



INTERNATIONAL PACKAGING FILMS LIMITED



Bridging Innovation

HALF YEARLY REPORT
DECEMBER 2024

An aerial photograph of a long, straight bridge spanning a wide river. The bridge has multiple lanes and a single car is visible on it. The river is dark and calm, reflecting the sky. The banks are covered in dense green trees and vegetation. The overall scene is peaceful and scenic.

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.



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Company Information

Board of Directors

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

Chairman
Chief Executive Officer
Independent Director
Independent Director
Non- Executive Director
Non- Executive Director
Non- Executive Director
Non- Executive Director
Non- Executive Director
Non- Executive Director

Chief Executive Officer

Mr. Naveed Godil

Audit Committee

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

Chairman
Member
Member

Human Resource and Remuneration (HR&R) Committee

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

Chairman
Member
Member

Executive Management Team

Mr. Naveed Godil
Mr. Mohsin Anwer
Mr. Muhammad Arif Malik
Mr. Muhammad Kamran Khan
Mr. Muhammad Asadullah Butt
Mr. Syed Athar Bukhari
Mr. Muhammad Adnan Saleem
Mr. Khalid Mahmood

Chairman
Group Chief Financial Officer
Group Director (Technical & Projects)
Group Director (Production Operations)
Group Head Research & Development
Group Head HR & Admin
Head of Commercial
Group Head Sales & Marketing

Chief Financial Officer

Mr. Mohsin Anwer

Company Secretary

Mr. Fahad Alam

Head of Internal Audit

Mr. Muhammad Shahid

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@cdcsrcsl.com

Website

<https://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

MCB Bank Limited

United Bank Limited

Corporate Governance



Directors' Review Report

For the half year ended December 31, 2024

The Directors are pleased to submit their review report, together with the unaudited condensed interim financial statements (both standalone & consolidated) for the half year ended December 31, 2024.

Financial Performance

| | Standalone | | Consolidated | |
|-------------------------------------|--------------------------------|-------|--------------|--------|
| | Half year ended 31st December, | | | |
| | 2024 | 2023 | 2024 | 2023 |
| | ←-----PKR in millions-----→ | | | |
| Sales | 6,124 | 8,223 | 16,250 | 10,084 |
| Gross Profit | 835 | 2,060 | 2,117 | 2,486 |
| Operating Profit | 793 | 1,662 | 1,618 | 2,012 |
| Finance Costs | (738) | (707) | (1,153) | (812) |
| Profit before levies and income tax | 55 | 955 | 465 | 1,201 |
| Net profit for the period | 55 | 582 | 309 | 820 |
| Profit attributable to: | | | | |
| - Holding Company (IPAK) | | | 568 | 858 |
| - Minority shareholders of PPAK | | | (258) | (38) |
| Earning per share (in PKR) | 0.08 | 0.92 | 0.81 | 1.36 |

For the half-year ended December 31, 2024, IPAK Group, in line with its strategic growth plans, continued its upward trajectory, achieving an impressive 61.2% increase in sales, reflecting over PKR 6 billion growth compared to the same period last year. This significant expansion was primarily driven by the two newly established production facilities under its subsidiaries: Global Packaging Films (Private) Limited (GPAK), a wholly owned subsidiary manufacturing BOPP Films, and Petpak Films (Private) Limited (PPAK), a 52% owned subsidiary producing BoPET Films. Meanwhile, Cast Packaging Films (Private) Limited (CPAK), another wholly owned subsidiary manufacturing CPP Films, maintained its strong market position, delivering stable sales and consistent net profitability. Group profitability faced challenges due to PPAK's start-up costs. PPAK operations are now running smoothly, and there has been a significant increase in volumes. With an improving market outlook, it is poised for better performance in the coming periods. The Group remains focused on driving sales growth, leveraging its diversified portfolio and operational excellence to drive long-term value creation.

On a standalone basis, during the half-year ended December 31, 2024, IPAK sales volumes are fairly consistent with the same period last year. However, as highlighted in the previous reporting period, the value of sales has been impacted due to a larger proportion of exports. Exports have relatively lower margins. This initiative is in line with the overall group strategy to maximize sales growth and operational efficiencies, which are evident in Group results for the period.

During the half-year ended December 31, 2024, finance costs remain high, primarily due to the financing of working capital requirements for the newly established subsidiaries. As these operations continue to stabilize and internal cash flows from operations build up, the reliance on external financing is expected to gradually decrease. Additionally, the ongoing decline in interest rates will further ease financial costs, contributing positively to the Group's overall profitability in the coming periods.

Future Outlook

The successful expansion of our newly commissioned subsidiaries continues to strengthen our foundation for growth. Our focus remains on driving sales growth in both domestic and export markets. We are committed to the strategic utilization of group-wide capacities and advanced technologies to maximize synergies, ensuring enhanced operational efficiency and financial performance. IPAK remains the only Group in the country offering all three major packaging film variants, a well-established competitive advantage that continues to broaden our customer base and reinforce our industry leadership.

Our commitment to innovation and continuous improvement remains unwavering, allowing us to capitalize on new opportunities while effectively managing risks. We deeply appreciate the continued trust and support of our stakeholders as we diligently work toward sustainable growth and long-term profitability. Our focus remains on building a resilient and adaptable business model that delivers consistent value to both our customers and investors.

For and on behalf of the Board of Directors



Naveed Godil

Chief Executive Officer

February 25, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF INTERNATIONAL PACKAGING FILMS LIMITED****REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of International Packaging Films Limited as at December 31, 2024 and the related unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The comparative information for the six-month period ended December 31, 2023 has not been audited or reviewed.

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



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 27, 2025

UDIN: RR202410611YfSR0sAXh

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024



INTERNATIONAL PACKAGING FILMS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 4,602,398 | 4,706,987 |
| Right-of-use assets | | 10,509 | 12,247 |
| Intangible assets | | 55,492 | 54,380 |
| Long-term investments - subsidiaries | 5 | 14,428,656 | 13,853,022 |
| Long-term loans | | 16,502 | 22,262 |
| Long-term deposits | | 64,166 | 52,671 |
| | | 19,177,723 | 18,701,569 |
| CURRENT ASSETS | | | |
| Stores, spares and consumables | | 405,185 | 291,403 |
| Stock-in-trade | 6 | 1,829,279 | 2,357,955 |
| Trade receivables | | 1,916,194 | 3,431,798 |
| Loans and advances | | 373,571 | 221,336 |
| Trade deposits and short-term prepayments | | 41,610 | 15,294 |
| Other receivables | 7 | 2,125,064 | 157,076 |
| Sales tax refundable | | 206,017 | - |
| Loan to subsidiaries | | 2,776,040 | 2,374,865 |
| Cash and bank balances | | 167,357 | 80,752 |
| | | 9,840,317 | 8,930,479 |
| TOTAL ASSETS | | 29,018,040 | 27,632,048 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | | |
| Issued, subscribed and paid-up capital | | 7,002,000 | 7,002,000 |
| Capital reserves | | | |
| Share premium | | 2,470,722 | 2,470,722 |
| Reserve for investment in subsidiaries | | 3,259,000 | 3,259,000 |
| Revaluation surplus on property, plant and equipment | | 1,499,694 | 1,555,685 |
| Revenue reserve | | | |
| Unappropriated profit | | 1,370,782 | 1,259,985 |
| TOTAL SHAREHOLDERS' EQUITY | | 15,602,198 | 15,547,392 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing - secured | 8 | 1,409,200 | 1,701,622 |
| Deferred income - government grant | | - | 7,714 |
| Deferred taxation - net | | 1,200,361 | 1,242,928 |
| Staff retirement benefits | | 183,261 | 153,093 |
| Lease liabilities | | 5,685 | 11,164 |
| | | 2,798,507 | 3,116,521 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 3,012,948 | 3,468,182 |
| Contract liabilities | | 216,170 | 172,076 |
| Short-term borrowings - secured | 10 | 6,271,830 | 4,185,917 |
| Current portion of long-term financing - secured | 8 | 711,715 | 523,622 |
| Current portion of deferred income - government grant | | - | 352 |
| Current portion of lease liabilities | | 9,959 | 7,471 |
| Sales tax payable | | - | 38,788 |
| Taxation - net | | 104,674 | 387,139 |
| Accrued mark-up | | 290,039 | 184,588 |
| | | 10,617,335 | 8,968,135 |
| TOTAL LIABILITIES | | 13,415,842 | 12,084,656 |
| CONTINGENCIES AND COMMITMENTS | 11 | | |
| TOTAL EQUITY AND LIABILITIES | | 29,018,040 | 27,632,048 |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.


