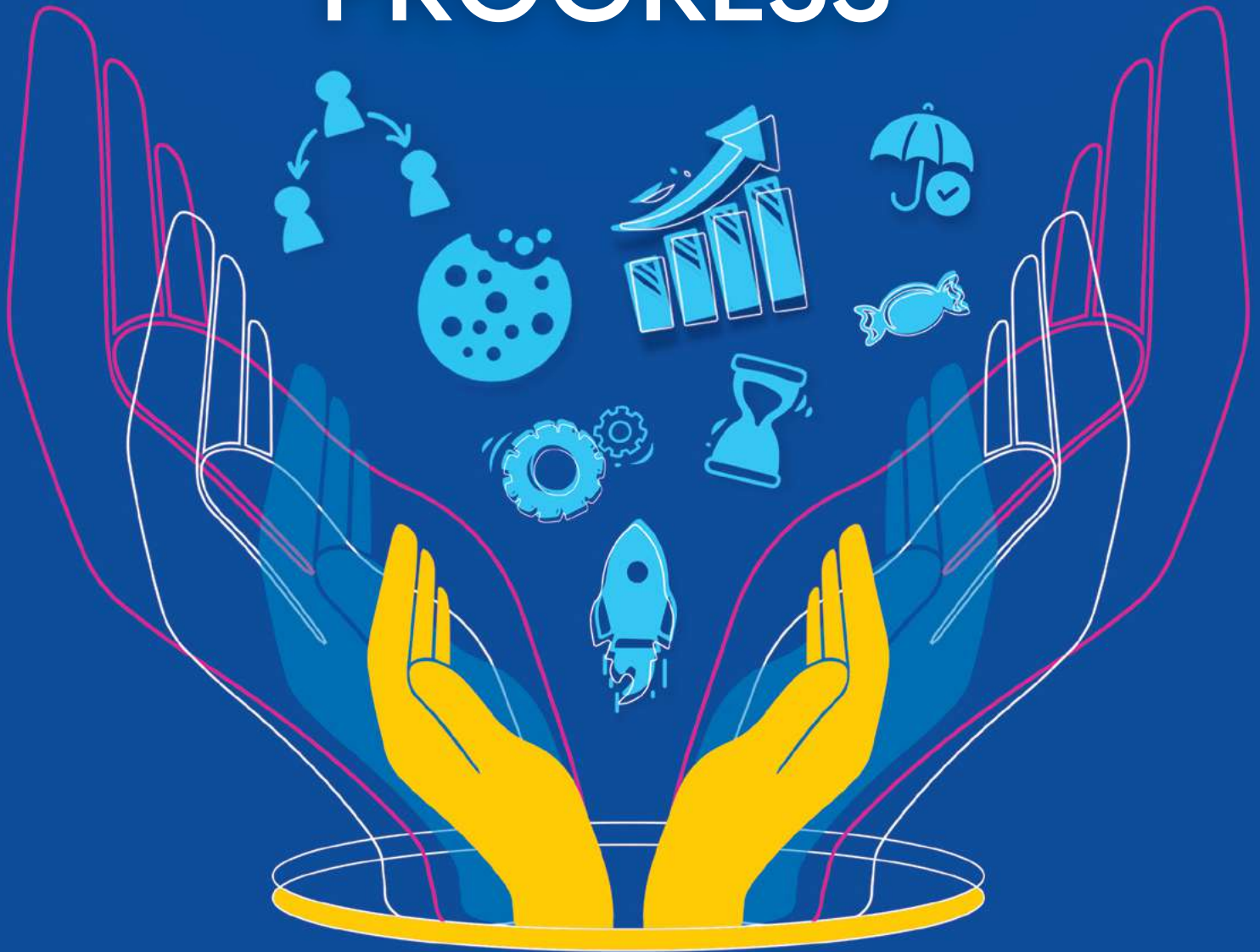




ISMAIL INDUSTRIES
LIMITED

PIONEERING PROGRESS



Annual Report 2025



ISMAIL INDUSTRIES
LIMITED



Annual Report
2025

OUR STORY

CandyLand is where it all started in 1988 with our first factory bringing to life the largest confectionery company of Pakistan. Our strong fundamentals of honesty, dedication and relentless hard work has seen us become a name of quality and consumer trust for over three decades. CandyLand is an incredible and inspiring story of determination which has made it the market leader in the confectionery business.

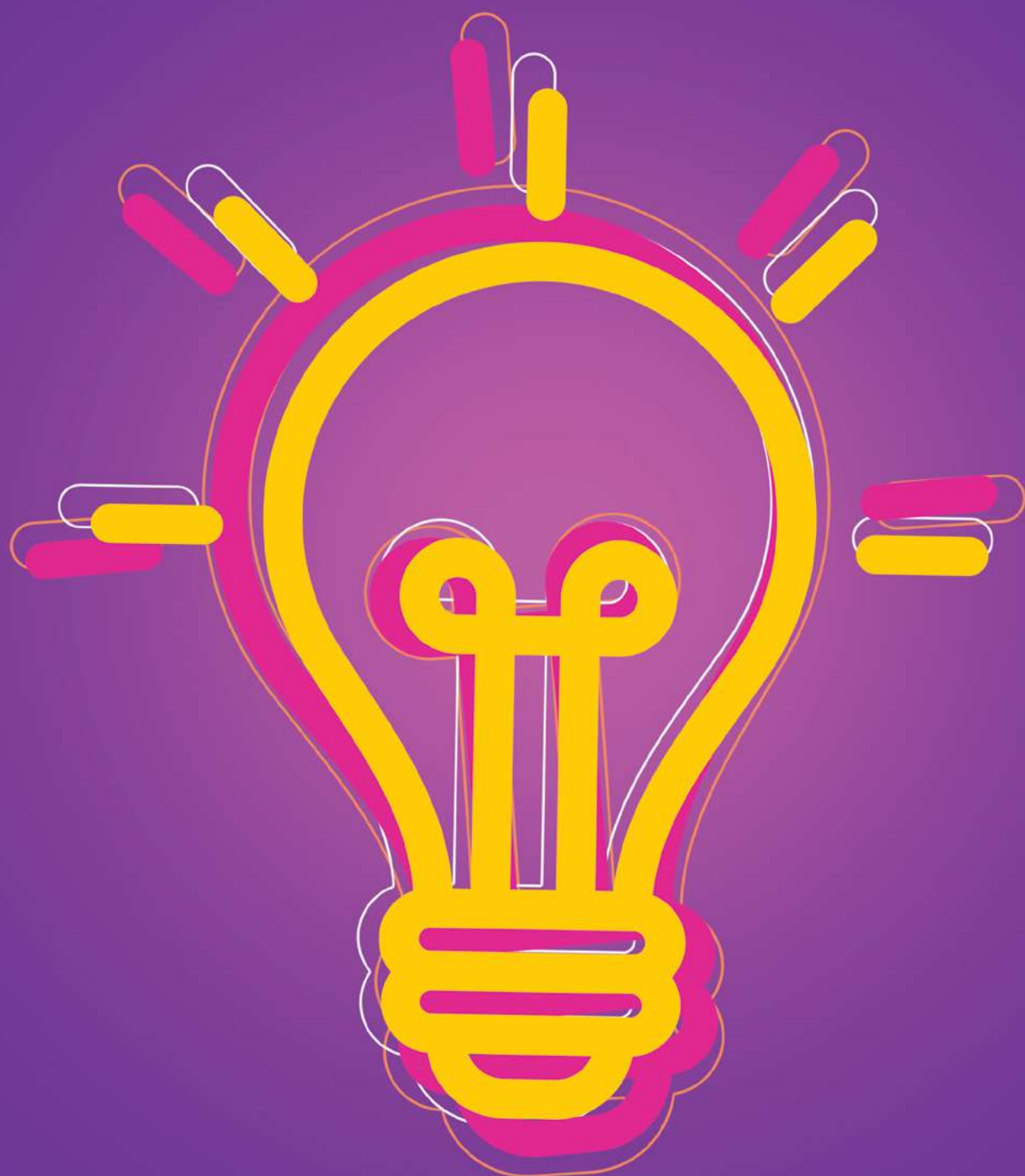
In 2002, the Bisconni division was introduced, which soon became one of the fastest-growing biscuit Industries in the country. In 2006, the SnackCity division was set in motion to explore the chips and peanuts category. Our business further strengthened when, in the same year, Astro Films was launched as a specialized division that manufactures packaging and plastic films.

At Ismail Industries Limited (IIL), we take pride in being ISO 22000 certified and meeting the global quality standards specified by the International Organization for Standardization dealing with food safety. We are also certified by SANHA (South African National Halaal Authority) which is a leading authority in the certification of Halaal products around the world.

For over two decades, IIL has been exporting its products to more than 40 countries in North America, Europe, Australia, Africa, the Far East, and the Middle East. Our long-standing customer relationships are a testament to our commitment to manufacturing the highest quality products and ensuring the satisfaction of our customers all around the world.

Our employees operate in an environment where they are empowered to think and act in the highest interest of our key stakeholders. It is the same culture of innovation that has resulted in many home-grown ideas resulting in some of the most innovative products brought to Pakistan's confectionery, biscuit, and snacks market along with various achievements internally on driving efficiency and operational excellence.







WELCOME

Our vision is to grow the business, while decoupling our environmental footprint from the growth and increasing our positive social impact.

Ismail Industries Limited is one of the largest business entities of Pakistan. The company has a diverse portfolio ranging from food products (confectioneries, biscuits, snacks, nutrition and flour) to high-quality packaging films.



MISSION

Our mission is to capitalize on our core values and maximize our customers' satisfaction through continuous efforts of delivering consistent quality of products. We aim to constantly empower and enable our people to deliver value for our consumers. Our target is to extensively cater to the home markets and to strengthen our roots in international ones. The overarching mission of Ismail Industries Limited is to become a socially responsible organization that contributes towards the betterment, growth and development of Pakistan.

VISION

Ismail Industries' vision is to continue its growth trajectory in the coming years and to become the largest manufacturing company in Pakistan. It aims to serve its customers with delightful treats and products with the promise of taste and bringing smiles. The company plans to become the best snacking company in the country through its strategy focused on quality products, leveraging people's capabilities, employing technology for efficiency, bold innovation, and continuous process improvements.



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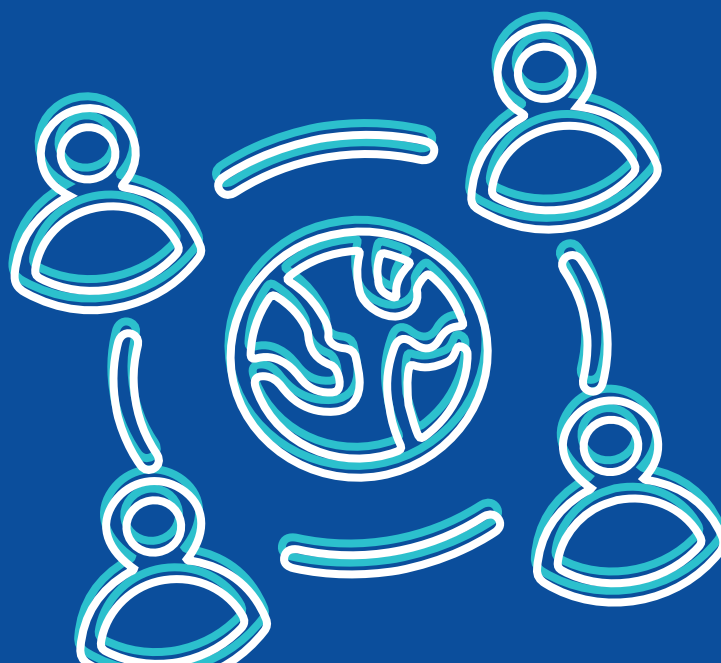
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Organizational Overview and External Environment

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Company Profile

BOARD OF DIRECTORS

Mr. Muhammad M. Ismail
Mr. Munsarim Saifullah
Mr. Ahmed Muhammad
Mr. Hamid Maqsood Ismail
Mr. Maqsood Ismail
Mr. M. Zubair Motiwala
Ms. Tasneem Yusuf

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

AUDIT COMMITTEE MEMBERS

Ms. Tasneem Yusuf
Mr. Muhammad M. Ismail
Mr. Maqsood Ismail

Chairperson
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. Zubair Motiwala
Mr. Maqsood Ismail
Mr. Hamid Maqsood Ismail

Chairman
Member
Member

HEAD OFFICE

17, Bangalore Town,
Main Shahrah-e-Faisal, Karachi, Pakistan

COMPANY SECRETARY

Mr. Abdul Basit

LEGAL ADVISOR

Mohsin Tayebaly & Co.

SHARE REGISTRAR

THK Associates (Pvt.) Limited

CHIEF FINANCIAL OFFICER

Mr. Ahmed Raza Parekh

AUDITOR

Grant Thornton Anjum Rahman
Chartered Accountants

FACTORIES

Unit-1: C-230, H.I.T.E., Hub,
Balochistan, Pakistan.

Unit-2: B-140, H.I.T.E., Hub,
Balochistan, Pakistan.

Unit-3: G-1, H.I.T.E., Hub,
Balochistan, Pakistan.

Unit-4: G-22, H.I.T.E., Hub,
Balochistan, Pakistan.

Unit-5: 38-C, Sundar Industrial Estate,
Raiwind Road, Lahore, Pakistan.

BANKERS / INSTITUTIONS

Meezan Bank Limited
Habib Bank Limited
Askari Bank Limited
National Bank of Pakistan
MCB Bank Limited
Allied Bank Limited
Bank Al Falah Limited
JS Bank Limited
The Bank of Punjab
Faysal Bank Limited

Unit-6: D-91, D-92 & D-94, North Western Industrial Zone,
Port Qasim, Karachi, Sindh, Pakistan.

Unit-7: E164-168, North Western Zone,
Port Qasim, Karachi, Sindh, Pakistan.

Unit-8: E154-157, North Western Zone,
Port Qasim, Karachi, Sindh, Pakistan.

Unit-9: G-1A, H.I.T.E., Hub,
Balochistan, Pakistan.

Unit-10: E164-168, North Western Zone,
Port Qasim, Karachi, Sindh, Pakistan.

Code of Conduct

ILL aims at maintaining the Organizational Culture that Promotes Transparency and Accountability through honesty, integrity and diligence in dealing with employees, customers, financial market, government, regulatory authorities and other stakeholders.



Gender Equality

Gender equality must be strictly upheld and promoted by the company without regard to race, religion, ancestry, family status, age, disability, or any other factor. Equal opportunities to employees in professional growth will be afforded to all irrespective of any gender or racial/religious biases.



Compliance to Law / Policies

We shall not make, recommend, or cause any action, contract, agreement, expenditure, and investment or an activity that is known or believed to be in contravention of any regulation or law or corporate/Company policy.



Exercise of Authority

We won't make use of our respective positions and authority to compel, persuade, harass, coerce, or intimidate any manner influence any person, including subordinates, in order to supply any favour, gift or benefit, whether financial or otherwise, to ourselves.



Protection of Property

We will not disclose or use the Company's trade secret, proprietary or confidential information gained in the fulfillment of company obligations as a means of making private profit, gain or profit.

We will safeguard the company's assets, plant assets, materials of every kind, production equipment and products.



Reporting of Illegal / Unethical Conduct

We'll follow a strict policy, for protection and "whistleblowing" against retaliation.

Employees must be supported, to report any unethical behaviour, violation of laws, rules, regulations, Procedures and policies of the company or a Code of Conduct for the particular committee.



Reputation

We shall maintain reputation of the Company as a valuable asset and

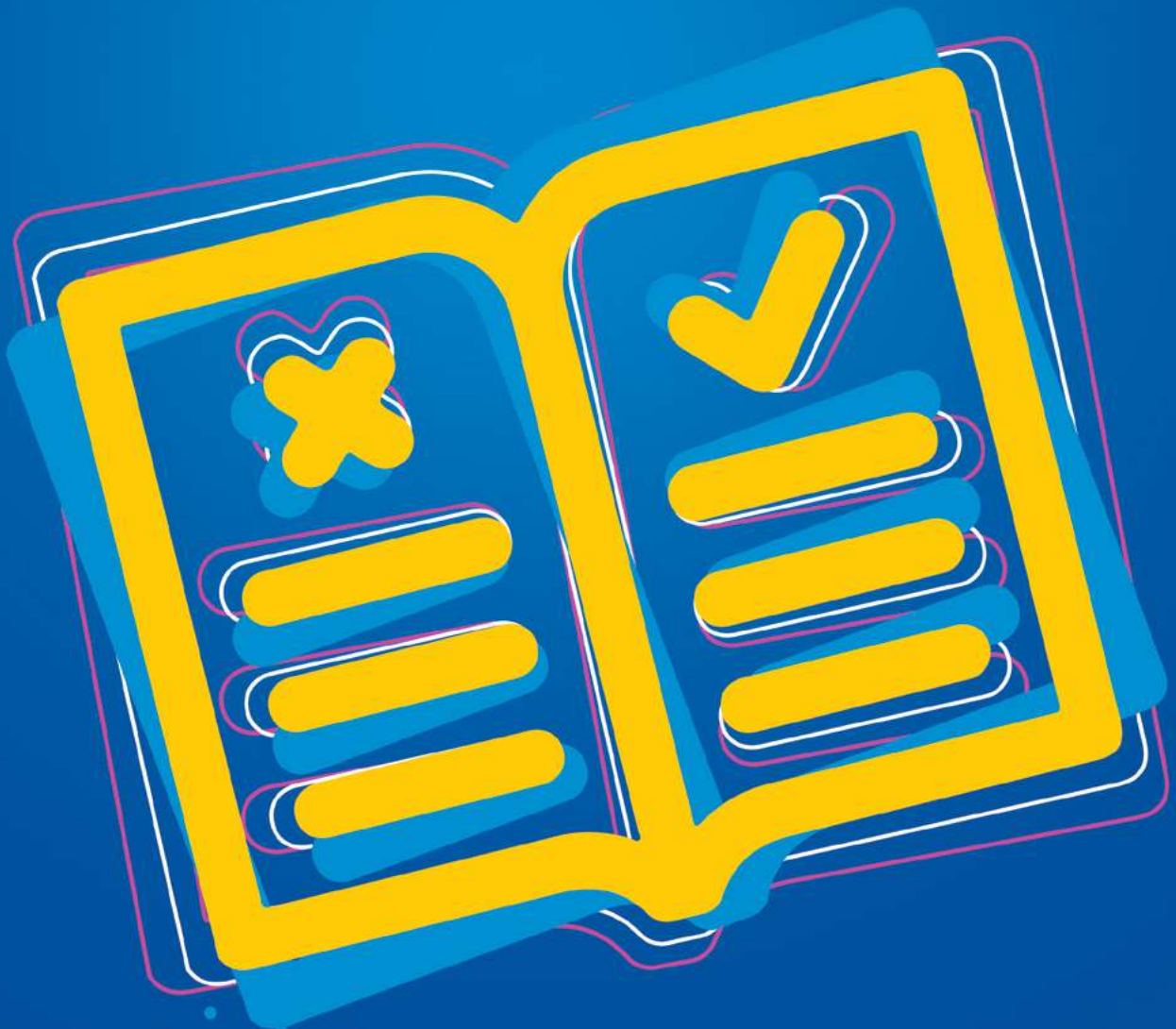
we are aware of our reputation will rule through our words and deeds.

Ethical Principal

It is the policy of ILL to follow the highest business ethics and standards of conduct.

It is the obligation of every one of us to behave in a responsible manner; that is, to be truthful, dependable, conscientious, and dedicated to upholding the highest standards of ethical business practices.

- Directors' and employees' actions have a direct impact on the company's reputation and legal standing. Each one of us must endeavour to act according to the highest ethical standards and to be aware of and abide by applicable laws.
- We all must ensure that our personal conduct is above reproach and complies with the highest standards of conduct and business ethics, and have the obligation to ensure that the conduct of those who work around us complies with these requirements. The Code of Business Conduct and Code of Ethics of the Company will be fairly and without prejudice.
- This code to which the Company is committed in maintaining the highest standards of conduct and ethical behaviour is a moral as well as a legal requirement that applies equally to all employees and directors of the Each member of the company has received a personal copy.



Core Values



BELIEF

Our objective is to keep dreams alive. We have faith in the notion that belief in oneself and the overall purpose is the first step to achieve something. We strongly believe in our products, our processes, our partners, and above all - we believe in each other.



LEADERSHIP

We believe that business performance is driven by effective leaders who can truly inspire people to unleash their individual and collective potential. We focus on providing a leadership that provides a vision, inculcates aspirations, promotes communication, and displays passion.



EXCELLENCE

Our corporate purpose is to manifest excellence in our performance attitude. We view it as a continuous process that enables us to excel in everything we do.



FAIRNESS

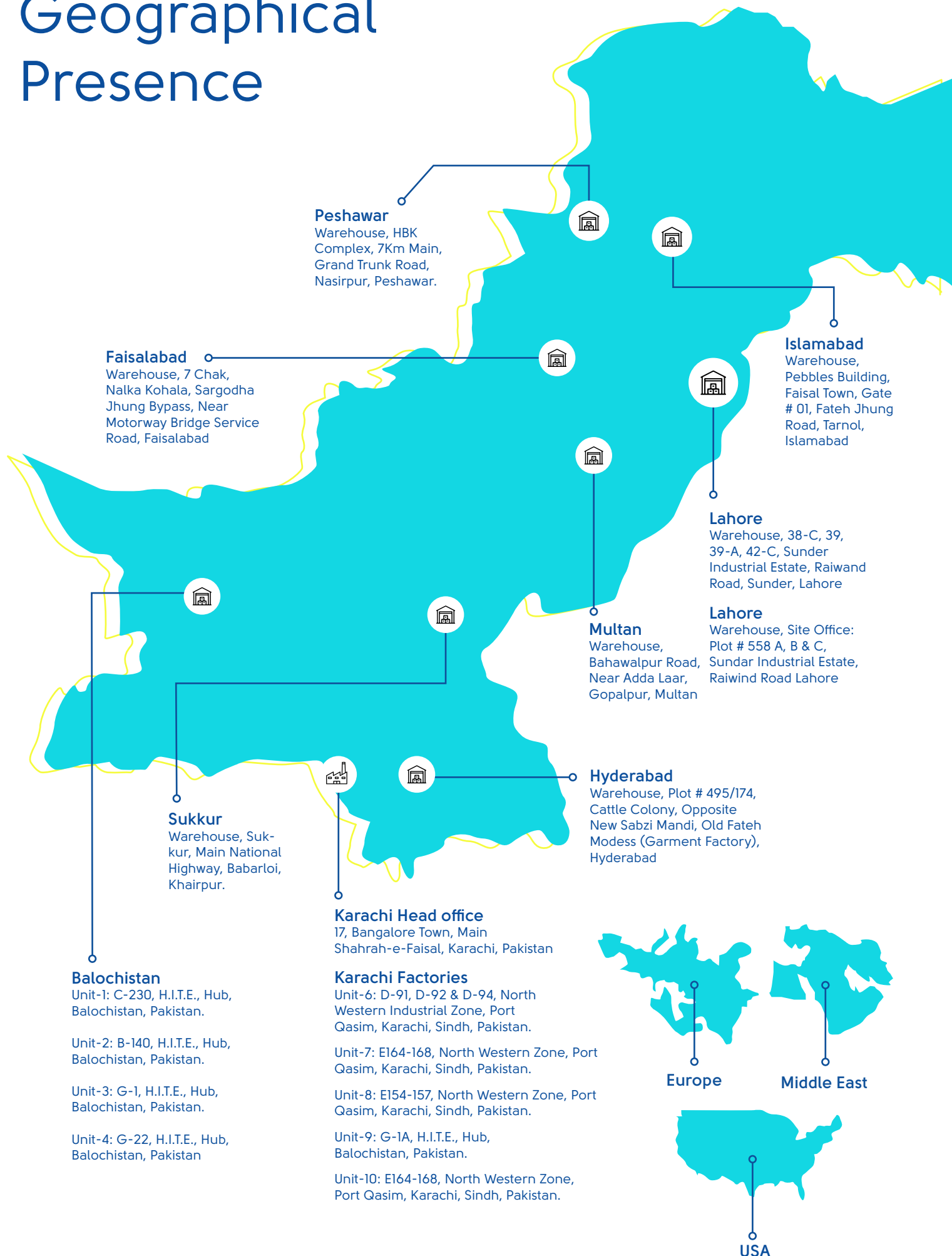
Fairness is a professional behavior that establishes reliability and credibility. We keep fairness paramount - we do what we say.



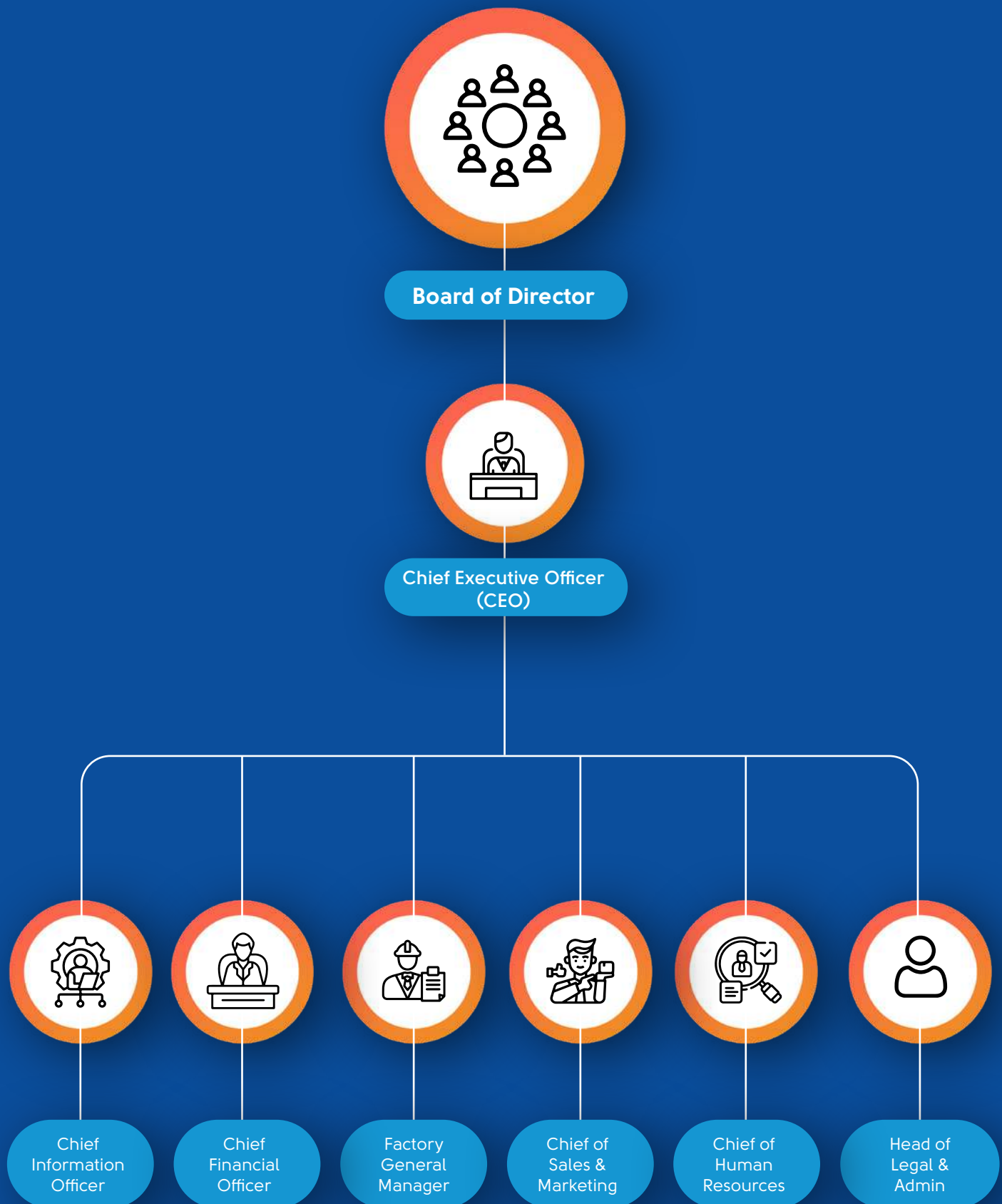
TEAMWORK

We focus on leveraging collective efforts and nurturing a culture of appreciation. Our aim is to empower our people to make collective decisions with utmost integrity and responsibility.

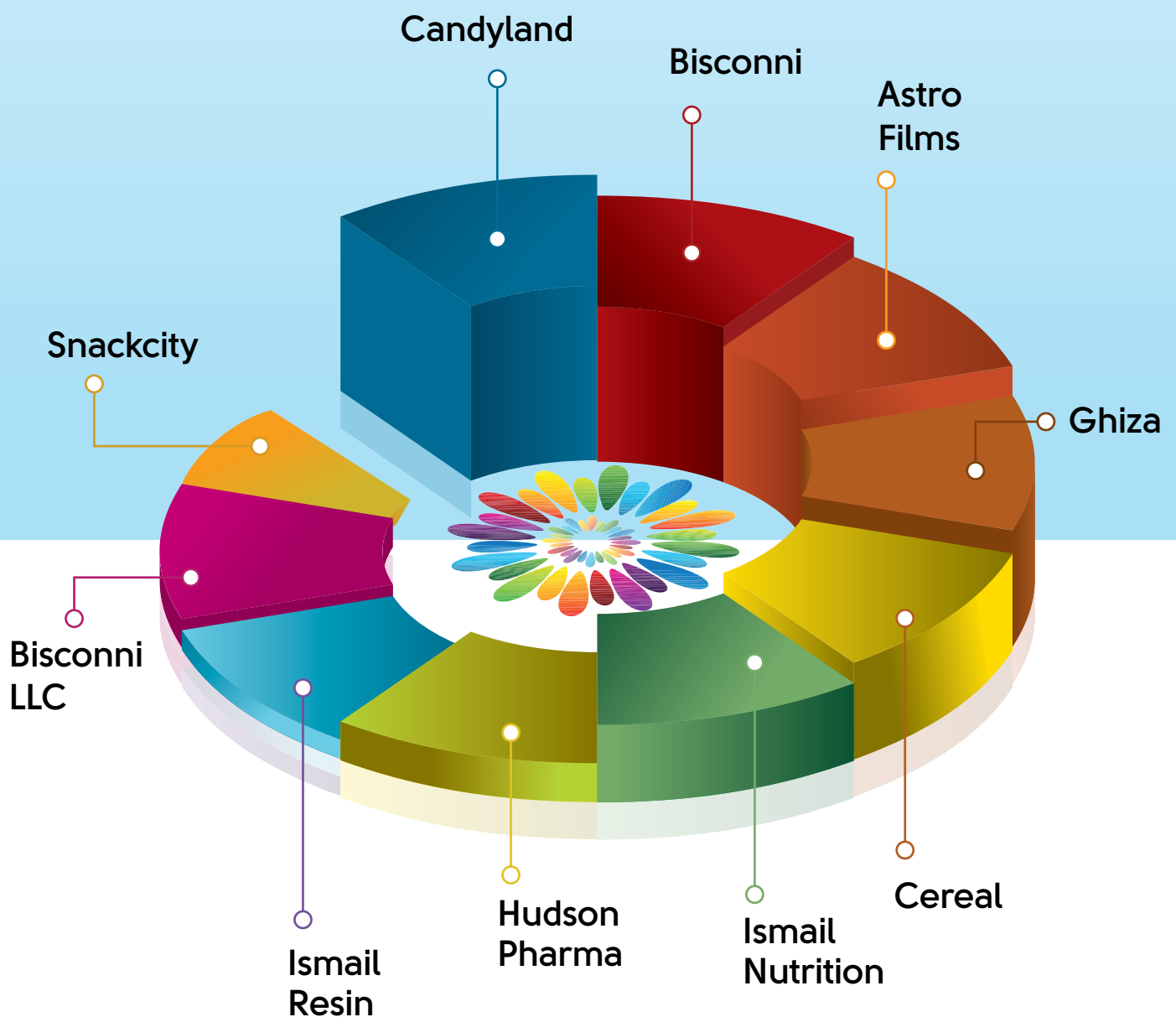
Geographical Presence



Organization Chart



Group Structure



Ownership Structure



Ismail Resin
75%



PlastiFlex Films
Common Directorship

Hudson Pharma
78.53%



Bank of Khyber
24.43%

Bisconni
Middle East
Manufacturing
LLC Foreign
Subsidiary
100%



Innovita Labs
Common Directorship



Innovita Nutrition
Common
Directorship

Legitimate needs, Interest of Key Stakeholders, Industry trends

In its strategic planning and operational execution, encompassing new policies, procedures, expansions, and significant corporate events, the company meticulously considers the legitimate needs and interests of all key stakeholders. This approach is informed by a careful analysis of prevailing trends within the industry and the practices of competitors. Furthermore, all decisions and actions are conducted in strict adherence to the applicable rules and regulations of relevant regulatory authorities.

Impact of Seasons on Business

The company's production and sales of all products demonstrate a consistent performance throughout the year. While minor fluctuations may occur in certain business segments, however, there is no evidence of a major disruptive seasonal effect on overall business of the Company. The diversified product portfolio and strategic management effectively mitigates significant seasonal impacts, thereby ensuring a relatively stable performance across the fiscal year.

Competitive Landscape and Market Positioning

Ismail Industries Limited operates within a highly competitive Fast-Moving Consumer Goods (FMCG) sector in Pakistan. The competitive landscape is defined by the presence of both large multinational corporations and local players, all vying for market share. The company's strategy focuses on diversification, brand strength, and a wide distribution network to maintain its market position.

Ismail Industries has strategically positioned itself as a diversified and dominant player to mitigate the risks associated with a single product category and to capture a wider consumer base.

Brand Equity and Loyalty: The company has invested in building strong brand equity, which has resulted in a loyal customer base. This brand loyalty acts as a significant barrier to entry for new competitors.

Robust Distribution Network: In the FMCG sector, a wide and efficient distribution network is a critical competitive advantage. Ismail Industries has a strong network that ensures its products are readily available in both urban and rural markets, allowing it to compete effectively with larger players.

Price and Quality: The company positions its products on a balance of quality and competitive pricing, making them accessible to a broad demographic while maintaining profitability.

In conclusion, Ismail Industries Limited has successfully navigated a complex competitive landscape by leveraging a diversified portfolio, building strong brand loyalty, and maintaining a robust distribution network. Its strategy of being a multi-segment player allows it to compete effectively against both large multinational corporations and specialized local competitors.



CandyLand



PRINCIPAL BUSINESS ACTIVITIES AND LAUNCHES

CandyLand, a cornerstone of Ismail Industries Limited's confectionery division in Pakistan, commenced operations on June 21, 1988, with its first production facility established on a modest 1-acre site. Since the launch of its first brand in 1990, the company has continuously achieved significant milestones, expanding its manufacturing footprint to over 8 acres.

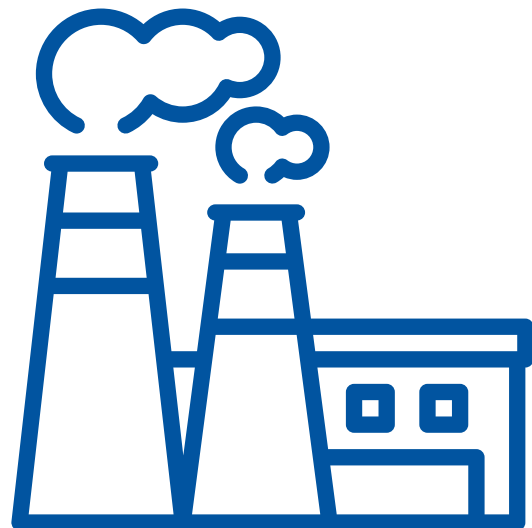
Guided by a consumer-centric and innovation-driven philosophy, CandyLand has introduced numerous new product categories to the Pakistani market. Leveraging state-of-the-art manufacturing facilities, the company has established itself as one of the most technologically advanced industries. The core of our operations is a commitment to delivering superior customer value and ensuring exceptional consumer satisfaction with every purchase.

Our highly skilled cross-functional teams work collaboratively to deliver consumer delight. These teams are supported by a robust and far-reaching sales network that ensures product availability nationwide,

including remote areas.

CandyLand offers a comprehensive range of product categories, including jellies, chocolates, marshmallows, candies, toffees, chews, lollipops, gums, milk chocolates, spreads and truffles. All products adhere to stringent international standards for quality and food safety, and are certified under ISO 22000, and Halal-certified by SANHA.

We are committed to upholding our core values, nurturing our existing brands, and driving category growth through continuous innovation. We remain focused on developing new brands that align with evolving consumer preferences and make sure consistent satisfaction for the years to come.



Brand Launches

PREMIUM RANGE:

Neon Crawlers

Neon Crawlers bring a playful twist to your Jellies collection with their worm-like shapes and vibrant neon colors that make the experience exciting. Each bite delivers a bold mix of sweet and tangy fruit flavors.



Mango Jelly

Our chewy mango jelly is crafted for a premium snacking experience. Bursting with the rich, authentic flavor of real mango, it delivers a bold and juicy punch with every bite. Mango Jelly reflects our commitment to innovation and quality within the premium confectionery portfolio.

Bliss

This product is rich, premium chocolate bar with a smooth coconut filling at its core. Bliss combines chocolate with the tropical sweetness of coconut, delivering a luxurious escape in every bite.



Flick

Flick is a multi-layered chocolate bar that brings together chewy nougat, crunchy peanuts, and gooey caramel, all wrapped in a layer of rich chocolate.



Cosmo

Smooth caramel meets soft nougat in Cosmo, a premium chocolate bar designed for true connoisseurs, and creates a delicious feast. Each bite offers a balanced blend of creamy, chewy, and sweet textures encased in rich chocolate.



Mega Mallows

Mega Mallows are soft and fluffy white marshmallows crafted for indulgent moments. With their pillowy texture and melt-in-your-mouth feel, they are perfect for roasting, dipping, or savoring straight from the pack.



Brand Launches

CORE RANGE:

Racer

It is a unique, caramel-filled chocolate, shaped like a car, is a first of its kind in the market. Racer stands out with no direct competitors offering a similar format. It has carved a distinctive niche, reinforcing our commitment to innovation and category differentiation.



Choco Jammin

It is an innovative chocolate coated, strawberry jam-filled, marshmallow that offers a burst of flavor with every bite. Combining the sweetness of chocolate, the softness of marshmallow, and the fruity punch of strawberry jam, it delivers a unique multi-sensory experience.



Butter Scotch Candy

Butter Scotch candy offers a rich, creamy texture that melts in your mouth, perfectly blending buttery sweetness with golden caramel notes.



Kulfa Candy

Kulfa Candy offers the traditional, creamy taste of Kulfa. With a rich, flavorful center filled with red syrup, every bite delivers the classic Kulfa taste with a delightful badami touch and hints of pistachio. As the only Kulfa flavored candy in the local market, it introduces a unique flavor with a refreshing twist.



Chili Mili Candy

The iconic Chili Mili is offered now in a form of candy! This bold mix of spicy and sweet hits just right, bringing back the classic taste with a fiery candy twist!

Eclairs

Our Éclairs are a classic delight with a rich, creamy center wrapped in smooth, chewy caramel. This treat delivers indulgence in every bite, making it a popular choice across various age groups.



Brand Launches

CORE RANGE:

Dewy Chewy

Dewy Chewy is a juicy, strawberry-flavored chew that is bigger, juicier, and bursting with sweet, fruity goodness. With every bite, you get a rush of delicious strawberry flavor wrapped in a soft and satisfying chew, in just Rs. 5.



Ooze

A blackcurrant-flavored, center-filled chew with fruity center delivers a bold, mouthwatering experience. Bursting with juicy, tangy sweetness, Ooze offers a flavorful punch that is hard to resist.

Monster Chew

Unleash the beast with Monster Chew – the ultimate sour-coated chew that is bursting with wild flavor and a surprise twist! It comes with a painter that turns your tongue to monstrous colors for double the fun. Sour, chewy, and wildly colorful!



Pebbles

Pebbles is our playful, sugar-coated jelly brand, known for its chunky texture and bold, fruity flavors.



BISCONNI



BRAND ACTIVATIONS SNAPSHOT

Chocolate Chip Cookies “CCC”

To transform the often-mundane daily life of a child, we aimed to seamlessly integrate Bisconni Chocolate Chip Cookies by identifying opportunities to inject fun through our brand. Cookiemon, our mascot, spearheaded this initiative with the core message: Amplifying the Fun.



Back to School Consumer Promotion

To resonate with children during the back-to-school season, our consumer promotion provided a valuable and fun incentive. The promotion was brought to life through an animated TVC starring Cookiemon and unique packaging.

Masti Ka Real Partner Integrated Marketing Campaign

Positioning Bisconni CCC as a funfilled companion for kids by leveraging Cookiemon, the playful mascot, to create an emotional connection. The campaign integrated Chocolate Chip Cookies into children's everyday moments, transforming ordinary experiences into exciting ones, reinforcing Chocolate Chip Cookies as the go-to snack to stir fun and mischief.



Snack-time Consumer Promotion

To enhance children's snack time, we teamed up with Dayfresh Chocolate flavored milk to offer a delicious chocolatey combination. This initiative involved a jointly branded custom box, brought to life with an animated DVC and consistently promoted as a fun snack-time duo across digital channels.



Code Busters Consumer Promotion

Code Busters Scan, Scratch and Win
Consumer Promotion

Cocomo | Chocolate Chip Cookies

To reimagine consumer engagement, we launched a storytelling-driven campaign featuring the first joint appearance of our mascots Coco, Mo, and Cookiemon across on-screen and 360° marketing platforms. This initiative, leveraging our flagship brand, Cocomo and our kid-friendly Chocolate Chip Cookies, generated excitement leading up to the Scan, Scratch, and Win promotion. The weekly mega prizes offers not only delighted consumers, but also strengthened our brand connection, building love and trust for both brands.



Chocolatto

HUM Awards and HUM Style Awards
Sponsorship

Chocolatto, carrying the baton of its association with fashion, continues to be an associate partner with one of the most prestigious award shows of Pakistan, HUM Awards and HUM Style Awards.



RITE

In 2024-25, Rite continued to focus on engaging kids through campaigns that resonated with their lives and made the brand an essential part of their key moments.

Rite Back To School Lunch Box

We also made Rite a staple for back-to-school moments with our Rite Lunchbox campaign, positioning our product as an integral part of their school routines and making snack time even more special.



RITE

World Disability Day

This World Disability Day, Rite celebrated the unique talents and voices of children with disabilities by sharing their inspiring stories with the world. Through powerful narratives like Fariha's art and Nida's writing, Rite highlighted how every child is capable,

creative, and full of potential. The campaign, rooted in empathy and empowerment, aimed to break stereotypes and promote inclusion. By championing the message "I am Rite, I am Able," Rite reminded us that every child deserves to be seen, heard, and celebrated—just as they are.



BISCONNI CORP

Ramadan

For Bisconni Corporate, we leaned into the values of generosity and compassion through Perfecting the Art of Giving during Ramadan. Our involvement in the Maidan Carnival included setting up a Wall of

Perfecting the Art of Giving, where people wrote heartfelt Eid and Ramadan messages for children. We distributed Eidi along with Bisconni treats, demonstrating that true giving goes beyond material gifts—it's about sharing time and emotions. This initiative reflected the spirit of Ramadan and celebrated the importance of giving.



Children's Day

We celebrated Children's Day through our impactful #InkiNazarSeDekho social experiment campaign. Partnering with Maidan to raise awareness about child labour

and emphasize the importance of education. This collaboration allowed us to reinforce our message and take actionable steps towards creating a brighter future for children.



COCOMO

In 2024-25, Cocomo made strong strides in reinforcing its functional offering and core message: celebrating the joy of sharing. Every initiative was focused on strengthening the bond between the brand and its audience, keeping Cocomo at the heart of shared moments.

COCOMO TRIPLE CHOCOLATE

We reintroduced Cocomo as Cocomo Triple Chocolate by increasing chocolate content and enhancing the overall experience. With Fahad Mustafa onboard, we made the upgrade relevant and exciting for our target audience. The "Triple Fun, Triple Sharing" campaign with the message "3 Times More Chocolate, Unlimited Fun" helped amplify our fun, shareable spirit and reignite love for the brand.



COCOMO CEREAL

We launched Cocomo Cereal to bring a fun, tasty twist to breakfast. It gave consumers what they wanted: a product that blends Cocomo's essence with morning

convenience. This helped cement our presence in a new category, keeping the brand's commitment to fun, flavor, and shared moments intact.



RAMADAN

We brought Cocomo into Ramadan through a strong OOH presence across Pakistan. By

tying “Mujhe Bhi Dou” with the blessings of sharing from Sehri to Iftar, we built emotional connection during this special month.



Bisconni Cakes

Expanding Indulgence for Everyone

Staying true to our purpose — “crafting moments of celebration for everyone with flavours that inspire and delight” — Bisconni Cakes made indulgence more accessible and introduced new cakes that cater to evolving tastes:

- **Chocolate Chip Vanilla:** A classic blend of vanilla cake and rich chocolate chips — a timeless treat for every occasion.
- **Rich Coffee:** Bold and aromatic, this cake is infused with robust coffee flavour, offering a

refined pick-me-up for coffee enthusiasts.

- **Crème Lotus:** A velvety cream-filled cake with a hint of caramelized decadence, delivering a perfectly balanced and irresistible dessert experience.

We launched a 360° campaign under “Har Moment Karo Celebrate!”, to drive brand recall across TV, digital, and outdoor platforms.

Bisconni Cakes continues to redefine classic indulgence and create moments of joy — one delicious bite at a time.



Raising the Bar on Indulgence

Building on the success of Flo, Bisconni Cakes launched a richer, more decadent Chocolate-Coated Cake - a two-layer enrobed delight offering a multi-textural indulgence with moist chocolate layers,

smooth vanilla cream, and a glossy chocolate coating.

This innovation expands our reach into fuller snacking, reflecting our commitment to offering a Bisconni Cake for every craving, every moment, and every age.



A Sweet Tradition in the Making

Bisconni Cakes continued to strengthen its position as a category pioneer with Pakistan's first packaged Fudge Brownie — a rich, two-layer snack that delivers bakery-style indulgence in a convenient format. To deepen reach and drive trials, we renewed our Ramadan partnership with 14th

Street Pizza, positioning the Fudge Brownie as the perfect post-meal dessert.

This year's campaign emphasized sensory appeal and emotional resonance, reinforcing its place as a go-to treat within pizza combos and sparking spontaneous consumer discovery."

Bisconni Prime

Bisconni Prime is Pakistan's first premium biscuit category, launched in 2024. It offers ultra-rich, creamy, and high-quality biscuits crafted with premium ingredients. Built on consumer feedback and a passion for innovation, Bisconni Prime redefines the biscuit experience. It comes with a portfolio of eight exceptional products:

- DayDream
- Mi Amor
- Divine
- Eclipse
- Flare
- Butter Cookies
- Delice
- Chip Hop

The launch of Bisconni Prime has effectively carved out a unique space in Pakistan's competitive food industry, appealing to consumers who continue to spend on premium products as a form of self-care or indulgence. With its innovative approach and commitment to excellence, Bisconni is poised to lead the charge in shaping the future of the biscuit industry.

Bisconni Prime was strategically associated with Perfecting Indulgence. As part of the launch, it rolled out a massive 360-degree campaign - TV, Digital, OOH, PR and Trade-promoting a single message:

"Indulgence Perfected".



Bisconni Active

After bifurcating the Bisconni Premium category, Health & Nutrition portfolio was taken under Bisconni Active category, where we house the Digestive range. The variants are as follows:

- Digestive Original
- Digestive Zero Sugar
- Digestive Chocolate
- Digestive Honey







ASTRO FILMS

Established in 2003, Astro Films is the flexible packaging division of Ismail Industries Limited, manufacturing BOPET, CPP and BOPP films at two locations: Hub and Port Qasim Industrial Zone, Karachi, Pakistan.

Astro Films is one of the leading packaging film manufacturers in the country, with a combined installed film production capacity of 63,000 tons/annum and a metallization capacity of 19,000 tons/annum. Our state-of-the-art facilities, high quality films and the most consistent services have earned us a recognition as one of the best recognized regional and international film suppliers-as well as one of the fastest growing flexible packaging film exporters with a prestigious clientele spread across 5 continents.

We have 2 CPP film lines of the renowned Italian company Gruppo Colines. The first 3.0-meter line was set up in 2003 with an annual capacity of 6000 tons. The CPP capabilities were enhanced in 2014 with an addition of the second 2.6-meter line, with an annual capacity of 9000 tons, increasing overall annual CPP films capacity to 15,000 tons.

Astro Films set up a 4.0-meter BOPP line from Bruckner (Germany), in 2011, facilitate packaging solutions for Ismail Industries Limited's in-house food brands. This line has an annual production capacity of 4200 tons.

The first of the two BOPET production lines

was set up in 2012; it is a 6.7-meter Bruckner (Germany) with an installed capacity of 18,000 tons/annum; the first Bruckner BOPET line imported into Pakistan. Adding another milestone to its illustrious history, Astro added a second BOPET line at the end of 2020; an 8.7-meter Bruckner (Germany) with a capacity of 30,000 tons per annum; taking the total BOPET output tally to 48,000 tons/annum. Our BOPET lines are capable of producing thicknesses of 10u to 100u and we have additionally worked on functional proficiency, giving the specialized abilities to measure up to the client's needs and expectations. In addition to our film making capabilities, we have metallization capacities up to 19,000 tons per annum. Astro Films has three metallizers from Bobst Group (UK) - of-which-two are installed at the Hub factory, while the third one is at Port Qasim facility.

Complying with the highest quality, process and food safety standards, Astro Films possesses certifications including ISO 9001:2015 and FSSC 22000 Version 5. We are proud of our manufacturing capabilities excellent, sales force and accomplishments which have enabled us to become one of the most competitive and fastest growing exporters of flexible packaging films in the International Market. Our international customer base spanning from the Americas to Europe, Africa and Asia is a testament to our truly global footprint as a packaging films supplier. Our competitive advantage in international markets has been the ability to supply the best quality film backed up by excellent solution-based sales support and after sales service; creating sustainable business and a strongly established image of reliability.

BRAND LAUNCHES

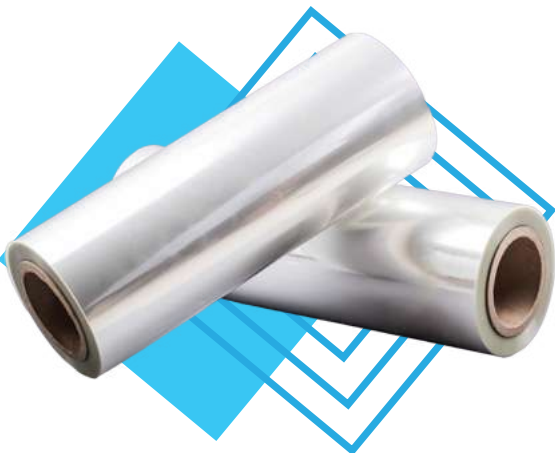
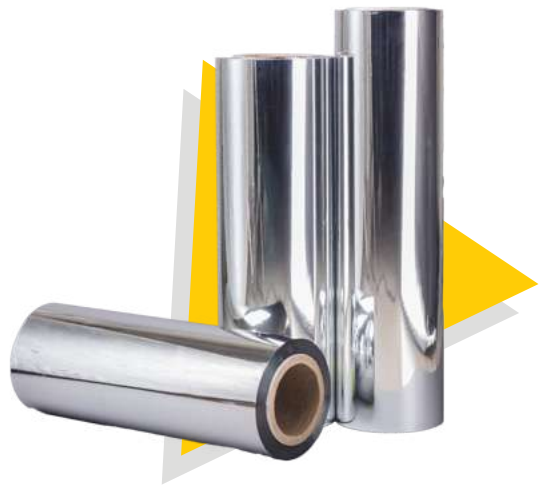
PRODUCT RANGE:

BOPET

- ▶ Corona Treated - Transparent and Metalized
- ▶ Chemical Coated (Copolyester) - Transparent and Metalized
- ▶ Both-side treated (Chem + Corona) - Transparent and Metalized
- ▶ Acrylic Coated PET - Transparent and Metalized
- ▶ Twist Films - Transparent and Metalized
- ▶ Yarn Grade PET - Transparent and Metalized
- ▶ Isotropic PET - Transparent

CPP

- ▶ Transparent CPP
- ▶ Low COF CPP
- ▶ Metallized CPP
- ▶ High Barrier CPP
- ▶ White CPP





The Plastics Division of Ismail Industries comprises high-performance flexible packaging films including BOPET, CPP and BOPP, and Ismail Resin, a producer of premium film-grade and bottle-grade PET resin.

Our international business team for Astro Films has had an exceptional growth trajectory over the past 5 years and continues to strengthen its international footprint; now exporting to over 30 countries. Astro Films has delivered robust growth over the past five years, delivering a CAGR of 22%. Our major sales markets include Western Europe, North America, Middle East, Africa while our projects for the current year have strong focus on the Balkans and South American markets, where our sales team has already achieved significant success positioning these markets as key platforms for new product development.

The Ismail Resin team has also taken significant strides since entering the export market in 2024, establishing its presence in

13 countries. Ismail Resin's focus this year is strengthening global presence through well-defined strategic initiatives and accelerating market growth.

As a part of international market and product development efforts, we have actively participated in major international exhibitions and trade shows such as PACK EXPO USA and Pak-Oman Expo, showcasing our product portfolio to a global clientele and engaging with prospective partners from various international markets. In line with its market development strategy, the plastics division will be exhibiting at Gulfood Manufacturing Dubai and Pack Expo USA for the year 2025.

With a forward-looking growth strategy, strong export momentum, and a focus on innovation, the Plastics Division is well-positioned to capture new opportunities, strengthen global partnerships, and contribute meaningfully to the Group's long-term vision for sustainable and diversified growth.



GHIZA

Ismail Industries launched Ghiza Flour, supported by a world-class 240 TPD Buhler roller mill, capable of producing 86,400 tons annually. This initiative is driven by three core goals:

- **Backward Integration:** To ensure a steady, top-quality supply of all-purpose flour (Maida) for Bisconni, reinforcing our commitment to excellence.
- **Industry Support:** To cater to the vast and growing HoReCa (Hotels, Restaurants, and Canteens) sector, delivering premium flour that meets the highest standards.
- **Nutrition for All:** To promote healthier living through fortified flour available in convenient 5 kg and 10 kg packs for the consumer market.

Quality is our cornerstone. We select only the finest wheat at the point of purchase and meticulously sort each grain with advanced Sortex technology to guarantee purity and consistency.

GHIZA MAIDA

Crafting Culinary Delights Starts with Ghiza Maida. Experience the best of baking with Ghiza Maida, crafted to perfection through a meticulous milling process. Our premium flour is designed to meet the exact standards of top bakeries and food manufacturers, including Bisconni.

Available in:

- 50kg & 25kg bulk packs
- 1kg consumer pack

What sets us apart: Precision milling for consistent results, trusted by industry leaders.



Ghiza Special Fine Atta

Soft and Delicious Breads Start Here with Ghiza

Elevate your menu with Ghiza Special Fine Atta, perfect for crafting soft Pooris, Nan, breads, and Parathas.

Available in:

- 50 kg bulk packs for commercial use

What sets it apart:

Specially milled for softness and flavor, making it a favorite among HoReCa customers and their discerning patrons.



Ghiza Fortified Super Fine Atta

Power Your Day with Ghiza

Experience the perfect blend of nutrition and taste with Ghiza Fortified Super Fine Atta, enriched with iron, folic acid, zinc, and essential vitamins. Our premium atta ensures softer, fluffier, and more flavorful bread that stays fresh longer.

Available in:

- 5 kg & 10 kg packs

What sets it apart:

Fortified with vital nutrients and crafted for exceptional softness and flavor, perfect for Chapati, Puris, and Parathas.



Ghiza Fortified Riwayati Atta

Ghiza Fortified Riwayati Atta brings the essence of tradition to your table.

High in fiber, our Riwayati Atta promotes digestion and well-being while delivering a delightful culinary experience. Perfect for health-conscious individuals seeking traditional taste with modern benefits.

Available in:

- 5 kg and 10 kg packs

What sets it apart:

Wholesome nutrition, high fiber content, and a blend of tradition with modern health aspirations.



Ghiza Suji (Semolina)

Experience the rich texture and flavor with Ghiza Suji.

Craft exquisite South Asian delicacies like halwa, gulab jamun, and panjeeri with Ghiza Suji, embodying purity and nutrition in every grain. Our semolina ensures flavorful taste and consistent quality, enriching every culinary creation.

Available in

- 500 g pack and 50 Kg pack for bulk use

What sets it apart:

Unwavering dedication to excellence, purity, and nutrition in every grain.



Ghiza Khalis Atta

Pure and Nutritious, Every Grain Matters with Ghiza Khalis Atta

Experience the natural goodness of wheat in every meal with Ghiza Khalis Atta, carefully processed for fine texture and exquisite taste. Perfect for traditional and contemporary dishes, our atta ensures soft rotis, flavorful parathas, and wholesome nourishment.

Available in:

- 10 kg and 50 kg packs for households and small-scale culinary use

What sets it apart:

Retains natural goodness of wheat, fine texture, and authentic taste for every meal.



Ghiza Premium Bran

Nourish Your Livestock with Ghiza Premium Bran

Rich in fiber, vitamins, and minerals, our wheat bran is a valuable component in animal feed, supporting the well-being and nutritional needs of livestock. A sought-after ingredient for its nutritional richness, Ghiza Premium Bran aids in overall animal health and nourishment.

Available in:

- 34 kg & 50 kg packs

What sets it apart:

High nutritional value, rich in fiber, vitamins, and minerals for optimal animal health.



Ghiza Besan

Ghiza Besan is made from premium-quality chickpeas, sourced from trusted farmers for its rich, earthy flavor and good texture. Hygienically processed in Pakistan's leading mills, it retains its natural aroma, nutrients, and freshness, making it perfect for pakoras, kadhi, laddus, halwa, and rotis.



Available in:

- 500 g, 1 kg consumer packs and 10 kg bulk pack.

What sets it apart:

- Processed under strict hygiene standards for unmatched purity.
- Over 30 comprehensive quality checks for consistent taste.
- Made from unpolished, preservative-free daal chana for natural goodness.



NEW PROJECTS FOR THIS YEAR

As part of our continuous innovation in the flour category, we are excited to announce the upcoming launch of Ghiza Chakki Atta and Ghiza Multigrain Atta.

These two additions are currently in the pipeline and are being developed to meet the evolving nutritional needs and taste preferences of our consumers.

Ghiza Chakki Atta

**Wholesome Meals, Every Time
with Ghiza Chakki Atta**

Boost immunity, support digestion, and regulate blood sugar levels with Ghiza Chakki Atta, packed with essential nutrients like Iron, Vitamin B12, Zinc, and Folic Acid. Our premium atta promotes overall well-being while adding authentic flavor to your meals.

Available in:

- 5 kg & 10 kg Packs

What sets it apart:

- Thorough cleaning process for guaranteed purity
- Enriched with Iron, Vitamin B12, Zinc, and Folic Acid
- State-of-the-art automation for consistent quality



Multigrain Atta

Nourish Your Well-being with Ghiza Multigrain Atta

Experience balanced nutrition in every meal with our premium blend of grains, packed with protein, fiber, healthy fats, vitamins, and minerals. Ghiza Multigrain Atta supports overall well-being, promotes gut health, and adds rich flavor and texture to your dishes.

Available in:

- 2 kg Pack

What sets this product apart:

- Rich in nutrients for bone and heart health
- Supports weight management and digestive health
- Loaded with antioxidants for enhanced immunity



≡ CEREAL ≡



ISMAIL CEREALS

Ismail Industries' Cereal Division is committed to providing vital nutrition and essential minerals to communities affected by disasters and facing food insecurity.

The Cereal manufacturing facility has been approved by the World Food Programme (WFP) and is one of the few global suppliers of Super Cereals.

The cereal is produced on a state-of-the-art extrusion plant that maintains high standards for food safety, compliance and Good Manufacturing Practices (GMP). The facility, with a production capacity exceeding 110 tons per day, is also certified by SANHA Halal and FSSC 22000, and remains focused on continuous improvement.

Designed for ease of use in areas with limited food and water access, the product is simple to prepare: just add one cup of cereal to 3–4 cups of water, bring it to a boil, simmer for five minutes, and serve. Each serving is formulated to deliver complete nutrition and essential minerals.

In line with our mission to deliver consistent high-quality nutrition, we are also exploring new opportunities both locally and internationally to address global nutritional demands. Significant progress has been made in the development of new cereal products, which will not only diversify our offerings but also enhance our overall efficiency.





ISMAIL NUTRITION

Malnutrition is a universal plague that affects a population of over 815 million people in the world.

Due to overpopulation and scarcity of adequate nutrition in Pakistan, stunting has become prevalent in children belonging to low socioeconomic backgrounds. As a socially responsible company dedicated to providing high-quality food products, Ismail Industries Limited initiated the manufacturing of lipid based nutritional products in 2010.

The urgent need for nutritional food combined with the food manufacturing experience of the company resulted in the creation of the Ismail Nutrition Division. The overwhelming success of these products in Pakistan encouraged Ismail Industries to begin exporting to neighbouring countries. Many international social welfare agencies joined in as recipients of these vital nutritional products. Ismail Nutrition is an approved supplier of United Nations Children's Fund (UNICEF), World Food Program (WFP), MSF, ACF and many other national and

international organisations across the globe. Ismail Nutrition's manufacturing facility is currently capable of producing 240 metric tons per day.

Ismail Nutrition further aims to work towards freeing the world of malnutrition.

Development, Research and Technology

Ismail Nutrition benefits from the rich heritage brought by Ismail Industries Limited in the food sector with over 30 years of experience in production, research and development. In addition to this, Ismail Industries' expanded network of partners in advanced food technology aids Ismail Nutrition in the consistent development of products with high-quality standards. All our products are designed to meet WHO specifications and requirements. With innovation at its core, Ismail serves as a center of excellence transforming packaging and product from playful engaging designs to impactful solutions that improve the lives of malnourished children and their mothers.





**HUDSON
PHARMA**



MISSION

Hudson Pharma is a licensed pharmaceutical division of Ismail Industries Limited. Our manufacturing facility is located at Port Qasim Industrial Area Karachi, Pakistan.

Our mission is simple: to make game-changing drugs more attainable and safer for the populations we serve. We have a well-established track record of executing our vision based on a repeatable, reliable process that we have developed and refined over many years. We identify unavailable or under-penetrated treatments, often with innovative delivery methods or manufacturing processes that vastly improve safety and attainability.

INNOVATION

Hudson Pharma, since its inception, has successfully launched innovative molecules in Pakistan that are considered as an effective treatment all across the world.

The products include Inhalation Solutions, Eye Drop, Injection for IV infusion, Derma Creams / Gels and the only vitamin D3 injection/oral solution in a BFS ampoule with a convenient twist-off cap.

OPERATIONS

Hudson Pharma's manufacturing operations consist of:

- Injectables, respules, and unit dose eye drops manufactured in medical grade polyethylene containers using the innovative Blow-Fill-Seal (BFS) process.
- Ophthalmology products are manufactured under barrier isolation system, ensuring safer and superior products.
- DPI (Dry Powder Inhalation) capsules are manufactured using a microencapsulation process to ensure accurate dosing.
- Pharmaceutical creams, ointments, and gels are manufactured in lacquer-free plastic laminated tubes.



Moreover, our endeavors comprise contract manufacturing and the promotion of branded generics and specialized medications. Additionally, we collaborate with global partners to bring health advantages to the nation.



Cosmetology Portfolio

Hudson Pharma launched a comprehensive cosmetology portfolio in the current fiscal year, marking a significant expansion in our product offerings. Our new range is designed to cater to diverse skincare and haircare needs, aligning with our commitment to innovation and excellence. The portfolio encompasses five key segments:

1. Anti-Acne: Targeted solutions to effectively combat acne and promote clear, healthy skin.
2. Anti-Ageing & Anti-Discoloration: Advanced formulations to reduce the appearance of fine lines, wrinkles, and skin discoloration, helping users achieve a youthful and even complexion.
3. Hydration & Moisturization: Products designed to deeply hydrate and nourish the skin, ensuring long-lasting moisture and a radiant glow.

4. Sun Protection: Broad-spectrum sunscreens that provide robust protection against harmful UV rays, preventing sunburn and long-term skin damage.

5. Anti-Hair Fall: Specialized treatments to reduce hair fall, strengthen hair follicles, and promote healthy hair growth.

Our cosmetology portfolio is a testament to Hudson Pharma's dedication to meeting the evolving needs of our customers with cutting-edge and effective products.

We also made them available on our online e-commerce platform, www.hudson-skincare.com, where our products can be purchased from the comfort of your home. We are also in the process of making them available in large stores like Imtiaz, Naheed, Springs, and Spar to name a few.

Advancing Respiratory Care in Pakistan

Hudson Pharma has made a significant advancement in respiratory care by launching Pakistan's first - ever preservative-free budesonide nebulization suspension.

This innovative product aims to provide patients with a safer and more effective treatment option for respiratory conditions like asthma and croup, enhancing the quality of care and ensuring better health outcomes.

We also re-launched Pakistan's first and only preservative-free levalbuterol nebulization solution which is a much safer and effective treatment for respiratory conditions like asthma, especially in the pediatric population.

CDMO Business

Hudson Pharma has undergone a remarkable transformation in its contract manufacturing operations, marked by its pioneering approval as Abbott's first third-party injectable manufacturing facility in the country.

This milestone underscores Hudson Pharma's reputation for excellence and reliability in the industry.

Our strategic partnerships encompass both national and international companies, enabling us to manufacture their flagship brands with a commitment to exceptional patient care and operational excellence. We have successfully initiated partnerships with large local national companies, including Martin Dow Group, PharmEvo, and Genix Pharma, while discussions are underway with a number of other companies.



Responsibility

Our utmost concern is ensuring safety. Throughout every stage, we base our choices and shape our procedures with the well-being of patients as our primary consideration.

This approach guarantees that the final product we introduce to the market is both secure and effective, adeptly meeting the requirements of patients and providers.

Employees

The well-being and enthusiasm of our staff play crucial roles in maintaining a team dedicated exclusively to the safety of patients and fellow Hudson colleagues.

We put in continuous effort to foster an environment that values creativity, innovation, teamwork, integrity, and efficiency, irrespective of age, race, gender, experience, ethnicity, background, or any inappropriate criterion.



Business Partners

We are dedicated to safeguarding the interests and reputation of our partners with the same level of seriousness as if they were our very own.

Community & Environment

We are committed to making business decisions that protect and preserve the Earth's natural resources and environment. Our procurement and business development teams seek suppliers and partners who share Hudson's commitment to environmental responsibility.

Way Forward

Hudson Pharma aims to stay committed to identifying molecules that address the patients' unmet needs across the globe. In the coming year, we aim to expand our production capacity in steroidal nebulization suspension, oral capsules, nutraceutical and over-the-counter products.





**Ismail Resin
(Private) Limited**

(A Subsidiary of IIL)



ISMAIL RESIN – COMPANY OVERVIEW

Ismail Resin, a strategic addition to Ismail Industries Limited's diversified portfolio, was established in 2023 as a cutting-edge PET resin manufacturing facility in Port Qasim, Karachi.

The plant is equipped with world-class licensed technology, including a 300-ton/day Solid-State Polymerization (SSP) line from Buhler (Germany) and a 300-ton/day Continuous Polymerization (CP) line from Oerlikon Barmag (Germany).

Ismail Resin produces Film-Grade PET (IV 0.64) and Bottle-Grade PET resin across multiple intrinsic viscosity levels (IV 0.76, 0.80, and 0.84), catering to both domestic and international markets.

Ismail Resin has obtained ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management), FSSC 22000 (Food Safety), and Halal certifications, reflecting its commitment to operational excellence and compliance.





BISCONNI

Middle East
Manufacturing LLC



Bisconni Middle East Manufacturing – L.L.C

In the fiscal year 2024-25, the Company achieved a significant milestone in its international expansion strategy with the incorporation of a wholly-owned subsidiary, Bisconni Middle East Manufacturing – L.L.C (S.P.C), in Abu Dhabi, United Arab Emirates. This strategic investment represents a new chapter in the Company's growth and is a cornerstone project for the Group.

The subsidiary will establish a state-of-the-art manufacturing facility equipped with advanced production lines for chocolate,

biscuits, enrobed wafers, and dry bakery products. The primary business of this entity will be to produce chocolate and sugar confectionery, enrobed wafers, biscuits, and dry bakery items, enabling the Company to offer world-class products to a broader consumer base.

The decision to establish this manufacturing base in Abu Dhabi is driven by a clear strategic vision.

- Strengthening the global footprint
- Leveraging the UAE's central marketplace
- Securing structural cost advantages
- Expanding new customer relationships
- Enhancing revenues and profitability





IIL Exports Businesses



INTERNATIONAL BUSINESS

Our International Business teams in Karachi and Dubai have made significant progress in the previous fiscal year.

Total business has grown significantly despite inflation, recession, and economic uncertainty in most countries. We have seen growth in all our sales regions – Middle East, Africa, Asia, Oceania, Europe, and North America. We participated in regional and global food exhibitions (ISM Middle East, Gulfood, and SIAL Shanghai), and have successfully entered new markets such as China and the Philippines. We have made an entry into major US retailers, marking the

beginning of our work in mainstream American markets. The team conducted thorough market research, identified potential opportunities, and executed market entry plans which were made in line with different cultural and business environments.

To build on our past success and meet the rapidly evolving needs of our global customers, we are committed to an “Exports Future” that is more agile, productive, and customer-centric. Top priorities for this fiscal year are maximizing Modern Trade presence and activating new markets. There are some big projects in the pipeline in Southeast Asia, Europe, and the US.



Local Presence

2000+ Sales Force Personnel
400+ Towns
1400+ Vans
1200+ Distributors



5 Regional Sales Office
135,000 Outlets
6 Warehouses
400,000 Weekly Sales Calls



Global Footprint

6 Continents
40+ Countries
64+ Clients

SWOT & PESTEL Analysis



Strengths

Diverse range of products caters to various demographics market need. Continuous advancements in production technology has led to premium quality and reliability in the food & plastic business.



Weaknesses

Market is often saturated with numerous similar products. There is high dependency on global supply chain for imported raw materials. and most of the operations and activities are labour intensive.



Opportunities

There is a significant chance to strengthen & expand digital sales channels. Furthermore, diversification can be performed in the food and plastic segments. Moreover, Health trends have boosted demand for hygiene and quality products.



Threats

Increasing fuel and power prices significantly impact the profitability, hence affecting the return on investment. Moreover, the geopolitical situation of the country can cause disruption in the supply chain.

Political

ILL operates in a politically volatile environment where food regulations, taxation policies, and import duties influence business operations. Government subsidies and trade agreement provide strategic advantage.

Economic

High inflation, currency depreciation, and energy price significantly impact ILL's production cost. Despite these challenges, Pakistan's large & growing population, along with export potential, offer long term revenue growth.

Social

Urbanization and young demographic drive demand for convenient, packaged foods, aligning with ILL's product range. However increasing health concerns among consumers requires ILL to adapt to the change.

Technological

Investment in automation and digital platforms enhances ILL's manufacturing efficiency and market reach. With the rise of ecommerce and digital marketing, ILL can target young consumers more affectively.

Environmental

Sustainability concerns around energy use and water cosupmtion are growing, ILL has adapted to eco-friendly practices which improve environmental performance and compliance with regulatory standards.

Legal

Compliance with food safety, labour, and taxes is critical for smooth operations. ILL also needs to safeguard its intellectual property and remain agile to changing legal frameworks that govern the FMCG sector.

Calendar of Events



August

Independence Day

Celebrating the essence of independence that drives us forward. Here's from the Independence Day celebrations here at IIL.



September

International Deaf Week

We had the opportunity to visit Family Educational Services Foundation for a heartwarming cake-cutting ceremony and celebration of Deaf Week.



November

Children's Day

Ismail Industries Limited welcomed the little stars of our employees to a memorable Bisconni factory visit!



March

Celebrate Women's Day

Here's to taking bold steps and embracing challenges together!



April

IIL Cricket Tournament

A day of sportsmanship, teamwork, and unforgettable moments!

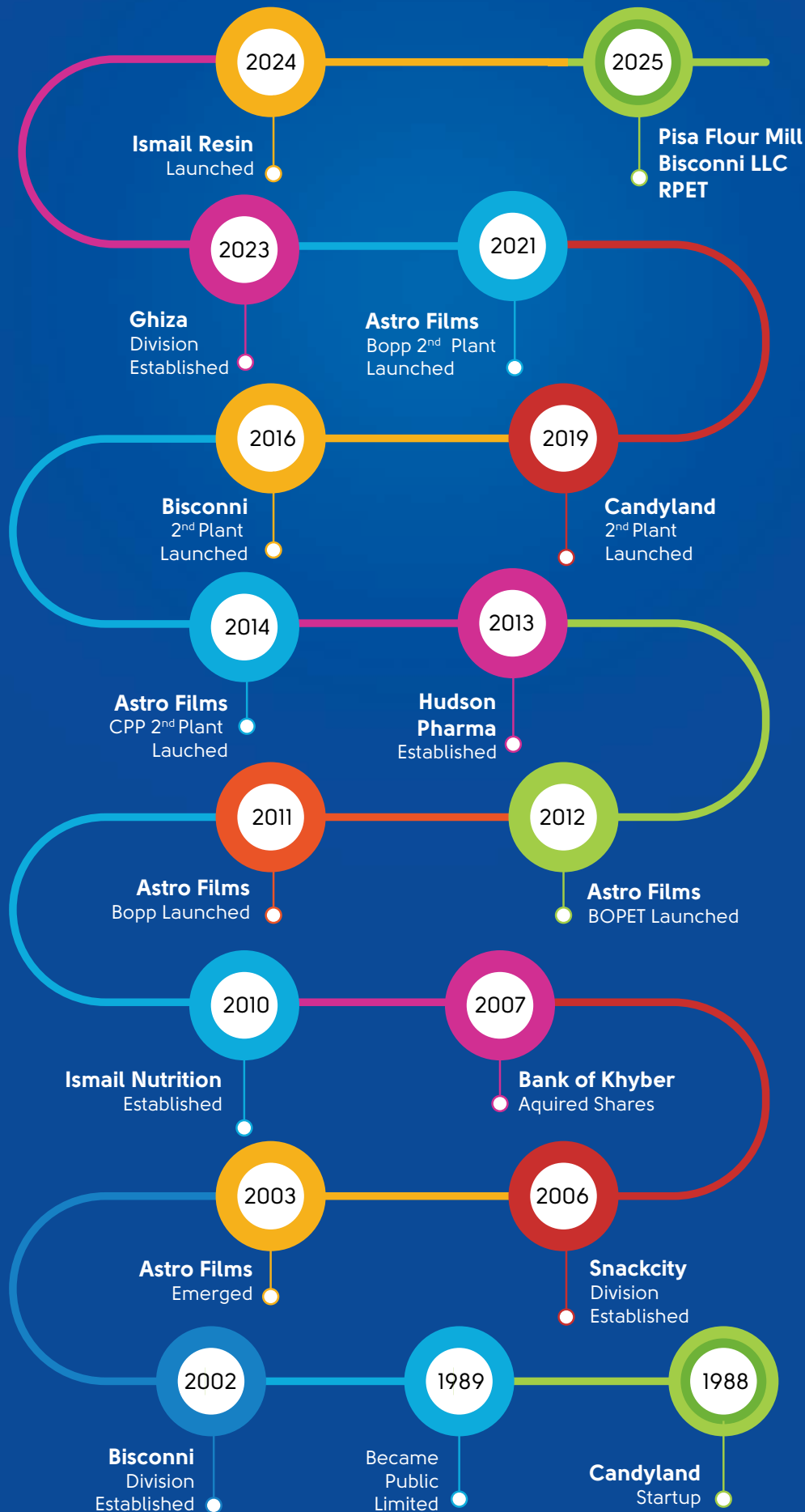


May

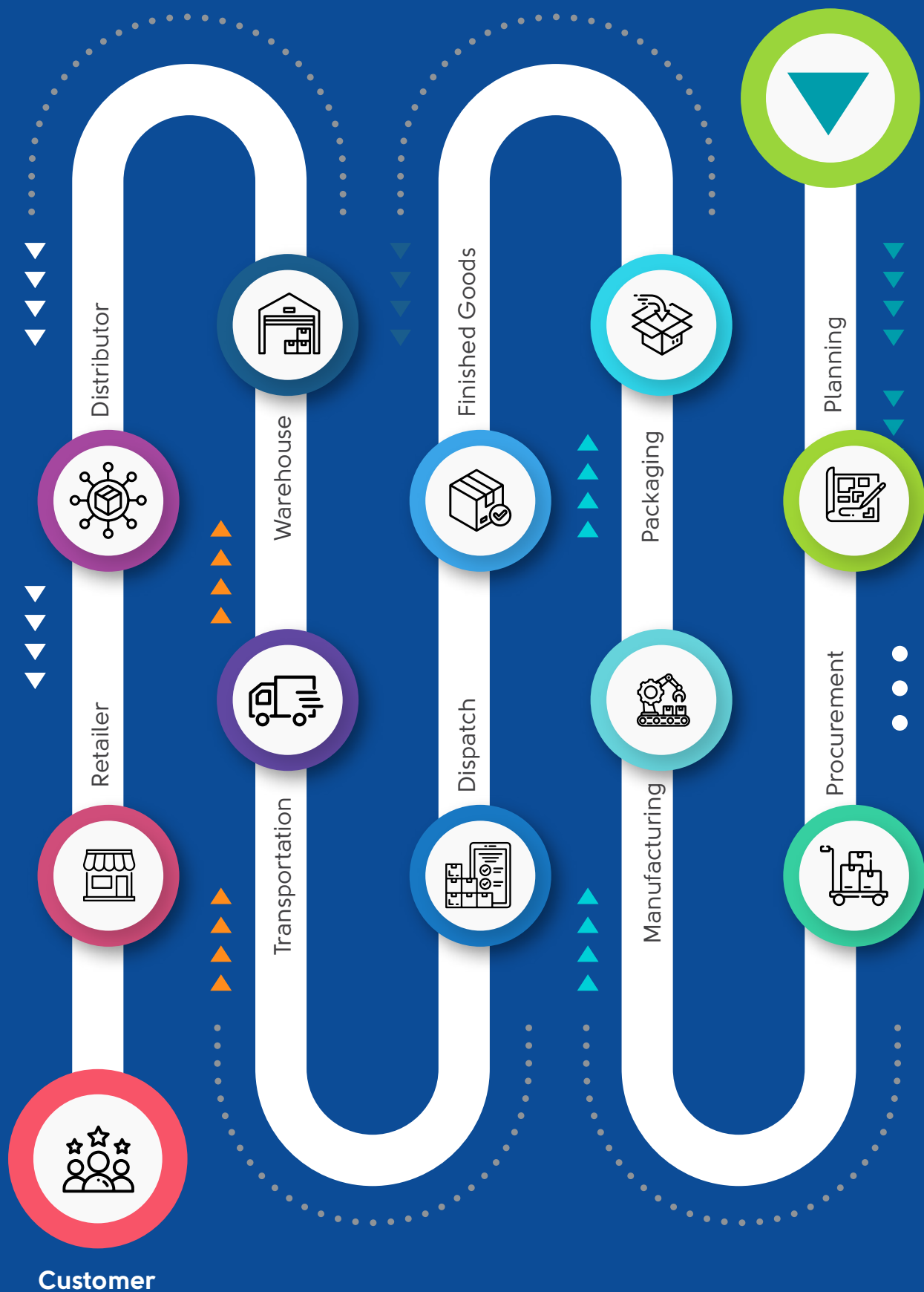
THAIFEX - Anuga Asia Event

Our team had a great opportunity to interact and engage with a Global Audience at the leading Foods & Beverage trade show in Asia.

History of Major Events



Position in the value chain



Legislative and Regulatory Environment

The operational framework of Ismail Industries Limited is governed by a multifaceted system of national laws, industry-specific regulations, and standards enforced by both federal and provincial authorities. This regulatory environment is designed to ensure a balance between corporate profitability, environmental sustainability, consumer protection, and labor rights.

Key components of this framework include:

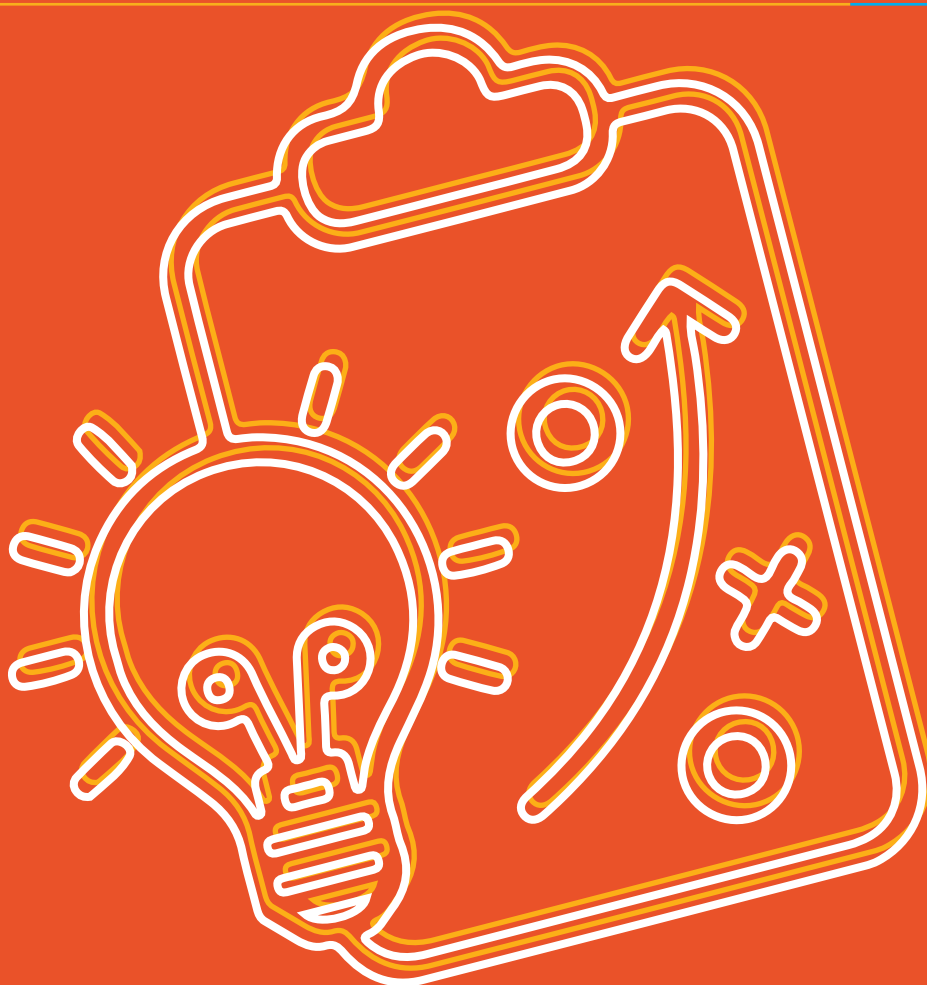
- 1. Corporate Governance and Compliance:** In Pakistan, companies are mandated to comply with the Companies Act, 2017, which dictates standards for company formation, financial reporting, auditing, and governance. The Securities and Exchange Commission of Pakistan (SECP) also enforces regulations to ensure market transparency and safeguard investor interests.
- 2. Taxation and Fiscal Policies:** The Federal Board of Revenue (FBR) oversees all tax matters, including income tax, sales tax, and various duties. Fiscal policies may lead to the government offering incentives or imposing additional levies. Companies within the cement industry are particularly affected by import duties on raw materials and machinery, which directly influence operational costs.
- 3. Labour Laws:** Companies must adhere to Pakistan's labor legislation, which covers worker rights, compensation, health and safety standards, working hours, and employment conditions. Key statutes, such as the Employment of Labour (Standing Orders) Act, 1968, and the Factories Act, 1934, are designed to ensure the provision of safe working environments and equitable wages.
- 4. Trade Regulations:** Companies engaged in export activities must comply with trade policies and regulations established by the Trade Development Authority of Pakistan (TDAP) and the Ministry of Commerce. This includes meeting requirements for export tariffs, quality certifications, and adherence to international trade agreements.
- 5. Competition Law:** The Competition Commission of Pakistan (CCP) is responsible for monitoring and preventing anti-competitive practices. It works to ensure fair competition within the industry by prohibiting activities such as cartel formation, price-fixing, and other monopolistic behaviors that could disrupt market dynamics.



