ سازی کی صلاحیتوں کو نمایاں طور پر بڑھانے کے لیے تیار ہے۔

کارپوریٹ سوشل رسپانسبلیٹی (CSR)

آئی پیک میں کارپوریٹ سوشل رسپانسبلیٹی پروگرام کے تحت، ہم نے خصوصی افراد کے لیے ملازمت کے مواقع فراہم کرنے کے لیے مختلف تنظیموں کے ساتھ تعاون کیا ہے تاکہ وہ اپنے خاندانوں کی کفالت کر سکیں۔

کمپنی مختلف فلاحی، تعلیمی اور طبی تنظیموں کو عطیات کے ذریعے مالی معاونت فراہم کرتی ہے۔ سال کے دوران کمپنی نے19.19 ملین روپے کی مالی امداد فراہم کی۔

ماحولیاتی پائیداری کے اقدامات

ماحولیات سے متعلق پائیداری کے خطرات کو مؤثر طریقے سے منظم کرنے کے لیے، کمپنی کئی اہم شعبوں پر توجہ مرکوز کرتی ہے۔ ان میں کاربن فوٹ پرنٹ' کو کم کرنا اور ماحول پر منفی اثرات کو کم کرنے کے لیے 'گرین انرجی' کے استعمال کو فروغ دینا شامل ہے۔ مؤثر 'وسائل کا انتظام' اور ذمہ دارانہ 'پانی کا انتظام' طویل مدتی پائیداری کو یقینی بنانے کے لیے ترجیحی بنیادوں پر اپنایا گیا ہے۔ کمپنی 'سرکلر اکانومی' ماڈل کو اپنانے پر زور دیتی ہے تاکہ فضلہ کو کم سے کم کیا جا سکے، اس کے ساتھ ساتھ 'عملی شانداری' کو حاصل کرنے کے لیے عمل کو بہتر بنایا جائے۔ 'پروڈکٹ ڈویلپمنٹ' میں، ماحول دوست اور پائیدار مصنوعات تیار کرنے پر توجہ مرکوز کی جاتی ہے، جب کہ 'پائیدار مارکیٹنگ' کمپنی کی قدروں اور طریقوں کو شفاف طریقے سے بات چیت کرتی ہے، جو ماحولیاتی اہداف اور صارفین کی توقعات کے مطابق ہوتی ہے۔

بعد کے واقعات

30 جون 2024 کو ختم ہونے والے مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں۔

کمپنی کے شیئرز میں لین دین

قانون اور ضوابط کے تحت اپنی رپورٹنگ کی ذمہ داریوں کو پورا کرنے کے لیے، کمپنی اپنے ڈائریکٹرز، بڑے شیئر ہولڈرز اور ایگزیکٹوز کی طرف سے، خواہ براہ راست ہو یا شریک حیات اور نابالغ بچوں کے ذریعے، کمپنی کے شیئرز میں ہونے والے لین دین پر کڑی نظر رکھتی ہے۔ کمپنی کے تمام کلیدی افسران جو براہ راست چیف ایگزیکٹو کو رپورٹ کرتے ہیں انہیں ایگزیکٹو کے طور پر نامزد کیا گیا ہے۔

اہم خطرات اور غیر یقینی صورتحال

خام مال کی قیمتوں میں عدم استحکام: کمپنی پٹرولیم پر مبنی خام مال، جیسے پولیمرز کی قیمتوں میں اتار چڑھاؤ کے خطرے سے دوچار ہے۔ اس خطرے کو کم کرنے کے لیے، کمپنی کئی سپلائرز کے ساتھ طویل مدتی معاہدوں اور فوری خریداری کا امتزاج اختیار کرتی ہے۔ کمپنی قیمتوں میں تبدیلیوں کو متاثر کرنے والے عوامل کی قریبی نگرانی کرتی ہے تاکہ مناسب قیمتوں پر بروقت انوینٹری کی خریداری کے فیصلے کیے جا سکیں۔ اس کے علاوہ، کمپنی مناسب انوینٹری کی سطح کو برقرار رکھتی ہے، ایک موثر لاگت کا طریقہ کار لاگو کرتی ہے، اور جہاں تک ممکن ہو قیمتوں میں اضافے کو جذب کرنے کے لیے فروخت کی قیمتوں میں مناسب ردوبدل کرتی ہے۔