Naveed Godil
 Chief Executive Officer


Saad Amanullah Khan
 Director & Chairman
 Board Audit Committee



Mohsin Anwer
 Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | | Half year ended | | Quarter ended | |
|--|----|----------------------|------------------------------------|----------------------|------------------------------------|
| | | December 31, 2024 | December 31, 2023 (Restated) | December 31, 2024 | December 31, 2023 (Restated) |
| Note | | (Rupees in '000) | | | |
| Revenue from contracts with customers | 12 | 6,123,653 | 8,223,389 | 2,697,020 | 4,035,942 |
| Cost of sales | | (5,288,472) | (6,163,523) | (2,292,213) | (3,042,566) |
| Gross profit | | 835,181 | 2,059,866 | 404,807 | 993,376 |
| Selling and distribution expenses | | (141,299) | (130,134) | (54,253) | (65,028) |
| Administrative expenses | | (183,334) | (186,574) | (81,612) | (104,709) |
| Reversal of loss allowance on trade debts | | 18,242 | - | 18,242 | - |
| Other operating income / (expenses) | | 12,555 | (103,040) | 9,930 | (40,101) |
| | | (293,836) | (419,748) | (107,693) | (209,838) |
| Other income | | 251,677 | 22,110 | 102,012 | 9,441 |
| Operating profit | | 793,022 | 1,662,228 | 399,126 | 792,979 |
| Finance costs | | (738,176) | (707,468) | (357,468) | (376,571) |
| Profit before levies and income tax | | 54,846 | 954,760 | 41,658 | 416,408 |
| Levies | 13 | - | (4,685) | - | (4,526) |
| Profit before income tax | | 54,846 | 950,075 | 41,658 | 411,882 |
| Income tax expense | 14 | | | | |
| - Current | | (100,088) | (408,771) | (57,255) | (181,586) |
| - Prior | | 57,481 | - | 57,481 | - |
| - Deferred | | 42,567 | 40,959 | 3,176 | 19,617 |
| | | (40) | (367,812) | 3,402 | (161,969) |
| | | 54,806 | 582,263 | 45,060 | 249,913 |
| Earnings per share | | | | | |
| - basic and diluted (Rupees) | | 0.08 | 0.92 | 0.06 | 0.40 |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | Half year ended | | Quarter ended | |
|--|-------------------------|---------------------|----------------------|---------------------|
| | December 31, | December 31, | December 31, | December 31, |
| | 2024 | 2023 | 2024 | 2023 |
| | (Rupees in '000) | | | |
| Profit for the period after taxation | 54,806 | 582,263 | 45,060 | 249,913 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 54,806 | 582,263 | 45,060 | 249,913 |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | | Half year ended | |
|---|------|------------------------------|----------------------|
| | | December 31, 2024 | December 31, 2023 |
| | Note | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (used in) / generated from operations | 15 | (56,441) | 1,676,483 |
| Finance costs paid | | (631,695) | (561,572) |
| Staff retirement benefits paid | | (8,302) | (2,349) |
| Income tax and levies paid | | (325,072) | (575,061) |
| Decrease in long-term loans | | 5,760 | 3,495 |
| Increase in long-term deposits | | (11,495) | (46,300) |
| | | (970,804) | (1,181,787) |
| Net cash (used in) / generated from operating activities | | (1,027,245) | 494,696 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for acquisition of property, plant and equipment | | (76,490) | (25,917) |
| Payment for acquisition of intangible assets | | (4,697) | - |
| Investments made in subsidiaries | | (575,634) | (3,261,079) |
| Return on PLS saving accounts | | 5,373 | 5,072 |
| Loan (made to) / recovered from subsidiary | | (204,200) | 689,103 |
| Net cash used in investing activities | | (855,648) | (2,592,821) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Lease rentals paid | | (4,019) | (5,084) |
| Proceeds from short-term borrowings - net | | 1,749,106 | 1,300,035 |
| Proceeds from long-term financing | | - | 650,000 |
| Repayment of long-term financing | | (112,395) | (643) |
| Net cash generated from financing activities | | 1,632,692 | 1,944,308 |
| Net decrease in cash and cash equivalents | | (250,201) | (153,817) |
| Cash and cash equivalents at beginning of the year | | (140,189) | 114,209 |
| Cash and cash equivalents at end of the year | 16 | (390,390) | (39,608) |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

| | Issued, subscribed and paid-up capital | Capital reserves | | | Revenue reserve | Total |
|---|---|------------------|--|---|--------------------------|------------|
| | | Share premium | Reserve for investment in subsidiaries | Revaluation surplus on property, plant and equipment | Unappropriated profit | |
| | ----- (Rupees in '000) ----- | | | | | |
| Balance as at July 1, 2023 | 6,300,945 | 1,487,566 | - | 1,575,520 | 3,251,135 | 12,615,166 |
| Profit for the period after tax | - | - | - | - | 582,263 | 582,263 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 582,263 | 582,263 |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax | - | - | - | (48,460) | 48,460 | - |
| Reserve for investment in subsidiaries | - | - | 3,259,000 | - | (3,259,000) | - |
| Balance as at December 31, 2023 | 6,300,945 | 1,487,566 | 3,259,000 | 1,527,060 | 622,858 | 13,197,429 |
| Balance as at July 1, 2024 | 7,002,000 | 2,470,722 | 3,259,000 | 1,555,685 | 1,259,985 | 15,547,392 |
| Profit for the period after tax | - | - | - | - | 54,806 | 54,806 |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive income for the year period | - | - | - | - | 54,806 | 54,806 |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax | - | - | - | (55,991) | 55,991 | - |
| Balance as at December 31, 2024 | 7,002,000 | 2,470,722 | 3,259,000 | 1,499,694 | 1,370,782 | 15,602,198 |

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.


Naveed Godil
 Chief Executive Officer


Saad Amanullah Khan
 Director & Chairman
 Board Audit Committee


Mohsin Anwer
 Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 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 condensed interim 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 5 to these unconsolidated condensed interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) 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 IAS 34 / IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements do not include all the information required for a full set of annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.

The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the un-audited unconsolidated condensed interim financial statements for the period ended December 31, 2023.

These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited vide section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2024.

2.3 Functional and presentation currency

These unconsolidated condensed interim 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 Accounting estimates, judgements and financial risk management

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

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2024.

2.5 Changes in accounting standards, interpretations and pronouncements

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

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, 2024. However, these do not have any significant impact on the Company's financial reporting and have not been detailed in these unconsolidated condensed interim financial statements.

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

There are certain standards, 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, 2025. 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 condensed interim financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2024.

3.1 During the year ended June 30, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) withdrew the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued a Guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance required taxes paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

This change in accounting policy was adopted in the financial statements of the Company for the year ended June 30, 2024. The comparative information in the condensed interim statement of profit or loss has been restated to reflect the above change.

| | For the half year ended December 31, 2024 | | | For the half year ended December 31, 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 condensed interim statement of profit or loss | | | | | | |
| Levies | - | - | - | - | (4,685) | (4,685) |
| Profit before income tax | 54,846 | - | 54,846 | 954,760 | (4,685) | 950,075 |
| Income tax expense | (40) | - | (40) | (372,497) | 4,685 | (367,812) |

There has been no impact on the comparative information in the unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cashflows.

4. PROPERTY, PLANT AND EQUIPMENT

| | | Operating assets | Capital work- in-progress (including capital stores and spares) | Total |
|--|------|---------------------|---|-----------|
| | Note | (Rupees in '000) | | |
| Cost / revalued amount | | | | |
| Balance as at July 01, 2024 | | 4,897,753 | 25,929 | 4,923,682 |
| Additions | 4.1 | 13,836 | 62,654 | 76,490 |
| Transfers | 4.1 | 19,364 | (19,364) | - |
| Disposals | 4.1 | - | - | - |
| | | 4,930,953 | 69,219 | 5,000,172 |
| Accumulated depreciation | | | | |
| Balance as at July 01, 2024 | | (216,695) | - | (216,695) |
| Charge for the period | | (181,079) | - | (181,079) |
| Disposals | | - | - | - |
| | | (397,774) | - | (397,774) |
| Written down value as at December 31, 2024 (Un-audited) | | | | |
| | | 4,533,179 | 69,219 | 4,602,398 |
| Written down value as at June 30, 2024 (Audited) | | | | |
| | | 4,681,058 | 25,929 | 4,706,987 |

4.1 Additions / transfer to and disposals from operating assets during the period are as follows:

| | Additions / Transfers (at cost) | | Disposals (at net book value) | |
|----------------------------|------------------------------------|----------------------|----------------------------------|----------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Buildings on freehold land | 2,322 | 2,852 | - | - |
| Plant and machinery | 19,364 | 3,018 | - | - |
| Furniture and fixtures | - | 187 | - | - |
| Office equipment | 4,898 | 4,998 | - | - |
| Vehicles | 6,616 | - | - | - |
| | <u>33,200</u> | <u>11,055</u> | <u>-</u> | <u>-</u> |

5. LONG-TERM INVESTMENTS - SUBSIDIARIES

| (Un-audited) December 31, 2024 (Number of shares) | (Audited) June 30, 2024 | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--|-------------------------------|------|--------------------------------------|-------------------------------|
| Un-quoted Companies | | Note | ----- (Rupees in '000) ----- | |
| 158,800,000 | 158,800,000 | | 1,588,000 | 1,588,000 |
| | | | | |
| 791,932,525 | 609,445,000 | 5.1 | 7,919,325 | 6,094,450 |
| | | | 82,768 | 2,163,122 |
| | | | | |
| 399,227,387 | 337,999,991 | 5.2 | 3,992,274 | 3,380,000 |
| | | | 831,114 | 612,275 |
| | | | | |
| 1 | 1 | | 7,588 | 7,588 |
| | | | 7,587 | 7,587 |
| | | | 14,428,656 | 13,853,022 |

5.1. During the period Global Packaging Films (Private) Limited (GPAK) has issued 327,255,000 shares out of which 182,487,527 were issued to the Company whereas, the remaining shares were subscribed by and issued to Cast Packaging Films (Private) Limited (CPAK). As a result, the Company now holds a direct ownership interest of 84.54% (June 30, 2024: 100%) and indirect ownership of 15.46% through CPAK (which is the Company's wholly owned subsidiary) in GPAK.