Strategy & Resource Allocation

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Strategy & Resource Allocation



Strategies to achieve short, medium & long term objectives

Strategic Objectives

Our Company's strategic objectives are categorized by their time horizon, along with the key strategies we employ to achieve them:

| Strategic Objectives | Short term | Medium term | Long term |
|--|------------|-------------|-----------|
| Growth in local and international market shares | ✓ | ✓ | |
| Achieve efficiencies in all business process | | ✓ | |
| Organizational development and talent management | | ✓ | |
| Superior returns to investors | | ✓ | ✓ |
| Diversification into new ventures | | ✓ | ✓ |
| Upgradation of IT infrastructure and enhancement of automation | | ✓ | |
| Continue being recognized as a good corporate citizen | ✓ | ✓ | ✓ |

Strategies to Achieve Our Objectives

To better align operational execution with long-term strategic goals, Ismail Industries Limited (IIL) should consider adopting the following approaches—modeled after industry leaders with proven success in strategy implementation:

1. Integrated Brand and Consumer-Centric Strategy:

Ismail Industries emphasizes aligning product development and marketing strategies with evolving consumer preferences. Leveraging data-driven consumer insights are used to guide product innovation and strengthen brand positioning across its diverse business segments.

2. Omni-Channel and Digital Expansion:

By integrating digital, retail, and e-commerce platforms, IIL enhances customer reach and operational efficiency. Digital transformation initiatives are effective in streamlining distribution, improve consumer engagement (particularly for its FMCG categories), and unlock new growth opportunities.

3. Agile Product Diversification:

IIL is strengthening its competitiveness by accelerating product innovation in response to seasonal demand, health trends, and changing consumption patterns. A flexible approach to R&D and market feedback is helping enable faster go-to-market strategies.

4. Strong Supply Chain and Inventory Control:

Enhancing supply chain agility through real-time inventory management, demand forecasting, and ERP integration facilitates IIL to better manage cost efficiencies and service levels across markets.

5. Sustainability and Responsible Practices:

IIL continues to integrate sustainability into its core operations by adopting environmentally friendly packaging, ethical sourcing practices, and corporate social responsibility initiatives—demonstrating accountability to both consumers and stakeholders.

6. Performance-Driven Culture:

A culture of performance, accountability, and innovation is embedded across all levels of the organization. Aligning individual and departmental KPIs with corporate objectives and investing in talent development will foster long-term strategic execution and organizational resilience.

Resource Allocation Plan

Every part of our business model is unique and plays a role in our long-term success. We rely on the following resources (capitals) and relationships to create value:

| Capital | Resource allocation plan |
|--------------|---|
| Financial | Our business operations are strategically supported by robust financial capital, which is sourced from both shareholders' equity and external loans provided by financial institutions. Our experienced management team possesses extensive expertise in liquidity management, ensuring adherence to internal policies, relevant regulations, and tax considerations. The company's capital structure is primarily composed of a balanced combination of equity and debt. The allocation of this financial capital is meticulously determined through a comprehensive analysis of both operational needs and strategic utility. Furthermore, we proactively forecast our expected cash flows at the commencement of each business cycle to effectively inform and optimize our operational and investment planning. |
| Human | Our human capital stands as a pivotal asset, crucial for driving organizational success. The entire organization operates under the guidance of our established Core Values, comprehensive Code of Conduct, and robust HR policies. We place significant emphasis on Human Resource Management, overseen by a dedicated HR department that reports to the Board's Human Resource & Remuneration Committee. To effectively execute our strategic objectives, we are committed to recruiting professionals who possess specialized expertise in emerging technologies, enabling us to enhance production capabilities, develop innovative marketing strategies, and fortify our internal control systems. |
| Manufactured | Our manufactured capital, encompassing our plant and machinery, power generation systems, buildings, and comprehensive infrastructure, is utilized with utmost efficiency to execute our strategic initiatives. We are confident that our existing manufactured capital adequately addresses our current operational requirements. We take pride in possessing state-of-the-art machinery, and our ongoing investments in new plants and advanced technologies are designed to further augment production capacity and expand our market presence. Moreover, we actively collaborate with our clients to identify and implement cost-effective solutions, fostering mutual benefits through increased revenue for us and the provision of more affordable, high-quality products for them. |
| Intellectual | We strategically leverage our intellectual capital to drive the implementation of our corporate strategies. This vital asset encompasses our valuable brands, our sophisticated Enterprise Resource Planning (ERP) system, and our robust internal systems and procedures. Notably, the successful implementation of SAP S/4HANA has significantly empowered our management, enabling the application of industry best business practices and the continuous strengthening of our internal control environment. |
| Social | As a responsible corporate citizen, we are deeply committed to the continuous improvement of safety, health, and environmental protection measures across all our operations. Our dedication to societal well-being is further demonstrated through our consistent and substantial philanthropic contributions to various social and charitable causes, particularly within the health, education, and broader social sectors, which has earned us significant respect within the community. |
| Natural | The natural capital essential to our operations, including critical raw materials and water resources, is presently sufficient to meet our current demand. We are steadfast in our commitment to the responsible stewardship of our natural capital and will continue to implement initiatives aimed at ensuring sustainable operations. |

Capabilities and Resources for Sustainable Competitive Advantage

Strategic Focus for Ismail Industries Limited

To enhance long-term value creation and sustain competitive advantage in a highly competitive market, IIL continues to build and strengthen the following strategic capabilities and resources:

1. Vertical Integration & In-House Capabilities

IIL Strategizes its business by controlling multiple stages of supply chain at different points in the production or distribution process. Additionally, IIL controls significant portions of its supply chain from manufacturing to distribution which provides quality assurance, cost efficiency, and operational scalability. IIL normally follows Backward Integration (e.g., raw material procurement, automated packaging), where it reinforces its control over quality by reduce dependency on external vendors and resultantly increasing its profitability.

2. Product Innovation and Brand Differentiation

With a diverse product portfolio across brands like Candyland, Bisconni, Ghiza and Astro films, IIL is well-positioned to invest further in product R&D and consumer-driven innovation. Developing health-conscious variants, and category-expanding offerings has enhanced brand relevance and consumer loyalty.

3. Strong Brand Identity and Strategic Marketing

IIL has built widely recognized brands. To further differentiate in a saturated market, the company focuses on emotionally resonant storytelling, culturally aligned campaigns, and sustainability-driven brand positioning—particularly targeting the growing segment of conscious consumers.

4. Talent Development and Organizational Agility

Sustainable competitive advantage requires strong internal capabilities. IIL continues fostering a high-performance culture through employee training, leadership development programs, and agile cross-functional teams that can drive innovation and adapt to evolving market conditions.

Factors Affecting Company Strategy and Resource Allocation

a. Technological Changes

As a leading corporate citizen, we strive to use technological advancements for both production and automation of business processes and data analytics. We have taken several steps to digitalize our processes, aiming for efficiency and fewer redundancies. We not only acquire the latest technologies for expansion projects but also implement these newer technologies in our existing plants. These investments help us achieve efficiencies and lower costs.

b. Sustainability Reporting and Challenges:

We recognize that environmental challenges are increasing, impacting our planet and everyone. Raising awareness and taking practical steps to reduce negative impacts are crucial. Environmental challenges like climate change, poor air quality, deforestation, waste disposal, carbon emissions, and water scarcity are central to our strategy. We consider mitigating factors and technologies before making strategic decisions about expansion and other environmentally impactful activities.

Specifically, for sustainability reporting, we face challenges related to:

- **Data Collection and Measurement:** Collecting detailed data for GHG emissions (Scope 1, 2, and 3), energy consumption, and water usage is complex. This requires strategic planning for data systems, internal processes, and potential external verification.
- **Compliance with New Standards (IFRS S1 & S2, SECP, SASB):** Navigating evolving standards like IFRS S1, IFRS S2, and SECP requirements, is a challenge. Our strategy includes aligning our reporting with these frameworks, which demands resources for training, system adjustments, and expert consultation.
- **Risk Mitigation:** Identifying and managing sustainability-related risks (e.g., raw material disruption, carbon pricing, plastic regulations) directly shapes our strategic priorities and resource allocation for mitigation.

c. Initiatives Taken to Promote and Enable Innovation:

Our management fosters a culture that promotes innovation and entrepreneurial thinking, establishes innovation platforms, and enhances employee engagement. Recently, we:

1. Started production of PET Resin (Films + Bottle Grade) plant with a production capacity of 300 tons per day. This Projects integrates vertically with our plastic division created a new market for our subsidiary company.
2. Started Construction of R-Pet Plant with a production capacity more than 66 tons per day.
3. Kept our IT Function Proactive from an innovation perspective, providing new ideas to the business.

d. Resource Shortages:

We identify the following potential resource shortages and their impacts:

- **Fuel and Power Availability:** This has a high likelihood and high impact. If natural gas and fuel are unavailable for our power generation, we might have to use more expensive power sources or face production losses. This directly affects production costs and efficiency, requiring strategic energy sourcing decisions.
- **Disruption in Raw Material Availability:** This has a medium likelihood but high impact. Disruptions in getting enough raw materials can affect production, delay order delivery, and harm customer relationships. This requires a strong supply chain strategy.

Key Performance Indicators (KPIs)

We measure progress towards our strategic objectives using the following Key Performance Indicators (KPIs). Management regularly analyses these indicators to gauge performance against predefined benchmarks, and they will continue to be relevant in the future ("P" for Permanent/Relevant):

| Strategic Objective | Area of Impact | KPIs monitored | Future relevance |
|--|--|--|------------------|
| Growth in local and international market shares | Financial Capital | Sales volume Market share indexing | ✓ |
| Achieve efficiencies in all business process | Manufactured Capital, Intellectual Capital | Production efficiency and activity ratios | ✓ |
| Organizational development and talent management | Human Capital | Employee engagement Retention ratios | ✓ |
| Superior returns to investors | Financial Capital | Earnings per share Return on equity | ✓ |
| Diversification into new ventures | Financial Capital | Investment portfolio Return on investment | ✓ |
| Upgradation of IT infrastructure and enhancement of automation | Intellectual Capital | Upgradation of infrastructure, operating system and ERP. Digitalization and automation of processes. | ✓ |
| Continue being recognized as a good corporate citizen | Financial Capital | Tax payments | ✓ |

Linkage of Strategic Objectives with Company's Mission and Vision

Our strategic objectives are directly linked to our Company's overall mission and vision.

- 1. Growth in local and international market shares:** This directly supports our mission to be a leading manufacturer and cater to wider markets. It aligns with our vision of continuous growth and becoming a major producer.
- 2. Achieve efficiencies in all business processes:** This is central to our mission of delivering consistent quality and maximizing customer satisfaction by optimizing resource use. It supports our vision of operational excellence.
- 3. Organizational development and talent management:** The Company is an equal opportunity employer. Our systems are designed to ensure fairness at all levels by clearly defining KPIs for each position in alignment with company vision.
- 4. Superior returns to investors:** This address the financial aspect of our mission to maximize stakeholder satisfaction and create long-term value. It underpins our vision of sustained financial health.
- 5. Diversification into new ventures:** This directly aligns with our vision of continuous growth and expanding into new industries. It supports our mission of meeting rising demand by entering new product categories.
- 6. Upgradation of IT infrastructure and enhancement of automation:** This objective directly supports our mission to use technology for efficiency and aligns with our vision of being a technologically advanced company.
- 7. Continue being recognized as a good corporate citizen:** This directly reflects our overarching mission to be a socially responsible organization that contributes to Pakistan's betterment, growth, and development. It aligns with our vision of upholding ethical conduct and environmental protection.



Board's Statement on Internal Controls Including IT Controls

The Board of Directors is responsible for establishing and maintaining a sound system of internal controls, covering financial, operational, and critical information technology (IT) aspects. This statement confirms the Board's commitment to effective governance, risk management, and reliable financial reporting.

Scope and Responsibility:

The Board acknowledges its full responsibility for the adequacy and effectiveness of the Company's internal control system. This system aims to provide reasonable assurance that we will achieve our objectives related to reliable financial reporting, efficient operations, and compliance with laws and regulations. The Board also understands that internal controls manage, rather than eliminate, the risk of failing to achieve business objectives.

Framework and Key Elements:

Our internal control system is designed and operated following generally accepted frameworks, Key elements include:

1. **Control Environment:** The Board sets an ethical tone, emphasizing integrity and competence. This involves a strong organizational structure, clear authority and responsibility, and effective HR policies.
2. **Risk Assessment:** We have an ongoing process to identify, assess, and manage material risks, including those related to financial reporting, operations, and IT. This involves analyzing internal and external factors that could impact our objectives.
3. **Control Activities:** We establish and implement policies and procedures to reduce identified risks. These include approvals, authorizations, reconciliations, segregation of duties, and performance reviews.
4. **Information and Communication:** Relevant and reliable information is identified, captured, and communicated promptly throughout the organization. This ensures employees understand their roles in internal controls.
5. **Monitoring Activities:** We continuously monitor the effectiveness of internal controls through ongoing activities, separate evaluations, and internal audit reviews. Any identified weaknesses are promptly communicated to management and the Board for timely correction.

Plans of Business Expansion

ILL plans to further expand its business by further deepening market penetration by focusing on existing customer in order to encourage brand loyalty and repeat business. Further, in this regard, ILL has diversified products by investing in Research and Development for our existing products, which has helped us improve quality. We also have expanded our products lines by launching new products, such as cake rusk, premium jellies and chocolates in order to provide variety to our customers.

In addition to above, ILL has also focused on expanding its presence internationally, by incorporating another production facility i.e. Bisconni LLC, which could help ILL to enhance its production capability and increase its exports.

Debt Management and Liquidity Strategy

a. Information about Defaults in Payment of Any Debt:

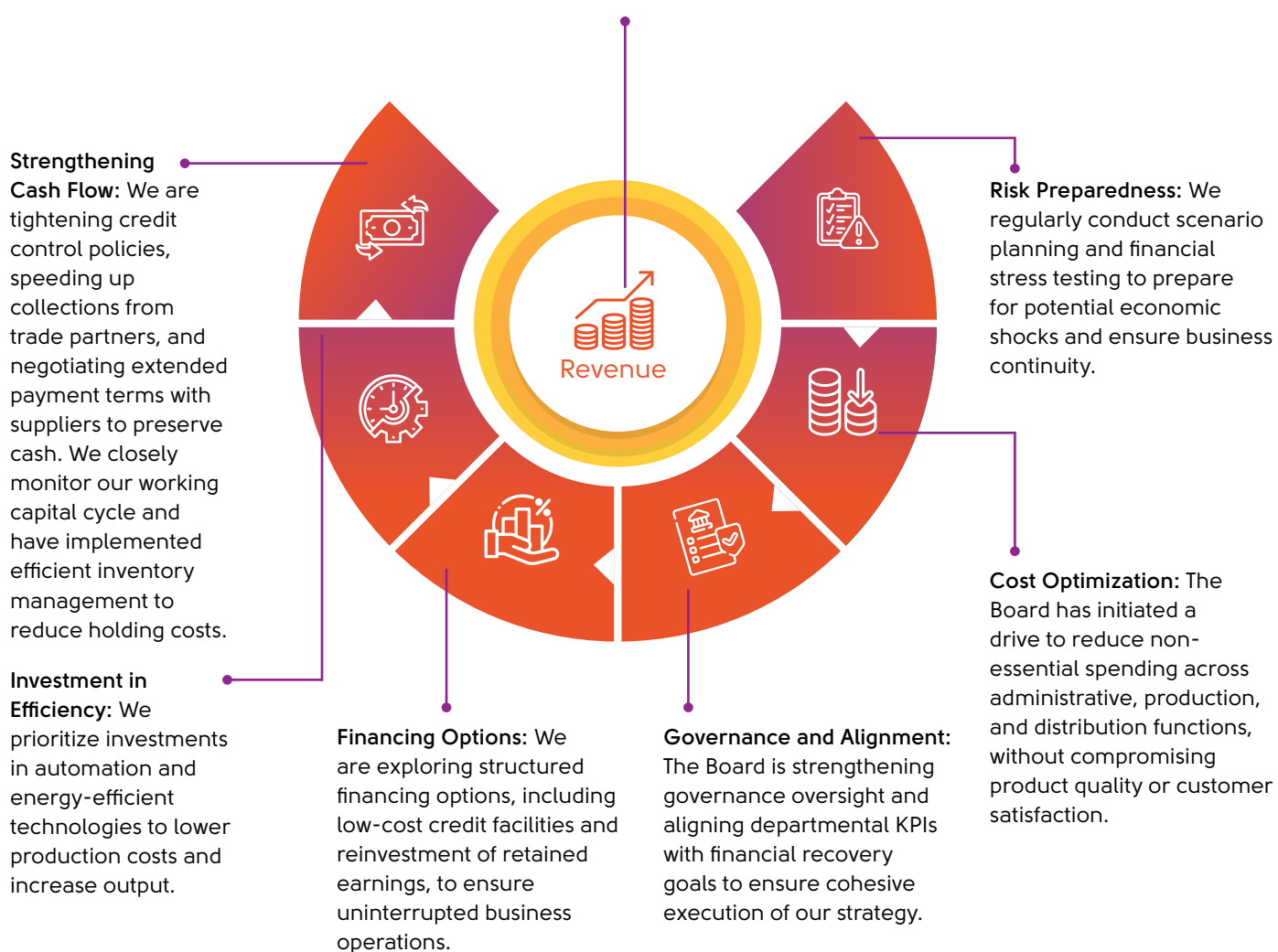
The Company has consistently met its debt obligations in a timely manner. Due to our strong business model, efficient operations, prudent financial management, and diverse income streams, we have never faced liquidity problems. We have never defaulted on any debt repayment and foresee no risk of defaulting on any future obligation, as we have ample capacity to generate cash flows. Our debt repayment strategy is built on responsible financial management and a commitment to our long-term business sustainability.

Ismail Industries Limited has adopted disciplined debt management approach by implementing real-time monitoring of repayments, maintaining liquidity buffers, and ensuring timely disclosures.

b. Board's Strategy to Overcome Liquidity Problems and Plans to Meet Operational Losses:

In the face of a challenging economic environment, marked by rising input costs, currency volatility, and fluctuating consumer demand, the Board of Directors at Ismail Industries Ltd has adopted a comprehensive strategy to manage liquidity constraints and mitigate operational losses. Our key actions include:

Revenue Diversification: We are strategically shifting towards high-margin products, value-added segments, and export-led growth to offset domestic market pressures.



These comprehensive measures demonstrate Ismail Industries Limited's commitment to long-term financial resilience, operational excellence, and sustained stakeholder value.

Risk Opportunities

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| • Robust assesment of principal risks & uncertainties | 87 |
| • Risk management framework | 88 |
| • Steps to Mitigate or Manage major risks | 88 |
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| • Supply chain disruption risks | 91 |





Risk Opportunities



Key internal and external risk & opportunities

To future-proof its operations and sustain long-term growth, Ismail Industries Limited enhances its approach to navigating risks and unlocking opportunities by building on its existing strengths. The company deepens its market intelligence efforts to anticipate shifts in consumer behavior, commodity pricing, and regulatory developments, particularly within its FMCG and packaging segments. It embraces digital transformation across e-commerce, supply chain, and customer engagement to streamline operations and open new growth avenues. Strategic diversification into health-oriented products, export-focused offerings, or niche segments serves as a buffer against demand volatility and market concentration risks. Additionally, by optimizing logistics and inventory systems through technology, Ismail Industries Limited creates a more agile and resilient supply chain. The company embeds sustainability into its operations—through eco-friendly packaging, energy efficiency, and waste reduction—to strengthen its ESG profile, attract responsible investors, and resonate with ethically conscious consumers. Collectively, these initiatives enable Ismail Industries Limited to manage emerging risks proactively while capitalizing on future opportunities, ensuring long-term value creation and organizational resilience.

The Board of Directors of Ismail Industries Limited (IIL) holds primary responsibility for identifying and mitigating potential risks that affect the company, ensuring that operations remain within the defined risk appetite and aligned with the achievement of its corporate objectives.

Key Risks and Opportunities

| Form of Capital | Key Risks | Key Opportunities | Time Horizon |
|-------------------------------|--|---|----------------------|
| Financial Capital | <ul style="list-style-type: none"> • Volatile currency exchange rates • Evolving tax regimes | <ul style="list-style-type: none"> • Leveraging fintech for dynamic cash flow management • Exploring sustainable finance instruments | Short to Medium Term |
| Human Capital | <ul style="list-style-type: none"> • Skill mismatch due to automation | <ul style="list-style-type: none"> • Implementing hybrid work models • Upskilling through digital learning platforms | Medium Term |
| Manufactured Capital | <ul style="list-style-type: none"> • Supply chain disruptions due to geopolitical tensions | <ul style="list-style-type: none"> • Adopting smart factory solutions • Strengthening supplier diversification strategies | Medium to Long Term |
| Intellectual Capital | <ul style="list-style-type: none"> • Risk of IP leakage in digital collaborations | <ul style="list-style-type: none"> • Co-creation with R&D partners • Protecting innovation through patents and digital safeguards | Long Term |
| Social & Relationship Capital | <ul style="list-style-type: none"> • Declining trust due to misinformation or fake news | <ul style="list-style-type: none"> • Enhancing transparency through ESG disclosures • Community-based initiatives for brand loyalty | Long Term |
| Natural Capital | <ul style="list-style-type: none"> • Climate-change-induced supply shortages (e.g., water, agri-inputs) | <ul style="list-style-type: none"> • Investing in renewable energy • Circular economy initiatives like packaging take-back programs | Long Term |

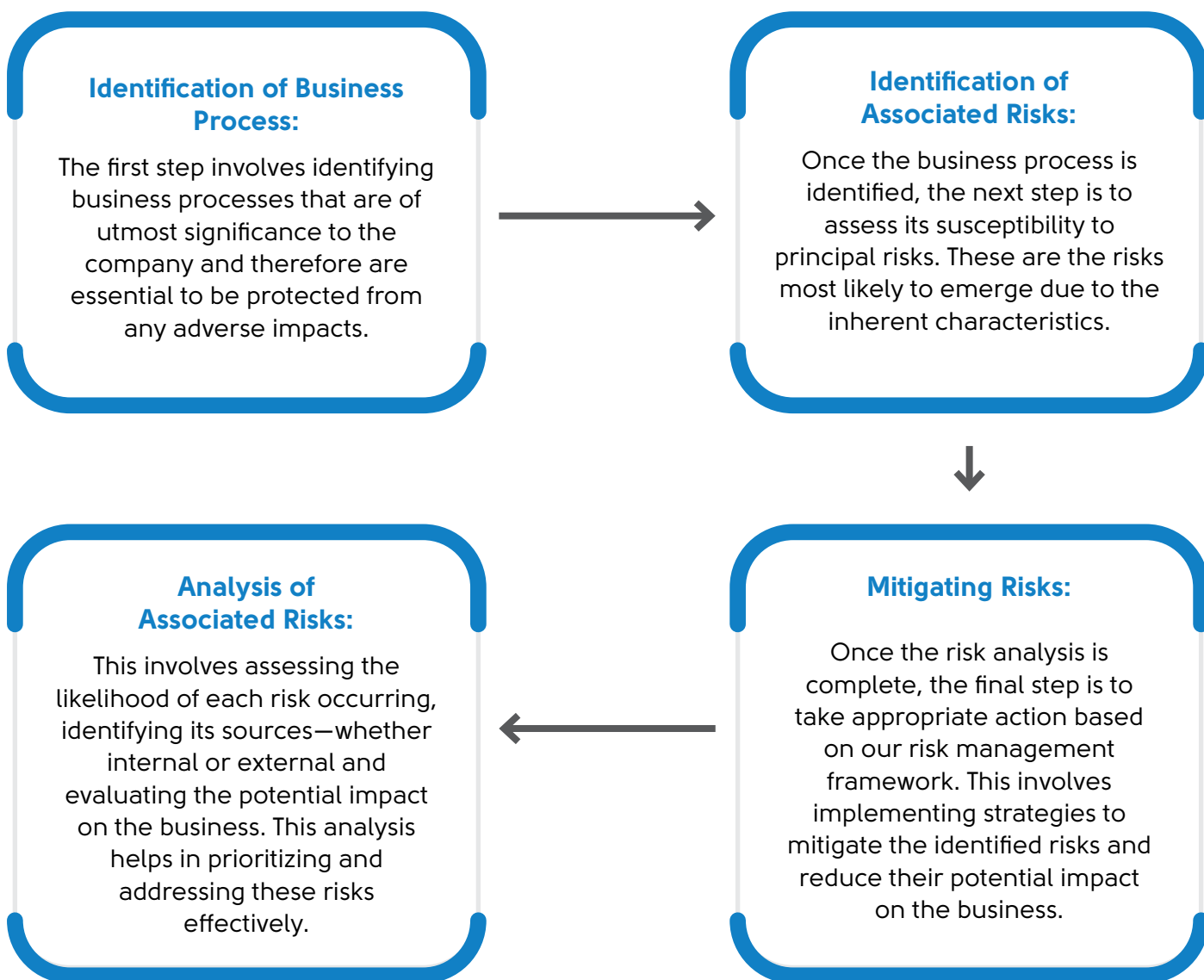
Robust Assessment of Principal Risks & Uncertainties

A company's robust assessment of principal risks and uncertainties involves identifying, analyzing, and managing the most significant risks that could threaten its business model, future performance, solvency, or liquidity. This assessment typically covers a broad spectrum of risks, including operational, IT, regulatory, legal, political, strategic, and credit risks.

Key elements include:

- **Identification and Description:** Clearly identifying principal risks, describing their nature, origin, likelihood, and potential financial and non-financial impacts. The description should be specific enough for shareholders to understand why each risk matters to the company.
- **Qualitative and Quantitative Analysis:** Evaluating risks using both qualitative insights and quantitative measures such as probability of occurrence, impact severity, and scenario analysis including stress and sensitivity testing. Some companies use reverse stress testing to explore failure scenarios.
- **Tailoring to Business Context:** The assessment is customized to the company's individual circumstances, business model, strategy, and risk environment, recognizing that no single approach fits all.
- **Categorization of Risks:** Principal risks are often grouped into categories such as:
 - Strategic risks (threats to business model and market position)
 - Operational risks (failures in processes, people, systems, including IT and regulatory compliance)
 - Financial risks (solvency, liquidity, credit risks, and market risks)
 - External risks (political, legal, regulatory, and macroeconomic factors).
- **Governance and Process:** The board and executive management are responsible for overseeing the risk assessment. Typically, an audit or risk committee regularly reviews updated risk reports and the effectiveness of controls. Risks are tracked over time with clear ownership assigned within the organization.
- **Risk Mitigation and Monitoring:** The assessment includes evaluating available mitigation actions and their likely effectiveness. The company continually monitors risk profiles and adapts responses accordingly, reporting changes and residual risks to senior management and the board.
- **Integration with Viability Statements:** The assessment feeds into longer-term viability statements, where directors confirm they have assessed the company's prospects considering identified risks and uncertainties over an appropriate period, explaining assumptions used.
- In summary, a robust principal risk assessment is a structured, cyclical process of identifying critical risks, analyzing them in the context of the company's strategy and circumstances, and managing them through governance frameworks and continuous monitoring to safeguard the company's continued operation and value creation.

Risk Management Framework



Steps to mitigate or manage major risks





ILL's risk management framework is designed to assess and mitigate risks, minimizing their potential impact and supporting the achievement of the Company's long-term purpose and business strategy. Risk assessment is performed regularly to cultivate a thorough understanding of the Company's key risks, allocate ownership to drive specific actions, and implement relevant counter measures.

Risks and Uncertainties that influence the achievement of our corporate goals and objectives are managed, while opportunities are actively pursued. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and are monitored on a regular basis by our board of directors.







Principal Risks Faced by the Company and Mitigating Actions

ILL is susceptible to various risks. However, through comprehensive planning and acute business understanding, the management continues to identify and mitigate actual, potential, and perceived risks. The following outlines the major risks that may affect our business operations and the mitigating strategies for controlling them:


Strategic Risks

| Types of Risks | Area of Impact | Source | Description | Mitigating Strategy |
|---|--|----------|---|--|
| <p>Rising cost of raw material</p> <p>Likelihood: </p> <p>Impact: </p> | <p>Financial capital</p> <p>Strategic objective: Profitability and growth</p> | External | A large share of the Company's production costs stems from raw materials. Supplier pricing is affected by exchange rate fluctuations, global economic trends, and increased transportation and fuel expenses. | To maintain cost efficiency, the Company systematically reviews raw material quotations from different vendors. Its strategic supplier network plays a vital role in securing competitive pricing and streamlining material flow to avoid production delays. |
| <p>Risk of Inconsistent/ Arbitrary Changes in Government Policies</p> <p>Likelihood: </p> <p>Impact: </p> | <p>Financial capital</p> <p>Strategic objective: Profitability and growth</p> | External | Policy revisions in taxation, energy pricing, and regulatory controls may impair the Company's earnings and operational flexibility. | Ismail Industries engages with forums like the Pakistan Business Council to keep regulators informed of industry challenges, while management closely tracks policy and market shifts to enable timely, strategic responses. |

Operational Risks



| Types of Risks | Area of Impact | Source | Description | Mitigating Strategy |
|---|---|----------|---|---|
| <p>Technology Obsolescencel</p> <p>Likelihood: </p> <p>Impact: </p> | <p>Intellectual/ Manufactured Capital</p> <p>Strategic objective: Profitability and growth</p> | External | Rapid advancements in technology potentially outpacing the efficiency of the Company's current production systems. | enhanced through the installation of advanced, efficient lines across all facilities. |
| <p>Maintenance Risk</p> <p>Likelihood: </p> <p>Impact: </p> | <p>Manufactured Capital</p> <p>Strategic objective: Profitability and growth</p> | Internal | Potential disruption in production due to equipment failure or limited capacity. | Proactive maintenance systems ensure optimal plant performance and efficient capacity utilization. |
| <p>Employee Retention and Succession Planning</p> <p>Likelihood: </p> <p>Impact: </p> | <p>Human Capital</p> <p>Strategic objective: HR Excellence</p> | Internal | Attracting and retaining skilled talent is essential to achieving the Company's goals, with succession planning key to ensuring long-term continuity. | ILL implements targeted programs to nurture high-potential talent and enhance workforce diversity, fostering overall effectiveness. Succession planning enables leadership to evaluate performance and identify future leadership candidates. |



Low 

Medium 

High 

Financial Risks

| Types of Risks | Area of Impact | Source | Description | Mitigating Strategy |
|--|--|----------|--|--|
| Interest Rate Risk Likelihood:  Impact:  | Financial Capital Strategic objective: Profitability and growth | External | Fluctuating interest rates increase finance costs, reducing overall profitability. | The Company maintains a balanced capital structure and actively seeks subsidized financing to minimize finance costs |

Low 
 Medium 
 High 

Key Opportunities

| Types of Risks | Area of Impact | Source | Description | Utilization Strategy |
|---|---|----------|---|---|
| Investment on state-of-the-art technology | Manufactured Capital Strategic objective: Efficiency | Internal | Leveraging advanced technology enhances production efficiency and reduces costs, boosting customer appeal and stakeholder value. Additionally, new facilities—such as Cereal, Nutrition, and Resin plants—have significantly expanded capacity and improved output quality. | The Company continually invests in innovative technologies to maintain its position as a leading efficient producer. |
| Efficient work environment | Human Capital Strategic objective: Efficiency | Internal | Enhancing workplace conditions and fostering employee growth. | Employee satisfaction and growth remain a priority, supported by targeted training programs and a supportive workplace culture. |

Our Materiality Assessment

In addition to the legal requirement for disclosing all events and transactions, the management has implemented a materiality approach to ensure effective communication with all stakeholders. We consistently update our materiality matrix to address the new challenges we encounter. The material issues we identify are those that hold the greatest significance for our stakeholders and play a crucial role in our business success. Evaluating their importance serves as a framework for strategically managing the associated risks and opportunities. This process entails examining factors beyond our immediate impact and taking into account all environmental, social, economic, and financial aspects that could either positively or negatively influence our capacity to generate value in the short, medium, and long term.

The Board has sanctioned a formal policy that outlines the materiality threshold to be considered by management when disclosing or reporting financial information. To facilitate our annual materiality assessment, we engage in continuous dialogue with our stakeholders, which includes suppliers, consumers, regulators, and non-governmental organizations (NGOs). Additionally, we evaluate material issues based on their significance to our strategic plans and objectives

Supply Chain Disruption Risks

In an ever-evolving global landscape, businesses are increasingly recognizing the interdependence of their operations with environmental, social, and governance (ESG) factors. The Company acknowledges the potential risks stemming from these factors, particularly those impacting the supply chain. ILL maintains a comprehensive risk assessment framework to proactively identify potential supply chain disruption risks linked to ESG incidents. This involves close collaboration with internal stakeholders, suppliers, and industry partners to gain insights into emerging risks. To ensure the ongoing evaluation of supply chain risks, we employ a robust monitoring system that enables real-time tracking of relevant ESG incidents.

Mitigating the risks associated with supply chain disruptions necessitates a proactive and collaborative approach. The Company has established a multifaceted strategy to effectively address these challenges:

- **Supplier Engagement and Collaboration:** We engage with our suppliers to enhance their awareness of ESG considerations and encourage alignment with our values. This includes fostering responsible sourcing practices, ethical labor standards, and sustainable production methods.
- **Diversification of Suppliers:** We strive to diversify our supplier base to reduce dependency on a single source, mitigating the potential impact of disruptions in any one region.
- **Resilience Enhancement:** We continually invest in strengthening the resilience of our supply chain, incorporating redundancy and alternative sourcing options when feasible.

The Company remains steadfast in its commitment to addressing ESG-related supply chain disruption risks. By identifying, monitoring, and mitigating these risks, we ensure the long-term sustainability of our operations, minimize potential adverse impacts, and contribute to a more resilient and responsible business ecosystem.

Sustainability Disclosures and Corporate Social Responsibility (CSR)

04

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| • Board' statement for the adoption for CSR practices | 109 |
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Corporate Social Responsibility



Sustainability risk and opportunities:

Board of Directors (BOD) are responsible for Company's sustainability risks and opportunities. BOD has established following key risks and opportunities related to sustainability:

| Types of Risks | Potential impact | Description | Related Opportunity |
|--|--|---|---|
| Severe rain and flooding. | Water in the factory premises overflows and inventory is destroyed. | Severe rain and flooding may cause strong water overflow inside factory premises, thus destroying our assets. | Improved drainage system and flood gates are placed in warehouses to stop water overflow. |
| Extremely hot weather | Destroy inventory and cause damage to employee's health and safety | Pakistan is highly impacted from climate change. We face extreme hot weather in summer which may cause damage to our inventory as well as health and wellbeing of our employees. | Temperature controlled environment is provided in our warehouses as well as in our factories and offices. |
| Risk of Water Shortage | Increased manufacturing expenses and functional constraints | Owing to the limited availability of clean water in Pakistan, manufacturing operations may face interruptions, potentially leading to higher production expenses and delays in the overall production timeline. | Deploying cutting-edge water reuse systems, enhancing efficiency in industrial water consumption, and committing resources to technologies that minimize water usage. |
| Tightening of policies and restrictions on plastic usage | This may impact our Astro films operations as well as increases our packaging cost and reduced profitability | Government restrictions on plastic usage may disrupt our plastic and packaging operations and may drive up packaging expenses, leading to higher overall cost of sales and putting downward pressure on gross profit margins. | Manufacturing of better quality films, allocating resources toward innovative recycling methods, collaborating with waste disposal firms to implement collection initiatives, or introducing packaging that supports refilling or repeated use. |

Highlights of Company's performances and initiatives towards Sustainability

Environmental

Out of the three pillars under Environmental (E), Social (S) and Governance (G), Environment talks about a company's impact on the natural environment and its management of natural resources. It includes financial material risk and opportunities.

We are continuously focused in minimizing environmental improvement through innovative practices that conserve resources, reduce emissions, and protect biodiversity.

Specific Initiatives

- IIL is working towards the reduction of GreenHouse Gas (GHG) emissions by reducing the release of Carbon dioxide through development of biomass fuel plant in a subsidiary. This will be introduced in other units soon;
- Further, we are moving towards alternate energy projects to reduce carbon emission and power cost as well; and
- Plantation drive carried out from time to time.

Biomass Energy - Transitioning from Fossil Fuels



Ismail Resin (Pvt.) Limited has installed a biomass-fired heater to replace conventional fossil fuel systems. The collected biomass feedstock will reduce reliance on fossil fuels, enhancing energy security and support to Ismail Industries' broader goal of reducing emissions, and achieving net-zero targets.

Ismail Resin embodies Ismail Industries' commitment to innovation, sustainability and vertical integration. By investing in rPET, renewable energy, and biomass technology, the company is not only addressing Pakistan's plastic waste crisis, but also setting new benchmarks for environmentally responsible manufacturing. As part of one of Pakistan's most progressive industrial conglomerates, Ismail Resin is poised to drive sustainable growth while delivering value to stakeholders and the planet.

Solar Power - Harnessing Renewable Energy

To minimize its carbon footprint, Ismail Resin has installed a 460 KWp solar power system on its facility rooftops and available spaces.



Ismail GreenPET – Recycle PET

Pakistan's beverage industry predominantly relies on PET packaging, creating significant environmental challenges due to plastic waste. In response, Ismail Resin has initiated the Ismail GreenPET Project, a pioneering 24,000-ton-per-year bottle-to-bottle recycled PET (rPET) plant, set to commence operations by March 2026.

Our technology Partner, will provide advanced cleaning systems, integrated with AI-powered sorters from Sesotec Germany for color, metal,

and NIR-based material detection. Starlinger, the global leader in PET recycling, will supply its RPET 215 ART line, ensuring production of EFSA-compliant decontamination and high-quality rPET pellets aligned with UN Sustainable Development Goals (SDGs). The project will divert millions of PET bottles from landfills and waterways, reducing reliance on virgin resin and lowering carbon emissions.



Plantation Initiative

Tree plantation drives are initiatives by the group to convert various barren parks and university grounds into green fields.





Social

By prioritizing employee welfare, diversity, equity, and inclusion, and by collaborating with local communities, we endeavor to create a positive impact on the lives of stakeholders.

We recognize that shared success emerges from effective engagement with our stakeholders. Through open dialogue and partnerships, we seek to address concerns, gather insights, and collaboratively develop solutions that drive positive change.

Specific Initiatives

- Representation of females within all levels of the management;
- Whistleblower policy established to address any employee grievances;
- Eliminating injury rates at all business locations;
- Wide market presence
- Timely payment to all stakeholders



Social Wellbeing & Healthcare:

Ismail Industries Limited has launched an initiative to provide free health insurance to over 2,000 field force to ensure the wellbeing of the staff and their families. The group also donates generously to leading healthcare institutions such as Indus Hospital to help them deliver quality healthcare to the underprivileged.

WASL:

WASL (Water and Sanitation Logistics) is a project of Ismail Group, launched with the aim of providing clean drinking water to underdeveloped areas in Pakistan. The RO plant installed in Landhi area has the capacity to provide 20,000 liters of clean drinking water every day, which can be bought at a minimal price.

The profits from the WASL project are to be used for the betterment of the community.

The CSR department carried out beach cleanups recently, bags were distributed across the office to raise awareness on plastic recycling. Multiple schools were taken on board to collaborate on similar projects.

Education for All:

At Ismail Industries Limited, we are more committed than ever to making quality education accessible for everyone in Pakistan. A storytelling activity project has been initiated that will cover government schools in underserved areas of Karachi. This activity aims to engage students and attract them to a learning culture. So far, we have carried out this activity in more than 20 schools and this long-term project continues to target many other schools in the city.

In addition to these initiatives, we continue to sponsor Ismail Academy and Khadija Girls College, where approximately 1,000 underprivileged students are receiving education through smart learning techniques and extracurricular activities. With qualified faculty, these institutes are places for students from low-income families to learn and grow into productive members of society.

Sustainable Environment:

After exploring various alternate sources of energy, we have installed solar panels at our factories. This new energy source, combined with the existing one, enables us to generate about 4.48MW of electrical power for our production units. Right now, we are further planning to increase our solar capacity keeping in view the additional power requirements.



Celebration of International Deaf Week

We had the opportunity to visit Family Educational Services Foundation for a heartwarming cake-cutting ceremony and celebration of Deaf Week. It was an inspiring day as we toured the campus, interacted with students, and shared moments of joy by distributing candy boxes across the school.

A huge thank you to FESF for their warm welcome and for the amazing work they do in empowering the deaf community.



International Child Cancer Day:

We celebrated International Childhood Cancer Day, where our employees came together to contribute funds. With their generous support, we purchased toys and distributed them at NICH Hospital to bring joy to the children.

Mother's Day Celebration

Behind every achiever is a mother who believed first. This Mother's Day, we asked our team to share heartfelt messages for the women who shaped their journeys. Here's to the moms who make everything possible.



Children's Day:

This Children's Day, Ismail Industries Limited welcomed the little stars of our employees to a memorable Bisconni factory visit!

The day was filled with excitement and learning as the children explored the magic behind their favourite treats. But the fun did not stop there!

Activities Highlights:

- A lively quiz session to test their curious minds.
- An enchanting magic show that left everyone amazed.
- Gift distributions to add a sparkle of joy to their day.

Seeing the happiness on their faces reminded us of the importance of nurturing creativity, curiosity, and fun in the next generation.



Breast Cancer Awareness Day

At Ismail Industries, we recently hosted a Breast Cancer Awareness session led by Dr. Farida Kamran from the Rah-e-Amal Foundation. The session was both insightful and interactive, concluding with a quiz activity where winners received prizes. It was inspiring to see participants sharing health tips with one another, and we wrapped up with a cake-cutting ceremony in celebration of awareness and support.

International Women's day:

This Women's Day at Ismail Industries Limited, we celebrated the strength, resilience, and achievements of the incredible women who inspire us every day.

From breaking barriers to driving innovation, our women continue to shape success in every department. This year, we are committed to fostering a workplace where women feel empowered, valued, and supported in their growth.

Let us continue to create an environment where every voice is heard, every effort is celebrated, and every achievement paves the way for a better tomorrow.



Technological Innovation:

Specific Initiatives

- Cutting-edge technologies for food and plastic production
- Implementation of World's best ERP system SAP S/4HANA
- Cloud based data management on real time basis
- Dedicated Quality department in each factory
- Continuous Product Development

Economic
Growth &
Competitiveness

Enhanced
Efficiency &
Productivity

Improve
Quality of Life

Addressing
Societal
Challenges

Scientific
& Technology
Advancement

User
Empowerment
& Engagement

Sustainable
Development



Governance:

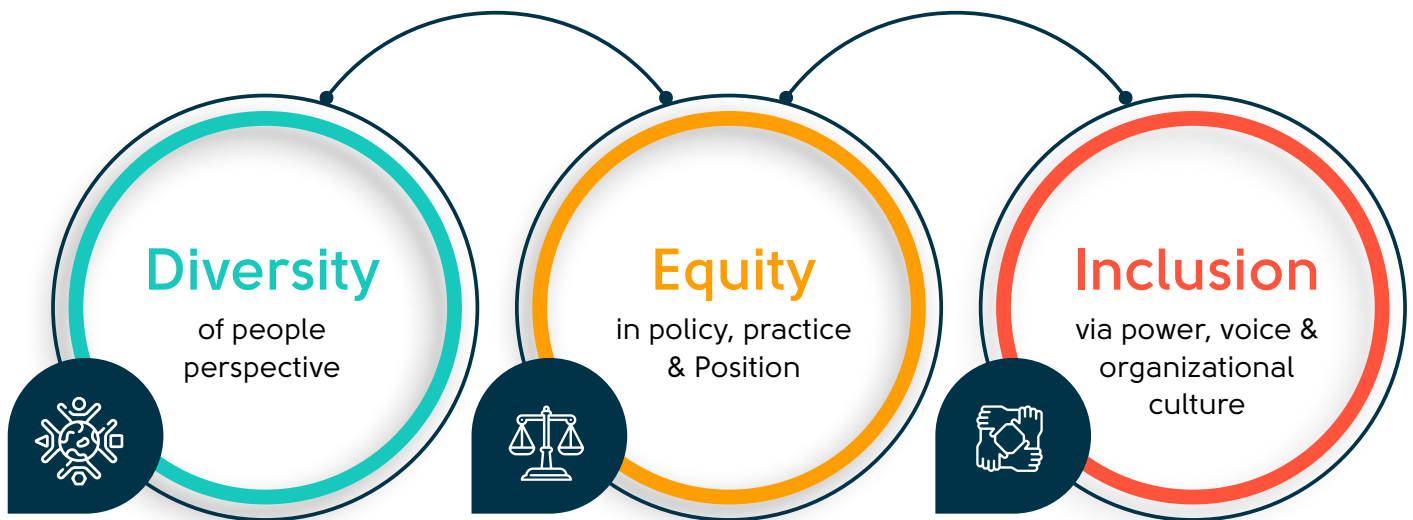
Our commitment to sustainability demands continuous innovation and adaptation. We invest in research and development and technological innovations that enable us to evolve in a dynamic and responsible manner.

Specific Initiatives

- 85.71% of the Board seats are occupied by men, while 14.29% are occupied by women
- Defined Code of conduct for implementation across the Group



Diversity, Equity and Inclusion (DE&I):



- Ismail Industries considers its employees as its competitive advantage and invests in their career development;
- Creating employment opportunities for the lower income sector of the society;
- Supports employee involvement in sports;
- Introduction of Ismail academy to give education opportunity to underprivileged individuals;
- We believe in providing our employees safe and healthy working conditions and in maintaining a strong channel of communication with them;



Sustaining Support for Ismail Academy and Khadijah Girls College

We are proud to announce our continued sponsorship of Ismail Academy and Khadijah Girls College. Our Support has helped provide around 1000 underprivileged students with modern learning tools and enriching extracurricular activities.

Vocational Training Centre:

Ismail Industries has inaugurated a Vocational Training Center in Hub, dedicated to empowering young girls by equipping them with stitching and tailoring skills. This initiative reflects our commitment to women's empowerment and skill development, enabling them to become self-reliant and contribute meaningfully to their communities.



Supporting Education through Public-Private Partnership:

In our continued commitment to community development, Ismail Industries Limited collaborated with a government school operating under the administration of Ismail Academy. Through this initiative, we are supporting underprivileged students by providing access to quality education and resources. This effort was recently acknowledged by the Government of Baluchistan, which honoured us with an appreciation letter in recognition of our contribution to educational upliftment in the region.



Youth Sports Development: CandyLand Cricket and Football Academies:

As a part of our dedication to youth empowerment and community development, Ismail Industries Limited has established the CandyLand Cricket Academy and Football Academy. These academies provide professional training to boys under the age of 16, helping

nurture young talent and promote a healthy, active lifestyle. We are proud to share that national players like Zahid Mehmood and Sajid Ali have been trained at our academy and gone on to represent Pakistan, a testament to the quality of coaching and development that our programs offer.



Equal Opportunities at Ismail Industries Limited

Ismail Industries Limited (IIL) is committed to proactively fostering a workplace where equal opportunities exist for all. This commitment is embedded in all aspects of employment, including talent acquisition, where we ensure fair, transparent, and consistent practices. Our merit-based hiring decisions are made without regard to race, colour, religion, disability, ethnic origin, gender, or any other characteristic protected by applicable law.

To proactively attract the best-suited talent, employment opportunities are announced regularly, and the company strategically partners with leading institutions such as GIKI, IBA, LUMS, Habib University, and KSBL, engaging with students across the country through career fairs, mentoring, campus drives, and sponsorships. Furthermore, we provide fresh graduates with employment opportunities through multiple dedicated programs.

IBA Career Fair:



Habib University:



IBA



KSBL:



Stress Management Training:



Emotional Intelligence Training:



INSEAD – Advanced Leadership Program



Communication:
Sign Language Training



Boards statement on adoption of CSR:

The Board of Directors of IIL (BOD) views Corporate Social Responsibility (CSR) as an integral component of our organizational commitment to sustainable growth. We recognize our responsibility to positively impact the communities and environment in which we operate, and are dedicated to upholding the highest standards of ethical conduct and social contribution. With unanimous endorsement from our Board of Directors, we proudly announce the adoption of comprehensive CSR best practices that reflect our dedication to making a meaningful difference. This decision underscores our belief that business success must align harmoniously with societal well-being. Our CSR approach will be guided by a steadfast commitment to:

- Ethical governance
- Stakeholders' engagement
- Community development
- Environmental stewardship
- Employee empowerment
- Transparency and reporting

Company's strategic objectives regarding ESG (environmental, social and governance)/sustainability reporting.

At Ismail Foundation, we recognize the growing significance of environmental, social, and governance (ESG) factors in today's business landscape. We are committed to integrating sustainability into our operations and decision-making processes. Our strategic objectives regarding ESG/Sustainability reporting aim to transparently communicate our performance, progress, and impact in these areas. We understand that ESG/Sustainability reporting is not only a tool for transparency but also a means of identifying areas for improvement. By monitoring our performance and engaging with relevant stakeholders, we aim to continually enhance our ecological practices and contribute to a more sustainable future.



Recommendation on sustainability committee:

We will be establishing a new sustainability committee in coming years which will oversee our sustainability related goals and achievements. This sustainability committee will consist of at least one female director and will submit a report to the board once a year.

GIKI: Corporate Social Responsivities (CSR) Activities

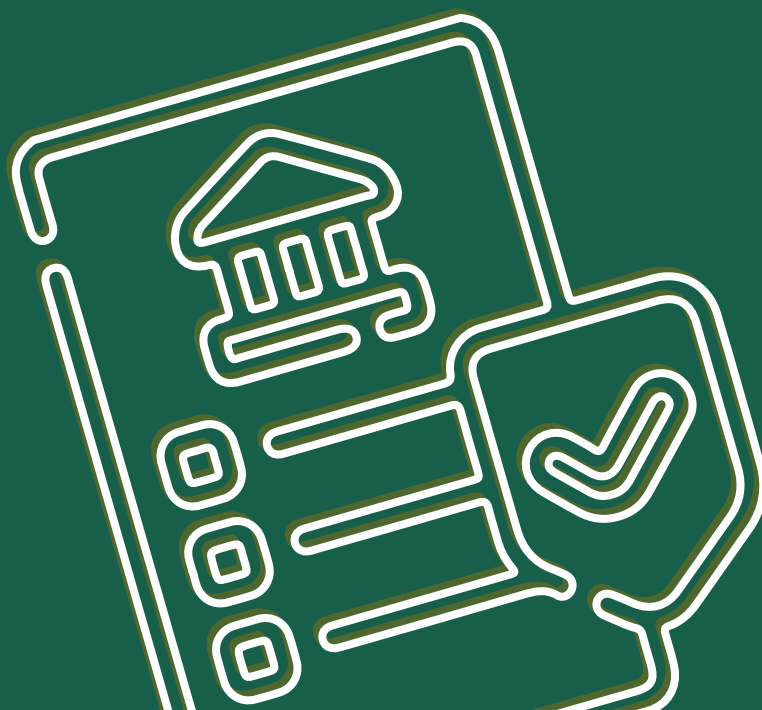
Social Causes and Educational Institutions supported by Ismail Industries Limited



*Sustainability at the
Heart of Everything
We Do!*



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Corporate Governance





The composition of the Board and Meeting attendance

| Categories | Name |
|---------------|------------------------------|
| Executive | Mr. Munsarim Saifullah (CEO) |
| | Mr. Ahmed Muhammad |
| Independent | Mr. Muhammad Zubair Motiwala |
| | Ms. Tasneem Yusuf |
| Non-Executive | Mr. Muhammad M. Ismail |
| | Mr. Maqsood Ismail |
| | Mr. Hamid Maqsood Ismail |
| Female | Ms. Tasneem Yusuf |

Human Resource & Remuneration Committee

| Board Human Resource and Remuneration Committee | |
|---|----------|
| Mr. Muhammad Zubair Motiwala | Chairman |
| Mr. Maqsood Ismail | Member |
| Mr. Hamid Maqsood Ismail | Member |

Members of The Board & Attendance

| Name of Directors | Meetings Attended |
|------------------------------|-------------------|
| Mr. Muhammad M. Ismail | 4/4 |
| Mr. Maqsood Ismail Ahmed | 4/4 |
| Mr. Munsarim Saifullah | 4/4 |
| Mr. Hamid Maqsood Ismail | 4/4 |
| Mr. Ahmed Muhammad | 4/4 |
| Mr. Muhammad Zubair Motiwala | 4/4 |
| Ms. Tasneem Yusuf | 4/4 |

Audit Committee

| Board Audit Committee | |
|------------------------|-------------|
| Ms. Tasneem Yusuf | Chairperson |
| Mr. Muhammad M. Ismail | Member |
| Mr. Maqsood Ismail | Member |

Members of The Audit Committee Attendance

| Name of Directors | Meetings Attended |
|------------------------|-------------------|
| Ms. Tasneem Yusuf | 4/4 |
| Mr. Muhammad M. Ismail | 4/4 |
| Mr. Maqsood Ismail | 4/4 |

Members of the Human Resource & Remuneration Committee Attendance

| Name of Directors | Meetings Attended |
|------------------------------|-------------------|
| Mr. Muhammad Zubair Motiwala | 1/1 |
| Mr. Maqsood Ismail | 1/1 |
| Mr. Hamid Maqsood Ismail | 1/1 |

Name of Companies in which the Executive Director is serving as Non-Executive Director.

| Mr. Ahmed Muhammad |
|--------------------------------------|
| Delmare Foods (Private) Limited |
| Uniron Industries (Private) Limited |
| Hudson Pharma (Private) Limited |
| Plastiflex Films (Private) Limited |
| Act Wind (Private) Limited |
| Ismail Resin (Private) Limited |
| Innovita Labs (Private) Limited |
| Innovita Nutrition (Private) Limited |
| Mr. Munsarim Saifullah |
| Hudson Pharma (Private) Limited |
| MI Solar (Private) Limited |
| Innovita Nutrition (Private) Limited |
| Ismail Resin (Private) Limited |
| Innovita Labs (Private) Limited |

Director's Profile

The Board of Directors at Ismail Industries Limited leverages its deep expertise in finance, economics, and business management to provide strategic leadership, driving the company towards sustained growth and success.



Mr. Muhammad M. Ismail

Chairman of the Board

Mr. Muhammad M. Ismail did his B.S. in Industrial Engineering from the University of Florida, USA in 1974.

He joined the family concern Union Biscuits and served as a Director till 1989 when he established Ismail Industries Limited. As Chairman of IIL, he oversees all aspects of management including production, sales and distribution, marketing, and expansion and acquisitions. He has well developed interest in bridge and has represented Pakistan as a Captain.

Director's Profile



Mr. Munsarim Saifullah

Chief Executive Officer

Mr. Munsarim Saif did his Bachelors of Engineering from N.E.D. University of Engineering and Technology, Pakistan.

He worked for Pakistan International Airlines prior to joining Ismail Industries Limited. Currently, he is the Chief Executive Officer of Ismail Industries Limited. He played for the National Table Tennis Team for many years and was Pakistan's Table Tennis champion in 1984. He has been with the company since its inception and played a key role in setting up the business.

Mr. Ahmed Muhammad

Executive Director

Mr. Ahmed Muhammad Ismail completed his graduation from George Washington University (USA), majoring in the field of Economics.

As part of the new vision of the company, Ahmed Ismail is leading the Candyland and Ismail Nutrition divisions of the company, where he has been active in modernizing the business while bringing in a more object-oriented approach to managing the company. Apart from business, he also has a Passionate interest in golf.



Director's Profile



Mr. Maqsood Ismail

Non-Executive Director

Mr. Maqsood Ismail did his B.S. in Economics from the University of Delaware, U.S.A, in 1981.

He joined Union Biscuits and looked after Finance, Government Affairs and Import Departments prior to the setting up of Ismail Industries Limited. Currently, he is a Director of Ismail Industries Limited. Mr. Maqsood Ismail was the Chairman of the Export Processing Zones Authority, Pakistan. He has also been Vice President of the Federation of the Chambers of Commerce and Industry of Pakistan and a Chairman of Yarn Merchants Association of Pakistan and President of Lasbela Chamber of Commerce. He was also on the board of IDBP, and is was a trustee of the Karachi Port Trust. He was also on the Board of Port Qasim Authority. He was awarded Tamghae-Imtiaz (one of the highest civil awards) by the Government of Pakistan in recognition of his services to the community.

Mr. Hamid Maqsood Ismail

Non-Executive Director

Mr. Hamid Maqsood Ismail holds a Bachelor's degree in Business Administration from Middlesex University, United Kingdom, earned his Master of Business Administration (MBA) from Oxford University and holds degree of Doctor of Philosophy from Greenwich University. His academic background combines a strong foundation in business principles with advanced strategic and managerial training from globally recognized institutions.

As a member of the Board of Directors of Ismail Industries Limited, Mr. Hamid has played a pivotal role in driving the company's business growth and operational performance. Under his leadership, the company has witnessed a significant increase in topline revenues alongside notable improvements in profitability across its core business segments.

With his forward-thinking approach, strategic insight, and commitment to innovation, Mr. Hamid continues to contribute meaningfully to the long-term vision and sustainable growth of Ismail Industries Limited.



Director's Profile



Mr. Muhammad Zubair Motiwala

Independent Director

Mr. Motiwala received his undergraduate degree from Adamjee Government Science College.

Mr. Muhammad Zubair Motiwala is a distinguished business personality with a wealth of experience spanning over 40 years in the fields of industry and exports. Noteworthy is his role as the former president of the Karachi Chamber of Commerce and Industry (KCCI), Chairman Sindh Board of Investment, Advisor to the Chief Minister, Sindh, Chairman Site Association, Chairman All Pakistan Textile Processing Mills Association and Chairman Pakistan Afghanistan Joint Chamber. Currently, he serves as the chairman of the Businessmen Group and holds positions as a member of the board of directors in various educational, private, and government-owned organizations.

Mr. Zubair Motiwala has been appointed as an Independent Director, in compliance with the criteria set forth under relevant corporate governance regulations.

Ms. Tasneem Yusuf

Independent Director

Ms. Tasneem Yusuf is a chartered accountant from ICAP and a fellow member of ACCA and a CPA. She has worked for Unilever Pakistan, Deloitte and Nasdaq Dubai. Since 2009, she has been associated with her family practice where she now heads the audit and assurance services department. She serves as a board member of Ismail Industries Limited, Reliance Insurance Company Limited, B.F. Modaraba, Faran Sugar Mills Limited, Pakistan Industrial Development Corporation and the Trading Corporation of Pakistan (Private) Limited. She serves ICAP as a member of its Auditing Standards & Ethics Board. Ms. Yusuf has completed the directors training program and the directors training program for State Owned Enterprises from the Pakistan Institute of Corporate Governance (PICG).



Executive Profile



Mr. Ahmed Raza Parekh

Group CFO

A seasoned finance professional, having more than 18 years of proven experience of Audit and Finance. Ahmed is a fellow chartered Accountant and Certified internal auditor.

Ahmed started his professional journey through Deloitte and later worked with various Organization in Key Finance Role. Having diversified experience Finance and Audit, Ahmed is currently leading the Finance Team as Group Chief Financial Officer at the Ismail Industries.



Ms. Wajeeha Khan

Chief Human Resource Officer

Wajeeha is a HR professional, having significant experience of developing end-to-end human capital strategies and leading transformational agendas.

Wajeeha is currently leading the Organization's Human Capital as Chief Human Resource Officer, where she is creating an environment for opportunity and innovation, while using human capital to meet long-term organizational strategic goals.



Mr. Yousuf Alam

Head of Legal

A seasoned legal professional, having direct experience in Corporate Law, Claims Management and Regulatory Compliance. Yousuf has a vast experience of serving as legal council for major organizations in Pakistan.

Yousuf is currently leading the legal team of the Ismail Industries Limited, as Head of Legal and looking after all the relevant matter, effectively and efficiently.

Executive Profile



Mr. Noman Lutfi

Head of Supply Chain & Procurement

Noman A. Lutfi is experienced Supply Chain and Logistics professional, having more than 25 years of professional experience in supply chain strategy and operational improvement. Noman is certified member of chartered institute of logistics and transport from CMILT – UK.

Noman is currently leading the supply chain department as the Group Head of Supply Chain for Ismail Industries Limited and currently managing and overseeing the end-to-end supply chain within multiple operating units.



Mr. Irfan Shahzad Bhatti

COO – Technical Operations

Irfan is an experienced professional with more than 20 years of hands on experience of supply chain, business operations and project management.

Irfan is qualified professional, working as Chief Operating Officer in Ismail Industries Limited, looking after overall business operations of Candyland, Bisconni and Snack City.



Mr. Zunair Ahmed

Head of Projects

Zunair is a skill full professional having experience of more than 18 years relating to Business Operations and Supply Chain. He is a Certified Supply Chain Professional (CSCP) with APICS/ASCM (USA), with an ability to manage complex and diverse projects.

Zunair is currently working as Head of Project at Ismail Industries Limited, where he is responsible for deriving business strategies, developing new ventures and conducting business feasibility studies.

Executive Profile



Mr. Muhammad Sabir Godil

Head of Marketing & Sales - Bisconni

Sabir is a seasoned professional with more than 15 years of experience in managing brand strategy, marketing, commercial planning and operations management, for local and global brands.

Sabir is currently holding the position of Chief Operating Officer of the Bisconni Division at Ismail Industries Limited, leading the division towards successful accomplishments.



Ms. Maria Ahsan

Head of Marketing - Candyland

Maria is an established marketing professional having expertise in creating brand and consumer relationships.

Maria is currently leading the Marketing Team of Candyland Division at Ismail Industries Limited, where she is strategizing, facilitating or executing the ideas for market growth and fulfilling the Company's vision.



Faisal Aheed

Head of Sales & Marketing - Plastic Division

Faisal is an accomplished sales and business executive who has overall experience of more than 25 years specially in the packaging and manufacturing industries.

Currently, he is the Senior General Manager for Operations at Astro Films and Ismail Resin, divisions of Ismail Industries Limited, where he is looking after commercial strategy, sales performance, and market development for the group's two key verticals.

Executive Profile



Mr. Usman Asif

Head of Sales – Candyland

Usman is a high performing sales and commercial professional, with experience of over 20 years across FMCG, telecommunications, and international consumer brands.

He is currently the Chief Sales Officer in Ismail Industries Limited, looking after the sales operations of our Candyland division, where he has enhancing strategic clarity and commercial agility to the sales architecture for the said division.



Rayyan Imran

Head of Sales – Flour Division

Rayyan is seasoned professional looking in to the sales strategy and operations of the flour segment at the Ismail Industries. He is an MBA from IBA University.

He is currently managing customer relationships, optimizing distribution networks, and driving business growth within the division. With Ismail Industries' strong market presence and diversified product portfolio, Rayyan plays a key role in expanding the company's footprint in the food sector.



Asad Ali Zaidi

Chief Information Officer

Asad is a leading digital transformation and IT Strategy professional with loads of experience in ERP implementation, and governance. Asad, over the years, have played a key role in streamlining operations, enhancing decision-making, and enabling scalable growth, in local and international markets. Asad has also been recognized as a Global CIO Award winner

Asad is currently leading the IT divisiovn of the Company, as Chief Information Officer, where he is looking forward to drive innovation and operational excellence within the organization.

Chairman's Review Report

Dear Esteemed Stakeholders,

I am pleased to present the Chairman's Review Report to our valued shareholders and all other stakeholders, reflecting on the Company's performance, the Board's oversight role, and the progress made towards our strategic objectives for the year ended June 30, 2025.

Economic Environment

FY 2024-25 marked the first signs of modest macroeconomic stability after years of volatility.

- GDP growth stood at ~2.7%, reflecting cautious recovery in economic activity.
- The State Bank of Pakistan reduced the policy rate from 22% to 11%, following a sharp decline in inflation to multi-year lows.
- Consumer sentiment, while still measured, improved in the latter half of the year.

Businesses remained under pressure due to low purchasing power of people and rising duties and taxes resulting in ultimate decline in Company dispatches. However, the strategic move of the group towards diversification resulted in Group turnover to increase by 6.65 % as compared to last year.

Your Company has always remained focused on innovation and efficiency while maintaining strict financial discipline. The Group has grown in terms of its GSV which is highly exceptional given the prevailing times and business environment.

Board Performance and Governance

The Board continued to demonstrate strong strategic oversight and governance discipline. Key areas of focus included:

- Providing clear strategic direction and guiding management through evolving market conditions
- Monitoring performance and addressing key risk areas with diligence
- Maintaining high standards of **corporate governance** in line with regulatory and stakeholder expectations

The **Board Committees** – including the Audit Committee and Human Resource & Remuneration Committee – functioned with independence, proficiency, and strict adherence to their Terms of Reference.

Board Composition and Effectiveness

Our Board comprises **seven Directors**, including two **Independent Directors**, with diverse expertise in business, finance, technology, and regulatory affairs.

The annual **self-assessment** reaffirmed the Board's effectiveness in:

- Strategic planning
- Composition and diversity of skills
- Committee performance
- Procedural discipline and decision-making

ESG Standards

Your Company is committed to maintaining the highest standards of corporate governance, including adherence to Environmental, Social, and Governance (ESG) principles. We have implemented policies and practices that ensure our compliance with all applicable ESG regulations, as required by the Securities and Exchange Commission of Pakistan (SECP) and all other regulators.

Our environmental initiatives focus on reducing our carbon footprint, optimizing resource usage, and managing waste responsibly. Socially, we prioritize employee welfare, diversity, and community engagement, while our governance framework is designed to uphold transparency, accountability, and ethical business conduct. We continually review and enhance our ESG strategies to align with international best practices and stakeholder expectations.

Our strategic move aligns closely with the United Nations Sustainable Development Goals as they guide our efforts to create positive, lasting impacts on society and the environment. Through initiatives like Hub school Program, Girls, College, Free Clean drinking water, Tree plantation drive etc. We channel our resources towards meaningful change aligned with our ESG goals. Collaborations with organizations like Mustafa Welfare Pakistan, Indus Hospital, SHED Foundation, Saylani Welfare Trust, SIUT, LRBT, Miran Shah Cricket Academy etc. highlight our dedication to inclusivity, health, and reduced inequalities, while amplifying these values within our corporate landscape.

Future Outlook

As the country's economy is showing signs of stabilization, the outlook for the business industry in FY 2025–26 remains cautiously optimistic. Unreasonably high taxes, duties, fuel and power costs will continue to bear down on the industry as manufacturers are finding it difficult to pass on any increase in costs, which may impact the profit margins going forward.

However, the management is hopeful to counter these economic and competitive challenges and continue the success line with all the new zeal and ever-growing motivation in the years ahead. The Company will continue to rely on its strategy of cost optimization, product diversification, and increased focus on export sales to deliver impressive financial results. The Company has an optimistic and aggressive view on its growth prospects. With our strong capabilities through established brands in food and plastic films coupled with timely capacity enhancements, we are committed to significant growth in revenues and profitability of the Company in periods ahead.

Acknowledgements

On behalf of the Board, I extend my sincere appreciation to our shareholders, lenders, partners, suppliers, distributors, and the wider community for their trust and continued support.

I also acknowledge the dedication of my fellow Directors, our senior management, and employees. Their commitment, professionalism, and hard work have been central to delivering another year of strong performance.



Muhammad M. Ismail
Chairman

Dated: August 29, 2025

مستقبل کی پیش بینی

چونکہ ملکی معیشت میں استحکام کے آثار ظاہر ہو رہے ہیں، اس لیے مالی سال ۲۰۲۶-۲۰۲۵ میں کاروباری صنعت کا منظر نامہ قطار طور پر مثبت دکھائی دیتا ہے۔ غیر معمولی بلند ٹیکسز، ڈیوٹیز، ایندھن اور توانائی کے اخراجات انڈسٹری پر دباؤ ڈالتے رہیں گے کیونکہ مینوفیکچررز کے لیے اخراجات میں اضافہ صارفین کو منتقل کرنا مشکل ہے، جس سے مستقبل میں منافع کے مارجن متاثر ہو سکتے ہیں۔

تاہم، انتظامیہ پر امید ہے کہ ان معاشی اور مسابقتی چیلنجز کا مقابلہ کرے گی اور آنے والے برسوں میں نئی توانائی اور بڑھتی ہوئی لگن کے ساتھ کامیابیوں کا سلسلہ جاری رکھے گی۔ کمپنی اپنی لاگت کی بچت، مصنوعات میں تنوع، اور برآمدی فروخت پر زیادہ توجہ مرکوز کرنے کی حکمت عملی پر کاربند رہے گی تاکہ متاثر کن مالی نتائج حاصل کیے جاسکیں۔

کمپنی اپنی ترقی کے امکانات کے بارے میں پر امید اور پُر جوش ہے۔ خوراک اور پلاسٹک فلرز کے شعبوں میں ہمارے مضبوط اور مستحکم برانڈز، ساتھ ہی بروقت پیداواری صلاحیت میں اضافے کی بدولت، ہم مستقبل میں آمدنی اور منافع میں نمایاں اضافہ کرنے کے لیے پرعزم ہیں۔

اظہار تشکر

بورڈ کی جانب سے، میں اپنے حصص یافتگان، قرض دہندگان، شراکت داروں، سپلائرز، تقسیم کاروں، اور وسیع کمیونٹی کا ان کے اعتماد اور مسلسل تعاون کے لیے دلی شکریہ ادا کرتا ہوں۔

میں اپنے ساتھی ڈائریکٹران، سینئر انتظامیہ، اور ملازمین کی محنت، وابستگی اور پیشہ ورانہ مہارت کو بھی تسلیم کرتا ہوں، جن کی بدولت ایک اور مضبوط کارکردگی کا سال ممکن ہوا۔



محمد اسیم اسماعیل

چیئر مین

بتاریخ: 29 اگست 2025

بورڈ کی تشکیل اور مؤثریت

ہمارے بورڈ میں سات ڈائریکٹران شامل ہیں، جن میں دو آزاد ڈائریکٹران بھی ہیں، اور ان کے پاس کاروبار، فنانس، ٹیکنالوجی اور ریگولیٹری امور میں متنوع مہارت موجود ہے۔

- سالانہ خود جائزے نے درج ذیل امور میں بورڈ کی مؤثریت کی دوبارہ تصدیق کی:

- حکمت عملی کی منصوبہ بندی
- مہارتوں کی تشکیل اور تنوع
- کمیٹیوں کی کارکردگی
- طریقہ کار کا نظم و ضبط اور فیصلہ ساز

معزز فریقین

مجھے خوشی ہے کہ میں اپنے معزز حصص یافتگان اور دیگر تمام فریقین کے سامنے چیمبر مین کی جائزہ رپورٹ پیش کر رہا ہوں، جو کمپنی کی کارکردگی، بورڈ کی نگرانی کے کردار، اور 30 جون 2025 کو ختم ہونے والے سال کے لیے ہمارے تدبیری مقاصد کی جانب حاصل کی گئی پیش رفت کو اجاگر کرتی ہے۔

معاشی ماحول

مالی سال ۲۰۲۵-۲۰۲۴ میں کئی برسوں کی غیر یقینی صورتحال کے بعد معمولی جامع معاشی استحکام کی ابتدائی علامات ظاہر کیں۔

- جی ڈی پی کی شرح نمو تقریباً 2.7% رہی، جو معاشی سرگرمیوں میں مختلط بحالی کو ظاہر کرتی ہے۔
- اسٹیٹ بینک آف پاکستان نے مہنگائی میں نمایاں کمی اور کئی سالوں کی کم ترین سطح پر آنے کے بعد پالیسی ریٹ کو 22% سے گھٹا کر 11% کر دیا۔
- صارفین کے اعتماد میں اگرچہ احتیاط کا عنصر برقرار رہا، لیکن سال کے دوسرے نصف حصے میں اس میں بہتری آئی۔

کاروباری ادارے عوام کی کم خریداری قوت اور بڑھتے ہوئے محصولات و ٹیکسوں کے باعث دباؤ کا شکار رہے جس کے نتیجے میں کمپنی کی ترسیلات میں کمی واقع ہوئی۔ تاہم، گروپ کی متنوع شعبوں میں حکمت عملی کے باعث گزشتہ سال کے مقابلے میں گروپ کا کاروباری حجم بڑھ گیا۔

کمپنی نے ہمیشہ جدت اور کارکردگی پر توجہ مرکوز رکھی ہے جبکہ سخت مالی نظم و ضبط کو بھی برقرار رکھا ہے۔ کمپنی نے اپنی مجموعی فروخت کی مالیت (جی ایس وی) کے لحاظ سے نمایاں ترقی کی ہے، جو موجودہ حالات اور کاروباری ماحول کے تناظر میں ایک غیر معمولی کامیابی ہے۔

بورڈ کی کارکردگی اور حکمرانی

بورڈ نے مضبوط حکمت عملی نگرانی اور حکمرانی کے نظم و ضبط کا تسلسل برقرار رکھا۔ توجہ کے اہم پہلو درج ذیل ہیں:

- واضح حکمت عملی پر مبنی سمت فراہم کرنا اور بدلتے ہوئے منڈی کے حالات میں انتظامیہ کی رہنمائی کرنا۔
- کارکردگی کی نگرانی کرنا اور اہم خطرات کے پہلوؤں کو احتیاط کے ساتھ حل کرنا۔
- ریگولیٹری اور فریقین کی توقعات کے مطابق کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھنا۔
- بورڈ کی کمیٹیاں — جن میں آڈٹ کمیٹی اور انسانی وسائل و معاوضہ کمیٹی شامل ہیں۔ مکمل آزادی، پیشہ ورانہ مہارت اور اپنے دائر کار کی سخت پابندی کے ساتھ مؤثر انداز میں کام کیا۔

ای ایس جی معیارات

کمپنی اعلیٰ ترین معیار کی کارپوریٹ گورننس کو برقرار رکھنے کے لیے پرعزم ہے، جس میں ماحولیاتی، سماجی اور حکمرانی (ای-ایس-جی) اصولوں کی پاسداری بھی شامل ہے۔ ہم نے ایسی پالیسیاں اور طریقہ کار نافذ کیے ہیں جو اس بات کو یقینی بناتے ہیں کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس-ای-سی-پی) اور دیگر تمام ریگولیٹری کی جانب سے درکار تمام متعلقہ ای-ایس-جی ضوابط کی مکمل تعمیل کی جائے۔

ہمارے ماحولیاتی اقدامات کا مقصد کاربن کے ماحولیاتی اثرات کو کم کرنا، وسائل کے استعمال کو مؤثر بنانا اور فضلہ کو ذمہ داری کے ساتھ منظم کرنا ہے۔ سماجی طور پر، ہم ملازمین کی فلاح و بہبود، تنوع اور کمیونٹی سے تعلقات کو ترجیح دیتے ہیں، جبکہ ہمارا حکمرانی کا ڈھانچہ شفافیت، جوابدہی اور اخلاقی کاروباری طریقے کو برقرار رکھنے کے لیے واضح کیا گیا ہے۔ ہم اپنی (ماحولیاتی، سماجی اور حکمرانی) ای-ایس-جی حکمت عملیوں کا تسلسل کے ساتھ جائزہ لیتے اور بہتر بناتے ہیں تاکہ انہیں بین الاقوامی بہترین طریقہ کار اور فریقین کی توقعات کے مطابق بنایا جاسکے۔

ہماری حکمت عملی اقوام متحدہ کے پائیدار ترقی کے اہداف کے ساتھ گہری مطابقت رکھتی ہے، جو معاشرے اور ماحول پر مثبت اور دیرپا اثرات پیدا کرنے کی ہماری کوششوں کی رہنمائی کرتے ہیں۔ جب اسکول پروگرام، گرلز کالج، مفت صاف پینے کے پانی کی فراہمی، درخت لگانے کی مہم وغیرہ جیسے اقدامات کے ذریعے ہم اپنے وسائل کو با مقصد تبدیلی کی جانب استعمال کرتے ہیں جو ہماری (ماحولیاتی، سماجی اور حکمرانی) ای-ایس-جی ترجیحات کے مطابق ہیں۔

مصطفیٰ ویلفیئر پاکستان، انڈس اسپتال، شیڈ فائونڈیشن، سیلانی ویلفیئر ٹرسٹ، ایس-آئی-یو-ٹی، ایل-آر-بی-ٹی، میران شاہ کرکٹ اکیڈمی وغیرہ جیسے اداروں کے ساتھ تعاون ہمارے شمولیت، صحت اور عدم مساوات میں کمی کے عزم کو اجاگر کرتا ہے اور ان اقدامات کو ہماری کارپوریٹ دنیا میں مزید مضبوط بناتا ہے۔

Director's Review Report

The Directors of the Company take pleasure in presenting the Annual Report of Ismail Industries Limited together with the annual audited financial statements both stand-alone and consolidated for the year ended June 30, 2025.

Macro Economic Prospects

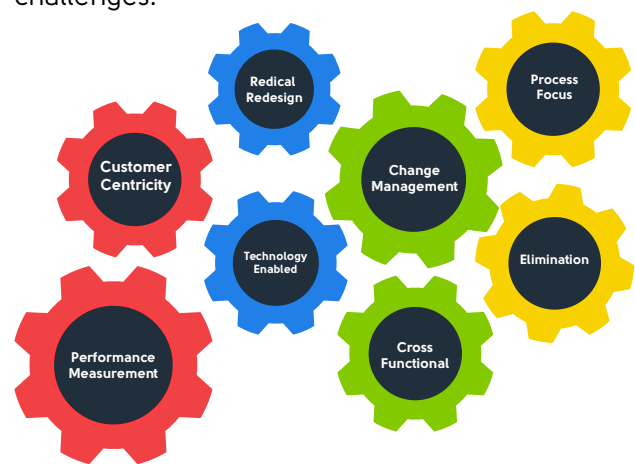
During the year under review, Pakistan's economy showed early signs of stabilization, with inflation easing sharply from last year's record highs to multi-year lows, enabling the State Bank of Pakistan to reduce its policy rate from 22% to 11%. The current account depicted the surplus of USD 2.1 billion, a sharper turnaround from the deficit of USD 681 million posted last year. This improvement was primarily driven by robust foreign remittances, which rose to USD 38.3 billion, strong export performance, and strictly governed import management. The moderation in interest rates, along with exchange rate stability and a buildup in foreign exchange reserves, have contributed to improved macroeconomic stability. Furthermore, upgradation in Country's credit rating and continuity of IMF program has resulted in restoring investor confidence in business and promote macroeconomic stability.

However, despite the above, structural challenges persisted, including a modest GDP growth rate of around 2.68 % and a heavy external debt repayment schedule that continues to exert pressure on foreign exchange reserves. While FX liquidity improved due to record remittances and rising ICT exports, vulnerability to currency fluctuations remain exist.

On the global front, elevated energy prices driven by ongoing conflicts in Eastern Europe and the Middle East, continued to affect input costs and supply chain stability. The introduction of new US tariffs on certain textile and manufacturing imports from the region, coupled with weaker global demand in key export markets, posed additional headwinds. Domestically, political uncertainty and slow-paced structural reforms limits economic activity in the Country. These combined factors impacted the cost of doing business, constrained consumer purchasing power, and kept pressure on margins despite an improved inflationary outlook in the latter half of the year.

Nevertheless, the Company's management remained proactive in implementing strategies to navigate the prevailing economic and geopolitical headwinds. During FY 2024-25, initiatives focused on cost optimization,

supply chain resilience, and operational efficiencies yielded tangible benefits, helping offset the impact of elevated energy costs, currency volatility, and changes in global trade dynamics. Management continued to strengthen risk management frameworks and embraced innovation — including process automation and product diversification — to enhance competitiveness and deliver sustained value to stakeholders. While challenges in the domestic and global environment persist, we are firmly committed to creating sustainable value for our stakeholders and are confident in the strength and resilience of our businesses to navigate current challenges and adapt seamlessly to economic challenges.

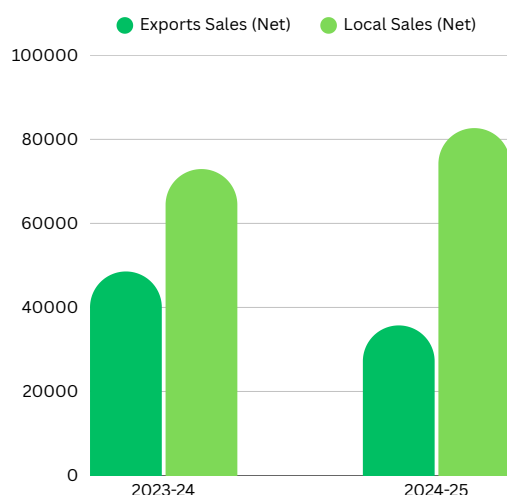


Business Performance

The Company continued to strengthen its position as a diversified player among leading competitors, with a strong presence in confectionery, biscuits, nutrition, and plastic films, alongside Ghiza (flour division) in the food segment.