کرنسی کے تبادلے کا خطرہ: مقامی کرنسی کی قدر میں کمی سے درآمد شدہ خام مال کی قیمت میں اضافہ ہوتا ہے، جو منافع کے مارجن کو کم کر سکتا ہے۔ اس خطرے کو کم کرنے کے لیے، کمپنی اپنی برآمدات کو بڑھا رہی ہے تاکہ غیر مستحکم شرح مبادلہ کے خلاف قدرتی تحفظ فراہم کیا جا سکے۔ اس کے علاوہ، کمپنی نے اپنی خریداری کو مختلف کرنسیوں میں کرنے والے سپلائرز تک متنوع کر دیا ہے اور غیر ملکی واجبات کو جزوی طور پر کم کرنے کے لیے فوری اور مؤخر ادائیگی کے امتزاج کے ذریعے انوینٹری خریدتی ہے۔ تاہم، یہ نوٹ کرنا ضروری ہے کہ یہ خطرہ مکمل طور پر ختم نہیں ہوا، اور کرنسی کی نمایاں قدر میں کمی کے نتیجے میں پھر بھی زر مبادلہ میں نقصانات ہو سکتے ہیں۔

سپلائی چین میں رکاوٹیں: جغرافیائی سیاسی عدم استحکام، خاص طور پر سمندری راستوں کو متاثر کرنے والا، خام مال کی ترسیل میں تاخیر کے خطرے کا باعث بنتا ہے، جس سے پیداوار کا شیڈول متاثر ہو سکتا ہے۔ یہ خطرہ اس گروپ کی خام مال کی ضروریات میں نمایاں اضافے کی وجہ سے مزید شدت اختیار کر گیا ہے، جو %200-150 تک بڑھ گئی ہیں۔ اس خطرے کو کم کرنے کے لیے، کمپنی نے مختلف جغرافیائی علاقوں میں سپلائرز کے ساتھ خریداری کے انتظامات کیے ہیں اور اپنے لاجسٹک شراکت داروں کو وسعت دی ہے، جس سے لچک میں اضافہ ہوا ہے۔ اس کے علاوہ، کمپنی نے تاخیر کے خطرے کو کم کرنے اور کمزور سمندری راستوں پر انحصار کو کم کرنے کے لیے انوینٹری کے اضافی ذخائر قائم کیے ہیں۔ سپلائی چین کے استحکام کو مزید مضبوط بنانے کے لیے نئے سپلائرز کے ساتھ مزید طویل مدتی معاہدے حاصل کرنے کے منصوبے بھی جاری ہیں۔

کیش فلو کے خدشات: نئی ذیلی کمپنیوں میں سرمایہ کاری نے کمپنی کے نقد بہاؤ پر دباؤ ڈالا ہے۔ اس کو منظم کرنے کے لیے، کمپنی نے اپنے ورکنگ کیپیٹل کے انتظام کو بہتر بنایا ہے، کیش فلو کی پیش گوئی کو بہتر بنایا ہے، اور لیکویڈیٹی کو یقینی بنانے کے لیے اضافی مالیاتی آپشنز حاصل کیے ہیں۔ سرمایہ کاری کو ترجیح دی گئی ہے تاکہ ذیلی کمپنیوں کی ترقی اور آپریشنل ضروریات کے درمیان توازن پیدا کیا جا سکے۔