5.2. During the period PetPak Films (Private) Limited (PPAK) has issued 117,745,000 shares out of which 61,227,398 were issued to the Company. The Company holds an ownership interest of 52% (June 30, 2024: 52%) in PPAK.

6. STOCK-IN-TRADE

| | | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--------------------|--------------|------|--------------------------------------|-------------------------------|
| | | Note | ----- (Rupees in '000) ----- | |
| Raw material | - in hand | 6.1 | 558,544 | 598,796 |
| | - in transit | | 570,287 | 893,625 |
| | | | 1,128,831 | 1,492,421 |
| Work-in-process | | | 298,704 | 256,887 |
| Finished goods | - in hand | | 222,307 | 245,625 |
| | - in transit | | 142,921 | 338,316 |
| | | | 365,228 | 583,941 |
| Packaging material | | | 36,516 | 24,706 |
| | | | 1,829,279 | 2,357,955 |

6.1 Raw material include stocks held with third parties amounting to Rs. 15.56 million (June 30, 2024: Rs. 22.23 million).

7. OTHER RECEIVABLES

This includes loan stock provided to Global Packaging Films (Private) Limited, a related party amounting to Rs. 1,702.36 million (June 30, 2024: Rs. Nil).

8. LONG-TERM FINANCING - secured Islamic

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| SBP's Financing Scheme for Renewable Energy | 8.1 | 17,631 | 12,744 |
| Sale and leaseback under Diminishing Musharakah | 8.2 | 2,103,284 | 2,212,500 |
| | | <u>2,120,915</u> | <u>2,225,244</u> |
| Less: current portion of long-term financing | | | |
| SBP's Financing Scheme for Renewable Energy | 8.1 | (2,340) | (1,152) |
| Sale and leaseback under Diminishing Musharakah | 8.2 | (709,375) | (522,470) |
| | | <u>(711,715)</u> | <u>(523,622)</u> |
| | | <u>1,409,200</u> | <u>1,701,622</u> |

8.1 This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 33 million (June 30, 2024: Rs. 33 million) out of which Rs. 22.80 million (June 30, 2024: Rs. 22.80 million) is utilised which carries profit at the rate of 4% per annum.

8.1.1 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 Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

8.2 This represents a diminishing musharaka arrangement with Bank AL-Habib Limited (BAHL) upto the amount of Rs. 4,000 million (June 30, 2024: Rs. 4,000 million) at a mark-up of 6 months 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 Village Bhechuki Mahja, Tehsil Raiwind, District Lahore. The title and ownership of the asset is in the joint ownership of the Bank and the Company in proportion to their investment ratios.

8.2.1 This facility is secured by way of:

- Equity participation ranging from 10% to 23% of the cost of Musharakah asset;
- Title and ownership of asset in the name of joint ownership of Bank and customer in proportion to their investment ratios;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 5,290 million (inclusive of 25% margin);
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

9. TRADE AND OTHER PAYABLES

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Trade creditors | | 2,200,219 | 2,334,779 |
| Payable to related parties | 9.1 | 2,354 | 373,717 |
| Accrued liabilities | | 129,003 | 297,190 |
| Loan stock from third parties | | 130,063 | - |
| Provision for Infrastructure Cess | 9.2 | 372,200 | 273,586 |
| Workers' Profit Participation Fund | | 97,035 | 93,569 |
| Workers' Welfare Fund | | 41,378 | 35,530 |
| Taxes deducted at source and payable to statutory authorities | | 29,160 | 45,992 |
| Others | | 11,536 | 13,819 |
| | | 3,012,948 | 3,468,182 |

9.1 This represents payable to Cast Packaging Films (Private) Limited and Global Packaging Films (Private) Limited amounting to Rs. 2.35 million (June 30, 2024: Rs. 50.2 million) and Rs. Nil (June 30, 2024: Rs. 323.52 million) respectively on account of raw material received on a returnable basis as loan stock.

9.2 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 December 31, 2024, the total amount of bank guarantees related to the infrastructure cess is Rs. 375 million (June 30, 2024: Rs. 275 million), and this amount has been fully provided for by the Company.

10. SHORT-TERM BORROWINGS - secured Islamic

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Short-term borrowings under Musawamah Facility | 10.1 | 3,763,255 | 2,905,726 |
| Short-term borrowings under Tijarah Facility | 10.2 | 1,495,276 | 1,059,250 |
| Short-term borrowings under Running Musharakah | 10.3 | 557,747 | 220,941 |
| Short-term borrowings under Istisna Facility | 10.4 | 200,000 | - |
| Short-term borrowings under Foreign Bill Discounting | 10.5 | 122,469 | - |
| Short-term borrowings under Bai Salam | 10.6 | 133,083 | - |
| | | 6,271,830 | 4,185,917 |

10.1 This represents Musawamah facility obtained from commercial banks, having limit of Rs. 4,800 million (June 30, 2024: Rs. 4,800 million) out of which Rs. 1,037 million (June 30, 2024: Rs. 1,894.27 million) remains unutilised for Musawamah facility at the reporting date. The rates of mark-up are based on three months KIBOR to six months KIBOR with a spread ranging from 0.5% to 0.75% (June 30, 2024: three months KIBOR plus 0.75% to six months KIBOR plus 0.75%) per annum.

10.1.1 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 situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhpura;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure; and
- Corporate Guarantee of Global Packaging Films (Private) Limited.

10.2 This represents Tijarah facility obtained from commercial banks, having limit of Rs. 2,100 million (June 30, 2024: Rs. 1,600 million) out of which Rs. 604.72 million (June 30, 2024: Rs. 540.75 million) remains unutilised for Tijarah Finance at the reporting date. The rates of mark-up are based on three months KIBOR to six months KIBOR with a spread ranging from 0.5% to 1% (June 30, 2024: three months KIBOR plus 0.5% to six months KIBOR plus 1%) per annum.

10.2.1 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. 3,734 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 700 million;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhpura;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure; and
- Corporate Guarantee of Global Packaging Films (Private) Limited.

10.3 This represents a Running Musharakah facility having limit of Rs. 600 million (June 30, 2024: Rs. 300 million) out of which Rs. 42.14 million (June 30, 2024: Rs. 79.06 million) remains unutilised at the reporting date. The rates of mark-up are based on one month KIBOR to three months KIBOR with a spread ranging from 0.5% to 0.75% (June 30, 2024: three months KIBOR plus 1%) per annum.

10.4 This represents Istisna facility having limit of Rs. 200 million (June 30, 2024: Rs. Nil) out of which Rs. Nil (June 30, 2024: Rs. Nil) remains unutilised at the reporting date. The rate of mark-up on this facility is six months KIBOR plus 0.6% (June 30, 2024: Rs. Nil) per annum.

10.4.1 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. 667 million;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 125 million; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

10.5 This represents Foreign Bill Discounting facility under Musawamah having limit of Rs. 300 million (June 30, 2024: Rs. Nil) out of which Rs. 177.53 million (June 30, 2024: Rs. Nil) remains unutilised at the reporting date which carries profit at the rate of 7% per annum.

10.5.1 This facility is secured by way of:

- Lien over Export documents;
- Lien over accepted Export documents under foreign LC / Contract;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

10.6 This represents Foreign Bill Discounting facility under Bai Salam having limit of Rs. 300 million (June 30, 2024: Rs. Nil) out of which Rs. 166.92 million (June 30, 2024: Rs. Nil) remains unutilised at the reporting date which carries profit at the rate of 7% per annum.

10.6.1 This facility is secured by way of:

- Lien over export documents;
- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the Company for Rs. 1,333 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 125 million; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

As at the reporting date, there are no contingencies to report other than those disclosed in note 14.1.

11.2 Commitments

The facilities for opening letters of credit and guarantees issued from banks as at December 31, 2024 amounted to Rs. 8,200 million (June 30, 2024: Rs. 7,200 million) and Rs. 726 million (June 30, 2024: Rs. 676 million) respectively, of which the utilised balance at year end amounted to Rs. 2,189 million (June 30, 2024: Rs. 3,179 million) and Rs. 557 million (June 30, 2024: Rs. 615 million) respectively.

The Company has also issued a cross corporate guarantee to the bank in favour of its subsidiaries, Global Packaging Films (Private) Limited, PetPak Films (Private) Limited and Cast Packaging Films (Private) Limited amounting to Rs. 8,000 million (June 30, 2024: Rs. 8,000 million), Rs. 5,000 million (June 30, 2024: Rs. Nil) and Rs. 2,000 million (June 30, 2024: Rs. 2,000 million) respectively, against its long-term and short-term facilities.