During FY 2024–25, Gross sales stood at Rs. 118.4 billion compared to Rs. 121.5 billion in the previous year and profit after tax stood at Rs. 5.75 billion, resulting in EPS of Rs. 86.64 compared to Rs. 92.41 in FY 2023–24.

Local & Export Sales



Despite the facts mentioned above, it is important to note that the overall Group gross revenue has increased by 6.65%, which continued to demonstrate resilience through diversification across multiple business segments and markets. The Company's disciplined resource allocation, innovation-led growth strategy, and continued investment in product development helped mitigate the impact of softer consumer demand. Looking ahead, our global expansion strategy — particularly the establishment of a state-of-the-art manufacturing facility in Abu Dhabi, UAE — is expected to unlock new markets, drive operational efficiencies, and enhance long-term sustainability and shareholder value.

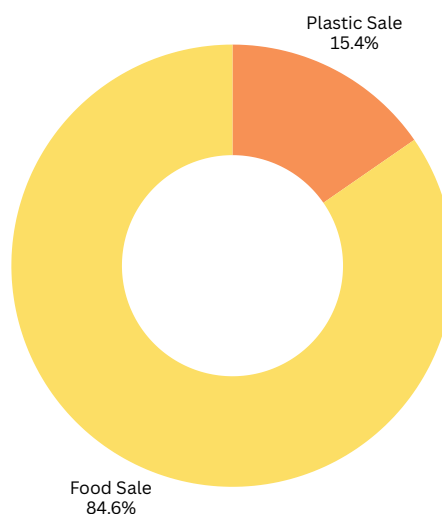
| Description | FY 24-25 | FY 23-24 | Change in % |
|------------------|--------------------------|----------|-------------|
| | -----Rs in million ----- | | |
| Gross Sales | 118,397 | 121,490 | -2.55% |
| Net Sales | 105,193 | 108,887 | -3.39% |
| Gross Profit | 21,834 | 24,022 | -9.11% |
| GP in % | 20.76% | 22.06% | -5.89% |
| Operating Profit | 10,823 | 13,980 | -22.58% |
| Finance Cost | 5,047 | 7,384 | -31.65% |
| Profit after tax | 5,749 | 6,132 | -6.25% |
| Net Profit in % | 5.46% | 5.64% | -3.19% |
| EPS | 86.64 | 92.41 | -6.24% |

Despite the challenges outlined earlier, the Company successfully navigated shifting market dynamics, evolving consumer preferences, and persistent procurement hurdles. Through timely market analysis, agile decision-making, and prudent investment strategies, resources were deployed efficiently to maximize value creation. These efforts not only strengthened operational resilience but also ensured that our products continued

to meet the highest standards of quality and consumer satisfaction.

Below is the segment-wise breakup of annual turnover:

Annual Turnover



Food Segment Operations

The Food segment encompasses an extensive and diverse portfolio, including confectionery, biscuits, nutrition, cereals, and the flour division. Our product range spans jellies, marshmallows, toffees, candies, lollipops, coated chews, bubble gum, chocolates, biscuits, cakes, nutritional food supplements, and flour. Leading brands under this segment include CandyLand, Bisconni, Ismail Nutrition, and Ghiza, each holding a strong presence in their respective categories and

CandyLand

CandyLand, a cornerstone of Ismail Industries Limited's confectionary segment in Pakistan, commenced operations on June 21, 1988, with its inaugural production plant. Since launching our first brand in 1990, we have consistently achieved significant milestones, expanding our production facilities to over 8 acres. As pioneers in the jelly category, CandyLand has ventured into technically challenging segments such as lollipops and marshmallows, priding ourselves on delivering top-quality products that continuously delight consumers. Our commitment to excellence has facilitated the export of our products to more than 40 countries worldwide.

Guided by a consumer-centric and innovation-driven philosophy, CandyLand has introduced new product

categories leveraging our state-of-the-art facilities to emerge as one of the industry's most technologically advanced companies. Noteworthy among these was the launch of Bisca, alongside new brands such as Orangy, Sour Bites, Jellies Premium Range, Biggy Lollipop and Sweet Bear. These initiatives underscore our steadfast dedication to long-term growth and innovation. Central to our operations is a dedication to providing the best customer value proposition, ensuring unparalleled consumer satisfaction with each purchase. Our dedicated teams of technical and marketing professionals collaborate to achieve consumer delight, supported by an extensive sales force that effectively reaches customers nationwide, including remote areas. All CandyLand products are certified ISO 22000 and hold Halal certification from SANHA.

At CandyLand, we pledge to uphold our core values, nurture our established brands, and drive category growth through continuous innovation. We are dedicated to developing new brands that resonate with consumers, meet their evolving needs, and consistently deliver delight for years to come.



Bisconni has now become a household brand ambitious to deliver unparalleled quality every time and with every new product. Over the past two decades, Bisconni has spread its footprint in the industry day by day with an unbelievable and impressive pace and unmatched loyalty of its customers despite the competition this industry possesses.

Since 2023–24, Bisconni has unveiled a premium range with elevated branding and a diverse offering. Consumers have been served with an array of tantalizing and tempting brands under the categories of cakes, cookies, and biscuits. The flagship premium brands include Mi Amor, Divine, DayDream, ChipHop, Perfetto, and Digestive, complemented this year by the introduction of Butter Cookies, Flare, and Eclipse in the biscuits category. In the cakes category, the launch of Lotus Cakes in delightful flavors such as coffee and vanilla has further enriched the portfolio. Bisconni remains committed to expanding its product range through innovation, quality, and an unwavering focus on consumer satisfaction.

Being reliable to provide quality products to the

customers, all the products meet the requirements of ISO 22000 and are Halal certified by SANHA. Thus, Bisconni is dedicated to delivering its promises and convert the consumers' brand loyalty into brand love.



Since its commencement in 2010, Ismail Nutrition has been dedicated to serving the population affected by the universal outbreak of Malnutrition. The key drivers to this outbreak are overpopulation and scarcity of adequate resources, particularly in the area belonging to lower socioeconomic backgrounds. The Company, being a sensible and experienced food manufacturing entity, started producing nutritional supplies to fill this gap. An overwhelming response from the local markets, encouraged the Company to supply these nutritional aids to the international social welfare institutions of the neighboring countries and has been authorized to provide nutritional food supplements to the United Nations World Food Program (WFP), UNICEF, Aga Khan University, Action Against Hunger, International Rescue Committee, IRMNCH etc.

The Company has also expanded its operations with manufacturing of Super Cereal which has been certified and approved by the WFP as a global supplier. The state-of-the-art Nutrition manufacturing facilities have been approved by the WFP audit for food safety, compliance and GMP requirements. This has also been approved by SANHA, FSSC and is on a path to continuous advancement.



The Company's state-of-the-art 240 TPD Bühler roller mill, with an annual production capacity of 68,640 tons, continued to operate at optimal efficiency during the year, fulfilling its strategic objectives of:

Backward integration by ensuring consistent supply of top-quality all-purpose flour (Maida) to Bisconni.

Value addition to the food industry by providing premium-grade flour to the Industrial and HoReCa (Hotels/Restaurants/Canteens) segments nationwide.

Nutritional enhancement by offering fortified super

fine flour in 5 kg and 10 kg consumer packs to promote better nutrition across Pakistan.

Ghiza has maintained its high standards by sourcing superior-quality wheat, carefully selected at procurement and processed with precision through advanced sortex technology during production. The division's major product variants include Ghiza Maida, Ghiza Special Fine Atta, Ghiza Fortified Super Fine Atta, Ghiza Fortified Riwayati Atta, Ghiza Khalis Atta, Ghiza Suji Semolina, and Ghiza Premium Bran.

During the year, Ghiza further expanded its footprint across key urban and semi-urban markets, supported by an enhanced distribution network and targeted marketing campaigns. The premium positioning of the brand, coupled with consistent quality, resulted in encouraging consumer acceptance and repeat demand from both retail and institutional customers.



Astro Films, one of the country's leading packaging film manufacturers, has established itself as a recognized regional and international supplier, and continues to be among the fastest-growing flexible packaging exporters with a strong client base spanning more than 26 countries across 5 continents.

The Company remains committed to expanding both its domestic footprint and international market share by entering untapped regions and strengthening its presence in existing markets. This growth is being driven by vertical integration, with secure access to major raw materials through our subsidiary, Ismail Resin (Private) Limited. The synergy between Astro Films and Ismail Resin not only ensures cost efficiencies and supply reliability but also positions both businesses for sustained and mutually reinforcing success.

International Business - Food & Plastics

During FY 2024–25, the Company's export sales stood at Rs. 35.72 billion, compared to Rs. 48.56 billion in the previous year. This reduction was primarily driven by global and regional challenges, including higher international tariffs (particularly from the U.S.), geopolitical tensions, volatile freight costs, subdued consumer demand, and intensified competition in food exports.

Despite this trend, the overall Group revenue remained resilient, supported by diversification across local and international business segments. More importantly, the

Company's long-term export outlook remains strong. With gradual recovery expected in global markets and the establishment of our wholly owned subsidiary in Abu Dhabi, UAE, we are strategically positioned to expand our international footprint, benefit from cost and logistics efficiencies, and access new growth opportunities across the Middle East, North America, and Asia.

Through continued product innovation, diversification, and participation in global trade platforms, the Company is confident of regaining export momentum and delivering sustainable growth in the years ahead.

Looking ahead, the Company remains firmly committed to sustaining this growth momentum by delivering more agile and productive export operations. Promising opportunities and projects are already in the pipeline, particularly in South-East Asia, Central Asia, and the United States, which are expected to further enhance our global footprint in the coming years. Exports also continue to play a vital role in offsetting domestic market volatility, while the currency depreciation of the PKR has provided additional competitiveness to our products in international markets.

BISCONNI | Middle East Manufacturing LLC

During FY 2024–25, the Company achieved a significant milestone in its journey of international expansion with the incorporation of its wholly owned subsidiary, Bisconni Middle East Manufacturing L.L.C (S.P.C), in Abu Dhabi, United Arab Emirates. This strategic investment marks a new chapter in the Company's growth trajectory and is a cornerstone project for the Group.

The subsidiary is set to establish state-of-the-art manufacturing facilities, equipped with advanced chocolate and biscuit lines, along with enrobe wafer and dry bakery production capabilities. The primary business of the entity will include chocolate and sugar confectionery, enrobed wafers, biscuits, and dry bakery products, enabling the Company to serve a broader consumer base with world-class offerings.

The establishment of this manufacturing base in Abu Dhabi is driven by a clear strategic vision:

Strengthening the global footprint of the Ismail Group by positioning ourselves in one of the world's most dynamic and connected markets.

Leveraging the UAE's central marketplace, which provides unparalleled access to international markets across the Middle East, Africa, Europe, and Asia.

Securing structural cost advantages, including lower

energy costs, lower interest rates, competitive financing, and a highly efficient business environment.

Expanding new customer relationships by tapping into diverse markets and consumer segments, while driving exponential growth in exports.

Enhancing revenues and profitability for the Group and, in turn, creating greater value for our shareholders.

The Board views this project as a transformational initiative that will significantly enhance the Group's global competitiveness and long-term sustainability. With construction and installation phases progressing as planned, Bisconni Middle East Manufacturing is expected to become a key contributor to the Group's performance in the years ahead.

The Board is confident that this investment will redefine our international presence, establish the Ismail Group as a true global player in the food and confectionery industry, and unlock sustainable value for all stakeholders.



Hudson Pharma (Private) Limited (HPPL), a subsidiary of the Company, continues to strengthen its position in the pharmaceutical sector by delivering innovative healthcare solutions and expanding its product portfolio. During FY 2024–25, HPPL achieved a remarkable 51% growth in gross sales, increasing from Rs. 1.1 billion to Rs. 1.7 billion. At the same time, the Company successfully reduced its net loss by 60%, from Rs. 501 million in the prior year to Rs. 197 million, reflecting significant operational improvements and better cost management.

HPPL's progress has been driven by the launch of innovative molecules widely recognized for their therapeutic effectiveness, coupled with the introduction of new cosmetology products, including cleansing moisturizers developed without harmful or allergenic chemicals. These initiatives are opening new horizons for diversification and are expected to further drive growth. With its consistent performance improvements, HPPL is well on track to establish itself among the leading players in the industry and contribute positively to the Group's long-term sustainability and profitability.



Ismail Resin (Private) Limited (IRPL) continues to represent a major strategic venture for the expansion of the Company's plastic business, serving as a vital element of backward integration for raw material procurement. The subsidiary is also aligned with the vision of expanding its independent operations and positioning itself as a leading player in the global PET Resin market, where demand remains robust.

The state-of-the-art manufacturing facility, located in the Western Industrial Zone of Port Qasim, is equipped with a 300 tons/day SSP line from Buhler (Germany) and a 300 tons/day CP line from Oerlikon Barmag (Germany). Within a short span of operations, IRPL has secured best-in-class certifications, including ISO 9001, ISO 14001, HACCP, FSSC 22000, and Halal certification, reaffirming its commitment to quality and global standards.

During FY 2024–25, IRPL recorded a solid growth in sales, with gross revenue increasing to Rs. 26.3 billion from Rs. 12.1 billion in the previous year, reflecting an improvement of 116.5%. The subsidiary also posted an operating profit of Rs. 390 million compared to an operating loss of Rs. 120 million last year, supported by higher production volumes and stronger market demand for PET resin. However, the bottom line remained under pressure mainly due to higher financial cost. Going forward, management is focused on optimizing cost structures, improving efficiencies, and expanding its product portfolio, including the planned rPET facility, to strengthen long-term profitability.

Looking ahead, IRPL is undertaking its next breakthrough project: the establishment of a 100% Recycled Polyester Resin (rPET Resin) Bottle-to-Bottle line, with an annual capacity of 24,000 tons. This pioneering facility, estimated at Rs. 5 billion, will convert post-consumer PET bales into high-quality rPET Resin, directly contributing to sustainable packaging solutions in line with global environmental goals. The project is strategically located on a five-acre plot adjacent to the existing plant at Port Qasim, ensuring operational synergies and efficiency.

The introduction of rPET marks a significant step forward in advancing the circular economy in Pakistan. By reducing reliance on virgin raw materials, minimizing

carbon emissions, and promoting recycling, IRPL is not only addressing rising sustainability expectations of global customers but also aligning with international ESG benchmarks. These initiatives are expected to unlock opportunities in both domestic and international markets, as demand for eco-friendly and recyclable packaging materials accelerates worldwide.

Through these investments, IRPL is strengthening the Group's leadership in the PET Resin industry, while simultaneously ensuring responsible growth, long-term competitiveness, and enhanced value creation for stakeholders.



The Company holds a 24.43% equity stake in the paid-up share capital of the Bank of Khyber (BOK), representing a strategic long-term investment in the financial sector. As at June 30, 2025, the market value of this investment stood at approximately Rs. 5 billion.

BOK delivered a remarkable performance during the year, posting a profit of Rs. 6.2 billion for FY 2024–25, compared to Rs. 2.56 billion in the previous year (as of March 31, 2024). This substantial improvement reflects the Bank's strengthened balance sheet, prudent risk management, and sustained growth in core banking operations.

As a result, the Company's share of profit from BOK increased significantly from Rs. 626 million last year to Rs. 1,516 million in the current year, contributing positively to the Group's overall financial results. With its improving profitability and strategic importance, BOK continues to enhance shareholder value and remains a solid contributor to the Company's diversified investment portfolio.



ESG Performance

Governance

The Board oversees ESG matters through its Committees and Management Sustainability Steering Team, embedding environmental and social risks into the Company's ERM framework. Key policies include Code of Conduct, Anti-Bribery, Supplier Code, Product Safety & Quality, and Whistleblowing. In FY25, we began aligning with SECP ESG Disclosure Guidelines and the phased adoption of IFRS S1 & S2 standards, ensuring investor-grade sustainability disclosures.

Environment

- **Energy & Emissions:** Efficiency projects and the UAE subsidiary's energy-efficient design will reduce future intensity. Falling policy rates and green finance incentives will support investment in renewables.
- **Circularity:** Ismail Resin is scaling PET Resin and investing in a 24,000 tpa rPET line, enabling bottle-to-bottle recycling and supporting circular economy goals. Astro Films focuses on lightweight, recyclable films.
- **Water:** Metering and conservation projects are in progress at high-use sites, with reuse initiatives at Hub and Port Qasim facilities.

Social

- **Products & Nutrition:** All food facilities maintain global certifications (HACCP, FSSC 22000). Ghiza continues to expand fortified flour, addressing micronutrient deficiencies in Pakistan. New "better-for-you" innovations are in the pipeline across Candyland, Bisconni, and Ismail Nutrition.
- **People & Safety:** Workplace safety, training, and diversity remain core priorities. Enhanced behavior-based safety practices have been rolled out in high-risk operations.

- **Community:** Initiatives include flour fortification drives, local education programs such as Hub School Program, Girls College, etc. and joining hands with Mustafa Welfare Trust, SHED Foundation, Saylani Welfare Trust, SIUT, LRBT etc.

Climate & Risks

We recognize both transition risks (packaging regulations, carbon pricing, energy volatility) and physical risks (heat stress, water scarcity). Opportunities lie in circular packaging, fortified foods, and energy efficiency. Climate risk disclosures will be expanded under IFRS S2.

Way Forward

Formalize an ESG Policy and Board dashboard.

- Publish baseline KPIs on energy, GHG emissions, water, packaging, safety, and fortified food volumes.
- Advance rPET and packaging recyclability milestones.
- Integrate ESG metrics into capital allocation, including the UAE project.
- Prepare for limited assurance on select KPIs as local assurance standards evolve.



Internal Control Framework

The Company maintains a robust internal control framework to safeguard assets, ensure reliable financial reporting, and comply with laws and regulations. The Internal Audit function, reporting independently to the Audit Committee, conducts risk-based audits across all segments, including Food, Ghiza, Plastics, Resin, and Pharma.

During the year, controls were strengthened in key areas:

- Financial reporting and consolidation across subsidiaries.
- ERP and IT systems (SAP S/4HANA) for data integrity and cybersecurity.
- Procurement and supply chain, mitigating FX and inflation risks.
- Governance and compliance with SECP Code of Corporate Governance and ESG disclosure guidelines.

The Board Audit Committee regularly reviewed audit findings and corrective actions. The Board is satisfied that the framework remained effective, providing reasonable assurance on safeguarding assets, compliance, and the integrity of reporting.



Risk Management

The Company has an integrated risk management framework to identify, assess, and mitigate financial, operational, regulatory, and strategic risks. Key risks during the year included inflationary pressures, currency volatility, energy costs, supply chain disruptions, and geopolitical uncertainties affecting exports.

Diversification into new segments (Ghiza Flour, rPET, Hudson Pharma) and expansion into international markets through Bisconni Middle East mitigate concentration risks and strengthen long-term sustainability. Financial risks are managed through prudent hedging, disciplined cost control, and leveraging the declining policy rate to optimize financing costs.

The Board and its Committees oversee risk management, ensuring alignment with corporate strategy, regulatory requirements, and emerging ESG-related risks. Overall, the framework is considered effective in safeguarding business continuity and supporting sustainable growth.



Corporate Governance

The Company is committed to the highest standards of corporate governance, ensuring transparency, accountability, and protection of stakeholders' interests. The Board, comprising executive, non-executive, and independent directors, provides strategic guidance while its committees including Audit and HR & Remuneration effectively discharge their oversight responsibilities in line with their Terms of Reference.

All governance practices are aligned with the SECP's Code of Corporate Governance, ICAP guidelines, and emerging ESG disclosure requirements. Regular evaluations of the Board's performance and effectiveness were carried out, confirming that the governance framework remained robust and responsive to evolving regulatory and business needs.



Information Technology

The Company continues to strengthen its technology infrastructure to support efficiency, governance, and growth. During the year, significant progress was made in optimizing SAP S/4HANA and enhancing IT controls to ensure data integrity, cybersecurity, and business continuity.

Digital solutions were deployed across operations to improve supply chain visibility, financial reporting accuracy, and decision-making speed. The Company also invested in automation tools and analytics capabilities to support cost optimization and operational efficiency.

Going forward, the IT roadmap focuses on further integration across subsidiaries, strengthening cybersecurity resilience, and leveraging digital transformation to enable scalability and support global expansion. These initiatives also contribute to the Company's ESG agenda by promoting resource efficiency and reducing environmental footprint.



Human Resource

The Company considers its people as its greatest asset and continues to invest in their development and wellbeing. During the year, focused training sessions, workshops, and internship programs for university students were conducted to build capabilities and foster

industry academia linkages. Employee engagement initiatives, including feedback surveys, were also carried out to strengthen communication and workplace satisfaction.

Diversity and inclusion remain key priorities, with greater focus on gender diversity, safe working conditions, and fair treatment across all levels. The Company also continues to build a strong leadership pipeline through succession planning and performance-based development opportunities.

Employees actively support community initiatives in education, health, and livelihoods, reflecting the Company's values of responsibility and care for society. These initiatives also align with the Company's broader ESG commitments, linking human capital development with long-term sustainable growth.

Transactions with Related Parties

All transactions with related parties during the year were carried out at arm's length and were placed before the Board Audit Committee and the Board, for review and approval. All the transactions with related parties are disclosed in note 45 of these Unconsolidated financial statements for the year ended June 30, 2025.

Composition of The Board

The Board of Directors of the Company consists of:

| Total Number of Directors | |
|---------------------------|---|
| Male | 6 |
| Female | 1 |

| Categories | Name |
|---------------|------------------------------|
| Executive | Mr. Munsarim Saifullah (CEO) |
| | Mr. Ahmed Muhammad |
| Independent | Mr. Muhammad Zubair Motiwala |
| | Ms. Tasneem Yusuf |
| Non-Executive | Mr. Muhammad M. Ismail |
| | Mr. Maqsood Ismail |
| | Mr. Hamid Maqsood Ismail |
| Female | Ms. Tasneem Yusuf |

Members of The Board & Attendance

During the year, there was no change in Board Members whose names are given here under along with the number of meetings they have attended:

| Name of Directors | Meetings Attended |
|------------------------------|-------------------|
| Mr. Muhammad M. Ismail | 4/4 |
| Mr. Maqsood Ismail Ahmed | 4/4 |
| Mr. Munsarim Saifullah | 4/4 |
| Mr. Hamid Maqsood Ismail | 4/4 |
| Mr. Ahmed Muhammad | 4/4 |
| Mr. Muhammad Zubair Motiwala | 4/4 |
| Ms. Tasneem Yusuf | 4/4 |

Audit Committee

| Board Audit Committee | |
|------------------------|-------------|
| Ms. Tasneem Yusuf | Chairperson |
| Mr. Muhammad M. Ismail | Member |
| Mr. Maqsood Ismail | Member |

Human Resource & Remuneration Committee

| Board Human Resource and Remuneration Committee | |
|---|----------|
| Mr. Muhammad Zubair Motiwala | Chairman |
| Mr. Maqsood Ismail | Member |
| Mr. Hamid Maqsood Ismail | Member |

Performance Evaluation of Directors and their Remuneration

Complying with the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Board has adopted a comprehensive mechanism for conducting evaluation of its performance. The Company has introduced a questionnaire on the Board's composition, leadership, effectiveness, planning, and overall, Company's strategy, performance, and monitoring. The Human Resource & Remuneration Committee evaluates all factors based on input received from every director annually. Details of remuneration and other benefits paid to Directors are disclosed in note 37 to the financial statements. These remunerations are duly approved by the Board of Directors. Non-Executive Directors are not paid any remuneration in accordance with the remuneration policy of the Company.

Pattern of Shareholding

A statement showing the pattern of shareholding as at June 30, 2025, required under Section 227 (2) (f) of the Companies Act, 2017 is annexed to this report.

Compliance with Corporate and Financial Reporting Framework

The Company complies with financial reporting and corporate governance framework under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act, 2017. It states:

- The financial statements prepared by the management of the Company are presented according to the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Consistent accounting policies following IFRS are applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is efficient and has been effectively implemented and monitored.

- There are no doubts with Company continuing on the principle of going concern.
- There has been no material departure from the best practices of corporate governance.

Earnings per Share

The earnings per share for the year ended June 30, 2025 is Rs. 86.64 compared to corresponding year of Rs. 92.41.

Dividend

The Company remains committed to increasing its shareholders wealth and keeping in view of the results, the Board of Directors are pleased to propose a final cash dividend @ 50% (Rs. 5 per share) for the year ended June 30, 2025, which will be paid to the shareholders whose names appear on the shareholders register at the start of "Closed Period" for the forth-coming Annual General Meeting.

Statutory Auditors

The retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants offered themselves for reappointment. The Board Audit Committee and the Board of Directors have recommended their reappointment as auditors of the Company for the financial year ending on June 30, 2026, on such terms and conditions and remuneration to be mutually decided.

Future Outlook

Despite the challenges of subdued consumer demand and global economic headwinds, the Company has maintained resilience through diversification, operational efficiencies, and innovation across all business segments.

Looking ahead, the Company remain focused on enhancing operational efficiencies, strengthening international business, doing digital transformations, opting ESG-driven initiatives, optimizing resources, and making well-considered strategic investments. These initiatives are designed to strengthen competitiveness, drive sustainable sales growth, improve productivity, and maximize long-term value creation for shareholders.

With strong governance, a dedicated workforce, and a clear vision, the Company is confident in delivering sustainable value to shareholders and stakeholders in the years to come.

Acknowledgement

The Board of Directors takes this opportunity to acknowledge and would like to express their deepest appreciation to our stakeholders, who have always shown confidence in the Company. The management recognizes and records its sincere appreciation to all employees for their continued dedication, commitment and hard work, without which this performance could not have been possible.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director

Karachi: August 29, 2025

قانونی آڈیٹرز

ریٹائر ہونے والے آڈیٹرز ایم/ایس۔ گرانٹ تھورنٹن انچم رحمان، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لیے پیش کیا۔ بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹران نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے، تاکہ شرائط و ضوابط اور معاوضے کا باہمی طور پر فیصلہ کیا جائے۔

مستقبل کی پیش بینی

صارفین کی مانگ میں کمی اور عالمی اقتصادی مشکلات کے باوجود، کمپنی نے تمام کاروباری طبقات میں تنوع، آپریشنل افادیت اور جدت کے ذریعے چلک کو برقرار رکھا ہے۔ آگے بڑھتے ہوئے، کمپنی آپریشنل افادیت کو بڑھانے، بین الاقوامی کاروبار کو مضبوط بنانے، ڈیجیٹل تبدیلیاں کرنے ESG سے چلنے والے اقدامات کو منتخب کرنے، وسائل کو بہتر بنانے، اور اچھی طرح سے سنبھالی جانے والی اسٹریٹجک سرمایہ کاری پر توجہ مرکوز رکھے ہوئے ہے۔ یہ اقدامات مسابقت کو مضبوط بنانے، فروخت میں پائیدار ترقی، پیداواری صلاحیت کو بہتر بنانے اور حصص یافتگان کے لیے طویل مدتی قدر کی تخلیق کو زیادہ سے زیادہ بنانے کے لیے ڈیزائن کیے گئے ہیں۔ مضبوط گورننس، ایک وقفہ افادیت، اور ایک واضح وژن کے ساتھ، کمپنی آنے والے سالوں میں حصص یافتگان اور رفیقین کو پائیدار قدر فراہم کرنے میں پراعتقاد ہے۔

اعتراف

بورڈ آف ڈائریکٹران اس موقع کو تسلیم کرنے کے لیے استعمال کرتے ہیں اور اپنے رفیقین کے لیے اپنی گہری تعریف کا اظہار کرنا چاہتے ہیں، جنہوں نے ہمیشہ کمپنی پر اعتماد ظاہر کیا ہے۔ انتظامیہ تمام ملازمین کو ان کی مسلسل لگن، عزم اور محنت کے لیے ان کی مخلصانہ تعریف کرتی ہے، جس کے بغیر یہ کارکردگی ممکن نہیں تھی۔



مقصود اسماعیل
ڈائریکٹر



منصرم سیف اللہ
چیف ایگزیکٹو آفیسر

کراچی: 29 اگست 2025

کارکردگی کا جائزہ لینے کے لیے ایک جامع طریقہ کار اپنایا ہے۔ کمپنی نے بورڈ کی تشکیل، قیادت، تاثیر، منصوبہ بندی، اور مجموعی طور پر، کمپنی کی حکمت عملی، کارکردگی، اور نگرانی پر ایک سوالنامہ متعارف کرایا ہے۔ بورڈ ہر سال ہر ڈائریکٹر سے موصول ہونے والی تجویز کی بنیاد پر تمام عوامل کا جائزہ لیتا ہے۔ ڈائریکٹران کو ادا کیے جانے والے معاوضے اور دیگر مراعات کی تفصیلات مالی بیانات کے نوٹ 37 میں ظاہر کی گئی ہیں۔ یہ معاوضے بورڈ آف ڈائریکٹران کے ذریعے منظور شدہ ہیں۔ غیر ایگزیکٹو ڈائریکٹران کو کمپنی کی معاوضے کی پالیسی کے مطابق کوئی معاوضہ نہیں دیا جاتا ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017 کے سیکشن 227(2)(f) کے تحت 30 جون 2025 تک شیئر ہولڈنگ کے پیٹرن کو ظاہر کرنے والا بیان اس رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے ساتھ تھیل

کمپنی ایگزیکٹو (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت مالیاتی رپورٹنگ اور کارپوریٹ گورننس فریم ورک کی تعمیل کرتی ہے۔ اس میں کہا گیا ہے:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کے آپریشنز، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کے نتیجے کے مطابق پیش کیے جاتے ہیں۔
- کمپنی کے کھاتے کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- IFRS کے بعد مسلسل اکاؤنٹنگ پالیسیوں کا اطلاق مالیاتی بیانات کی تیاری میں کیا جاتا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- اندرونی کنٹرول کا نظام موثر ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- کمپنی کی طرف سے تشریح کے اصول پر جاری رہنے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس کی بہترین عملی روایات سے کوئی خاطر انحراف نہیں ہوا۔

فی حصص آمدنی

30 جون 2025 کو ختم ہونے والے سال کے لیے فی حصص آمدنی گزشتہ سال 92.41 روپے کے مقابلے میں 86.64 روپے رہی۔

ڈیویڈنڈ

کمپنی اپنے حصص یافتگان کی دولت میں اضافہ کرنے کے لیے پر عزم ہے اور نتائج کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹران 30 جون 2025 کو ختم ہونے والے سال کے لیے 50% (5 روپے فی حصص) پر حتمی نقد ڈیویڈنڈ تجویز کرتے ہوئے خوش ہیں، جو ان حصص یافتگان کو ادا کیے جائیں گے جن کے نام حصص یافتگان کے رجسٹر پر ظاہر ہوں گے۔

ہیومن ریسورس

کمپنی اور بورڈ کے سامنے جائزہ اور منظوری کے لیے پیش کیا گیا تھا۔ متعلقہ فریقوں کے ساتھ تمام لین دین کا انکشاف 30 جون 2025 کو ختم ہونے والے سال کے لیے ان غیر متفقہ مالیاتی بیانات کے نوٹ 45 میں کیا گیا ہے۔

بورڈ کی تشکیل

کمپنی کے بورڈ آف ڈائریکٹران پر مشتمل ہے:

| Total Number of Directors | |
|---------------------------|---|
| Male | 6 |
| Female | 1 |

| Categories | Name |
|---------------|------------------------------|
| Executive | Mr. Munsarim Saifullah (CEO) |
| | Mr. Ahmed Muhammad |
| Independent | Mr. Muhammad Zubair Motiwala |
| | Ms. Tasneem Yusuf |
| Non-Executive | Mr. Muhammad M. Ismail |
| | Mr. Maqsood Ismail |
| | Mr. Hamid Maqsood Ismail |
| Female | Ms. Tasneem Yusuf |

بورڈ اور ممبران کی حاضری

سال کے دوران، بورڈ ممبران میں کوئی تبدیلی نہیں ہوئی جن کے نام یہاں میٹنگوں کی تعداد کے ساتھ دیئے گئے ہیں جن میں انہوں نے شرکت کی:

| Name of Directors | Meetings Attended |
|------------------------------|-------------------|
| Mr. Muhammad M. Ismail | 4/4 |
| Mr. Maqsood Ismail Ahmed | 4/4 |
| Mr. Munsarim Saifullah | 4/4 |
| Mr. Hamid Maqsood Ismail | 4/4 |
| Mr. Ahmed Muhammad | 4/4 |
| Mr. Muhammad Zubair Motiwala | 4/4 |
| Ms. Tasneem Yusuf | 4/4 |

آڈٹ کمیٹی

| Board Audit Committee | |
|------------------------|-------------|
| Ms. Tasneem Yusuf | Chairperson |
| Mr. Muhammad M. Ismail | Member |
| Mr. Maqsood Ismail | Member |

انسانی وسائل اور معاوضہ کمیٹی

| Board Human Resource and Remuneration Committee | |
|---|----------|
| Mr. Muhammad Zubair Motiwala | Chairman |
| Mr. Maqsood Ismail | Member |
| Mr. Hamid Maqsood Ismail | Member |

ڈائریکٹران کی کارکردگی کا جائزہ اور ان کا معاوضہ

کمپنی اپنے لوگوں کو اپنا سب سے بڑا اثاثہ سمجھتی ہے اور ان کی ترقی اور بہبود میں سرمایہ کاری جاری رکھے ہوئے ہے۔ سال کے دوران، یونیورسٹیوں کے طلباء کے لیے تربیتی دورانیے، ورکشاپس، اور انٹرنشپ پروگرامز کا انعقاد کیا گیا تاکہ صلاحیتوں کو فروغ دیا جاسکے اور صنعت و اکائیڈمیوں کے روابط کو فروغ دیا جاسکے۔ ملازمین کی مشغولیت کے اقدامات، بشمول فیڈ بیک سروے، مواصلات اور کام کی جگہ پر اطمینان کو مضبوط بنانے کے لیے بھی انجام دیا گیا۔

صنعتی تنوع، محفوظ کام کے حالات، اور تمام سطحوں پر منصفانہ سلوک پر زیادہ توجہ کے ساتھ تنوع اور شمولیت کلیدی ترجیحات ہیں۔ کمپنی جانشینی کی منصوبہ بندی اور کارکردگی پر مبنی ترقی کے مواقع کے ذریعے ایک مضبوط قیادت کی زریعہ مراحل کی تعمیر بھی جاری رکھے ہوئے ہیں۔

ملازمین تعلیم، صحت اور معاش میں کمپنیوں کے اقدامات کی فعال طور پر حمایت کرتے ہیں، جو کمپنی کی معاشرے کی ذمہ داری اور دیکھ بھال کی اقدار کی عکاسی کرتے ہیں۔ یہ اقدامات کمپنی کے وسیع تر ESG وعدوں کے ساتھ بھی مطابقت رکھتے ہیں، جو انسانی سرمائے کی ترقی کو طویل مدتی پائیدار ترقی سے جوڑتے ہیں۔



انفارمیشن ٹیکنالوجی

کمپنی کارکردگی، نظم و نسق اور ترقی کو سپورٹ کرنے کے لیے اپنے ٹیکنالوجی کے بنیادی ڈھانچے کو مضبوط کرنا جاری رکھے ہوئے ہے۔ سال کے دوران SAP S/4HANA کو بہتر بنانے اور ڈیٹا کی سالمیت، سائبر سیکیورٹی، اور کاروبار کے تسلسل کو یقینی بنانے کے لیے IT کنٹرولز کو بڑھانے میں اہم پیش رفت ہوئی۔

ڈیجیٹل حل پورے آپریشنز میں نافذ کیے گئے تاکہ سپلائی چین کی شفافیت میں اضافہ ہو، مالیاتی رپورٹنگ کی درستگی بہتر بنے اور فیصلے کرنے کی رفتار تیز ہو۔ کمپنی نے لاگت میں کمی اور آپریشنل کارکردگی کو مزید مضبوط بنانے کے لیے آٹومیشن ٹولز اور تجزیاتی صلاحیتوں میں بھی سرمایہ کاری کی۔

آگے بڑھتے ہوئے، آئی ٹی روڈ میپ ذیلی اداروں میں مزید انضمام پر توجہ مرکوز کرتا ہے، سائبر سیکیورٹی چیلنجز کو مضبوط کرتا ہے، اور وسعت پذیری کو فعال کرنے اور عالمی توسیع کو سپورٹ کرنے کے لیے ڈیجیٹل تبدیلی کا فائدہ اٹھاتا ہے۔ یہ اقدامات وسائل کی کارکردگی کو فروغ دینے اور ماحولیاتی اثرات کو کم کر کے کمپنی کے ESG ایجنڈے میں بھی حصہ ڈالتے ہیں۔

متعلقہ فریقوں کے ساتھ لین دین

سال کے دوران متعلقہ فریقوں کے ساتھ تمام لین دین ایک حد تک کیے گئے تھے اور انہیں بورڈ آڈٹ

• منتخب KPIs پر محدود یقین دہانی کے لیے تیاری کریں کیونکہ مقامی یقین دہانی کے معیارات تیار ہوتے ہیں۔



انٹرنل کنٹرول فریم ورک

کمپنی اثاثوں کی حفاظت، قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانے، اور قوانین و ضوابط کی تعمیل کے لیے ایک مضبوط اندرونی کنٹرول فریم ورک برقرار رکھتی ہے۔ اندرونی آڈٹ کا فنکشن، آڈٹ کمیٹی کو آزادانہ طور پر رپورٹ کرتا ہے، خوراک، غذا، پلاسٹک، ریزین، اور فارماسیٹ تمام طبقات میں خطرے پر مبنی آڈٹ کرتا ہے۔

سال کے دوران، اہم شعبوں میں کنٹرول کو مضبوط کیا گیا: ماتحت اداروں میں مالیاتی رپورٹنگ اور استحکام۔

• ڈیٹا کی سالمیت اور سائبر سیکیورٹی کے لیے ERP اور IT سسٹمز (SAP S/4HANA)۔
• حصولی اور سپلائی چین، FX اور افراط زر کے خطرات کو کم کرنا۔
• گورننس اور SECP کوڈ آف کارپوریٹ گورننس اور ESG انکشاف رہنما خطوط کی تعمیل۔

بورڈ آڈٹ کمیٹی باقاعدگی سے آڈٹ کے نتائج اور اصلاحی اقدامات کا جائزہ لیتی ہے۔ بورڈ مطمئن ہے کہ فریم ورک موثر رہا، اثاثوں کی حفاظت، تعمیل، اور رپورٹنگ کی سالمیت پر معقول یقین دہانی فراہم کرتا ہے۔



خطرات کے انتظام

کمپنی کے پاس مالی، آپریشنل، ریگولیٹری، اور اسٹریٹجک خطرات کی شناخت، تشخیص، اور تخفیف کے لیے ایک مربوط رسک مینجمنٹ فریم ورک ہے۔ سال کے دوران اہم خطرات میں افراط زر کا دباؤ، کرنسی کا اتار چڑھاؤ، توانائی کے اخراجات، سپلائی چین میں رکاوٹیں، اور برآمدات کو متاثر کرنے والی جغرافیائی سیاسی غیر یقینی صورتحال شامل ہیں۔

نئے حصوں میں تنوع (Ghiza Flour, rPET, Hudson Pharm)

Bisconni Middle East کے ذریعے بین الاقوامی منڈیوں میں توسیع ارتکاز کے خطرات کو کم کرتی ہے اور طویل مدتی پائیداری کو مضبوط کرتی ہے۔ مالیاتی خطرات کو سمجھنا، چنگ، نظم و ضبط لاگت کنٹرول، اور مالیاتی اخراجات کو بہتر بنانے کے لیے گرتی ہوئی پالیسی کی شرح سے فائدہ اٹھاتے ہوئے منظم کیا جاتا ہے۔

بورڈ اور اس کی کمیٹیاں رسک مینجمنٹ کی نگرانی کرتی ہیں، کارپوریٹ حکمت عملی، ریگولیٹری تقاضوں اور ابھرتے ہوئے ESG سے متعلق خطرات کے ساتھ صف بندی کو یقینی بناتی ہیں۔ مجموعی طور پر، فریم ورک کو کاروباری تسلسل کی حفاظت اور پائیدار ترقی کی حمایت میں مؤثر سمجھا جاتا ہے۔



کارپوریٹ گورننس

کمپنی شفافیت، جوابدہی اور رفیقین کے مفادات کے تحفظ کو یقینی بنانے، کارپوریٹ گورننس کے اعلیٰ ترین معیارات کے لیے پرعزم ہے۔ ایگزیکٹو، نان ایگزیکٹو، اور آزاد انریکٹران پر مشتمل بورڈ اسٹریٹجک رہنمائی فراہم کرتا ہے جبکہ اس کی کمیٹیاں بشمول آڈٹ اور HR اور معاوضہ، مؤثر طریقے سے اپنی نگرانی کی ذمہ داریوں کو ان کی شرائط کے مطابق انجام دیتی ہیں۔

گورننس کے تمام طریقے ایس ای سی پی کے کوڈ آف کارپوریٹ گورننس، آئی سی اے پی کے رہنما خطوط، اور ابھرتی ہوئی ای ایس جی کے انکشاف کے تقاضوں سے ہم آہنگ ہیں۔ بورڈ کی کارکردگی اور تاثیر کا باقاعدہ جائزہ لیا گیا، جس سے اس بات کی تصدیق کی گئی کہ گورننس کا فریم ورک ریگولیٹری اور کاروباری ضروریات کو تبدیل کرنے کے لیے مضبوط اور جوابدہ ہے۔



ماحولیات

• توانائی اور اخراج: کارکردگی کے منصوبے اور متحدہ عرب امارات کے ذیلی ادارے کا توانائی سے موثر ڈیزائن مستقبل کی شدت کو کم کرے گا۔ گرتی ہوئی پالیسی ریٹ اور گرین فنانس مراعات قابل تجدید ذرائع میں سرمایہ کاری کی حمایت کریں گی۔

• سرکھڑی: اسماعیل ریزین PET ریزین کی پیمائش کر رہا ہے اور 24,000 tpa ریلٹن میں سرمایہ کاری کر رہا ہے، بوتل سے بوتل کی ری سائیکلنگ کو قابل بنارہا ہے اور سرکھڑا کا نومی کے اہداف کو سپورٹ کر رہا ہے۔ ایسٹرن فلز ہلکی پھلکی، ری سائیکل کے قابل فلموں پر توجہ مرکوز کرتی ہے۔

• پانی: حب اور پورٹ قاسم کی سہولیات پر دوبارہ استعمال کے اقدامات کے ساتھ، زیادہ استعمال کی جگہوں پر میٹرنگ اور تحفظ کے منصوبے جاری ہیں۔

سماجی

• مصنوعات اور غذا اہلیت: کھانے کی تمام سہولیات عالمی سرٹیفیکیشن کو برقرار رکھتی ہیں (HACCP, FSSC 2200)۔ غذا پاکستان میں مائیکرو نیوٹرینٹ کی کمی کو دور کرتے ہوئے مضبوط آٹے کی توسیع جاری رکھے ہوئے ہے۔ نئی "آپ کے لیے بہتر" ایجادات کینیڈی لینڈ، بسکونی، اور اسماعیل نیوٹریشن میں زیر عمل مراحل میں ہیں۔

• لوگ اور حفاظت: کام کی جگہ کی حفاظت، تربیت، اور تنوع بنیادی ترجیحات ہیں۔ اعلیٰ خطرے والے آپریشنز میں بہتر رویے پر مبنی حفاظتی طریقوں کو نافذ کیا گیا ہے۔

• کمیونٹی: اقدامات میں آٹے کی قلمی بندی کی مہم، مقامی تعلیمی پروگرام جیسے کہ حب اسکول پروگرام، گراؤنگ لچ وغیرہ اور مصطفیٰ ویلفیئر ٹرسٹ، شیڈ فائونڈیشن، سیلانی ویلفیئر ٹرسٹ، LRBTSIUT وغیرہ کے ساتھ ہاتھ ملانا شامل ہیں۔

آب و ہوا اور خطرات

ہم منتقلی کے خطرات (یکٹیوٹنگ کے ضوابط، کاربن کی قیمتوں کا تعین، توانائی کے اتار چڑھاؤ) اور جسمانی خطرات (گرمی کا دباؤ، پانی کی کمی) دونوں کو تسلیم کرتے ہیں۔ مواقع سرکھڑی جیکنگ، ٹھوس غذا، اور توانائی کی کارکردگی میں پائے جاتے ہیں۔ IFRSS2 کے تحت ماحولیاتی خطرات کے انکشافات کو وسعت دی جائے گی۔

آگے کا راستہ

• ESG پالیسی اور بورڈ ڈیلیٹ بورڈ کو باقاعدہ بنائیں۔

• توانائی GHG کے اخراج، پانی، یکٹیوٹنگ، حفاظت، اور فوڈ نیوٹرینٹ کی مقدار پر مبنی لائن KPIs شائع کریں۔

• ایڈوانس PET ریزین جیکنگ کی دوبارہ قابل استعمال ہونے کی صلاحیت کی سنگ میل۔

• ESG میٹرکس کو سرمائے کی تقسیم میں ضم کریں، بشمول UAE پروجیکٹ۔

کمپنی کے پاس بینک آف خیبر (BOK) کے ادا شدہ حصص کیپٹل میں 24.43% کیوٹی حصص ہے، جو مالیاتی شعبے میں طویل مدتی سرمایہ کاری کی نمائندگی کرتے ہیں۔ 30 جون 2025 تک، اس سرمایہ کاری کی مارکیٹ ویلیو تقریباً 15 ارب روپے تھی۔

BOK نے سال کے دوران ایک شاندار کارکردگی پیش کی، مالی سال 2023-24 کے لیے 6.2 ارب روپے کا منافع حاصل کیا، جو پچھلے سال (31 مارچ 2024 تک) 2.56 ارب روپے تھا۔ یہ خاطر خواہ بہتری بینک کی مضبوط بیلنس شیٹ محتاط رسک مینجمنٹ، اور بنیادی بینکنگ آپریشنز میں پائیدار ترقی کی عکاسی کرتی ہے۔

نتیجے کے طور پر، BOK سے کمپنی کے منافع میں حصہ گزشتہ سال 626 ملین روپے سے بڑھ کر رواں سال میں 1,516 ملین روپے ہو گیا، جس نے گروپ کے مجموعی مالیاتی نتائج میں مثبت کردار ادا کیا۔ اپنے بہتر منافع اور ترویجی اہمیت کے ساتھ، BOK حصص یافتگان کی قدر کو بڑھانا جاری رکھے ہوئے ہے اور کمپنی کے متنوع سرمایہ کاری کے پورٹ فولیو میں ایک ٹھوس شراکت دار ہے۔



ESG کارکردگی

گورننس

بورڈ اپنی کمیٹیوں اور مینجمنٹ سسٹیم ایبلیٹی اسٹریٹجک ٹیم کے ذریعے ESG کے معاملات کی نگرانی کرتا ہے، ماحولیاتی اور سماجی خطرات کو کمپنی کے ERM فریم ورک میں شامل کرتا ہے۔ کلیدی پالیسیوں میں ضابطہ اخلاق، انسداد رشوت ستانی، سپلائر کوڈ، مصنوعات کی حفاظت اور معیار، اور اطلاع دی شامل ہیں۔ FY25 میں، ہم SECESG2 انکشافی رہنما خطوط اور IFRSS1 اور S2 معیارات کو مرحلہ وار اپنانا شروع کیا، جس سے سرمایہ کار کے درجے کے پائیداری کے انکشافات کو یقینی بنایا جاسکے۔

پورٹ قاسم کے مغربی صنعتی زون میں واقع جدید ترین مینوفیکچرنگ سہولت بولہر (جرمنی) سے 300 ٹن فی دن کی ایس ایس پی لائن اور اورلیکون برماگ (جرمنی) سے 300 ٹن فی دن کی سی پی لائن سے لیس ہے۔ آپریشن کے مختصر عرصے کے اندر، IRPL نے معیار اور عالمی معیارات کے لیے اپنی وابستگی کی تصدیق کرتے ہوئے، FSSC، HACCP، 14001 ISO، 9001 ISO، 22000 اور حلال سرٹیفیکیشن سمیت بہترین درجے کی سرٹیفیکیشن حاصل کی ہیں۔

مالی سال ۲۰۲۳-۲۵ کے دوران، IRPL نے فروخت میں ٹھوس اضافہ ریکارڈ کیا، جس کی مجموعی آمدنی پچھلے سال 12.1 ارب روپے سے بڑھ کر 26.3 ارب روپے ہو گئی، جو کہ 116.5% کی بہتری کو ظاہر کرتا ہے۔ ذیلی ادارے نے پچھلے سال 120 ارب روپے کے آپریٹنگ نقصان کے مقابلے میں 390 ارب روپے کا آپریٹنگ منافع بھی پوسٹ کیا، جس کی حمایت زیادہ پیداواری حجم اور PET ریزین کی مضبوط مارکیٹ کی طلب سے ہوئی۔ تاہم، بنیادی طور پر زیادہ مالی لاگت کی وجہ سے خالص منافع میں کمی رہی۔ آگے بڑھتے ہوئے، انتظامیہ طویل مدتی منافع کو مضبوط بنانے کے لیے لاگت کے ڈھانچے کو بہتر بنانے، استعداد کار کو بہتر بنانے، اور منصوبہ بند rPET سہولت سمیت اپنے پروڈکٹ پورٹ فولیو کو بڑھانے پر مرکوز ہے۔

آگے دیکھتے ہوئے، IRPL اپنا اگلا پیش رفت پراجیکٹ شروع کر رہا ہے 24,000 ٹن کی سالانہ صلاحیت کے ساتھ 100% ری سائیکل شدہ پالیسٹرال (rPET Resin) بوتل سے بوتل لائن کا قیام۔ یہ بنیادی سہولت، جس کا تخمینہ 5 ارب روپے ہے، بعد از صارف PET ریزین کو اعلیٰ معیار کے rPET Resin میں تبدیل کر دے گا، جو عالمی ماحولیاتی اہداف کے مطابق پائیدار پیکیجنگ حل میں براہ راست حصہ ڈالے گا۔ یہ منصوبہ حکمت عملی کے لحاظ سے پانچ ایکڑ پر واقع ہے۔ پورٹ قاسم پر موجودہ پلانٹ سے متصل پلاٹ، آپریشنل ہم آہنگی اور کارکردگی کو یقینی بناتا ہے۔

rPET کا تعارف پاکستان میں سرکلر کانوی کو آگے بڑھانے میں ایک اہم قدم ہے۔ خالص خام مال پر انحصار کو کم کر کے، کاربن کے اخراج کو کم کر کے، اور ری سائیکلنگ کو فروغ دے کر، IRPL نہ صرف عالمی صارفین کی بڑھتی ہوئی پائیداری کی توقعات کو پورا کر رہا ہے بلکہ بین الاقوامی ESG مینجمنٹ مارکس کے ساتھ ہم آہنگ بھی ہے۔ توقع کی جاتی ہے کہ ان اقدامات سے ملکی اور بین الاقوامی دونوں منڈیوں میں مواقع پیدا ہوں گے، کیونکہ دنیا بھر میں ماحول دوست اور قابل ری سائیکل پیکیجنگ مواد کی مانگ میں تیزی آئی ہے۔

ان سرمایہ کاری کے ذریعے IRPL PET Resin صنعت میں گروپ کی قیادت کو مضبوط کر رہا ہے، جبکہ ساتھ ہی ساتھ ذمہ دارانہ ترقی، طویل مدتی مسابقت، اور فریقین کے لیے بہتر قدر کی تخلیق کو یقینی بناتا رہا ہے۔

بڈن فارما (پرائیویٹ) لمیٹڈ (ایچ پی پی ایل)، جو کمپنی کا ایک ذیلی ادارہ ہے، صحت کی دیکھ بھال کے جدید حل فراہم کر کے اور اپنے پروڈکٹ پورٹ فولیو کو وسعت دے کر فارماسیوٹیکل سیکٹر میں اپنی پوزیشن کو مستحکم کرنا جاری رکھے ہوئے ہے۔ مالی سال ۲۰۲۳-۲۵ کے دوران، ایچ پی پی ایل نے مجموعی فروخت میں قابل ذکر 51% اضافہ حاصل کیا، جو کہ 1.1 ارب روپے سے بڑھ کر 1.7 ارب روپے ہے۔ ایک ہی وقت میں، کمپنی نے کامیابی کے ساتھ اپنے خالص نقصان کو 60% تک کم کر دیا، جو کہ پچھلے سال میں 501 ملین روپے سے 197 ملین روپے تک، نمایاں آپریشنل بہتری اور لاگت کے بہتر انتظام کی عکاسی کرتا ہے۔

ایچ پی پی ایل کی پیشرفت ان اختراعی مالکیوں کے اجراء کی وجہ سے ہوئی ہے جو ان کی علاج کی تاثیر کے لیے بڑے پیمانے پر پہچانے جاتے ہیں، جس میں نئی کاسمیٹولوجی مصنوعات متعارف کرائی گئی ہیں، جن میں نقصان دہ یا الرجینک کیمیکلز کے بغیر تیار کردہ کلینزنگ، منیچر انرز، رز شامل ہیں۔ یہ اقدامات تنوع کے لیے نئے افق کھول رہے ہیں اور توقع کی جاتی ہے کہ ترقی کو مزید آگے بڑھائیں گے۔ اپنی کارکردگی میں مسلسل بہتری کے ساتھ، ایچ پی پی ایل اپنے آپ کو انڈسٹری کے سرکردہ کھلاڑیوں میں قائم کرنے اور گروپ کی طویل مدتی پائیداری اور منافع میں مثبت کردار ادا کرنے کے لیے اچھی طرح سے آگے ہے۔



اسماعیل ریزین (پرائیویٹ) لمیٹڈ (IRPL) کمپنی کے پلاسٹک کے کاروبار کی توسیع کے لیے ایک اہم اسٹریٹجک منصوبے کی نمائندگی کرنا جاری رکھے ہوئے ہے، جو خام مال کی خریداری کے لیے پسماندہ انضمام کے ایک اہم عنصر کے طور پر کام کرتا ہے۔ ذیلی ادارہ اپنی آزادانہ کارروائیوں کو وسعت دینے اور عالمی PET ریزین مارکیٹ میں خود کو ایک سرکردہ کھلاڑی کے طور پر پوزیشن دینے کے وژن کے ساتھ بھی منسلک ہے، جہاں مانگ مضبوط ہے۔



مالی سال ۲۰۲۳-۲۵ کے دوران، کمپنی نے ابوظہبی، متحدہ عرب امارات میں اپنی مکمل ملکیتی ذیلی کمپنی، بسکونی ڈل ایسٹ مینوفیکچرنگ (S.P.C)L.L.C کو شامل کر کے بین الاقوامی توسیع کے سفر میں ایک اہم سنگ میل حاصل کیا۔ یہ اسٹرٹجک سرمایہ کاری کمپنی کی ترقی کی رفتار میں ایک نئے باب کی نشان دہی کرتی ہے اور یہ گروپ کے لیے ایک بنیادی منصوبہ ہے۔

ذیلی ادارہ جدید ترین چاکلیٹ اولسٹک انٹون کے ساتھ ساتھ ایگزوب ویلر اور خشک بیکری کی پیداواری صلاحیتوں سے لیس جدید ترین مینوفیکچرنگ سہولیات قائم کرنے کے لیے تیار ہے۔ ادارے کے بنیادی کاروبار میں چاکلیٹ اور چینی کنفییکشری، ایگزوبڈ ویلر زلمٹ اور خشک بیکری کی مصنوعات شامل ہوں گی، جو کمپنی کو عالمی معیار کی پیشکش کے ساتھ وسیع تر صارفین کی خدمت کرنے کے قابل بنائے گی۔

ابوظہبی میں اس مینوفیکچرنگ اڈے کا قیام ایک واضح سٹرٹجک نقطہ نظر سے کارفرما ہے: عالمی قدموں کے نشان کو مضبوط کرنا: اپنے آپ کو دنیا کی سب سے متحرک اور مربوط مارکیٹوں میں سے ایک میں پوزیشن دے کر اسماعیل گروپ کے عالمی نقش کو مضبوط کرنا۔ متحدہ عرب امارات کے مرکزی بازار کا فائدہ اٹھانا: متحدہ عرب امارات کے مرکزی بازار کا فائدہ اٹھانا، جو مشرق وسطیٰ، افریقہ، یورپ اور ایشیا میں بین الاقوامی منڈیوں تک بے مثال رسائی فراہم کرتا ہے۔ ساختی لاگت کے فوائد کو محفوظ بنانا: ساختی لاگت کے فوائد کو حاصل کرنا، بشمول کم توانائی کی لاگت، کم شرح سود، مسابقتی فنانسنگ، اور ایک انتہائی موثر کاروباری ماحول۔

نئے صارفین تعلقات کو وسعت دینا: برآمدات میں تیزی سے ترقی کرتے ہوئے متنوع مارکیٹوں اور صارفین کے حصوں میں ٹیپ کر کے نئے صارفین تعلقات کو وسعت دینا۔ آمدنی اور منافع میں اضافہ: گروپ کے لیے محصولات اور منافع میں اضافہ اور اس کے نتیجے میں، ہمارے حصص یافتگان کے لیے زیادہ قدر پیدا کرنا۔

بورڈ اس پروجیکٹ کو ایک تبدیلی کے اقدام کے طور پر دیکھتا ہے جو گروپ کی عالمی مسابقت اور طویل مدتی پائیداری میں نمایاں اضافہ کرے گا۔ منصوبہ بندی کے مطابق تعمیر اور تنصیب کے مراحل میں پیشرفت کے ساتھ، بسکونی ڈل ایسٹ مینوفیکچرنگ کے آنے والے سالوں میں گروپ کی کارکردگی میں کلیدی شراکت دار بننے کی امید ہے۔

بورڈ کو یقین ہے کہ یہ سرمایہ کاری ہماری بین الاقوامی موجودگی کو نئے سرے سے واضح کرے گی، اسماعیل گروپ کو خوراک اور کنفییکشری کی صنعت میں ایک حقیقی عالمی کھلاڑی کے طور پر قائم کرے گی، اور تمام اسٹیک ہولڈرز کے لیے پائیدار قدر کو کھولے گی۔

ایسٹرو فلمز، ملک کے معروف پیکیجنگ فلم مینوفیکچررز میں سے ایک، نے خود کو ایک تسلیم شدہ علاقائی اور بین الاقوامی سپلائر کے طور پر قائم کیا ہے، اور 5 بر اعظموں کے 26 سے زائد ملک پر محیط مضبوط صارفین کے دائرے کے ساتھ تیزی سے ترقی کرنے والے لچکدار پیکیجنگ برآمد کنندگان میں شامل ہے۔

کمپنی غیر استعمال شدہ خطوں میں داخل ہو کر اور موجودہ مارکیٹوں میں اپنی موجودگی کو مضبوط بنا کر اپنے گھریلو اور بین الاقوامی مارکیٹ شیئر دونوں کو بڑھانے کے لیے پرعزم ہے۔ یہ عمومی انضمام سے چل رہی ہے، ہمارے ذیلی ادارے اسماعیل ریزین (پرائیویٹ) لمیٹڈ کے ذریعے بڑے خام مال تک محفوظ رسائی کے ساتھ۔ ایسٹرو فلمز اور اسماعیل ریزین کے درمیان ہم آہنگی نہ صرف لاگت کی استعداد اور سپلائی کی قابل اعتمادی کو یقینی بناتی ہے بلکہ دونوں کاروباروں کو پائیدار اور باہمی طور پر مضبوط کرنے والی کامیابی کے لیے پوزیشن میں رکھتی ہے۔

بین الاقوامی کاروبار - نوڈ اور پلاسٹک

مالی سال ۲۰۲۳-۲۵ کے دوران کمپنی کی برآمدی فروخت گزشتہ سال کے 48.56 ارب روپے کے مقابلے میں 35.72 ارب روپے رہی۔ یہ کی بنیادی طور پر عالمی اور علاقائی چینلرز کی وجہ سے ہوئی، جس میں اعلیٰ بین الاقوامی ٹیرف (خاص طور پر امریکہ سے)، جغرافیائی سیاسی تناؤ، مال برداری کے غیر مستحکم اخراجات، صارفین کی کم طلب، اور خوراک کی برآمدات میں تیز مسابقت شامل ہیں۔

اس رجحان کے باوجود، مجموعی طور پر گروپ کی آمدنی مستحکم رہی، جس کی حمایت مقامی اور بین الاقوامی کاروباری طبقات میں تنوع سے ہوئی۔ مزید اہم بات یہ ہے کہ کمپنی کا طویل مدتی برآمدی نقطہ نظر مضبوط ہے۔ عالمی منڈیوں میں بتدریج بحالی اور ابوظہبی، متحدہ عرب امارات میں اپنی مکمل ملکیتی ذیلی کمپنی کے قیام کے ساتھ، ہم اپنے بین الاقوامی نقش کو بڑھانے، لاگت اور لاجسٹکس کی افادیت سے فائدہ اٹھانے اور مشرق وسطیٰ، شمالی امریکہ اور ایشیا میں ترقی کے نئے مواقع تک رسائی کے لیے حکمت عملی کے ساتھ پوزیشن میں ہیں۔

مسلحہ مصنوعات کی جدت، تنوع، اور عالمی تجارتی پلیٹ فارمز میں شرکت کے ذریعے، کمپنی برآمدی رفتار کو دوبارہ حاصل کرنے اور آنے والے سالوں میں پائیدار ترقی فراہم کرنے کے لیے پراعتماد ہے۔ آگے دیکھتے ہوئے، کمپنی زیادہ جست اور نتیجہ خیز برآمدی کارروائیوں کی فراہمی کے ذریعے ترقی کی اس رفتار کو برقرار رکھنے کے لیے پرعزم ہے۔ امید افزا مواقع اور منصوبے پہلے ہی زیر عمل مراحل میں ہیں، خاص طور پر جنوب مشرقی ایشیا، وسطی ایشیا، اور امریکہ میں، جن سے آنے والے وقت میں ہمارے عالمی نقش کو مزید بڑھانے کی امید ہے۔

برآمدات بھی ملکی مارکیٹ کے اتار چڑھاؤ کو دور کرنے میں اہم کردار ادا کرتی رہتی ہیں، جبکہ PKR کی کرنسی کی قدر میں کمی نے بین الاقوامی منڈیوں میں ہماری مصنوعات کو اضافی مسابقت فراہم کی ہے۔

الا قوامی سماجی بہبود کے اداروں کو فراہم کرنے کی ترغیب دی اور اسے اقوام متحدہ کے ورلڈ فوڈ پروگرام (WFP)، یو نیسیف، آغا خان یونیورسٹی، بھوک کے خلاف ایکشن، انٹرنیشنل ریسکیو کمیٹی، وغیرہ کو غذائیت سے متعلق فوڈ سکیورٹی فراہم کرنے کا اختیار دیا گیا ہے۔



کمپنی نے سپر سیریل کی تیاری کے ساتھ اپنے آپریشنز کو بھی بڑھایا ہے جو عالمی سپلائر کے طور پر WFP سے تصدیق شدہ اور منظور شدہ ہے۔ خوراک کی حفاظت، تعمیل اور جی ایم پی کی ضروریات کے لیے جدید ترین نیوٹریشن مینوفیکچرنگ سہولیات کو ڈبلیو ایف پی کے آڈٹ نے منظور کیا ہے۔ اسے FSSC، SANHA نے بھی منظور کر لیا ہے اور یہ مسلسل ترقی کی راہ پر گامزن ہے۔



کمپنی کی جدید ترین Bühler TPD240 رولرل، جس کی سالانہ پیداواری صلاحیت 68,640 ٹن ہے، سال کے دوران بہترین کارکردگی کے ساتھ کام کرتی رہی، اس کے سٹرینجنگ مقاصد کو پورا کرتے ہوئے:

پسماندہ انضمام: بسکو نی کو اعلیٰ معیار کے آل پر پرفور (میدہ) کی مسلسل فراہمی کو یقینی بنانا۔
ویلیو ایڈیشن: ملک بھر میں صنعتی اور HoReCa (ہوٹل/ریسٹورانٹ/کینٹین) کے حصوں کو پریمیم گریڈ آٹا فراہم کر کے فوڈ انڈسٹری میں ویلیو ایڈیشن۔

غذائیت میں اضافہ: پورے پاکستان میں بہتر غذائیت کو فروغ دینے کے لیے 5 کلوگرام اور 10 کلو گرام کنزرویٹک میں فوڈ ایڈیٹ سپرفائنڈ آٹا پیش کر کے غذائیت میں اضافہ۔
غذائے اعلیٰ معیار کی گندم کی خریداری کے ذریعے اپنے اعلیٰ معیار کو برقرار رکھا ہے، خریداری کے وقت احتیاط سے منتخب کیا گیا ہے اور پیداوار کے دوران جدید سورتیکس ٹیکنالوجی کے ذریعے درستی کے ساتھ پروسیس کیا گیا ہے۔ ڈویژن کی اہم مصنوعات کی مختلف اقسام میں غذا میدہ، غزا اسپیشل فائن آٹا، غذا فوڈ ایڈیٹ سپرفائنڈ آٹا، غذا فوڈ ایڈیٹ ریواتی آٹا، غذا خالص آٹا، غذا سوجی، اور غذا پریمیم بران شامل ہیں۔

سال کے دوران، غذائے کلیدی شہری اور نیم شہری مارکیٹوں میں اپنے قدموں کے نشان کو مزید پھیلایا، جس کی حمایت ایک بہتر ڈسٹری بیوشن نیٹ ورک اور ٹارگٹڈ مارکیٹنگ مہمات کے ذریعے کی گئی۔ برانڈ کی پریمیم پوزیشننگ، یکساں معیار کے ساتھ، نتیجہ صارفین کی قبولیت کی حوصلہ افزائی اور خوردہ اور ادارہ جاتی صارفین دونوں کی طرف سے دوبارہ مانگنے میں

بسکو نی اب ایک گھریلو برانڈ بن گیا ہے جو ہر بار اور ہر نئی پروڈکٹ کے ساتھ بے مثال معیار فراہم کرتا ہے۔ کچھلی دودھائیوں کے دوران، بسکو نی نے اس صنعت میں مسابقت کے باوجود ناقابل یقین اور متاثر کن رفتار اور اپنے صارفین کی بے مثال وفاداری کے ساتھ صنعت میں اپنے قدموں کے نشانات دن بدن پھیلائے ہیں۔

۲۰۲۳-۲۴ کے بعد سے، بسکو نی نے اعلیٰ برانڈنگ اور متنوع پیشکش کے ساتھ ایک پریمیم ریٹج کی نقاب کشائی کی ہے۔ صارفین کو ایک، کوکیز اور بسکٹ کی کیٹیگریز کے تحت مزے دار اور پرکشش برانڈز فراہم کیے گئے ہیں۔ فلیگ شپ پریمیم برانڈز میں DayDream، Divine، Mi Amor، Digestive شامل ہیں، جو اس سال، بٹر کوکیز Flare، اور متعارف کرانے کے ذریعے مکمل کیے گئے ہیں۔

بسکٹ کے زمرے میں Eclipse- ایک کے زمرے میں، کافی اور وینلا جیسے لذیذ انقوش میں لوش ایک کے اجراء نے پورٹ فوڈ کو مزید تقویت بخشی ہے۔ بسکو نی جدت، معیار، اور صارفین کے اطمینان پر غیر متزلزل توجہ کے ذریعے اپنی مصنوعات کی حد کو بڑھانے کے لیے پرعزم ہے۔

صارفین کو معیاری مصنوعات فراہم کرنے کے لیے قابل اعتماد ہونے کی وجہ سے، تمام مصنوعات ISO 22000 کے تقاضوں کو پورا کرتی ہیں اور SANHA کی طرف سے حلال سند یافتہ ہیں۔ اس طرح، بسکو نی اپنے وعدوں کو پورا کرنے اور صارفین کی برانڈ کی وفاداری کو برانڈ کی محبت میں تبدیل کرنے کے لیے وقف ہے۔



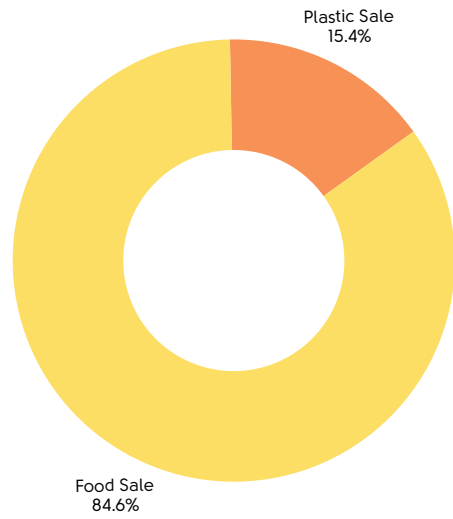
2010 میں اپنے آغاز کے بعد سے، اسماعیل نیوٹریشن غذائی قلت کے عالمگیر وباء سے متاثرہ آبادی کی خدمت کے لیے وقف ہے۔ اس وباء کے اہم محرکات زیادہ آبادی اور مناسب وسائل کی کمی ہیں، خاص طور پر کم سماجی اقتصادی پس منظر سے تعلق رکھنے والے علاقے میں۔ کمپنی نے ایک سمجھدار اور تجربہ کار فوڈ مینوفیکچرنگ ادارہ ہونے کے ناطے، اس خلا کو پُر کرنے کے لیے غذائیت کا سامان تیار کرنا شروع کر دیا۔ مقامی مارکیٹوں کے زبردست رد عمل نے کمپنی کو یہ غذائی امداد ہمسایہ ملک کے بین



| Description | FY 24-25 | FY 23-24 | Change in % |
|------------------|--------------------------|----------|-------------|
| | -----Rs in million ----- | | |
| Gross Sales | 118,397 | 121,490 | -2.55% |
| Net Sales | 105,193 | 108,887 | -3.39% |
| Gross Profit | 21,834 | 24,022 | -9.11% |
| GP in % | 20.76% | 22.06% | -5.89% |
| Operating Profit | 10,823 | 13,980 | -22.58% |
| Finance Cost | 5,047 | 7,384 | -31.65% |
| Profit after tax | 5,749 | 6,132 | -6.25% |
| Net Profit in % | 5.46% | 5.64% | -3.19% |
| EPS | 86.64 | 92.41 | -6.24% |

پہلے بیان کیے گئے چیلنجز کے باوجود، کمپنی نے مارکیٹ کی حرکات کو تبدیل کرنے، صارفین کی ترجیحات کو تبدیل کرنے، اور مسلسل حصول کی رکاوٹوں کو کامیابی کے ساتھ رہنمائی کی۔ مارکیٹ کے بروقت تجزیہ، جست فیصلہ سازی، اور سرمایہ کاری کی سنجیدگی کی حکمت عملیوں کے ذریعے، قدر کی تخلیق کو زیادہ سے زیادہ کرنے کے لیے وسائل کو مؤثر طریقے سے تعینات کیا گیا۔ ان کوششوں نے نہ صرف آپریشنل پلک کو مضبوط کیا بلکہ اس بات کو بھی یقینی بنایا کہ ہماری مصنوعات معیار اور صارفین کے اطمینان کے اعلیٰ ترین معیارات پر پورا اترتی رہیں۔

ذیل میں سالانہ ٹرن اوور کا سیگمنٹ وار بریک اپ ہے:



فوڈ سیگمنٹ آپریشنز

فوڈ سیگمنٹ ایک وسیع اور متنوع پورٹ فولیو پر محیط ہے، بشمول کنفیکشنری بسکٹ، غذائیت، انانج، اور آٹے کی تقسیم۔ ہماری مصنوعات کی رینج جلیوں، مارشملوز، ٹافیوں، کیڈیز، لالی پاپس، کوئڈ چیوز، ببل گم، چاکلیٹ بسکٹ، کیک، غذائیت سے متعلق کھانے کے سپلیمنٹس، اور آٹے پر محیط ہے۔ اس سیگمنٹ کے سرکردہ برانڈز میں کیڈی لینڈ، بسکونی، اسماعیل نیوٹریشن، اور غذا شامل ہیں، ہر ایک اپنے اپنے زمروں میں مضبوط موجودگی رکھتا ہے اور صارفین کی وفاداری کو جاری رکھے ہوئے ہے۔

کیڈی لینڈ، پاکستان میں اسماعیل انڈسٹریز لمیٹڈ کے کنفیکشنری سیگمنٹ کا سنگ بنیاد ہے، جس نے 21 جون 1988 کو اپنے افتتاحی پیداواری پلانٹ کے ساتھ کام شروع کیا۔ 1990 میں اپنا پہلا برانڈ شروع کرنے کے بعد سے، ہم نے مسلسل اہم سنگ میل حاصل کیے ہیں، اور اپنی پیداواری سہولیات کو 18 ایکڑ سے زیادہ تک پھیلا دیا ہے۔ جبلی کے زمرے میں علمبردار ہونے کے ناطے، کیڈی لینڈ نے تکنیکی طور پر چیلنج کرنے والے سیگمنٹس جیسے لالی پاپس اور مارشملوز میں قدم رکھا ہے، جو صارفین کو مسلسل خوش کرنے والی اعلیٰ معیار کی مصنوعات کی فراہمی پر فخر محسوس کرتے ہیں۔ بہترین کارکردگی کے لیے ہماری وابستگی نے دنیا بھر کے 40 سے زیادہ ممالک کو ہماری مصنوعات کی برآمد میں سہولت فراہم کی ہے۔

حکایتیں پر مبنی اور جدت پر مبنی فلسفے کی رہنمائی میں، کیڈی لینڈ نے صنعت کی سب سے زیادہ تکنیکی طور پر ترقی یافتہ کمپنیوں میں سے ایک کے طور پر ابھرنے کے لیے ہماری جدید ترین سہولیات سے فائدہ اٹھاتے ہوئے مصنوعات کے نئے زمرے متعارف کرائے ہیں۔ ان میں سے اورنجی، سورہائس، جلیبیز پریم رینج، گبی لالی پاپ اور سوئیٹ بیئر جیسے نئے برانڈز کے ساتھ، بسکا کا آغاز قابل ذکر تھا۔ یہ اقدامات طویل المدت ترقی اور اختراع کے لیے ہماری ثابت قدمی کو اجاگر کرتے ہیں۔ ہمارے کاموں کا مرکز صارفین کے لیے بہترین قدر کی تجویز فراہم کرنے کی لگن ہے، ہر خریداری کے ساتھ صارفین کے بے مثال اطمینان کو یقینی بنانا۔ تکنیکی اور مارکیٹنگ کے پیشہ ور افراد کی ہماری سرشار ٹیمیں صارفین کی خوشنودی حاصل کرنے کے لیے تعاون کرتی ہیں، جس کی حمایت ایک وسیع سیلز فورس ہوتی ہے جو ملک بھر کے صارفین تک مؤثر طریقے سے پہنچتی ہے، بشمول دور دراز کے علاقوں میں۔ کیڈی لینڈ کی تمام مصنوعات ISO 22000 کی سند یافتہ ہیں اور SANHA سے حلال سرٹیفیکیشن رکھتی ہیں۔

کیڈی لینڈ میں، ہم اپنی بنیادی اقدار کو برقرار رکھنے، اپنے قائم کردہ برانڈز کو پروان چڑھانے، اور مسلسل جدت طرازی کے ذریعے زمرہ کی ترقی کو آگے بڑھانے کا عہد کرتے ہیں۔ ہم ایسے نئے برانڈز تیار کرنے کے لیے وقف ہیں جو صارفین کے ساتھ گونجتے ہیں، ان کی ابھرتی ہوئی ضروریات کو پورا کرتے ہیں، اور آنے والے سالوں کے لیے مسلسل خوشی فراہم کرتے ہیں۔

ڈائریکٹران کی جائزہ رپورٹ

اور فریقین کو پائیدار قدر فراہم کرنے کے لیے۔ اگرچہ ملکی اور عالمی ماحول میں چیلنجز برقرار ہیں، ہم اپنے فریقین کے لیے پائیدار قدر پیدا کرنے کے لیے پرعزم ہیں اور موجودہ چیلنجز کو نیوگیٹ کرنے اور اقتصادی چیلنجز کے لیے بغیر کسی رکاوٹ کے ڈھالنے کے لیے اپنے کاروباری طاقت اور چلک پر پراعتماد ہیں۔

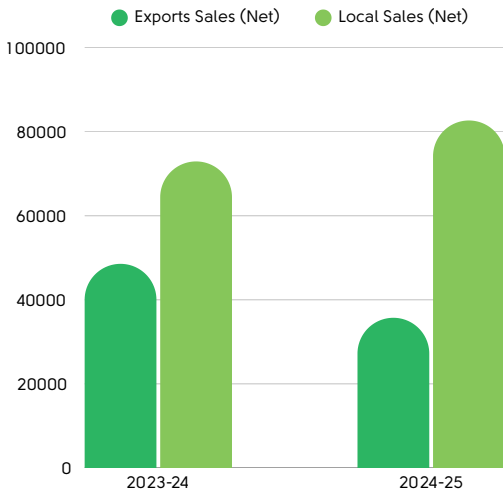


کاروباری کارکردگی

کمپنی نے کھانے کے شعبے میں غذا (آٹے کی تقسیم) کے ساتھ کنفییکشنری، بسکٹ، نیوٹریشن، اور پلاسٹک فلموں میں مضبوط موجودگی کے ساتھ، معروف حریفوں میں ایک متنوع کھلاڑی کے طور پر اپنی پوزیشن کو مستحکم کرنا جاری رکھا۔

مالی سال ۲۰۲۳-۲۵ کے دوران، کل فروخت 118.4 ارب روپے پر برقرار رہی جو کہ گزشتہ سال 121.5 ارب روپے تھی اور ٹیکس کے بعد منافع 5.75 ارب روپے پر برقرار رہا، جس کے نتیجے میں فی شیئر منافع 86.64 روپے رہا جو کہ مالی سال ۲۰۲۳-۲۴ میں 92.41 روپے تھا۔

مذکورہ بالا حقائق کے باوجود، بیوٹ کرنا اہم ہے کہ مجموعی طور پر گروپ کی مجموعی آمدنی میں 6.65 فیصد اضافہ ہوا ہے، جس نے متعدد کاروباری حصوں اور مارکیٹوں میں تنوع کے ذریعے چلک کا مظاہرہ کرنا جاری رکھا۔ کمپنی کی نظم و ضبط کے ساتھ وسائل کی تقسیم، جدت کی قیادت میں ترقی کی حکمت عملی، اور مصنوعات کی ترقی میں مسلسل سرمایہ کاری نے صارفین کی سست روی کے اثرات کو کم کرنے میں مدد کی۔ آگے بڑھتے ہوئے، ہماری عالمی توسیعی حکمت عملی، خاص طور پر انڈونیشیا، متحدہ عرب امارات میں جدید ترین مینوفیکچرنگ سہولیات کے قیام سے، توقع کی جاتی ہے کہ نئی منڈیوں کو کھولے گی، آپریشنل افادیت کو آگے بڑھائے گی، اور طویل مدتی پائیداری اور حصص یافتگان کی قدر میں اضافہ ہوگا۔



کمپنی کے ڈائریکٹران اسماعیل انڈسٹریز لمیٹڈ کی سالانہ رپورٹ 30 جون 2025 کو ختم ہونے والے سال کے لیے انفرادی اور یکجا کیے گئے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کرنے میں خوشی محسوس کرتے ہیں۔

ملکی اقتصادی امکانات

زیر نظر سال کے دوران، پاکستان کی معیشت نے استحکام کے ابتدائی آثار دکھائے، افراط زر کی شرح گزشتہ سال کی ریکارڈ بلند یوں سے کئی سالوں کی کم ترین سطح تک تیزی سے کم ہوئی، جس سے اسٹیٹ بینک آف پاکستان اپنی پالیسی ریٹ کو 22% سے کم کر کے 11% تک لے گیا۔ کرنٹ اکاؤنٹ میں 2.1 ارب امریکی ڈالر کے سرپلس کو دکھایا گیا ہے، جو پچھلے سال پوسٹ کیے گئے 681 ملین امریکی ڈالر کے خسارے سے تیز تبدیلی ہے۔ یہ بہتری بنیادی طور پر مضبوط غیر ملکی ترسیلات زر کی وجہ سے ہوئی، جو بڑھ کر 38.3 ارب امریکی ڈالر، برآمدات کی مضبوط کارکردگی، اور درآمدی انتظام پر سختی سے عمل پیرا ہے۔ شرح سود میں اعتدال کے ساتھ شرح مبادلہ کے استحکام اور زرمبادلہ کے ذخائر میں اضافے نے معاشی استحکام کو بہتر بنانے میں اہم کردار ادا کیا ہے۔ مزید برآں، ملک کی کریڈٹ ریٹنگ میں بہتری اور آئی ایم ایف پروگرام کے تسلسل کے نتیجے میں کاروبار میں سرمایہ کاروں کا اعتماد بحال ہوا اور ملکی معاشیاتی استحکام کو فروغ ملا ہے۔

تاہم، مندرجہ بالا کے باوجود، ساختی چیلنجز برقرار رہے، بشمول تقریباً 2.68 فیصد کی معمولی جی ڈی پی کی شرح نمو اور بھاری بیرونی قرضوں کی ادائیگی کا شیڈول جو غیر ملکی زرمبادلہ کے ذخائر پر مسلسل دباؤ ڈالتا ہے۔ جب کہ ریکارڈ ترسیلات زر اور بڑھتی ہوئی ICT برآمدات کی وجہ سے FX لیکویڈیٹی میں بہتری آئی ہے، کرنسی کے اتار چڑھاؤ کا خطرہ برقرار ہے۔

عالمی محاذ پر، مشرقی یورپ اور مشرق وسطیٰ میں جاری تنازعات کی وجہ سے توانائی کی بلند قیمتیں، خام مال کی لاگت اور سپلائی چین کے استحکام کو متاثر کرتی رہیں۔ خطے سے کچھ ٹیکسٹائل اور مینوفیکچرنگ درآمدات پر نئے امریکی محصولات کا تعارف، اور اہم برآمدی منڈیوں میں کمزور عالمی مانگ کے ساتھ، اضافی رکاوٹوں کا سامنا کرنا پڑا۔ گھریلو طور پر، سیاسی غیر یقینی صورتحال اور سست رفتار ساختی اصلاحات ملک میں اقتصادی سرگرمیوں کو محدود کرتی ہیں۔ ان مشترکہ عوامل نے کاروبار کرنے کی لاگت کو متاثر کیا، صارفین کی قوت خرید کو محدود کیا، اور سال کے آخر میں مہنگائی کے بہتر انداز کے باوجود مارجن پر دباؤ برقرار رکھا۔

اس کے باوجود، کمپنی کی انتظامیہ موجودہ اقتصادی اور جغرافیائی سیاسی سرگرمیوں کو نیوگیٹ کرنے اور حکمت عملیوں کو نافذ کرنے کے لیے متحرک رہی۔ مالی سال ۲۰۲۳-۲۵ کے دوران، لاگت کی اصلاح، سپلائی چین کی چلک، اور آپریشنل افادیت پر توجہ مرکوز کرنے والے اقدامات سے ٹھوس فوائد حاصل ہوئے، جس سے توانائی کی بلند قیمتوں، کرنسی کے اتار چڑھاؤ، اور عالمی تجارتی حرکیات میں تبدیلیوں کے اثرات کو دور کرنے میں مدد ملی۔ انتظامیہ نے رسک مینجمنٹ فریم ورک کو مضبوط کرنا جاری رکھا اور جدت کو اپنایا۔ بشمول پروسیس آڈیٹیشن اور مصنوعات میں تنوع کی مسابقت کو بڑھانے

Role of the Chairman

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the Company. Alongside leadership, the Chairman is also responsible for ensuring that the Board plays an effective role in fulfilling its responsibilities. The Chairman's role involves (but is not limited to) the following:

- To act as a liaison between Company's senior management and the Board;
- To ensure that the Board plays an effective role in setting up the company's corporate strategy and business direction;
- To promote and oversee the highest standards of corporate governance within the Board and the Company;
- To ensure integrity, credibility, trustworthiness and active participation of Board members in key matters of the Company;
- To ensure that the Board only directs the Company and does not manage it;
- To ensure that relevant, accurate and up to date Company information is received from the management and shared with the board members to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company;
- To review the Board performance and to take the lead in identifying and meeting the development needs of individual directors and to address the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team;
- To manage and solve conflict (if any) amongst the Board members and to also ensure freedom of opinion in the Board;
- To promote highest moral, ethical and professional values and good governance throughout the Company.