مارکیٹ میں توسیع کے چیلنجز: نئی برآمدی منڈیوں میں توسیع سے ریگولیٹری پیچیدگیوں، مقامی مسابقت، اور تقسیم کے نیٹ ورکس کے قیام جیسے چیلنجز پیدا ہوتے ہیں۔ اس سے نمٹنے کے لیے، کمپنی نے اسٹریٹیجک شراکتیں قائم کی ہیں اور مقامی تقاضوں کو پورا کرنے کے لیے مصنوعات کو اپنی مرضی کے مطابق بنایا ہے، اس بات کو یقینی بناتے ہوئے کہ مارکیٹ میں داخلے سے پہلے تمام ریگولیٹری تقاضے پورے کیے جائیں۔ اگرچہ برآمدات عام طور پر کم مارجن فراہم کرتی ہیں، کمپنی آپریشنل کارکردگی اور مضبوط مالیاتی منصوبہ بندی کے ذریعے اس اثر کو کم کرنے پر توجہ مرکوز کر رہی ہے۔ اس کے علاوہ، ایک نقد مثبت حکمت عملی کو اپنانے اور بڑھتے ہوئے حجم پر مقررہ اخراجات کو پھیلانے کے ذریعے، کمپنی منافع کو برقرار رکھنے اور پائیدار ترقی کو سپورٹ کرنے کی کوشش کرتی ہے۔

بنیادی سرگرمی اور کاروبار کی نوعیت میں تبدیلیاں

کمپنی بنیادی طور پر لچکدار پیکیجنگ مواد کی تیاری اور فروخت میں مصروف ہے، جو بنیادی طور پر بی او پی پی (بائی ایکسیلی-اورینٹڈ پولی پروپیلین) فلموں اور متعلقہ مصنوعات پر مشتمل ہے۔ سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔

قومی خزانے میں حصہ

کمپنی کی جانب سے سال کے دوران حکومت کو ادا کیے گئے انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر حکومتی محصولات کی مجموعی رقم 3,947 ملین پاکستانی روپے رہی۔

انسانی وسائل کا انتظام اور ملازمین کے ساتھ تعلقات

(DE&I): تنوع، مساوات، اور شمولیت

جیت کی زبان'' اقدام''

کے فریم ورک کے تحت، آئی پی اے کے نے ''جیت کی زبان'' اقدام کامیابی سے شروع کیا، جس کا مقصد سماعت سے محروم افراد کو DE&I بااختیار بنانا ہے۔ اس پروگرام کے ذریعے، آئی پی اے کے نے سماعت سے محروم ملازمین کو اپنی ورک فورس میں شامل کیا، جس سے ایک جامع اور معاون ماحول کی تشکیل ہوئی۔

صنفی تنوع

سے، آئی پی اے کے نے ادارے میں صنفی تنوع کو بہتر بنانے کو ترجیح دی ہے۔ اس کوشش کے نتیجے میں خواتین کی نمائندگی میں 2023 نمایاں اور مثبت اضافہ ہوا ہے، جو ایک جامع ورک فورس کے لیے کمپنی کے عزم کی عکاسی کرتا ہے۔

جغرافیائی اور نسلی تنوع

آئی پی اے کے ملک بھر کے تمام صوبوں اور شہروں سے ٹیلنٹ کی بھرتی کے ذریعے جغرافیائی تنوع کو فروغ دینے کے لیے وقف ہے۔ پنجاب اور سندھ میں دفاتر کے ساتھ، آئی پی اے کے فخر کے ساتھ خیبر پختونخوا، بلوچستان، اور کشمیر سمیت مختلف علاقوں کے افراد کو ملازمت دیتا ہے۔ مختلف نسلوں کے تنوع کو اپنانے سے آئی پی اے کے کا یقین ہے کہ مختلف نقطہ نظر جدت کو فروغ دیتے ہیں اور ادارے کی ثقافت کو مضبوط کرتے ہیں۔ یہ جامع نقطہ نظر کمپنی کو علاقائی ضروریات کو بہتر طور پر سمجھنے اور گاہکوں کو زیادہ گہرائی کے ساتھ خدمات فراہم کرنے کے قابل بناتا ہے۔ آئی پی اے کے میں تنوع کو ایک اہم طاقت کے طور پر تسلیم کیا جاتا ہے جو اتحاد کو فروغ دیتا ہے اور کامیابی کو آگے بڑھاتا ہے۔