12. REVENUE FROM CONTRACTS WITH CUSTOMERS

| | Half year ended | | Quarter ended | |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Sale of goods less returns | | | | |
| Local | 4,681,465 | 9,574,691 | 2,298,005 | 4,625,138 |
| Sales tax | (733,948) | (1,496,208) | (361,236) | (724,340) |
| | 3,947,517 | 8,078,483 | 1,936,769 | 3,900,798 |
| Export | 2,176,136 | 144,906 | 760,251 | 135,144 |
| | 6,123,653 | 8,223,389 | 2,697,020 | 4,035,942 |

13. LEVIES

| | (Un-audited) | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Half year ended | | Quarter ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Minimum Tax / Final Tax u/s 154 | - | 4,685 | - | 4,526 |

14. INCOME TAX EXPENSE

| | | | | |
|----------|-----------|----------------|----------------|----------------|
| Current | 100,088 | 408,771 | 57,255 | 181,586 |
| Prior | (57,481) | - | (57,481) | - |
| Deferred | (42,567) | (40,959) | (3,176) | (19,617) |
| | 40 | 367,812 | (3,402) | 161,969 |

- 14.1** The Company has challenged the vires of amendment before the Islamabad High Court (IHC) concerning 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).

15. CASH (USED IN) / GENERATED FROM OPERATIONS

| | Note | (Un-audited) | |
|---|------|------------------------------|----------------------|
| | | Half year ended | |
| | | December 31, 2024 | December 31, 2023 |
| | | ----- (Rupees in '000) ----- | |
| Profit before levies and income tax | | 54,846 | 954,760 |
| Adjustments for non-cash charges and other items | | | |
| Depreciation of property, plant and equipment | | 181,078 | 172,485 |
| Amortisation of intangible assets | | 3,585 | 3,412 |
| Depreciation of right-of-use assets | | 1,738 | 6,985 |
| Unrealised exchange (gain) / loss | | (21,869) | (2,258) |
| Profit on saving accounts | | (5,373) | (5,072) |
| Markup income on loan to subsidiary - PETPAK | | (196,975) | - |
| Provision for staff retirement benefits | | 38,470 | 22,473 |
| Amortisation of deferred income | | - | (93) |
| Allowance for expected credit losses | | (18,242) | - |
| Finance cost | | 738,176 | 707,468 |
| | | 775,434 | 1,860,160 |
| Changes in working capital | 15.1 | (831,875) | (183,677) |
| | | (56,441) | 1,676,483 |
| 15.1 Changes in working capital | | | |
| (Increase) / decrease in current assets: | | | |
| Stores, spares and consumables | | (113,782) | (41,928) |
| Stock-in-trade | | 528,676 | 348,958 |
| Trade receivables | | 1,533,846 | (234,492) |
| Loans and advances | | (152,235) | (108,132) |
| Trade deposits and short-term prepayments | | (26,316) | (8,276) |
| Other receivables | | (1,967,988) | (69,227) |
| Sales tax refundable | | (244,805) | - |
| | | (442,604) | (113,097) |
| (Decrease) / increase in current liabilities: | | | |
| Trade and other payables | | (433,365) | (218,656) |
| Contract liabilities | | 44,094 | (29,663) |
| Sales tax payable | | - | 177,739 |
| | | (831,875) | (183,677) |

16. CASH AND CASH EQUIVALENTS

| | | (Un-audited) | |
|------|--|-------------------------------------|------------------------------|
| | | Half year ended | |
| | | December 31, 2024 | December 31, 2023 |
| Note | | ----- (Rupees in '000) ----- | |
| | Cash and bank balances | 167,357 | 180,306 |
| | Short-term borrowings under Running Musharakah | (557,747) | (219,914) |
| 10 | | (390,390) | (39,608) |

17. 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.

17.1 Transactions with related parties

| | (Un-audited) | |
|---|-------------------------------------|---------------------|
| | Half year ended | |
| | December 31, | December 31, |
| | 2024 | 2023 |
| | ----- (Rupees in '000) ----- | |
| Subsidiary companies | | |
| Sales | 1,137,300 | - |
| Receipts against sales | 604,352 | 5,618 |
| Advance paid against future issue of shares | 575,634 | 3,261,079 |
| Loan stock received | 421,942 | - |
| Loan stock issued | 2,495,665 | - |
| Loan issued | 2,776,040 | - |
| Markup income on loan issued | 409,632 | - |
| Shares issued | 2,437,149 | 270,265 |
| Expense incurred on behalf of subsidiaries | 298,586 | - |
| Expense incurred by subsidiaries on behalf of the Company | 9,197 | - |
| Return advance against future issue of shares | - | 344 |
| Loan from subsidiary | - | 689,791 |

| | (Un-audited) | |
|---------------------------------|-------------------------------------|------------------------------|
| | Half year ended | |
| | December 31, 2024 | December 31, 2023 |
| | ----- (Rupees in '000) ----- | |
| Associated companies | | |
| Sales | 427,813 | 1,235,957 |
| Receipts against sales | 617,496 | 1,264,473 |
| Purchase | 1,083 | 2,260 |
| Payment against purchases | 1,083 | 2,563 |
| Key management personnel | | |
| Remuneration | 77,537 | 81,266 |
| Non-executive directors | | |
| Directors' fee | 13,560 | 8,850 |


18. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. Following are the major reclassification / rearrangement to report:

| Particulars | Reclassified from | Reclassified to | Rupees in '000 |
|---------------------|--------------------------|--|-----------------------|
| Long-term financing | Long-term financing | Current portion of long-term financing | 447,073 |

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors on February 25, 2025.


Naveed Godil
Chief Executive Officer


Saad Amanullah Khan
Director & Chairman
Board Audit Committee


Mohsin Anwer
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2024



INTERNATIONAL PACKAGING FILMS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 32,576,623 | 32,997,316 |
| Right-of-use assets | | 10,509 | 12,247 |
| Intangible assets | | 57,029 | 55,153 |
| Long-term loans | | 16,502 | 22,262 |
| Long-term deposits | | 115,854 | 104,359 |
| | | 32,776,517 | 33,191,337 |
| CURRENT ASSETS | | | |
| Stores, spares and consumables | | 493,711 | 335,475 |
| Stock-in-trade | 5 | 4,743,429 | 4,532,240 |
| Trade receivables | | 6,703,035 | 5,788,935 |
| Loans and advances | | 1,208,386 | 552,475 |
| Trade deposits and short-term prepayments | | 111,320 | 77,125 |
| Other receivables | | 162,332 | 167,756 |
| Taxation - net | | 265,462 | - |
| Sales tax refundable | | 773,318 | 856,316 |
| Cash and bank balances | | 542,050 | 245,918 |
| | | 15,003,043 | 12,556,240 |
| TOTAL ASSETS | | 47,779,560 | 45,747,577 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | | |
| Issued, subscribed and paid-up capital | | 7,002,000 | 7,002,000 |
| Capital reserves | | | |
| Share premium | | 2,470,722 | 2,470,722 |
| Reserve for investment in subsidiaries | | 3,259,000 | 3,259,000 |
| Revaluation surplus on property, plant and equipment | | 3,449,145 | 3,505,136 |
| Revenue reserves | | | |
| Accumulated loss / unappropriated profits | | 594,717 | (28,903) |
| Exchange translation reserves | | 170 | 245 |
| TOTAL SHAREHOLDERS' EQUITY | | 16,775,754 | 16,208,200 |
| Non-controlling interest | | 3,511,863 | 3,707,543 |
| | | 20,287,617 | 19,915,743 |
| NON-CURRENT LIABILITIES | | | |
| Long-term financing - secured | 6 | 2,682,238 | 3,098,347 |
| Deferred income - government grant | | 837,825 | 909,519 |
| Deferred taxation - net | | 3,892,767 | 3,780,195 |
| Staff retirement benefits | | 219,299 | 178,665 |
| Lease liabilities | | 5,685 | 18,013 |
| | | 7,637,814 | 7,984,739 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 7,254,074 | 8,560,158 |
| Contract liabilities | | 418,994 | 261,805 |
| Short-term borrowings - secured | 8 | 8,571,059 | 5,651,785 |
| Current portion of long-term financing - secured | 6 | 942,076 | 750,547 |
| Current portion of deferred income - government grant | | 23,339 | 23,691 |
| Current portion of lease liabilities | | 9,959 | 622 |
| Suppliers' credit | | 2,263,708 | 2,235,642 |
| Taxation - net | | - | 102,060 |
| Accrued mark-up | | 370,920 | 260,785 |
| | | 19,854,129 | 17,847,095 |
| TOTAL LIABILITIES | | 27,491,943 | 25,831,834 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | | |
| TOTAL EQUITY AND LIABILITIES | | 47,779,560 | 45,747,577 |

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.