The CEO is responsible for putting the strategy defined by the Board into practice. The CEO's leadership

Role of the CEO

This role entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short-term goals and plans. Major responsibilities of the CEO are as follows:

- Develop strategies involving the executive team, for the implementation of decisions established by the Board and its Committees;
- Maintain an effective communication with the Chairman and bring all important Company matters to the attention of the Board;
- Responsible for working in the best interest of the Company and directing its overall growth by achieving and surpassing the performance targets set by the Board;
- Oversee the implementation of the Company's financial and operational plans in accordance with its business strategy;
- Identify the potential avenues for diversification and investments and recommend plans/proposals to the Board for its approval;
- Ensure that all strategic and operational risks are effectively managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas;
- Develop Key Performance Indicators (KPIs) of the Company for the approval of Board and ensure dissemination of the same throughout the organization as the standards of performance at both individual and collective levels;

- Communicate on behalf of the Company with shareholders, employees, government authorities, other stakeholders and the public; and
- Promote highest moral, ethical and professional values and good governance throughout the Company.

How the Board Operates and the Matters Delegated to the Management

Board's Functions

The function of the Board is governance of the Company. The Board performs its duties by giving guidelines to the management, setting performance targets and monitoring their achievements.

The primary role of the Board of Directors of the Company is to enhance shareholder value. The Board is concerned with Strategic matters and overseeing the business of the Company in light of emerging risks and opportunities on a regular basis.

The Board is also involved in establishing and reviewing the strategies, yearly targets and financial objectives of the Company.

Major functions of the Board include:

- Providing strategic direction to the Company keeping in view market growth, macro-economic factors and political factors arising from time to time;
- Reviewing business performance of the Company including key business indicators for sales, cost optimization, profitability and sustainability;
- Held periodic reviews of Key Judgement areas and provide guidance to the management wherever required;
- Oversight of regulatory and compliance risks;
- Performing detailed review and approval of CAPEX investments in each quarter; and
- Discuss Board's effectiveness and conduct Annual Performance Evaluation of the Board and its Committees.

Management's Functions

Management is primarily concerned with setting in motion the strategies approved by the Board of Directors. It is the responsibility of management to operate the day-to-day business affairs of the Company in an effective and ethical manner in conformity with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities, which could affect the Company in the course of carrying out its business.

Management is also concerned with keeping the Board members updated regarding any changes in the operating environment.

It is also the responsibility of the management, with the supervision of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable financial reporting standards and legal requirements.

Annual Appraisal of the Board's Performance

As per the criteria of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors are required to carry out an annual evaluation of their performance and its committees' performance. This year, the evaluation was carried out by the Human Resources and Remuneration Committee of the Company, and the results were found to be excellent.

The following major criteria are used to measure the Board's own performance and its committees, including the CEO and the Chairman:

- The Board demonstrates integrity, credibility, trustworthiness, and active participation in its affairs, and has the ability to handle conflict constructively;
- The Board provides guidance and direction, rather than management to the Company;
- The Board reviews management succession planning as needed;
- The level of communication between the Board and relevant parties (i.e., committees, auditors, management and business heads, etc.) is appropriate;
- The Board reviews the adequacy of internal controls and risk management procedures;
- The Board has developed a strategy for the organization that is central to its vision and mission statement;
- The Board receives signals of potential issues that may adversely affect the Company's key targets or financial performance; and
- The Board ensures that professional standards and corporate values are put in place that promotes integrity for the Board, senior management, and employees in the form of the Company's Code of Conduct.

Directors' Orientation

The Company has made sufficient arrangements to carry out orientation sessions for their directors to acquaint them with company's operations, applicable laws and regulations and their duties and responsibilities in order to enable them to effectively govern the affairs of the company on behalf of shareholders. Non-executive directors are provided with exposure to operating management and major customers of the Company on a regular basis throughout the year. Moreover, non-executive directors may elect to contact any employee, customer, advisor or supplier of the Company.

Directors' Training Program

All directors of the Company have either acquired the prescribed certification under the Directors' training program or are exempted based on their education and experience.

Foreign Directors

The Company does not have any foreign directors on the Board and therefore the need for security clearance is not required.

Details of Any Board Meetings Held Abroad

Since all the directors of the Company are based in Pakistan, no meeting of the Board of Directors of the Company was held abroad.

Board Statement on Ethics and Compliance

The Board of Directors of Ismail Industries Limited is fully committed to uphold the highest standards of ethical conduct, integrity, and regulatory compliance across all facets of the Company's operations. The Board firmly believes that sound governance, ethical decision-making, and adherence to applicable laws are foundational to the long-term success, reputation, and sustainability of the Company.

In discharging its fiduciary responsibilities, the Board ensures that comprehensive policies, codes of conduct, and internal controls are in place to promote a culture of compliance, transparency, and accountability. The Board also emphasizes the importance of ethical leadership and expects all directors, officers, and employees to act with honesty, fairness, and professionalism in performance of their duties.

The Company remains vigilant in identifying and mitigating compliance risks through ongoing monitoring, employee training, and independent oversight. The Board remains steadfast in its approach to foster

External Oversight and Enhancement of Internal Controls

ILL is committed to uphold the highest standards of corporate governance, operational integrity, and risk management. To achieve this, the Company has implemented a comprehensive system of oversight and internal control enhancement that integrates both internal and external mechanisms. The following measures form the foundation of this framework:

1. Internal Audit and Process Review

The Internal Audit function serves as an independent assurance mechanism, conducting regular and risk-based reviews across all departments and business functions. These reviews are aimed at:

- Evaluating the design and effectiveness of existing controls;
- Identifying potential process inefficiencies and compliance gaps; and
- Recommending improvements to mitigate risks and enhance accountability.

Audit findings are reported to the Board Audit Committee, ensuring transparency and timely resolution of control issues.

2. Performance Monitoring and Benchmarking

To ensure continuous improvement, the Company routinely benchmarks its operational and financial performance against industry peers, global best practices, and internal historical data. This involves:

- Setting key performance indicators (KPIs) across departments;
- Conducting variance analysis and identifying root causes of deviations;
- Integrating lessons learned from peer companies and international standards.

This practice not only fosters a culture of excellence but also supports strategic decision-making.

3. Manufacturing and Operational Standards Review

Manufacturing operations are regularly evaluated against local regulatory requirements, environmental standards, and international norms such as ISO standards and food safety protocols. These assessments focus on:

- Ensuring process compliance with statutory and safety standards;
- Enhancing product quality, hygiene, and efficiency;
- Identifying opportunities for automation, energy efficiency, and waste reduction.

Such evaluations are instrumental in maintaining the Company's reputation for high-quality products and sustainable practices.

4. Dynamic Risk Assessment and Control Improvement

The Company views internal controls as a dynamic system that must evolve with changing business conditions. Therefore, it conducts regular:

- Risk assessments to identify emerging threats and vulnerabilities;
- Gap analyses to evaluate control coverage and resilience;
- Policy and procedure updates to reflect new regulatory, operational, and technological developments.

This approach ensures the internal control framework remains robust, adaptive, and aligned with stakeholder expectations.

5. Governance Oversight

Oversight of the internal control environment is exercised by the Board of Directors through the Audit Committee. This includes:

- Reviewing internal audit reports and management responses;
- Monitoring the implementation of control enhancements;
- Ensuring that all control processes align with the Company's strategic goals and compliance obligations.

This multi-tiered governance structure ensures integrity, accountability, and continuous improvement across the organization.



GOVERNANCE POLICIES

Related Party Transactions Policy

ILL is committed to ensure that all transactions with related parties are conducted in a transparent, fair, and compliant manner. This Related Party Transactions (RPT) Policy is formulated in accordance with the requirements of all applicable laws.

Objective

The objective of this policy is to set out the principles and procedures governing the identification, review, approval, and disclosure of transactions with related parties. It aims to ensure that all such transactions are carried out in the best interest of the Company and its stakeholders and are in compliance with applicable laws and regulations.

Definition of Related Parties

Related parties are defined as per the provisions of the Companies Act, 2017 and applicable financial reporting standards. These include directors, key management personnel, substantial shareholders, and their close family members, as well as entities over which such persons exercise significant influence or control.

Identification and Review of Related Party Transactions

The Company's finance and legal departments identify potential related party transactions based on disclosures provided by directors and officers through examining the nature of the relationship involved. All identified RPTs are reviewed by the Audit Committee to ensure that they are entered into on arm's length terms and do not conflict with the interest of the Company or its shareholders.

Approval Process

All related party transactions must be approved by the Board of Directors upon the recommendation of the Audit Committee. In cases where required by law, approval from shareholders shall also be obtained. Interested directors shall abstain from voting on the agenda in which they are concerned or interested.

Disclosure and Reporting

All RPTs shall be disclosed in the Company's annual financial statements in accordance with the applicable financial reporting standards and the requirements of the Companies Act, 2017. Furthermore, details of RPTs shall be disclosed to shareholders through the Company's annual report and where applicable, at the time of seeking approval.

Compliance Statement

Ismail Industries Limited confirms that all related party transactions undertaken during the year were in full compliance with all applicable laws.

Details of all related party transactions

All related party transactions are disclosed in unconsolidated and consolidated financial statements of Ismail Industries Limited.

Contracts or Arrangements Not on an arm's length basis

There is no contract or arrangement with any related party which is not on an arm's length basis.

Conflict of Interest Policy

1. Purpose

This Conflict-of-Interest Policy is intended to ensure that the decisions and actions of the Board of Directors, management, and employees of IIL are guided solely for the best interests of the Company and remain free from undue influence arising from personal interests or external relationships.

2. Scope

This policy applies to all members of the Board, key management personnel, employees (including permanent, contractual, and third-party staff), as well as consultants and advisors engaged by the Company.

3. Definition of Conflict of Interest

A conflict of interest arises when an individual's personal interests whether financial, professional, or relational interfere, or appear to interfere, with the interests of the Company. This may include having a direct or indirect financial stake in a competitor, supplier, or customer; using Company resources or influence for personal benefit; participating in decision-making processes in which the individual has a vested interest; engaging in outside employment or consultancy arrangements that may compete with the Company's business; or showing favoritism in hiring or promotion decisions based on familial or personal relationships.

4. Duties and Responsibilities

Directors and key management personnel are required to disclose any actual or potential conflicts of interest at the time of their appointment and on a continuous basis thereafter, by submitting a written declaration. They must refrain from voting on or participating in any matter in which they have a conflict. In doing so, they must comply with Sections 208 of the Companies Act, 2017 concerning related party transactions and disclosure obligations. Similarly, employees are expected to avoid situations where their personal interests may conflict with their duties to the Company. If an employee identifies an actual or potential conflict of interest, they must disclose it immediately to their immediate supervisor or the Compliance Department. Employees are also prohibited from accepting gifts, entertainment, or favors that could influence or appear to influence their business decisions.

5. Disclosure and Reporting Mechanism

All disclosures relating to actual or potential conflicts of interest must be made in writing using the prescribed conflict of interest disclosure form. These disclosures shall be submitted to the Company Secretary or Head of Compliance, who will maintain a formal register. Any material conflict of interest shall be escalated to the Board Audit Committee for review and may be disclosed in the Company's Annual Report in accordance with applicable laws and standards.

6. Board Oversight and Review

The Board of Directors, acting through the Audit Committee, shall review all material disclosures relating to conflicts of interest and determine the appropriate course of action or mitigation. The Board will ensure that individuals with declared conflicts do not influence or participate in any related decisions or transactions.

7. Consequences of Non-Compliance

Failure to disclose a conflict of interest, or a breach of this policy, shall be treated as a serious violation of the Company rules. It may result in disciplinary action, including termination of employment or removal from office, and may also give rise to legal consequences under applicable laws and SECP regulations.

8. Review and Amendment

This policy shall be reviewed on an annual basis by the Board of Directors and revised, if necessary, to ensure continued compliance with legal requirements and alignment with corporate governance best practices.



Policy for Governance of Risk and Internal Controls

ILL is committed to effective governance of risk management and internal controls to ensure sustainable growth, regulatory compliance, and protection of stakeholder interests. This policy outlines the Company's approach to identifying, managing, and mitigating risks and maintaining robust internal controls across all functions and subsidiaries.

The policy applies to all departments and covers operational, financial, strategic, legal, and reputational risks. It establishes a framework where the Board of Directors holds overall responsibility for risk oversight, sets risk tolerance levels, and ensures control mechanisms are aligned with the Company's strategic objectives.

The Audit Committee monitors the adequacy of internal controls and addresses audit findings. The Senior Management is responsible for implementing risk controls in their respective domains and fostering a culture of accountability. Internal Audit provides independent assurance to the Board on the effectiveness of risk and control systems.

The Company maintains a centralized risk register and follows a structured process of risk identification, assessment, and mitigation. Internal controls support ethical conduct, accurate reporting, fraud prevention, and compliance. These are periodically reviewed and improved based on feedback, internal reviews, and business needs.

Employees are expected to be aware of and support the Company's risk and control practices. This policy shall be reviewed as needed by the Board and updated as needed to reflect evolving risks, organizational changes, and regulatory requirements.



Diversity, Equality & Inclusion Policy

1. Introduction

Ismail Industries Limited is committed to foster cultivate, and sustain a workplace culture that embraces diversity, equality, and inclusion (DE & I). We recognize that our employees are our most valuable asset, and we value the collective sum of their unique backgrounds, experiences, knowledge, creativity, and talents. These differences not only enrich our organizational culture but also contribute to our reputation and overall success.

2. Scope

This policy applies to all employees, officers, and directors of Ismail Industries Limited. It governs all aspects of employment, including recruitment, promotions, training, compensation, and daily workplace interactions, ensuring a diverse, equitable, and inclusive work environment.

By embracing diversity, equality, and inclusion, we strengthen our workforce, enhance our innovation, and contribute to a more dynamic and forward-thinking organization.

3. Purpose

This policy outlines our commitment to ensure a diverse, equitable, and inclusive workplace, where all employees feel respected, valued, and empowered to contribute their unique perspectives.

4. Key Definitions

- **Diversity:** Recognizing, respecting, and valuing the differences in backgrounds, experiences, and perspectives of our employees. We believe that diversity fosters creativity, innovation, and informed decision-making.
- **Equality:** Providing fair and equal opportunities to all employees in recruitment, career development, and advancement. We are committed to eliminate barriers and biases that may hinder full participation.
- **Inclusion:** Creating an inclusive and supportive work environment where every individual feels a sense of belonging and is encouraged to contribute meaningfully. We promote open dialogue, collaboration, and recognition of diverse viewpoints.

5. Policy Statement

Ismail Industries Limited is dedicated to ensure a workplace free from discrimination and fostering an environment where individuals are respected regardless of their age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical or mental ability, political affiliation, race, religion, socio-economic status, veteran status, or any other characteristic that makes them unique. We firmly believe that an inclusive environment allows every employee to thrive, contribute, and reach their full potential. Employees are expected to uphold a culture of mutual respect and dignity in all professional interactions. Any act of discrimination, harassment, or inappropriate behavior will not be tolerated and may result in disciplinary action.

6. Implementation & Responsibilities

At IIL, our diversity, equality, and inclusion initiatives are embedded in all aspects of employment, including recruitment, compensation, promotions, training, and workplace policies. We are committed to implementing fair hiring practices, ensuring that all individuals receive equal opportunities for career development and advancement based on merit. We offer equitable pay structures and benefits while fostering an inclusive workplace where employees can participate in professional development programs, social and recreational activities, and community engagement initiatives. Additionally, we support work-life balance through flexible work arrangements that accommodate diverse employee needs. By embedding these principles into our daily operations, we strive to build a workplace that promotes collaboration, innovation, and mutual respect.

Social and Environmental Responsibility including Managing and Reporting Policies like Procurement, Waste, and Emissions

ILL is committed to operating its business in a socially responsible and environmentally sustainable manner. This policy outlines the Company's approach to integrate social and environmental considerations into its operations, including procurement, waste management, emissions control, and reporting.

The Company strives to minimize its environmental impact by promoting energy efficiency, reducing greenhouse gas emissions, managing waste responsibly, and conserving natural resources. Waste segregation, recycling, and safe disposal practices shall be implemented across all operational sites. Emissions and effluent discharges shall be monitored and controlled to comply with applicable environmental laws and standards.

In procurement, the Company shall prioritize suppliers who demonstrate environmentally and socially responsible practices. Sustainable sourcing, use of eco-friendly materials, and preference for local suppliers where feasible will be encouraged to reduce the environmental footprint and support community development.

The Company shall engage with local communities and contribute to initiatives that promote health, education, livelihood, and environmental awareness. Employee involvement in community outreach and volunteering programs will also be encouraged as part of our corporate citizenship.

Environmental and social performance shall be regularly monitored, and material indicators shall be reported internally and externally where applicable. The Company will track compliance with its policies and seek opportunities for continuous improvement. Relevant data on emissions, waste, and resource use may be disclosed through sustainability reports or regulatory filings.

The Board of Directors provides strategic oversight of the Company's social and environmental initiatives, while Senior Management is responsible for implementation and reporting. This policy shall be reviewed as required to ensure alignment with regulatory requirements, stakeholder expectations, and evolving sustainability practices.



Policy on Communication with Stakeholders

ILL is committed to maintain transparent, timely, and effective communication with all its stakeholders, including shareholders, employees, customers, suppliers, regulators, and the broader community. This Policy on Communication with Stakeholders sets out the principles that guide the Company's interactions and disclosure practices.

The Company aims to build trust and foster long-term relationships by providing accurate and relevant information on its business performance, strategic direction, and key developments. Communication shall be conducted in a manner that is accessible, clear, and aligned with legal and regulatory requirements, including those of the Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan.

The Board of Directors oversees the Company's stakeholder communication strategy, while senior management is responsible for its execution. The Company Secretary shall ensure that disclosures are made in a timely and appropriate manner through official channels such as press releases, annual reports, the Company's website, and notices to the stock exchange.

Engagement with stakeholders may include general meetings, investor briefings, customer surveys, employee town halls, supplier interactions, and participation in industry forums. Feedback from stakeholders shall be reviewed and considered as part of the Company's ongoing efforts to improve its practices and responsiveness.

This policy shall be updated as needed to reflect changes in stakeholder expectations, regulatory requirements, or communication technologies.



Dividend Policy

ILL aims to follow a balanced approach to dividend distribution that aligns with its financial performance, investment needs, and long-term value creation for shareholders. This Dividend Policy provides a general framework for determining the recommendation and declaration of dividends while maintaining flexibility based on the Company's evolving circumstances.

The Company's decision to declare dividends, including interim and final dividends, is subject to the availability of distributable profits, financial health, future investment and capital expenditure requirements, cash flow considerations, and other factors deemed relevant by the Board of Directors.

The Board of Directors, while recommending any dividend, shall take into account the need of retained earnings to support future growth, fund business operations, meet financial obligations, and preserve financial stability. All dividend decisions are at the discretion of the Board of Directors and shall be guided by the best interests of the Company and its shareholders.

The policy shall be reviewed as necessary to reflect changes in the Company's strategy, financial position, or regulatory environment.



Investor Relations and Grievance Policy

ILL is committed to maintain a transparent, responsive, and constructive relationship with its shareholders and investors. This Investor Relations and Grievance Policy outlines the framework for engaging with investors and addressing their concerns in a timely and effective manner.

The Company aims to foster confidence among investors by ensuring consistent and accurate communication of financial performance, strategic initiatives, and governance practices. Investor relations activities are guided by principles of fairness, accessibility, and compliance with applicable legal and regulatory requirements.

The Company Secretary, under the supervision of the Board of Directors, serves as the primary point of contact for investors and is responsible for coordinating responses to queries, clarifying disclosures, and managing communication channels including annual general meetings, corporate briefings, financial statements, and the Company website.

To address investor grievances, the Company has established a structured grievance redressal mechanism. Shareholders and investors may submit complaints or concerns through email, written correspondence, or online forms made available on the Company's official website. All grievances shall be acknowledged promptly, recorded systematically, and resolved within a reasonable timeframe. Matters requiring escalation shall be reviewed by the Board or its relevant committee.

This policy shall be updated as required to reflect changes in regulatory frameworks, stakeholder expectations, or communication practices.



Employee Health, Safety, and Protection Policy

ILL is committed to provide a safe, healthy, and respectful working environment for all employees. This Employee Health, Safety, and Protection Policy outlines the Company's commitment to ensure the well-being of its workforce and preventing occupational injuries, illnesses, and incidents.

The Company shall comply with all applicable health and safety laws, regulations, and standards. It shall implement preventive measures and safety protocols across its facilities to protect employees from physical, chemical, biological, and ergonomic hazards. Safety drills, risk assessments, and regular inspections shall be conducted to identify potential hazards and implement corrective actions promptly.

Employees shall be provided with appropriate training, personal protective equipment, and clear instructions to perform their duties safely.

The Company encourages the reporting of unsafe conditions or practices and ensures that such reports are treated seriously and without retaliation.

The Board of Directors oversees the implementation of health and safety initiatives, while management is responsible for ensuring day-to-day compliance and enforcement. This policy shall be updated to reflect changes in legal requirements, operational practices, or workplace conditions.



Policy on Non-Executive and Independent Directors' Remuneration

In accordance with the Articles of Association of ILL, the Board of Directors is authorized to determine the remuneration of non-executive and independent directors from time to time.

The Company shall not pay any remuneration to its non-executive and independent directors. However, a director shall be entitled to be provided with or reimbursed for all reasonable expenses incurred in connection with attending meetings of the Board of Directors, its committees, and general meetings of the Company. These expenses may include travel, boarding, lodging, and other out-of-pocket expenses incurred solely for the purpose of discharging their responsibilities as a director.

This policy ensures that directors are fairly compensated for costs incurred in fulfilling their governance responsibilities, without compromising the principles of independence and accountability. The policy shall be reviewed by the Board as needed and amended as deemed necessary in line with applicable laws and corporate governance practices.



Human Resource Management and Succession Planning Policy

Policy Objective

Ismail Industries Limited (“the Company”) recognizes that its people are its most valuable asset and is committed to implementing sound human resource practices that support the attraction, development, and retention of talent. This policy sets out the principles and framework for managing the Company’s human capital effectively and ensuring leadership continuity.

1. Preparation of Succession Plan

Succession planning is a proactive process through which key roles are identified, and potential internal successors are developed to fill those roles over time. The process includes talent assessments, gap analysis, and targeted development plans aimed at preparing high-potential employees for greater responsibilities. The Company shall maintain updated succession plans and development pipelines for critical positions.

2. Merit-Based Recruitment

The Company promotes a culture of performance, fairness, inclusivity, and continuous learning. Recruitment and selection shall be merit-based and aligned with the Company’s values and business needs.

3. Performance-Based Appraisal System

Performance appraisals shall be conducted periodically to assess achievements and identify areas for development. Appraisals shall be based on transparent criteria, linking individual objectives with business goals.

4. Promotion, Reward, and Motivation

Promotion and rewards shall be determined through a structured system that recognizes consistent performance, leadership potential, and adherence to the Company’s core values. Non-financial motivators such as challenging assignments, leadership roles, and professional development opportunities will also be used to maintain an engaged and high-performing workforce.

5. Training and Development

Ismail Industries Limited is committed to the continuous growth and development of its employees. Training programs are designed to enhance technical, functional, and leadership skills in alignment with business goals. The Company encourages learning through workshops, seminars, on-the-job training, e-learning platforms, and mentoring initiatives. Special focus is given to develop high-potential talent and nurturing future leaders through structured development plans.

6. Gender and race diversity

The Company values diversity and believes in creating an inclusive environment that respects and embraces individuals of all backgrounds. IIL promotes equity in recruitment, development, and retention by ensuring equal opportunities for all, irrespective of gender, race, age, religion, disability, or any other characteristic. The IIL policy aims to foster a sense of belonging, support innovation through diverse perspectives, and build a respectful workplace culture. The Company has a separate policy which is available in the policies section.

7. Employee Engagement and Feedback

Employee engagement is central to the Company's human resource strategy. Ismail Industries Limited seeks to cultivate a work environment where employees feel valued, heard, and motivated. Regular feedback is collected through surveys, focus groups, and direct communication channels. The insights gathered are used to improve policies, enhance work satisfaction, and address employee concerns proactively. Engagement activities, team-building events, and open forums are conducted to strengthen employee connection with the Company's mission and values.

8. Oversight and Implementation

The Board of Directors oversees the strategic direction of human resource and succession planning initiatives, while management is responsible for implementation and monitoring. The Human Resource Department shall be responsible for operational execution, maintaining documentation, and reporting to the Board or relevant committees.

9. Review and Updates

This policy shall be reviewed periodically and updated as required to reflect evolving business strategies, workforce trends, and regulatory requirements.



Whistle Blowing Policy

ILL is committed to maintain the highest standards of integrity, transparency, accountability, and ethical conduct in all its operations. This Whistle Blowing Policy provides a structured mechanism for employees, contractors, vendors, and stakeholders to report, in good faith, any concerns related to unethical behavior, misconduct, financial irregularities, fraud, or any violation of laws, regulations, or Company policies.

Objectives

- To promote a culture of openness and accountability.
- To encourage the reporting of suspected wrongdoing without fear of retaliation.
- To ensure that concerns are properly investigated and addressed in a timely and confidential manner.

Scope

This policy applies to all employees of the Company (permanent, contractual, or temporary), as well as third parties including suppliers, service providers, and consultants who become aware of improper conduct in the Company.

Reporting Mechanism

Reports can be made through designated emails to HR and respective management committees. The report should contain sufficient information to allow a proper investigation, including the nature of the concern, names of individuals involved, dates, locations, and any supporting evidence.

Confidentiality and Protection

The Company assures whistleblowers of complete confidentiality and undertakes that they shall not face any retaliation, harassment, or adverse employment consequences as a result of raising a concern in good faith. Any retaliation against a whistleblower will be treated as a serious disciplinary offence.

Investigation

All complaints will be acknowledged and investigated promptly, objectively, and independently. The Head of HR will oversee the investigation process in coordination with the management committee. Where necessary, external experts may be engaged. Based on the findings, appropriate corrective and disciplinary actions will be recommended.

False Allegations

While this policy encourages the reporting of genuine concerns, it is important that it is not misused. Malicious, false, or frivolous complaints made with the intent to harm others will be subject to disciplinary action.

Awareness and Review:

This policy is communicated across the Company through orientation programs, training sessions, and internal communications. It will be reviewed periodically to ensure its continued effectiveness and alignment with best practices and legal requirements.

By fostering a safe and transparent environment, ILL seeks to uphold its values and protect the interests of all stakeholders.

Business Continuity and Disaster Recovery Policy

1. Purpose

The purpose of this policy is to establish a comprehensive framework for business continuity and disaster recovery that ensures the uninterrupted operation of critical business functions in the event of disruption. As a responsible and publicly listed company, IIL is committed to safeguard the interests of its shareholders, employees, customers, suppliers, regulators, and other stakeholders. This policy reflects the Company's dedication to implement industry-leading standards to ensure organizational resilience, operational integrity, and the rapid restoration of services following any crisis.

2. Scope

This policy applies to all business units, departments, personnel, and third-party service providers of the Company. It covers both natural and man-made disasters, including but not limited to fire, flood, cyberattack, data breach, equipment failure, power outage, pandemic, or any other emergency or unforeseen event that may adversely affect the Company's operations.

3. Policy Statement

IIL shall ensure the development, implementation, and maintenance of a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) that are aligned with international best practices. These plans shall define the roles, responsibilities, processes, and technologies necessary to prepare for, respond to, and recover from business disruptions. The Company shall adopt a risk-based approach to identify critical business functions, assess potential threats, and establish preventive and recovery mechanisms to minimize downtime, financial loss, reputational harm, and regulatory non-compliance.

4. Key Objectives

The key objectives of this policy are to:

- Ensure the safety and well-being of employees and stakeholders
- Maintain continuity of critical business operations during crisis
- Minimize the impact of disruptions on shareholder value and customer trust
- Protect and recover vital business data and IT infrastructure
- Comply with regulatory requirements and listing standards
- Establish clear communication protocols during emergencies
- Promote a culture of preparedness and resilience across the organization

5. Governance and Responsibilities

The Board of Directors provides overall oversight of the Company's business continuity and disaster recovery strategy. Senior Management shall be responsible for the development, testing, and execution of the BCP and DRP, in coordination with the IT, Operations, Legal, HR, and Compliance departments.

6. Plan Activation and Escalation

In the event of a disruption, authorized personnel shall promptly assess the severity and determine whether to activate the BCP or DRP. The escalation procedure will follow a defined chain of command to ensure rapid decision-making, internal coordination, and external communication. In cases of IT system failure or cyber incidents, the Disaster Recovery Plan shall be initiated under the direction of the IT Department.

7. Testing, Training, and Awareness

To ensure operational readiness, periodic testing of business continuity and disaster recovery plans shall be conducted at least annually. These tests may include simulations, tabletop exercises, or full-scale recovery drills. All employees shall receive training relevant to their role, and awareness campaigns shall be held to reinforce a proactive resilience mindset across the organization.

8. Monitoring and Review

This policy and its associated plans shall be reviewed as necessary or following any major incident, organizational change, or technological advancement. Updates shall be made to reflect evolving threats, stakeholder expectations, and regulatory obligations. The Board Audit Committee shall be briefed on the results of tests, incidents, and policy updates.

9. Continuous Improvement

ILL remains committed to continuous improvement in business continuity and disaster recovery practices. Lessons learned from tests and real-life disruptions shall be used to enhance procedures and response strategies. The Company shall also benchmark against peer institutions and adopt advancements in technology and methodology to remain resilient in a dynamic risk environment.



Board Disclosure on the Company's Use of ERP Software

Integration of Core Business Processes

Ismail Industries Limited has implemented a robust Enterprise Resource Planning (ERP) system SAP S/4 HANA which is designed to manage and integrate core business functions into a unified platform. This ERP system consolidates modules such as finance, human resources, supply chain, procurement, production, and inventory management, enabling seamless information flow across departments. This integration enhances operational efficiency, minimizes duplication of efforts, and supports informed decision-making by providing real-time visibility into business processes.

Management Support and Continuous Updation

The senior management of Ismail Industries Limited provides full support for the ERP implementation, ensuring strategic alignment with business goals. Management is actively involved in the periodic review and continuous improvement of the ERP system to ensure it remains relevant, effective, and responsive to emerging business needs. Upgrades and patches are regularly deployed to maintain system performance, security, and compliance with evolving industry standards. All related party transactions are reviewed and recommended for approval by the Committee.

User Training

Comprehensive training programs are conducted for all relevant employees to ensure optimal use of the ERP system. These programs include onboarding sessions for new users, refresher courses, and function-specific training to enhance user proficiency. A dedicated support team is available to assist with technical issues and to guide users through system updates and new feature rollouts.

Risk Management in ERP Projects

The Company adopts a structured approach to manage risks associated with ERP implementation and maintenance. Risk identification and mitigation strategies are incorporated into project planning and execution phases. Key risk control measures include thorough user acceptance testing (UAT), data backup procedures, change management protocols, and continuous monitoring of system performance to ensure reliability and minimal disruption.

System Security and Access Controls

Security of ERP data is a top priority for Ismail Industries Limited. Access controls are implemented through role-based permissions to ensure that only authorized personnel can view or manipulate sensitive information. Regular audits of user access logs, segregation of duties, and multi-factor authentication protocols are enforced to prevent unauthorized access and ensure data integrity. System vulnerabilities are routinely assessed, and necessary safeguards are deployed to protect against internal and external threats.

IT Security Policy

Ismail Industries Limited ("the Company") is committed to protecting the confidentiality, integrity, and availability of its information assets and IT infrastructure. This IT Security Policy establishes the principles and practices to safeguard the Company's digital environment against unauthorized access, data breaches, cyber threats, and operational disruptions.

The Company shall implement security controls across all systems, networks, and digital assets, ensuring that access to sensitive information is granted only to authorized personnel. Strong authentication, password protocols, firewalls, antivirus software, and encryption methods shall be used to protect data at rest and in transit.

Employees must adhere to acceptable use policies and are responsible for using IT resources responsibly and securely.

All third-party vendors and service providers with access to the Company's systems must comply with the same security standards as internal users. Contracts shall include appropriate clauses to protect the Company's information assets.

The Board of Directors oversees IT governance and security risk management, while the IT Department is responsible for implementing and maintaining security measures. This policy shall be updated to align with evolving technologies, regulatory changes, and industry best practices.



Report of the Audit Committee

Audit Committee

Ms. Tasneem Yusuf – Chairperson
Mr. Muhammad M. Ismail – Member
Mr. Maqsood Ismail Ahmed – Member

The Audit Committee (“Committee”) is comprised of two Non-Executive Directors and one Independent Director who acts as the Chairperson. The Chairperson and Mr. Maqsood Ismail Ahmed are financially literate. The Head of Internal Audit is a permanent invitee to the Committee’s meetings, while the Chief Executive Officer and Chief Financial Officer attend as needed.

Meetings of the Audit Committee are conducted on a quarterly basis, with four meetings held during the financial year 2024–2025. Based on its evaluations and deliberations, the Audit Committee submits the following report:

Key Responsibilities and Oversight

1. The company has issued a Statement of Compliance with the Code of Corporate Governance, which has been reviewed by external auditors.
2. The Committee reviewed and endorsed the quarterly, half-yearly, and annual financial statements, recommending their approval to the Board. These financials are in line with the requirements of the Companies Act, 2017, and conform to applicable International Accounting Standards and Financial Reporting Standards as prescribed by the regulatory authorities. The Chairperson of the Committee is present in the Annual General Meeting for any queries raised by the shareholders with respect to its responsibilities.
3. All related party transactions are reviewed and recommended for approval by the Committee.
4. The Committee seeks feedback from the Board and incorporates it into its recommendations for further improvement.

Internal Audit and Risk Governance

1. The company has established a dedicated Internal Audit function to evaluate internal controls and ensure compliance. The Audit Committee assess the department’s resources and performance to validate its capability to deliver on the defined audit plan. The Head of Internal Audit reports directly to the Audit Committee.
2. An annual risk assessment is presented to the Committee, forming the basis for the internal audit plan. Audit findings are submitted for review, and the Committee evaluates control weaknesses and compliance issues, engaging with management on corrective measures. Follow-ups are carried out to confirm implementation. Meeting minutes are regularly shared with the Board.
3. The Committee also held discussions with external auditors on internal control matters and the management letter to promote continual improvement.
4. Members of the Committee are also asked to fill out a self-evaluation questionnaire that focuses on their participation and satisfaction with different proceedings of the Committee and their individual role as a member. The results of the evaluation were outstanding and in line with best practices.

Whistle Blowing Instances

No whistle blowing instances were reported to the Committee during the year.

Annual Report

It was in the committee's opinion that the contents of the Annual Report available were fair, balanced and understandable and the same provided necessary information to shareholders to assess the company's position and performance, business strategy.

External Audit Engagement

1. External auditors, M/s. Grant Thornton Anjum Rehman, Chartered Accountants, had access to the Audit Committee. Effective coordination between internal and external auditors was maintained, and significant issues were addressed in detail.
2. The Committee deliberated on all Key Audit Matters raised during the audit and engaged in discussions with both auditors and management on their resolution.
3. Being eligible for reappointment, the Committee recommended reappointment of M/s. Grant Thornton Anjum Rehman, Chartered Accountants as external auditor of the Company for the year ended June 30, 2026.

By Order of the Audit Committee

August 27, 2025



Tasneem Yusuf
Chairperson

Gender Pay Gap Statement Under Secp's Circular 10 of 2024

Following is Gender pay gap calculated for the year ended June 30, 2025.

- i. Mean Gender Pay Gap: -135%
- ii. Median Gender Pay Gap: -162%
- iii. Any other data/details as deemed relevant: N/A

The above percentages reflect the gender pay gap of relevant male versus female employees across the organization.



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

Ismail Industries Limited

Year Ended June 30, 2025

Ismail Industries Limited (hereinafter referred to as “the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, (“the Regulations”) in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: Six*
- b. Female: One

* Male directors include CEO.

2. The composition of the Board is as follows:

| Category | Name |
|-------------------------|------------------------------|
| Independent Directors* | Mr. Muhammad Zubair Motiwala |
| | Ms. Tasneem Yusuf |
| Non-Executive Directors | Mr. Muhammad M. Ismail |
| | Mr. Maqsood Ismail Ahmed |
| | Mr. Hamid Maqsood Ismail |
| Executive Directors | Mr. Munsarim Saifullah |
| | Mr. Ahmed Muhammad |
| Female Director | Ms. Tasneem Yusuf |

* Regulation 6(1) of the Regulations stipulates the mandatory requirement for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. The current Board of Directors of the Company comprises seven members, which constitutes 2.33 as one-third of total number of directors. As the fractional value falls below 0.5, rounding up to one is not warranted. This is particularly so due to the fact that the present independent directors possess the requisite skills, knowledge, and diversified work experience essential for rendering independent decisions in the best interests of the Company.

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017, (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All Directors of the Company have completed or are exempted from the requirements of the Directors' Training program.
10. The Board had approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

| a. Audit Committee | Designation |
|--|-------------|
| Ms. Tasneem Yusuf | Chairperson |
| Mr. Muhammad M. Ismail | Member |
| Mr. Maqsood Ismail Ahmed | Member |
| b. Human Resource and Remuneration Committee | Designation |
| Mr. Muhammad Zubair Motiwala | Chairman |
| Mr. Maqsood Ismail Ahmed | Member |
| Mr. Hamid Maqsood Ismail | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
 - a. Audit Committee – Quarterly
 - b. Human Resource and Remuneration Committee – Yearly
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relative (spouse, parent, dependent, and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. To address sustainability risk and opportunities, the board has assigned the responsibilities to an existing board committee (i.e Audit Committee). The committee shall provide governance and oversight in relation to company's initiatives on environmental, social and governance matters and ensure the compliance of relevant laws pertaining to it.
19. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.



Muhammad M. Ismail
Chairman

Karachi: August 29, 2025

Independent Auditor's Review Report

To the members of Ismail Industries Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ismail Industries Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.



Chartered Accountants

Karachi

Dated: September 09, 2025

UDIN: CR202510093RG3X6LVI5



Statement of Compliance with the Shariah Governance Regulations, 2023 & Sukuk (Privately Placed) Regulations 2017.

For The Year Ended June 30, 2025.

This Statement of Compliance (the statement) for the Year ended June 30, 2025, is being presented to comply with the requirements under the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 (the Regulations) issued by the Securities and Exchange Commission of Pakistan (SECP).

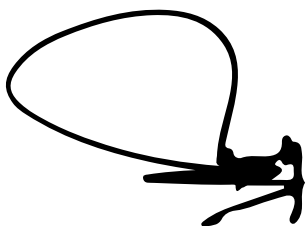
The financial arrangements, contracts and transactions, entered into by Ismail Industries Limited (the Company) in respect of Sukuk-3 amounting to Rs. 5 billion and Sukuk-4 amounting to Rs. 8 billion (collectively referred to as "the Sukuk") for the Year ended June 30, 2025, are in compliance with the Sukuk features and Shariah requirements in accordance with the Regulations.

We also confirm that:

- The Company has established procedures and processes for all Sukuk related transactions to comply with Sukuk features and applicable Shariah governance law requirements.
- The Company has implemented and maintained such internal control and risk management system, that the management determines necessary to mitigate the risk of non-compliances of the Sukuk features and applicable Shariah governance law requirements, whether due to fraud or error.
- The Company has a process to ensure that the management and, where appropriate authorized personnel responsible to ensure the Company's compliance with the Sukuk related features and applicable Shariah governance law requirements, are properly trained and systems are properly updated.

We also confirm that the Company in respect of the Sukuk is in compliance with:

- a. Rules, regulations and directives issued by the SECP;
- b. Pronouncements of Shariah Supervisory Board;
- c. Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP, if any; and
- d. Approvals and rulings given by the Shariah Advisor of the Sukuk which are in line with the Regulations and in accordance with rulings of Shariah Advisory Committee.



Munsarim Saifullah
Chief Executive Officer

Independent Assurance Report

To the Board of Directors on the Statement of
Compliance with the Shariah Governance Regulations 2023 and
Sukuk (Privately Placed) Regulations 2017

Scope of our work

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations, 2017 (the Regulations)-External Shariah Audit of the Ismail Industries Limited (the Company) for assessing compliance of the Company's financial arrangements, contracts, and transactions in relation to the issue of Sukuk-III amounting to Rs. 5,000 million and Sukuk-IV amounting to Rs. 8,000 million (collectively referred to as "the Sukuk" having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholars.

Applicable Criteria

The criteria for the assurance engagement, against which the Statement of Compliance with the Shariah Governance Regulations, 2023 and Sukuk (Privately Placed) Regulations 2017 for the year ended June 30, 2025 (the Statement) (underlying subject matter information) is assessed, comprises of Shariah principles and rules, as defined in the Regulations and reproduced as under:

- a. Legal and regulatory framework administered by the Commission;
- b. Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;
- c. Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- d. Guidance and recommendations of the Shariah advisory committee, as notified by Commission; and
- e. Approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (a) to (d) above.

The above criteria were evaluated for their implication on the financial statements of the Company for the year ended June 30, 2025, which are annexed.

Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions, in relation to the Sukuk, having Shariah implications, entered into by the Company with its Sukuk holders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1 “Quality Management for firms that perform Audits or Reviews of Historical Financial Information, And Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company’s financial arrangements, contracts, and transactions in relation to the Sukuk having Shariah implication with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, ‘Assurance Engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about the compliance of the Company’s financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement in relation to the Sukuk.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the (the company’s) compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the (the company’s) internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions in relation Sukuk having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Company’s financial arrangements, contracts and transactions in relation to Sukuk for the year ended June 30, 2025 in relation to Sukuk are in compliance with the Shariah principles, in all material respects.

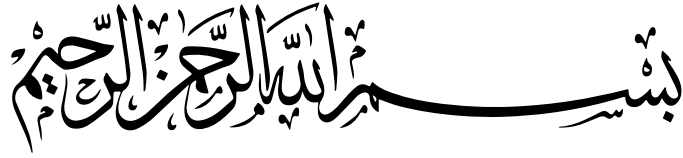


Chartered Accountants

Name of Engagement Partner: **Khurram Jameel**

Date: September 09, 2025

Karachi.



Closure Report – Ismail Industries Limited Short Term Sukuk II of PKR 6,000,000,000/-

The purpose of this Closure Report is to provide an opinion on the Shariah compliance status of the Rated, Privately Placed, Unsecured Short Term Sukuk II for PKR 6,000,000,000/- (Pak Rupees Six Billion) issued by Ismail Industries Limited (the "Company").

It is the core responsibility of the Company to manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah Structure of Sukuk. In the capacity of Shariah Advisor, my responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. I express my opinion based on the review of the information, provided by the Issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in the view the above, I certify that:

To the best of my knowledge, I have reviewed the transaction, documents, procedures adopted by the issuer with regards to the Sukuk which included the review of transactions and Musharaka Profit generated by the Company from the Musharaka business. I have found them in compliance with the Shariah guidelines.

On the basis of information provided by the Company, all operations and affairs seem to have been carried out in accordance with the principles and rules of the Shariah for the Sukuk Issue ended on December 10, 2024. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income.

Therefore, it is resolved that the investments in Sukuk issued by the Company is in accordance with Shariah principles as per the Shariah guidelines provided by Securities and Exchange Commission of Pakistan.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

And Allah knows the best.

Mufti Jumshaid Aslam
Shariah Advisor
SECP/IFD/SA/069

Mufti Jumshaid Aslam
SECP Registered Shariah Advisor
Registration #: SECP/IFD/SA/069
Date: January 17, 2025



Closure Report – Ismail Industries Limited Short Term Sukuk III of Up to PKR 5,000 Million

The purpose of this Closure Report is to provide an opinion on the Shariah compliance status of the Rated, Privately Placed, Unsecured Short Term Sukuk III for PKR 5,000 Million (Pak Rupees Five Billion) issued by Ismail Industries Limited (the “Company”).

It is the core responsibility of the Company to manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah Structure of Sukuk. In the capacity of Shariah Advisor, my responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. I express my opinion based on the review of the information provided by the Issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in the view the above, I certify that:

To the best of my knowledge, I have reviewed the transaction, documents, and procedures adopted by the issuer with regards to the Sukuk, which included the review of transactions and Musharaka Profit generated by the Company from the Musharaka business. I have found them to be in compliance with the Shariah guidelines.

On the basis of the information provided by the Company, all operations and affairs seem to have been carried out in accordance with the principles and rules of the Shariah for the Sukuk Issue ended on February 20, 2025. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income.

Therefore, it is resolved that the investments in Sukuk issued by the Company are in accordance with Shariah principles as per the Shariah guidelines provided by Securities and Exchange Commission of Pakistan.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

and professional behaviour.

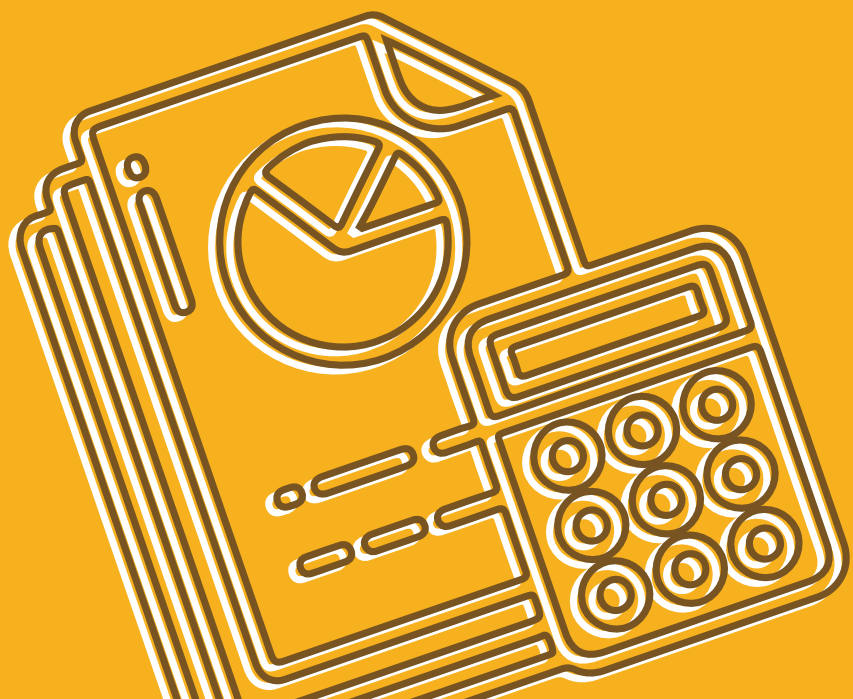
Mufti Jumshaid Aslam
Shariah Advisor
SECP/IFD/SA/069

Mufti Jumshaid Aslam
SECP Registered Shariah Advisor
Registration #: SECP/IFD/SA/069
Date: August 7, 2025

Analysis of Financial Information

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Analysis of Financial Information



Six Years at a Glance

| Financial Position | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Assets Employed | | | | | | | |
| Property, plant and equipment | Rs. Million | 32,217 | 32,639 | 28,838 | 25,101 | 20,797 | 19,267 |
| Intangible Assets | Rs. Million | - | - | 2 | 33 | 116 | 362 |
| Long term investments | Rs. Million | 14,245 | 9,556 | 8,751 | 7,146 | 5,278 | 5,276 |
| Long term deposits | Rs. Million | 24 | 27 | 26 | 24 | 27 | 37 |
| Current assets | Rs. Million | 55,619 | 48,695 | 35,438 | 19,042 | 14,772 | 12,566 |
| Total assets | | 102,105 | 90,917 | 73,056 | 51,344 | 40,990 | 37,508 |
| Financed By | | | | | | | |
| Shareholders' Equity | Rs. Million | 29,424 | 24,209 | 17,716 | 12,580 | 11,275 | 9,900 |
| Long-term liabilities | | | | | | | |
| Long term finance | Rs. Million | 24,805 | 20,026 | 23,192 | 19,692 | 12,910 | 13,605 |
| Current portion of long term finance | Rs. Million | 6,173 | 6,315 | 4,096 | 3,386 | 3,715 | 1,063 |
| | | 30,978 | 26,341 | 27,289 | 23,078 | 16,625 | 14,667 |
| Long term deposits and deferred liabilities | Rs. Million | 3,465 | 3,169 | 2,474 | 2,359 | 2,291 | 2,070 |
| Current liabilities | | | | | | | |
| Current liabilities | Rs. Million | 44,411 | 43,513 | 29,673 | 16,714 | 14,514 | 11,934 |
| Current portion of long term finance | Rs. Million | (6,173) | (6,315) | (4,096) | (3,386) | (3,715) | (1,063) |
| | | 38,238 | 37,197 | 25,577 | 13,328 | 10,799 | 10,871 |
| Total Funds Invested | | 102,105 | 90,917 | 73,056 | 51,344 | 40,990 | 37,508 |
| Turnover & Profit | | | | | | | |
| Turnover - Net | Rs. Million | 105,193 | 108,887 | 88,906 | 55,261 | 37,308 | 33,218 |
| Gross Profit | Rs. Million | 21,834 | 24,022 | 18,432 | 9,845 | 7,194 | 6,878 |
| Operating Profit | Rs. Million | 10,823 | 13,980 | 10,330 | 4,244 | 2,306 | 1,815 |
| Profit before taxation and levy | Rs. Million | 7,755 | 7,676 | 7,531 | 3,387 | 2,213 | 1,323 |
| Profit after taxation | Rs. Million | 5,749 | 6,132 | 6,382 | 2,551 | 1,777 | 932 |
| Earning per share | Rupees | 86.64 | 92.41 | 96.17 | 38.44 | 26.77 | 14.49 |
| Cash Flow Summary | | | | | | | |
| Net Cash generated from Operating Activities | Rs. Million | 5,625 | 5,270 | 3,336 | 1,507 | 2,416 | 3,323 |
| Net Cash used in Investing Activities | Rs. Million | (6,095) | (6,692) | (7,769) | (8,621) | (2,579) | (8,787) |
| Net Cash generated from Financing Activities | Rs. Million | 295 | 2,690 | 1,439 | 7,265 | 761 | 7,068 |
| (Decrease) / Increase in Cash and Bank Balance | Rs. Million | (175) | 1,268 | (2,994) | 150 | 598 | 1,604 |
| Cash & cash equivalent at the beginning of the Year | Rs. Million | (2,642) | (3,910) | (916) | (1,066) | (1,664) | (3,268) |
| Cash & cash equivalent at the end of the Year | Rs. Million | (2,817) | (2,642) | (3,910) | (916) | (1,066) | (1,664) |

Vertical and Horizontal Analysis

Statement of Financial Position

| Balance Sheet | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---------------------------------------|-------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Shareholders' Equity | Rs. Million | 29,424 | 24,209 | 17,716 | 12,580 | 11,275 | 9,900 |
| Long-term liabilities | Rs. Million | 28,270 | 23,195 | 25,666 | 22,051 | 15,201 | 15,674 |
| Current liabilities | Rs. Million | 44,411 | 43,513 | 29,673 | 16,714 | 14,514 | 11,934 |
| Total Equity & Liabilities | | 102,105 | 90,917 | 73,056 | 51,344 | 40,990 | 37,508 |
| Non Current Assets | Rs. Million | 46,486 | 42,222 | 37,618 | 32,302 | 26,218 | 24,942 |
| Current Assets | Rs. Million | 55,619 | 48,695 | 35,438 | 19,042 | 14,772 | 12,566 |
| Total Assets | | 102,105 | 90,917 | 73,056 | 51,344 | 40,990 | 37,508 |

| Vertical Analysis | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---------------------------------------|------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Shareholders' Equity | Percentage | 28.82% | 26.63% | 24.25% | 24.50% | 27.51% | 26.39% |
| Long-term liabilities | Percentage | 27.69% | 25.51% | 35.13% | 42.95% | 37.09% | 41.79% |
| Current liabilities | Percentage | 43.50% | 47.86% | 40.62% | 32.55% | 35.41% | 31.82% |
| Total Equity & Liabilities | | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Non Current Assets | Percentage | 45.53% | 46.44% | 51.49% | 62.91% | 63.96% | 66.50% |
| Current Assets | Percentage | 54.47% | 53.56% | 48.51% | 37.09% | 36.04% | 33.50% |
| Total Assets | | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

| Horizontal Analysis | UOM | 2025 vs 2024 | 2024 vs 2023 | 2023 vs 2022 | 2022 vs 2021 | 2021 vs 2020 | 2020 vs 2019 |
|---------------------------------------|------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Year on Year | | | | | | | |
| Shareholders' Equity | Percentage | 21.54% | 36.65% | 40.83% | 11.57% | 13.89% | 34.25% |
| Long-term liabilities | Percentage | 21.88% | -9.63% | 16.40% | 45.06% | -3.02% | 77.64% |
| Current liabilities | Percentage | 2.06% | 46.64% | 77.54% | 15.16% | 21.62% | 10.84% |
| Total Equity & Liabilities | | 45.48% | 73.66% | 134.77% | 71.79% | 32.49% | 122.73% |
| Non Current Assets | Percentage | 10.10% | 12.24% | 16.46% | 23.21% | 5.12% | 54.92% |
| Current Assets | Percentage | 14.22% | 37.41% | 86.11% | 28.91% | 17.56% | 15.66% |
| Total Assets | | 24.32% | 49.65% | 102.56% | 52.11% | 22.67% | 70.58% |

Analysis of Statement of Profit or Loss

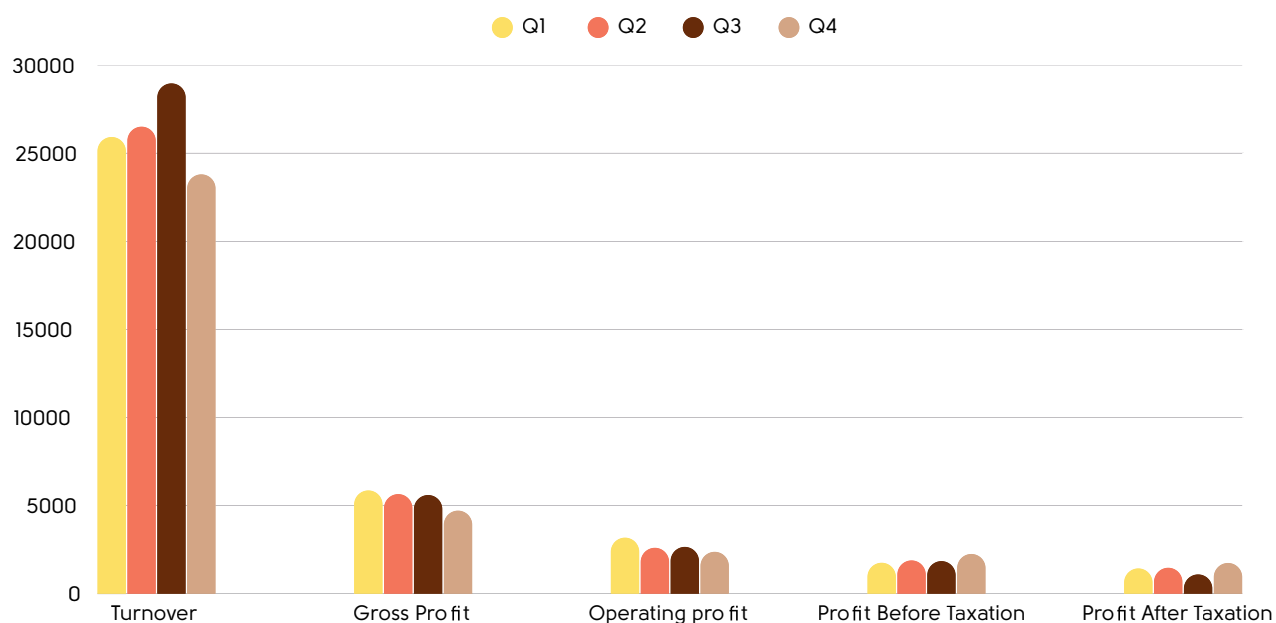
| Profit & Loss | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------|-------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Turnover | Rs. Million | 105,193 | 108,887 | 88,906 | 55,261 | 37,308 | 33,218 |
| Cost of Sales | Rs. Million | (83,359) | (84,865) | (70,474) | (45,415) | (30,114) | (26,341) |
| Gross Profit | | 21,834 | 24,022 | 18,432 | 9,845 | 7,194 | 6,878 |
| Selling and distribution expenses | Rs. Million | (9,155) | (8,282) | (7,054) | (4,785) | (4,236) | (4,469) |
| Administrative expenses | Rs. Million | (1,856) | (1,760) | (1,048) | (817) | (652) | (594) |
| Operating profit | | 10,823 | 13,980 | 10,330 | 4,244 | 2,306 | 1,815 |
| Finance Cost | Rs. Million | (5,047) | (7,384) | (4,399) | (1,414) | (694) | (1,156) |
| (Other Income) / Other Expenses | Rs. Million | 1,980 | 1,080 | 1,601 | 557 | 601 | 664 |
| Profit Before Taxation | | 7,755 | 7,676 | 7,531 | 3,387 | 2,213 | 1,323 |
| Taxation | Rs. Million | (2,006) | (1,544) | (1,150) | (836) | (437) | (391) |
| Profit After Taxation | | 5,749 | 6,132 | 6,382 | 2,551 | 1,777 | 932 |
| Earning per share | Rupees | 86.64 | 92.41 | 96.17 | 38.44 | 26.77 | 14.49 |
| Vertical Analysis | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
| Turnover | Percentage | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Cost of Sales | Percentage | 79.24% | 77.94% | 79.27% | 82.18% | 80.72% | 79.30% |
| Gross Profit | | 20.76% | 22.06% | 20.73% | 17.82% | 19.28% | 20.70% |
| Selling and distribution expenses | Percentage | 8.70% | 7.61% | 7.93% | 8.66% | 11.35% | 13.45% |
| Administrative expenses | Percentage | 1.76% | 1.62% | 1.18% | 1.48% | 1.75% | 1.79% |
| Operating profit | | 10.29% | 12.84% | 11.62% | 7.68% | 6.18% | 5.46% |
| Finance Cost | Percentage | 4.80% | 6.78% | 4.95% | 2.56% | 1.86% | 3.48% |
| (Other Income) / Other Expenses | Percentage | 1.88% | 0.99% | 1.80% | 1.01% | 1.61% | 2.00% |
| Profit Before Taxation | | 7.37% | 7.05% | 8.47% | 6.13% | 5.93% | 3.98% |
| Taxation | Percentage | 1.91% | 1.42% | 1.29% | 1.51% | 1.17% | 1.18% |
| Profit After Taxation | | 5.47% | 5.63% | 7.18% | 4.62% | 4.76% | 2.81% |
| Horizontal Analysis | UOM | 2025 vs 2024 | 2024 vs 2023 | 2023 vs 2022 | 2022 vs 2021 | 2021 vs 2020 | 2020 vs 2019 |
| Year on Year | | | | | | | |
| Turnover | Percentage | -3.39% | 22.47% | 60.88% | 48.12% | 12.31% | 10.39% |
| Cost of Sales | Percentage | -1.78% | 20.42% | 55.18% | 50.81% | 14.33% | 10.97% |
| Gross Profit | | -9.11% | 30.33% | 87.21% | 36.86% | 4.60% | 8.24% |
| Selling and distribution expenses | Percentage | 10.54% | 17.41% | 47.42% | 12.97% | -5.23% | 24.49% |
| Administrative expenses | Percentage | 5.45% | 67.88% | 28.38% | 25.26% | 9.80% | 9.84% |
| Operating profit | | -22.58% | 35.33% | 143.39% | 84.02% | 27.10% | -18.38% |
| Finance Cost | Percentage | -31.65% | 67.84% | 211.14% | 103.83% | -39.98% | 27.62% |
| (Other Income) / Other Expenses | Percentage | 83.21% | -32.50% | 187.55% | -7.31% | -9.53% | 674.36% |
| Profit Before Taxation | | 1.03% | 1.92% | 122.37% | 53.03% | 67.33% | -5.76% |
| Taxation | Percentage | 29.89% | 34.32% | 37.55% | 91.47% | 11.73% | -10.57% |
| Profit After Taxation | | -6.24% | -3.91% | 150.16% | 43.58% | 90.64% | -3.58% |

Analysis of Cash Flow Statements

| Description | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| ------(Rs. in millions)----- | | | | | | |
| Cash generated from operations | 8,100 | 6,974 | 4,396 | 2,251 | 2,653 | 3,882 |
| Gratuity paid | (145) | (112) | (69) | (44) | (69) | (32) |
| Income tax paid-net | (2,333) | (1,591) | (988) | (704) | (178) | (534) |
| Long term deposits - net | 3 | (1) | (3) | 3 | 10 | 7 |
| Net cash generated from operating activities | 5,625 | 5,270 | 3,336 | 1,507 | 2,416 | 3,323 |
| Capital expenditure (including CWIP) | (3,128) | (6,945) | (6,231) | (6,618) | (3,355) | (8,127) |
| Intangible assets | - | - | - | (1) | (10) | - |
| Long term investment in subsidiaries | (3,465) | - | (1,525) | (1,903) | - | (624) |
| Investment in associated undertakings | - | - | - | - | (492) | (16) |
| Receipts from associate against dividend - net | 481 | 404 | - | - | - | - |
| Proceed from dissolution of associated company | - | - | - | - | 188 | - |
| Dividend received | - | - | - | - | 629 | 122 |
| Short-term investments made - net | (263) | (371) | (190) | (652) | (124) | (200) |
| Proceeds from disposal of property, plant and equipment | 281 | 220 | 177 | 552 | 585 | 58 |
| Net cash used in investing activities | (6,095) | (6,692) | (7,769) | (8,621) | (2,579) | (8,787) |
| Receipts / (repayment) from long term financing-net | 4,637 | (948) | 4,320 | 6,439 | 2,014 | 6,433 |
| Receipts / (repayment) from islamic redeemable sukuk | (2,000) | 10,000 | - | - | - | - |
| Sponsor's loan | - | - | - | - | - | 17 |
| Lease repayments - net | - | - | (8) | (55) | (106) | (68) |
| Short term finances - secured | 3,922 | 816 | 1,737 | 3,077 | (221) | 2,075 |
| Interest / mark-up paid | (5,601) | (7,045) | (3,682) | (1,202) | (727) | (1,166) |
| Dividend paid | (663) | (133) | (928) | (994) | (199) | (223) |
| Net cash generated from/ (used in) financing activities | 295 | 2,690 | 1,439 | 7,265 | 761 | 7,068 |
| Net increase/ (decrease) in cash and cash equivalents | (175) | 1,268 | (2,994) | 150 | 598 | 1,604 |
| Cash and cash equivalents at beginning of the year | (2,642) | (3,910) | (916) | (1,066) | (1,664) | (3,268) |
| Cash and cash equivalents at end of the year | (2,817) | (2,642) | (3,910) | (916) | (1,066) | (1,664) |

Quarterly Analysis of Performance

| Description | Q1 | Q2 | Q3 | Q4 | Total |
|-----------------------------------|--------------|--------------|--------------|--------------|---------------|
| Turnover | 25,920 | 26,507 | 28,965 | 23,801 | 105,193 |
| Cost of Sales | (20,058) | (20,853) | (23,363) | (19,085) | (83,359) |
| Gross Profit | 5,862 | 5,654 | 5,602 | 4,716 | 21,834 |
| Gross Profit - % | 23% | 21% | 19% | 20% | 21% |
| Selling and distribution expenses | (2,232) | (2,600) | (2,451) | (1,872) | (9,155) |
| Administrative expenses | (448) | (449) | (493) | (465) | (1,856) |
| Operating profit | 3,182 | 2,606 | 2,658 | 2,378 | 10,823 |
| Operating profit - % | 12% | 10% | 9% | 10% | 10% |
| Finance Cost | (1,675) | (1,181) | (991) | (1,200) | (5,047) |
| (Other Income) / Other Expenses | 250 | 467 | 185 | 1,077 | 1,979 |
| Profit Before Taxation | 1,757 | 1,891 | 1,852 | 2,255 | 7,755 |
| Taxation | (321) | (418) | (755) | (512) | (2,006) |
| Profit After Taxation | 1,436 | 1,473 | 1,097 | 1,744 | 5,749 |
| Profit After Taxation - % | 6% | 6% | 4% | 7% | 5% |
| | | | | | |
| Turnover | 25,920 | 26,507 | 28,965 | 23,801 | 105,193 |
| Gross Profit | 5,862 | 5,654 | 5,602 | 4,716 | 21,834 |
| Operating profit | 3,182 | 2,606 | 2,658 | 2,378 | 10,823 |
| Profit Before Taxation | 1,757 | 1,891 | 1,852 | 2,255 | 7,755 |
| Profit After Taxation | 1,436 | 1,473 | 1,097 | 1,744 | 5,749 |



Analysis of Financial and Non-Financial Performance

During the assessment of corporate performance, a holistic approach is imperative, encompassing both financial and non-financial metrics to achieve a comprehensive understanding of an organization's vitality and long-term viability.

For the fiscal year under review, the Pakistani economy demonstrated various indicators of stabilization. Inflation experienced a sharp decline from its prior period peaks, reaching multi-year lows, which enabled the State Bank of Pakistan to lower its policy rate from 22% to 11%. Nonetheless, systemic challenges persisted, including a modest GDP growth rate of approximately 2.7% and a substantial external debt repayment schedule, which continues to exert pressure on the nation's foreign exchange reserves. While foreign exchange liquidity improved due to a surge in remittances and rising exports within the Information and Communications Technology sector, the economy remained susceptible to currency volatility.

The Company solidified its standing as a diversified entity among key market competitors. It maintained a robust presence across the confectionery, biscuits, nutrition, and plastic films sectors.

During the 2024-2025 fiscal year, gross sales totaled Rs. 118.4 billion, marking a slight decrease of 2.55% from the previous year's Rs. 121.5 billion. Net sales saw a 3.39% reduction to Rs. 105.2 billion, while operating profit arrived to Rs. 10.82 billion. Profit after tax decreased by 6.25% to Rs. 5.75 billion, resulting in an Earnings Per Share (EPS) of Rs. 86.64, a decline from Rs. 92.41 reported in the 2023-2024 fiscal year.

This was primarily a consequence of a sustained decline in consumer purchasing power, which has not yet fully rebounded despite gradual signs of macroeconomic stability. A significant positive development, however, was a 31.65% reduction in finance costs. This was a direct result of the decrease in the SBP policy rate and is anticipated to alleviate financial obligations in the upcoming year.

| Description | FY 24-25 | FY 23-24 | Change in % |
|------------------|--------------------------|----------|-------------|
| | -----Rs in million ----- | | |
| Gross Sales | 118,397 | 121,490 | -2.55% |
| Net Sales | 105,193 | 108,887 | -3.39% |
| Gross Profit | 21,834 | 24,022 | -9.11% |
| GP in % | 20.76% | 22.06% | -5.89% |
| Operating Profit | 10,823 | 13,980 | -22.58% |
| Finance Cost | 5,047 | 7,384 | -31.65% |
| Profit after tax | 5,749 | 6,132 | -6.25% |
| Net Profit in % | 5.46% | 5.64% | -3.19% |
| EPS | 86.64 | 92.41 | -6.24% |

Financial Ratios

| Financial Ratio | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|-------------|----------|----------|--------|--------|--------|--------|
| Profitability Ratios | | | | | | | |
| Gross Profit ratio | Percentage | 20.76% | 22.06% | 20.73% | 17.82% | 19.28% | 20.70% |
| Net Profit to Sales | Percentage | 5.47% | 5.63% | 7.18% | 4.62% | 4.76% | 2.81% |
| EBITDA Margin to Sales | Percentage | 15.33% | 16.59% | 16.12% | 12.66% | 12.41% | 11.39% |
| Operating Margin ratio | Percentage | 10.29% | 12.84% | 11.62% | 7.68% | 6.18% | 5.46% |
| Return on Equity | Percentage | 23.75% | 34.61% | 50.73% | 22.63% | 17.95% | 12.64% |
| Return on Capital employed | Percentage | 23.39% | 38.10% | 41.80% | 18.31% | 13.99% | 14.88% |
| Shareholders' Funds | Rs. Million | 29,424 | 24,209 | 17,716 | 12,580 | 11,275 | 9,900 |
| Return on Shareholders' Funds | Percentage | 23.75% | 34.61% | 50.73% | 22.63% | 17.95% | 12.64% |
| Liquidity Ratios | | | | | | | |
| Current ratio | Times | 1.25 | 1.12 | 1.19 | 1.14 | 1.02 | 1.05 |
| Quick / Acid test ratio | Times | 0.85 | 0.81 | 0.64 | 0.61 | 0.46 | 0.50 |
| Cash to Current Liabilities | Times | 0.01 | 0.02 | 0.05 | 0.01 | 0.01 | 0.00 |
| Cash flow from operations to Sales | Times | 0.05 | 0.05 | 0.04 | 0.08 | 0.06 | 0.16 |
| Cash flow to capital expenditures | Times | 1.80 | 0.76 | 0.54 | 0.69 | 0.65 | 0.66 |
| Investment /Market Ratios | | | | | | | |
| Earnings per Share (EPS) and diluted EPS | Rupees | 86.64 | 92.41 | 96.17 | 38.44 | 26.77 | 14.49 |
| Price Earnings ratio | Times | 20.97 | 14.79 | 5.46 | 12.92 | 15.31 | 25.54 |
| Price to Book ratio | Rupees | 4.10 | 3.75 | 1.97 | 2.62 | 2.41 | 2.40 |
| Dividend Yield ratio | Percentage | 0.28% | 0.73% | 2.29% | 0.81% | 0.98% | 1.08% |
| Dividend Payout ratio / Dividend Cover Ratio | Percentage | 5.77% | 10.82% | 12.48% | 10.40% | 14.94% | 27.61% |
| Cash Dividend per share / Stock Dividend per share | Rupees | 5.00 | 10.00 | 12.00 | 4.00 | 4.00 | 4.00 |
| Market value per share at the year end | Rupees | 1,816.84 | 1,367.00 | 525.00 | 496.73 | 410.00 | 370.00 |
| High Share Price During The year | Rupees | 2,014.98 | 1,700.00 | 594.00 | 589.00 | 462.00 | 379.24 |
| Low Share Price During The Year | Rupees | 1,300.01 | 510.00 | 402.90 | 392.03 | 295.01 | 320.44 |
| Net Operating Profit After Tax (NOPAT) | Rs. Million | 8,817 | 12,436 | 9,180 | 3,408 | 1,870 | 1,424 |
| Capital Structure | | | | | | | |
| Financial leverage ratio | Times | 2.47 | 2.76 | 3.12 | 3.08 | 2.64 | 2.79 |
| Debt to Equity ratio (as per book value) | Times | 1.93 | 2.08 | 2.39 | 2.56 | 2.01 | 2.15 |
| Net assets per share | Rupees | 443.42 | 364.83 | 266.98 | 189.57 | 169.91 | 153.88 |
| Interest Cover /Time Interest earned ratio | Times | 2.54 | 2.04 | 2.71 | 3.40 | 4.19 | 2.14 |

*Above ratios are calculated using their standard formulas

| Financial Ratio | UOM | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|-------------|---------|---------|---------|---------|---------|---------|
| Activity / Turnover Ratios | | | | | | | |
| Average Total Assets | Rs. Million | 96,511 | 81,986 | 62,200 | 46,167 | 39,249 | 32,236 |
| Total Assets turnover ratio | Times | 1.09 | 1.33 | 1.43 | 1.20 | 0.95 | 1.03 |
| Average Net Fixed Assets | Rs. Million | 32,428 | 30,739 | 26,969 | 22,949 | 20,032 | 15,847 |
| Fixed Assets turnover ratio | Times | 3.24 | 3.54 | 3.30 | 2.41 | 1.86 | 2.10 |
| Average Inventory | Rs. Million | 15,614 | 14,941 | 12,680 | 8,438 | 7,317 | 5,997 |
| No. of Days in Inventory | Days | 68.37 | 64.26 | 65.67 | 67.82 | 88.68 | 83.10 |
| Average Recievables | Rs. Million | 13,226 | 11,820 | 8,125 | 4,546 | 3,345 | 3,046 |
| No. of Days in Receivables | Days | 45.89 | 39.62 | 33.36 | 30.03 | 32.73 | 33.47 |
| Average Payables | Rs. Million | 10,611 | 9,470 | 5,922 | 3,734 | 3,715 | 2,744 |
| No. of Days in Payables | Days | 46.46 | 40.73 | 30.67 | 30.01 | 45.03 | 38.02 |
| Operating cycle | Days | 67.80 | 63.15 | 6836 | 67.83 | 76.38 | 78.54 |
| Non-Financial Ratios | | | | | | | |
| Plant Availability (Plastic) | Percentage | 42.17% | 43.52% | 45.83% | 36.62% | 53.00% | 24.77% |
| Plant Availability (Food) | Percentage | 36.23% | 35.43% | 43.92% | 45.10% | 46.94% | 39.47% |
| Production (metric tons) | MT | 238,204 | 228,224 | 157,438 | 140,553 | 117,971 | 123,155 |
| Production per Employee | MT | 79.83 | 67.88 | 46.47 | 48.15 | 46.89 | 53.18 |
| Revenue per Employee | Rs. Million | 39.68 | 36.14 | 29.44 | 22.36 | 17.87 | 17.62 |
| Others | | | | | | | |
| Spares Inventory as % of Assets Cost | | 0.87% | 0.80% | 0.86% | 0.99% | 1.12% | 0.94% |

*Above ratios are calculated using their standard formulas

Analysis of Financial Ratios

Profitability Ratios

The company's operational profitability has reduced slightly, driven by external market conditions and weak consumer purchasing power. This situation suggests that while the Company's management is currently facing challenges in its core operations, its financial health is being supported by a more favorable economic environment. The analysis suggests a need to focus on strategies to boost core operational performance, such as cost control measures or product/market adjustments, to ensure long-term sustainability beyond the benefit of lower finance costs.

Liquidity Ratios

The company's liquidity ratios depict a better picture. While the company's liquidity has improved, as the company is actively managing its cash flow through its payables, rather than through consistently faster inventory and receivables cycles. The increasing DSO is a key risk factor that could threaten future liquidity, as it ties up a growing amount of cash in customer credit. For long-term sustainability, the company must focus on improving its collection process to ensure its impressive liquidity ratio trend to continue.

Investor Ratios

The investor ratios show a volatile but overall strong performance, with a significant increase in earnings per share and a fluctuating price-to-earnings ratio. However, EPS calculates how much profit is allocated to each outstanding share and P/E ratio is a valuation metric that compares a company's share price to its EPS. It tells investors how much they are willing to pay for each rupee of a company's earnings. The company has demonstrated a robust ability to generate earnings, as evidenced by its strong EPS growth over the period. While earnings slightly declined from their 2023 peak, the overall trend is very positive. The P/E ratio's volatility indicates that the market's valuation of the company has swung from a potentially undervalued position in 2023 to a more optimistic, highly valued position in 2025. This suggests that the market now expects continued strong performance and growth from the company.

Capital Structured Ratios

The company's capital structure ratios show a consistent effort to reduce financial leverage and risk, particularly in the most recent years. The company has demonstrated a clear and positive trend of deleveraging, as shown by the consistent decline in both its Financial Leverage Ratio and Debt-to-Equity Ratio. This strategy has made the company less financially risky. While the Interest Cover Ratio was a point of concern in 2024, its recovery in 2025 indicates that the company has regained a stronger ability to meet its interest obligations. The overall analysis suggests a company with a sound and improving capital structure.

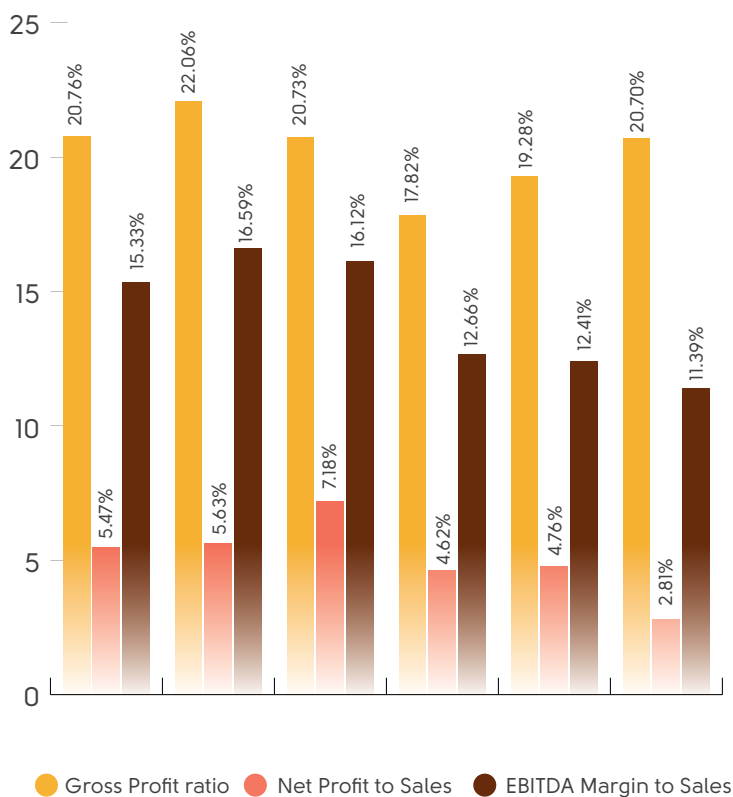
Explanation of Negative Changes in Performance over the Period

Pakistan's economic performance presents a complex picture of both positive and negative indicators. While recent measures, including securing IMF support and implementing austerity measures, aiming for stabilization, long-term decline in performance is attributable to a failure to address core, interconnected challenges. A combination of persistent fiscal and external deficits, political instability, and deep-rooted structural inefficiencies has resulted in slow growth, high inflation, and an unsustainable debt burden, which are the primary causes of the performance decline over the period.

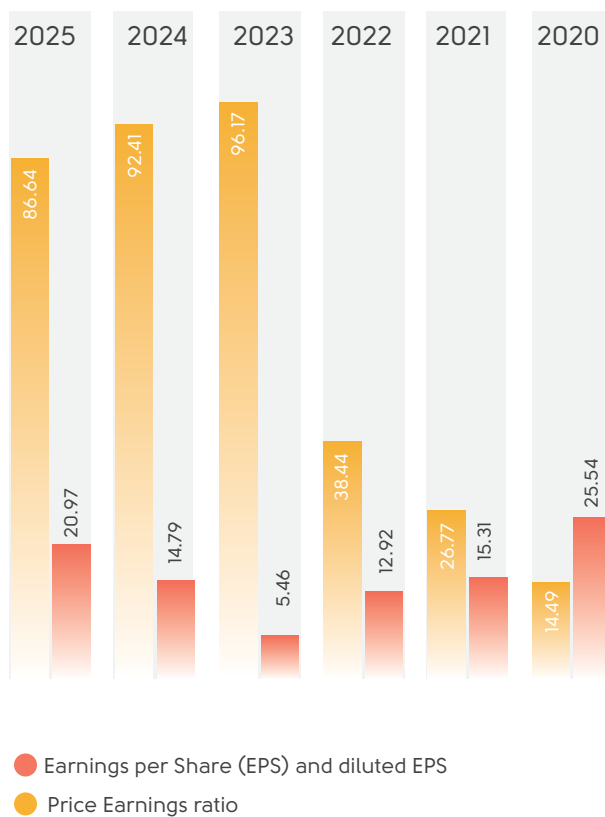
Concurrently, the negative performance shifts for Ismail Industries are predominantly rooted in two areas: operational efficiency and working capital management. While the company's profitability remains historically robust, the recent decline in operational margins and concerning trends in working capital ratios, specifically rising Days Sales Outstanding (DSO) and Days in Inventory (DIO), indicate that the company is confronting significant challenges. The slower turnover of products and cash collection from sales is exerting pressure on the company's liquidity. Consequently, management must prioritize the improvement of these core operational areas to ensure long-term stability and sustained growth.