لیڈرشپ اور ملازمین کی ترقی

لیڈرشپ کو فروغ دینے اور ملازمین کی مہارتوں کو بڑھانے کے لیے، آئی پی اے کے نے 2024-2026 کے لیے ایک جامع تربیتی کیلنڈر تیار کیا ہے۔ اس پروگرام میں متعدد تربیتی مواقع شامل ہیں، جیسے ''مستقبل کے لیڈرز کی ترقی''، ''ٹیم ورک''، اور ''بحران میں بقا اور ترقی''۔ اس کا مقصد قیادت کو پروان چڑھانا اور تعاون کو فروغ دینا ہے۔

نوجوانوں کی شمولیت

LEAP پروگرام

آئی پی اے کے نوجوان ٹیلنٹ کو پروان چڑھانے اور پیشہ ورانہ ترقی کے راستے فراہم کرنے کے لیے گہری وابستگی رکھتا ہے۔ لیڈرشپ ایکسپلوریشن اینڈ ایکسیلریشن پروگرام (LEAP) ایک جامع ٹرینی پروگرام ہے، جو انجینئرنگ، مینجمنٹ، اپرنٹس شپ، اور ایسوسی ایٹ انجینئرنگ جیسے شعبوں میں اگلی نسل کے لیڈرز کو تیار کرنے اور ان کے کیریئر کے آغاز کے لیے بنایا گیا ہے۔

جاب فیئرز اور بھرتی مہمات

میں جاب فیئرز اور بھرتی مہمات میں فعال TEVTA اور GCT، UET، UCP، LUMS آ ئی پی اے کے معروف اداروں جیسے طور پر حصہ لیتا ہے۔ یہ اقدامات نوجوان پیشہ ور افراد کے لیے قیمتی مواقع پیدا کرتے ہیں اور نوجوانوں کی شمولیت کو فروغ دینے میں آئی پی اے کے کے کردار کو مزید مستحکم کرتے ہیں

ورک پلیس کلچر اور ملازمین کی فلاح و بہبود

آئی پی اے کے مختلف اقدامات اور سرگرمیوں کے ذریعے ایک مثبت اور تعاون پر مبنی کام کی جگہ کا کلچر بنانے کے لیے پرعزم ہے۔ ان میں افطار ڈنر، خواتین کے دن کی تقریبات، ملازمین کے صحت کے سیمینارز، سالانہ ڈنر، سالگرہ کی تقریبات اور ملازمین کو تسلیم کرنے کے پروگرام شامل ہیں۔ یہ کوششیں اس بات کو یقینی بناتی ہیں کہ ملازمین کو قابل قدر، معاونت یافتہ اور متحرک محسوس ہو، جس سے مجموعی فلاح و بہبود کو فروغ ملتا ہے اور ادارے کے اندر ایک مضبوط کمیونٹی کا احساس پیدا ہوتا ہے۔

عرب امارات میں اپنی ذیلی کمپنی، آئی پیک کنیکٹ، قائم کی ہے۔ بڑھتے ہوئے حجم سے آپریٹنگ استعداد میں بہتری اور ہم آہنگی پیدا ہونے کی توقع ہے، جو منافع پر مثبت اثر ڈالے گی۔ ممکنہ معاشی غیر یقینی صورتحال کے باوجود، ملک کے اندر اور عالمی سطح پر، ہم اپنی ترقی کے مقاصد حاصل کرنے کے لیے اچھی پوزیشن میں ہیں۔

بورڈ اور بورڈ کی کمیٹیوں کے ارکان کے نام

بورڈ کی کمیٹیوں کے ارکان کا ذکر کوڈ آف کارپوریٹ گورننس کے مطابق بیان میں کیا گیا ہے جو سالانہ رپورٹ کے صفحہ نمبر 95 پر موجود ہے۔

فی حصص آمدنی

	2023	2024
	(PKR میں)	
منفرد	3.58	1.79
مشترکہ	3.54	(0.06)

منافع کی تقسیم

سال کا بعد از ٹیکس خالص منافع جو کہ 1138 ملین روپے ہے ، کو ریونیو ریزرو (غیر مختص شدہ منافع) میں منتقل کیا گیا ہے۔ اگرچہ کمپنی نے اس سال منافع حاصل کیا ہے، ہم ورکنگ کیپیٹل کی ضروریات پوری کرنے اور سرمایہ جاتی وعدوں کو پورا کرنے کے لیے نقد رقم محفوظ کر رہے ہیں۔ اس سے یہ یقینی بنایا جائے گا کہ ہمارے پاس آپریشنز کو مؤثر طریقے سے چلانے، ترقیاتی مواقع میں سرمایہ کاری کرنے اور مالی ذمہ داریوں کو پورا کرنے کے لیے کافی فنڈز موجود ہوں