Naveed Godil
Chief Executive Officer

Saad Amanullah Khan
Director & Chairman
Board Audit Committee

Mohsin Anwer
Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | | Half year ended | | Quarter ended | |
|---|----|----------------------|------------------------------------|----------------------|------------------------------------|
| | | December 31, 2024 | December 31, 2023 (Restated) | December 31, 2024 | December 31, 2023 (Restated) |
| Note | | (Rupees in '000) | | | |
| Revenue from contracts with customers | 10 | 16,249,964 | 10,084,389 | 8,613,918 | 4,926,717 |
| Cost of sales | | (14,132,519) | (7,598,084) | (7,472,697) | (3,738,369) |
| Gross profit | | 2,117,445 | 2,486,305 | 1,141,221 | 1,188,348 |
| Selling and distribution expenses | | (317,891) | (141,910) | (182,823) | (70,801) |
| Administrative expenses | | (357,904) | (228,341) | (202,428) | (125,159) |
| Reversal of loss allowance on trade receivables | | 18,242 | - | 18,242 | - |
| Other operating income / (expenses) | | (4,125) | (140,315) | 38,363 | (158,691) |
| | | (661,678) | (510,566) | (328,646) | (354,651) |
| Other income | | 162,290 | 36,460 | 66,982 | 14,505 |
| Operating profit | | 1,618,057 | 2,012,199 | 879,557 | 848,202 |
| Finance cost | | (1,153,387) | (811,632) | (566,954) | (439,163) |
| Profit before levies and income tax | | 464,670 | 1,200,567 | 312,603 | 409,039 |
| Levies | 11 | - | (4,685) | - | (4,526) |
| Profit before income tax | | 464,670 | 1,195,882 | 312,603 | 404,513 |
| Income tax expense | 12 | (155,180) | (375,911) | (83,526) | (165,917) |
| - Current | | (100,088) | (408,772) | (57,255) | (181,587) |
| - Prior | | 57,481 | - | 57,481 | - |
| - Deferred | | (112,573) | 32,861 | (83,752) | 15,670 |
| Net profit after tax for the period | | 309,490 | 819,971 | 229,077 | 238,596 |
| Profit attributable to: | | | | | |
| - Owners of holding company | | 567,629 | 857,601 | 331,338 | 316,004 |
| - Non-controlling interest (NCI) | | (258,139) | (37,630) | (102,261) | (77,408) |
| | | 309,490 | 819,971 | 229,077 | 238,596 |
| Earnings per share | | | | | |
| - basic and diluted | | 0.81 | 1.36 | 0.47 | 0.50 |

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | Half year ended | | Quarter ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Profit for the period after taxation | 309,490 | 819,971 | 229,077 | 238,596 |
| Other comprehensive income | | | | |
| Foreign operations - Foreign currency translation difference | 75 | - | 75 | - |
| Total comprehensive income for the period | 309,565 | 819,971 | 229,152 | 238,596 |
| Total comprehensive income attributable to: | | | | |
| - Owners of holding company | 567,704 | 857,601 | 331,413 | 316,004 |
| - Non-controlling interest (NCI) | (258,139) | (37,630) | (102,261) | (77,408) |
| | 309,565 | 819,971 | 229,152 | 238,596 |

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | | Half year ended | |
|---|----|----------------------|----------------------|
| | | December 31, 2024 | December 31, 2023 |
| Note ----- (Rupees in '000) ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (used in) / generated from operations | 13 | (722,253) | 2,442,049 |
| Finance costs paid | | (1,042,224) | (613,503) |
| Staff retirement benefits paid | | (9,315) | (2,349) |
| Income tax and levies paid | | (410,129) | (627,275) |
| Decrease in long term loans | | 5,760 | - |
| Increase in long-term deposits | | (11,495) | (46,300) |
| | | (1,467,403) | (1,289,427) |
| Net cash generated from operating activities | | (2,189,656) | 1,152,622 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for acquisition of property, plant and equipment | | (206,172) | (4,288,465) |
| Short term investment encashed | | - | 93,000 |
| Payment for acquisition of intangible assets | | (5,498) | - |
| Return on PLS savings accounts | | 16,447 | 12,175 |
| Net cash used in investing activities | | (195,223) | (4,183,290) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Lease rentals paid | | (4,021) | (5,086) |
| Receipt against issue of shares to non-controlling interest | | 62,459 | 222,700 |
| Receipt of short term borrowings - net | | 2,582,468 | 1,771,098 |
| Proceeds from long-term financing | | - | 1,152,527 |
| Repayment of long-term financing | | (296,626) | (2,127) |
| Net cash used in from financing activities | | 2,344,280 | 3,139,112 |
| Net increase / (decrease) in cash and cash equivalents | | (40,599) | 108,444 |
| Cash and cash equivalents at the beginning of the period | | 24,977 | 240,144 |
| Effects of exchange rate changes in cash and cash equivalent | | (75) | - |
| Cash and cash equivalents at the end of the period | 14 | (15,697) | 348,588 |

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

| | Issued, subscribed and paid-up capital | Share Premium | Capital reserves Reserve for investment in subsidiaries | Revaluation surplus on property, plant and equipment | Revenue reserves Unappropriated profits / accumulated loss | Exchange translation reserves | Non- controlling interest | Total |
|--|---|------------------|---|---|--|-------------------------------------|---------------------------------|-------------------|
| | ------(Rupees '000)----- | | | | | | | |
| Balance as at July 01, 2023 | 6,300,945 | 1,487,566 | - | 1,642,280 | 3,019,217 | - | 3,065,230 | 15,515,238 |
| Profit for the period after tax | - | - | - | - | 857,601 | - | (37,630) | 819,971 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 857,601 | - | (37,630) | 819,971 |
| Advance against future issuance of shares - Petpak Films (Private) Limited | - | - | - | - | - | - | 222,700 | 222,700 |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax | - | - | - | (48,460) | 48,460 | - | - | - |
| Reserve for investment in subsidiaries | - | - | 3,259,000 | - | (3,259,000) | - | - | - |
| Balance as at December 31, 2023 | 6,300,945 | 1,487,566 | 3,259,000 | 1,593,820 | 666,278 | - | 3,250,300 | 16,557,909 |
| Balance as at July 01, 2024 | 7,002,000 | 2,470,722 | 3,259,000 | 3,505,136 | (28,903) | 245 | 3,707,543 | 19,915,743 |
| Profit for the period after tax | - | - | - | - | 567,629 | - | (258,139) | 309,490 |
| Other comprehensive income for the period | - | - | - | - | - | (75) | - | (75) |
| Total comprehensive income for the period | - | - | - | - | 567,629 | (75) | (258,139) | 309,415 |
| Advance against future issuance of shares - Petpak Films (Private) Limited | - | - | - | - | - | - | 62,459 | 62,459 |
| Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax | - | - | - | (55,991) | 55,991 | - | - | - |
| Balance as at December 31, 2024 | 7,002,000 | 2,470,722 | 3,259,000 | 3,449,145 | 594,717 | 170 | 3,511,863 | 20,287,617 |

The annexed notes from 1 to 17 form an integral part of these consolidated condensed interim financial statements.


Naveed Godil
 Chief Executive Officer


Saad Amanullah Khan
 Director & Chairman
 Board Audit Committee


Mohsin Anwer
 Chief Financial Officer

INTERNATIONAL PACKAGING FILMS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED DECEMBER 31, 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 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 Subsidiary Company is situated at Kharsa No. 557 and 563, Qita No.7 and 13, 3.5 KM, Manga , Bypass road, Raiwind district, Lahore, Punjab.

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, Sheikhpura, 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, Sheikhpura, 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 flexible packaging materials and its allied products 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. For interim financial reporting, the accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) 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 IAS 34 / IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements do not include all the information required for a full set of annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended June 30, 2024.

The comparative consolidated condensed interim statement of financial position presented in these consolidated condensed interim financial statements have been extracted from the audited annual consolidated financial statements of the Company for the year ended June 30, 2024, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity are extracted from the un-audited consolidated condensed interim financial statements for the period ended December 31, 2023.

These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited vide section 237 of the Companies Act, 2017.

2.2 Basis of measurement

These consolidated condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended June 30, 2024.

2.3 Functional and presentation currency

These consolidated condensed interim 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 Accounting estimates, judgements and financial risk management

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

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual consolidated financial statements of the Company as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2024

2.5 Changes in accounting standards, interpretations and pronouncements

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

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, 2024. However, these do not have any significant impact on the Company's financial reporting and have not been detailed in these consolidated condensed interim financial statements.

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

There are certain standards, 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, 2025. 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 consolidated condensed interim financial statements.

2.6 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the activities of the subsidiaries;
- is exposed to variable returns from the subsidiaries; and
- decision-making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date the control ceases. These consolidated financial statements include International Packaging Films Limited (the Holding Company) and all companies which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The financial statements of the Subsidiaries have been consolidated on a line-by-line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated. Subsidiaries have same reporting period as that of the Group. The accounting policies of subsidiaries have been changed to conform with accounting policies of the Group, wherever needed.

Where the ownership of a subsidiary is less than 100% and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of a subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of audited annual consolidated financial statements of the Company as at and for the year ended June 30, 2024.

- 3.1** During the year ended June 30, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) withdrew the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued a Guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said Guidance required taxes paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

This change in accounting policy was adopted in the financial statements of the Company for the year ended June 30, 2024. The comparative information in the consolidated condensed interim statement of profit or loss has been restated to reflect the above change.

| | For the half year ended December 31, 2024 | | | For the half year ended December 31, 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 ----- | | | | | | |
| Levies | - | - | - | - | (4,685) | (4,685) |
| Profit before income tax | 464,670 | - | 464,670 | 1,200,567 | (4,685) | 1,195,882 |
| Income tax expense | (155,180) | - | (155,180) | (380,596) | 4,685 | (375,911) |

There has been no impact on the comparative information in the consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cashflows.