Graphical Analysis

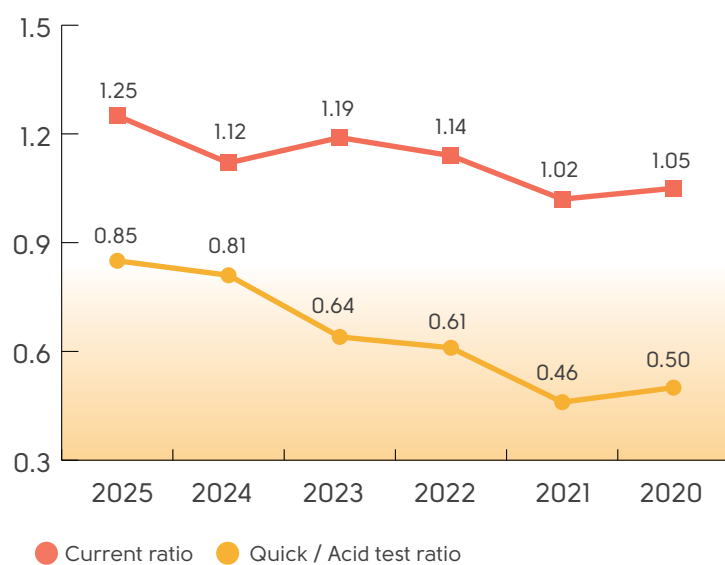
Profitability Analysis



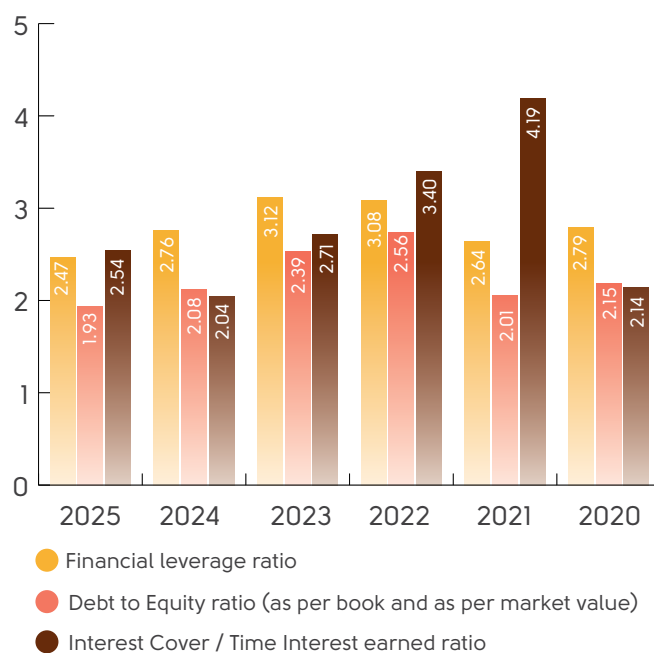
Investor Ratios



Liquidity Ratios

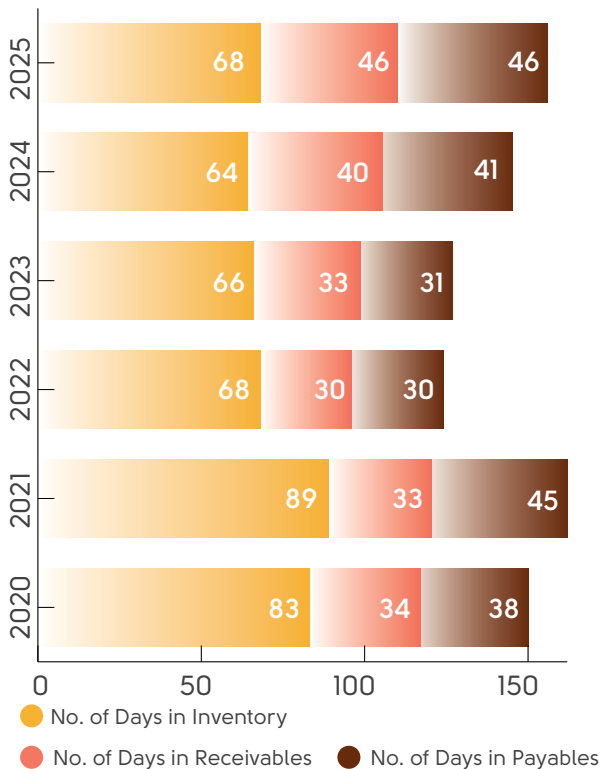


Capital Structure Ratios

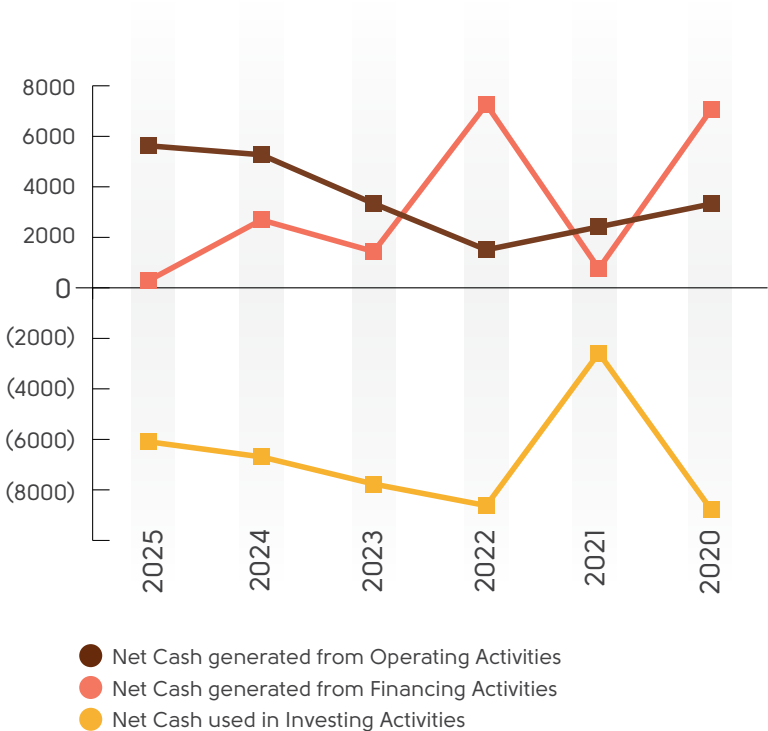


Graphical Analysis

Turnover Days

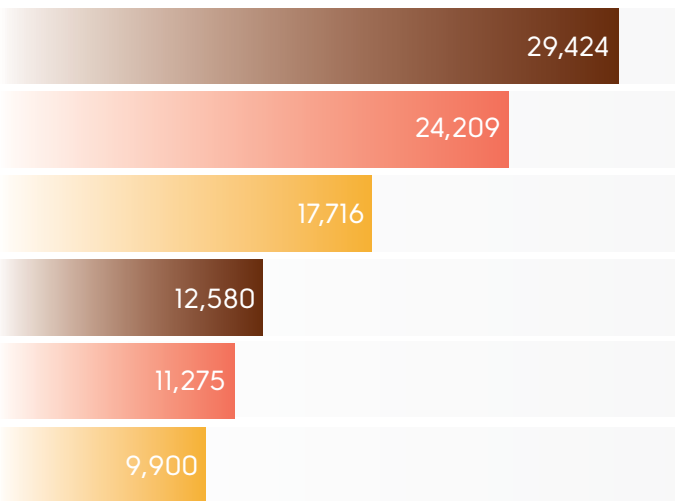


Cash Flow Analysis



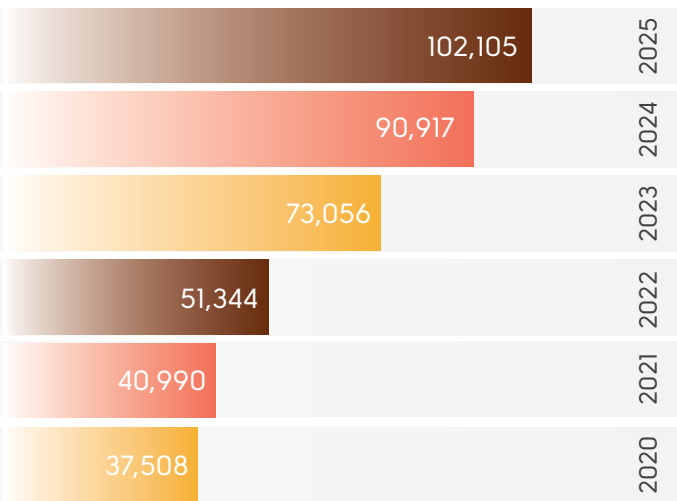
Shareholder Equity

Rs. Million



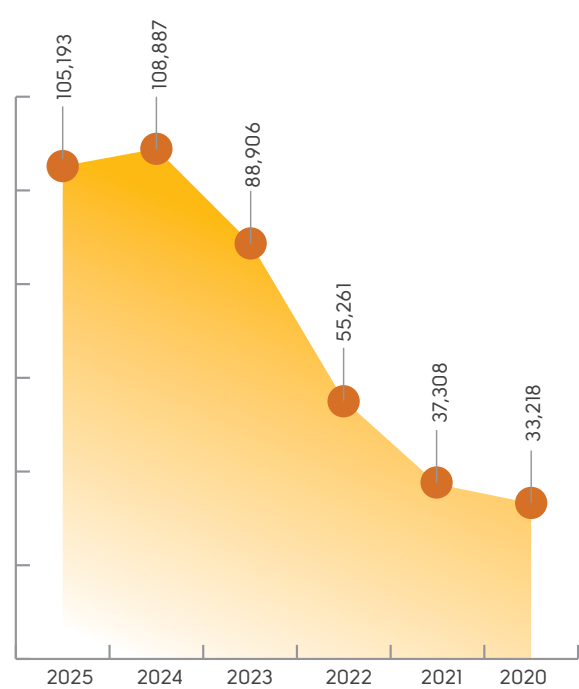
Total Assest

Rs. Million

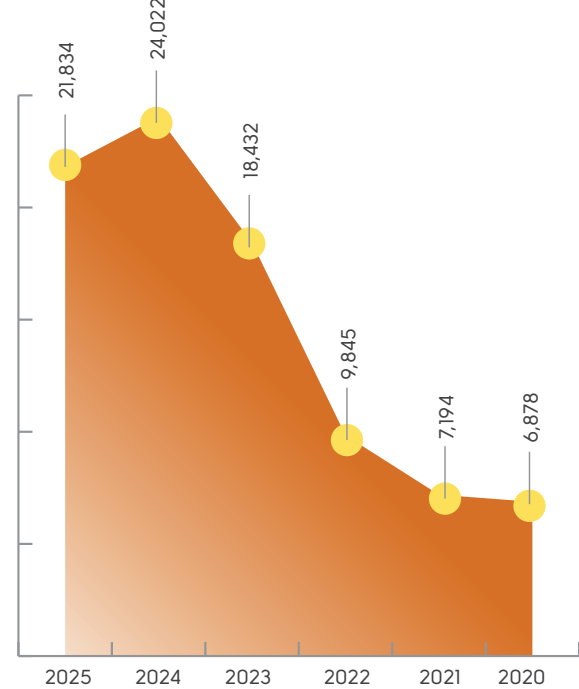


Graphical Analysis

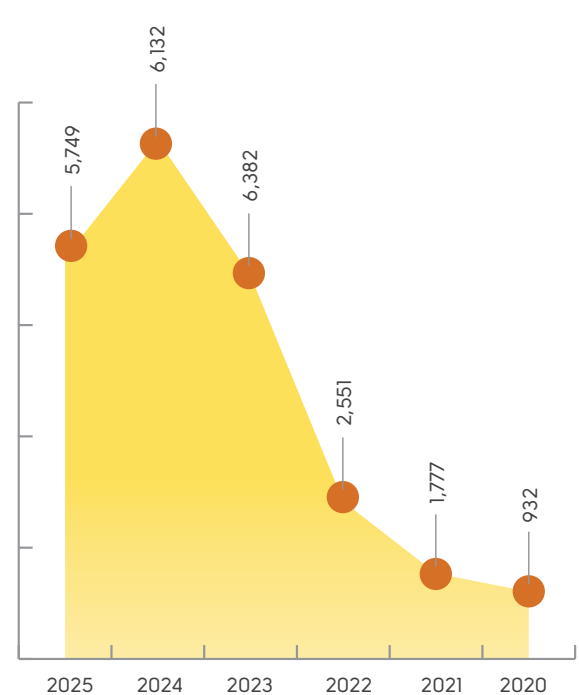
Sales - net



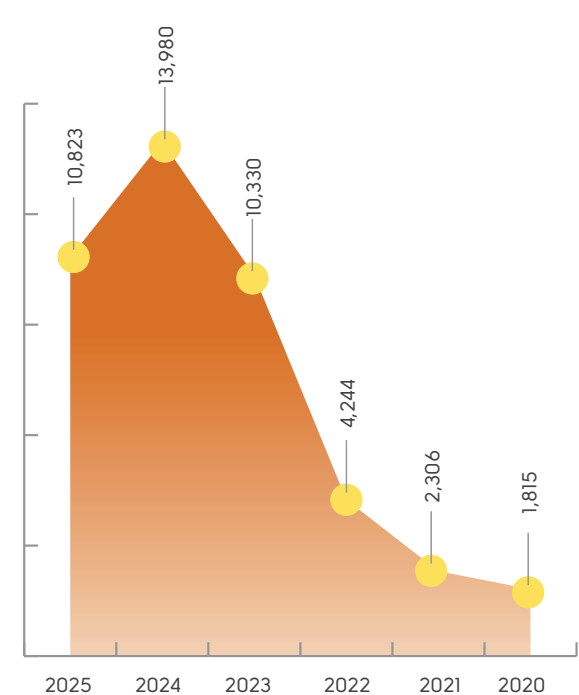
Gross Profit



Profit after Tax



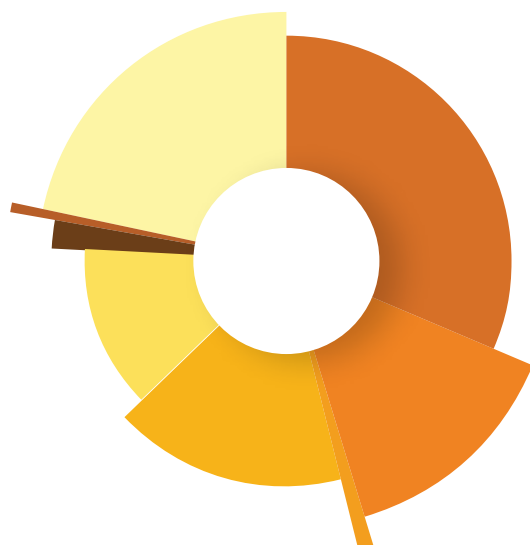
Operating Profit



Composition of Statement of Financial Position

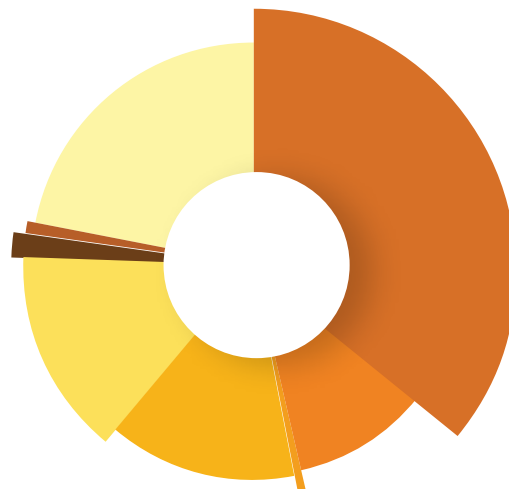
Assets FY 2025

Rs. Million



Assets FY 2024

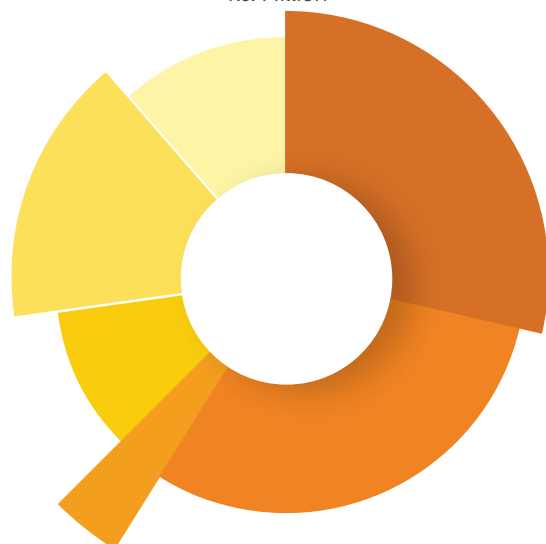
Rs. Million



| Description | 2025 | 2024 |
|-------------------------------|--------|--------|
| Property, plant and equipment | 32,217 | 32,639 |
| Long term investments | 14,245 | 9,556 |
| Stores and spares | 891 | 729 |
| Stock-in-trade | 16,969 | 12,640 |
| Trade debts | 13,317 | 13,135 |
| Short term investments | 1,816 | 1,568 |
| Cash and bank balances | 592 | 811 |
| Other Assets | 22,058 | 19,839 |

Equity & Laibilities - FY 2025

Rs. Million



Equity & Laibilities - FY 2024

Rs. Million



| Description | 2025 | 2024 |
|---|--------|--------|
| Shareholders' Equity | 29,424 | 24,209 |
| Long-term liabilities | 30,978 | 26,341 |
| Long term deposits and deferred liabilities | 3,465 | 3,169 |
| Trade and other payables | 10,652 | 10,570 |
| Short term finances - secured | 16,000 | 20,000 |
| Other Laibilities | 11,586 | 6,627 |

Business and Non-Business Segments

Ismail Industries Limited is a diversified entity that operates across a range of business and non-business segments. Its strategic diversification is a key element of its business model, allowing it to mitigate risk and capture various market opportunities.

1. Business Segments

The company's primary business segments are focused on the production and sale of consumer goods and industrial products. These segments are the main drivers of revenue and profitability.

Confectionery: This is a core segment of the company, with a strong presence in the market. It includes a wide range of candies, toffees, and other sweets.

Biscuits: This segment is a significant revenue generator, offering a variety of biscuits, cookies.

Nutrition: Ismail Industries has expanded into the nutrition segment, producing and marketing products that cater to a growing consumer demand for healthier food options.

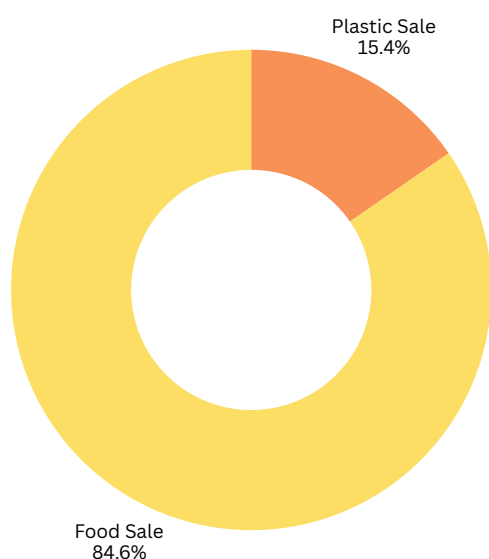
Plastics: This is a key industrial segment for the company. It is engaged in the production of plastics, including PET resin, which is used for packaging and other industrial applications.

Flour (Ghiza): This segment is dedicated to the production of flour and other staple food products. It provides a stable and consistent revenue stream due to the essential nature of its products.

2. Non-Business Segments

Non-business segments are typically not the primary source of revenue from core operations. They can include investments, financial activities, or other strategic initiatives that support the main business but do not fall under the direct categories of manufacturing or sales. Ismail Industries non business segment include investment in subsidiaries and associates.

Financial Activities: This could include income from investments, interest income, or gains/losses from currency fluctuations. As seen in the provided data, a significant reduction in finance costs had a positive impact on the company's net profitability, highlighting the importance of this non-business segment.



Market Share

The Company successfully navigated shifting market dynamics, evolving consumer preferences, and persistent procurement hurdles. By leveraging timely market analysis, agile decision-making, and prudent investment strategies, resources were deployed with a focus on maximizing value creation.

Diversified Player: The company's strategy is not to dominate a single niche but to be a highly diversified player across multiple segments, including confectionery (Candyland), biscuits (Bisconni), plastics (Astro Films), and food (Ghiza flour). This diversification allows it to hold significant positions in various markets simultaneously.

Brand Strength: The company's brand portfolio, including well-known names like Candyland, Bisconni, Ghiza and Astro Films have established strong brand equity and customer loyalty. This brand strength is a key component of its market position.

Exports: The company is actively involved in exports to over 30 countries, which diversifies its revenue streams and expands its market reach beyond Pakistan.



Share Price Sensitivity Analysis

Share prices on the Pakistan Stock Exchange (PSX) is influenced by a combination of internal and external factors. The company's performance, encompassing its financial results and strategic initiatives, is a primary internal driver. External factors, such as general market sentiment, macroeconomic events, interest rates, exchange rates, and commodity prices, also play a significant role.

In line with regulatory obligations, Ismail Industries Limited, as a publicly listed entity, is responsible for the timely and accurate dissemination of all price-sensitive information to the PSX. This practice ensures transparency and compliance with the requirements of the PSX Rulebook.

1. Earnings Performance (EPS)

The share price is highly sensitive to the company's profitability, as shown by the P/E ratio's volatility. From 2021 to 2024, while the EPS soared from Rs. 14.49 to Rs. 96.17, share prices also increase from Rs. 410 per share to Rs. 1,482. This suggests that as the earnings increase, share prices also increase and vice versa.

Current P/E ratio of the Company is 20.97. This means change in one rupee of EPS is having approximately Rs. 20.97 per share change in share prices. This suggests that the market has become much more optimistic about the company's future earnings potential and is now willing to pay a premium for its shares. This makes the share price highly sensitive to any news that could affect future earnings expectations.

2. Financial Ratios

The company's strategic deleveraging, as evidenced by a decline in its Debt-to-Equity and Financial Leverage ratios, is a positive factor for its share price. Continued progress in reducing debt and improving its interest coverage ratio would likely be seen positively by the market and support the share price. Change in one percent of financial charges would change the share price by approximately Rs. 15/share.

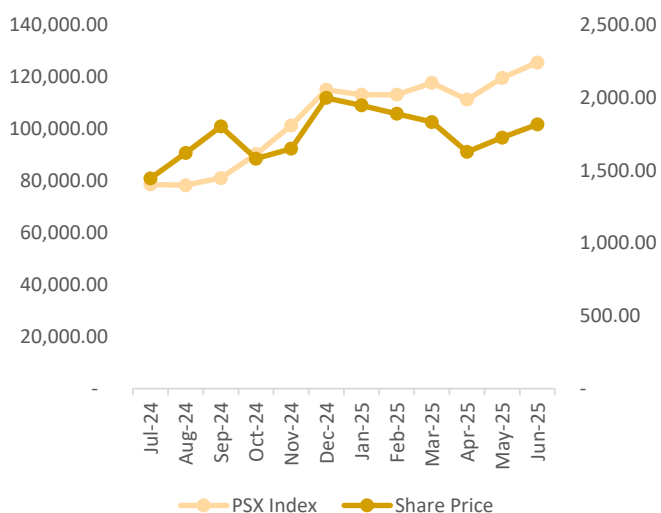
3. Macroeconomic Factors

The company's sales are directly sensitive to macroeconomic conditions. High inflation, as seen in the broader Pakistani economy, erodes consumer purchasing power, which can lead to a drop in sales and a potential negative impact on the share price.

The company's profitability, and by extension its share price, is sensitive to interest rates. A high-interest rate environment increases borrowing costs, which affects the company's finance expenses and, as seen in the analysis, its Interest Coverage Ratio. A rise in interest rates could negatively impact earnings and put pressure on the share price.

4. Competitive Landscape

The FMCG market in Pakistan is highly competitive. The company's share price is sensitive to the strategies of its major competitors, including both large MNCs and strong local players. Aggressive pricing or marketing by competitors could affect Ismail Industries' sales and market share, leading to a negative impact on its share prices.



Direct Cash Flow Statement

| Description | 2025 | 2024 |
|--|--------------------------|----------------|
| Cash Flows from Operating Activities | (Rs. in millions) | |
| Cash generated from operations | 8,100 | 6,974 |
| Gratuity paid | (145) | (112) |
| Income tax and levies paid | (2,333) | (1,591) |
| Long term deposits - net | 3 | (1) |
| Net Cash Flows from Operating Activities | 5,625 | 5,270 |
| Cash Flows from Investing Activities | | |
| Capital expenditure (including CWIP) | (3,128) | (6,945) |
| Long term investment made - net | (3,465) | - |
| Short-term investment made - net | (263) | (372) |
| Receipts from associated company against dividend | 481 | 404 |
| Proceeds from disposal of property, plant and equipment | 281 | 220 |
| Net Cash Flows from Investing Activities | (6,095) | (6,692) |
| Cash Flows from Financing Activities | | |
| Receipts/(Payments) from long term finances - net | 4,637 | (948) |
| Short term finance obtained - net | 3,922 | 816 |
| (Payments) / Receipts from islamic redeemable sukuk | (2,000) | 10,000 |
| Interest / mark-up paid | (5,601) | (7,045) |
| Dividend paid | (663) | (133) |
| Net Cash Flows from Financing Activities | 295 | 2,691 |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (175) | 1,268 |
| Opening Cash & Cash Equivalents | (2,642) | (3,910) |
| Closing Cash & Cash Equivalents | (2,817) | (2,642) |
| Cash and cash equivalents at the end of the year comprise of: | | |
| Cash and bank balances | 592 | 811 |
| Running finance utilized under mark-up arrangements | (3,409) | (3,453) |
| Closing Cash & Cash Equivalents | (2,817) | (2,642) |

Cash Flow Analysis

Cash Flow from Operating Activities

The company has a history of positive cash flow from operating activities. Operating cash flow is PKR 5.6 billion during financial year 2025 with slight increase from FY 2024.

Cash Flow from Investing Activities

The company consistently uses a large amount of cash in investing activities, primarily for capital expenditures and equity investments. This reflects the company's strategy of expanding its operations, through new companies' formation and also through new product launches.

Cash Flow from Financing Activities

The company's financing activities are influenced by its debt management strategy. In current year, the Company has been actively managing its debt financings. New debt has been obtained for project financing and working capital management.

Dividend Payments

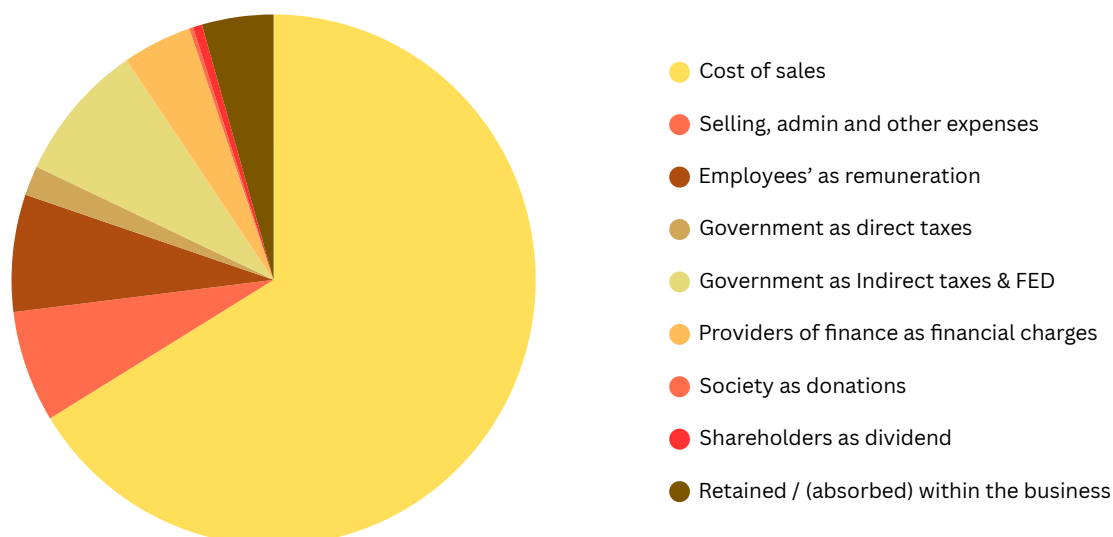
The company has a consistent history of paying dividends to its shareholders. The company paid out PKR 662.83 million in dividends last year and has proposed Rs. 5/share of dividend for financial year ended June 30, 2025.

Statement of value added and its distribution

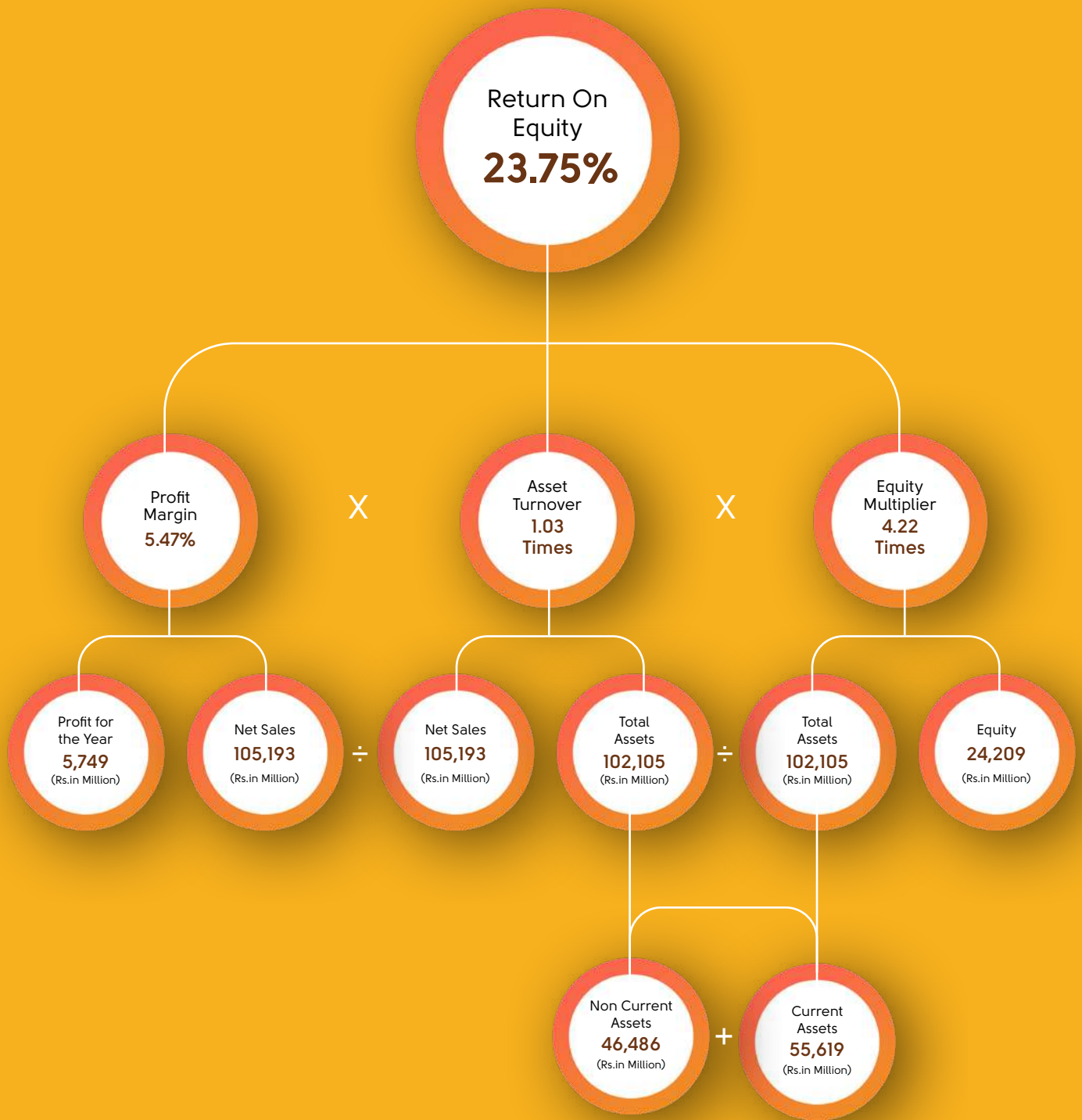
| Financial Position | 2025 | % |
|--|--------------------------|--------|
| Wealth Generated | (Rs. in millions) | |
| Turnover (including sales tax & FED) | 115,248 | 97.57 |
| Other operating income | 1,223 | 1.04 |
| Share of profit from associate company | 1,517 | 1.28 |
| Other comprehensive income | 129 | 0.11 |
| | 118,117 | 100.00 |

| Wealth Distribution | (Rs. in millions) | % |
|---|-------------------|--------|
| Cost of sales (excluding employees' remuneration) | 78,264 | 66.26 |
| Selling, admin and other expenses (excluding employees' remuneration) | 8,029 | 6.80 |
| Employees' as remuneration | 8,429 | 7.14 |
| Government as direct taxes (including workers' welfare fund) | 2,133 | 1.81 |
| Government as Indirect taxes & FED | 10,055 | 8.51 |
| Providers of finance as financial charges | 5,047 | 4.27 |
| Society as donations | 282 | 0.24 |
| Shareholders as dividend | 664 | 0.56 |
| Retained / (absorbed) within the business | 5,214 | 4.41 |
| | 118,117 | 100.00 |

Wealth Distribution



DUPONT ANALYSIS



CEO Message

Asalam-o-alikum,

Here, I am congratulating you all, on the amazing success that we have achieved despite the macro-economic environment that has created a constant pressure for all of us. However, because of your efforts and utmost resilience, we have achieved such results which are beyond expectations and I am proud to say that it is only a way forward and upwards from here.

I am pleased announce that we have shown a significant growth in revenue across all business segments. Moreover, our margins have also increased underscoring our commitment to operational efficiency and prudent financial management.

Further, we have not only bloomed financially but our contributions to the environment and sustainability were remarkable throughout the year. There has been a notable decrease in carbon footprint and with that the transition from conventional energy modes to the sustainable energy sources has led to decrease in production costs and increase in operational efficiency.

As our focus was on digital transformation, cost optimization and market expansion. In this regard, we have successfully entered into many global markets by expanding our scale of exports. Moreover, we fully integrated our ERP Systems, which are leading towards seamless and efficient workflow. We have continued to invest in talent development and organizational restructuring, where we have ensured that our teams are ready for the challenges ahead. We have also been making our efforts and investments for use of modern tools to conduct Research and Development, leading towards uncomparable levels of production capacity and rising.

In addition to above, we have also been enhancing our capabilities of Enterprise Risk Management, which is helping us in mitigating certain short term and long term risks, arriving during the course of our operations and business development, adding to our another achievement, through and through.

In this kind of economic situation, resilience is of great importance and that's what Ismail Industries has shown over the years. Move forward, we as a team have always been and will be committed towards sustainable leadership and growth.

I would like to thank all the stakeholders for their unwavering support and every being that contributes to the success and livelihood of those who shelter under our entity and home: Ismail Industries Limited.

Thank you

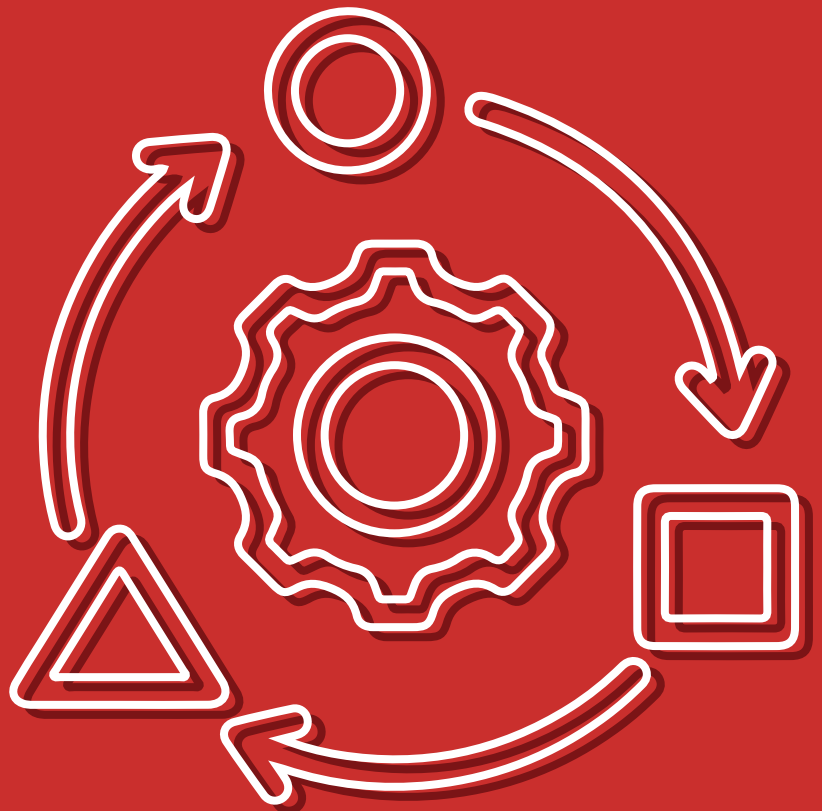
Pakistan Paindabad.

See the full speech video
www.ismailindustries.com.pk

Overview Business Model & Business activities

07

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Overview Business Model



KEY PARTNERS



KEY ACTIVITIES



KEY RESOURCES



VALUE
PROPOSITIONS



CUSTOMER
RELATIONSHIPS



CHANNELS



CUSTOMER SEGMENTS



COST STRUCTURE



REVENUE STREAMS

Business Model of Ismail Industries Limited

Inputs

Ismail Industries Limited and its subsidiaries (IIL Group) stand as one of Pakistan's foremost FMCG conglomerates group, leveraging an extensive array of strategic assets and collaborative relationships to enhance its value creation efforts. The Group's portfolio boasts a collection of well-established and trusted brands including Candyland, Bisconni, Nutritional products, Ghiza, Super Cereal, Astro Films and Pet Resin and recycled Pet Resin which enjoy widespread recognition in the market. To support its operational needs, expansion plans, research and innovation activities, and day-to-day working capital, IIL Group strategically employs a balanced mix of equity and debt financing.

The Group's production capabilities span multiple cutting-edge manufacturing facilities dedicated to the production of biscuits, confectionery, nutrition-focused products, flour, pharmaceutical, Resin and packaging materials, ensuring efficiency and quality across its product lines. IIL Group's workforce is composed of highly trained and diverse professionals, including manufacturing experts, research and development specialists, marketing strategists, and seasoned corporate staff, all contributing to its competitive advantage.

Intellectual capital at IIL Group is driven by proprietary formulations, a strong and diverse brand portfolio, as well as creative packaging and product design innovations that resonate with consumers. The company maintains well-established and resilient distribution channels comprising extensive retailer and distributor networks, complemented by long-standing supplier relationships and a large customer base that underpins consistent demand.

The primary operations that convert these inputs into value-added products involve procuring premium raw materials from both domestic and international suppliers, prioritizing cost-effectiveness and sustainability. Continuous advancements in flavor, nutritional value, and packaging are driven by a dedicated research and development team.

Raw materials such as sugar, flour, dairy products, cocoa powder for food segment, Film grade chips for packaging material, PTA and MEG for PET Resin and different types of Vitamins, Bromides and low intensity acids for Pharmaceutical products serve as critical inputs for production alongside essential utilities like energy and water. Reflecting its commitment to sustainability, IIL Group increasingly emphasizes environmentally responsible sourcing practices and resource management to reduce its ecological footprint, aligning its growth objectives with global sustainability standards.

Business Activities

The Company utilizes large-scale, automated production systems that adhere to rigorous hygiene, safety, and quality protocols. Marketing efforts include digital campaigns, in-store activations, and trade incentives, supported by a robust logistics network that guarantees prompt distribution to distributors, industries, wholesalers and export destinations. Additionally, IIL Group embraces Environmental, Social, and Governance (ESG) principles by investing in renewable energy sources, minimizing waste, promoting diverse hiring, and contributing to community initiatives.

IIL Group is in a position to enhance its business model by integrating vertically across its value chain, to streamline operations for greater efficiency and control. By adopting a vertically integrated structure, IIL Group manages key stages of its production and distribution processes in-house to improve quality control, cost efficiency, and supply chain responsiveness. Additionally, by diversifying its product portfolio and leveraging brand equity across multiple consumer segments, IIL Group has also strengthened customer base and expanded market presence. A focus on innovation, technology-driven manufacturing, and

expansion into high-margin product lines will also position the company for sustainable growth in competitive markets in future.

Outputs

The tangible and intangible outputs resulting from IIL Group's operations include a wide range of premium biscuits, chocolates, premium jellies, bubble gums, and nutritional products under well-established brands. Further, the Group produces high-quality Film grade and Bottle grade chips, BOPET, CPP and BOPP films and packaging solutions, innovative injections and high nutritional value products. Trusted household brands, direct and indirect employment opportunities, and environmental projects are part of the Company's contributions.

Outcomes

The long-term value and impacts generated through IIL Group's business model manifest as sustainable revenue growth, consistent profitability, and strong shareholder returns over time. The Company has strengthened its brand presence and market shares across FMCG segments both domestically and internationally. Strong consumer loyalty is driven by consistent quality and innovation. Community well-being is enhanced through CSR projects, inclusive internship programs, and health and education support. Environmentally, the Company is making progress in reducing its carbon footprint, improving waste management, and advancing green transformation.

Conclusion

Value Creation and Long-Term Commitment

IIL Group operates through a dynamic and interconnected business model designed to generate, deliver, and sustain value for a diverse group of stakeholders. By leveraging responsible resource management, fostering innovation, and building strategic alliances, IIL is dedicated to achieve sustainable growth, enhancing resilience, and maintaining long-term stakeholder trust, all while adhering to leading global standards in corporate reporting.

To strengthen its strategic vision, IIL Group has integrated value creation and enduring commitment into every aspect of its operations. This requires a holistic approach that emphasizes sustainable growth, drives innovation, optimizes operational performance, and centers on customer needs. The company ought to focus on nurturing lasting relationships with stakeholders, upgrading its infrastructure, and implementing ethical sourcing and production methods. Through increased transparency, enhanced governance practices, and ongoing investment in research and development, workforce skills, and social responsibility initiatives. By continuously leveraging from its portfolio, IIL Group can establish itself as a progressive organization dedicated to provide long lasting value to shareholders, customers, and the wider community.

Material Changes in Business Model During the Year 2024-2025

Throughout the financial year ended June 30, 2025, there have been no material changes to IIL Group's core business model, with the Company continuing to focus on its established strategies for value creation and sustainable growth. Any significant events that occurred during the year, and their specific impacts on the Company's operations or strategic direction, are already detailed in relevant sections of this report.

Disclosures on IT Governance and Cybersecurity

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Disclosures on IT Governance & Cybersecurity



Executive IT Council

Approve strategies,
Policies, and investments

IT Governance Steering Committee

Recommend strategic
initiatives, Sequence
strategic projects &
Facilitate innovation

Advisory Groups

Coordinate initiatives
Sponsor analysis
Guide services
Sequence
enhancement
projects

other Groups

Inform on IT projects
and processes
Examples: Digital
Learning, Data
Governance, Learning
Spaces

Board Oversight on IT System, AI Strategy and Cybersecurity Governance

The Board of Directors, as part of the Company's comprehensive enterprise risk management framework, has conducted an in-depth evaluation of cyber risks that could potentially impact the confidentiality, integrity, and availability of information systems. This evaluation includes identifying possible scenarios of cyber incidents, such as data breaches, unauthorized access, ransomware attacks, and system outages, along with their operational, financial, reputational, legal, and regulatory consequences.

From a compliance standpoint, the Company has carefully reviewed all applicable laws and regulations governing cybersecurity, data protection, and privacy — including national data protection legislation, sector-specific guidelines, and international standards where relevant. The legal and regulatory implications of a breach could range from monetary penalties and litigation to suspension of operations or reputational damage. To mitigate such risks, the Company has implemented a robust set of preventive, detective, and corrective controls.

These measures include:

- Deployment of firewalls, intrusion detection/prevention systems, and advanced encryption protocols for sensitive data.
- Role-based access controls and multi-factor authentication to restrict unauthorized access.
- Comprehensive cybersecurity policies covering acceptable use, incident reporting, and data classification.
- Regular staff training and awareness programs to reduce the risk of human error.

In addition, the Company has established a formal Incident Response Plan (IRP) to ensure immediate containment, investigation, and reporting of any cyber incident in compliance with legal notification requirements. Internal audit teams conduct periodic reviews of cybersecurity measures, while independent external auditors perform penetration testing and security assessments to validate the effectiveness of controls and required investments. Based on these briefings, the Board reviews and approves budgets and capital expenditures (CAPEX) for network infrastructure upgrades, security enhancements, and technology improvements aimed at mitigating cyber threats.

The Internal Audit department plays a critical role in this process by conducting comprehensive network and cybersecurity audits, penetration testing, and compliance checks. The findings and recommendations from these audits are presented directly to the Audit Committee, enabling informed oversight and timely corrective actions. In terms of governance, the Board clearly defines the organization's cybersecurity risk appetite and tasks the IT team with ensuring that management's policies, procedures, and operational practices are fully aligned with this framework. This collaborative approach between the Board, management, Internal Audit, and IT ensures that cybersecurity remains an integrated component of the Company's overall risk management and strategic planning process, strengthening resilience against evolving digital threats.

Disclosure Regarding IT Governance and Cybersecurity Programs, Policies, and Procedures

Ismail Industries Limited (IIL) has a well-implemented IT Governance Policy designed to align IT with the Company's organizational goals and strategies, ensuring it delivers optimal value. This policy promotes effective, efficient, timely, and informed decision-making regarding IIL's IT investments and operations. Specifically, it aims to establish a robust IT governance structure, outlining associated procedures, roles, and responsibilities as a critical component of the overall IT Management (ITM) Framework.

IIL's IT Governance Policy is primarily responsible for:

- Establishing a shared vision for how IT can add value to the organization;
- Defining IT goals and the strategies to achieve them;
- Setting principles and guidelines for IT decision-making and initiative management;
- Establishing and communicating organizational IT priorities;
- Determining IT priorities in resource allocation;
- Establishing, amending, and retiring, as necessary, organizational IT and other technology-related policies; and
- Determining the distribution of responsibility between the IT Department and the end user.

Ismail Industries Limited enhances its IT governance and cybersecurity framework through a structured approach aligned with corporate objectives. A formal IT governance structure, with oversight from a dedicated committee reporting to the board or Audit Committee, ensures clear roles and responsibilities in managing digital risk. The Board approves and mandates the IT teams to implement multiple controls for cybersecurity attack prevention and risk mitigation. The IT team deploys robust measures, including next-generation edge network firewalls, user endpoint security systems, email security gateways, and user access policies and procedures. These initiatives reflect best industry practices, ensuring a secure and resilient environment against all types of cybersecurity threats.

Cybersecurity and Board's Risk Oversight

The Board's Audit Committee, as part of its continuous risk oversight responsibilities, regularly reviews and evaluates the Company's cybersecurity risk profile. This includes assessing potential threats, vulnerabilities, and the adequacy of existing controls. Management provides detailed presentations to the Board outlining cybersecurity strategies, emerging risks, and required investments. Based on these briefings, the Board reviews and approves budgets and capital expenditures (CAPEX) for network infrastructure upgrades, security enhancements, and technology improvements aimed at mitigating cyber threats.

The Internal Audit department plays a critical role in this process by conducting comprehensive network and cybersecurity audits, penetration testing, and compliance checks. The findings and recommendations from these audits are presented directly to the Audit Committee, enabling informed oversight and timely corrective actions. In terms of governance, the Board clearly defines the organization's cybersecurity risk appetite and tasks the IT team with ensuring that management's policies, procedures, and operational practices are fully aligned with this framework. This collaborative approach between the Board, management, Internal Audit, and IT ensures that cybersecurity remains an integrated component of the Company's overall risk management and strategic planning process, strengthening resilience against evolving digital threats.

Overview of Early Warning System

The Company has established comprehensive controls and procedures to operate an effective early warning system for the timely detection and mitigation of potential risks, including cyber threats. As part of its preventive strategy, the Company ensures that all operating systems, application software, and security tools are regularly updated with the latest patches to address vulnerabilities. Anti-virus and anti-malware programs are deployed enterprise-wide, configured for automatic updates, and integrated with real-time threat detection capabilities to provide continuous protection against emerging threats.

In addition, the Company employs network monitoring tools, intrusion detection and prevention systems (IDPS), and automated alert mechanisms that promptly flag unusual or suspicious activities for investigation. Incident Management policies and procedures are formally documented, clearly assigning responsibilities for detection, reporting, escalation, and resolution of incidents. These procedures are periodically tested through simulated drills to assess readiness and identify areas for improvement.

The early warning system is further reinforced by regular risk assessments, vulnerability scanning, and penetration testing conducted by both internal teams and independent external experts. The insights from these activities are reported to senior management and the Board's Audit Committee to ensure informed decision-making and continuous enhancement of the Company's preventive controls. This layered and proactive approach allows the Company to swiftly identify potential threats, minimize disruption, and maintain the integrity, confidentiality, and availability of its critical systems and data.

IT Security Policy

The objective of Information Security is to ensure business continuity and minimize damage by preventing and limiting the impact of security incidents.

Policy

The purpose of this Policy is to protect the Company's information assets from all types of threats, including cybersecurity threats, whether internal or external, deliberate or accidental. These assets specifically relate to information stored and processed electronically.

The Company's Policy is to ensure that:

- Information is protected against unauthorized access;
- Information confidentiality is assured by protection from unauthorized disclosure or interruption;
- Information integrity (its accuracy and completeness) is maintained by protecting against unauthorized modification;
- Regulatory and legislative requirements are met, including record keeping, in accordance with Information Security Management System standards;
- Disaster Recovery Plans are produced, maintained, and tested, to ensure that information and vital services are available to the Company when needed;
- Information on security matters is made available to all staff;
- All breaches of information security, whether actual or suspected, are reported to and investigated by the Cybersecurity team; and
- Controls, rules, and procedures are established for all individuals accessing and using the organization's IT assets and resources.

Ismail Industries Limited enhances its IT Security Policy by adopting comprehensive measures that ensure regulatory compliance, data integrity, and customer data protection. The company implements strict data integrity protocols, including audit trails and role-based access controls, to safeguard critical

information. Role-specific system access is enforced to ensure only authorized personnel can view or modify sensitive data. In addition, all systems such as SAP, CRM, and supply chain management tools undergo regular validations with routine backups. To protect customer and client information, Ismail Industries Limited adopts data encryption, endpoint security for all operational devices, and cloud-based protections like multi-factor authentication. Furthermore, employee cyber awareness training is conducted regularly to mitigate threats such as phishing or social engineering. A formal IT Security Policy Manual is developed and approved by the Board, covering data classification, user privileges, incident response, and third-party vendor assessments. Finally, a well-defined incident response plan is in place to enable the company to promptly manage and recover from any cyber threats or breaches.

Cybersecurity Assessment and Third-Party Risk Management

ILL prioritizes robust IT governance, with policies continuously evolving to address emerging cyber threats. Our IT Governance Policy commits to conducting periodic independent and comprehensive security assessments of our technology environment. This includes meticulously managing third-party cybersecurity risks by assessing vendor security postures and requiring adherence to stringent standards. While these comprehensive assessments haven't been carried out yet, they are a key priority in our roadmap. Future findings will be informed the Board's Audit Committee, with reviews typically planned every three years or as needed, ensuring our defenses remain strong and resilient.

ILL enhances its cybersecurity and third-party risk management by conducting regular system-wide vulnerability assessments, penetration testing, and maintaining a structured incident response plan. Cybersecurity oversight is integrated at the board level, with periodic reporting and dedicated IT security resources in place. The company strengthens vendor due diligence by evaluating third-party cybersecurity practices, ensuring compliance with data protection regulations, and leveraging automated tools for continuous risk monitoring—safeguarding its operations, supply chain, and customer data.

Understanding Third Party Risk in Cyber Security

Our
Organization's
Network



Vendors

Potential for data breaches
through shared systems



Suppliers

Risk of system vulnerabilities



Business Partners

Compliance and operational
risks

Managing Contingencies and Ensuring Business Continuity

ILL recognizes that its networks and systems are constantly evolving in response to emerging threats, organizational growth, and new regulatory or business requirements. To counter potential disruptions, the Company employs a multi-layered defense strategy. Advanced monitoring and analysis tools are used to log, identify, and assess company-wide threats through continuous tracking, in-depth analysis, and timely reporting.

To safeguard vital IT systems and data, ILL deploys multiple advanced security measures, including network firewalls, email security gateways, and endpoint protection systems. These systems are actively monitored by dedicated teams through real-time firewall and system log analysis, providing actionable insights into potential vulnerabilities and enabling prompt mitigation.

Managing Contingencies

The Board of Directors maintains an active oversight role, approving and periodically reviewing ILL's comprehensive IT Policy and contingency management framework. This ensures that strategies for handling potential IT disruptions remain updated and aligned with best practices. As part of its proactive approach, ILL maintains offsite data storage facilities at geographically diverse locations to protect critical records and business data from localized disasters.

All employees receive regular guidance and training on emergency protocols, fostering a culture of preparedness across the organization. Contingency measures are tested periodically through simulations to verify readiness and identify areas for improvement.

Ensuring Business Continuity

ILL's Business Continuity Plan (BCP) is a well-structured and actionable framework that defines how critical business activities are restored within predetermined timelines following any crisis, including IT-specific disruptions. The plan incorporates redundant data centers, automated backups, and real-time system monitoring to detect failures before they escalate.

To strengthen operational resilience, ILL adopts cloud-based ERP systems with high availability, tiered recovery plans for essential functions such as production and sales, and routine disaster recovery drills. Standard Operating Procedures (SOPs) for incident response are documented, while periodic audits validate the readiness of systems and teams. Employee training programs on crisis management further ensure that the organization can respond swiftly and effectively, minimizing downtime and financial impact during unforeseen events.

Operational Resilience: Manufacturing Facilities

The resilience of the Company's physical infrastructure also plays a significant role in overall IT disaster preparedness, particularly for operational continuity. ILL's state-of-the-art manufacturing facilities, strategically located in Karachi, Hub, and Lahore, are built with robustness in mind. These buildings are fire-resilient, fully equipped with modern firefighting equipment, and consistently meet stringent HSE (Health, Safety, and Environment) requirements at all levels. This inherent physical robustness, combined with IT safeguards, results in a lower probability of operational disruption due to either physical or IT-related incidents.

By continuously investing in robust IT infrastructure, proactive data management, a comprehensive BCP, and resilient physical facilities, ILL demonstrates a strong commitment to mitigate IT disaster risks and ensuring operational continuity for all stakeholders.

Advancement in Digital Transformation

In the past few decades, a fourth industrial revolution, has emerged. This revolution elevates the emphasis on digital technology to a new level through interconnectivity via the Internet of Things (IoT), access to real-time data, and the introduction of cyber-physical systems. Industry 4.0 offers a more comprehensive, interlinked, and holistic approach to manufacturing, connecting physical with digital and enabling better collaboration and access across departments, partners, vendors, products, and people. Industry 4.0 empowers business owners to better control and understand every aspect of their operation, allowing them to leverage real-time data to boost productivity, improve processes, and drive growth. While hundreds of concepts and terms (e.g., ERP, IoT, RPA, Blockchain, AI, Big Data, Cloud Computing) relate to Industry 4.0, the Company focuses its investment in solutions aligning with its specific business requirements.

In the Company's case, the Board of Directors decided to invest in SAP and Cloud Computing to enhance business process management tools and reporting for organizational information management. They initiated the migration of the Company's on-premises SAP ERP solution to SAP S/4HANA on the cloud. The Company has now successfully transitioned to SAP S/4HANA and Success Factors on cloud. Multiple cloud service provider solutions were reviewed, evaluated, and a final provider selected by the Board.

Education and Training

In recognition of the rising threat landscape, IIL has prioritized employee education and training as a frontline defense against cyber risks. The Company reinforces its cybersecurity posture through a formal IT Governance Policy, regular cybersecurity audits, and mandatory employee acknowledgment of information security guidelines. This initiative supports the Company's broader commitment to digital



resilience and responsible technology governance. Key training workshops and assessments conducted year-on-year include:

- **Cybersecurity Awareness Sessions:** Company-wide awareness campaigns were conducted to educate employees on safe digital practices, phishing identification, and password hygiene. Special focus was placed on end-users interacting with SAP S/4HANA, ensuring they understood data classification, secure system access protocols, and reporting procedures for suspicious activity.
- **Mandatory IT Policy Training:** All employees were required to read and acknowledge the Information Security Policy, which outlines acceptable use, incident response protocols, and data protection principles. Annual refresher modules are introduced to reinforce evolving cyber guidelines.
- **Simulated Attack Drills:** Periodic phishing simulations and breach-response scenarios were carried out to test employee readiness. Results from these simulations are tracked to identify high-risk departments and tailor future training.
- **Leadership & IT Specialist Training:** Department heads and IT teams participated in specialized sessions on data governance, system controls, and vulnerability response planning. Exposure to emerging tech threats like ransomware, zero-day exploits, and social engineering attacks prepared leadership for strategic decision-making during a breach event.

ILL strengthens proactive disclosure by regularly updating stakeholders on its cybersecurity governance, audit results, vulnerability assessments, and key threat detection metrics. It shares details of new security technologies and incident response capabilities through reports and its corporate website, enhancing transparency, trust, and its position as an industry leader in cyber risk management.

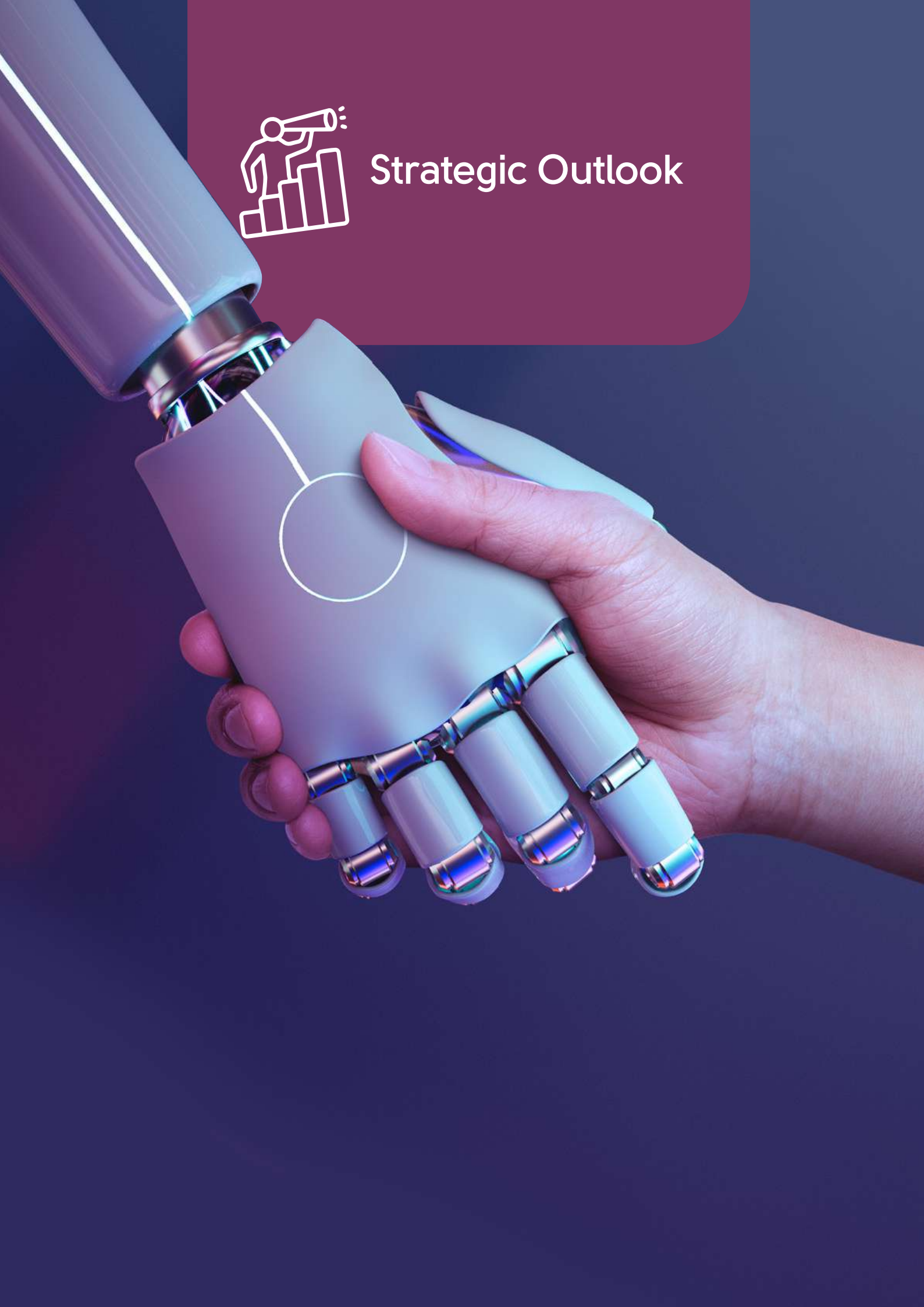


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Strategic Outlook



Forward Looking Statement

Short-Term (Next 12-18 Months):

Since the economy is in recovery phase, the consumer demand is volatile, Variable cost of raw material, disruption in Supply Chain and increasing competition, may impact company's profitability. We are proactively working to resolve the issues that are impacting the profitability of the Company and improving customer satisfaction, which includes modifying and optimizing supply chain efficiency, launching new products and varieties in to the market.

Medium-Term (18-60 Months):

Over the medium term, we project a more stable and favorable economic environment. Expected GDP growth of approximately **3.0% to 3.5%** and a controlled inflation rate will likely lead to a resurgence in consumer confidence and spending. We plan to capitalize on this trend by reintroducing premium product lines, increasing our marketing spend, and investing in new product development to cater to evolving consumer preferences. We will also focus on expanding our e-commerce and digital channels, as the digital transformation in Pakistan's FMCG sector continues to accelerate. Strategic investments in technology and automation will be key to improving operational efficiency and supply chain resilience.

Long-Term (Beyond 60 Months):

Our long-term strategy targets sustainable growth and market leadership across a balanced FMCG portfolio—spanning segments that are naturally diversified (multiple SKUs, channels, and consumer cohorts). We aim to allocate capital and manage risk selectively: in diversified categories, we will scale for gains through growing our revenue, price-pack architecture, and route-to-market expansion; in concentrated categories, we will deepen brand equity, extend into logical adjacencies (flavors, formats, pack sizes), and deploy targeted hedging to mitigate raw-material and currency exposure. With steady economic growth and a rising middle class, we see significant headroom for penetration, premiumization, and occasion- based innovation. To enable this, we will invest in localized manufacturing and packaging to expand capacity, reduce import reliance, and improve cost competitiveness, while building a resilient, demand-driven supply chain—strengthening, supplier diversification, and logistics agility (including cold chain where relevant) to absorb macro shocks. In parallel, we will elevate our ESG agenda—lighter-weight and recyclable packaging, responsible sourcing, water stewardship, and community development—to reinforce brand trust, protect our license to operate, and compound long-term value.

Financial Projections

Boasting a significant food processing capacity of 298,356 metric tons, the Company plays a pivotal role in advancing the Pakistani confectionery and food sector and is well-equipped to sustain its market leadership. Nonetheless, certain challenges remain. Hikes in energy tariffs may further strain profit margins. As a result, despite positive indicators, careful management and strategic foresight are crucial to successfully navigate the complex economic landscape.

Looking ahead, the Company expects to increase revenue and decrease in finance cost over the next year; however, profitability will largely hinge on the stability of power costs. Efforts to expand into new markets and uphold export activities across diverse regions are ongoing.

Status of Current and Previous Projects

Ismail Industries, through its subsidiary Ismail Resin (Pvt.) Ltd., operates a state-of-the-art PET resin facility with an annual production capacity of 108,000 metric tons, established through an investment of Rs. 3.0 billion. In October 2024, the shareholders approved an additional investment of Rs. 0.94 billion to develop a Recycled Polyester Resin (R-PET) plant with an annual capacity of 24,000 metric tons. This initiative advances the Company's sustainability objectives and supports its transition toward circular economy solutions. The expansion leverages the success of existing PET operations, reduces reliance on imports, and strengthens the Company's vertically integrated packaging capabilities.

Future Research & Development initiatives.

We are dedicated in driving innovation, a cornerstone of our future strategic plan. Our objective is to build upon our previous successes, particularly in product development and process optimization. For our forthcoming projects, we are concentrating on several key areas:

- **Sustainable Products:** Developing technologies that not only benefit consumers but also contribute positively to the environment, such as healthier alternatives and eco-friendly packaging.
- **Advanced Manufacturing Techniques:** Investing resources into researching new technologies that will expedite production processes while minimizing waste and energy consumption.
- **Consumer Preference Alignment:** Continuously conducting research to understand the evolving needs and desires of customers, both locally and globally, to develop products that resonate effectively with the market.

These initiatives are crucial for us to remain competitive and responsive to evolving market demands.

Sources of information and assumptions

Our forward-looking statements and projections are developed through a meticulous methodology, utilizing a diverse range of credible internal and external data sources. The primary assumptions and information sources include:

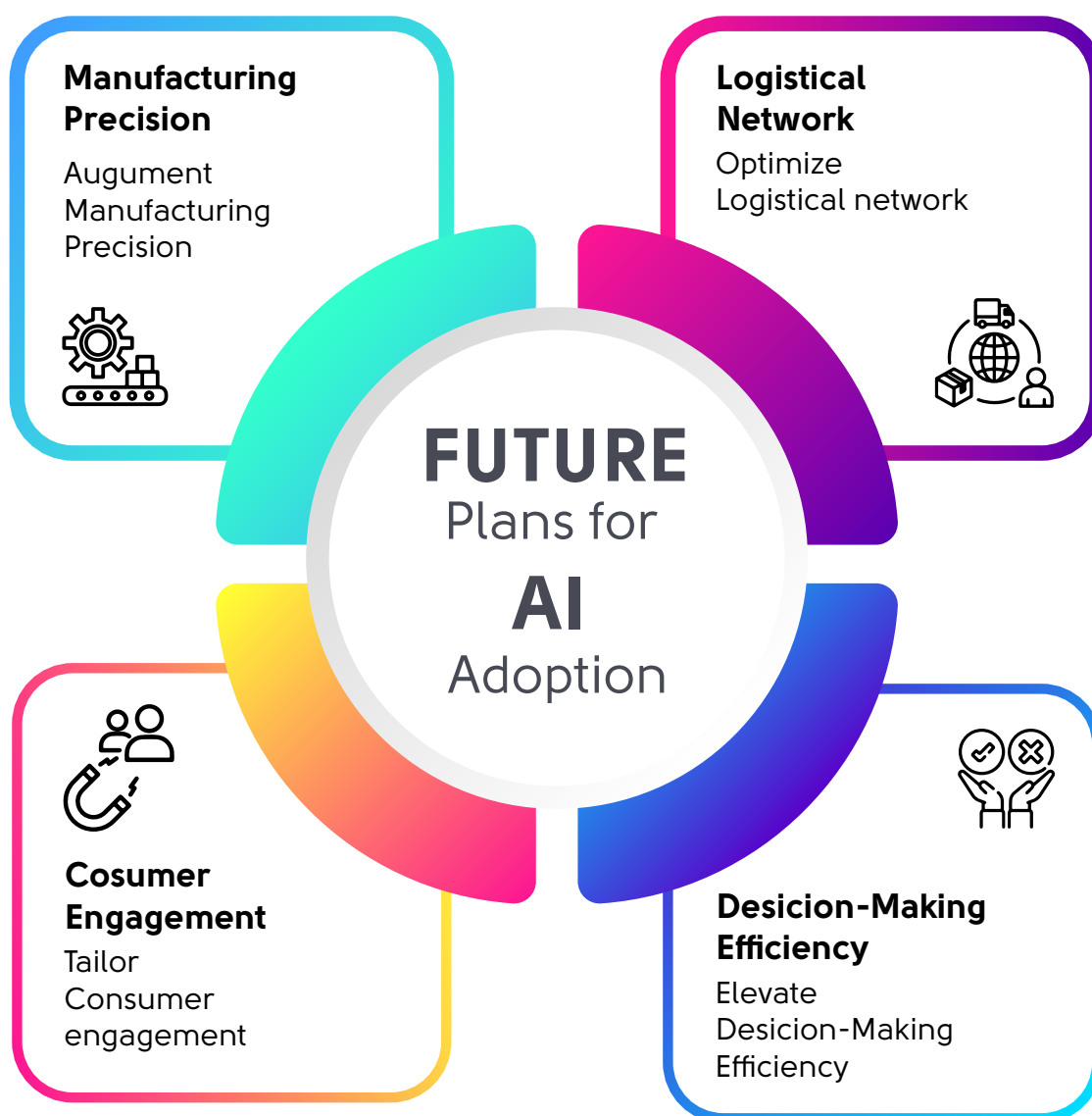
- **Internal Data:** encompasses historical financial performance, operational metrics, sales forecasts, production capacities, and internal market research.
- **External Data:** This includes macroeconomic indicators (such as GDP growth, inflation rates, and exchange rates), industry reports, analyses of market trends, studies on consumer behaviour, and regulatory perspectives from esteemed economic and industry organizations (e.g., ICAP, PBC, SBP, PSX, SECP, KCCI).
- **Management Expertise:** Our projections reflect the extensive knowledge and insights of our senior management team, who possess a profound understanding of the industry and market dynamics.

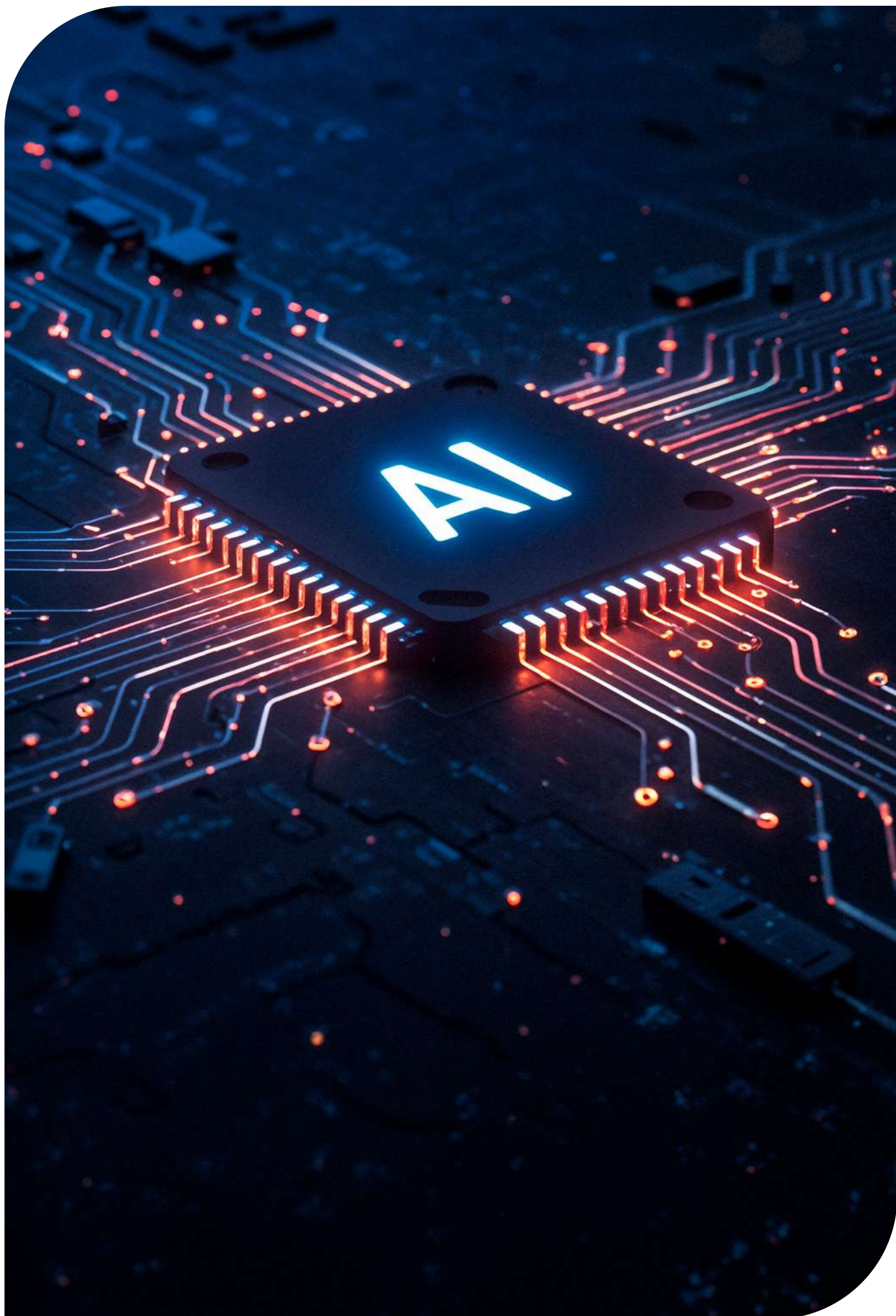
Strengthening the accuracy and reliability of its financial forecasts by establishing a structured approach to developing and disclosing projections. This includes clearly identifying the data sources used such as industry reports, market analyses, internal performance metrics, and economic outlooks and explicitly stating the underlying assumptions driving those projections. These may cover expected sales growth, input costs, inflation rates, and regulatory changes. By integrating these elements into its forecasting process, IIL can improve the transparency of its financial planning, support informed decision-making, and build greater trust with investors and stakeholders. These initiatives are crucial for us to remain competitive and responsive to evolving market demands.

Future Plans for AI Adoption

Ismail Industries Limited is eager to harness the transformative potential of Artificial Intelligence (AI). We are actively exploring how these technologies can significantly enhance our operations. Our strategy involves streamlining processes, improving supply chain management, and utilizing data more effectively to gain deeper insights into market dynamics. We are confident that the strategic implementation of AI will revolutionize our business in the long term, enabling us to respond more swiftly, make more informed decisions, and innovate new products and services. This initiative is expected to provide us with a competitive advantage and differentiate us in the marketplace.

Fortifying its long-term strategic framework through the assimilation of advanced artificial intelligence technologies across its operational landscape. By leveraging sophisticated data analytics, machine learning algorithms, and predictive modelling, the organization can augment manufacturing precision, optimize logistical networks, and tailor consumer engagement with heightened granularity. The institutionalization of AI within its strategic blueprint will empower Ismail Industries to proactively navigate market volatilities, elevate decision-making efficacy, and catalyze innovation. This paradigm shift will not only enhance organizational resilience but also ensure sustainable competitive differentiation and enduring value generation.

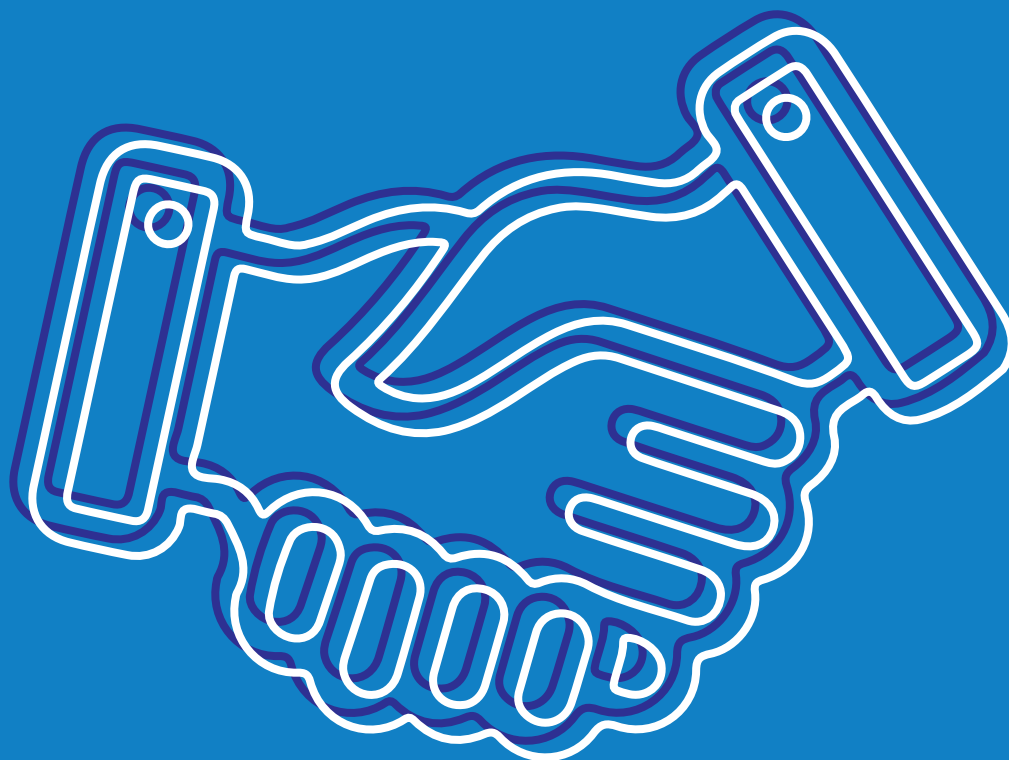




Stakeholders Relationship and Engagement

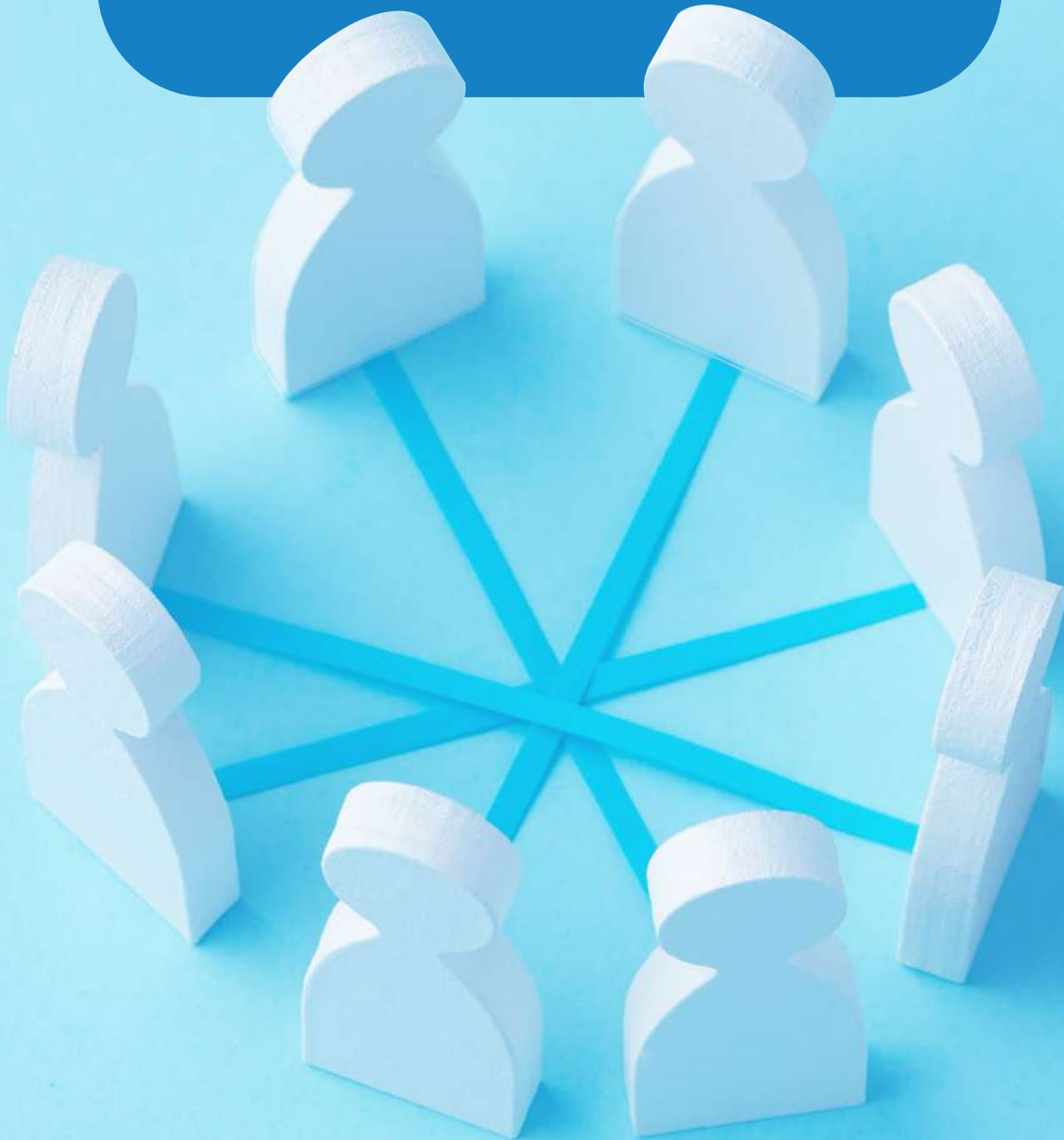
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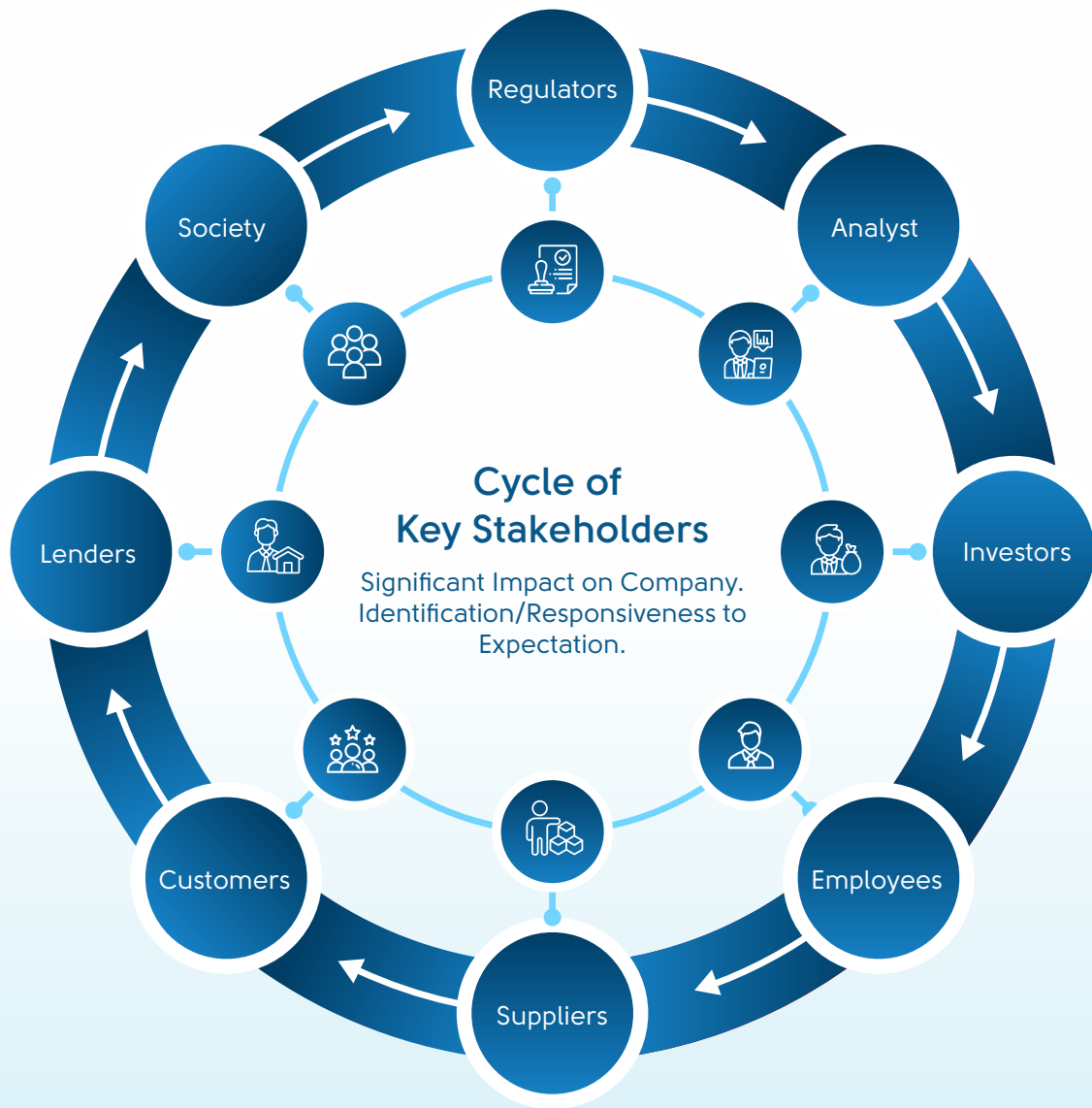
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Stakeholders Relationship and Engagement





Stakeholder's engagement policy

Building strong, collaborative relationships with our stakeholders is the core priority of our Company. We recognize that the foundation of our value lies in the trust our stakeholders place in us, which is why we foster transparent and ongoing communication. We ensure stakeholders are well-informed about our business activities by adhering to corporate governance policies and regulatory requirements. Additionally, we provide opportunities for stakeholders to actively contribute meaningful feedback that shapes management decisions.