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی بہترین کارپوریٹ گورننس کے معیارات پر عمل پیرا ہونے کے لیے پرعزم ہے۔ ڈائریکٹرز کو یہ بیان کرتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی سیکیورٹیز اینڈ ایکسچینجز کمیشن آف پاکستان اور متعلقہ اسٹاک ایکسچینج لسٹنگ ضوابط کے تقاضوں کے مطابق، کوڈ آف کارپوریٹ گورننس کی دفعات کی پابند ہے۔

ڈائریکٹرز کی تصدیق

ا۔ کمپنی کے مالیاتی گوشوارے، جو کہ کمپنی کے انتظامیہ کے ذریعہ تیار کیے گئے ہیں، اس کے مالیاتی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی درست عکاسی کرتے ہیں۔

ب - کمپنی کے مناسب کھاتوں کی کتابیں برقرار رکھی گئی ہیں۔

پ - مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے اور کمپنی کے اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلے پر مبنی ہیں۔

ت-پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات اور کمپنیز ایکٹ 2017 کے تقاضوں کی مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے؛ اور کسی بھی انحراف کو مناسب طریقے سے ظاہر اور وضاحت کی گئی ہے۔

ث- کمپنی کا داخلی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

ج - کمپنی کی جاری رہنے کی صلاحیت کے بارے میں کوئی اہم شکوک و شبہات نہیں ہیں۔

چ -کایک خطرہ مینجمنٹ فریم ورک موجود ہے، بورڈ کمپنی کے کلیدی کاروباری خطرات کا وقتاً فوقتاً جائزہ لیتا ہے۔

ح ـکارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف قابل اطلاق قوانین کے مطابق نہیں ہوا ہے۔

اندرونی مالیاتی کنٹرولز

کمپنی ایک مضبوط اندرونی کنٹرولز کا فریم ورک برقرار رکھتی ہے، جو کہ جامع مالیاتی کنٹرول کے ہدایتی دستاویزات پر مبنی ہے جن کا باقاعدگی سے جائزہ لیا جاتا ہے اور اپ ڈیٹ کیا جاتا ہے۔ یہ دستاویزات ہر شعبے کے لحاظ سے عمل کے تفصیلی بہاؤ فراہم کرتی ہیں، جن میں ہر سرگرمی کے لیے مخصوص کنٹرولز کو بیان کیا جاتا ہے اور قانونی اور عملیاتی ضروریات کی پیروی کو یقینی بنایا جاتا ہے۔

ہمارا اندرونی کنٹرول کا نظام بہتر طور پر ڈیزائن کیا گیا ہے، مؤثر طریقے سے نافذ کیا گیا ہے، اور مالیاتی رپورٹنگ کی درستگی اور اعتماد کو یقینی بنانے کے لیے سختی سے نگرانی کی جاتی ہے۔ اندرونی آڈٹ اور دیگر نگرانی کے طریقہ کار کے ساتھ ساتھ، اندرونی کنٹرول فریم ورک کا مسلسل جائزہ لیا جاتا ہے اور اسے بہتر بنانے کے لیے مسلسل اصلاحات کی جاتی ہیں۔

ہمارے معیار کی مسلسل بہتری کے عزم کے تحت، ہم اپنے اندرونی کنٹرولز کا مسلسل جائزہ لیتے رہیں گے اور انہیں مزید مضبوط کریں گے، تاکہ ہماری گورننس اور رسک مینجمنٹ کے طریقہ کار کو مزید بہتر کیا جا سکے۔

غیر ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی اور ڈائریکٹرز کے معاوضے کی تفصیلات