4. PROPERTY, PLANT AND EQUIPMENT

| PROPERTY, PLANT AND EQUIPMENT | | Operating assets | Capital work- in-progress (including capital stores and spares) | Total |
|--|------|------------------------------|---|------------|
| | Note | ----- (Rupees in '000) ----- | | |
| Cost / revalued amount | | | | |
| Balance at beginning of the period | | 30,382,007 | 3,274,273 | 33,656,280 |
| Additions | 4.1 | 18,849 | 187,323 | 206,172 |
| Transfers | 4.1 | 19,364 | (19,364) | - |
| Disposals | 4.1 | - | - | - |
| | | 30,420,220 | 3,442,232 | 33,862,452 |
| Accumulated depreciation | | | | |
| Balance at beginning of the period | | 658,963 | - | 658,963 |
| Charge for the period | | 626,866 | - | 626,866 |
| Disposals | | - | - | - |
| | | 1,285,829 | - | 1,285,829 |
| Written down value as at December 31, 2024 (Un-audited) | | | | |
| | | 29,134,391 | 3,442,232 | 32,576,623 |
| Written down value as at June 30, 2024 (Audited) | | | | |
| | | 29,723,045 | 3,274,271 | 32,997,316 |

4.1 Additions / transfer to and disposals from operating assets during the period are as follows:

| | Additions/Transfers (at cost) | | Disposals (at net book value) | |
|-----------------------------|----------------------------------|----------------------|----------------------------------|----------------------|
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | ----- (Rupees in '000) ----- | | | |
| Buildings on freehold land | 2,322 | 182,120 | - | - |
| Plant and machinery | 19,364 | 1,734,399 | - | - |
| Office and other equipments | 6,377 | 722,783 | - | - |
| Furniture and fittings | 660 | 1,336 | - | - |
| Motor vehicles | 6,916 | 10,158 | - | - |
| IT equipment | 2,574 | - | - | - |
| | <u>38,213</u> | <u>2,650,796</u> | <u>-</u> | <u>-</u> |

5. STOCK-IN-TRADE

| | | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--|------|--------------|--------------------------------------|-------------------------------|
| | Note | | ----- (Rupees in '000) ----- | |
| Raw material | 5.1 | - In hand | 1,273,081 | 1,607,792 |
| | | - In transit | 830,190 | 1,176,656 |
| | | | <u>2,103,271</u> | <u>2,784,448</u> |
| Work-in-process | | | 1,175,368 | 706,684 |
| Finished goods | | - In hand | 558,222 | 437,852 |
| | | - In transit | 820,287 | 560,025 |
| | | | <u>1,378,509</u> | <u>997,877</u> |
| Packaging materials | | | 107,063 | 64,013 |
| | | | <u>4,764,211</u> | <u>4,553,022</u> |
| Less: provision for net realisable value | | | (20,782) | (20,782) |
| | | | <u>4,743,429</u> | <u>4,532,240</u> |

5.1 Raw material include stocks held with third parties amounting to Rs. 15.56 million (June 30, 2024: Rs. 22.23 million).

6. LONG-TERM FINANCING - secured Islamic

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| SBP's Financing Scheme for Renewable Energy | 6.1 | 404,141 | 409,091 |
| SBP's Temporary Economic Refinance Facility (ITERF) | 6.2 | 1,116,889 | 1,227,303 |
| Sale and leaseback under Diminishing Musharakah | 6.3 | 2,103,284 | 2,212,500 |
| | | 3,624,314 | 3,848,894 |

Less: current portion of long-term financing

| | | | |
|---|-----|------------------|------------------|
| SBP's Financing Scheme for Renewable Energy | 6.1 | (42,903) | (38,279) |
| SBP's Temporary Economic Refinance Facility (ITERF) | 6.2 | (189,798) | (189,798) |
| Sale and leaseback under Diminishing Musharakah | 6.3 | (709,375) | (522,470) |
| | | (942,076) | (750,547) |
| | | 2,682,238 | 3,098,347 |

- 6.1** This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) by the following group of companies:

Holding Company - International Packaging Films 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 (SBP). The total facility of the loan amounted to Rs. 33 million (June 30, 2024: Rs. 33 million) out of which Rs. 22.80 million (June 30, 2024: 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 Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

Subsidiary Company - Cast Packaging Films (Private) Limited

This represents a long-term financing obtained under the Islamic Financing for Renewable Energy (IFRE) for installation of renewable energy power project by the State Bank of Pakistan. The total facility of the loan amounted to Rs. 66 million (2024: 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 Diminishing Musharakah asset (purchased under DM SBP IFRE Scheme);
- Title and ownership of asset in the name of BAML and Customer proportionate to their investment ratio;

- Equitable Mortgage along with TRM (Land & Building), over property located at Had Bast Village, Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- Personal Guarantee of all directors of 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.

This facility is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 372.52 million;
- Personal guarantees of Mr. Naveed Godil and Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure; and
- Cross corporate guarantee of M/s 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 utilized 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 installments 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 Musharka Assets;
- Registered exclusive hypothecation charge over Diminishing Musharka 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, Sheikhpura;
- Personal guarantees of all the directors each carrying aggregate exposure; and
- Cross corporate guarantee of M/s International Packaging Films Limited (the Parent Company) covering aggregate exposure.

- 6.2** This represents Islamic Temporary Economic Refinance Facility (ITERF) obtained by the following group of companies:

Subsidiary Company - Global Packaging Films (Private) Limited

This represents Islamic Temporary Economic Refinance Facility (ITERF) obtained from commercial banks which was introduced by the State Bank of Pakistan (SBP) with reference to IH&SMEFD Circular No. 02 of 2020 in order to support sustainable economic growth by providing concessionary refinance for setting up of new industrial units.

These facilities is secured by way of:

- Equity participation equivalent to 10% of cost of Diminishing Musharakah asset
- Registered hypothecation charge over asset purchased under Diminishing Musharakah up to the amount of Rs. 1,873 million;
- Equitable and token registered mortgage over property bearing Plot No. 5D - 9D, Quaid-e-Azam Business Park, Special Economic Zone, Sheikhpura;
- Personal guarantees of Mr. Naveed Godil and Mr. Mushtaq Ali Tejani for the amount covering aggregate exposure; and
- Cross corporate guarantee of M/s International Packaging Films Limited (the Holding Company).

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

6.3 This represents a Diminishing Musharaka arrangement by the following group of companies:

Holding Company - International Packaging Films Limited

This represents a Diminishing Musharaka arrangement with Bank AL Habib (BAHL) upto the amount of Rs. 4,000 million (June 30, 2024: Rs. 4,000 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 Village Bhechuki 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.

This facility is secured by way of:

- Equity participation ranging from 10% to 23% of the cost of Musharakah asset;
- Title and ownership of asset in the name of joint ownership of Bank and customer in proportion to their investment ratios;
- Registered hypothecation charge over asset purchased under Diminishing Musharakah under sale and leaseback up to the amount of Rs. 5.29 billion (inclusive of 25% margin);
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure

7. TRADE AND OTHER PAYABLES

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|---|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Trade creditors | | 5,700,904 | 7,355,544 |
| Accrued liabilities | | 501,453 | 479,351 |
| Loan stock from third parties | | 130,063 | |
| Provision for Infrastructure Cess | 7.1 | 555,435 | 404,665 |
| Workers' Profit Participation Fund | | 182,666 | 124,588 |
| Workers' Welfare Fund | | 79,494 | 53,524 |
| Taxes deducted at source and payable to statutory authorities | | 80,044 | 94,384 |
| Others | | 24,015 | 48,102 |
| | | 7,254,074 | 8,560,158 |

7.1 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 favor of the Excise and Taxation Department of Sindh, upholding the validity of the Cess and affirming that it falls within the provincial legislature's authority under the Sindh Finance Act, 2017. The Group entities 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 December 31, 2024, the total amount of bank guarantees related to the infrastructure cess is Rs. 563 million (June 30, 2024: Rs. 408 million), and this amount has been fully provided for by the Company.

8 SHORT-TERM BORROWINGS - secured Islamic

| | | (Un-audited) December 31, 2024 | (Audited) June 30, 2024 |
|--|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| Short-term borrowings under Musawammah Facility | 8.1 | 3,888,100 | 2,905,726 |
| Short-term borrowings under Istisna Finance | 8.2 | 1,958,700 | 1,369,500 |
| Short-term borrowings under Tijarah Facility | 8.3 | 1,694,176 | 1,059,250 |
| Short-term borrowings under Running Musharakah | 8.4 | 557,747 | 220,941 |
| Short-term borrowings under Foreign Bill Discounting | 8.5 | 122,469 | - |
| Short-term borrowings under Bai Salam | 8.6 | 133,083 | - |
| Short-term borrowings under Murabaha Facility | 8.7 | 216,784 | 96,368 |
| | | 8,571,059 | 5,651,785 |

8.1 This represents Musawammah facility obtained from commercial banks, having limit of Rs. 5,150 million (June 30, 2024: Rs. 4,800 million) out of which Rs. 1,262 million (June 30, 2024: Rs. 1,894.27 million) remains unutilised for Musawammah facility at the reporting date. The rates of mark-up are based on three months KIBOR to six months KIBOR with a spread of 0.5% to 0.75% (June 30, 2024: three months KIBOR plus 0.75% to six months KIBOR plus 0.75%) per annum.