This policy is designed to clarify how stakeholder input impacts our decision-making processes. We are dedicated to deliver comprehensive and transparent disclosures of critical information, including our strategic direction and financial performance, in our Annual Report and corporate website. To promote effective engagement, we employ a range of communication channels and customize our approach based on the nature of specific business initiatives.

Our commitments include:

- Maintaining openness and integrity in all stakeholder interactions.
- Delivering accurate, timely information consistently.
- Actively listening to and addressing stakeholder feedback and concerns.
- Regularly assessing and enhancing our stakeholder engagement practices.

We assesses stakeholders on the following criteria:

- Does the stakeholder have a fundamental impact on the Company?
- Can the Company identify what it wants from the stakeholder?
- Does the Company want the relationship to grow?
- Can the Company exist without the stakeholder or can easily replace the stakeholder?
- Has the stakeholder already been identified through another relationship?

ILL strengthens its corporate governance and sustainability practices by implementing a comprehensive Stakeholder Engagement Policy that provides a structured framework for identifying, mapping, and engaging with key stakeholders, including shareholders, customers, employees, suppliers, regulatory bodies, and the wider community. The policy establishes clear and transparent communication channels, facilitates regular consultations, and incorporates effective mechanisms for timely feedback and grievance resolution. By embedding stakeholder perspectives into strategic and operational decision-making, the company strengthens trust, reinforces accountability, and drives long-term value creation in alignment with its environmental, social, and governance (ESG) commitments.

Stakeholder Engagement Process

The frequency of our engagements is based on corporate and business needs, regulatory requirements (like the Code of Corporate Governance), or contractual obligations. Employee communication primarily happens through emails and our employee portal.

Stakeholders: Employees



Engagement Process

- Regular health and safety workshops, vaccination programs, and blood screening initiatives are conducted. Independent assessments of plant safety help maintain employee wellbeing.
- Leadership development is supported through training programs aligned with competency frameworks.
- Collaborative activities such as cross-departmental trainings, networking sessions, and joint plant tours promote mutual understanding across teams.
- Employees engage in goal-setting and performance evaluations to enhance self-awareness and personal growth.
- Despite economic difficulties, the company offers highly attractive compensation packages to its workforce.

Frequency of Engagements

Continuous

Impact on Company Performance and Value

Employees are more productive and innovative, leading to operational efficiencies.

Stakeholders: Customers & Suppliers



Engagement Process

- Regularly gathering feedback through surveys enables us to enhance our services and respond swiftly to customer requirements.
- Strong connections are fostered by leveraging consumer insights to gain a deeper understanding of their expectations.
- Distributor and customer visits to our production facilities are arranged to build trust and demonstrate the high standards of our product quality.

Frequency of Engagements

Continuous

Impact on Company Performance and Value

Customers provide insights that drive products improvements and loyalty. Hence, boosting the revenue.

Stakeholders: Local Community



Engagement Process

Collaborating with diverse organizations, we drive innovation and sustainability initiatives that align with and address the needs of the community.

Frequency of Engagements

Continuous

Impact on Company Performance and Value

No such direct impact

Stakeholders: Investors



Engagement Process

General Meetings and Corporate Briefing Sessions serve as platforms for transparent and sincere dialogue with stakeholders. To ensure shareholders and analysts remain updated, the Company releases quarterly financial reports on a regular basis.

Frequency of Engagements

Annually (General Meetings) and Quarterly (Reports)

Impact on Company Performance and Value

Investor receive clear information which builds investor confidence

Stakeholders: Regulators



Engagement Process

Adherence to the regulatory framework set by authorities such as PSX, SECP, and FBR remains a top priority for us. We remain vigilant in tracking all relevant laws, policies, and governance standards, ensuring full compliance at every level of our operations.

Frequency of Engagements

Continuous

Impact on Company Performance and Value

It helps us to maintain compliance, avoiding penalties and reputational damage.

Stakeholders: Lenders



Engagement Process

Strategic decisions with potential impact on financial exposure are communicated to our lenders to ensure transparency and alignment.

Frequency of Engagements

As and when required

Impact on Company Performance and Value

Lenders are more confident in providing favorable financing

Encouraging Minority Shareholder Attendance at General Meetings

We value all our shareholders, regardless of holding or voting power. We take the following steps to encourage minority shareholders to attend our general meetings:

- **Notice Period:** Notices for meetings are sent to all shareholders' registered addresses at least 21 days before the meeting.
- **Public Notice:** Notices are published in English and Urdu newspapers with country-wide circulation.
- **Digital Access & Proxy:** A QR Code for the Company's Annual Report, along with printed proxy forms, are sent to every shareholder. This allows them to nominate someone to attend on their behalf.
- **Online Dissemination:** Notices are posted on the Company's website and shared with the Pakistan Stock Exchange (PSX) for wider reach.

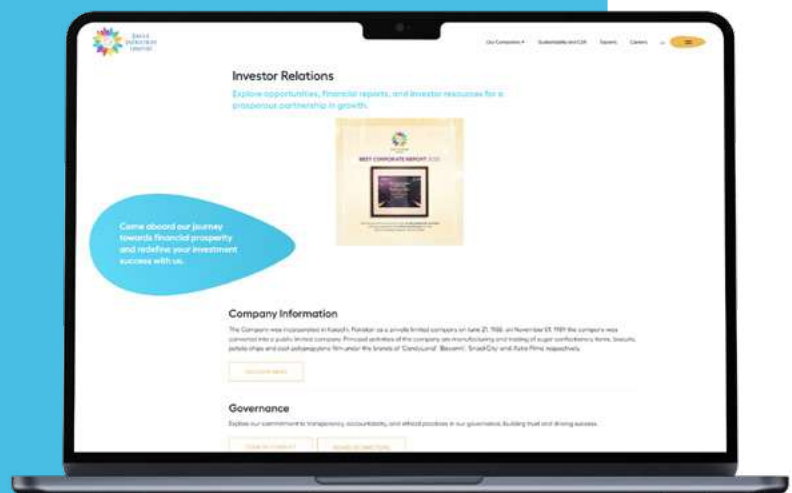
We encourage and appreciate two-way communication at general meetings and actively listen to our shareholders' views and concerns.

Our Company has enhanced minority shareholder participation in general meetings by adopting practices that prioritize transparency, accessibility, and engagement. This includes issuing timely and comprehensive notices with clear agendas, simplifying the voting process through electronic means, and enabling remote participation via virtual meeting platforms. The company should also ensure that minority shareholders are provided with adequate opportunities to ask questions and receive responses during meetings. Additionally, Ismail Industries can publishes meeting outcomes and responses to shareholder queries on its website to promote confidence and inclusivity in governance practices.

Investor's Relations Section on Corporate Website

Our corporate website includes a dedicated "Investors' Relations" section. This section provides all relevant information for investors, including our audited annual reports, quarterly reports, financial results, press releases, and details on corporate governance, ensuring full transparency and easy access to information. <https://ismailindustries.com.pk/investor>

Explore opportunities, financial reports, and investor resources for a prosperous partnership in growth.



Issues Raised in the Last Annual General Meeting (AGM)

At the last Annual General Meeting (AGM) for the fiscal year ending June 30, 2024, general queries and clarifications sought by shareholders regarding the agenda points were resolved to their satisfaction. Apart from those queries, no significant issue or concern was raised.

Corporate Briefing Sessions

- a. **Soliciting Stakeholder Views through Corporate Briefing Sessions:** The Board uses Corporate Briefing Sessions to understand stakeholder views. These annual sessions allow us to apprise local and foreign investors and analysts about our business environment, strategic decisions, and the country's economic indicators. This provides a platform for direct interaction, where we listen to feedback and address questions.
- b. **Summary of Corporate Analyst Briefing:** On November 6th, 2024 we conducted our annual Corporate Briefing Session. In this session, we provided a comprehensive overview of the Company's performance, including key financial highlights, operational achievements, and strategic initiatives. We also discussed our outlook on the local and global economic environment. Analysts were briefed on our investment decisions, future growth plans, and our approach to navigating market challenges. The session concluded with a Q&A segment allowing for direct engagement and clarification of views.



Redressal of Investors' Complaints

The management of the Company is committed to provide equal and fair treatment to all investors/ shareholders through transparent investor relations, increased awareness, effective communication, and prompt resolution of investors'/ shareholders' complaints. During the year, no complaint from investors has been received.

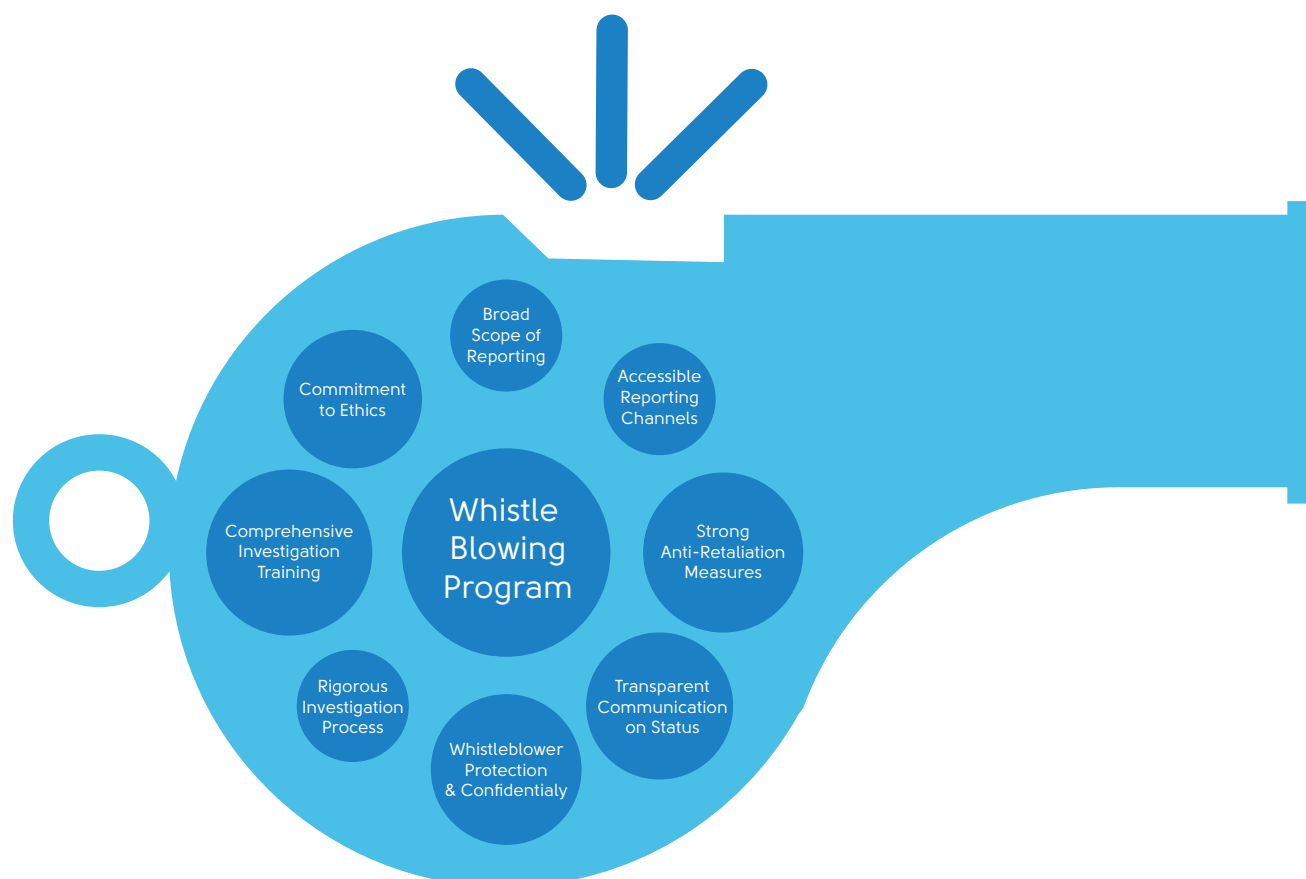
Corporate benefits to shareholders

The company consistently provides benefits to its shareholders. For financial year June 30, 2024, the Board has proposed a dividend of Rs. 10 per share, the same was approved by shareholder in the company last annual general meeting held on October 9th, 2024. As on June, 2025, the company's share price stands at approximately at Rs. 1,816, reflecting a 25.91% year-on-year increase. While the dividend per share has increased and share price appreciation has enhanced overall shareholder returns.

Whistle Blowing Mechanism

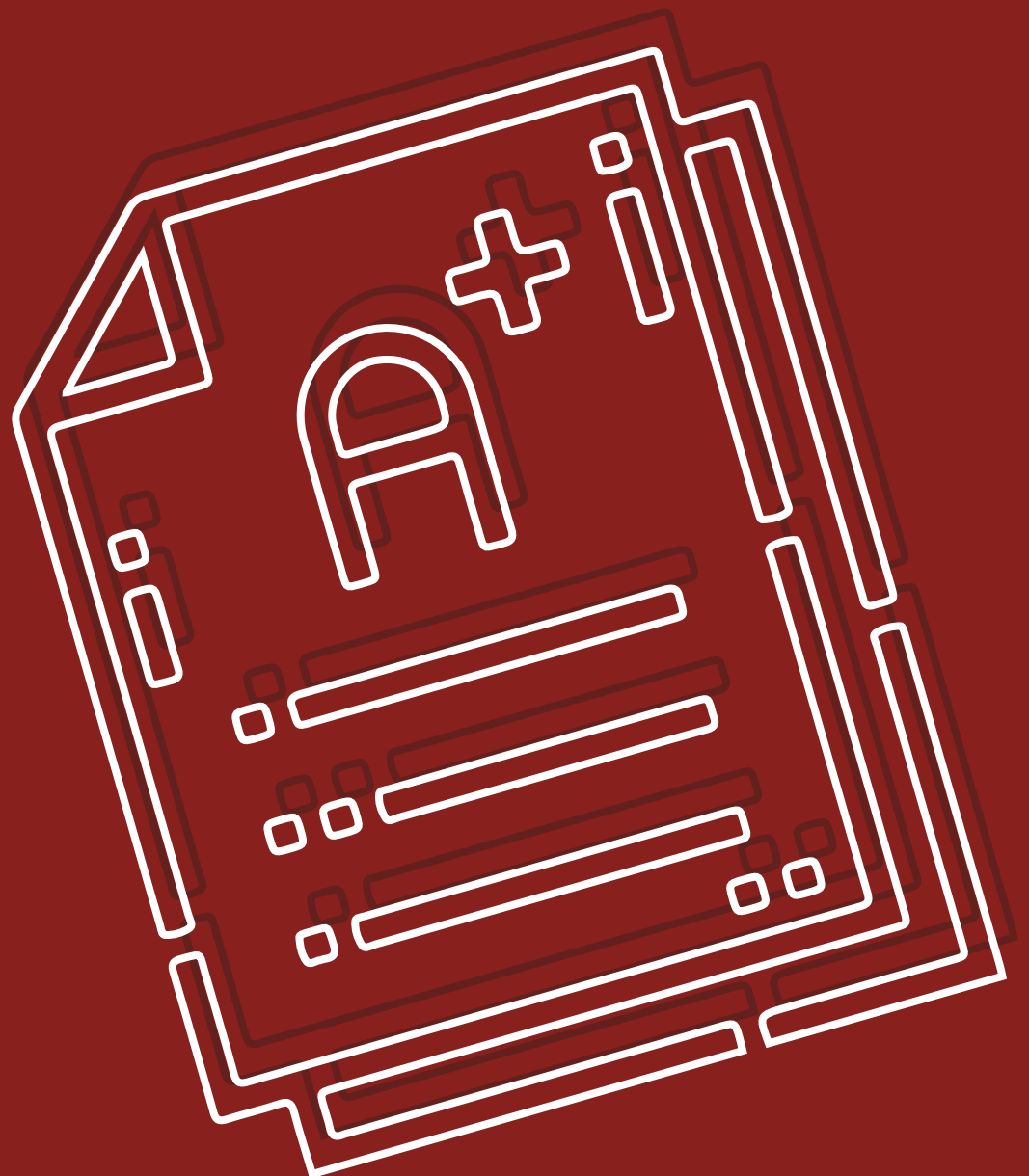
At Ismail Industries, we are committed to foster a culture of transparency, ethical conduct, and compliance with all applicable laws. Our formal Whistle Blowing Policy is central to this commitment. It requires the immediate reporting of wrongdoing, unethical conduct, non-compliance, financial irregularities, or any breach of our Code of Conduct. Through this program, we aim to address and resolve concerns, prevent improper activities, and safeguard our interests, reputation, and those of our stakeholders. This builds an environment of integrity and maintains trust with our employees, customers, and all other stakeholders. We've set up both internal and external reporting channels for employees and stakeholders, ensuring easy access and confidentiality. These include designated hotlines, emails, fax, landline, or direct communication with the Audit Committee or other responsible authorities. Hotline numbers are clearly displayed in various locations and are included in our Code of Policies handbook. A key part of identifying and reporting misconduct is our comprehensive employee training, which ensures thorough familiarity with our Code, including whistleblowing procedures.

Once a concern is raised, it's promptly logged and forwarded to the Audit Committee, or a person appointed by them, for an independent and thorough investigation. This is followed by a formal procedure involving senior compliance and legal staff. We prioritize protecting complainants against any form of retaliation, including termination, demotion, harassment, or other victimization. Our strict safeguards include whistle-blower protection and confidentiality, monitoring against discriminatory treatment, and disciplinary action against those who retaliate. Our Code also states that any attempted or actual retaliatory action by employees is a direct breach of our Code.



Striving for Excellence in Corporate Reporting

11





Striving for Excellence in Corporate Reporting



Statement of Unreserved Compliance of International Financial Reporting Standards Issued by International Accounting Standards Board

I

International

Global Standard for accounting practices.

F

Financial

Focus on financial information like handling money, assets, debts and other economic resources.

R

Reporting

Provides guidelines to prepare financial reports transparently and accurately.

S

Standard

Developed by the IASB to ensure uniformity and compatability in financial reporting

Board's Responsibility Statement on Financial Accounting and Reporting Standards

Ensuring compliance with accounting and reporting standards as applicable in Pakistan is a top-notch requirement for the Company in preparation of both its unconsolidated and consolidated financial statements (financial statements). These financial statements are developed in alignment with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and adopted under the Companies Act, 2017, (the Act), as well as the provisions and directives of the Act. Although updates to certain accounting and reporting standards became applicable during the current year, they were determined to be neither relevant nor materially impactful to the Company's financial disclosures. As such, these changes have not been individually highlighted in financial statements.

The Board of Directors at IIL plays a vital role in ensuring strict adherence to the approved financial reporting framework. This includes oversight of compliance with IFRS, relevant SECP regulations, and other legal directives. Their commitment supports accurate, clear, and timely reporting, fostering transparency and upholding principles of sound corporate governance while strengthening stakeholders' trust.

Beyond mere compliance, the Board prioritizes the implementation of strong internal controls and governance structures to safeguard the integrity of financial information. The Audit Committee, operating under delegated authority, conducts regular evaluations of key accounting judgments, estimates, and disclosure practices. The Company is also moving towards greater alignment with global reporting norms, incorporating sustainability and ESG-linked financial indicators to stay ahead of evolving regulatory and stakeholder demands. Training programs are routinely conducted for the finance and management teams to stay updated with emerging standards. Additionally, technological advancements—such as SAP S4 HANA-based systems and automated reconciliation tools—are being leveraged to minimize manual intervention and enhance the accuracy, consistency, and efficiency of financial reporting. This forward-looking strategy underscores the Company's dedication to transparency, accountability, and enduring financial resilience.

Important Note on Compliance:

In case where IFRS conflicts with the provisions or directives outlined in the Act, the Company adheres to the requirements of the Act to ensure alignment with local regulations.

Upholding the highest standards in corporate reporting remains a key focus of the Company. We are committed to deliver transparent, accurate, and value-driven disclosures that benefit all stakeholders. By continuously enhancing the quality and clarity of our reporting, we aim to strengthen stakeholders' understanding of our strategic direction, governance framework, operational performance, and long-term outlook within the broader external environment.

Both the Board of Directors and Management prioritize providing stakeholders with an insightful and comprehensive overview of our value creation process—encompassing our business model, associated risks, operational strategies, governance structure, and emerging opportunities.

Financial Statements

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UNCONSOLIDATED
FINANCIAL STATEMENTS &
INDEPENDENT
AUDITOR'S REPORT
THEREON FOR THE YEAR ENDED
JUNE 30, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Ismail Industries Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

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

Following are the key audit matters:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1. | <p>Revenue Recognition</p> <p>The Company is engaged in the production and sale of consumer food products in the local and export market. Revenue from the sale of goods is recognized when performance obligations are satisfied by transferring control of the promised goods to the customer. Control is transferred at a point in time, either upon shipment or delivery of goods, depending on the terms of sale.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations and inherent risk of material misstatement.</p> | <p>In response to this matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of, and evaluating, the design and implementation of controls over revenue recognition; Testing, on a sample basis, revenue transactions recorded during the year by comparing them with supporting documents such as sales orders, invoices, delivery documents, and other relevant records; Performing cut-off testing by selecting a sample of revenue transactions recorded before and after year end to assess whether revenue was recognized in the appropriate accounting period; Evaluating the appropriateness of the Company's accounting policies for revenue recognition in line with the applicable accounting and reporting standards; and Assessing the adequacy of the related disclosures in the financial statements in accordance with the applicable accounting and reporting requirements in Pakistan. |
| 2. | <p>Valuation of Stock-in-trade</p> <p>As at June 30, 2025 the Company's total stock-in-trade balance amounting to Rs. 16.97 billion as disclosed in note 11 which represents 30.51% of the total current assets of the Company. The value of stock-in-trade is based on the weighted average cost method for raw materials, packing materials and work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit.</p> <p>The Company is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.</p> | <p>In response to this matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade. Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade. Tested the valuation method used by the management in valuation of stock in trade. Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to identify any indicators of obsolescence. Compared the NRV to the cost of stock in trade whether any adjustment is required to value stock in trade in accordance with the accounting policy; and Assessed the adequacy of the disclosures on stock-in-trade in these unconsolidated financial statements. |

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.



Chartered Accountants

Karachi

Date: September 09, 2025

UDIN: AR202510093G5qx3ysMW

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| ASSETS | Note | 2025 | 2024 |
|---|------|-------------------|----------------|
| | | -----Rupees ----- | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 32,216,737,745 | 32,638,829,824 |
| Intangible assets | 7 | - | 166,669 |
| Long term investments | 8 | 14,244,663,562 | 9,556,240,700 |
| Long term deposits | 9 | 24,213,915 | 26,866,015 |
| Total non-current assets | | 46,485,615,222 | 42,222,103,208 |
| Current assets | | | |
| Stores and spares | 10 | 890,827,624 | 729,082,278 |
| Stock-in-trade | 11 | 16,969,470,041 | 12,639,532,702 |
| Trade debts | 12 | 13,317,024,257 | 13,135,064,556 |
| Loans and advances | 13 | 3,963,308,373 | 4,720,911,032 |
| Loans to subsidiaries and associate - unsecured | 14 | 9,412,000,000 | 8,871,800,000 |
| Trade deposits and short term prepayments | 15 | 29,776,319 | 36,686,358 |
| Short term investments | 16 | 1,816,010,034 | 1,567,501,315 |
| Other receivables | 17 | 6,614,810,120 | 4,654,923,737 |
| Taxation and levies - net | 18 | 2,013,576,373 | 1,527,695,259 |
| Cash and bank balances | 19 | 592,185,730 | 811,363,761 |
| Total current assets | | 55,618,988,871 | 48,694,560,998 |
| Total assets | | 102,104,604,093 | 90,916,664,206 |

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| EQUITY AND LIABILITIES | Note | 2025 | 2024 |
|--|------|-------------------|----------------|
| | | -----Rupees ----- | |
| Share capital and reserves | | | |
| Authorized share capital | | | |
| 250,000,000 (2024: 250,000,000) ordinary shares of Rs. 10 each | | 2,500,000,000 | 2,500,000,000 |
| | | | |
| Issued, subscribed and paid-up share capital | 20 | 663,569,400 | 663,569,400 |
| Reserves | 21 | 28,760,151,452 | 23,545,316,930 |
| Total shareholders' equity | | 29,423,720,852 | 24,208,886,330 |
| Non-current liabilities | | | |
| Long term finances - secured | 22 | 24,805,276,880 | 20,025,508,800 |
| Deferred liabilities | 23 | 3,464,561,126 | 3,169,496,194 |
| Total non-current liabilities | | 28,269,838,006 | 23,195,004,994 |
| Current liabilities | | | |
| Trade and other payables | 24 | 10,651,742,109 | 10,570,182,495 |
| Accrued mark-up | 25 | 876,775,394 | 1,430,971,673 |
| Short term finances - secured | 26 | 17,814,596,870 | 13,936,676,273 |
| Islamic redeemable sukuk | 27 | 8,000,000,000 | 10,000,000,000 |
| Current portion of: | | | |
| - long term finances - secured | 22 | 6,173,168,032 | 6,315,467,542 |
| Unclaimed dividend | | 5,965,586 | 5,228,293 |
| Advances from customers - unsecured | | 888,797,244 | 1,254,246,606 |
| Total current liabilities | | 44,411,045,235 | 43,512,772,882 |
| Total liabilities | | 72,680,883,241 | 66,707,777,876 |
| Total equity and liabilities | | 102,104,604,093 | 90,916,664,206 |
| Contingencies and commitments | | | |
| | 28 | | |

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 | 2024 |
|---|------|------------------------|------------------------|
| | | -----Rupees----- | |
| Sales | 29 | 118,396,971,136 | 121,489,862,489 |
| Sales returns, discounts and direct expenses | | (3,203,548,192) | (2,837,707,199) |
| Export rebate | | 54,232,602 | 19,232,379 |
| | | (3,149,315,590) | (2,818,474,820) |
| | | 115,247,655,546 | 118,671,387,669 |
| Sales tax | | (10,055,056,424) | (9,784,363,279) |
| Sales - net | | 105,192,599,122 | 108,887,024,390 |
| Cost of sales | 31 | (83,358,831,133) | (84,865,313,506) |
| Gross profit | | 21,833,767,989 | 24,021,710,884 |
| Selling and distribution expenses | 32 | (9,154,875,799) | (8,281,765,585) |
| Administrative expenses | 33 | (1,855,724,728) | (1,759,824,076) |
| Operating profit | | 10,823,167,462 | 13,980,121,223 |
| Other operating expenses | 34 | (759,900,275) | (854,852,793) |
| Other income | 35 | 1,222,940,052 | 1,308,842,943 |
| Finance cost | 36 | (5,047,231,594) | (7,384,155,473) |
| Share of profit from associated company - net | 8.3 | 1,516,519,377 | 626,504,654 |
| Profit before levies and taxation | | 7,755,495,022 | 7,676,460,554 |
| Levies | | (1,190,911,977) | (1,006,949,410) |
| Taxation | 38 | (815,091,880) | (537,461,617) |
| Profit for the year | | 5,749,491,165 | 6,132,049,527 |
| Earnings per share - basic and diluted | 39 | 86.64 | 92.41 |

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 | 2024 |
|---|--------|----------------------|----------------------|
| | | -----Rupees----- | |
| Profit for the year | | 5,749,491,165 | 6,132,049,527 |
| Other comprehensive income: | | | |
| Items that may be reclassified to unconsolidated statement of profit or loss in subsequent periods | | | |
| Items that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods: | | | |
| Loss on remeasurements of defined benefit obligation - net of tax | 23.2.6 | (9,195,547) | (948,644) |
| Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax | | (21,063,300) | (504,100) |
| Share of other comprehensive income from associate - net of tax | | 159,171,604 | 495,270,170 |
| Other comprehensive income | | 128,912,757 | 493,817,426 |
| Total comprehensive income for the year | | 5,878,403,922 | 6,625,866,953 |

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

| | Issued, subscribed and paid-up share capital | Total Reserves | | | | | Total shareholders' equity | |
|--|---|----------------------|--------------------------|--|---|--------------------------|----------------------------------|--------------------|
| | | Capital reserve | | Revenue reserve | | | | Total reserves |
| | | Share premium | Amalgamation reserves | Remeasurement of investment in associate | Remeasurement of investments at fair value through OCI | Unappropriated profit | | |
| | | | | | | | | ----- Rupees ----- |
| | | | | | | | | |
| Balance as at July 01, 2023 | 663,569,400 | 1,472,531,500 | 916,862,067 | (701,503,895) | (11,962,300) | 15,376,236,485 | 17,715,733,257 | |
| Profit for the year | - | - | - | - | - | 6,132,049,527 | 6,132,049,527 | |
| Loss on remeasurement of defined benefit obligation - net of tax - note 23.2.6 | - | - | - | - | - | (948,644) | (948,644) | |
| Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax | - | - | - | - | (504,100) | - | (504,100) | |
| Share of other comprehensive income from associate - net of tax | - | - | - | 495,270,170 | - | - | 495,270,170 | |
| Other comprehensive income / (loss) | - | - | - | 495,270,170 | (504,100) | (948,644) | 493,817,426 | |
| Total comprehensive income | - | - | - | 495,270,170 | (504,100) | 6,131,100,883 | 6,625,866,953 | |
| Final cash dividend for the year ended June 30, 2023 Rs. 2 per share | - | - | - | - | - | (132,713,880) | (132,713,880) | |
| Balance as at June 30, 2024 | 663,569,400 | 1,472,531,500 | 916,862,067 | (206,233,725) | (12,466,400) | 21,374,623,488 | 24,208,886,330 | |
| Profit for the year | - | - | - | - | - | 5,749,491,165 | 5,749,491,165 | |
| Loss on remeasurement of defined benefit obligation - net of tax - note 23.2.6 | - | - | - | - | - | (9,195,547) | (9,195,547) | |
| Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax | - | - | - | - | (21,063,300) | - | (21,063,300) | |
| Share of other comprehensive income from associate-net of tax | - | - | - | 159,171,604 | - | - | 159,171,604 | |
| Other comprehensive income / (loss) | - | - | - | 159,171,604 | (21,063,300) | (9,195,547) | 128,912,757 | |
| Total comprehensive income | - | - | - | 159,171,604 | (21,063,300) | 5,740,295,618 | 5,878,403,922 | |
| Final cash dividend for the year ended June 30, 2024 @ Rs. 10 per share | - | - | - | - | - | (663,569,400) | (663,569,400) | |
| Balance as at June 30, 2025 | 663,569,400 | 1,472,531,500 | 916,862,067 | (47,062,121) | (33,529,700) | 26,451,349,706 | 29,423,720,852 | |

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

| CASH FLOWS FROM OPERATING ACTIVITIES | Note | 2025 | 2024 |
|--|--------|------------------------|------------------------|
| | | -----Rupees----- | |
| Cash generated from operations | 41 | 8,099,703,469 | 6,974,275,096 |
| Gratuity paid | 23.2.3 | (144,931,024) | (112,349,348) |
| Income tax and levies paid | | (2,332,854,549) | (1,591,424,952) |
| Long term deposits - net | | 2,652,100 | (551,750) |
| Net cash generated from operating activities | | 5,624,569,996 | 5,269,949,046 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure (including CWIP) | | (3,128,171,070) | (6,944,775,288) |
| Long term investment made - net | | (3,465,492,822) | - |
| Short-term investment made - net | 16 | (263,064,438) | (371,917,993) |
| Receipts from associated company against dividend | | 480,850,047 | 404,075,672 |
| Proceeds from disposal of property, plant and equipment | 6.5 | 281,001,069 | 220,305,612 |
| Net cash used in investing activities | | (6,094,877,214) | (6,692,311,997) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts/(Payments) from long term finances - net | | 4,637,468,570 | (947,547,311) |
| Short term finance obtained - net | | 3,921,894,296 | 815,624,620 |
| (Payments) / Receipts from islamic redeemable sukuk | | (2,000,000,000) | 10,000,000,000 |
| Interest / mark-up paid | | (5,601,427,873) | (7,044,782,551) |
| Dividend paid | | (662,832,107) | (132,554,854) |
| Net cash generated from financing activities | | 295,102,886 | 2,690,739,904 |
| Net (decrease) / increase in cash and cash equivalents | | (175,204,332) | 1,268,376,953 |
| Cash and cash equivalents at the beginning of the year | | (2,641,953,535) | (3,910,330,488) |
| Cash and cash equivalents at the end of the year | | (2,817,157,867) | (2,641,953,535) |
| Cash and cash equivalents at the end of the year comprise of: | | | |
| Cash and bank balances | 19 | 592,185,730 | 811,363,761 |
| Running finance utilized under mark-up arrangements | 26.5 | (3,409,343,597) | (3,453,317,296) |
| | | (2,817,157,867) | (2,641,953,535) |

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND OPERATIONS

- 1.1. Ismail Industries Limited (the Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office / head office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, snacks, nutritional products, flour, cast polypropylene (CPP) and biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity', 'Ismail Nutrition', 'Ghiza', 'Super Cereal' and 'Astro Films' respectively.

These are the separate unconsolidated financial statements of the Company in which investment in subsidiaries are stated at cost less any impairment costs, if any and investment in associates are carried under equity method of accounting.

In addition to the above registered office, geographical location and addresses of business units including manufacturing units of the Company are as under:

| Units | Factory Addresses |
|----------|---|
| Unit-1 | C-230, Hub H.I.T.E., Balochistan. |
| Unit-2 | B-140, Hub H.I.T.E., Balochistan. |
| Unit-3 | G-1, Hub H.I.T.E., Balochistan. |
| Unit-4 | G-22, Hub H.I.T.E., Balochistan. |
| Unit-5: | 38-C, Sundar Industrial Estate, Raiwind Road, Lahore. |
| Unit-6: | D-91, D-92 & D-94, North Western Industrial Zone, Port Qasim. |
| Unit-7: | E164-168, North Western Zone, Port Qasim. |
| Unit-8: | E154-157, North Western Zone, Port Qasim. |
| Unit-9: | G-1A, Hub H.I.T.E., Balochistan. |
| Unit-10: | E164-168, North Western Zone, Port Qasim. |

Further the Company's liaison offices and warehouses are situated in Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Faisalabad and Peshawar.

2. SIGNIFICANT EVENTS AND TRANSACTIONS

- 2.1. During the year, Ismail Industries Limited ("the Company") has invested 100% equity in a newly formed foreign subsidiary, Bisconni Middle East Manufacturing LLC, incorporated in Abu Dhabi, UAE.

The investment is part of the Company's strategic expansion plan to strengthen its presence in international markets, particularly in the Middle East region. Bisconni Middle East Manufacturing LLC will serve as a manufacturing and distribution hub for the Company's chocolate and sugar confectionery products under the Bisconni brand. Further details pertaining to this investment are mentioned in note no. 8.2 of this unconsolidated financial statement.

3. BASIS OF PREPARATION

3.1. Statement of compliance

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

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

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

3.2. Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies.

3.3. Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. The figures have been rounded off to the nearest Rupee.

3.4. Standard, Amendments and Interpretations to Approved Accounting Standards

3.4.1. Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

3.4.2. Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

There are certain amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's unconsolidated financial statements and operations and, therefore, have not been disclosed in these unconsolidated financial statements.

3.4.3. Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making

the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the unconsolidated financial statements:

| | |
|---------------------------------------|-----------------|
| a. Property, plant and equipment | 4.1 & 5.1 |
| b. Right-of-use assets | 5.1.2 |
| c. Intangible assets | 5.2 |
| d. Stock-in-trade, stores and spares | 4.2 , 5.7 & 5.8 |
| e. Taxation | 4.4 & 5.14 |
| f. Staff retirement benefits | 4.5 & 5.13 |
| g. Provisions | 5.15 |
| h. Impairment of non-financial assets | 5.3 |
| i. Contingent liabilities | 5.23 |
| j. Impairment of financial assets | 4.3 & 5.25.5 |

4.1. Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

4.2. Stock-in-trade, stores and spares

The Company's management reviews the net realizable value (NRV) of stock-in-trade, stores and spares to assess any diminution in the respective carrying values and wherever required, provision for impairment is made.

4.3. Trade debts and other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.25.5 of these unconsolidated financial statements.

4.4. Taxation

In making the estimate for taxation by the Company, the management refers to the current income tax laws and the decisions of appellate authorities on certain issues in the past.

4.5. Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 23.1 to these unconsolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

5.1. Property, plant and equipment

5.1.1. Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the unconsolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note no. 6 to the unconsolidated financial statements. Depreciation on leasehold land is charged to the unconsolidated statement of profit or loss, applying the straight-line method at rates given in note no. 6 to these unconsolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal. Impairment loss if any are recorded on the basis as defined in note. 5.3.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

5.1.2. Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

5.1.3. Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

5.2. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying straight line method and impairment losses if any are recorded on the basis as defined in note 5.3. Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

5.3. Impairment of non-financial assets

Assets that are subject to depreciation/amortization including capital work-in-progress are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable (cash-generating units).

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

5.4. Investments in subsidiaries

Investment in subsidiaries are recognized and carried at cost in these unconsolidated financial statements. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in the unconsolidated statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss in the year in which they are occurred.

5.5. Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulations prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income / loss of the associate after the date of acquisition.

5.6. Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

5.7. Stores and spares

All stores, spares and loose tools either imported or purchased locally are charged to the unconsolidated statement of profit or loss when consumed and are valued at lower of weighted moving average cost or estimated NRV except for items-in-transit which are stated at invoice value plus other incidental charges paid thereon up to the reporting date. Provision is made for obsolete and slow moving items where necessary and is recognized in the unconsolidated statement of profit or loss.

5.8. Stock-in-trade

These are valued at lower of cost or net realizable value. Cost is determined as follows:

| Types of stock | Valuation method |
|------------------------------|--|
| a. Raw and packing materials | weighted average cost method |
| b. Work-in-process | weighted average cost method |
| c. Finished goods | lower of weighted average cost or net realizable value |
| d. Goods in-transit | invoice value plus other charges incurred thereon |
| e. Trading goods | lower of weighted average cost or net realizable value |

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

5.9. Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.10. Cash and cash equivalents

For the purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

5.11. Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the unconsolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

5.12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the unconsolidated statement of profit or loss in the year in which they are incurred.

5.13. Staff retirement benefits - staff gratuity scheme

The Company operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Company. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note no. 23.1 using the projected unit credit method.

5.14. Taxation and levies

5.14.1. Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of the Income Tax Ordinance, 2001.

5.14.2. Levies

Tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the income tax amount calculated based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss in accordance with the "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountant of Pakistan (ICAP) and accounted for in accordance with requirement of IFRIC 21/IAS-37.

5.14.3. Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.15. Provisions

Provisions are recognized in these unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.16. Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.17. Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Pakistani Rupee at rates of exchange prevailing on that date. All non-monetary item are translated into Pak Rupee at exchange rate prevailing on the date of transaction or on the date when fair value is determine.

5.18. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic division.

5.19. Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5.20. Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, and it is in the interest of the Company to do so.

5.21. Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.22. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

5.23. Contingent liabilities

Contingent liability is disclosed when:

- a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or
- b. a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24. Operating, administrative and selling expenses

These expenses are recognized in the unconsolidated statement of profit or loss upon utilization of the services or as incurred except as specifically stated in these unconsolidated financial statements.

5.25. Financial Instruments - Initial recognition and subsequent measurement**5.25.1. Initial recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

5.25.2. Classification of financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

5.25.3. Classification of financial liabilities

The Company classifies its financial liabilities at amortised cost.

5.25.4. Subsequent measurement

i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the consolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

5.25.5. Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

5.25.6. Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognized in the unconsolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the unconsolidated statement of profit or loss, but is transferred to retained earnings.

ii) Financial liabilities

The Company derecognizes its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the unconsolidated statement of profit or loss.

5.25.7. Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these unconsolidated statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.26. Revenue

The Company is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods net of discount and sales related indirect taxes. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The following are the specific recognition criteria that must be met before revenue is recognized:

- a. Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.
- b. Processing income is recognized when services are rendered.
- c. Gain or loss on sale of investments is taken to income in the period in which it arises.
- d. Interest income is recognized on an accrual basis using the effective interest method.
- e. Dividend is recognized when the right to receive is established.
- f. Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

| 6. PROPERTY, PLANT AND EQUIPMENT | | | | |
|------------------------------------|------|------------------|----------------|--|
| | Note | 2025 | 2024 | |
| | | -----Rupees----- | | |
| | | | | |
| Operating assets | 6.1 | 31,496,235,444 | 31,639,398,843 | |
| Capital work in progress - at cost | 6.7 | 720,502,301 | 999,430,981 | |
| | | 32,216,737,745 | 32,638,829,824 | |

6.1 Detailed movement of operating assets and right-of-use assets are as follows;

| Year ended June 30, 2025 | Operating assets | | | | | | | | | Grand total |
|---|-------------------|---------------|----------------------------|---------------------|------------------------|---------------|--------------|---------------|--------------------------|------------------|
| | -----Rupees ----- | | | | | | | | | |
| | Leasehold land | Freehold land | Building on leasehold land | Plant and machinery | Furniture and fittings | Equipments | Computers | Vehicles | Cooling tower & chillers | |
| | | | | | | | | | | |
| As at June 30, 2024 | | | | | | | | | | |
| Cost | 1,121,689,941 | 88,688,580 | 10,566,265,948 | 33,568,469,230 | 279,474,364 | 865,826,464 | 157,840,472 | 1,538,250,604 | 29,400,000 | 48,215,905,603 |
| Accumulated depreciation | (84,348,376) | - | (3,054,091,818) | (12,554,146,554) | (78,478,190) | (221,778,498) | (71,572,744) | (490,857,247) | (21,233,333) | (16,576,506,760) |
| Net book value | 1,037,341,565 | 88,688,580 | 7,512,174,130 | 21,014,322,676 | 200,996,174 | 644,047,966 | 86,267,728 | 1,047,393,357 | 8,166,667 | 31,639,398,843 |
| July 01, 2024 | | | | | | | | | | |
| Opening net book value | 1,037,341,565 | 88,688,580 | 7,512,174,130 | 21,014,322,676 | 200,996,174 | 644,047,966 | 86,267,728 | 1,047,393,357 | 8,166,667 | 31,639,398,844 |
| Additions / Transfers from CWIP | 612,445,150 | - | 899,728,227 | 1,068,119,254 | 9,127,652 | 120,708,808 | 76,739,658 | 620,231,000 | - | 3,407,099,749 |
| Transfer from right-of-use assets to owned assets | | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - | - |
| Disposal | | | | | | | | | | |
| Cost | - | - | - | - | - | (485,225) | (24,417,115) | (343,176,352) | - | (368,078,692) |
| Accumulated depreciation | - | - | - | - | - | 383,720 | 7,480,034 | 130,398,142 | - | 138,261,896 |
| Depreciation charge for the year | (12,737,096) | - | (803,009,922) | (2,147,078,412) | (20,476,203) | (65,357,573) | (21,780,100) | (241,840,380) | (8,166,667) | (3,320,446,353) |
| Closing net book value | 1,637,049,619 | 88,688,580 | 7,608,892,435 | 19,935,363,518 | 189,647,623 | 699,297,696 | 124,290,205 | 1,213,005,767 | - | 31,496,235,444 |
| As at June 30, 2025 | | | | | | | | | | |
| Cost | 1,734,135,091 | 88,688,580 | 11,465,994,175 | 34,636,588,484 | 288,602,016 | 986,050,047 | 210,163,015 | 1,815,305,252 | 29,400,000 | 51,254,926,661 |
| Accumulated depreciation | (97,085,472) | - | (3,857,101,740) | (14,701,224,966) | (98,954,393) | (286,752,351) | (85,872,810) | (602,299,485) | (29,400,000) | (19,758,691,217) |
| Net book value | 1,637,049,619 | 88,688,580 | 7,608,892,435 | 19,935,363,518 | 189,647,623 | 699,297,696 | 124,290,205 | 1,213,005,767 | - | 31,496,235,444 |
| Depreciation rate (%) | 1 | | 10 | 10 | 10 | 10 | 20 | 20 | 33 | |

| Year ended June 30, 2024 | Operating assets | | | | | | | | | | Grand total |
|--|------------------|---------------|----------------------------|---------------------|------------------------|---------------|--------------|---------------|--------------------------|-------------------|------------------|
| | Leasehold land | Freehold land | Building on leasehold land | Plant and machinery | Furniture and fittings | Equipments | Computers | Vehicles | Cooling tower & chillers | | |
| | | | | | | | | | | | |
| | | | | | | | | | | -----Rupees ----- | |
| As at June 30, 2023 | | | | | | | | | | | |
| Cost | 1,121,689,941 | 88,688,580 | 6,853,596,104 | 28,046,087,223 | 200,781,949 | 451,686,661 | 143,045,980 | 1,237,014,437 | 29,400,000 | | 38,171,990,875 |
| Accumulated depreciation | (72,804,213) | - | (2,461,734,810) | (10,487,640,358) | (61,266,926) | (170,293,115) | (54,509,788) | (384,099,726) | (11,433,332) | | (13,703,782,268) |
| Net book value | 1,048,885,728 | 88,688,580 | 4,391,861,294 | 17,558,446,865 | 139,515,023 | 281,393,546 | 88,536,192 | 852,914,711 | 17,966,668 | | 24,468,208,607 |
| July 01, 2023 | | | | | | | | | | | |
| Opening net book value | 1,048,885,728 | 88,688,580 | 4,391,861,294 | 17,558,446,865 | 139,515,023 | 281,393,546 | 88,536,192 | 852,914,711 | 17,966,668 | | 24,468,208,607 |
| Additions / Transfers from CWIP | - | - | 3,712,669,844 | 5,559,845,833 | 78,692,415 | 414,139,803 | 21,557,422 | 528,513,707 | - | | 10,315,419,024 |
| Transfer from leased assets to owned assets | | | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | - | | - |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - | | - |
| Disposal | | | | | | | | | | | |
| Cost | - | - | - | (37,463,826) | - | - | (6,762,930) | (227,277,540) | - | | (271,504,296) |
| Accumulated depreciation | - | - | - | 31,069,037 | - | - | 2,989,618 | 96,337,774 | - | | 130,396,429 |
| Depreciation charge for the year | (11,544,164) | - | (592,357,008) | (2,097,575,233) | (17,211,264) | (51,485,383) | (20,052,574) | (203,095,295) | (9,800,001) | | (3,003,120,922) |
| Closing net book value | 1,037,341,564 | 88,688,580 | 7,512,174,130 | 21,014,322,676 | 200,996,174 | 644,047,966 | 86,267,728 | 1,047,393,357 | 8,166,667 | | 31,639,398,843 |
| As at June 30, 2024 | | | | | | | | | | | |
| Cost | 1,121,689,941 | 88,688,580 | 10,566,265,948 | 33,568,469,230 | 279,474,364 | 865,826,464 | 157,840,472 | 1,538,250,604 | 29,400,000 | | 48,215,905,603 |
| Accumulated depreciation | (84,348,376) | - | (3,054,091,818) | (12,554,146,554) | (78,478,190) | (221,778,498) | (71,572,744) | (490,857,247) | (21,233,333) | | (16,576,506,760) |
| Net book value | 1,037,341,565 | 88,688,580 | 7,512,174,130 | 21,014,322,676 | 200,996,174 | 644,047,966 | 86,267,728 | 1,047,393,357 | 8,166,667 | | 31,639,398,843 |
| Depreciation rate (%) | 1 | | 10 | 10 | 10 | 10 | 20 | 20 | 33 | | |
| 2. Property plant and equipment of the Company is under charge against long term finances as mentioned in note no. 22. | | | | | | | | | | | |

6.2 Property plant and equipment of the Company is under charge against long term finances as mentioned in note no. 22.

6. 3 The expenses have been allocated to the unconsolidated statement of profit or loss as follows:

| | Note | 2025 | 2024 |
|--|------|----------------------|----------------------|
| | | ----- Rupees ----- | |
| 6.3.1 Depreciation charge of operating assets | | | |
| Cost of sales | 31 | 3,038,859,713 | 2,753,173,696 |
| Selling and distribution expenses | 32 | 127,536,792 | 106,768,249 |
| Administrative expenses | 33 | 154,049,843 | 143,178,977 |
| | | 3,320,446,348 | 3,003,120,922 |

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

| Locations | usage of immovable property | * Total area |
|--|----------------------------------|-----------------|
| 17 - Bangalore Town, Shahrah-e-Faisal, Karachi. | Registered office / Head office | 1000 sq. yd |
| C-230, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 1 | 7.54 acres |
| B-140, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 2 | 4.59 acres |
| G-1, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 3 | 3.486 acres |
| G-22, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 4 | 9.00 acres |
| 38-C, Sundar Industrial Estate, Raiwind Road, Lahore. | Manufacturing facility - Unit 5 | 4.02 acres |
| D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 6 | 7.50 acres |
| E164-168, North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 7 | 2.74 acres |
| E154-157, North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 8 | 5.04 acres |
| G-1A, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 9 | 3.185 acres |
| E164-168, North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 10 | 3.50 acres |
| D-101/M, D-101/N, S.I.T.E area, Nooriabad, District Jamshoro, Sindh. | For future expansion | 20.50 acres |
| PT2-24-2402, Pearl Tower, Plot # 7 (R9) Crescent Bay, Karachi. | Administrative purpose | 2,209.57 sq. ft |
| Sabzi mandi road, Chak no. 241 Dist. Faisalabad. | For future expansion | 0.88 acres |
| 39-B, Sundar Industrial Estate, Raiwind Road, Lahore. | For future expansion | 1.138 acres |
| E1Z/1/P-II-B, Eastern industrial Zone, Port Qasim, Karachi. | For future expansion | 15 acres |
| Plot 1,2,3 Hub H.I.T.E Balochistan | For future expansion | 8.37 acres |

* The covered area includes multi-storey buildings.

6.5. Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|------------------------|--------------------------|-------------------|-------------------|--------------------|-------------------------|--------------|------------------|
| Vehicles | | | | | | | |
| Toyota Fortuner | | | | | | | |
| 10,573,000 | 5,159,624 | 5,413,376 | 6,704,950 | 1,291,574 | Ali Abbas Jafri | Employee | Company Policy |
| 16,250,708 | 4,521,308 | 11,729,400 | 5,690,121 | (6,039,279) | Muhammad Ehtisham Khan | Employee | Company Policy |
| 16,101,167 | 6,054,039 | 10,047,128 | 12,500,000 | 2,452,872 | Muhammad Mustafa Dhedhi | Independent | Negotiable |
| 17,880,100 | 2,642,281 | 15,237,819 | 15,100,000 | (137,819) | Irfan Mahmood Khan | Independent | Negotiable |
| 60,804,975 | 18,377,252 | 42,427,723 | 39,995,071 | (2,432,652) | | | |
| Honda Civic | | | | | | | |
| 3,638,216 | 2,158,351 | 1,479,865 | 2,163,922 | 684,057 | Ghulam Farooq | Employee | Company Policy |
| 3,535,666 | 1,903,288 | 1,632,378 | 2,391,108 | 758,730 | Zunair Ahmed | Employee | Company Policy |
| 3,636,542 | 2,214,250 | 1,422,292 | 2,204,896 | 782,604 | Sarfaraz Ahmed Khan | Employee | Company Policy |
| 3,388,181 | 2,347,332 | 1,040,849 | 1,579,004 | 538,155 | Asjad Rana | Employee | Company Policy |
| 14,198,605 | 8,623,221 | 5,575,384 | 8,338,930 | 2,763,546 | | | |

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|-------------------|--------------------------|-------------------|-------------------|------------------|------------------------|--------------|------------------|
| Toyota Yaris | | | | | | | |
| 2,419,837 | 1,070,751 | 1,349,086 | 1,975,540 | 626,454 | Raja Muhammad Waseem | Employee | Company Policy |
| 2,420,637 | 1,047,867 | 1,372,770 | 2,230,170 | 857,400 | Yasir Habib | Employee | Company Policy |
| 1,805,655 | 35,268 | 1,770,387 | 3,097,825 | 1,327,438 | Ali Raza Kazim | Independent | Negotiable |
| 2,273,351 | 1,365,466 | 907,885 | 1,325,726 | 417,841 | Junaid Ahmed | Employee | Company Policy |
| 2,419,837 | 1,189,484 | 1,230,353 | 1,777,987 | 547,634 | Syed Mohsin Raza Zaidi | Employee | Company Policy |
| 2,308,590 | 1,301,265 | 1,007,325 | 1,645,119 | 637,794 | Zafar Iqbal | Employee | Company Policy |
| 2,308,490 | 1,323,534 | 984,956 | 1,480,820 | 495,864 | Muhammad Sheeraz | Employee | Company Policy |
| 2,273,101 | 1,448,723 | 824,378 | 1,193,099 | 368,721 | Naveed Tariq | Employee | Company Policy |
| 2,419,837 | 1,215,296 | 1,204,541 | 1,862,652 | 658,111 | Kamran Ahmed | Employee | Company Policy |
| 2,439,995 | 1,453,760 | 986,235 | 1,508,220 | 521,985 | Muhammad Salman Sayani | Employee | Company Policy |
| 23,089,330 | 11,451,414 | 11,637,916 | 18,097,158 | 6,459,242 | | | |
| Suzuki Cultus | | | | | | | |
| 1,563,767 | 927,251 | 636,516 | 1,636,335 | 999,819 | Ali Mohammad Qavi | Employee | Company Policy |
| 1,542,568 | 868,171 | 674,397 | 1,009,121 | 334,724 | Muaz Siddiqui | Employee | Company Policy |
| 1,543,218 | 845,272 | 697,946 | 1,045,073 | 347,127 | Hafiz Fahd Ahmed | Employee | Company Policy |
| 1,542,568 | 906,344 | 636,224 | 955,060 | 318,836 | Adeel Ashiq | Employee | Company Policy |
| 1,543,117 | 983,919 | 559,198 | 828,805 | 269,607 | Nisar Ahmed | Employee | Company Policy |
| 7,735,238 | 4,530,957 | 3,204,281 | 5,474,394 | 2,270,113 | | | |
| Suzuki Alto | | | | | | | |
| 1,203,867 | 574,645 | 629,222 | 812,407 | 183,185 | Asad Ali Malik | Employee | Company Policy |
| 1,243,166 | 627,882 | 615,284 | 834,544 | 219,260 | Khurram Shahzad | Employee | Company Policy |
| 1,224,786 | 648,908 | 575,878 | 743,871 | 167,993 | Faheem Ghazanfar Vohra | Employee | Company Policy |
| 1,224,786 | 658,837 | 565,949 | 1,357,282 | 791,333 | Syed Mashad Khursheed | Employee | Company Policy |
| 1,356,669 | 627,324 | 729,345 | 946,586 | 217,241 | Muhammad Pervaiz | Employee | Company Policy |
| 2,642,370 | 628,297 | 2,014,073 | 2,147,250 | 133,177 | Akhtar Ali | Employee | Company Policy |
| 2,351,328 | 686,588 | 1,664,740 | 2,014,482 | 349,742 | Sheikh Shafi Ud Din | Employee | Company Policy |
| 2,305,100 | 947,652 | 1,357,448 | 1,583,335 | 225,887 | Abdul Rehman | Employee | Company Policy |
| 2,642,360 | 658,388 | 1,983,972 | 2,114,208 | 130,236 | Waseem Abbas | Employee | Company Policy |
| 1,508,029 | 683,987 | 824,042 | 958,990 | 134,948 | Baqar Jamal | Employee | Company Policy |
| 1,243,166 | 712,749 | 530,417 | 1,408,188 | 877,771 | Umer Aziz | Employee | Company Policy |
| 2,238,937 | 820,943 | 1,417,994 | 1,823,861 | 405,867 | Moshin Rafique | Employee | Company Policy |
| 21,184,564 | 8,276,200 | 12,908,364 | 16,745,004 | 3,836,640 | | | |

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|--------------------|--------------------------|-------------------|-------------------|------------------|--------------------------|--------------|------------------|
| Honda City | | | | | | | |
| 3,675,125 | 1,113,972 | 2,561,153 | 3,513,864 | 952,711 | Saad Anjum | Employee | Company Policy |
| 2,859,327 | 1,115,773 | 1,743,554 | 2,562,102 | 818,548 | Khawar Hussain Rajput | Employee | Company Policy |
| 4,932,400 | 871,391 | 4,061,009 | 4,334,792 | 273,783 | Ghulam Abbas | Employee | Company Policy |
| 2,858,952 | 1,207,113 | 1,651,839 | 2,420,107 | 768,268 | Muhammad Saleem | Employee | Company Policy |
| 3,562,364 | 1,298,284 | 2,264,080 | 3,239,770 | 975,690 | Uzair Rabbani | Employee | Company Policy |
| 4,900,900 | 1,498,859 | 3,402,041 | 3,963,858 | 561,817 | Abdul Mohee Kazi | Employee | Company Policy |
| 4,737,825 | 855,441 | 3,882,384 | 4,265,393 | 383,009 | Shoaib Alam | Employee | Company Policy |
| 4,958,000 | 1,583,806 | 3,374,194 | 4,712,972 | 1,338,778 | Nauman Shafeeq | Employee | Company Policy |
| 32,484,893 | 9,544,639 | 22,940,254 | 29,012,858 | 6,072,604 | | | |
| KIA Picanto | | | | | | | |
| 1,850,466 | 764,859 | 1,085,607 | 1,985,054 | 899,447 | Shahzad Tariq | Employee | Company Policy |
| 2,696,260 | 719,002 | 1,977,258 | 2,638,407 | 661,149 | Tauheed Amin | Employee | Company Policy |
| 1,649,550 | 928,382 | 721,168 | 1,059,740 | 338,572 | Muhammad Nazim Naseem | Employee | Company Policy |
| 2,696,851 | 785,083 | 1,911,768 | 2,670,658 | 758,890 | Muhammad Faizan | Employee | Company Policy |
| 2,696,851 | 785,083 | 1,911,768 | 2,670,658 | 758,890 | Rahim | Independent | Negotiable |
| 2,256,221 | 883,636 | 1,372,585 | 1,950,141 | 577,556 | Muhammad Imran Hussain | Employee | Company Policy |
| 1,608,666 | 791,893 | 816,773 | 1,317,232 | 500,459 | Tasawar Waleed | Employee | Company Policy |
| 2,689,060 | 1,045,746 | 1,643,314 | 2,355,570 | 712,256 | Nasir Maqbool | Employee | Company Policy |
| 1,897,810 | 858,654 | 1,039,156 | 1,657,081 | 617,925 | Muhammad Osama Alam Khan | Employee | Company Policy |
| 2,696,061 | 949,613 | 1,746,448 | 2,449,793 | 703,345 | Khalid Ali | Employee | Company Policy |
| 1,850,467 | 891,514 | 958,953 | 1,330,944 | 371,991 | Ebtesam Rehman | Employee | Company Policy |
| 2,257,085 | 981,080 | 1,276,005 | 1,822,521 | 546,516 | Syed Hassan Mohsin | Employee | Company Policy |
| 1,850,092 | 926,197 | 923,895 | 1,333,314 | 409,419 | Mohammad Ali Azfar | Employee | Company Policy |
| 1,897,810 | 915,335 | 982,475 | 1,441,024 | 458,549 | Muhammad Ali Danish | Employee | Company Policy |
| 2,689,061 | 1,135,381 | 1,553,680 | 2,229,940 | 676,260 | Umair Fareed | Employee | Company Policy |
| 2,689,851 | 1,042,467 | 1,647,384 | 2,250,000 | 602,616 | Waqar Hussain | Independent | Negotiable |
| 3,405,125 | 1,044,238 | 2,360,887 | 2,400,000 | 39,113 | Waqar Hussain | Independent | Negotiable |
| 39,377,287 | 15,448,163 | 23,929,124 | 33,562,077 | 9,632,953 | | | |

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|----------------------------|--------------------------|--------------------|--------------------|-------------------|-------------------------|--------------|------------------|
| 2,696,061 | 982,564 | 1,713,497 | 2,250,000 | 536,503 | Waqar Hussain | Independent | Negotiable |
| 2,891,733 | 920,214 | 1,971,519 | 2,400,000 | 428,481 | Waqar Hussain | Independent | Negotiable |
| 1,649,550 | 941,989 | 707,561 | 1,059,740 | 352,179 | Ihsan Ahmed | Employee | Company Policy |
| 2,689,451 | 1,104,468 | 1,584,983 | 2,293,188 | 708,205 | Muhammad Sohail Aslam | Employee | Company Policy |
| 2,697,676 | 1,016,124 | 1,681,552 | 2,050,000 | 368,448 | Ali Raza Kazim | Independent | Negotiable |
| 2,689,061 | 1,195,736 | 1,493,325 | 2,050,000 | 556,675 | Ali Raza Kazim | Independent | Negotiable |
| 2,696,851 | 1,048,775 | 1,648,076 | 2,474,819 | 826,743 | Ahsan Jameel | Employee | Company Policy |
| 1,897,810 | 953,122 | 944,688 | 1,755,843 | 811,155 | Faisal Hayat | Employee | Company Policy |
| 3,405,125 | 1,180,443 | 2,224,682 | 2,300,000 | 75,318 | Waqar Hussain | Independent | Negotiable |
| 3,405,125 | 1,180,443 | 2,224,682 | 2,350,000 | 125,318 | Waqar Hussain | Independent | Negotiable |
| 3,657,650 | 770,139 | 2,887,511 | 2,400,000 | (487,511) | Waqar Hussain | Independent | Negotiable |
| 3,657,650 | 770,139 | 2,887,511 | 2,300,000 | (587,511) | Waqar Hussain | Independent | Negotiable |
| 1,850,467 | 963,888 | 886,579 | 1,247,760 | 361,181 | Muhammad Zeeshan | Employee | Company Policy |
| 75,261,497 | 28,476,207 | 46,785,290 | 60,493,427 | 13,708,137 | | | |
| KIA Sportage | | | | | | | |
| 8,848,900 | 1,413,366 | 7,435,534 | 8,632,000 | 1,196,466 | Efu General Insurance | Independent | Company Policy |
| 8,848,900 | 1,413,366 | 7,435,534 | 8,632,000 | 1,196,466 | | | |
| Toyota Land Cruiser | | | | | | | |
| 32,490,461 | 5,703,881 | 26,786,580 | 25,800,000 | (986,580) | Syed Muhammad Ahmed | Independent | Negotiable |
| 32,490,461 | 5,703,881 | 26,786,580 | 25,800,000 | (986,580) | | | |
| KIA Carnival | | | | | | | |
| 5,488,960 | 4,011,092 | 1,477,868 | 6,200,000 | 4,722,132 | Muhammad Umar Farooq | Independent | Negotiable |
| 9,814,657 | 4,728,483 | 5,086,174 | 10,000,000 | 4,913,826 | Muhammad Mustafa Dhedhi | Independent | Negotiable |
| 15,303,617 | 8,739,575 | 6,564,042 | 16,200,000 | 9,635,958 | | | |
| Toyota Corolla | | | | | | | |
| 6,732,270 | 448,818 | 6,283,452 | 6,572,000 | 288,548 | Efu General Insurance | Independent | Company Policy |
| 4,011,697 | 1,893,521 | 2,118,176 | 2,369,074 | 250,898 | Maria Ahsan | Employee | Company Policy |
| 2,626,332 | 1,799,817 | 826,515 | 1,169,058 | 342,543 | Hamza Ali | Employee | Company Policy |
| 3,469,890 | 1,426,510 | 2,043,380 | 2,830,069 | 786,689 | Khalid Ahmed | Employee | Company Policy |
| 7,202,000 | 1,200,333 | 6,001,667 | 5,711,792 | (289,875) | Haris Khan | Employee | Company Policy |
| 24,042,189 | 6,768,999 | 17,273,190 | 18,651,993 | 1,378,803 | | | |
| 315,444,269 | 111,905,711 | 203,538,557 | 247,440,835 | 43,902,278 | | | |

6.5.1. Aggregate of assets disposed off having net book value not exceeding Rs. 500,000

| Description | Cost | Accumulated depreciation | Net book value | Sale proceed | Gain / (loss) |
|--------------|-------------|--------------------------|----------------|--------------|---------------|
| Computers | 24,417,115 | 7,480,034 | 16,937,081 | 12,287,935 | (4,649,146) |
| Vehicles | 27,732,083 | 18,492,431 | 9,239,652 | 21,141,599 | 11,901,947 |
| Equipments | 485,225 | 383,720 | 101,505 | 130,700 | 29,195 |
| Sub-total | 52,634,423 | 26,356,185 | 26,278,238 | 33,560,234 | 7,281,996 |
| 2025 - total | 368,078,692 | 138,261,896 | 229,816,795 | 281,001,069 | 51,184,274 |
| 2024 - total | 271,504,296 | 130,396,429 | 141,107,867 | 220,305,612 | 79,197,745 |

6.6. All disposal are made through negotiation or otherwise specified in 6.5.1 of these unconsolidated financial statements.

| 6.7. Capital work-in-progress | Note | 2025 | 2024 |
|-------------------------------|-------|--------------------|-------------|
| | | ----- Rupees ----- | |
| Civil works | | 83,442,396 | 498,916,822 |
| Plant and machinery | | 579,114,800 | 449,813,290 |
| Equipment and fittings | | 57,945,105 | 50,700,869 |
| | 6.7.1 | 720,502,301 | 999,430,981 |

| 6.7.1. Movement of Capital work-in-progress | Civil works | Plant and machinery | Equipment and fittings | Total |
|---|------------------|---------------------|------------------------|-----------------|
| | -----Rupees----- | | | |
| Balance as at July 1, 2023 | 1,659,075,856 | 2,506,502,348 | 204,496,513 | 4,370,074,717 |
| CAPEX incurred during the year | 2,552,510,810 | 3,487,573,680 | 339,036,574 | 6,379,121,064 |
| Transferred to operating fixed assets | (3,712,669,844) | (5,544,262,738) | (492,832,218) | (9,749,764,800) |
| Balance as at June 30, 2024 | 498,916,822 | 449,813,290 | 50,700,869 | 999,430,981 |
| CAPEX incurred during the year | 1,092,399,801 | 1,197,420,764 | 136,586,196 | 2,426,406,761 |
| Transferred to operating fixed assets | (1,507,874,227) | (1,068,119,254) | (129,341,960) | (2,705,335,441) |
| Balance as at June 30, 2025 | 83,442,396 | 579,114,800 | 57,945,105 | 720,502,301 |

6.7.2. This includes amount of borrowing cost capitalized during the year at average incremental borrowing rate of the Company.

| 7. INTANGIBLE ASSETS | Note | 2025 | 2024 |
|----------------------------------|------|-------------------|--------------|
| | | -----Rupees ----- | |
| As at July 1 | | | |
| Cost | 7.1 | 99,973,357 | 99,973,357 |
| Accumulated amortization | | (99,806,688) | (97,746,650) |
| Opening net book value | | 166,669 | 2,226,707 |
| Amortization charge for the year | | (166,669) | (2,060,038) |
| Closing net book value | | - | 166,669 |
| As at June 30 | | | |
| Cost | | 99,973,357 | 99,973,357 |
| Accumulated amortization | | (99,973,357) | (99,806,688) |
| Closing net book value | | - | 166,669 |
| Amortization rate | | 33.33% | 33.33% |

7.1. Software includes licenses which are amortized on straight line basis over a period of 36 months.

7.2. The amortization charge has been allocated as follows:

| | Note | 2025 | 2024 |
|-------------------------|------|------------------|-----------|
| | | -----Rupees----- | |
| Administrative expenses | 33 | 166,669 | 2,060,038 |
| | | 166,669 | 2,060,038 |

8. LONG TERM INVESTMENTS

Investment in subsidiary companies - unquoted shares

| | | | |
|---|-----|----------------|---------------|
| Hudson Pharma (Private) Limited | | 2,525,984,000 | 2,525,984,000 |
| Ismail Resin (Private) Limited | 8.1 | 3,937,500,000 | 3,000,000,000 |
| Bisconni Middle East Manufacturing LLC | 8.2 | 2,527,992,822 | - |
| | | 8,991,476,822 | 5,525,984,000 |
| Investment in associated company | | | |
| The Bank of Khyber | 8.3 | 5,253,186,740 | 4,030,256,700 |
| | | 14,244,663,562 | 9,556,240,700 |

8.1. Ismail Resin (Private) Limited

| | | |
|--------------------------|---------------|---------------|
| Balance as at July 1 | 3,000,000,000 | 3,000,000,000 |
| Increase during the year | 937,500,000 | - |
| Balance as at June 30 | 3,937,500,000 | 3,000,000,000 |

8.2. Bisconni Middle East Manufacturing - L.L.C

The Company has acquired 330,750 (June 2024: Nil) shares of Bisconni Middle East manufacturing - L.L.C - S.P.C (BMEM), which is equivalent to 100% (June 2024: Nil) of total paid up capital of the BMEM. The BMEM was incorporated in Abudhabi, UAE as a sole proprietorship LLC. Principal activities of the BMEM are manufacturing and selling of Chocolate, Chocolate & Sugar Confectionery and Dry Bakery product.. The financial reporting date of BMEM is June 30.

8.3. The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 282,852,970 (June 2024: 282,852,970) shares which represents 24.43% of paid-up capital of the Bank (June 2024: 24.43%). The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated financial statements have been taken from unaudited financial statements of the Bank for the period ended June 30, 2025 (June-2024: period ended March 31, 2024). Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as at June 30, 2025 was Rs. 5,003.67 million (June 30, 2024: Rs. 3,354.64 million), which is placed in level 1 of the fair value hierarchy.

| | The Bank of Khyber | |
|---------------------------------------|----------------------|----------------------|
| | 2025 | 2024 |
| | ----- Rupees ----- | |
| Balance as at July 1 | 4,030,256,700 | 3,225,156,930 |
| Share of profit for the period / year | 1,516,519,377 | 626,504,654 |
| Share of other comprehensive income | 187,260,710 | 582,670,788 |
| Dividend received | (480,850,047) | (404,075,672) |
| Balance as at June 30 | 5,253,186,740 | 4,030,256,700 |

Summarized financial information in respect of the Company's associate is set out below:

| | The Bank of Khyber | |
|---|--------------------|-----------------|
| | June 30, 2025 | March 31, 2024 |
| | Un-audited | Un-audited |
| | ----- Rupees ----- | |
| Total assets | 537,205,029,000 | 392,679,242,000 |
| Total liabilities | 513,940,919,000 | 374,738,916,000 |
| Revenue | 22,820,941,000 | 11,432,774,000 |
| Profit for the period | 6,208,255,000 | 2,564,755,000 |
| Other comprehensive income for the period | 81,155,000 | 1,270,342,000 |
| Total comprehensive income for the period | 6,289,410,000 | 3,835,097,000 |

| 9. LONG TERM DEPOSITS | Note | 2025 | 2024 |
|-----------------------|------|--------------------|-------------------|
| | | ----- Rupees ----- | |
| Utility companies | | 13,545,270 | 13,545,270 |
| Others | | 10,668,645 | 13,320,745 |
| | | 24,213,915 | 26,866,015 |

| 10. STORES AND SPARES | | | |
|-----------------------|------|--------------------|--------------------|
| Stores | | 124,104,948 | 115,050,961 |
| Spare parts | | 712,040,604 | 571,336,143 |
| Others | | 54,682,072 | 42,695,174 |
| | 10.1 | 890,827,624 | 729,082,278 |

10.1 This includes provision for slow moving amounting to Rs 8,591,420 million (June 2024: Rs 8,591,420 million)

| 11. STOCK-IN-TRADE | Note | 2025 | 2024 |
|--------------------|------|-----------------------|-----------------------|
| | | ----- Rupees ----- | |
| Raw materials | 11.2 | 10,004,148,643 | 7,275,675,208 |
| Packing materials | | 1,911,913,558 | 1,675,887,192 |
| Work-in-process | 31 | 613,769,367 | 395,261,776 |
| Finished goods | | 4,439,638,473 | 3,292,708,526 |
| | | 16,969,470,041 | 12,639,532,702 |

11.1 Stock-in-trade of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

11.2 This includes raw material in transit amounting to Rs. 1,085,799,895 (June 30, 2024: Rs. 874,959,257).

| 12. TRADE DEBTS | Note | 2025 | 2024 |
|------------------------------------|------|------------------|----------------|
| | | -----Rupees----- | |
| Considered good | | | |
| - export - secured | 12.2 | 3,867,472,990 | 6,623,249,023 |
| - local - unsecured | | 9,699,501,146 | 6,721,181,795 |
| | | 13,566,974,136 | 13,344,430,818 |
| Allowance for expected credit loss | 12.3 | (249,949,879) | (209,366,262) |
| Trade debts - net | | 13,317,024,257 | 13,135,064,556 |

12.1 Trade debts of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

12.2 This include receivable from related party amounting to Rs. 464,065,962 which is not due as of reporting date.

| 12.3 Allowance for expected credit loss | Note | 2025 | 2024 |
|---|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Balance at the beginning of the year | | (209,366,262) | (158,464,042) |
| Charge during the year | 32 | (40,583,617) | (50,902,220) |
| Balance at the end of the year | | (249,949,879) | (209,366,262) |

| 12.4 Age analysis of trade debts | | | |
|---|--|----------------|----------------|
| Not Due | | 11,590,791,457 | 11,412,844,325 |
| More than 45 days but not more than 3 months | | 815,960,379 | 897,971,108 |
| More than 3 months but not more than 6 months | | 809,070,179 | 745,881,013 |
| More than 6 months but not more than 1 year | | 217,947,749 | 150,949,205 |
| More than 1 year | | 133,204,372 | 136,785,167 |
| | | 13,566,974,136 | 13,344,430,818 |

| 13. LOANS AND ADVANCES | | | |
|--|------|---------------|---------------|
| Loans - secured - employees | 13.1 | 132,764,695 | 164,959,605 |
| Advances - unsecured | | | |
| - suppliers | | 3,830,437,444 | 4,555,845,193 |
| - LC margins held with Allied Bank Limited | | 106,234 | 106,234 |
| | | 3,963,308,373 | 4,720,911,032 |

13.1 These represents interest free loan that are to be paid within a period of one year in equal monthly installments as per policy. Any outstanding loan due from an employee at the time of leaving the service is adjustable against the final settlement of staff.

| 14. LOANS TO SUBSIDIARIES AND ASSOCIATE - unsecured | Note | 2025 | 2024 |
|---|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Subsidiaries | | | |
| - Ismail Resin (Private) Limited | 14.1 | 7,962,000,000 | 7,962,000,000 |
| - Hudson Pharma (Private) Limited | 14.1 | 1,100,000,000 | 691,900,000 |
| Associate | | | |
| - Innovita Nutrition (Private) Limited | 14.1 | 350,000,000 | 217,900,000 |
| | | 9,412,000,000 | 8,871,800,000 |

14.1 The Company entered into short term financing agreement with its Subsidiaries / Associate for extending revolving line of credit for meeting their working capital requirements. These carry mark-up at the rates ranging from 11% to 21.30% per annum (June 2024: 22.17% to 23%)

| 15. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS | 2025 | 2024 |
|---|--------------------|-------------------|
| | ----- Rupees ----- | |
| Trade deposits - unsecured | 23,410,402 | 26,654,386 |
| Short term prepayments | 6,365,917 | 10,031,972 |
| | 29,776,319 | 36,686,358 |

| 16. SHORT TERM INVESTMENTS | | 2025 | 2024 |
|---|------|----------------------|----------------------|
| <i>Held at:</i> | | | |
| Amortised cost | 16.1 | 593,282,197 | 613,192,616 |
| Fair value through other comprehensive income | 16.2 | 918,419,065 | 863,887,055 |
| Fair value through profit and loss | 16.3 | 304,308,772 | 90,421,644 |
| | | 1,816,010,034 | 1,567,501,315 |

16.1 These investments are made in term deposit receipts and T- bills of various banks at the rates range from 14% to 23% (June 2024: 20% to 24%).

16.2 These investments are made in term finance certificates in various banks, The fair value of these certificates range from 95% to 99.13% of their face value (June 2024: 95.33% to 99.35%).

16.3 This include investment made in listed equity securities.

| 17. OTHER RECEIVABLES | Note | 2025 | 2024 |
|-------------------------|-------------|----------------------|----------------------|
| | | ----- Rupees ----- | |
| Export rebate | | 92,472,969 | 55,837,645 |
| Sales tax carry forward | | 5,894,708,573 | 3,369,243,098 |
| Markup receivable | 17.1 | 176,260,623 | 832,564,763 |
| Other receivables | 17.2 & 17.3 | 451,367,955 | 397,278,231 |
| | | 6,614,810,120 | 4,654,923,737 |

17.1 This represents markup receivable from associated/subsidiary companies as referred in note. 14.1 of this unconsolidated financial statements for the year ended June 30, 2025.

17.2 These includes advance to the Nazir of Court as mentioned in note no. 28.1.9 of this unconsolidated financial statements for the year ended June 30, 2025.

17.3 These includes advance to the Sui southern gas company (SSGC) as mentioned in note no. 28.1.10 of this unconsolidated financial statements for the year ended June 30, 2025.

| 18. TAXATION AND LEVIES - net | | Note | 2025 | 2024 |
|--|------------|--|--------------------|-----------------|
| | | | ----- Rupees ----- | |
| Advance income tax / levies | | | 3,860,549,808 | 2,595,256,020 |
| Provision for levies and taxation | | | (1,846,973,435) | (1,067,560,761) |
| | | | 2,013,576,373 | 1,527,695,259 |
| 19. CASH AND BANK BALANCES | | | | |
| Cash in hand | | | 5,472,233 | 28,246,622 |
| Cash at banks: | | | | |
| - current accounts - conventional | | | 394,824,365 | 246,210,030 |
| - current accounts - Islamic | | | 191,889,132 | 536,907,109 |
| | | | 592,185,730 | 811,363,761 |
| 20. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | | | | |
| Number of Shares | | | | |
| 2025 | 2024 | | | |
| 53,072,940 | 53,072,940 | Ordinary shares of Rs. 10 each fully paid in cash | 530,729,400 | 530,729,400 |
| 13,284,000 | 13,284,000 | Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation | 132,840,000 | 132,840,000 |
| 66,356,940 | 66,356,940 | | 663,569,400 | 663,569,400 |
| 21. RESERVES | | | | |
| Capital reserve | | | | |
| - Share premium | | 21.1 | 1,472,531,500 | 1,472,531,500 |
| - Reserve arising due to amalgamation | | 21.2 | 916,862,067 | 916,862,067 |
| Revenue Reserve | | | | |
| - Remeasurement of investment in associate | | | (47,062,121) | (206,233,725) |
| - Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax | | | (33,529,700) | (12,466,400) |
| - Unappropriated profit | | | 26,451,349,706 | 21,374,623,488 |
| Total reserves | | | 28,760,151,452 | 23,545,316,930 |

21.1 This represents share premium amount pertains to issue of shares at premium. This reserve can be utilized by the Company for the purpose specified in section 81(2) of the Companies Act, 2017.

21.2 This represents reserve created under scheme of arrangement for amalgamation of an Astro Plastics (Private) Limited with the Company.