کمپنی کے بورڈ اور کمیٹی اجلاسوں میں شرکت کے لیے غیر ایگزیکٹو، بشمول آزاد ڈائریکٹرز کی فیس کا تعین بورڈ آف ڈائریکٹرز کرتا ہے۔ سال 2024 کے دوران چیف ایگزیکٹو آفیسر اور غیر ایگزیکٹو ڈائریکٹرز کو ادا کی گئی معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹ 43 میں بیان کی گئی ہیں۔

بیرونی آڈیٹرز

مسٹرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے سال 30 جون 2024 کو ختم ہونے والے سال کے لیے اپنا کام مکمل کر لیا ہے اور آنے والی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ وہ دوبارہ تقرری کے اہل ہیں اور انہوں نے 30 جون 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی پیشکش کی ہے، جس کی فیس باہمی طور پر طے کی جائے گی۔

ڈائریکٹرز رپورٹ ۲۰۲۴

انٹرنیشنل پیکیجنگ فلمز لمیٹڈ (آئی پی اے کے) کے ڈائریکٹرز آپ کی کمپنی کی سالانہ رپورٹ اور سال 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے اسٹینڈ الون اور کنسولیڈیٹڈ آڈیٹڈ فنانشل اسٹیٹمنٹس پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پی ایس ایکس پر لسٹنگ

ہم اپنے معزز شیئر ہولڈرز کو کمپنی کے شیئرز کی پاکستان اسٹاک ایکسچینج (پی ایس ایکس) پر کامیاب لسٹنگ پر مبارکباد پیش کرتے ہیں۔ سرمایہ کاروں کی جانب سے زبردست ردعمل ہماری مضبوط مالی بنیاد اور روشن مستقبل کے امکانات کا واضح ثبوت ہے۔

معاشی جائزہ

پاکستان کی معیشت نے پچھلے سال کی کمی کے بعد بحالی کا عمل شروع کیا اور زرعی ترقی کی بدولت 2.4% جی ڈی پی کی شرح نمو حاصل کی۔ مہنگائی میں کمی اور کرنٹ اکاؤنٹ بیلنس میں بہتری نے شرح مبادلہ کو مستحکم کرنے میں مدد کی۔ پاکستان اسٹاک ایکسچینج نے اس عرصے کے دوران اچھی کارکردگی کا مظاہرہ کیا۔ ہمیں توقع ہے کہ حکومت جلد ہی نئے آئی ایم ایف قرض کو کامیابی سے مکمل کرے گی اور طویل مدتی مستحکم ترقی کے لیے ڈھانچہ جاتی اصلاحات کو نافذ کرے گی۔

مالیاتی کارکردگی کا جائزہ

	2023	2024
	(PKR ملینز میں)	
سیلز	16,618	17,089
گروس پرافٹ	4,532	3,892
آپریٹنگ پرافٹ	3,823	3,273
فنانشل کاسٹ	633	1,527
ٹیکس کے بعد نیٹ پرافٹ	2,082	1,138

موجودہ مدت کی مالیاتی کارکردگی کمپنی کو درپیش طاقتوں اور چیلنجوں دونوں کی عکاسی کرتی ہے۔

سیلز 16,618 ملین روپے سے بڑھ کر 17,089 ملین روپے تک پہنچ گئی۔ سیلز میں اضافہ 11.7% حجم کی ترقی کی وجہ سے ہوا۔ پچھلے سال کے مقابلے میں اوسط قیمت فروخت کے مکس اور زیادہ برآمدات کی وجہ سے کم رہی۔

سال کا مجموعی منافع 3,892 ملین روپے رہا، جو کہ سیلز کا 23% بنتا ہے، اگرچہ یہ پچھلے سال کے مقابلے میں کم تھا۔ پچھلے سال کا زیادہ مجموعی منافع زیادہ سٹاک کی بدولت حاصل شدہ انوینٹری گین کی وجہ سے تھا، جو سپلائی چین میں خلل کو کم کرنے کے لیے رکھا گیا تھا۔