8.1.1 This facility is secured by way of:

- Corporate Guarantee of Global Packaging Films (Private) Limited amounting to Rs. 1,000 million;
- Equitable mortgage over property Plot No. 5D - 9D, at the Quaid-e-Azam Business Park (QABP) in Sheikhpura;
- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building (52 Kanals - 14 Marlas & 7 Kanals - 11 Marlas) situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- First Pari Passu Hypothecation charge over Fixed Assets of M/s. PetPak Films Pvt. Ltd with 25% margin i.e. PKR. 500 million;
- First Pari Passu Hypothecation charge over Moveable Fixed Assets of M/s. PetPak Films Pvt. Ltd with 25% margin i.e. PKR. 167 million;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure;
- 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; and
- First Pari Passu Hypothecation charge over Current Assets of M/s. Petpak Films (Pvt.) Ltd with 125% margin i.e. PKR. 500 Million.

8.2 This represents Istisna facility having limit of Rs. 2,353 million (June 30, 2024: Rs.1,775 million) out of which Rs. 394 million (June 30, 2024: Rs. 405.5 million) remains unutilised at the reporting date. The rate of mark-up on this facility is six months KIBOR plus 0.6% (June 30, 2024: Rs. Nil) per annum.

8.2.1 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. 667 million;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the Company for Rs. 125 million;
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure;
- Registered 1st Hypothecation Charge over Movables & Receivables of the Company amounting to Rs.1,907 million inclusive of 25% margin;
- 25% cash margin through lien marking / blocking funds in AL Habib Islamic Income Plus Account;
- Counter Guarantee;

- 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, Bhechuki Mahja, Tehsil Raiwind, District Lahore;
- 4 kanal which is 80 / 1521 portion out of Salam Khata measuring 76 Kanal 1 Marla, 13 Qitat, bearing Khewat No.02, Khatoni No. 09 to 11;
- 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;
- Registered Hypothecation charge over stock & receivable Rs 2.08 billion Inclusive 25% margin covering aggregate exposure;
- Lien over contract / Order with 10% margin (Istisna Only) with 100% upfront disbursement;
- Personal guarantee of all directors;
- Cross corporate guarantee IPAK covering aggregate exposure;
- Equitable and token registered mortgage over property bearing plot no 5D - 9D, Sheikhpura, Lahore;
- First Pari Passu / Joint Pari Passu Hypothecation charge over current assets of M/s. Petpak Films (Pvt.) Ltd with 25% margin i.e. PKR. 1,034 million;
- First Pari Passu Hypothecation charge over Plant & Machinery of M/s. PetPak Films Pvt. Ltd with 25% margin i.e. PKR. 534 million;
- Second Pari Passu Hypothecation charge over current assets of M/s. Petpak Films (Pvt.) Ltd with 125% margin i.e. PKR. 500 million;
- Second Pari Passu Hypothecation charge over fixed assets of M/s. PetPak Films Pvt. Ltd with 25% margin i.e. PKR. 500 million;
- Second Pari Passu Hypothecation charge over moveable fixed assets of M/s. PetPak Films Pvt. Ltd with 25% margin i.e. PKR. 167 million; and
- 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.

8.3 This represents Tijarah facility obtained from commercial banks, having limit of Rs. 2,600 million (June 30, 2024: Rs. 1,600 million) out of which Rs. 905.83 million (June 30, 2024: Rs. 540.75 million) remains unutilised for Tijarah Finance at the reporting date. The rates of mark-up are based on three months KIBOR to six months KIBOR with a spread ranging from 0.5% to 1% (June 30, 2024: three month KIBOR plus 0.5% to six months KIBOR plus 1%) per annum.

8.3.1 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. 5,742 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the company for Rs.700 million;
- Equitable mortgage over property Plot No. 5D - 9D at the Quaid-e-Azam Business Park (QABP) in Sheikhpura;
- 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;
- Lien over accepted clean bills (post acceptance) against inland ULC assigned in favor of FBL with 10% margin;
- Personal guarantee of All Directors; and
- Cross corporate guarantee of IPAK covering aggregate exposure.

8.4 This represents a Running Musharakah facility having limit of Rs. 600 million (2024: Rs. 300 million) out of which Rs. 42.14 million (2024: Rs. 79.06 million) remains unutilised at the reporting date. The rate of mark-up are based on one month KIBOR to three month KIBOR with a spread having from 0.5% to 0.75% (June 30,2024: three month KIBOR plus 1%) per annum.

8.5 This represents Foreign Bill Discounting facility under Musawamah having limit of Rs. 300 million (June 30, 2024: Rs. Nil) out of which Rs. 177.53 million (June 30, 2024: Rs. Nil) remains unutilised at the reporting date which carries profit at the rate of 7% per annum.

8.5.1 This facility is secured by way of:

- Lien over Export documents;
- Lien over accepted Export documents under foreign LC / Contract;

- Exclusive equitable mortgage valuing Rs. 678 million over Land & Building situated at Had Bast Village Bhechuki Mahja, Tehsil Raiwind, District Lahore; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure.

8.6 This represents foreign bill discounting facility under Bai Salam having limit of Rs. 300 million (June 30, 2024: Rs. Nil) out of which Rs. 166.92 million (June 30, 2024: Rs. Nil) remains unutilised at the reporting date which carries profit at the rate of 7% per annum.

8.6.1 This facility is secured by way of:

- Lien over export documents;
- Registered Joint Pari Passu hypothecation charge over current assets i.e. stock and receivables of the company for Rs. 1,333 million, inclusive of 25% margin;
- Registered Joint Pari Passu hypothecation charge over fixed assets (excluding land and buildings) of the company for Rs. 125 million; and
- Personal guarantees of Mr. Naveed Godil and sponsored directors for the amount covering aggregate exposure

8.7 This represents Murabaha facility obtained from commercial bank, having limit of Rs. 896.9 million (2024: 189 million) out of which Rs. 273.58 million (2024: 92.63 million) remains unutilized for Murabaha facility at the reporting date. The rate of mark-up on this facility is 6 months KIBOR + 0.75% per annum (2024: 6 months KIBOR + 0.75% per annum).

8.7.1 This facility is secured by way of:

- Registered Hypothecation Pari Passu hypothecation 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, Sheikhpura.

9 CONTINGENCIES AND COMMITMENTS

Contingencies:

As at the reporting date, there are no contingencies to report other than those disclosed in note 14.1.

Commitments:

The facilities for opening letters of credit and guarantees issued from banks as at December 31, 2024 amounted to Rs. 15,310 million (2024: Rs. 9,664 million) and Rs. 1,461 million (2024: Rs. 1,264 million) respectively, of which the utilised balance at period end amounted to Rs. 6,866 million (2024: Rs. 5,384 million) and Rs. 1,154 million (2024: Rs. 1,157 million) respectively.

10 REVENUE FROM CONTRACTS WITH CUSTOMERS

| | (Un-audited) | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| | Half year ended | | Quarter ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Sale of goods less returns | | | | |
| - Local | 15,286,142 | 11,775,575 | 8,135,127 | 5,675,906 |
| - Sales tax | (2,385,430) | (1,843,610) | (1,267,494) | (891,851) |
| | 12,900,712 | 9,931,965 | 6,867,633 | 4,784,055 |
| - Export | 3,349,252 | 152,424 | 1,746,285 | 142,662 |
| | 16,249,964 | 10,084,389 | 8,613,918 | 4,926,717 |

11 LEVIES

| | (Un-audited) | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Half year ended | | Quarter ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Minimum Tax / Final Tax u/s 154 | - | (4,685) | - | (4,526) |

12 INCOME TAX EXPENSE

| | (Un-audited) | | | |
|----------|-------------------|-------------------|-------------------|-------------------|
| | Half year ended | | Quarter ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in '000) | | | |
| Current | (100,088) | (408,772) | (57,255) | (181,587) |
| Prior | 57,481 | - | 57,481 | - |
| Deferred | (112,573) | 32,861 | (83,752) | 15,670 |
| | | | | |
| | (155,180) | (375,911) | (83,526) | (165,917) |

- 12.1** 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 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).

13 CASH (USED IN) / GENERATED FROM OPERATIONS

| | Note | (UN-AUDITED) | |
|--|------|-------------------|-------------------|
| | | Half year ended | |
| | | December 31, 2024 | December 31, 2023 |
| | | Rupees in '000 | |
| Profit before levies and income tax | | 464,670 | 1,200,567 |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation on property, plant and equipment | | 626,866 | 215,420 |
| Amortisation on intangible asset | | 3,622 | 3,412 |
| Depreciation on right-of-use assets | | 1,738 | 6,985 |
| Unrealized exchange loss / (gain) | | (56,763) | (34,665) |
| Profit on saving accounts | | (16,447) | (12,175) |
| Provision for staff retirement benefits | | 49,949 | 23,160 |
| Allowance for expected credit losses | | (18,242) | - |
| Amortization of deferred government grant | | - | (708) |
| Increase in suppliers credit | | 28,066 | - |
| Finance costs | | 1,153,387 | 811,633 |
| | | 1,772,176 | 1,013,062 |
| Working capital changes | 13.1 | (2,959,099) | 228,420 |
| Cash generated from operations | | (722,253) | 2,442,049 |
| 13.1 CHANGES IN WORKING CAPITAL | | | |
| (Increase) / decrease in current assets: | | | |
| Stores, spares and consumables | | (158,236) | (72,216) |
| Stock-in-trade | | (211,189) | (92,244) |
| Trade receivables | | (895,858) | (102,019) |
| Trade deposits and short-term prepayments | | (34,195) | (26,816) |
| Loans and advances | | (655,911) | (211,864) |
| Other receivables | | 5,424 | - |
| Sales tax refundable | | 82,998 | (2,961) |
| Margin against bank guarantee | | - | (26,589) |
| | | (1,866,967) | (534,709) |
| Increase / (decrease) in current liabilities: | | | |
| Trade and other payables | | (1,249,321) | 801,649 |
| Contract liabilities | | 157,189 | (38,520) |
| | | (1,092,132) | 763,129 |
| | | (2,959,099) | 228,420 |