21.3 Movement of the total reserves have been reflected in the unconsolidated statement of changes in equity.

| 22. LONG TERM FINANCES - secured | Note | 2025 | 2024 |
|---|------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Long term finances - secured - conventional | 22.1 | 10,870,665,014 | 14,969,070,557 |
| Long term finances - secured - islamic | 22.2 | 13,934,611,866 | 5,056,438,243 |
| | | 24,805,276,880 | 20,025,508,800 |

22.1. Conventional

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | No. of Installments | 2025 | 2024 |
|---------------------------------------|-------------------|------------------|------------------------|---------------------|--------------------|---------------|
| Habib Bank Limited | | | | | ----- Rupees ----- | |
| - SBP-LTFF | Quarterly | 2018-2030 | SBP + 0.25% | 36 | 147,683,251 | 203,233,743 |
| - SBP-LTFF | Quarterly | 2021-2030 | SBP + 0.25% | 34 | 851,806,111 | 1,027,916,524 |
| - SBP-TERF | Quarterly | 2022-2031 | SBP + 1.25% | 36 | 151,994,157 | 179,897,103 |
| - Term finance | Quarterly | 2025-2033 | 3 month KIBOR + 1.25% | 32 | 91,165,312 | 98,280,464 |
| - Term finance | Monthly | 2024-2028 | 1 month KIBOR + 0.75% | 48 | 1,026,395,489 | 1,351,304,700 |
| Bank Al-Habib Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2019-2029 | SBP + 0.75% | 32 | 139,118,690 | 189,118,690 |
| - SBP-LTFF | Quarterly | 2020-2029 | SBP + 0.50% | 32 | 23,239,600 | 30,327,600 |
| MCB Bank Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2018-2028 | SBP + 0.75% | 36 | 93,529,564 | 135,392,466 |
| - SBP-LTFF | Quarterly | 2020-2030 | SBP + 0.25% | 36 | 243,914,206 | 298,124,682 |
| - SBP-TERF | Quarterly | 2024-2031 | SBP + 1% | 32 | 284,997,634 | 332,497,442 |
| - Term finance | Monthly | 2024-2029 | 3 months KIBOR + 0.80% | 60 | 683,333,342 | 883,333,338 |
| Allied Bank Limited | | | | | | |
| - SBP-LTFF | Semi-annual | 2022-2031 | SBP +0.25%/0.75% | 18 | 1,069,114,500 | 1,263,485,500 |
| - Term finance | Quarterly | 2024-2027 | 3 months KIBOR + 1% | 16 | 122,500,000 | 183,750,000 |
| Pak Brunei Investment Company Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2020-2029 | SBP + 0.5% | 32 | 242,995,300 | 305,319,300 |
| - SBP-LTFF | Quarterly | 2021-2030 | SBP + 0.5% | 32 | 103,420,200 | 127,603,000 |
| Pak Oman Investment Company Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2022-2030 | SBP + 1.5% | 32 | 240,243,166 | 299,563,918 |
| - SBP-LTFF | Quarterly | 2025-2032 | SBP + 1.5% | 32 | 251,134,151 | 286,272,937 |
| Bank Alfalah | | | | | | |
| '- Term finance | Quarterly | 2022-2025 | 6 month KIBOR + 0.75% | 16 | - | 125,000,000 |
| - Term finance | Quarterly | 2023-2026 | 3 month KIBOR + 0.75% | 16 | 150,000,000 | 300,000,000 |
| - SBP-LTFF | Quarterly | 2017-2029 | SBP+0.5% | 40/36 | 129,984,401 | 183,929,368 |
| - SBP-REFF | Quarterly | 2025-2035 | SBP+0.5% | 40 | 184,932,475 | 199,927,000 |
| Balance Carried Forward | | | | | 6,231,501,549 | 8,004,277,775 |

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|---|-------------------|------------------|-----------------------|------------------------|--------------------|-----------------|
| | | | | | ----- Rupees ----- | |
| Balance brought forward | | | | | 6,231,501,549 | 8,004,277,775 |
| JS Bank Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2022-2030 | SBP+0.30% | 32 | 68,934,465 | 85,154,341 |
| - SBP-LTFF | Quarterly | 2025-2033 | SBP+1.50% | 32 | 489,543,731 | 499,994,918 |
| Habib Metropolitan Bank Limited | | | | | | |
| - SBP-TERF | Semi Annual | 2024-2031 | SBP+1.50% | 16 | 898,763,531 | 1,043,895,371 |
| The Bank of Punjab | | | | | | |
| - SBP-TERF | Quarterly | 2023-2031 | SBP + 1.25% | 32 | 1,212,566,914 | 1,410,015,365 |
| - Term finance | Monthly | 2022-2027 | 1 month KIBOR + 0.75% | 60 | 191,666,667 | 291,666,667 |
| Pak Kuwait Investment Company (Private) Limited | | | | | | |
| - Syndicated Term Finance | Monthly | 2024-2027 | 3 month KIBOR + 0.75% | 36 | 1,002,142,860 | 1,670,238,096 |
| Pak Libya Holding Company (Private) Limited | | | | | | |
| - Term finance | Monthly | 2025-2028 | 3 month KIBOR + 0.75% | 36 | 281,944,446 | - |
| National Bank of Pakistan | | | | | | |
| - SBP-LTFF | Quarterly | 2021-2030 | SBP+0.65% | 36 | 526,250,972 | 643,841,860 |
| - SBP-TERF | Quarterly | 2022-2031 | SBP+1% | 36 | 312,392,745 | 374,171,830 |
| - SBP-FFSAP | Quarterly | 2023-2030 | SBP+0.75% | 28 | 89,814,000 | 109,774,000 |
| Askari Bank Limited | | | | | | |
| - SBP-REFF | Quarterly | 2021-2031 | SBP+0.50% | 40 | 120,932,175 | 143,966,875 |
| - Term finance | Monthly | 2023-2027 | 1 month KIBOR + 0.75% | 48 | 187,500,000 | 312,500,000 |
| - Syndicated Term Finance | Monthly | 2024-2029 | 1 month KIBOR + 0.80% | 60 | 2,974,999,991 | 3,824,999,996 |
| Soneri Bank Limited | | | | | | |
| - Term finance | Monthly | 2019-2025 | 1 month KIBOR + 0.75% | 60 | - | 91,666,682 |
| - Term finance | Monthly | 2023-2028 | 1 month KIBOR + 0.75% | 60 | 241,666,675 | 341,666,673 |
| PAIR Investment Company Limited | | | | | | |
| - Term finance | Quarterly | 2021-2025 | 3 month KIBOR + 0.75% | 16 | - | 56,250,000 |
| - SBP-REFF | Quarterly | 2023-2033 | SBP+0.50% | 40 | 174,663,917 | 192,928,138 |
| - Term finance | Monthly | 2024-2028 | 1 month KIBOR + 0.75% | 48 | 187,500,000 | 262,500,000 |
| - SBP-LTFF | Quarterly | 2025-2033 | SBP+1.50% | 32 | 22,765,625 | 23,500,000 |
| Total long term loan - secured | | | | | 15,215,550,263 | 19,383,008,587 |
| Less: Current portion of long term finances shown under current liabilities | | | | | (4,344,885,249) | (4,413,938,030) |
| | | | | | 10,870,665,014 | 14,969,070,557 |

22.2. Islamic

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|---|-------------------|------------------|------------------------|------------------------|--------------------|-----------------|
| MCB Islamic Bank Limited | | | | | ----- Rupees ----- | |
| - SBP ITERF | Quarterly | 2023-2030 | SBP+0.75% | 32 | 263,997,546 | 307,745,796 |
| - Islamic financing | Quarterly | 2023-2028 | 3 months KIBOR + 0.75% | 20 | 150,000,000 | 210,000,000 |
| Dubai Islamic Bank Pakistan Limited | | | | | | |
| - SBP ILTFF | Quarterly | 2022-2027 | SBP+1% | 20 | 70,739,369 | 129,727,985 |
| - SBP ILTFF | Quarterly | 2024-2030 | SBP+1% | 20 | 330,857,021 | 399,877,005 |
| Meezan Bank Limited | | | | | | |
| - Islamic financing | Monthly | 2024-2030 | 1 months KIBOR + 0.85% | 72 | 450,000,006 | 550,000,002 |
| - Islamic financing | Monthly | 2024-2026 | 1 month KIBOR + 1% | 24 | 140,625,007 | 421,875,007 |
| - Islamic financing | Monthly | 2024-2025 | 1 month KIBOR + 0.85% | 18 | - | 172,222,227 |
| - Syndicated | Monthly | 2024-2028 | 3 month KIBOR + 0.80% | 60 | 2,400,000,010 | 3,200,000,007 |
| Faysal Bank Limited | | | | | | |
| - SBP-ILTFF | Quarterly | 2021-2030 | SBP+1% | 36 | 158,211,950 | 191,519,726 |
| - Islamic financing | Monthly | 2025-2029 | 1 month KIBOR + 0.50% | 60 | 799,999,999 | 1,000,000,000 |
| - Islamic financing | Monthly | 2026-2031 | 1 month KIBOR + 0.50% | 60 | 644,137,072 | - |
| - SBP-ILTFF | Quarterly | 2026-2031 | SBP Policy Rate-3% | 20 | 79,326,669 | - |
| - Islamic financing | Monthly | 2026-2031 | 1 month KIBOR + 0.10% | 54 | 3,000,000,000 | - |
| - Islamic financing | Monthly | 2027-2031 | 1 month KIBOR + 0.10% | 60 | 2,500,000,000 | - |
| Bank Islami Pakistan Limited | | | | | | |
| - Islamic financing | Quarterly | 2023-2028 | 3 month KIBOR + 0.65% | 20 | 275,000,000 | 375,000,000 |
| - Islamic financing | Quarterly | 2027-2030 | 3 month KIBOR + 0.40% | 16 | 4,500,000,000 | - |
| Total long term loan - secured | | | | | 15,762,894,649 | 6,957,967,755 |
| Less: Current portion of long term finances shown under current liabilities | | | | | (1,828,282,783) | (1,901,529,512) |
| | | | | | 13,934,611,866 | 5,056,438,243 |

22.3. These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of directors.

22.4. The Company's total limit for long term loan amounting to Rs. 49,498.50 million. (June 2024: Rs. 35,849 million) .

| 22.5. | June 30, 2025 | | | June 30, 2024 | | |
|--------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | -----Rupees----- | | | | | |
| | Conventional | Islamic | Total | Conventional | Islamic | Total |
| At beginning of the year | 19,383,008,587 | 6,957,967,755 | 26,340,976,342 | 19,946,072,320 | 7,342,451,333 | 27,288,523,653 |
| Obtained during the year | 350,000,000 | 10,723,463,740 | 11,073,463,740 | 2,647,544,522 | 1,000,000,000 | 3,647,544,522 |
| Repaid during the year | (4,517,458,324) | (1,918,536,846) | (6,435,995,170) | (3,210,608,255) | (1,384,483,578) | (4,595,091,833) |
| | 15,215,550,263 | 15,762,894,649 | 30,978,444,912 | 19,383,008,587 | 6,957,967,755 | 26,340,976,342 |
| Less: Current maturity | (4,344,885,249) | (1,828,282,783) | (6,173,168,032) | (4,413,938,030) | (1,901,529,512) | (6,315,467,542) |
| | 10,870,665,014 | 13,934,611,866 | 24,805,276,880 | 14,969,070,557 | 5,056,438,243 | 20,025,508,800 |

| 23. DEFERRED LIABILITIES | Note | 2025 | 2024 |
|--|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| | | | |
| Provision for staff gratuity scheme - unfunded | 23.1 | 955,476,803 | 828,185,577 |
| Deferred tax liability | 23.3 | 2,509,084,323 | 2,341,310,616 |
| | | 3,464,561,126 | 3,169,496,194 |

23.1. Provision for staff gratuity scheme - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2025 using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:

23.1.1. Risk on account of staff gratuity scheme - unfunded

The Company faces the following risk on account of staff gratuity scheme.

23.1.2. Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

23.1.3. Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

23.1.4. Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

| 23.2. Significant actuarial assumptions | 2025 | 2024 |
|---|-------------------------|-------------------------|
| <i>Financial assumptions</i> | | |
| Discount rate (per annum) | 11.75% | 14.75% |
| Expected rate of increase in salaries (per annum) | 11.75% | 14.75% |
| <i>Demographic assumptions</i> | | |
| Mortality rates (for death in service) | Adjusted SLIC 2001-2005 | Adjusted SLIC 2001-2005 |
| Retirement assumption | 60 years | 60 years |

| 23.2.1 Statement of Financial Position reconciliation | Note | 2025 | 2024 |
|--|--------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Present value of defined benefit obligation | 23.2.3 | 955,476,803 | 828,185,577 |
| Net liability in statement of financial position | 23.2.4 | 955,476,803 | 828,185,577 |
| 23.2.2 Maturity profile | | | |
| 1-5 Years | | 639,931,260 | 599,504,592 |
| 6-10 Years | | 915,866,200 | 957,833,576 |
| 10 Years onwards | | 13,284,109,980 | 19,900,031,726 |
| Weighted average duration | | 8 Years | 8 Years |
| 23.2.3 Movement in the staff gratuity scheme | | | |
| Present value of defined benefit obligation as at July 1 | | 828,185,577 | 696,630,495 |
| Current service cost | | 160,372,400 | 184,937,661 |
| Interest cost | | 110,459,492 | 100,584,103 |
| Remeasurement on obligation | 23.2.6 | 15,074,668 | 1,336,119 |
| Payments during the year | | (144,931,024) | (112,349,348) |
| Benefits payable transferred to short term liability | | (13,684,310) | (42,953,453) |
| Present value of defined benefit obligation as at June 30 | | 955,476,803 | 828,185,577 |
| 23.2.4 Movement in the staff gratuity scheme date is as follows: | | | |
| Opening balance of net liability | | 828,185,577 | 696,630,495 |
| Charge for the year | 23.2.5 | 270,831,892 | 285,521,764 |
| Remeasurements recognized in 'OCI' | 23.2.6 | 15,074,668 | 1,336,119 |
| Payments during the year | | (144,931,024) | (112,349,348) |
| Benefits payable transferred to short term liability | | (13,684,310) | (42,953,453) |
| Closing balance of net liability | | 955,476,803 | 828,185,577 |
| 23.2.5 The amounts recognized in the unconsolidated statement of profit or loss account against staff gratuity scheme are as follows: | | | |
| Current service cost | | 160,372,400 | 184,937,661 |
| Interest cost | | 110,459,492 | 100,584,103 |
| Charge for the year | | 270,831,892 | 285,521,764 |
| 23.2.6 Remeasurement recognized in 'other comprehensive income' | | | |
| Experience losses | | 15,074,668 | 1,336,119 |
| Related deferred tax | | (5,879,121) | (387,475) |
| | | 9,195,547 | 948,644 |

23.2.7 Amounts for the current and previous four years are as follows:

| Comparison for five years | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|-------------------|-------------|-------------|-------------|-------------|
| | -----Rupees ----- | | | | |
| Present value of the staff gratuity scheme | 995,476,803 | 828,185,577 | 696,630,495 | 595,497,677 | 447,306,385 |

23.2.8 The sensitivity of the staff gratuity scheme to changes in the weighted principal assumption is:

| | Impact on defined benefit obligation | | |
|--------------------|--------------------------------------|------------------------|------------------------|
| | Change in assumptions | Increase in assumption | Decrease in assumption |
| | | -----Rupees ----- | |
| Discount rate | 1% | 885,456,497 | 1,036,074,946 |
| Salary growth rate | 1% | 1,037,228,958 | 883,117,118 |

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

| 23.3 Deferred taxation | 2025 | 2024 |
|--|-------------------|---------------|
| | -----Rupees ----- | |
| The details of deferred tax on temporary differences are as follows: | | |
| - accelerated tax depreciation allowances | 2,826,829,659 | 2,926,265,855 |
| - provision for gratuity | (380,859,734) | (252,630,319) |
| - allowance for expected credit loss | (97,480,453) | (60,716,216) |
| - investment in associates at fair value through OCI | 447,530,864 | 264,091,357 |
| - STI - Term finance certificates | (12,316,565) | 783,680 |
| - provision for stores and spares | (3,350,654) | (2,491,512) |
| - provision for stock in trade | (658,699) | (45,084,593) |
| - provision for finished good | - | (2,627,474) |
| - Excess of minimum tax over NTR | (270,610,095) | (486,280,162) |
| Deferred tax liability | 2,509,084,323 | 2,341,310,616 |

23.3.1 The movement in temporary differences is as follows:

| | Balance as at July 1, 2023 | Recognized in Statement of profit or loss | Recognized in Statement of other comprehensive income | Balance as at June 30, 2024 | Recognized in Statement of profit or loss | Recognized in statement of other comprehensive income | Balance as at June 30, 2025 |
|--|-------------------------------|---|---|--------------------------------|---|---|--------------------------------|
| -----Rupees----- | | | | | | | |
| Provision for gratuity | (153,258,709) | (98,984,134) | (387,475) | (252,630,319) | (122,350,294) | (5,879,121) | (380,859,734) |
| Allowance for expected credit loss | (34,862,090) | (25,854,126) | - | (60,716,216) | (36,764,236) | - | (97,480,453) |
| Investment in associates at fair value through OCI | 143,326,392 | 33,364,347 | 87,400,618 | 264,091,357 | 155,350,400 | 28,089,107 | 447,530,864 |
| Provision for stores & spares | (1,890,112) | (601,400) | - | (2,491,512) | (859,142) | - | (3,350,654) |
| Provision for stock in trade | (45,105,885) | 21,292 | - | (45,084,593) | 44,425,894 | - | (658,699) |
| Provision for finished good | - | (2,627,474) | - | (2,627,474) | 2,627,474 | - | - |
| Accelerated tax depreciation allowances | 1,871,225,378 | 1,055,040,477 | - | 2,926,265,855 | (99,436,196) | - | 2,826,829,659 |
| Short term investment | (1,781,868) | 2,771,448 | (205,900) | 783,680 | 366,455 | (13,466,700) | (12,316,565) |
| Excess of min tax over NTR | - | (486,280,162) | - | (486,280,162) | 215,670,067 | - | (270,610,095) |
| | 1,777,653,106 | 476,850,268 | 86,807,243 | 2,341,310,616 | 159,030,422 | 8,743,286 | 2,509,084,323 |

| 24. TRADE AND OTHER PAYABLES | Note | 2025 | 2024 |
|------------------------------------|------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Trade creditors | | 8,439,014,260 | 6,749,032,744 |
| Accrued liabilities | | 1,770,999,485 | 3,292,191,115 |
| Gratuity payable | 24.1 | 21,086,616 | 42,953,453 |
| Workers' profit participation fund | 24.2 | 258,771,275 | 327,812,206 |
| Workers' welfare fund | | 127,326,034 | 143,876,652 |
| Other liabilities | | 34,544,439 | 14,316,325 |
| | | 10,651,742,109 | 10,570,182,495 |

24.1. This represents benefits payable transferred to short term liability (note 23.2.3).

| 24.2. Workers' profit participation fund | | 2025 | 2024 |
|--|----|------------------|---------------|
| | | -----Rupees----- | |
| Balance at the beginning of the year | | 327,812,206 | 333,060,046 |
| Contribution for the year | 34 | 335,068,509 | 378,622,766 |
| Interest on funds utilized in the Company's business | 36 | 14,873,056 | 20,432,440 |
| | | 677,753,771 | 732,115,252 |
| Less: Payments made during the year | | (418,982,496) | (404,303,046) |
| Balance at the end of the year | | 258,771,275 | 327,812,206 |

| 25. ACCRUED MARK-UP | Note | 2025 | 2024 |
|---|------|-------------------|----------------|
| | | -----Rupees ----- | |
| Accrued mark-up on: | | | |
| Conventional | | | |
| - long term finances - secured | | 214,697,448 | 247,029,755 |
| - short term finances - secured | | 298,436,829 | 648,747,415 |
| Islamic | | | |
| - long term finances - secured | | 65,071,726 | 86,298,928 |
| - short term finances - secured | | 298,569,391 | 448,895,575 |
| | | 876,775,394 | 1,430,971,673 |
| 26. SHORT TERM FINANCES - secured | | | |
| From banking companies | | | |
| Term finances - conventional | 26.1 | 149,992,469 | 300,000,000 |
| Term finances - islamic | 26.2 | 724,952,500 | 693,522,849 |
| Export refinances | 26.3 | 13,301,499,996 | 9,160,500,000 |
| Finance against discounting of export bills / receivables | 26.4 | 228,808,308 | 329,336,128 |
| Running finance utilized under | | | |
| mark-up arrangements | 26.5 | 3,409,343,597 | 3,453,317,296 |
| | | 17,814,596,870 | 13,936,676,273 |

- 26.1** These represent facilities for term finances arranged from various conventional banks aggregating to Rs.2,599 million (June 2024: Rs. 1,805 million). These are secured against pari-passu / ranking hypothecation charge over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 10.84% to 19.45% per annum (June 2024: 20.83% to 24.69% per annum).
- 26.2** These represent facilities for term finances arranged from various islamic banks aggregating to Rs. 2,600 million (June 2024: Rs. 800 million). These are secured against pari-passu / ranking hypothecation charge over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 8.85% to 21.89% per annum (June 2024: 20.20% to 23.28% per annum).
- 26.3** These represent facilities for export refinance arranged from various banks aggregating to Rs. 13,301.50 million (June 2024: Rs. 9,160.50 million). These were secured against pari-passu / ranking hypothecation charge of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the State Bank of Pakistan (SBP) Policy Rate minus 3% per annum (June 2024: 0.25% to 1% above SBP rate per annum).
- 26.4** These represent facilities for finances against discounting of export bills / receivable arranged from various banks aggregating to Rs.770 million (June 2024: Rs 1,471 million). These are secured against pari-passu/ ranking hypothecation charge of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (June 2024: 1% above SBP rate per annum).
- 26.5** These represent facilities for running finances available from various banks aggregated to Rs. 13,044.50 million (June 2024: Rs. 10,499.50 million). These are secured against pari-passu/ ranking hypothecation charge of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 9.75% to 21.10% per annum (June 2024: 21.61% to 23.91% per annum).

27. ISLAMIC REDEEMABLE SUKUK

During the year, the Company has raised short term financing in the form of privately placed Islamic Redeemable Sukuk to meet the working capital requirements. This carries profit ranges from 11.10% to 22.35% (June 2024: 22.06% to 22.35%) per annum having maturity of six months from the date of its drawdown.

28. CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1. The Ministry of Industries has declared the BOPET film manufacturing project of the Company as Pioneer Industry due to which import of capital goods shall be duty free. The Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Company imported some capital goods and as per section 81 of the Customs Act, 1969, issued post-dated cheques in favour of Collector of Custom amounting to Rs. 557.403 million (2024: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Company had filed the subject Constitutional Petition in the High Court of Sindh vide D2666 on May 13, 2015 to refrain FBR and Pakistan Customs to encash the securities submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated May 13, 2015, in favour of the Company which is still operative and last hearing was set up on May 13, 2025 which was adjourned without proceeding. The management of the Company is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospectively based on legal counsel's opinion.

28.1.2. The Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) who refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the Company would not pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the Company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards. The High Court had allowed the Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above suits/petitions was Rs. 463.632 million (June 2024: Rs.463.632 million), few suits/petitions have already been decided in favour of the Company and an amount of Rs. 5 million Bank Guarantees have been released. The remaining cases are also likely to be decided in favour of the Company and the Company's legal counsel is of the opinion that Company has a good prima facie case and there will be no financial liability on the Company.

28.1.3. During the fiscal year 2017, Federal Board of Revenue had issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million (June 2024: Rs. 477.804 million) in their sales tax returns. In response to SCN, the Company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it has categorically mentioned that the High Court of Sindh, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Company has claimed the input sales tax on that basis. However, the Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was withdrawn by the Company, to pursue the remedy available under section 47A of the sales tax act, 1990 i.e., Alternative Dispute Resolution Committee which is still in process. As per the legal counsel, the Company has reasonable grounds to believe that it will not have to incur any financial liability.

- 28.1.4.** The Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order/ Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was withdrawn by the Company, to pursue the remedy available under section 47A of the sales tax act, 1990 i.e., Alternative Dispute Resolution Committee which is still in process. The Company's legal counsel is confident that the case will be decided in favour of the Company.
- 28.1.5.** The Company had filed the Constitutional Petition 2752/2011 on August 09, 2011 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. In 2021, the case had been disposed off by the High Court in favour of Excise and Taxation Department. However, the Company along with the industry has challenged the applicability of said order in Honorable Supreme Court of Pakistan through case number 4978 of 2021 and the Court has granted the stay order on September 01, 2021 upon providing the fresh bank guarantees equivalent to the amount already provided to the High Court, keeping the previously furnished bank guarantees operative and enforceable against the release of all future consignments of imported goods and restrained the authorities to take any coercive action against the Company. The total quantum of bank guarantees involved is Rs. 1,513 million (June 2024: Rs. 1,067.38 million).
- 28.1.6.** Through Finance Act, 2019, the Government had reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Company challenged the said provision and obtained an interim relief of claiming 10% tax credit on all investments already planned including its ancillary costs. The case was disposed off by the Honourable High Court of Sindh during the year in favour of the Company. However, subsequently, the same was challenged by the Department before Honorable Supreme Court of Pakistan. Accordingly, the matter was decided against the whole industry where the benefit of section 65-B on purchase of machinery and other fixed assets, was allowed up till the June 30, 2019. Thereafter, the Company through its legal council has filed a review petition against the aforementioned decision of Supreme Court, for which our legal council is confident that the said matter will ultimately be decided in favour of the Company.
- 28.1.7.** In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honourable High Courts of Pakistan by Industry at Large. In May 2015, 'the Government passed the GIDC Act, 2015 and the Company has challenged that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC 'Act, 2015. In October 2015, Sindh High Court (SHC) decided this suit in favour of the Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Company was not party to such litigation. The Honorable Supreme Court of Pakistan has disposed off the case on 13 August, 2020 and instructed the gas distribution companies to recover the outstanding amount in 24 equal instalments only from those consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on May 21, 2024.

The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 826 million (June 2024: Rs 826 million) (inclusive of Sales Tax). The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

- 28.1.8.** During the year 2023, the Board of Revenue (BOR) has issued a notice to the Company in accordance with section 73 of the Stamp Act, 1899 for inspection of books of accounts and subsequently issued a demand notice of Rs. 297.907 million as a stamp duty due against various instruments executed by the Company during the year 2021 and 2022. The Company challenged the said demand notice and filed a Constitutional Petition D-8084 of '2022 on 26 December 2022 against BOR in the Honorable High Court of Sindh (SHC) and cited that section 73 of the Stamp Act, 1899 allows the representative of BOR to inspect documents available in public office only and inclusion of private office under the definition of Public Office is ultra vires and against the principles of natural justice. SHC has granted stay order to the Company against the impugned demand notice and restrained the BOR from taking any coercive action against the plaintiff. Accordingly, after numerous hearings the matter has now been decided by the SHC with the direction to all parties of the said petition to approach the department for disposal of Show Cause Notice issued, however, the department has been restrained to take any coercive action or draw any negative inference against the parties. Also, the SHC has allowed the company to again approach the court as and when required.
- 28.1.9.** The Company had filed a Suit (-2123/2023) before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2023 dated November 08, 2023 for increase in the price of natural gas and different prices for industrial and captive connection where the same is used for self-consumption by industrial undertaking. The Court vide its order dated December 18, 2023 passed an interim stay order in favour of the Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the Company to pay the differential amount to the Nazir appointed by the SHC, amounting to Rs. 393.38 million (inclusive of sales tax), the amounts paid to Nazir, has been classified as Other Receivable, as mentioned in note no.17.2 of these unconsolidated financial statements.
- 28.1.10.** During the year, the Company filed a Suit No. 1863/2025 on May 08, 2025 before Honorable Sindh High Court against imposition of levy amounting to Rs. 791 / mmbtu (effective for the month of February 2025) vide OGRA Notification issued under Off Grid Captive Power Plant Levy Ordinance, 2025 dated March 07, 2025. The Company filed the petition on legal grounds, that any levy or tax or collection cannot be made retrospectively, such action is considered as void / invalid as per the Constitution of Pakistan. A general stay has already been granted by the esteemed court; however, the Company has already been proceeded to deposit the disputed amount, in to the relevant account of SSGC, on the understanding that when the said matter is resolved, amounting to Rs 57.99 million (inclusive of sales tax) and the same amount would be adjusted with the future liability. Such amount has been classified as Other Receivables under note no. 17.3 of these unconsolidated financial statements. The Legal Counsel of the Company is confident that no coercive action shall be taken by the Court, in this regard.
- 28.1.11.** Subsequent to the year end, the company filed a constitutional petition No. CP 99/2025 on August 04, 2025 in the Honorable High Court of Baluchistan (BHC) against the Off Grid (Captive Power Plant) Levy Act, 2025, imposed by the Ministry of Energy, on the ground that it is ultra vires to impose levy in the province of Baluchistan, considering that there are no National Grid for the supply electricity to the industry in Baluchistan and the industrialists had to produce energy through other means including Gases. Accordingly, BHC has already granted Stay against the said matter on the condition that postdated cheques of applicable amount of Levy is required to deposited to the Nazir appointed by the Court. the legal counsel is very confident that matter will be decided in the favor of the Company.
- 28.1.12.** With reference to the contingency in associated company, The Bank of Khyber (BOK), please refer the note 22 of interim financial statement of March 31, 2025.

| 28.2. Commitments | 2025 | 2024 |
|--|--------------------|----------------|
| | ----- Rupees ----- | |
| 28.2.1. Outstanding letters of guarantee | 4,816,119,550 | 3,556,961,846 |
| 28.2.2. Cross Corporate guarantees issued by the Company on behalf of Subsidiary companies | 27,518,299,894 | 11,575,907,534 |
| 28.2.3. Outstanding letters of credit for: | | |
| - capital expenditure | 275,968,280 | 28,162,778 |
| - raw material | 4,118,203,188 | 3,483,351,988 |
| 28.2.4. The Company's share of commitments of associated companies. | | |
| - Guarantees | 10,000,506,249 | 9,399,674,096 |
| - Commitments | 4,181,294,663 | 11,150,593,451 |

| 29. OPERATING RESULTS | Note | Reportable segment | | | | |
|---|------|--------------------|------------------|------------------|------------------|------------------|
| | | Food segment | | Plastic segment | | Total |
| | | 2025 | 2024 | 2025 | 2024 | 2025 |
| -----Rupees----- | | | | | | |
| Disaggregation of revenue | | | | | | |
| Local sales | | 67,785,602,604 | 58,499,516,243 | 14,890,578,713 | 14,431,446,296 | 82,676,181,317 |
| Export sales | | 32,419,152,854 | 45,378,531,732 | 3,301,636,965 | 3,180,368,218 | 35,720,789,819 |
| | | 100,204,755,458 | 103,878,047,975 | 18,192,215,678 | 17,611,814,514 | 118,396,971,136 |
| Sales returns, discounts and direct expenses | | (3,169,014,774) | (2,818,836,362) | (34,533,418) | (18,870,837) | (3,203,548,192) |
| | | 97,035,740,684 | 101,059,211,613 | 18,157,682,260 | 17,592,943,677 | 115,193,422,944 |
| Add: Export rebate | | 54,232,602 | 19,232,379 | - | - | 54,232,602 |
| | | 97,089,973,286 | 101,078,443,992 | 18,157,682,260 | 17,592,943,677 | 115,247,655,546 |
| Sales tax | | (7,750,053,384) | (7,540,339,265) | (2,305,003,040) | (2,244,024,014) | (10,055,056,424) |
| Sales - net | | 89,339,919,902 | 93,538,104,727 | 15,852,679,220 | 15,348,919,663 | 105,192,599,122 |
| Cost of sales | 31 | (68,933,338,661) | (71,054,870,703) | (14,425,492,472) | (13,810,442,803) | (83,358,831,133) |
| | | 20,406,581,241 | 22,483,234,024 | 1,427,186,748 | 1,538,476,860 | 21,833,767,989 |
| Gross profit | | | | | | 24,021,710,884 |
| Selling and distribution expenses | 32 | (8,234,578,677) | (7,469,356,029) | (920,297,122) | (812,409,556) | (9,154,875,799) |
| Administrative expenses | 33 | (1,617,371,263) | (1,548,942,330) | (238,353,465) | (210,881,746) | (1,855,724,728) |
| | | (9,851,949,940) | (9,018,298,359) | (1,158,650,587) | (1,023,291,302) | (10,041,589,661) |
| Operating profit | | 10,554,631,301 | 13,464,935,665 | 268,536,161 | 515,185,558 | 10,823,167,462 |
| Unallocated items | | | | | | |
| Other operating expenses | 34 | | | | | (854,852,793) |
| Other income | 35 | | | | | 1,222,940,052 |
| Finance cost | 36 | | | | | (5,047,231,594) |
| Share of profit from associated company - net | 8.3 | | | | | 1,516,519,377 |
| Profit before levies and taxation | | | | | | 7,755,495,022 |
| Levies and taxation | 38 | | | | | (2,006,003,857) |
| Profit for the year | | | | | | 5,749,491,165 |

| | Reportable segment | | | | |
|---------------------------------|--------------------|----------------|-----------------|----------------|-----------------|
| | Food segment | | Plastic segment | | Total |
| | 2025 | 2024 | 2025 | 2024 | 2025 |
| | -----Rupees----- | | | | |
| 29.1. Segment assets | 59,540,085,076 | 55,816,598,989 | 14,573,921,992 | 13,265,553,564 | 74,114,007,068 |
| 29.2. Unallocated assets | - | - | - | - | 27,990,597,025 |
| | 59,540,085,076 | 55,816,598,989 | 14,573,921,992 | 13,265,553,564 | 102,104,604,093 |
| 29.3. Segment liabilities | 10,848,314,679 | 11,824,917,461 | 1,574,965,654 | 1,435,711,606 | 12,423,280,333 |
| 29.4. Unallocated liabilities | - | - | - | - | 60,257,602,908 |
| | 10,848,314,679 | 11,824,917,461 | 1,574,965,654 | 1,435,711,606 | 72,680,883,241 |
| 29.5. Major Non-cash items | | | | | 66,707,777,876 |
| - Depreciation and amortisation | 2,639,697,134 | 2,316,878,435 | 680,915,888 | 688,302,525 | 3,320,613,022 |
| - Gratuity | 228,583,110 | 250,012,918 | 42,248,782 | 35,508,846 | 270,831,892 |
| | 2,868,280,244 | 2,566,891,353 | 723,164,670 | 723,811,371 | 3,591,444,914 |
| 29.6. Capital expenditure | 2,813,887,581 | 6,313,245,196 | 314,283,488 | 631,530,092 | 3,128,171,070 |
| | | | | | 6,944,775,288 |

29.7. The Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.

The Company's export sales include sale to related party amounting to Rs. 896,884,351.

29.8. World food program is the major customer of the Company which constituted 10 percent or more of the Company's revenue.

30. RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

30.1. Assets

| | | | |
|---|------|----------------|----------------|
| Total assets for reportable segments | 29.1 | 74,114,007,068 | 69,082,152,553 |
| Administrative capital assets | | 2,517,923,429 | 1,838,969,638 |
| Long-term investments | 8 | 14,244,663,562 | 9,556,240,700 |
| Loans to subsidiaries and associate - unsecured | 14 | 9,412,000,000 | 8,871,800,000 |
| Short term investments | 16 | 1,816,010,034 | 1,567,501,315 |

Total assets

| | | | |
|--|--|-----------------|----------------|
| | | 102,104,604,093 | 90,916,664,206 |
|--|--|-----------------|----------------|

30.2. Liabilities

| | | | |
|---|------|----------------|----------------|
| Total liabilities for reportable segments | 29.3 | 12,423,280,333 | 13,260,629,067 |
| Deferred tax liabilities | 23 | 3,464,561,126 | 3,169,496,194 |
| Long term finances - secured | 22 | 30,978,444,912 | 26,340,976,342 |
| Short term finances - secured | 26 | 17,814,596,870 | 13,936,676,273 |
| Islamic redeemable sukuk | 27 | 8,000,000,000 | 10,000,000,000 |

Total liabilities

| | | | |
|--|--|----------------|----------------|
| | | 72,680,883,241 | 66,707,777,876 |
|--|--|----------------|----------------|

| 31. COST OF SALES | | Note | Food segment | | Plastic segment | | Total | |
|--|---------------------------------------|------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|
| | | | 2025 | 2024 | 2025 | 2024 | | |
| -----Rupees ----- | | | | | | | | |
| 31.1 | Raw materials consumed | | 47,852,258,600 | 49,227,259,231 | 11,426,856,006 | 10,596,732,675 | 59,279,114,606 | 59,823,991,906 |
| | Packing materials consumed | | 10,632,007,358 | 11,072,498,806 | 461,536,174 | 430,559,207 | 11,093,543,532 | 11,503,058,013 |
| | Stores and spares consumed | | 979,209,738 | 1,066,640,308 | 210,536,269 | 233,684,620 | 1,189,746,007 | 1,300,324,928 |
| | Salaries, wages and other benefits | | 4,596,456,088 | 4,620,178,465 | 499,450,088 | 457,975,179 | 5,095,906,176 | 5,078,153,644 |
| | Electricity, gas, fuel and lubricants | | 2,848,575,419 | 2,102,046,028 | 1,205,691,762 | 1,002,114,755 | 4,054,267,181 | 3,104,160,783 |
| | Repairs and maintenance | | 272,140,035 | 273,949,722 | 49,705,254 | 50,376,837 | 321,845,289 | 324,326,559 |
| | Printing and stationery | | 32,893,303 | 34,849,131 | 2,456,110 | 2,143,716 | 35,349,413 | 36,992,847 |
| | Insurance | | 78,732,245 | 83,220,842 | 24,096,128 | 27,083,030 | 102,828,373 | 110,303,872 |
| | Rent, rates and taxes | | 11,142,841 | 45,985,448 | 3,682,825 | 12,568,899 | 14,825,666 | 58,554,347 |
| | Water charges | | 73,386,473 | 51,476,095 | 10,832,308 | 9,229,563 | 84,218,781 | 60,705,658 |
| | Postage and telephone | | 9,606,171 | 12,527,764 | 3,088,656 | 3,714,246 | 12,694,827 | 16,242,010 |
| | Travelling and conveyance | | 18,180,503 | 21,802,284 | 3,044,518 | 2,538,219 | 21,225,021 | 24,340,503 |
| | Vehicle running and maintenance | | 47,715,673 | 57,481,227 | 21,812,143 | 24,028,838 | 69,527,816 | 81,510,065 |
| | Depreciation | 6.3 | 2,389,712,396 | 2,091,426,628 | 649,147,317 | 661,747,068 | 3,038,859,713 | 2,753,173,696 |
| | Laboratory expenses | | 85,783,097 | 76,993,672 | 148,500 | - | 85,931,597 | 76,993,672 |
| | Fees and subscription | | 6,332,036 | 8,453,222 | 461,140 | 1,101,885 | 6,793,176 | 9,555,107 |
| | Legal and professional charges | | 4,655,031 | 2,540,000 | 41,850 | 375,000 | 4,696,881 | 2,915,000 |
| Cartage inward | | 34,798,495 | 49,122,818 | 4,848,290 | 13,089,080 | 39,646,785 | 62,211,898 | |
| Other manufacturing expenses | | 21,123,744 | 19,991,894 | 3,221,644 | 6,011,009 | 24,345,388 | 26,002,903 | |
| | | | 69,994,709,246 | 70,918,443,585 | 14,580,656,982 | 13,535,073,826 | 84,575,366,228 | 84,453,517,411 |
| Work-in-process at the beginning of the year | | | 198,267,364 | 195,656,685 | 196,994,412 | 444,396,880 | 395,261,776 | 640,053,565 |
| Work-in-process at the end of the year | | | (344,579,845) | (198,267,364) | (269,189,522) | (196,994,412) | (613,769,367) | (395,261,776) |
| | | | (146,312,481) | (2,610,679) | (72,195,110) | 247,402,468 | (218,507,591) | 244,791,789 |
| Cost of goods manufactured | | | 69,848,396,765 | 70,915,832,906 | 14,508,461,872 | 13,782,476,294 | 84,356,858,637 | 84,698,309,200 |
| | | | | | | | | |
| Stock of finished goods at the beginning of the year | | | 3,098,520,487 | 3,000,737,794 | 194,188,039 | 226,046,048 | 3,292,708,526 | 3,226,783,842 |
| Purchase of finished goods | | | 155,436,516 | 240,413,407 | - | - | 155,436,516 | 240,413,407 |
| Insurance claim | | | (2,710,223) | (3,592,917) | (3,823,850) | (3,891,500) | (6,534,073) | (7,484,417) |
| Stock of finished goods at the end of the year | | | (4,166,304,884) | (3,098,520,487) | (273,333,589) | (194,188,039) | (4,439,638,473) | (3,292,708,526) |
| | | | (915,058,104) | 139,037,797 | (82,969,400) | 27,966,509 | (998,027,504) | 167,004,306 |
| | | | 68,933,338,661 | 71,054,870,703 | 14,425,492,472 | 13,810,442,803 | 83,358,831,133 | 84,865,313,506 |

31.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs. 105.36 million (2024:Rs. 107.62 million)

32. SELLING AND DISTRIBUTION EXPENSES

| | | -----Rupees----- | | | | | |
|------|------------------------------------|------------------|---------------|-------------|-------------|---------------|---------------|
| 32.1 | Salaries and other benefits | 2,356,072,835 | 1,986,564,626 | 88,331,352 | 73,564,841 | 2,444,404,187 | 2,060,129,467 |
| | Cartage outward | 1,369,256,514 | 1,418,165,919 | 254,936,110 | 228,513,130 | 1,624,192,624 | 1,646,679,049 |
| | Export expenses | 1,970,264,291 | 1,710,569,551 | 496,283,916 | 438,810,626 | 2,466,548,207 | 2,149,380,177 |
| | Advertisements | 1,463,747,448 | 1,212,221,388 | 340,550 | - | 1,464,087,998 | 1,212,221,388 |
| | Entertainment | 13,560,088 | 11,836,277 | 655,642 | 1,722,961 | 14,215,730 | 13,559,238 |
| | Vehicle running and maintenance | 528,254,352 | 586,240,047 | 4,333,126 | 5,719,886 | 532,587,478 | 591,959,933 |
| | Printing and stationery | 1,862,540 | 2,624,454 | 504,790 | 1,784,845 | 2,367,330 | 4,409,299 |
| | Postage and telephone | 62,083,201 | 38,296,011 | 9,749,921 | 4,313,091 | 71,833,122 | 42,609,102 |
| | Conveyance and travelling | 63,945,343 | 76,895,921 | 12,477,068 | 18,806,282 | 76,422,411 | 95,702,203 |
| | Utilities | 7,725,357 | 8,266,178 | 2,887,832 | 2,244,654 | 10,613,189 | 10,510,832 |
| | Repairs and maintenance | 780,290 | 1,779,811 | 3,592,680 | 2,385,282 | 4,372,970 | 4,165,093 |
| | Rent, rates and taxes | 210,160,996 | 192,829,139 | 6,803,390 | 6,134,204 | 216,964,386 | 198,963,343 |
| | Depreciation | 118,900,234 | 101,008,326 | 8,636,558 | 5,759,923 | 127,536,792 | 106,768,249 |
| | Fees and subscription | 2,130 | 2,333,731 | 5,018,500 | 4,516,968 | 5,020,630 | 6,850,699 |
| | Insurance | 35,930,128 | 31,326,152 | 2,149,121 | 2,084,319 | 38,079,249 | 33,410,471 |
| | Allowance for expected credit loss | 21,103,481 | 35,631,554 | 19,480,136 | 15,270,666 | 40,583,617 | 50,902,220 |
| | Other selling expenses | 10,929,449 | 52,766,944 | 4,116,430 | 777,878 | 15,045,879 | 53,544,822 |
| | | 8,234,578,677 | 7,469,356,029 | 920,297,122 | 812,409,556 | 9,154,875,799 | 8,281,765,585 |

32.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 115.02 million (2024: Rs 98.49 million)

33. ADMINISTRATIVE EXPENSES

| | | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
|---------------------------------------|------|---------------|---------------|------------------|-------------|---------------|---------------|
| | | | | -----Rupees----- | | | |
| Salaries and other benefits including | | | | | | | |
| director's remuneration | 33.1 | 769,388,911 | 783,950,913 | 119,087,230 | 142,854,942 | 888,476,141 | 926,805,855 |
| Conveyance and travelling | | 205,038,512 | 178,809,305 | 9,308,982 | 4,786,382 | 214,347,494 | 183,595,687 |
| Postage and telephone | | 32,570,774 | 36,521,146 | 5,747,490 | 2,148,285 | 38,318,264 | 38,669,431 |
| Printing and stationery | | 6,618,970 | 12,875,004 | 1,168,054 | 15,005,263 | 77,87,024 | 27,880,267 |
| Repairs and maintenance | | 54,698,922 | 45,309,095 | 9,652,751 | 3,008,582 | 64,351,673 | 48,317,677 |
| Electricity and utilities | | 24,572,810 | 37,623,348 | 4,336,278 | 2,962,755 | 28,909,088 | 40,586,103 |
| Insurance | | 17,870,525 | 18,817,748 | 3,155,398 | 1,282,306 | 21,025,923 | 20,100,054 |
| Entertainment | | 8,591,753 | 10,237,478 | 1,516,192 | 544,212 | 10,107,945 | 10,781,690 |
| Vehicle running and maintenance | | 73,057,172 | 88,167,537 | 12,877,082 | 6,207,123 | 85,934,254 | 94,374,660 |
| Rent, rates and taxes | | 11,020,820 | 10,479,629 | 1,854,184 | 737,839 | 12,875,004 | 11,217,468 |
| Fee and subscription | | 242,002,540 | 153,805,082 | 39,092,153 | 4,295,752 | 281,094,693 | 158,100,834 |
| Legal and professional charges | | 32,137,794 | 35,164,603 | 5,854,581 | 1,809,355 | 37,992,375 | 36,973,958 |
| Depreciation and amortisation | | 131,084,504 | 124,443,480 | 23,132,013 | 20,795,535 | 154,216,517 | 145,239,015 |
| General meeting expenses | 6.3 | - | 100,450 | - | - | - | 100,450 |
| Miscellaneous | | 8,717,256 | 12,637,512 | 1,571,077 | 4,443,415 | 10,288,333 | 17,080,927 |
| | | 1,617,371,263 | 1,548,942,330 | 238,353,465 | 210,881,746 | 1,855,724,728 | 1,759,824,076 |

33.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 50.45 million (2024: Rs 79.41 million)

| 34. OTHER OPERATING EXPENSE | Note | 2025 | 2024 |
|---|------|--------------------|--------------------|
| | | ----- Rupees ----- | |
| Contribution to: | | | |
| - workers' profits participation fund | | 335,068,509 | 378,622,766 |
| - workers' welfare fund | | 127,326,034 | 143,876,651 |
| Auditors' remuneration | 34.1 | 7,248,500 | 6,048,500 |
| Donations | 34.2 | 281,569,840 | 320,327,108 |
| Other | | 8,687,392 | 5,977,768 |
| | | 759,900,275 | 854,852,793 |
| 34.1. Auditor's remuneration | | | |
| Audit fee - unconsolidated | | 3,800,000 | 3,500,000 |
| Audit fee - consolidated | | 1,500,000 | 1,000,000 |
| Fee for statutory certification | | 500,000 | 500,000 |
| Fee for half yearly review | | 1,000,000 | 600,000 |
| Out-of-pocket expense | | 448,500 | 448,500 |
| | | 7,248,500 | 6,048,500 |
| 34.2. Donation to the following organizations exceed 10% of total donation | | | |
| - Al Mustafa Welfare Trust | | 85,455,589 | 197,833,417 |
| | | 85,455,589 | 197,833,417 |

34.2.1. None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.

| 35. OTHER INCOME | 2025 | 2024 |
|---|----------------------|----------------------|
| | ----- Rupees ----- | |
| Income from financial assets | | |
| Exchange gain - net | 233,050,779 | 411,569,323 |
| Income from short term investments | 530,948,844 | 335,258,077 |
| Income from non financial assets | | |
| Recovery from the sale of production scrap | 276,458,415 | 330,535,036 |
| Gain on disposal of property, plant and equipment-net | 51,184,274 | 79,197,745 |
| Processing income | 64,913,306 | 92,647,629 |
| Others | 66,384,434 | 59,635,133 |
| | 1,222,940,052 | 1,308,842,943 |
| 36. FINANCE COST | | |
| Mark up on: | | |
| - long term finances - conventional | 1,667,454,288 | 2,722,337,866 |
| - long term finances - islamic | 1,098,724,879 | 1,184,567,015 |
| - short term finances - conventional | 696,795,948 | 1,937,415,018 |
| - short term finances - islamic | 1,355,952,018 | 1,262,732,268 |
| Interest on workers' profits participation fund | 14,873,056 | 20,432,440 |
| Bank charges | 213,431,405 | 256,670,866 |
| | 5,047,231,594 | 7,384,155,473 |

37. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

| | 2025 | | | 2024 | | |
|---------------------------|-------------------------|------------|---------------|-------------------------|------------|---------------|
| | Chief executive officer | Director | Executives | Chief executive officer | Director | Executives |
| | -----Rupees ----- | | | | | |
| Managerial remuneration | 21,600,000 | 18,000,000 | 1,199,078,729 | 20,000,000 | 16,800,000 | 937,395,387 |
| Gratuity | 1,132,133 | - | 57,468,056 | 1,048,272 | - | 46,378,507 |
| Bonus | - | - | 57,468,056 | - | - | 46,378,507 |
| Leave encashment | - | - | 49,219,955 | - | - | 39,830,240 |
| Reimbursement of expenses | | | | | | |
| Utilities | 1,800,000 | 1,500,000 | - | 1,700,000 | 1,416,668 | - |
| | 24,532,133 | 19,500,000 | 1,363,234,796 | 22,748,272 | 18,216,668 | 1,069,982,641 |
| Number of Persons | 1 | 1 | 264 | 1 | 1 | 213 |

In addition to the above, Company maintained cars are provided to the chief executive officer, directors and executives.

37.1 The remuneration has been allocated as follows:

| | 2025 | | | 2024 | | |
|-----------------------------------|-------------------------|------------|---------------|-------------------------|------------|---------------|
| | Chief executive officer | Director | Executives | Chief executive officer | Director | Executives |
| | -----Rupees ----- | | | | | |
| Cost of goods sold | - | - | 434,553,681 | - | - | 377,885,867 |
| Selling and distribution expenses | - | - | 547,466,173 | - | - | 426,621,408 |
| Administrative expenses | 24,532,133 | 19,500,000 | 381,214,942 | 22,748,272 | 18,216,668 | 267,475,366 |
| | 24,532,133 | 19,500,000 | 1,363,234,796 | 22,748,272 | 18,216,668 | 1,069,982,641 |
| Number of Persons | 1 | 1 | 264 | 1 | 1 | 213 |

37.2 Bonus is given to employees as per the Company's policy.

| 38. TAXATION | 2025 | 2024 |
|--------------|-------------------|-------------|
| | -----Rupees ----- | |
| - Current | 656,061,458 | 60,611,351 |
| - Deferred | 159,030,420 | 476,850,266 |
| | 815,091,878 | 537,461,617 |

38.1 Relationship between tax expenses and accounting profit

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the Company attracts minimum tax.

| 39. EARNINGS PER SHARE - Basic and diluted | | 2025 | 2024 |
|---|---------|-------------------------|------------------|
| | | -----Rupees----- | |
| Basic earnings per share | | | |
| Profit for the year | | 5,749,491,165 | 6,132,049,527 |
| | | Number of shares | |
| Weighted average number of shares outstanding as at year end | | 66,356,940 | 66,356,940 |
| Basic earnings per share | | 86.64 | 92.41 |
| Diluted earnings per share | | | |
| There is no dilutive potential ordinary shares outstanding as at June 30, 2025 & June 30, 2024. | | | |
| 40. NUMBER OF EMPLOYEES | | 2025 | 2024 |
| | | -----Numbers----- | |
| Number of employees as at the year end | | 2,984 | 2,923 |
| Average number of employees during the year | | 2,902 | 2,601 |
| 41. CASH GENERATED FROM OPERATIONS | | 2025 | 2024 |
| | | -----Rupees----- | |
| Profit before levies and taxation | | 7,755,495,022 | 7,676,460,555 |
| Adjustments for non-cash and other items: | | | |
| Depreciation and amortisation | 6.3 & 7 | 3,320,613,022 | 3,005,180,960 |
| Gain on disposal of property, plant and equipment-net | 35 | (51,184,274) | (79,197,745) |
| Provision for staff gratuity scheme - unfunded | 23.2.5 | 270,831,892 | 285,521,764 |
| Finance cost | 36 | 5,047,231,594 | 7,384,155,473 |
| Share of profit from associated company - net | 8.3 | (1,516,519,377) | (626,504,654) |
| Provision for slow moving - stock in trade | | 83,000,000 | 172,972,330 |
| Allowance for expected credit loss | | 40,583,617 | 50,902,220 |
| Unrealized exchange loss | | 1,444,491 | 38,599,770 |
| Unrealized gain on short term investment | | (19,194,064) | (45,015,395) |
| | | 14,932,301,923 | 17,863,075,278 |
| Working capital changes Increase in current assets | | | |
| Stores and spares | | (161,745,346) | (100,457,400) |
| Stock-in-trade | | (4,412,937,339) | 3,072,416,985 |
| Trade debts | | (186,334,713) | (2,689,301,098) |
| Loans and advances | | 757,602,659 | (1,503,473,681) |
| Loans to subsidiaries and associate | | (540,200,000) | (8,871,800,000) |
| Trade deposits and short term prepayments | | 6,910,039 | 250,143,173 |
| Other receivables | | (1,959,886,383) | (3,424,953,224) |
| | | (6,496,591,083) | (13,267,425,245) |
| (Decrease) / Increase in current liabilities | | | |
| Trade and other payables | | 29,441,991 | 2,127,470,526 |
| Advances from customers - unsecured | | (365,449,362) | 251,154,538 |
| | | (336,007,371) | 2,378,625,064 |
| Net decrease in working capital | | (6,832,598,454) | (10,888,800,181) |
| Cash generated from operations | | 8,099,703,469 | 6,974,275,096 |

42. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

| 42. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES | Note | 2025 | 2024 |
|---|------|-------------------|----------------|
| | | -----Rupees ----- | |
| 42.1. Financial instruments by category | | | |
| Financial assets | | | |
| At amortized cost | | | |
| Long term deposits | 9 | 24,213,915 | 26,866,015 |
| Trade debts | 12 | 13,566,974,136 | 13,344,430,818 |
| Loans and advances | 13 | 106,234 | 106,234 |
| Loans to subsidiaries and associate | 14 | 9,412,000,000 | 8,871,800,000 |
| Trade deposits - unsecured | 15 | 23,410,402 | 26,654,386 |
| Other receivables | 17 | 627,628,578 | 1,229,842,994 |
| Cash and bank balances | 19 | 592,185,730 | 811,363,761 |
| Short term investments | 16 | 593,282,197 | 613,192,616 |
| At fair value through OCI | | | |
| Short term investments | 16 | 918,419,065 | 863,887,055 |
| At fair value through profit and loss | | | |
| Short term investments | 16 | 304,308,772 | 90,421,644 |
| Total financial assets | | 26,062,529,029 | 25,878,565,523 |
| Financial liabilities | | | |
| At amortized cost | | | |
| Long term finances | 22 | 30,978,444,912 | 26,340,976,342 |
| Trade and other payables | 24 | 10,244,558,184 | 10,098,493,637 |
| Accrued mark-up | 25 | 876,775,394 | 1,430,971,673 |
| Short term finances | 26 | 17,814,596,870 | 13,936,676,273 |
| Islamic redeemable sukuk | 27 | 8,000,000,000 | 10,000,000,000 |
| Unclaimed dividend | | 5,965,586 | 5,228,293 |
| Total financial liabilities | | 67,920,340,946 | 61,812,346,218 |

42.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There are no transfers during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Non active markets the fair value of financial instruments of non active market is based on inputs available in the market.

The fair value of financial instruments traded in active markets is based on market value of financial instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2025:

| Financial assets | 2025 | | | |
|---|-------------------|---------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | -----Rupees ----- | | | |
| | | | | |
| Financial investments: fair value through OCI | 918,419,065 | - | - | 918,419,065 |
| Financial investments: fair value through profit and loss | 304,308,772 | - | - | 304,308,772 |
| 2024 | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | -----Rupees ----- | | | |
| | | | | |
| Financial investments: fair value through OCI | 863,887,055 | - | - | 863,887,055 |
| Financial investments: fair value through profit and loss | 90,421,644 | - | - | 90,421,644 |

42.3. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

42.3.1. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered

doubtful for recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and deposits with financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the company for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:

| | Short- term Ratings | 2025 | 2024 |
|---------------------------------------|---------------------|-------------------|-------------|
| | | -----Rupees ----- | |
| Allied Bank Limited | A1+ | 184,093 | 7,556 |
| Bank Al Falah Limited | A1+ | 2,378,157 | 9,610,837 |
| Bank Al Habib Limited | A1+ | 344,687 | 12,808,580 |
| Bank Islami Pakistan Limited | A1 | 323,092 | 615,678 |
| Dubai Islamic Bank Pakistan Limited | A1+ | 98,447,409 | 6,648,060 |
| Habib Bank Limited | A1+ | 450,685 | 4,991,903 |
| Habib Metropolitan Bank Limited | A1+ | 3,252,539 | 54,984,476 |
| JS Bank Limited | A1+ | 139,991,090 | 105,464,453 |
| MCB Bank Limited | A1+ | 368,908 | 413,155 |
| MCB Islamic Bank Limited | A1 | 6,649,593 | 11,547,665 |
| Meezan Bank Limited | A1+ | 85,974,215 | 527,392,315 |
| National Bank Of Pakistan | A1+ | 53,620 | 1,534,337 |
| Samba Bank Limited | A1 | - | 17,185 |
| Soneri Bank Limited | A1+ | 508,889 | 993,457 |
| Bank Makramah Limited | Suspended | 210,971 | 1,314,471 |
| Standard Chartered Bank Limited | A1+ | 1,838,529 | 1,352,523 |
| Bank of Punjab | A1+ | 38,357,182 | 9,958,594 |
| Askari Bank Limited | A1+ | 206,971,291 | 27,306,097 |
| Industrial & Commercial Bank of China | N/A | 124,695 | 1,199,695 |
| Al Barka Bank Limited | A1 | 283,852 | 4,956,102 |
| | | 586,713,497 | 783,117,139 |

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Note | 2025 | 2024 |
|-------------------------------------|------|-----------------------|-----------------------|
| | | -----Rupees----- | |
| Long term deposits | 9 | 24,213,915 | 26,866,015 |
| Trade debts | 12 | 13,317,024,257 | 13,135,064,556 |
| Loans and advances | 13 | 106,234 | 106,234 |
| Loans to subsidiaries and associate | 14 | 9,412,000,000 | 8,871,800,000 |
| Trade deposits - unsecured | 15 | 23,410,402 | 26,654,386 |
| Short term investments | 16 | 593,282,197 | 613,192,616 |
| Bank balances | 19 | 586,713,497 | 783,117,139 |
| Other receivables | 17 | 627,628,578 | 1,229,842,994 |
| | | 24,584,379,080 | 24,686,643,940 |

To reduce the exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Company has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

| | Note | 2025 | 2024 |
|---|------|----------------------|----------------------|
| | | -----Rupees----- | |
| More than 45 days but not more than 3 months | | 815,960,379 | 897,971,108 |
| More than 3 months but not more than 6 months | | 809,070,179 | 745,881,013 |
| More than 6 months but not more than 1 year | | 217,947,749 | 150,949,205 |
| More than 1 year | | 133,204,372 | 136,785,167 |
| | 12.4 | 1,976,182,679 | 1,931,586,493 |

In respect of trade debts, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

42.3.2. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Based on the above, management believes the liquidity risk is insignificant.

As at the reporting date the Company's financial liabilities have contractual maturities as summarized below:

Effective rates of return/mark-up on financial liabilities are as follows:

| | Note | 2025 | | | |
|--|------|-------------------------------------|-----------------|------------------------|-------------------------|
| | | Effective rate of interest / Porfit | Carrying amount | Maturity upto one year | Maturity after one year |
| | | -----Rupees ----- | | | |
| Financial liabilities - Interest bearing | | | | | |
| Long term finances - secured Conventional | 22 | 10.54% | 15,215,550,263 | 4,344,885,249 | 10,870,665,014 |
| Long term finances - secured Islamic | 22 | 9.46% | 15,762,894,649 | 1,828,282,783 | 13,934,611,866 |
| Short term finances - secured - Conventional | 26 | 10.84% to 19.45% | 17,089,644,370 | 17,089,644,370 | - |
| Short term finances - secured - Islamic | 26 | 8.85% to 21.89% | 724,952,500 | 724,952,500 | - |
| Financial liabilities - Islamic | | | | | |
| Islamic redeemable sukuk | 27 | 11.10% to 22.35% | 8,000,000,000 | 8,000,000,000 | - |
| Non - interest bearing | | | | | |
| Trade and other payables | 24 | - | 10,244,558,184 | 10,244,558,184 | - |
| Accrued mark-up | 25 | - | 876,775,394 | 876,775,394 | - |
| Unclaimed dividend | | | 5,965,586 | - | - |
| | | | 67,920,340,946 | 43,109,098,480 | 24,805,276,880 |

| | Note | 2024 | | | |
|--|------|-------------------------------------|-----------------|------------------------|-------------------------|
| | | Effective rate of interest / Porfit | Carrying amount | Maturity upto one year | Maturity after one year |
| | | -----Rupees ----- | | | |
| Financial liabilities - Interest bearing | | | | | |
| Long term finances - secured Conventional | 22 | 13.46% | 19,383,008,587 | 4,413,938,030 | 14,969,070,557 |
| Long term finances - secured Islamic | 22 | 19.0% | 6,957,967,755 | 1,901,529,512 | 5,056,438,243 |
| Short term finances - secured - Conventional | 26 | 20.83% to 24.69% | 13,243,153,424 | 13,243,153,424 | - |
| Short term finances - secured - Islamic | 26 | 20.20% to 23.28% | 693,522,849 | 693,522,849 | - |
| Financial liabilities - Islamic | | | | | |
| Islamic redeemable sukuk | 27 | 22.06% to 22.35% | 10,000,000,000 | 10,000,000,000 | - |
| Non - interest bearing | | | | | |
| Trade and other payables | 24 | - | 10,098,493,637 | 10,098,493,637 | - |
| Accrued mark-up | 25 | - | 1,430,971,673 | 1,430,971,673 | - |
| Unclaimed dividend | | | 5,228,293 | - | - |
| | | | 61,812,346,218 | 41,781,609,125 | 20,025,508,800 |

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2025, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 309.78 million (June 2024: Rs. 263.41 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2025, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 178.15 million (June 2024: Rs. 139.37 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2025, if profit rates on islamic redeemable sukuk had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 80 million (June 2024: Rs. 100 million) higher / lower, mainly as a result of higher / lower profit on floating rate borrowings.

42.3.3. Market risk

Market risk is the risk that fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market prices. Market prices comprise of three types of risks namely foreign currency risk, interest rate risk and other price risk, such as equity risk.

a. Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of financial asset or a liability may fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars.

Exposure to Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

| | 2025 | 2024 |
|--|---------------------------|------------------|
| | ----- Amount in USD ----- | |
| Trade debts | 13,613,069 | 23,756,273 |
| Cash and bank balances | 337,011 | 2,031,982 |
| Trade and other payables | (4,649,064) | (4,757,133) |
| Loans and advances | 374 | 381 |
| Advance from customer | (352,199) | (381,211) |
| | 8,949,191 | 20,650,292 |
| Off balance sheet exposures | | |
| Letter of credit | (15,466,989) | (12,382,715) |
| Net Exposure | (6,517,797) | 8,267,577 |
| The following significant exchange rates were applied during the year. | | |
| | ----- Rupee per USD ----- | |
| Average rate | 281.45 | 282.95 |
| Reporting date rate | 284.10 | 278.80 |

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2024 would have effect on the equity and profit and loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2025.

| | 2025 | 2024 |
|--|--------------------|---------------|
| | ----- Rupees ----- | |
| Strengthening of PKR against respective currencies | 185,170,627 | (230,500,060) |
| Weakening of PKR against respective currencies | (185,170,627) | 230,500,060 |

As at 30 June 2025, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 84.18 million (2024:Rs.230.50 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

| | Note | 2025 | 2024 |
|------------------|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Export debtors | 12 | 3,867,472,990 | 6,623,249,023 |
| Import creditors | | 1,320,799,056 | 1,326,288,585 |
| | | 5,188,272,046 | 7,949,537,608 |

b. Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and running finance facilities. At the reporting date the interest rate profile of the Company's mark-up bearing financial instruments is as follows:

| | Carrying amount | |
|---------------------------|--------------------|----------------|
| | 2025 | 2024 |
| | ----- Rupees ----- | |
| Variable rate instruments | | |
| Financial liabilities | 22,000,576,876 | 15,722,253,859 |
| | 22,000,576,876 | 15,722,253,859 |

As at 30 June 2025, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 220.01 million. (2024: Rs. 157.22 million) mainly because of higher/lower interest expense on variable rate instruments.

c. Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

43. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's capital includes share capital and reserves. As at reporting date the capital of the Company is as follows:

| | 2025 | 2024 |
|---------------|--------------------|----------------|
| | ----- Rupees ----- | |
| Share capital | 663,569,400 | 663,569,400 |
| Reserves | 28,760,151,452 | 23,545,316,930 |
| | 29,423,720,852 | 24,208,886,330 |

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Company's capital signifies equity as reported in statement of financial position and includes share capital and accumulated losses.

The Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2025 and 2024 were as follows:

| | 2025 | 2024 |
|-----------------------|--------------------|----------------|
| | ----- Rupees ----- | |
| Total borrowings | 30,978,444,912 | 26,340,976,342 |
| Total equity | 29,423,720,852 | 24,208,886,330 |
| Total equity and debt | 60,402,165,764 | 50,549,862,672 |
| Net gearing ratio (%) | 51.3% | 52.1% |

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

44. PLANT CAPACITY AND ACTUAL PRODUCTION

| | 2025 Metric Ton | | 2024 Metric Ton | |
|-----------------|--------------------|-------------------|--------------------|-------------------|
| | Rated Capacity | Actual Production | Rated Capacity | Actual Production |
| Food processing | 316,416 | 201,769 | 298,356 | 192,644 |
| Plastic film | 63,000 | 36,435 | 63,000 | 35,580 |

The Company has enhanced the production capacity in food processing by 18,060 metric tons. Production utilization was as per the market demand.

45. TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements, are as follows:

| Key Management Personnel (KMP) | |
|--------------------------------|-----------------------|
| Name | Direct shareholding % |
| Mr. Ahmed Muhammad | 15.22 |
| Mr. Munsarim Saif | 0.000009 |
| Mr. Ahmed Raza Parekh | Nil |

| 2025 | 2024 |
|--------------------|------|
| ----- Rupees ----- | |

Hudson Pharma (Private) Limited

(Subsidiary Company - 78.53% shareholding)

- Markup received during the period

| | |
|-------------|---|
| 141,211,431 | - |
|-------------|---|

Ismail Resin (Private) Limited.

(Subsidiary Company - 75% shareholding)

- Purchase of raw material
- Payment against purchases
- Payable to subsidiary
- Markup received during the period

| | |
|-----------------|-----------------|
| 6,310,651,800 | 3,422,359,826 |
| (6,286,804,000) | (3,422,359,826) |
| (23,847,800) | - |
| 1,749,851,062 | - |
| 47,200,000 | 66,925,668 |
| 1,729,648 | 2,463,910 |

Salaries & benefits to KMP

Post employment benefit to KMP

Innovita Nutrition (Private) Limited

(Associated Company - Common Directorship)

- Purchase of raw material
- Payment against purchases
- Markup received during the period

| | |
|-----------------|---------------|
| 2,545,378,024 | 1,278,063,918 |
| (2,545,378,024) | (845,656,918) |
| 65,985,560 | - |

VMI Trading Inc.

(Associated Company - Common Directorship)

- Collections received against sales

| | |
|-------------|---|
| 432,818,389 | - |
|-------------|---|

Plastiflex Films (Private) Limited

(Associated Company - Common Directorship)

- Purchase of raw & packing material
- Metallization of raw material
- Sales of raw & packing material
- Recovery against Sales
- Payment against purchases
- Receivable from associate

| | |
|--------------|--------------|
| 19,577,739 | 22,190,118 |
| (4,966,144) | (15,097,951) |
| (539,261) | (578,288) |
| 6,065,119 | 15,097,951 |
| (19,577,739) | (22,190,118) |
| 18,574 | 578,288 |

46. NON - ADJUSTING EVENT

- 46.1. The board of directors in its meeting held on August 29, 2025 has proposed the final dividend of Rs. 5 per share (2024: Rs.10 per share) in respect of the year ended June 30, 2025 for approval of the members at the annual general meeting. The unconsolidated financial statements for the year ended June 30, 2025 do not include the effect of the proposed dividend, which will be accounted for in the unconsolidated financial statements for the year ending June 30, 2026.

47. DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue on August 29, 2025 by the board of directors of the Company.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

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CONSOLIDATED
FINANCIAL STATEMENTS &
INDEPENDENT
AUDITOR'S REPORT
THEREON FOR THE YEAR ENDED
JUNE 30, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Ismail Industries Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

Following are the key audit matters:

| S. No. | Key Audit Matter | How the matter was addressed in our audit |
|--------|---|---|
| 1. | <p>Revenue Recognition</p> <p>The Group is engaged in the production and sale of consumer food products, polyester resin, pharmaceutical products in the local and export market. Revenue from the sale of goods is recognized when performance obligations are satisfied by transferring control of the promised goods to the customer. Control is transferred at a point in time, either upon shipment or delivery of goods, depending on the terms of sale.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group, large number of revenue transactions with a large number of customers in various geographical locations and inherent risk of material misstatement.</p> | <ul style="list-style-type: none"> In response to this matter, our audit procedures included the following: Obtaining an understanding of, and evaluating, the design and implementation of controls over revenue recognition; Testing, on a sample basis, revenue transactions recorded during the year by comparing them with supporting documents such as sales orders, invoices, delivery documents, and other relevant records; Performing cut-off testing by selecting a sample of revenue transactions recorded before and after year end to assess whether revenue was recognized in the appropriate accounting period; Evaluating the appropriateness of the Group's accounting policies for revenue recognition in line with the applicable accounting and reporting standards; and Assessing the adequacy of the related disclosures in the financial statements in accordance with the applicable accounting and reporting requirements in Pakistan. |
| 2. | <p>Valuation of Stock-in-trade</p> <p>As at June 30, 2025 the Group's total stock-in-trade balance amounting to Rs. 22.97 billion as disclosed in note 11 which represents 37.35% of the total current assets of the Group. The value of stock-in-trade is based on the weighted average cost method for raw materials, packing materials and work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit.</p> <p>The Group is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.</p> | <p>In response to this matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade. Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade. Tested the valuation method used by the management in valuation of stock in trade. Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in- trade, tested the accuracy of the aging analysis of stock-in-trade on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in- trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to identify any indicators of obsolescence. Compared the NRV to the cost of stock in trade whether any adjustment is required to value stock in trade in accordance with the accounting policy; and Assessed the adequacy of the disclosures on stock-in-trade in these consolidated financial statements. |

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.



Chartered Accountants

Karachi

Date: September 09, 2025

UDIN: AR2025100935NylpnrMw

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

| ASSETS | Note | 2025 | 2024 |
|---|------|--------------------|-----------------|
| | | ----- Rupees ----- | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 46,290,003,286 | 45,375,973,507 |
| Right-of-use assets | 6.1 | 1,204,363,692 | 33,057,637 |
| Intangible assets | 7 | - | 166,669 |
| Goodwill | | 12,173,553 | 12,173,553 |
| Long term Investments | 8 | 5,253,186,740 | 4,030,256,700 |
| Long term deposits | 9 | 31,876,598 | 33,723,873 |
| Total non-current assets | | 52,791,603,869 | 49,485,351,939 |
| Current assets | | | |
| Stores and spares | 10 | 992,390,389 | 833,723,521 |
| Stock-in-trade | 11 | 22,969,311,101 | 23,221,200,551 |
| Trade debts | 12 | 15,758,507,990 | 14,830,151,839 |
| Loans and advances | 13 | 4,045,414,448 | 4,833,392,538 |
| Loan to associate | 14 | 350,000,000 | 217,900,000 |
| Trade deposits and short term prepayments | 15 | 50,770,912 | 55,832,485 |
| Short term investments | 16 | 3,546,270,096 | 1,719,987,562 |
| Other receivables | 17 | 8,810,958,369 | 6,731,547,229 |
| Taxation and levies - net | 18 | 3,493,212,032 | 2,090,723,549 |
| Cash and bank balances | 19 | 1,471,877,809 | 907,770,494 |
| Total current assets | | 61,488,713,146 | 55,442,229,768 |
| Total assets | | 114,280,317,015 | 104,927,581,707 |

The annexed Notes from 1 to 49 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| EQUITY AND LIABILITIES | Note | 2025 | 2024 |
|--|------|--------------------|-----------------|
| | | ----- Rupees ----- | |
| Share capital and reserves | | | |
| Authorized share capital | | | |
| 250,000,000 (2024: 250,000,000) ordinary shares of Rs. 10 each | | 2,500,000,000 | 2,500,000,000 |
| | | | |
| Issued, subscribed and paid-up share capital | 20 | 663,569,400 | 663,569,400 |
| Non-controlling interest | 21 | 700,200,615 | 893,490,560 |
| Reserves | 22 | 24,821,458,913 | 21,104,363,249 |
| Total shareholders' equity | | 26,185,228,928 | 22,661,423,209 |
| Non-current liabilities | | | |
| Long term finances - secured | 23 | 30,573,078,878 | 24,383,606,017 |
| Lease liabilities | 24 | 1,217,553,405 | 9,516,997 |
| Deferred liabilities | 25 | 3,539,092,077 | 3,222,790,455 |
| Total non-current liabilities | | 35,329,724,360 | 27,615,913,469 |
| Current liabilities | | | |
| Trade and other payables | 26 | 14,085,361,914 | 15,716,621,643 |
| Accrued mark-up | 27 | 1,055,710,443 | 1,647,973,120 |
| Short term finances - secured | 28 | 21,020,018,369 | 18,892,769,104 |
| Islamic redeemable sukuk | 29 | 8,000,000,000 | 10,000,000,000 |
| Current portion of: | | | |
| - long term finances - secured | 23 | 6,973,105,660 | 6,924,498,079 |
| - lease liabilities | 24 | 9,516,997 | 13,180,666 |
| Unclaimed dividend | | 5,965,586 | 5,228,293 |
| Advances from customers - unsecured | | 1,615,684,758 | 1,449,974,124 |
| Total current liabilities | | 52,765,363,727 | 54,650,245,029 |
| Total liabilities | | 88,095,088,087 | 82,266,158,498 |
| | | | |
| Total equity and liabilities | | 114,280,317,015 | 104,927,581,707 |
| Contingencies and commitments | | | |
| | 30 | | |

The annexed Notes from 1 to 49 form an integral part of these consolidated financial statements.


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 | 2024 |
|---|------|------------------------|------------------------|
| | | ----- Rupees ----- | |
| Sales | 31 | 140,073,497,081 | 131,335,598,074 |
| Sales returns, discounts and direct expenses | | (3,707,783,546) | (3,043,756,574) |
| Export rebate | | 54,232,602 | 19,232,379 |
| | | (3,653,550,944) | (3,024,524,195) |
| | | 136,419,946,137 | 128,311,073,879 |
| Sales tax | | (13,853,753,478) | (11,343,533,030) |
| Sales - net | | 122,566,192,659 | 116,967,540,849 |
| Cost of sales | 33 | (99,428,054,774) | (92,647,488,472) |
| Gross profit | | 23,138,137,885 | 24,320,052,377 |
| Selling and distribution expenses | 34 | (9,937,718,584) | (8,922,227,339) |
| Administrative expenses | 35 | (2,078,354,638) | (1,977,359,101) |
| Operating profit | | 11,122,064,663 | 13,420,465,937 |
| Other operating expenses | 36 | (773,296,298) | (879,643,311) |
| Other income | 37 | 1,355,990,900 | 1,467,978,585 |
| Finance cost | 38 | (7,235,424,827) | (8,038,003,682) |
| Share of profit from associated company - net | 8.1 | 1,516,519,377 | 626,504,654 |
| Profit before levies and taxation | | 5,985,853,815 | 6,597,302,183 |
| Levies | | (1,480,775,041) | (1,143,451,624) |
| Taxation | 40 | (805,063,453) | (546,648,480) |
| Profit for the year | | 3,700,015,321 | 4,907,202,079 |
| Profit for the year attributable to: | | | |
| Shareholders of the Holding Company | | 4,206,163,975 | 5,195,692,092 |
| Non-controlling interest | | (506,148,654) | (288,490,013) |
| | | 3,700,015,321 | 4,907,202,079 |
| Earnings per share - basic and diluted | 41 | 63.39 | 78.30 |

The annexed Notes from 1 to 49 form an integral part of these consolidated financial statements.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 | 2024 |
|---|--------|----------------------|----------------------|
| | | ----- Rupees ----- | |
| Profit for the year | | 3,700,015,321 | 4,907,202,079 |
| Other comprehensive income: | | | |
| Items that may be reclassified to consolidated statement of profit or loss in subsequent periods | | | |
| Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods: | | | |
| (Loss) / gain on remeasurements defined benefit obligation - net of tax | 25.2.6 | (7,219,169) | 4,703,839 |
| Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax | | (21,063,300) | (504,100) |
| Exchange difference on translation of foreign operations | | 43,970,663 | - |
| Share of other comprehensive income from associate - net of tax | | 159,171,604 | 495,270,170 |
| Other comprehensive income | | 174,859,798 | 499,469,909 |
| Total comprehensive income for the year | | 3,874,875,119 | 5,406,671,988 |
| Total comprehensive income for the year attributable to : | | | |
| Shareholders of the Holding Company | | 4,380,665,064 | 5,693,988,877 |
| Non-controlling interest | | (505,789,945) | (287,316,889) |
| | | 3,874,875,119 | 5,406,671,988 |

The annexed Notes from 1 to 49 form an integral part of these consolidated financial statements.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

| | Issued, subscribed and paid-up share capital | Total Reserves | | | | | | | Non-controlling Interest | Total shareholders' equity |
|--|--|-----------------|-----------------------|--|--------------------------------------|--|-----------------------|----------------|--------------------------|----------------------------|
| | | Capital reserve | | Revenue reserve | | | | Total reserves | | |
| | | Share premium | Amalgamation reserves | Remeasurement of investment in associate | Foreign Currency Translation Reserve | Remeasurement of investments at fair value through OCI | Unappropriated profit | | | |
| | | | | | | | | | | |
| ----- Rupees ----- | | | | | | | | | | |
| Balance as at July 01, 2023 | | | | | | | | | | |
| Profit for the year | | | | | | | | | | |
| Gain on remeasurement of defined benefit obligation - net of tax - note 25.2.6 | | | | | | | | | | |
| Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax | | | | | | | | | | |
| Share of other comprehensive income from associate - net of tax | | | | | | | | | | |
| Other comprehensive income / (loss) | | | | | | | | | | |
| Total comprehensive income | | | | | | | | | | |
| Final cash dividend for the year ended June 30, 2023 | | | | | | | | | | |
| Rs. 2 per share | | | | | | | | | | |
| Balance as at June 30, 2024 | | | | | | | | | | |
| Profit for the year | | | | | | | | | | |
| Loss on remeasurement of defined benefit obligation - net of tax - note 25.2.6 | | | | | | | | | | |
| Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax | | | | | | | | | | |
| Equity attributable to non-controlling interests | | | | | | | | | | |
| Share of other comprehensive income from associate-net of tax | | | | | | | | | | |
| Effects of exchange rate changes on value of foreign operations | | | | | | | | | | |
| Other comprehensive income / (loss) | | | | | | | | | | |
| Total comprehensive income | | | | | | | | | | |
| Final cash dividend for the year ended June 30, 2024 @ | | | | | | | | | | |
| Rs. 10 per share | | | | | | | | | | |
| Balance as at June 30, 2025 | | | | | | | | | | |

The annexed Notes from 1 to 49 form an integral part of these consolidated financial statements.


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Razafindralandy
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

| CASH FLOWS FROM OPERATING ACTIVITIES | Note | 2025 | 2024 |
|--|--------|------------------------|------------------------|
| | | ----- Rupees ----- | |
| Cash generated from operations | 43 | 13,297,171,589 | 6,178,766,603 |
| Gratuity paid | 25.2.3 | (155,661,338) | (128,849,779) |
| Income tax and levies paid | | (3,529,296,555) | (2,188,789,918) |
| Long term deposits - net | | 1,847,275 | (551,750) |
| Net cash generated from operating activities | | 9,614,060,971 | 3,860,575,156 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure (including CWIP) | | (5,576,537,797) | (10,567,873,249) |
| Short-term investment made - net | 16 | (1,783,720,475) | (3,797,196) |
| Receipts from associated company against dividend - net | | 480,850,047 | 404,075,672 |
| Proceeds from disposal of property, plant and equipment | 6.6.1 | 291,209,956 | 226,097,445 |
| Net cash used in investing activities | | (6,588,198,269) | (9,941,497,328) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts/(Payments) from long term finances - net | | 6,238,080,442 | (713,787,308) |
| Issuance of shares to non-controlling interest | | 312,500,000 | - |
| Lease repayments | | (15,867,791) | (10,241,185) |
| Short term finance obtained - net | | 4,261,176,828 | 2,976,342,088 |
| (Payments) / Receipts from islamic redeemable sukuk | | (2,000,000,000) | 10,000,000,000 |
| Interest / mark-up paid | | (8,472,049,913) | (7,590,376,802) |
| Dividend paid | | (662,832,107) | (132,554,854) |
| Net cash (used in) / generated from financing activities | | (338,992,541) | 4,529,381,939 |
| Net increase / (decrease) in cash and cash equivalents | | 2,686,870,161 | (1,551,540,233) |
| Cash and cash equivalents at the beginning of the year | | (5,340,922,165) | (3,789,381,932) |
| Effects of exchange rate changes on cash and cash equivalents | | 11,164,717 | - |
| Cash and cash equivalents at the end of the year | | (2,642,887,287) | (5,340,922,165) |
| Cash and cash equivalents at the end of the year comprise of: | | | |
| Cash and bank balances | 19 | 1,471,877,809 | 907,770,494 |
| Running finance utilized under mark-up arrangements | 28.5 | (4,114,765,096) | (6,248,692,659) |
| | | (2,642,887,287) | (5,340,922,165) |

The annexed Notes from 1 to 49 form an integral part of these consolidated financial statements.


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND OPERATIONS

1.1. The Group consist of:

Holding Company : Ismail Industries Limited

Subsidiary Companies : Hudson Pharma (Private) Limited, Ismail Resin (Private) Limited and Bisconni Middle East Manufacturing LLC.

a. Ismail Industries Limited

Ismail Industries Limited (the Holding Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office of the Holding Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. The shares of the company are quoted on Pakistan Stock Exchange Limited. Principal activities of the Holding Company are manufacturing and trading of sugar confectionery items, biscuits, snacks, nutritional products, flour, cast polypropylene (CPP) and biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity', 'Ismail Nutrition', Ghiza' and 'Astro Films' respectively.

In addition to above registered office, geographical location and addresses of manufacturing units of the Holding Company are as under:

| Units | Factory Addresses |
|----------|---|
| Unit-1 | C-230, Hub H.I.T.E., Balochistan. |
| Unit-2 | B-140, Hub H.I.T.E., Balochistan. |
| Unit-3 | G-1, Hub H.I.T.E., Balochistan. |
| Unit-4 | G-22, Hub H.I.T.E., Balochistan. |
| Unit-5: | 38-C, Sundar Industrial Estate, Raiwind Road, Lahore. |
| Unit-6: | D-91, D-92 & D-94, North Western Zone, Port Qasim. |
| Unit-7: | E164-168, North Western Zone, Port Qasim. |
| Unit-8: | E154-157, North Western Zone, Port Qasim. |
| Unit-9: | G-1A, Hub H.I.T.E., Balochistan. |
| Unit-10: | E164-168, North Western Zone, Port Qasim. |

Further, the Holding Company's liaison offices and warehouses are situated in Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Faisalabad and Peshawar.

b. Hudson Pharma (Private) Limited

Hudson Pharma (Private) Limited (HPPL) was incorporated in Pakistan as a private limited company on May 5, 2010. The registered office of the Subsidiary Company is located at 17, Bangalore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of the Subsidiary Company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical, animal health, allied consumer products, drugs, medicines and derma products.