کم مجموعی منافع کے اثرات کو آپریٹنگ اخراجات پر سخت کنٹرول کے ذریعے کم کیا گیا، حالانکہ مہنگائی کا دباؤ موجود رہا۔ اس کے علاوہ، دیگر آمدنی میں اضافے نے بھی اس عمل میں مدد فراہم کی۔ مالیاتی اخراجات میں اضافہ ہوا کیونکہ توسیع کے لیے مزید قرضے لیے گئے اور اس دوران شرح سود بھی زیادہ رہی۔ ٹیکس کے بعد 6.6% منافع ایک چیلنجنگ ماحول کے باوجود ایک بہترین کامیابی ہے۔ کمپنی اپنے آپریٹنگ سرگرمیوں سے مسلسل مضبوط نقد بہاؤ پیدا کرتی رہتی ہے

مشترکہ نتائج

	2023	2024
	(PKR ملینز میں)	
سیلز	19,890	22,835
گروس پرافٹ	5,481	4,496
آپریٹنگ پرافٹ	3,936	3,577
فنانشل کاسٹ	753	1,815
ٹیکس کے بعد نیٹ پرافٹ	1,888	(703)

مشترکہ مالیاتی گوشوارے بنیادی طور پر ہولڈنگ کمپنی کے نتائج سے چلتے ہیں، جو گروپ کی کل مجموعی آمدنی کا 75% حصہ ہیں۔ تین میں سے ایک ذیلی کمپنی، کاسٹ پیکیجنگ فلمز (پرائیویٹ) لمیٹڈ، جو تقریباً مکمل پیداواری صلاحیت کے ساتھ کام کر رہی ہے، مسلسل اچھی کارکردگی کا مظاہرہ کر رہی ہے۔ اس دوران، دیگر دو ذیلی کمپنیاں، پیٹ پیک فلمز (پرائیویٹ) لمیٹڈ (PPAK) اور گلوبل پیکیجنگ فلمز (پرائیویٹ) لمیٹڈ (GPAK)، جنہوں نے حال ہی میں اپنی تجارتی پیداوار شروع کی ہے، اپنی آمدنی کے سفر کے ابتدائی مراحل میں ہیں۔ ان ذیلی کمپنیوں کے پاس بڑی پیداواری صلاحیتیں ہیں، جو آئندہ ادوار میں نمایاں ترقی کو آگے بڑھانے کی صلاحیت رکھتی ہیں۔

ٹیکس کے بعد خالص نقصان بنیادی طور پر موخر شدہ ٹیکس چارج کی وجہ سے تھا، جو کہ ہماری دو ذیلی کمپنیوں ٹیکس کے بعد خالص نقصان بنیادی طور پر موخر شدہ ٹیکس چارج کی وجہ سے تھا، جو کہ ہماری دو ذیلی کمپنیوں گلوبل پیکیجنگ فلمز (پرائیویٹ) لمیٹڈ اور پیٹ پیک فلمز (پرائیویٹ) لمیٹڈ کی سرمایہ کاری سے پیدا ہوا۔ اس کے نتیجے میں1,850 ملین روپے کی موخر شدہ ٹیکس کی ذمہ داری سامنے آئی۔ اس غیر نقدی چارج کو نکال کر، ٹیکس کے بعد مجموعی منافع 1,148 ملین روپے ہوتا۔ کمپنی پُر اعتماد ہے کہ یہ سرمایہ کاری پائیدار ترقی اور طویل مدتی منافعیت کا باعث بنے گی۔

مستقبل کا منظر نامہ

کمپنی نے اپنی ذیلی کمپنیوں میں نمایاں سرمایہ کاری کی ہے، جو حال ہی میں آپریشنل ہو چکی ہیں اور ان سے قابل ذکر ترقی اور منافع کی توقع کی جا رہی ہے۔ کمپنی اور اس کی ذیلی کمپنیاں اب لچکدار پیکیجنگ فلموں کی مکمل رینج پیش کرتی ہیں، جو ملک کے اندر مزید حجم میں اضافے کا باعث بنے گی۔

کمپنی فعال طور پر اپنی برآمدات کو بڑھا رہی ہے اور نئے بازاروں اور گاہکوں کو ہدف بنا رہی ہے۔ برآمدات میں اضافے کے لیے، کمپنی نے متحدہ

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