14 CASH AND CASH EQUIVALENTS

Cash and bank balances
Short-term borrowings under
Running Musharakah

| (UN-AUDITED) | |
|----------------------------|----------------------|
| Half year ended | |
| December 31, 2024 | December 31, 2023 |
| ----- Rupees in '000 ----- | |
| 542,050 | 348,588 |
| (557,747) | - |
| (15,697) | 348,588 |

15 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

Associated companies

Sales
Receipts against sales
Purchase
Payment against purchases

| (Un-audited) | |
|----------------------------|----------------------|
| Half year ended | |
| December 31, 2024 | December 31, 2023 |
| ----- Rupees in '000 ----- | |

| | |
|-----------|-----------|
| 2,195,914 | 1,567,969 |
| 1,249,675 | 1,679,473 |
| 265,421 | 3,301 |
| 1,083 | 5,641 |

Key management personnel

Remuneration

| | |
|--------|--------|
| 77,537 | 81,266 |
|--------|--------|

Non-executive directors

Directors' fee

| | |
|--------|-------|
| 13,560 | 8,850 |
|--------|-------|

16 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison. Following are the major reclassification / rearrangement to report:

| Particulars | Reclassified from | Reclassified to | Rupees in '000 |
|---------------------|---------------------|--|----------------|
| Long-term financing | Long-term financing | Current portion of long-term financing | 447,073 |

17 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors on February 25, 2025.



Naveed Godil
Chief Executive Officer



Saad Amanullah Khan
Director & Chairman
Board Audit Committee



Mohsin Anwer
Chief Financial Officer



ڈائریکٹرز کی جائزہ رپورٹ

برائے نصف سال 31 دسمبر 2024

ڈائریکٹرز کو یہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے، جو کہ غیر آڈٹ شدہ عبوری مالیاتی گوشواروں (اسٹینڈ الون اور کنسولیڈیٹڈ دونوں) کے ساتھ نصف سال 31 دسمبر 2024 کو مکمل ہونے والے عرصے کے لیے ہے۔

مالی کارکردگی

| اسٹینڈ لون | | کنسولیڈیٹڈ | |
|--------------------------------|-------|------------|---------|
| برائے نصف سال ختم شدہ 31 دسمبر | | | |
| 2023 | 2024 | 2023 | 2024 |
| ملین روپوں میں | | | |
| 8,223 | 6,124 | 10,084 | 16,250 |
| 2,060 | 835 | 2,486 | 2,117 |
| 1,662 | 793 | 2,012 | 1,618 |
| (707) | (738) | (812) | (1,153) |
| 955 | 55 | 1,201 | 465 |
| 582 | 55 | 820 | 309 |
| | | 858 | 568 |
| | | (38) | (258) |
| 0.92 | 0.08 | 1.36 | 0.81 |

سیلز
گراس منافع
آپریٹنگ منافع
فنانس پر خرچ
ٹیکس اور لیویز سے پہلے منافع
مدت کے لیے خالص منافع
منافع کا انتساب
- (آئی پاک) ہولڈنگ کمپنی
- (پی پاک) اقلیتی شیئر ہولڈرز
(روپے میں) فی شیئر آمدنی

نصف سال 31 دسمبر 2024 کو ختم ہونے والے عرصے میں، آئی پیک گروپ نے اپنی اسٹریٹجک ترقیاتی حکمت عملی کے تحت ترقی کے سفر کو جاری رکھا اور فروخت میں 61.2 فیصد کا نمایاں اضافہ حاصل کیا، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 6 ارب روپے سے زیادہ کا اضافہ ظاہر کرتا ہے۔

یہ نمایاں ترقی بنیادی طور پر گروپ کی دو نئی پیداواری فیکٹریوں کے قیام کی بدولت ممکن ہوئی، جو اس کی ذیلی کمپنیوں کے تحت کام کر رہی ہیں گلوبل پیکیجنگ فلز، ایک مکمل ملکیتی ذیلی کمپنی، جو بی او پی پی فلز تیار کرتی ہے۔
پیٹ پیک فلز، 52 فیصد ملکیتی کمپنی، جو بی او پی ای ٹی فلز تیار کرتی ہے۔

دوسری طرف، کاسٹ پیکیجنگ فلز، جو کے ایک الگ ذیلی کمپنی کے طور پر سی پی پی فلز بناتی ہے، نے اپنی مضبوط مارکیٹ پوزیشن برقرار رکھی اور مستحکم فروخت کے ساتھ مستقل منافع حاصل کیا۔

گروپ کو پیٹ پیک فلز کے ابتدائی مراحل میں اضافی لاگت کے باعث کچھ مالی چیلنجز کا سامنا رہا، تاہم اب اس کے آپریشنز مکمل طور پر مستحکم ہو چکے ہیں اور پیداواری حجم میں نمایاں اضافہ دیکھا جا رہا ہے۔

چونکہ مارکیٹ کے حالات بہتری کی جانب گامزن ہیں، اس لیے مستقبل میں پیٹ پیک فلز کی کارکردگی مزید بہتر ہونے کی توقع ہے۔

آئی پیک گروپ فروخت میں اضافے، متنوع کاروباری پورٹفولیو، اور اعلیٰ عملی مہارت کے ذریعے طویل مدتی قدر میں اضافے کے عزم پر قائم ہے۔

اسٹینڈ الون بنیاد پر، نصف سال 31 دسمبر 2024 کو ختم ہونے والے عرصے میں، آئی پیک کی فروخت کا حجم گزشتہ سال کے اسی عرصے کے برابر رہا۔ تاہم، جیسا کہ پچھلی رپورٹ میں ذکر کیا گیا تھا، فروخت کی مالیت پر اثر پڑا ہے کیونکہ برآمدات کا تناسب زیادہ رہا۔ برآمدات عام طور پر کم منافع کی حامل ہوتی ہیں۔

یہ اقدام گروپ کی مجموعی حکمت عملی کے مطابق ہے، جس کا مقصد فروخت میں زیادہ سے زیادہ اضافہ اور عملی کارکردگی میں بہتری لانا ہے، جو کہ اس مدت کے لیے گروپ کے نتائج میں واضح طور پر نظر آتا ہے۔

نصف سال 31 دسمبر 2024 کے دوران، بینک قرضوں پر مارک اپ اخراجات زیادہ رہے، جس کی بنیادی وجہ نئی قائم کی گئی ذیلی کمپنیوں کے کام کرنے کے سرمائے کی ضروریات کو پورا کرنے کے لیے لیا گیا قرض تھا۔

جیسے جیسے یہ کاروباری سرگرمیاں مستحکم ہوں گی اور اندرونی کیش فلو میں بہتری آئے گی، بیرونی قرضوں پر انحصار بتدریج کم ہونے کی توقع ہے۔ اس کے علاوہ، سود کی شرحوں میں جاری کمی ان اخراجات کو مزید کم کرے گی، جو آئندہ عرصے میں گروپ کے مجموعی منافع پر مثبت اثر ڈالے گی۔

مستقبل کی توقعات

ہماری نئی قائم کی گئی ذیلی کمپنیوں کی کامیاب توسیع ہماری ترقی کی بنیاد کو مزید مضبوط کر رہی ہے۔ ہماری توجہ مقامی اور برآمدی دونوں منڈیوں میں توسیع پر ہے۔ ہم اپنے گروپ کی پیداواری صلاحیتوں اور جدید ٹیکنالوجی کے مؤثر استعمال کے لیے پرعزم ہیں تاکہ کاروباری شعبوں میں ہم آہنگی پیدا کی جاسکے، جس سے آپریشنل کارکردگی اور مالی نتائج مزید بہتر ہوں۔

آئی پیک ملک میں واحد گروپ ہے جو تینوں اہم بیکیجنگ فلمز فراہم کر رہا ہے، جو کہ ہماری ایک نمایاں مسابقتی برتری ہے۔ یہ برتری ہمیں مزید گاہکوں کو اپنی طرف متوجہ کرنے اور صنعت میں اپنی قیادت کو مضبوط کرنے میں مدد دیتی ہے۔

ہم جدت طرازی اور مسلسل بہتری کے عزم پر قائم ہیں، جس سے ہمیں نئے مواقع سے فائدہ اٹھانے اور ممکنہ خطرات کو مؤثر طریقے سے سنبھالنے میں مدد ملتی ہے۔ ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل اعتماد اور حمایت کو بے حد قدر کی نگاہ سے دیکھتے ہیں اور پائیدار ترقی اور طویل مدتی منافع بخشی کے لیے بھرپور محنت کر رہے ہیں۔

ہم ایک مضبوط اور لچکدار کاروباری ماڈل بنانے پر توجہ دے رہے ہیں جو ہمارے گاہکوں اور سرمایہ کاروں کے لیے مسلسل قدر فراہم کرتا رہے۔

ڈائریکٹرز کے بورڈ کی جانب سے

نوید گوڈیل

چیف ایگزیکٹو آفیسر

25 فروری 2025



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