In addition to above, geographical location and addresses of manufacturing units of the Subsidiary Company are as under:

| Factory: | Administrative office: |
|--|--|
| D-93, North Western Industrial Zone, Port Qasim. | 24/1 - Bangalore Co-operative Housing Society, Block 7/8, Bangalore Town, Karachi. |

c. Ismail Resin (Private) Limited

Ismail Resin (Private) Limited (IRPL) was incorporated in Karachi, Pakistan on January 13, 2021. The registered office of the Subsidiary Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the Company are manufacturing and selling of Polyester Resin.

In addition to above, geographical location and addresses of manufacturing units of the Subsidiary Company are as under:

| Units | Addresses |
|--------|---|
| Unit-1 | A-39 North Western Zone, Port Qasim, Karachi. |
| Unit-2 | A-40 North Western Zone, Port Qasim, Karachi. |

Further the Company's liaison offices and warehouses are situated in Karachi and Lahore.

d. Bisconni Middle East Manufacturing LLC

Bisconni Middle East Manufacturing – L.L.C – S.P.C (The Subsidiary Company) was formed and registered with the Department of Economic Development as a Sole Proprietorship Limited Liability Company on 6 November 2024 in the Emirate of Abu Dhabi, U.A.E. under Industrial License Number : IN-2007110. The registered office address is 85B, KHIA8-82A, KIZAD A (Non-Free Zone), Al Taweelah, Abu Dhabi, U.A.E. The Licensed activity of the Subsidiary Company is manufacturing of chocolate and chocolate confectionery, sugar confectionery and dry bakery product.

2. SIGNIFICANT EVENTS AND TRANSACTIONS

- 2.1.** During the year, Ismail Industries Limited ("the Company") has invested 100% equity in a newly formed foreign subsidiary, Bisconni Middle East Manufacturing LLC, incorporated in Abu Dhabi, UAE.

The investment is part of the Company's strategic expansion plan to strengthen its presence in international markets, particularly in the Middle East region. Bisconni Middle East Manufacturing LLC will serve as a manufacturing and distribution hub for the Company's chocolate and sugar confectionery products under the Bisconni brand.

3. BASIS OF PREPARATION

3.1. Statement of compliance

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

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

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

3.2. Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies.

3.3. Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented

in Pakistani Rupee, which is the Group's functional and presentation currency. The figures have been rounded off to the nearest Rupee.

3.4. Basis of Consolidation

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Companies.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors. The Holding company can govern the financial & operating policies of subsidiary. Subsidiary Company is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary company are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

The assets, liabilities, income and expenses of Subsidiary Company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in these consolidated financial statements.

3.5. Reclassification for better presentation

Prior year figures- have been rearranged and/or reclassified, wherever necessary, for better presentation.

3.6. Standard, Amendments and Interpretations to Approved Accounting Standards

3.6.1. Standards, amendments and interpretations to the published standards that may be relevant to the Group and adopted in the current year

There were certain amendments to accounting and reporting standards which became effective for the Group for the current year. However, these are considered not to be relevant or to have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

3.6.2. Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Group

There are certain amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Group's consolidated financial statements and operations and, therefore, have not been disclosed in these consolidated financial statements.

3.6.3. Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4. USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions

that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following accounting estimates and judgments which are significant to the consolidated financial statements:

| | |
|---------------------------------------|----------------|
| a. Property, plant and equipment | 4.1 & 5.1 |
| b. Right-of-use assets | 5.1.2 |
| c. Intangible assets | 5.2 |
| d. Stock-in-trade, stores and spares | 4.2, 5.6 & 5.7 |
| e. Taxation & levies - net | 5.14 |
| f. Staff retirement benefits | 4.4 & 5.13 |
| g. Provisions | 5.15 |
| h. Impairment of non-financial assets | 5.3 |
| i. Contingent liabilities | 5.23 |
| j. Impairment of financial assets | 4.3 & 5.25.5 |

4.1. Property, plant and equipment

The group reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the group. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

4.2. Stock-in-trade, stores and spares

The Group's management reviews the net realizable value (NRV) of stock-in-trade, stores and spares to assess any diminution in the respective carrying values and wherever required, provision for impairment is made.

4.3. Trade debts and other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.25.5 of these consolidated financial statements.

4.4. Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 25.1 to these consolidated financial statements for valuation of present value of staff gratuity scheme. Any changes in these assumptions in future years might affect the amounts recognized in those years.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

5.1. Property, plant and equipment

5.1.1. Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note no. 6 to the consolidated financial statements. Depreciation on leasehold land is charged to the consolidated statement of profit or loss, applying the straight-line method at rates given in note no. 6 to these consolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal. Impairment loss if any are recorded on the basis as defined in note. 5.3.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

5.1.2. Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method as given in note no. 6.1 of these consolidated financial statements of June 30, 2025. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

5.1.3. Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

5.2. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow

to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying straight line method and impairment losses if any are recorded on the basis as defined in note 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

5.3. Impairment of non-financial assets

Assets that are subject to depreciation/amortization including capital work-in-progress are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable (cash-generating units).

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

5.4. Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally Grouping a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulations prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income / loss of the associate after the date of acquisition.

5.5. Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

5.6. Stores and spares

All stores, spares and loose tools either imported or purchased locally are charged to the consolidated statement of profit or loss when consumed and are valued at lower of weighted moving average cost or estimated NRV except for items-in-transit which are stated at invoice value plus other incidental charges paid thereon up to the reporting date. Provision is made for obsolete and slow moving items where necessary and is recognized in the consolidated statement of profit or loss.

5.7. Stock-in-trade

These are valued at the lower of cost or net realizable value. Cost is determined as follows:

| Types of stock | Valuation method |
|------------------------------|--|
| a. Raw and packing materials | weighted average cost method |
| b. Work-in-process | weighted average cost method |
| c. Finished goods | lower of weighted average cost or net realizable value |
| d. Goods in-transit | invoice value plus other charges incurred thereon |
| e. Trading goods | lower of weighted average cost or net realizable value |

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

5.8. Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.9. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

5.10. Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the consolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

5.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the consolidated statement of profit or loss in the year in which they are incurred.

5.12. Staff retirement benefits - staff gratuity scheme

The group operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the group. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note no. 25.1 using the projected unit credit method.

5.13. Lease Liabilities Current

Leases are recognized as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the group incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

5.14. Taxation and levies

5.14.1. Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of the Income Tax Ordinance, 2001.

5.14.2. Levies

Tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the income tax amount calculated based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss in accordance with the "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountant of Pakistan (ICAP) and accounted for in accordance with requirement of IFRIC 21/IAS-37.

5.14.3. Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.15. Provisions

Provisions are recognized in these consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.16. Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.17. Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Pakistani Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the consolidated statement of profit or loss.

5.18. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic division.

5.19. Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5.20. Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Group to do so.

5.21. Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.22. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

5.23. Contingent liabilities

Contingent liability is disclosed when:

- a. a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- b. a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24. Operating, administrative and selling expenses

These expenses are recognized in the consolidated statement of profit or loss upon utilization of the services or as incurred except as specifically stated in these consolidated financial statements.

5.25. Financial Instruments - Initial recognition and subsequent measurement

5.25.1. Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

5.25.2. Classification of financial assets

The group classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The group determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- - the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. By default, all other financial assets are subsequently measured at FVTPL.

5.25.3. Classification of financial liabilities

The group classifies its financial liabilities at amortised cost.

5.25.4. Subsequent measurement

i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income.

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the consolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

5.25.5. Impairment of financial assets

The group recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial

instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

5.25.6. Derecognition

i) Financial assets

The Group derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognized in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retain earnings.

ii) Financial liabilities

The Group derecognizes its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss.

5.25.7. Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these consolidated statement of financial position if the group has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.26. Revenue

The group is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods net of discount and sales related indirect taxes. The group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The following are the specific recognition criteria that must be met before revenue is recognized:

- a. Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.
- b. Processing income is recognized when services are rendered.
- c. Gain or loss on sale of investments is taken to income in the period in which it arises.
- d. Interest income is recognized on an accrual basis using the effective interest method.
- e. Dividend is recognized when the right to receive is established.
- f. Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

5.27. Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Holding Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and whenever there is an indication that the value may be impaired, and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed.

6. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Capital work in progress - at cost

| | Note | 2025 | 2024 |
|-----|------|------------------|----------------|
| | | -----Rupees----- | |
| 6.2 | 6.2 | 43,434,300,549 | 44,254,184,171 |
| 6.8 | 6.8 | 2,855,702,737 | 1,121,789,336 |
| | | 46,290,003,286 | 45,375,973,507 |
| 6.2 | 6.2 | 1,204,363,692 | 33,057,637 |

6.1 Right-of-use assets

6.2 Detailed movement of operating assets and right-of-use assets are as follows;

| Year ended June 30, 2025 | Operating assets | | | | | | | | | | Right-of-use assets | | |
|---|----------------------|-------------------|----------------------------|-----------------------|------------------------|----------------------|--------------------|----------------------|--------------------------|-----------------------|----------------------|-------------------|----------------------|
| | Leasehold land | Freehold land | Building on leasehold land | Plant and machinery | Furniture and fittings | Equipments | Computers | Vehicles | Cooling tower & chillers | Grand total | Land | Vehicles | Grand total |
| -----Rupees----- | | | | | | | | | | | | | |
| As at June 30, 2024 | | | | | | | | | | | | | |
| Cost | 2,661,689,992 | 88,688,580 | 12,918,921,402 | 42,695,823,483 | 361,464,428 | 1,337,523,900 | 191,024,627 | 1,658,023,528 | 29,400,000 | 61,942,559,940 | - | 46,899,399 | 46,899,399 |
| Accumulated depreciation | (106,888,024) | - | (3,373,339,749) | (13,188,010,119) | (89,286,268) | (277,842,338) | (87,576,160) | (544,199,776) | (21,233,335) | (17,688,375,769) | - | (13,841,762) | (13,841,762) |
| Net book value | 2,554,801,968 | 88,688,580 | 9,545,581,653 | 29,507,813,364 | 272,178,160 | 1,059,681,562 | 103,448,467 | 1,113,823,752 | 8,166,665 | 44,254,184,171 | - | 33,057,637 | 33,057,637 |
| July 01, 2024 | | | | | | | | | | | | | |
| Opening net book value | 2,554,801,968 | 88,688,580 | 9,545,581,653 | 29,507,813,364 | 272,178,160 | 1,059,681,562 | 103,448,467 | 1,113,823,752 | 8,166,665 | 44,254,184,171 | - | 33,057,637 | 33,057,637 |
| Additions / Transfers from CWIP | 612,445,150 | - | 940,428,527 | 1,364,243,427 | 10,844,702 | 177,797,164 | 91,893,047 | 689,686,072 | - | 3,887,338,089 | 1,188,303,204 | - | 1,188,303,204 |
| Transfer from right-of-use assets to owned assets | | | | | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposal | | | | | | | | | | | | | |
| Cost | - | - | - | - | - | (485,225) | (24,417,115) | (353,917,833) | - | (378,820,173) | - | - | - |
| Accumulated depreciation | - | - | - | - | - | 383,720 | 7,480,034 | 137,651,265 | - | 145,515,019 | - | - | - |
| Depreciation charge for the year | (28,289,320) | - | (1,006,392,792) | (3,007,682,890) | (27,693,238) | (107,507,180) | (25,996,627) | (262,187,845) | (8,166,667) | (4,473,916,557) | (10,411,131) | (6,586,018) | (16,997,149) |
| Closing net book value | 3,138,957,798 | 88,688,580 | 9,479,617,388 | 27,864,373,901 | 255,329,624 | 1,129,870,041 | 152,407,806 | 1,325,055,412 | - | 43,434,300,549 | 1,177,892,073 | 26,471,619 | 1,204,363,692 |
| As at June 30, 2025 | | | | | | | | | | | | | |
| Cost | 3,274,135,142 | 88,688,580 | 13,859,349,929 | 44,060,066,910 | 372,309,130 | 1,514,835,839 | 258,500,559 | 1,993,791,767 | 29,400,000 | 65,451,077,856 | 1,188,303,204 | 46,899,399 | 65,451,077,856 |
| Accumulated depreciation | (135,177,344) | - | (4,379,732,541) | (16,195,693,009) | (116,979,506) | (384,965,798) | (106,092,753) | (668,736,356) | (29,400,000) | (22,016,777,307) | (10,411,131) | (20,427,780) | (30,838,911) |
| Net book value | 3,138,957,798 | 88,688,580 | 9,479,617,388 | 27,864,373,901 | 255,329,624 | 1,129,870,041 | 152,407,806 | 1,325,055,412 | - | 43,434,300,549 | 1,177,892,073 | 26,471,619 | 1,204,363,692 |
| Depreciation rate (%) | 1 | | 10 | 10 | 10 | 10 | 20 | 20 | 33 | | 5.7 | 20 | |

| Year ended June 30, 2024 | Operating assets | | | | | | | | | | Right-of-use assets | | |
|---|------------------|---------------|----------------------------|---------------------|------------------------|---------------|--------------|---------------|--------------------------|------------------|---------------------|---------------|---------------|
| | Leasehold land | Freehold land | Building on leasehold land | Plant and machinery | Furniture and fittings | Equipments | Computers | Vehicles | Cooling tower & chillers | Grand total | Land | Vehicles | Grand total |
| | -----Rupees----- | | | | | | | | | | | | |
| As at June 30, 2023 | | | | | | | | | | | | | |
| Cost | 2,077,383,592 | 88,688,580 | 7,660,078,004 | 29,137,135,178 | 224,594,498 | 569,328,228 | 172,131,255 | 1,329,021,159 | 29,400,000.00 | 41,287,760,494 | - | 46,899,400 | 46,899,400 |
| Accumulated depreciation | (84,218,195) | - | (2,683,321,419) | (10,849,039,166) | (68,708,912) | (209,537,050) | (66,753,990) | (425,596,609) | (11,433,333) | (14,398,608,674) | - | (4,487,390) | (4,487,390) |
| Net book value | 1,993,165,397 | 88,688,580 | 4,976,756,585 | 18,288,096,012 | 155,885,586 | 359,791,178 | 105,377,265 | 903,424,550 | 17,966,667 | 26,889,151,820 | - | 42,412,010 | 42,412,010 |
| July 01, 2023 | | | | | | | | | | | | | |
| Opening net book value | 1,993,165,397 | 88,688,580 | 4,976,756,585 | 18,288,096,012 | 155,885,586 | 359,791,178 | 105,377,265 | 903,424,550 | 17,966,667 | 26,889,151,820 | - | 42,412,010 | 42,412,010 |
| Additions / Transfers from CWIP | 584,306,400 | - | 5,258,843,398 | 13,596,152,131 | 136,869,930 | 768,195,672 | 25,656,302 | 561,019,486 | - | 20,931,043,319 | - | - | - |
| Transfer from lease assets | | | | | | | | | | | | | |
| to owned assets | | | | | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposal | | | | | | | | | | | | | |
| Cost | - | - | - | (37,463,826) | - | - | (6,762,930) | (232,017,117) | - | (276,243,873) | - | - | - |
| Accumulated depreciation | - | - | - | 31,069,037 | - | - | 2,989,618 | 98,216,881 | - | 132,275,536 | - | - | - |
| | - | - | - | (6,394,789) | - | - | (3,773,312) | (133,800,236) | - | (143,968,337) | - | - | - |
| Depreciation charge for the year | (22,669,829) | - | (690,018,330) | (2,370,039,990) | (20,577,356) | (68,305,288) | (23,811,788) | (216,820,048) | (9,800,002) | (3,422,042,631) | - | (9,354,373) | (9,354,373) |
| Closing net book value | 2,554,801,968 | 88,688,580 | 9,545,581,653 | 29,507,813,364 | 272,178,160 | 1,059,681,562 | 103,448,467 | 1,113,823,752 | 8,166,665 | 44,254,184,172 | - | 33,057,637 | 33,057,638 |
| As at June 30, 2024 | | | | | | | | | | | | | |
| Cost | 2,661,689,992 | 88,688,580 | 12,918,921,402 | 42,695,823,483 | 361,464,428 | 1,337,523,900 | 191,024,627 | 1,658,023,528 | 29,400,000 | 61,942,559,940 | - | 46,899,399 | 46,899,399 |
| Accumulated depreciation | (106,888,024) | - | (3,373,339,749) | (13,188,010,119) | (89,286,268) | (277,842,338) | (87,576,160) | (544,199,776) | (21,233,335) | (17,688,375,769) | - | (13,841,762) | (13,841,762) |
| Net book value | 2,554,801,968 | 88,688,580 | 9,545,581,653 | 29,507,813,364 | 272,178,160 | 1,059,681,562 | 103,448,467 | 1,113,823,752 | 8,166,665 | 44,254,184,171 | - | 33,057,637 | 33,057,637 |
| Depreciation rate (%) | 1 | | 10 | 10 | 10 | 10 | 20 | 20 | 33 | 20 | | 20 | |
| 6.3 Property plant and equipment of the Company is under charge against long term finances as mentioned in note no. 23. | | | | | | | | | | | | | |
| 6. 4 The expenses have been allocated to the consolidated statement of profit or loss as follows: | | | | | | | | | | Note | 2025 | 2024 | |
| | | | | | | | | | | -----Rupees----- | | | |
| Depreciation charge of operating assets | | | | | | | | | | | | | |
| Cost of sales | | | | | | | | | | | 33 | 4,164,040,411 | 3,161,121,629 |
| Selling and distribution expenses | | | | | | | | | | | 34 | 142,559,286 | 115,349,118 |
| Administrative expenses | | | | | | | | | | | 35 | 156,905,729 | 145,571,884 |
| Depreciation capitalized | | | | | | | | | | | | 4,463,505,426 | 3,422,042,631 |
| | | | | | | | | | | | | 10,411,131 | - |
| | | | | | | | | | | | | 4,473,916,557 | 3,422,042,631 |
| Depreciation relating to right-of-use assets | | | | | | | | | | | | | |
| Cost of sales | | | | | | | | | | | 33 | 10,915,074 | 775,296 |
| Selling and distribution expenses | | | | | | | | | | | 34 | 3,733,685 | 5,057,077 |
| Administrative expenses | | | | | | | | | | | 35 | 2,348,390 | 3,522,000 |
| | | | | | | | | | | | | 16,997,149 | 9,354,373 |

6.5 Particulars of immovable property (i.e. land and building) in the name of the Group companies are as follows:

| Locations | usage of immovable property | * Total area |
|--|----------------------------------|-------------------|
| 17 - Bangalore Town, Shahrah-e-Faisal, Karachi. | Registered office / Head office | 1000 sq. yd |
| C-230, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 1 | 7.54 acres |
| B-140, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 2 | 4.59 acres |
| G-1, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 3 | 3.486 acres |
| G-22, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 4 | 9.00 acres |
| 38-C, Sundar Industrial Estate, Raiwind Road, Lahore. | Manufacturing facility - Unit 5 | 4.02 acres |
| D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 6 | 7.50 acres |
| E164-168, North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 7 | 2.74 acres |
| E154-157, North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 8 | 5.04 acres |
| G-1A, Hub H.I.T.E., Balochistan. | Manufacturing facility - Unit 9 | 3.185 acres |
| E164-168, North Western Zone, Port Qasim, Karachi. | Manufacturing facility - Unit 10 | 3.50 acres |
| "D-101/M, D-101/N, S.I.T.E area, Nooriabad, District Jamshoro, Sindh." | For future expansion | 20.50 acres |
| "PT2-24-2402, Pearl Tower, Plot # 7 (R9) Crescent Bay, Karachi." | Administrative purpose | 2,209.57 sq. ft |
| Sabzi mandi road, Chak no. 241 Dist. Faisalabad. | For future expansion | 0.88 acres |
| 39-B, Sundar Industrial Estate, Raiwind Road, Lahore. | For future expansion | 1.138 acres |
| EIZ/1/P-II-B, Eastern industrial Zone, Port Qasim, Karachi. | For future expansion | 15 acres |
| Plot 1,2,3 Hub H.I.T.E Balochistan | For future expansion | 8.37 acres |
| D-93, North Western Industrial Zone, Port Qasim. | Manufacturing facility - HPPL | 2.5 acres |
| Unit 1 : A-39 North Western Zone, Port Qasim, Karachi. | Manufacturing facility - IRPL | 4.7 acres |
| Unit 2 : A-40 North Western Zone, Port Qasim, Karachi. | Manufacturing facility - IRPL | 4.7 acres |
| Unit 1 : 85B, KHIA8-82A, KIZAD A, Abu Dhabi, U.A.E. | Manufacturing facility - BMEM | 37,743.66 sq . Mt |

* The covered area includes multi-storey buildings.

6.6. Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|------------------------|--------------------------|-------------------|-------------------|--------------------|-------------------------|--------------|------------------|
| Vehicles | | | | | | | |
| Toyota Fortuner | | | | | | | |
| 10,573,000 | 5,159,624 | 5,413,376 | 6,704,950 | 1,291,574 | Ali Abbas Jafri | Employee | Company Policy |
| 16,250,708 | 4,521,308 | 11,729,400 | 5,690,121 | (6,039,279) | Muhammad Ehtisham Khan | Employee | Company Policy |
| 16,101,167 | 6,054,039 | 10,047,128 | 12,500,000 | 2,452,872 | Muhammad Mustafa Dhedhi | Independent | Negotiable |
| 17,880,100 | 2,642,281 | 15,237,819 | 15,100,000 | (137,819) | Irfan Mahmood Khan | Independent | Negotiable |
| 60,804,975 | 18,377,252 | 42,427,723 | 39,995,071 | (2,432,652) | | | |

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|-------------------|--------------------------|-------------------|-------------------|------------------|-------------------------|--------------|------------------|
| Honda Civic | | | | | | | |
| 3,638,216 | 2,158,351 | 1,479,865 | 2,163,922 | 684,057 | Ghulam Farooq | Employee | Company Policy |
| 3,535,666 | 1,903,288 | 1,632,378 | 2,391,108 | 758,730 | Zunair Ahmed | Employee | Company Policy |
| 3,636,542 | 2,214,250 | 1,422,292 | 2,204,896 | 782,604 | Sarfraz Ahmed Khan | Employee | Company Policy |
| 3,388,181 | 2,347,332 | 1,040,849 | 1,579,004 | 538,155 | Asjad Rana | Employee | Company Policy |
| 14,198,605 | 8,623,221 | 5,575,384 | 8,338,930 | 2,763,546 | | | |
| KIA Carnival | | | | | | | |
| 5,488,960 | 4,011,092 | 1,477,868 | 6,200,000 | 4,722,132 | Muhammad Umar Farooq | Independent | Negotiable |
| 9,814,657 | 4,728,483 | 5,086,174 | 10,000,000 | 4,913,826 | Muhammad Mustafa Dhedhi | Independent | Negotiable |
| 15,303,617 | 8,739,575 | 6,564,042 | 16,200,000 | 9,635,958 | | | |
| Toyota Yaris | | | | | | | |
| 2,419,837 | 1,070,751 | 1,349,086 | 1,975,540 | 626,454 | Raja Muhammad Waseem | Employee | Negotiable |
| 2,420,637 | 1,047,867 | 1,372,770 | 2,230,170 | 857,400 | Yasir Habib | Employee | Company Policy |
| 1,805,655 | 35,268 | 1,770,387 | 3,097,825 | 1,327,438 | Ali Raza Kazim | Independent | Negotiable |
| 2,273,351 | 1,365,466 | 907,885 | 1,325,726 | 417,841 | Junaid Ahmed | Employee | Company Policy |
| 2,419,837 | 1,189,484 | 1,230,353 | 1,777,987 | 547,634 | Syed Mohsin Raza Zaidi | Employee | Company Policy |
| 2,308,590 | 1,301,265 | 1,007,325 | 1,645,119 | 637,794 | Zafar Iqbal | Employee | Company Policy |
| 2,308,490 | 1,323,534 | 984,956 | 1,480,820 | 495,864 | Muhammad Sheeraz | Employee | Company Policy |
| 2,273,101 | 1,448,723 | 824,378 | 1,193,099 | 368,721 | Naveed Tariq | Employee | Company Policy |
| 2,419,837 | 1,215,296 | 1,204,541 | 1,862,652 | 658,111 | Kamran Ahmed | Employee | Company Policy |
| 2,439,995 | 1,453,760 | 986,235 | 1,508,220 | 521,985 | Muhammad Salman Sayani | Employee | Company Policy |
| 23,089,329 | 11,451,413 | 11,637,916 | 18,097,158 | 6,459,242 | | | |
| Suzuki Cultus | | | | | | | |
| 1,563,767 | 927,251 | 636,516 | 1,636,335 | 999,819 | Ali Mohammad Gavi | Employee | Company Policy |
| 1,542,568 | 868,171 | 674,397 | 1,009,121 | 334,724 | Muaz Siddiqui | Employee | Company Policy |
| 1,543,218 | 845,272 | 697,946 | 1,045,073 | 347,127 | Hafiz Fahd Ahmed | Employee | Company Policy |
| 1,542,568 | 906,344 | 636,223 | 955,060 | 318,837 | Adeel Ashiq | Employee | Company Policy |
| 1,543,117 | 983,919 | 559,198 | 828,805 | 269,607 | Nisar Ahmed | Employee | Company Policy |
| 7,735,237 | 4,530,957 | 3,204,280 | 5,474,394 | 2,270,114 | | | |
| Suzuki Alto | | | | | | | |
| 1,203,867 | 574,645 | 629,222 | 812,407 | 183,185 | Asad Ali Malik | Employee | Company Policy |
| 1,243,166 | 627,882 | 615,284 | 834,544 | 219,260 | Khurram Shahzad | Employee | Company Policy |
| 1,224,786 | 648,908 | 575,878 | 743,871 | 167,993 | Faheem Ghazanfar Vohra | Employee | Company Policy |
| 1,224,786 | 658,837 | 565,949 | 1,357,282 | 791,333 | Syed Mashad Khursheed | Employee | Company Policy |
| 4,896,605 | 2,510,272 | 2,386,333 | 3,748,104 | 1,361,771 | | | |

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|----------------------------|--------------------------|-------------------|-------------------|------------------|---------------------------------------|--------------|------------------|
| 1,356,669 | 627,324 | 729,345 | 946,586 | 217,241 | Muhammad Pervaiz | Employee | Company Policy |
| 2,642,370 | 628,297 | 2,014,073 | 2,147,250 | 133,177 | Akhtar Ali | Employee | Company Policy |
| 2,351,328 | 686,588 | 1,664,740 | 2,014,482 | 349,742 | Sheikh Shafi Ud Din | Employee | Company Policy |
| 2,305,100 | 947,652 | 1,357,448 | 1,583,335 | 225,887 | Abdul Rehman | Employee | Company Policy |
| 2,642,360 | 658,388 | 1,983,972 | 2,114,208 | 130,236 | Waseem Abbas | Employee | Company Policy |
| 1,508,029 | 683,987 | 824,042 | 958,990 | 134,948 | Baqar Jamal | Employee | Company Policy |
| 1,243,166 | 712,749 | 530,418 | 1,408,188 | 877,770 | Umer Aziz | Employee | Company Policy |
| 2,238,937 | 820,943 | 1,417,993 | 1,823,861 | 405,868 | Moshin Rafique | Employee | Company Policy |
| 21,184,564 | 8,276,200 | 12,908,364 | 16,745,004 | 3,836,640 | | | |
| Toyota Land Cruiser | | | | | | | |
| 32,490,461 | 5,703,881 | 26,786,580 | 25,800,000 | (986,580) | Syed Muhammad Ahmed | Independent | Negotiable |
| 32,490,461 | 5,703,881 | 26,786,580 | 25,800,000 | (986,580) | | | |
| Toyota Corolla | | | | | | | |
| 6,732,270 | 448,818 | 6,283,452 | 6,572,000 | 288,548 | Efu General Insurance | Independent | Company Policy |
| 4,011,697 | 1,893,521 | 2,118,176 | 2,369,074 | 250,898 | Maria Ahsan | Employee | Company Policy |
| 2,626,332 | 1,799,817 | 826,515 | 1,169,058 | 342,543 | Hamza Ali | Employee | Company Policy |
| 3,469,890 | 1,426,510 | 2,043,380 | 2,830,069 | 786,689 | Khalid Ahmed | Employee | Company Policy |
| 7,202,000 | 1,200,333 | 6,001,667 | 5,711,792 | (289,875) | Haris Khan | Employee | Company Policy |
| 24,042,189 | 6,769,000 | 17,273,189 | 18,651,993 | 1,378,804 | | | |
| KIA Picanto | | | | | | | |
| 1,850,466 | 764,859 | 1,085,607 | 1,985,054 | 899,447 | Shahzad Tariq | Employee | Company Policy |
| 2,696,260 | 719,002 | 1,977,258 | 2,638,407 | 661,149 | Tauheed Amin | Employee | Company Policy |
| 1,649,550 | 928,382 | 721,168 | 1,059,740 | 338,572 | Muhammad Nazim Naseem | Employee | Company Policy |
| 2,696,851 | 785,083 | 1,911,768 | 2,670,658 | 758,890 | Muhammad Faizan | Employee | Company Policy |
| 2,696,851 | 785,083 | 1,911,768 | 2,670,658 | 758,890 | Rahim | Independent | Negotiable |
| 2,256,221 | 883,636 | 1,372,584 | 1,950,141 | 577,557 | Muhammad Imran Hussain | Employee | Company Policy |
| 1,608,666 | 791,893 | 816,773 | 1,317,232 | 500,459 | Tasawar Waleed | Employee | Company Policy |
| 2,689,060 | 1,045,746 | 1,643,314 | 2,355,570 | 712,256 | Nasir Maqbool | Employee | Company Policy |
| 1,897,810 | 858,654 | 1,039,156 | 1,657,081 | 617,925 | Muhammad Osama Alam Khan | Employee | Company Policy |
| 2,696,061 | 949,613 | 1,746,448 | 2,449,793 | 703,345 | Khalid Ali | Employee | Company Policy |
| 1,850,467 | 891,514 | 958,953 | 1,330,944 | 371,991 | Ebtesam Rehman | Employee | Company Policy |
| 2,257,085 | 981,080 | 1,276,006 | 1,822,521 | 546,515 | Syed Hassan Mohsin Mohammad Ali Azfar | Employee | Company Policy |
| 26,845,348 | 10,384,545 | 16,460,803 | 23,907,799 | 7,446,996 | | | |

| Cost | Accumulated depreciation | Net book amount | Sale proceeds | Gain / (loss) | Particulars of buyer | Relationship | Mode of disposal |
|---------------------|--------------------------|--------------------|--------------------|-------------------|-------------------------|--------------|------------------|
| 1,850,092 | 926,197 | 923,895 | 1,333,314 | 409,419 | Mohammad Ali Azfar | Employee | Company Policy |
| 1,897,810 | 915,335 | 982,475 | 1,441,024 | 458,549 | Muhammad Ali Danish | Employee | Company Policy |
| 2,689,061 | 1,135,381 | 1,553,680 | 2,229,940 | 676,260 | Umair Fareed | Employee | Company Policy |
| 2,689,851 | 1,042,467 | 1,647,384 | 2,250,000 | 602,616 | Waqar Hussain | Independent | Negotiable |
| 3,405,125 | 1,044,238 | 2,360,887 | 2,400,000 | 39,113 | Waqar Hussain | Independent | Negotiable |
| 2,082,856 | 923,122 | 1,159,734 | 2,800,000 | 1,640,266 | EFU General Insurance | Independent | Company Policy |
| 2,696,061 | 982,564 | 1,713,496 | 2,250,000 | 536,504 | Waqar Hussain | Independent | Negotiable |
| 2,891,733 | 920,214 | 1,971,519 | 2,400,000 | 428,481 | Waqar Hussain | Independent | Negotiable |
| 1,649,550 | 941,989 | 707,562 | 1,059,740 | 352,178 | Ihsan Ahmed | Employee | Company Policy |
| 2,689,451 | 1,104,468 | 1,584,983 | 2,293,188 | 708,205 | Muhammad Sohail Aslam | Employee | Company Policy |
| 2,697,676 | 1,016,124 | 1,681,551 | 2,050,000 | 368,449 | Ali Raza Kazim | Independent | Negotiable |
| 2,689,061 | 1,195,736 | 1,493,325 | 2,050,000 | 556,675 | Ali Raza Kazim | Independent | Negotiable |
| 2,696,851 | 1,048,775 | 1,648,076 | 2,474,819 | 826,743 | Ahsan Jameel | Independent | Negotiable |
| 1,897,810 | 953,122 | 944,687 | 1,755,843 | 811,156 | Faisal Hayat | Employee | Company Policy |
| 3,405,125 | 1,180,443 | 2,224,682 | 2,300,000 | 75,318 | Waqar Hussain | Independent | Negotiable |
| 3,405,125 | 1,180,443 | 2,224,682 | 2,350,000 | 125,318 | Waqar Hussain | Independent | Negotiable |
| 3,657,650 | 770,139 | 2,887,511 | 2,400,000 | (487,511) | Waqar Hussain | Independent | Negotiable |
| 3,657,650 | 770,139 | 2,887,511 | 2,300,000 | (587,511) | Waqar Hussain | Independent | Negotiable |
| 1,850,467 | 963,888 | 886,579 | 1,247,760 | 361,181 | Muhammad Zeeshan | Employee | Company Policy |
| 77,344,350 | 29,399,328 | 47,945,022 | 63,293,427 | 15,348,405 | | | |
| Honda City | | | | | | | |
| 3,675,125 | 1,113,972 | 2,561,153 | 3,513,864 | 952,711 | Saad Anjum | Employee | Company Policy |
| 2,859,327 | 1,115,773 | 1,743,554 | 2,562,102 | 818,548 | Khawar Hussain Rajput | Employee | Company Policy |
| 4,932,400 | 871,391 | 4,061,009 | 4,334,792 | 273,783 | Ghulam Abbas | Employee | Company Policy |
| 2,858,952 | 1,207,113 | 1,651,839 | 2,420,107 | 768,268 | Muhammad Saleem Butt | Employee | Company Policy |
| 3,562,364 | 1,298,284 | 2,264,080 | 3,239,770 | 975,690 | Uzair Rabbani | Employee | Company Policy |
| 4,900,900 | 1,498,859 | 3,402,041 | 3,963,858 | 561,817 | Abdul Mohee Kazi | Employee | Company Policy |
| 4,737,825 | 855,441 | 3,882,384 | 4,265,393 | 383,009 | Shoaib Alam | Employee | Company Policy |
| 4,958,000 | 1,583,806 | 3,374,194 | 4,712,972 | 1,338,778 | Nauman Shafeeq Chaudhri | Employee | Company Policy |
| 32,484,893 | 9,544,637 | 22,940,256 | 29,012,858 | 6,072,602 | | | |
| KIA Sportage | | | | | | | |
| 8,848,900 | 1,413,366 | 7,435,534 | 8,632,000 | 1,196,466 | Efu General Insurance | Independent | Company Policy |
| 8,848,900 | 1,413,366 | 7,435,534 | 8,632,000 | 1,196,466 | | | |
| 317,527,119 | 112,828,830 | 204,698,289 | 250,240,835 | 45,542,546 | | | |

6.6.1. Aggregate of assets disposed off having net book value not exceeding Rs. 500,000

| Description | Cost | Accumulated depreciation | Net book value | Sale proceed | Gain / (loss) |
|---------------------|--------------------|--------------------------|--------------------|--------------------|-------------------|
| Computers | 24,417,115 | 7,480,034 | 16,937,081 | 12,287,935 | (4,649,146) |
| Vehicles | 36,390,714 | 24,822,435 | 11,568,279 | 28,550,486 | 16,982,207 |
| Equipments | 485,225 | 383,720 | 101,505 | 130,700 | 29,195 |
| Sub-total | 61,293,054 | 32,686,189 | 28,606,865 | 40,969,121 | 12,362,256 |
| 2025 - total | 378,820,173 | 145,515,019 | 233,305,154 | 291,209,956 | 57,904,802 |
| 2024 - total | 276,243,873 | 132,275,536 | 143,968,337 | 226,097,445 | 82,129,108 |

6.7. All disposal are made through negotiation or otherwise specified in 6.6.1 of these consolidated financial statements.

| 6.8. Capital work-in-progress | Note | 2025 | 2024 |
|---------------------------------|-------|----------------------|----------------------|
| | | ----- Rupees ----- | |
| Civil works | | 1,320,201,587 | 541,779,418 |
| Plant and machinery | | 1,153,650,232 | 528,909,048 |
| Equipment and fittings | | 115,064,134 | 51,100,870 |
| | 6.8.1 | 2,588,915,953 | 1,121,789,336 |
| Advance for capital expenditure | | 266,786,784 | - |
| | | 2,855,702,737 | 1,121,789,336 |

| 6.8.1. Movement of Capital work-in-progress | Civil works | Plant and machinery | Equipment and fittings | Total |
|---|----------------------|----------------------|------------------------|----------------------|
| | -----Rupees----- | | | |
| Balance as at July 1, 2023 | 2,797,473,664 | 8,237,988,222 | 449,497,520 | 11,484,959,406 |
| CAPEX incurred during the year | 3,003,149,152 | 4,960,706,465 | 506,668,952 | 8,470,524,569 |
| Expenses capitalized | - | 926,366,492 | - | 926,366,492 |
| Transferred to operating fixed assets | (5,258,843,398) | (13,596,152,131) | (905,065,602) | (19,760,061,131) |
| Balance as at June 30, 2024 | 541,779,418 | 528,909,048 | 51,100,870 | 1,121,789,336 |
| CAPEX incurred during the year | 2,286,296,396 | 1,839,494,174 | 205,451,473 | 4,331,242,043 |
| Expenses capitalized | - | 135,000,000 | - | 135,000,000 |
| Transferred to operating fixed assets | (1,507,874,227) | (1,349,752,990) | (141,488,209) | (2,999,115,426) |
| Balance as at June 30, 2025 | 1,320,201,587 | 1,153,650,232 | 115,064,134 | 2,588,915,953 |

6.8.2. This includes amount of borrowing cost capitalized during the year at average incremental borrowing rate of the Company.

| 7. INTANGIBLE ASSETS | Note | 2025 | 2024 |
|----------------------------------|------|--------------------|--------------|
| | | ----- Rupees ----- | |
| As at July 1 | | | |
| Cost | 7.1 | 99,973,357 | 99,973,357 |
| Accumulated amortization | | (99,806,688) | (97,746,650) |
| Opening net book value | | 166,669 | 2,226,707 |
| Amortization charge for the year | | (166,669) | (2,060,038) |
| Closing net book value | | - | 166,669 |
| As at June 30 | | | |
| Cost | | 99,973,357 | 99,973,357 |
| Accumulated amortization | | (99,973,357) | (99,806,688) |
| Closing net book value | | - | 166,669 |
| Amortization rate | | 33.33% | 33.33% |

7.1. Software includes licenses which are amortized on straight line basis over a period of 36 months.

7.2. The amortization charge has been allocated as follows:

| | | | |
|-------------------------|----|---------|-----------|
| Administrative expenses | 35 | 166,669 | 2,060,038 |
| | | 166,669 | 2,060,038 |

| 8. LONG TERM INVESTMENTS | | 2025 | 2024 |
|----------------------------------|-----|--------------------|---------------|
| | | ----- Rupees ----- | |
| Investment in associated company | | | |
| The Bank of Khyber | 8.1 | 5,253,186,740 | 4,030,256,700 |
| | | 5,253,186,740 | 4,030,256,700 |

8.1. The Bank of Khyber

The total shareholding of the holding Company in the Bank of Khyber (the Bank) is 282,852,970 (June 2024: 282,852,970) shares which represents 24.43% of paid-up capital of the Bank (June 2024: 24.43%). The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these consolidated financial statements have been taken from unaudited financial statements of the Bank for the period ended June 30, 2025 (June-2024: period ended March 31, 2024). Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as at June 30, 2025 was Rs. 5,003.67 million (June 30, 2024: Rs. 3,354.64 million), which is placed in level 1 of the fair value hierarchy.

| | | The Bank of Khyber | |
|---------------------------------------|--|--------------------|---------------|
| | | 2025 | 2024 |
| | | ----- Rupees ----- | |
| Balance as at July 1 | | 4,030,256,700 | 3,225,156,930 |
| Share of profit for the period / year | | 1,516,519,377 | 626,504,654 |
| Share of other comprehensive income | | 187,260,710 | 582,670,788 |
| Dividend received | | (480,850,047) | (404,075,672) |
| Balance as at June 30 | | 5,253,186,740 | 4,030,256,700 |

Summarized financial information in respect of the Company's associate is set out below:

| | | The Bank of Khyber | |
|---|--|--------------------|-----------------|
| | | June 30, 2025 | March 31, 2024 |
| | | Un-audited | Un-audited |
| | | ----- Rupees ----- | |
| Total assets | | 537,205,029,000 | 392,679,242,000 |
| Total liabilities | | 513,940,919,000 | 374,738,916,000 |
| Revenue | | 22,820,941,000 | 11,432,774,000 |
| Profit for the period | | 6,208,255,000 | 256,475,500 |
| Other comprehensive income / (loss) for the period / year | | 81,155,000 | 1,270,342,000 |
| Total comprehensive income for the period / year | | 6,289,410,000 | 3,835,097,000 |

| 9. LONG TERM DEPOSITS | | 2025 | 2024 |
|-----------------------|--|--------------------|------------|
| | | ----- Rupees ----- | |
| Utility companies | | 16,479,953 | 15,675,128 |
| Deposit against lease | | 3,478,000 | 3,478,000 |
| Others | | 11,918,645 | 14,570,745 |
| | | 31,876,598 | 33,723,873 |

| 10. STORES AND SPARES | | | |
|-----------------------|--|-------------|-------------|
| Stores | | 156,778,570 | 162,751,580 |
| Spare parts | | 774,063,640 | 625,032,500 |
| Others | | 61,548,179 | 45,939,441 |
| | | 992,390,389 | 833,723,521 |

10.1 This includes provision for slow moving amounting to Rs 8,591,420 million (June 2024: Rs 8,591,420 million)

| 11. STOCK-IN-TRADE | | Note | 2025 | 2024 |
|--------------------|--|------|--------------------|----------------|
| | | | ----- Rupees ----- | |
| Raw materials | | 11.2 | 11,717,309,152 | 12,682,161,368 |
| Packing materials | | | 2,018,333,780 | 1,770,158,078 |
| Work-in-process | | 33 | 646,949,545 | 550,298,195 |
| Finished goods | | | 8,586,718,624 | 8,218,582,910 |
| | | | 22,969,311,101 | 23,221,200,551 |

11.1 Stock-in-trade of the Group is under hypothecation charge against short term finances as mentioned in note no. 28.

11.2 This includes raw material in transit amounting to Rs. 1,085,799,895 (June 30, 2024: Rs. 1,795,009,257).

| 12. TRADE DEBTS | Note | 2025 | 2024 |
|------------------------------------|------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Considered good | | | |
| - export - secured | 12.4 | 3,992,602,693 | 7,034,862,252 |
| - local - unsecured | | 12,015,855,176 | 8,004,655,849 |
| | | 16,008,457,869 | 15,039,518,101 |
| Allowance for expected credit loss | 12.2 | (249,949,879) | (209,366,262) |
| Trade debts - net | | 15,758,507,990 | 14,830,151,839 |

12.1 Trade debts of the Group is under hypothecation charge against short term finances as mentioned in note no. 28.

| 12.2 Allowance for expected credit loss | | 2025 | 2024 |
|---|----|--------------------|---------------|
| | | ----- Rupees ----- | |
| Balance at the beginning of the year | | (209,366,262) | (158,464,042) |
| Charge during the year | 34 | (40,583,617) | (50,902,220) |
| Balance at the end of the year | | (249,949,879) | (209,366,262) |

| 12.3 Age analysis of trade debts | | | |
|---|--|----------------|----------------|
| Not Due | | 13,114,590,257 | 12,967,057,639 |
| More than 45 days but not more than 3 months | | 1,591,768,511 | 959,616,297 |
| More than 3 months but not more than 6 months | | 905,894,511 | 778,412,121 |
| More than 6 months but not more than 1 year | | 263,000,218 | 197,646,877 |
| More than 1 year | | 133,204,372 | 136,785,167 |
| | | 16,008,457,869 | 15,039,518,101 |

12.4 This include receivable from related party amounting to Rs. 464,065,962 which is not due as of reporting date.

| 13. LOANS AND ADVANCES | Note | 2025 | 2024 |
|--|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Loans - secured - employees | 13.1 | 135,343,958 | 203,545,236 |
| Advances - unsecured | | | |
| - suppliers | | 3,909,964,256 | 4,629,741,068 |
| - LC margins held with Allied Bank Limited | | 106,234 | 106,234 |
| | | 4,045,414,448 | 4,833,392,538 |

13.1 These represents interest free loan that are to be paid within a period of one year in equal monthly installments as per policy. Any outstanding loan due from an employee at the time of leaving the service is adjustable against the final settlement of staff.

| 14. LOAN TO ASSOCIATE | Note | 2025 | 2024 |
|--|------|--------------------|-------------|
| | | ----- Rupees ----- | |
| - Innovita Nutrition (Private) Limited - Associate | 14.1 | 350,000,000 | 217,900,000 |
| | | 350,000,000 | 217,900,000 |

- 14.1** The holding company entered into short term financing agreement with its / Associate for extending revolving line of credit for meeting their working capital requirements. These carry mark-up at the rates ranging from 11% to 21.30% per annum (June 2024: 22.17% to 23%)

| 15. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS | Note | 2025 | 2024 |
|---|------|--------------------|------------|
| | | ----- Rupees ----- | |
| Trade deposits - unsecured | | 44,404,995 | 45,800,513 |
| Short term prepayments | | 6,365,917 | 10,031,972 |
| | | 50,770,912 | 55,832,485 |

16. SHORT TERM INVESTMENTS

Held at:

| | | | |
|---|------|---------------|---------------|
| Amortised cost | 16.1 | 2,323,542,259 | 765,678,863 |
| Fair value through other comprehensive income | 16.2 | 918,419,065 | 863,887,055 |
| Fair value through profit and loss | 16.3 | 304,308,772 | 90,421,644 |
| | | 3,546,270,096 | 1,719,987,562 |

- 16.1** These investments are made in term deposit receipts and T- bills of various banks at the rates range from 14% to 23% (June 2024: 20% to 24%).

- 16.2** These investments are made in term finance certificates in various banks, The fair value of these certificates range from 95% to 99.13% of their face value (June 2024: 95.33% to 99.35%).

- 16.3** This include investment made in listed equity securities.

| 17. OTHER RECEIVABLES | Note | 2025 | 2024 |
|-------------------------|-------------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Export rebate | | 92,472,969 | 55,837,645 |
| Sales tax carry forward | | 5,894,708,573 | 6,251,036,119 |
| Markup receivable | 17.1 | 14,540,628 | 23,795,234 |
| Other receivables | 17.2 & 17.3 | 2,809,236,199 | 400,878,231 |
| | | 8,810,958,369 | 6,731,547,229 |

- 17.1** This represents markup receivable from associated company as referred in note. 14.1 of this consolidated financial statements for the year ended June 30, 2025.

- 17.2** These includes advance to the Nazir of Court as mentioned in note no. 30.1.8 of this consolidated financial statements for the year ended June 30, 2025.

- 17.3** These includes advance to the Sui southern gas company (SSGC) as mentioned in note no. 30.1.9 of this consolidated financial statements for the year ended June 30, 2025.

| 18. TAXATION AND LEVIES - net | 2025 | 2024 |
|-----------------------------------|--------------------|-----------------|
| | ----- Rupees ----- | |
| Advance income tax / levies | 5,620,020,105 | 3,303,973,386 |
| Provision for levies and taxation | (2,126,808,073) | (1,213,249,837) |
| | 3,493,212,032 | 2,090,723,549 |

| 19. CASH AND BANK BALANCES | 2025 | 2024 |
|-----------------------------------|--------------------|-------------|
| | ----- Rupees ----- | |
| Cash in hand | 8,055,170 | 37,936,784 |
| Cash at banks: | | |
| - current accounts - conventional | 552,341,133 | 270,196,126 |
| - current accounts - Islamic | 911,481,506 | 599,637,584 |
| | 1,471,877,809 | 907,770,494 |

| 20. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | | | | |
|--|------------|--|-------------|-------------|
| Number of Shares | | | | |
| 2025 | 2024 | | | |
| 53,072,940 | 53,072,940 | Ordinary shares of Rs. 10 each fully paid in cash | 530,729,400 | 530,729,400 |
| 13,284,000 | 13,284,000 | Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation | 132,840,000 | 132,840,000 |
| 66,356,940 | 66,356,940 | | 663,569,400 | 663,569,400 |

21. NON-CONTROLLING INTEREST

Below is summarised financial information of Hudson Pharma (Private) Limited, Ismail Resin (Private) Limited that has a non-controlling interest of 21.47% (2024: 21.47%) and 25% (2024: 25%) stake respectively which is material to the Group. The amounts disclosed are before inter-group eliminations.

| Summarised Statement of Financial Position | 2025 | 2024 |
|---|--------------------|------------------|
| | ----- Rupees ----- | |
| Current assets | 12,842,856,036 | 16,210,338,299 |
| Non-current assets | 13,766,945,800 | 12,777,059,178 |
| Current liabilities | (17,601,634,688) | (20,600,141,672) |
| Non-current liabilities | (5,842,332,946) | (4,420,908,477) |
| | 3,165,834,202 | 3,966,347,328 |
| Accumulated NCI | 700,200,615 | 893,490,560 |
| Summarised Statement of Profit or Loss and Other Comprehensive Income | | |
| Sales | 23,684,245,337 | 11,502,876,294 |
| Loss for the year | (2,052,489,504) | (1,224,847,445) |
| Total comprehensive loss | (2,050,513,126) | (1,219,194,962) |
| Loss allocated to NCI | (506,148,654) | (288,490,013) |
| Summarised Statement of Cash Flows | | |
| Cash flow from operating activities | 3,639,555,185 | (10,952,445,763) |
| Cash flow from investing activities | (2,142,511,781) | (2,242,416,495) |
| Cash flow from financing activities | 711,504,570 | 10,374,945,072 |
| Net increase / (decrease) in cash and cash equivalents | 2,208,547,974 | (2,819,917,186) |

| 22. RESERVES | Note | 2025 | 2024 |
|--|------|-----------------------|-----------------------|
| | | ----- Rupees ----- | |
| Capital reserve | | | |
| - Share premium | 22.1 | 1,472,531,500 | 1,472,531,500 |
| - Reserve arising due to amalgamation | 22.2 | 916,862,067 | 916,862,067 |
| Revenue Reserve | | | |
| - Remeasurement of investment in associate | | (47,062,121) | (206,233,725) |
| - Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax | | (33,529,700) | (12,466,400) |
| - Foreign currency translation reserve | | 43,970,663 | - |
| - Unappropriated profit | | 22,468,686,504 | 18,933,669,807 |
| Total reserves | 22.3 | 24,821,458,913 | 21,104,363,249 |

22.1. This represents share premium amount pertains to issue of shares at premium. This reserve can be utilized by Group for the purpose specified in section 81(2) of the Companies Act, 2017.

22.2. This represents reserve created under scheme of arrangement for amalgamation of an Astro Plastics (Private) Limited with Group.

22.3. Movement of the total reserves have been reflected in the consolidated statement of changes in equity.

| 23. LONG TERM FINANCES - secured | Note | 2025 | 2024 |
|---|------|-----------------------|-----------------------|
| | | ----- Rupees ----- | |
| Long term finances - secured - conventional | 23.1 | 15,678,467,012 | 19,234,667,774 |
| Long term finances - secured - islamic | 23.2 | 14,894,611,866 | 5,148,938,243 |
| | | 30,573,078,878 | 24,383,606,017 |

23.1. Conventional

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|--------------------------------|-------------------|------------------|-----------------------|------------------------|----------------------|----------------------|
| Habib Bank Limited | | | | | ----- Rupees ----- | |
| - SBP-LTFF | Quarterly | 2018-2030 | SBP + 0.25% | 36 | 147,683,173 | 203,233,743 |
| - SBP-LTFF | Quarterly | 2021-2030 | SBP + 0.25% | 34 | 851,806,200 | 1,027,916,524 |
| - SBP-TERF | Quarterly | 2022-2031 | SBP + 1.25% | 36 | 151,994,157 | 179,897,103 |
| - Term finance | Quarterly | 2025-2033 | 3 month KIBOR + 1.25% | 32 | 91,165,314 | 98,280,464 |
| - Term finance | Monthly | 2024-2028 | 1 month KIBOR + 0.75% | 48 | 1,026,395,502 | 1,351,304,700 |
| - SBP-TERF | Quarterly | 2024-2033 | "SBP + 1.25%" | 32 | 1,048,303,678 | 1,167,481,342 |
| - SBP-LTFF | Quarterly | 2024-2032 | "SBP + 1.25%" | 32 | 38,640,265 | 43,847,858 |
| - LTL | Quarterly | 2024-2033 | 3 month KIBOR + 1.25% | 32/20 | 444,470,784 | 517,221,334 |
| Balance Carried Forward | | | | | 3,800,459,073 | 4,589,183,068 |

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|-------------------------------------|-------------------|------------------|------------------------|------------------------|--------------------|----------------|
| | | | | | ----- Rupees ----- | |
| Balance brought forward | | | | | 3,800,459,073 | 4,589,183,068 |
| Bank AL-Habib Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2019-2029 | SBP + 0.75% | 32 | 139,118,690 | 189,118,690 |
| - SBP-LTFF | Quarterly | 2020-2029 | SBP + 0.50% | 32 | 23,239,600 | 30,327,600 |
| MCB Bank Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2018-2028 | SBP + 0.75% | 36 | 93,529,519 | 135,392,466 |
| - SBP-LTFF | Quarterly | 2020-2030 | SBP + 0.25% | 36 | 243,914,206 | 298,124,682 |
| - SBP-TERF | Quarterly | 2024-2031 | SBP + 1% | 32 | 284,997,634 | 332,497,442 |
| - Term finance | Monthly | 2024-2029 | 3 months KIBOR + 0.80% | 60 | 683,333,341 | 883,333,338 |
| Allied Bank Limited | | | | | | |
| - SBP-LTFF | Semi-annual | 2022-2031 | SBP +0.25%/0.75% | 18 | 1,069,114,500 | 1,263,485,500 |
| - Term finance | Quarterly | 2024-2027 | 3 months KIBOR + 1% | 16 | 122,500,000 | 183,750,000 |
| - SBP-LTFF | Quarterly | 2024-2033 | SBP+1.25% | 32 | 420,425,000 | 480,517,000 |
| - Term finance | Quarterly | 2025-2033 | 3 month KIBOR + 1.25% | 32 | 713,801,343 | 781,129,000 |
| - Term loan | Quarterly | 2026-2030 | 1 month KIBOR + 0.5% | 16 | 1,000,000,000 | - |
| Pak Brunei Investment Group Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2020-2029 | SBP + 0.5% | 32 | 242,995,300 | 305,319,300 |
| - SBP-LTFF | Quarterly | 2021-2030 | SBP + 0.5% | 32 | 103,420,200 | 127,603,000 |
| Pak Oman Investment Company Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2022-2030 | SBP + 1.5% | 32 | 240,243,166 | 299,563,918 |
| - SBP-LTFF | Quarterly | 2025-2032 | SBP + 1.5% | 32 | 251,134,151 | 286,272,937 |
| Bank Al falah Limited | | | | | | |
| - Term finance | Quarterly | 2022-2025 | 6 month KIBOR + 0.75% | 16 | - | 125,000,000 |
| - Term finance | Quarterly | 2023-2026 | 3 month KIBOR + 0.75% | 16 | 150,000,000 | 300,000,000 |
| - SBP-LTFF | Quarterly | 2017-2029 | SBP+0.5% | 40/36 | 129,984,402 | 183,929,368 |
| - SBP-REFF | Quarterly | 2025-2035 | SBP+0.5% | 40 | 184,932,475 | 199,927,000 |
| - SBP - TERF | Quarterly | 2024 - 2031 | SBP + 1.25% | 32 | 206,466,064 | 237,868,723 |
| JS Bank Limited | | | | | | |
| - SBP-LTFF | Quarterly | 2022-2030 | SBP+0.30% | 32 | 68,934,465 | 85,154,341 |
| - SBP-LTFF | Quarterly | 2025-2033 | SBP+1.50% | 32 | 489,543,732 | 499,994,918 |
| Balance Carried Forward | | | | | 10,662,086,861 | 11,817,492,291 |

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|---|-------------------|------------------|-----------------------|------------------------|--------------------|----------------|
| | | | | | ----- Rupees ----- | |
| Balance brought forward | | | | | 10,662,086,861 | 11,817,492,291 |
| Habib Metropolitan Bank Limited | | | | | | |
| - SBP-TERF | Semi Annual | 2024-2031 | SBP+1.50% | 16 | 898,763,531 | 1,043,895,371 |
| The Bank of Punjab | | | | | | |
| - SBP-TERF | Quarterly | 2023-2031 | SBP + 1.25% | 32 | 1,212,566,933 | 1,410,015,365 |
| - Term finance | Monthly | 2022-2027 | 1 month KIBOR + 0.75% | 60 | 191,666,668 | 291,666,667 |
| Pak Kuwait Investment Company (Private) Limited | | | | | | |
| - Syndicated Term Finance | Monthly | 2024-2027 | 3 month KIBOR + 0.75% | 36 | 1,002,142,860 | 1,670,238,096 |
| National Bank of Pakistan | | | | | | |
| - SBP-LTFF | Quarterly | 2021-2030 | SBP+0.65% | 36 | 526,250,972 | 643,841,860 |
| - LTL | Quarterly | 2024-2032 | 3 month KIBOR + 2.15% | 32 | 590,625,000 | 670,312,500 |
| - SBP-TERF | Quarterly | 2024-2032 | SBP+2.15% | 32 | 781,249,990 | 906,249,997 |
| - SBP-TERF | Quarterly | 2022-2031 | SBP+1% | 36 | 312,392,745 | 374,171,830 |
| - SBP-FFSAP | Quarterly | 2023-2030 | SBP+0.75% | 28 | 89,814,000 | 109,774,000 |
| Askari Bank Limited | | | | | | |
| - SBP-REFF | Quarterly | 2021-2031 | SBP+0.50% | 40 | 120,932,175 | 143,966,875 |
| - Term finance | Quarterly | 2027-2032 | 1 month KIBOR + 0.75% | 20 | 333,757,500 | - |
| - Term finance | Monthly | 2023-2027 | 1 month KIBOR + 0.75% | 48 | 187,500,000 | 312,500,000 |
| - Syndicated Term Finance | Monthly | 2024-2029 | 1 month KIBOR + 0.80% | 60 | 2,974,999,991 | 3,824,999,996 |
| Soneri Bank Limited | | | | | | |
| - Term finance | Monthly | 2019-2025 | 1 month KIBOR + 0.75% | 60 | - | 91,666,682 |
| - Term finance | Monthly | 2023-2028 | 1 month KIBOR + 0.75% | 60 | 241,666,675 | 341,666,673 |
| PAIR Investment Company Limited | | | | | | |
| - Term finance | Quarterly | 2021-2025 | 3 month KIBOR + 0.75% | 16 | - | 56,250,000 |
| - SBP-REFF | Quarterly | 2023-2033 | SBP+0.50% | 40 | 174,663,917 | 192,928,138 |
| - Term finance | Monthly | 2024-2028 | 1 month KIBOR + 0.75% | 48 | 187,500,000 | 262,500,000 |
| - SBP-LTFF | Quarterly | 2025-2033 | SBP+1.50% | 32 | 22,765,625 | 23,500,000 |
| Balance Carried Forward | | | | | 20,511,345,443 | 24,187,636,341 |

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|---|-------------------|------------------|-----------------------|------------------------|--------------------|-----------------|
| | | | | | ----- Rupees ----- | |
| Balance brought forward | | | | | 20,511,345,443 | 24,187,636,341 |
| Pak Libya Holding Company (Private) Limited | | | | | | |
| - Term finance | Monthly | 2025-2028 | 3 month KIBOR + 0.75% | 36 | 281,944,446 | - |
| Total long term loan - secured | | | | | 20,793,289,889 | 24,187,636,341 |
| Less: Current portion of long term finances shown under current liabilities | | | | | (5,114,822,877) | (4,952,968,567) |
| | | | | | 15,678,467,012 | 19,234,667,774 |

23.2. ISLAMIC

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|-------------------------------------|-------------------|------------------|------------------------|------------------------|--------------------|---------------|
| MCB Islamic Bank Limited | | | | | ----- Rupees ----- | |
| - SBP ITERF | Quarterly | 2023-2030 | SBP+0.75% | 32 | 263,997,546 | 307,745,796 |
| - Islamic financing | Quarterly | 2023-2028 | 3 months KIBOR + 0.75% | 20 | 150,000,000 | 210,000,000 |
| Dubai Islamic Bank Pakistan Limited | | | | | | |
| - SBP ILTFF | Quarterly | 2022-2027 | SBP+1% | 20 | 70,739,369 | 129,727,985 |
| - SBP ILTFF | Quarterly | 2024-2030 | SBP+1% | 20 | 330,857,021 | 399,877,005 |
| Meezan Bank Limited | | | | | | |
| - Islamic financing | Monthly | 2024-2030 | 1 months KIBOR + 0.85% | 72 | 450,000,006 | 550,000,002 |
| - Islamic financing | Monthly | 2024-2026 | 1 month KIBOR + 1% | 24 | 140,625,007 | 421,875,007 |
| - Islamic financing | Monthly | 2024-2025 | 1 month KIBOR + 0.85% | 18 | - | 172,222,227 |
| - Syndicated | Monthly | 2024-2028 | 3 month KIBOR + 0.80% | 60 | 2,400,000,010 | 3,200,000,007 |
| - Islamic financing | Quarterly | 2020 - 2025 | 3 months KIBOR + 0.25% | 20 | - | 40,000,000 |
| - Islamic financing | Monthly | 2024 - 2028 | 1 month KIBOR + 0.8% | 60 | 90,000,000 | 122,500,000 |
| Faysal Bank Limited | | | | | | |
| - Islamic financing | Quarterly | 2027-2031 | 1 month KIBOR + 0.25% | - | 900,000,000 | - |
| - SBP-ILTFF | Quarterly | 2021-2030 | SBP+1% | 36 | 158,211,950 | 191,519,726 |
| - Islamic financing | Monthly | 2025-2029 | 1 month KIBOR + 0.50% | 60 | 799,999,999 | 1,000,000,000 |
| - Islamic financing | Monthly | 2026-2031 | 1 month KIBOR + 0.50% | 60 | 644,137,072 | - |
| - SBP-ILTFF | Quarterly | 2026-2031 | SBP Policy Rate-3% | 20 | 79,326,668 | - |
| Balance Carried Forward | | | | | 6,477,894,649 | 6,745,467,755 |

| Financier / Facility type | Installments mode | Repayment period | Mark-up (Rate) | Number of Installments | 2025 | 2024 |
|---|-------------------|------------------|-----------------------|------------------------|--------------------|-----------------|
| | | | | | ----- Rupees ----- | |
| Balance brought forward | | | | | 6,477,894,649 | 6,745,467,755 |
| - Islamic financing | Monthly | 2026-2031 | 1 month KIBOR + 0.10% | 54 | 3,000,000,000 | - |
| - Islamic financing | Monthly | 2027-2031 | 1 month KIBOR + 0.10% | 60 | 2,500,000,000 | - |
| Bank Islami Pakistan Limited | | | | | | |
| - Islamic financing | Quarterly | 2023-2028 | 3 month KIBOR + 0.65% | 20 | 275,000,000 | 375,000,000 |
| - Islamic financing | Quarterly | 2027-2030 | 3 month KIBOR + 0.40% | 16 | 4,500,000,000 | - |
| Total long term loan - secured | | | | | 16,752,894,649 | 7,120,467,755 |
| Less: Current portion of long term finances shown under current liabilities | | | | | (1,858,282,783) | (1,971,529,512) |
| | | | | | 14,894,611,866 | 5,148,938,243 |

23.3. These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Group and personal guarantees of directors.

23.4. The Group's total limit for long term loan amounting to Rs. 58,299 million. (June 2024: Rs. 41,219 million)

| | June 30, 2025 | | | June 30, 2024 | | |
|--------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | -----Rupees ----- | | | | | |
| | Conventional | Islamic | Total | Conventional | Islamic | Total |
| At beginning of the year | 24,187,636,341 | 7,120,467,755 | 31,308,104,096 | 24,449,440,071 | 7,572,451,333 | 32,021,891,404 |
| Obtained during the year | 2,584,069,964 | 10,723,463,740 | 13,307,533,704 | 3,102,754,668 | 1,000,000,000 | 4,102,754,668 |
| Repaid during the year | (5,078,416,418) | (1,991,036,846) | (7,069,453,264) | (3,364,558,398) | (1,451,983,578) | (4,816,541,976) |
| | 21,693,289,887 | 15,852,894,649 | 37,546,184,536 | 24,187,636,341 | 7,120,467,755 | 31,308,104,096 |
| Less: Current maturity | (5,114,822,877) | (1,858,282,783) | (6,973,105,660) | (4,952,968,567) | (1,971,529,512) | (6,924,498,079) |
| | 16,578,467,010 | 13,994,611,866 | 30,573,078,876 | 19,234,667,774 | 5,148,938,243 | 24,383,606,017 |

24. LEASE LIABILITIES

The Group has lease contracts for various items of land and buildings and vehicles used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The net carrying amount of right-of-use assets held under lease arrangement is Rs. 1,204.36 million (June 2024: Rs. 33.05) (refer note 6.1). These are secured against deposits of Rs. 3.478 million, title of ownership of right-of-use assets and personal guarantees of the directors of the Holding Company.

| | Note | 2025 | 2024 |
|------------------------------------|------|--------------------|--------------|
| | | ----- Rupees ----- | |
| Present value of lease liabilities | | 1,227,070,402 | 22,697,663 |
| Less : Current portion | | (9,516,997) | (13,180,666) |
| | 24.1 | 1,217,553,405 | 9,516,997 |

| | Note | 2025 | 2024 |
|--|------|--------------------|--------------|
| | | ----- Rupees ----- | |
| 24.1. As at July 1 | | 22,697,663 | 32,938,848 |
| Addition | | 1,188,303,204 | - |
| Interest expense relating to lease liabilities | 38 | 31,937,326 | 6,043,827 |
| Payment (lease and interest) | | (15,867,791) | (16,285,012) |
| As at June 30 | | 1,227,070,402 | 22,697,663 |
| Less : Current portion | | (9,516,997) | (13,180,666) |
| | | 1,217,553,405 | 9,516,997 |

| | 2025 | | | 2024 | | |
|---|------------------------|-----------------------------|---|------------------------|-----------------------------|---|
| | Minimum lease payments | Financial charges allocated | Present value of minimum lease payments | Minimum lease payments | Financial charges allocated | Present value of minimum lease payments |
| Conventional | -----Rupees ----- | | | | | |
| Up to one year | 10,039,366 | 522,369 | 9,516,997 | 16,308,616 | 3,127,950 | 13,180,666 |
| Later than one year but not later than five years | 3,730,219,389 | 2,512,665,984 | 1,217,553,405 | 10,039,366 | 522,369 | 9,516,997 |
| | 3,740,258,755 | 2,513,188,353 | 1,227,070,402 | 26,347,982 | 3,650,319 | 22,697,663 |

| 25. DEFERRED LIABILITIES | Note | 2025 | 2024 |
|--|--------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Provision for staff gratuity scheme - unfunded | 25.2.1 | 1,030,007,753 | 881,479,840 |
| Deferred tax liability | 25.3 | 2,509,084,324 | 2,341,310,615 |
| | | 3,539,092,077 | 3,222,790,455 |

25.1. Provision for staff gratuity scheme - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2025 using the "Projected Unit Credit Method". Provision has been made in these consolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:

25.1.1. Risk on account of staff gratuity scheme - unfunded

The Group faces the following risk on account of staff gratuity scheme.

25.1.2. Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

25.1.3. Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

25.1.4. Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

| 25.2. Significant actuarial assumptions | | 2025 | 2024 |
|--|--------|-------------------------|-------------------------|
| <i>Financial assumptions</i> | | | |
| Discount rate (per annum) | | 11.75% | 14.75% |
| Expected rate of increase in salaries (per annum) | | 11.75% | 14.75% |
| <i>Demographic assumptions</i> | | | |
| Mortality rates (for death in service) | | Adjusted SLIC 2001-2005 | Adjusted SLIC 2001-2005 |
| Retirement assumption | | 60 years | 60 years |
| 25.2.1. Statement of Financial Position reconciliation | Note | ----- Rupees ----- | |
| Present value of defined benefit obligation | 25.2.3 | 1,030,007,753 | 881,479,840 |
| Net liability in statement of financial position | 25.2.4 | 1,030,007,753 | 881,479,840 |
| 25.2.2. Maturity profile | | | |
| 1-5 Years | | 726,391,596 | 599,504,592 |
| 6-10 Years | | 1,008,951,753 | 957,833,576 |
| 10 Years onwards | | 14,129,880,564 | 19,900,031,726 |
| Weighted average duration | | 8 Years | 8 Years |
| 25.2.3. Movement in the staff gratuity scheme | | | |
| Present value of staff gratuity scheme as at July 1 | | 881,479,840 | 741,713,640 |
| Current service cost | | 190,167,652 | 212,597,254 |
| Past service cost | | - | 956,586 |
| Interest cost | | 115,467,864 | 105,496,285 |
| Benefits due but not paid (payables) | | (363,271) | - |
| Remeasurement on staff gratuity scheme | 25.2.6 | 13,098,290 | (4,316,364) |
| Payments during the year | | (155,661,338) | (128,849,779) |
| Benefits payable transferred to associated company | | (496,974) | (6,414,867) |
| Benefits payable transferred to short term liability | | (13,684,310) | (39,702,915) |
| Present value of staff gratuity scheme as at June 30 | | 1,030,007,753 | 881,479,840 |
| 25.2.4. Movement in the net liability at reporting date is as follows: | | | |
| Opening balance of net liability | | 881,479,840 | 741,713,640 |
| Charge for the year | 25.2.5 | 305,635,516 | 319,050,125 |
| Remeasurements recognized in 'OCI' | 25.2.6 | 13,098,290 | (4,316,364) |
| Payments during the year | | (155,661,338) | (128,849,779) |
| Benefits due but not paid (payables) | | (363,271) | - |
| Benefits payable transferred to associated company | | (496,974) | (6,414,867) |
| Benefits payable transferred to short term liability | | (13,684,310) | (39,702,915) |
| Closing balance of net liability | | 1,030,007,753 | 881,479,840 |

| 25.2.5. The amounts recognized in the consolidated statement of profit or loss account against defined benefit scheme are as follows: | 2025 | 2024 |
|---|--------------------|-------------|
| | ----- Rupees ----- | |
| Current service cost | 190,167,652 | 212,597,254 |
| Past service cost | - | 956,586 |
| Interest cost | 115,467,864 | 105,496,285 |
| Charge for the year | 305,635,516 | 319,050,125 |
| 25.2.6. Remeasurement recognized in 'other comprehensive income' | | |
| Experience losses | 13,098,290 | (4,316,364) |
| Related deferred tax | (5,879,121) | (387,475) |
| | 7,219,169 | (4,703,839) |

25.2.7. Amounts for the current and previous four years are as follows:

| Comparison for five years | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|-------------------|-------------|-------------|-------------|-------------|
| | -----Rupees ----- | | | | |
| Present value of defined benefit obligation | 1,030,007,753 | 881,479,840 | 741,713,640 | 599,355,750 | 472,523,930 |

25.2.8. The sensitivity of the staff gratuity scheme to changes in the weighted principal assumption is:

| | Change in assumptions | Increase in assumption | Decrease in assumption |
|--------------------|-----------------------|------------------------|------------------------|
| | | -----Rupees ----- | |
| Discount rate | 1% | 940,986,620 | 1,088,895,047 |
| Salary growth rate | 1% | 1,098,254,421 | 935,270,139 |

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

| 25.3. Deferred taxation | 2025 | 2024 |
|--|--------------------|---------------|
| | ----- Rupees ----- | |
| The details of deferred tax on temporary differences are as follows: | | |
| - accelerated tax depreciation allowances | 2,826,829,659 | 2,926,265,855 |
| - provision for gratuity | (380,859,734) | (252,630,319) |
| - allowance for expected credit loss | (97,480,453) | (60,716,215) |
| - investment in associates at fair value through OCI | 447,530,864 | 264,091,357 |
| - STI - Term finance certificates | (12,316,565) | 783,680 |
| - provision for stores and spares | (3,350,654) | (2,491,512) |
| - provision for stock in trade | (658,699) | (45,084,593) |
| - provision for finished good | - | (2,627,474) |
| - Excess of minimum tax over NTR | (270,610,095) | (486,280,164) |
| Deferred tax liability | 2,509,084,324 | 2,341,310,615 |

25.3.1. The movement in temporary differences is as follows:

| | Balance as at July 1, 2023 | Recognized in Statement of profit or loss | Recognized in Statement of other comprehensive income | Balance as at June 30, 2024 | Recognized in Statement of profit or loss | Recognized in statement of other comprehensive income | Balance as at June 30, 2025 |
|--|-------------------------------|---|---|--------------------------------|---|---|--------------------------------|
| -----Rupees----- | | | | | | | |
| Provision for gratuity | (153,258,709) | (98,984,134) | (387,475) | (252,630,319) | (122,350,294) | (5,879,121) | (380,859,734) |
| Allowance for expected credit loss | (34,862,090) | (25,854,126) | - | (60,716,216) | (36,764,236) | - | (97,480,453) |
| Investment in associates at fair value through OCI | 143,326,392 | 33,364,347 | 87,400,618 | 264,091,357 | 155,350,400 | 28,089,107 | 447,530,864 |
| Provision for stores & spares | (1,890,112) | (601,400) | - | (2,491,512) | (859,142) | - | (3,350,654) |
| Provision for stock in trade | (45,105,885) | 21,292 | - | (45,084,593) | 44,425,894 | - | (658,699) |
| Provision for finished good | - | (2,627,474) | - | (2,627,474) | 2,627,474 | - | - |
| Accelerated tax depreciation allowances | 1,871,225,378 | 1,055,040,477 | - | 2,926,265,855 | (99,436,196) | - | 2,826,829,659 |
| Short term investment | (1,781,868) | 2,771,448 | (205,900) | 783,680 | 366,455 | (13,466,700) | (12,316,565) |
| Excess of min tax over NTR | - | (486,280,162) | - | (486,280,162) | 215,670,067 | - | (270,610,095) |
| | 1,777,653,106 | 476,850,268 | 86,807,243 | 2,341,310,616 | 159,030,422 | 8,743,286 | 2,509,084,323 |

| 26. TRADE AND OTHER PAYABLES | Note | 2025 | 2024 |
|------------------------------------|------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Trade creditors | | 11,704,691,863 | 11,709,538,559 |
| Accrued liabilities | | 1,789,570,108 | 3,453,310,652 |
| Gratuity payable | 26.1 | 21,086,616 | 39,702,915 |
| Workers' profit participation fund | 26.2 | 258,771,275 | 327,812,206 |
| Workers' welfare fund | | 271,212,682 | 143,876,652 |
| Sales tax payable | | - | 24,813,796 |
| Other liabilities | | 40,029,370 | 17,566,863 |
| | | 14,085,361,914 | 15,716,621,643 |

26.1. This includes benefits payable transferred to short term liability (note 25.2.3).

| 26.2. Workers' profit participation fund | Note | 2025 | 2024 |
|--|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Balance at the beginning of the year | | 327,812,206 | 333,060,046 |
| Contribution for the year | 36 | 335,068,509 | 378,622,766 |
| Interest on funds utilized in the Company's business | 38 | 14,873,056 | 20,432,440 |
| | | 677,753,771 | 732,115,252 |
| Less: Payments made during the year | | (418,982,496) | (404,303,046) |
| Balance at the end of the year | | 258,771,275 | 327,812,206 |

| 27. ACCRUED MARK-UP | Note | 2025 | 2024 |
|---------------------------------|------|--------------------|---------------|
| | | ----- Rupees ----- | |
| Accrued mark-up on: | | | |
| Conventional | | | |
| - long term finances - secured | | 288,958,953 | 401,354,586 |
| - short term finances - secured | | 348,438,447 | 699,506,215 |
| Islamic | | | |
| - long term finances - secured | | 65,101,734 | 92,074,231 |
| - short term finances - secured | | 353,211,309 | 455,038,088 |
| | | 1,055,710,443 | 1,647,973,120 |

| 28. SHORT TERM FINANCES - secured | | | |
|---|------|----------------|----------------|
| From banking companies | | | |
| Term finances - conventional | 28.1 | 149,992,469 | 460,800,176 |
| Term finances - islamic | 28.2 | 2,724,952,500 | 2,693,440,141 |
| Export refinances | 28.3 | 13,801,499,996 | 9,160,500,000 |
| Finance against discounting of export bills / receivables | 28.4 | 228,808,308 | 329,336,128 |
| Running finance utilized under | | | |
| mark-up arrangements | 28.5 | 4,114,765,096 | 6,248,692,659 |
| | | 21,020,018,369 | 18,892,769,104 |

- 28.1** These represent facilities for term finances arranged from various banks aggregating to Rs.2,599 million (June 2024: Rs. 2,805 million). These are secured against pari-passu / ranking hypothecation charge over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 10.84% to 19.45% per annum (June 2024: 20.83% to 24.69% per annum).
- 28.2** These represent facilities for term finances arranged from various banks aggregating to Rs. 4,600 million (June 2024: Rs. 2,800 million). These are secured against pari-passu / ranking hypothecation charge over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 8.85% to 21.89% per annum (June 2024: 20.20% to 23.28% per annum).
- 28.3** These represent facilities for export refinance arranged from various banks aggregating to Rs. 13,801.50 million (June 2024: Rs. 9,160.5 million). These were secured against pari-passu / ranking hypothecation charge of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up State Bank of Pakistan (SBP) policy rate minus 3% per annum (June 2024: 0.25% to 1% above SBP rate per annum).
- 28.4** These represent facilities for finances against discounting of export bills / receivable arranged from various banks aggregating to Rs 770 million (June 2024: Rs 1,471 million). These are secured against pari-passu/ ranking hypothecation charge of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (June 2024: 1% above SBP rate per annum).
- 28.5** These represent facilities for running finances available from various banks aggregated to Rs. 15,344.50 million (June 2024: Rs. 13,299.50 million). These are secured against pari-passu / ranking hypothecation charge of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 9.75 % to 21.22 % per annum (June 2024: 21.61% to 23.91% per annum).

29. ISLAMIC REDEEMABLE SUKUK

During the year, the Holding Company has raised short term financing in the form of privately placed Islamic Redeemable Sukuk to meet the working capital requirements. This carries profit ranges from 11.10% to 22.35% (June 2024: 22.06% to 22.35%) per annum having maturity of six months from the date of its drawdown.

30. CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

- 30.1.1** The Ministry of Industries has declared the BOPET film manufacturing project of The Holding Company as Pioneer Industry due to which import of capital goods shall be duty free. The Holding Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, The Holding Company imported some capital goods and as per section 81 of the Customs Act, 1969, issued post-dated cheques in favour of Collector of Custom amounting to Rs. 557.403 million (2024: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Holding Company had filed the subject Constitutional Petition in the High Court of Sindh vide D2666 on May 13, 2015 to refrain FBR and Pakistan Customs to encash the securities submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated May 13, 2015, in favour of The Holding Company which is still operative and last hearing was set up on May 13, 2025 which was adjourned without proceeding. The management of The Holding Company is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospectively based on legal counsel's opinion.
- 30.1.2** The Holding Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) who refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and The Holding Company would not pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to The Holding Company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards. The High Court had allowed The Holding Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above suits/petitions was Rs. 463.632 million (June 2024: Rs 463.632 million), few suits/petitions have already been decided in favour of The Holding Company and an amount of Rs 5 million Bank Guarantees have been released. The remaining cases are also likely to be decided in favour of The Holding Company and The Holding Company's legal counsel is of the opinion that Company has a good prima facie case and there will be no financial liability on The Holding Company.
- 30.1.3** During the fiscal year 2017, Federal Board of Revenue had issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that The Holding Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million (June 2024: Rs. 477.804 million) in their sales tax returns. In response to SCN, The Holding Company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it has categorically mentioned that the High Court of Sindh, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and The Holding Company has claimed the input sales tax on that basis. However, The Holding Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was withdrawn by The Holding Company, to pursue the remedy available under section 47A of the sales tax act, 1990 i.e., Alternative Dispute Resolution Committee which is still in process. As per the legal counsel, The Holding Company has reasonable grounds to believe that it will not have to incur any financial liability.

- 30.1.4** The Holding Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by The Holding Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was withdrawn by The Holding Company, to pursue the remedy available under section 47A of the sales tax act 1990 i.e., Alternative Dispute Resolution Committee which is still in process. The Holding Company's legal counsel is confident that the case will be decided in favour of The Holding Company.
- 30.1.5** The Group had filed the Constitutional Petition 2752/2011 and 1550-k/2021 on August 09, 2011 and on October 2021 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. In 2021, the case had been disposed off by the High Court in favour of Excise and Taxation Department. However, The Group along with the industry has challenged the applicability of said order in Honorable Supreme Court of Pakistan through case number 4978 of 2021 and 1633/2021 the Court has granted the stay order on September 01, 2021 & on November 10, 2021 upon providing the fresh bank guarantees equivalent to the amount already provided to the High Court, keeping the previously furnished bank guarantees operative and enforceable against the release of all future consignments of imported goods and restrained the authorities to take any coercive action against The Group. The total quantum of bank guarantees involved is Rs. 1,983 million (June 2024: Rs. 1,292.08 million).
- 30.1.6** Through Finance Act, 2019, the Government had reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Holding Company challenged the said provision and obtained an interim relief of claiming 10% tax credit on all investments already planned including its ancillary costs. The case was disposed off by the Honourable High Court of Sindh during the year in favour of The Holding Company. However, subsequently, the same was challenged by the Department before Honorable Supreme Court of Pakistan. Accordingly, the matter was decided against the whole industry where the benefit of section 65-B on purchase of machinery and other fixed assets, was allowed up till the June 30, 2019. Thereafter, The Holding Company through its legal council has filed a review petition against the aforementioned decision of Supreme Court, for which our legal council is confident that the said matter will ultimately be decided in favour of The Holding Company.
- 30.1.7** In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honourable High Courts of Pakistan by Industry at Large. In May 2015, 'the Government passed the GIDC Act, 2015 and The Holding Company has challenged that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC 'Act, 2015. In October 2015, Sindh High Court (SHC) decided this suit in favour of The Holding Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where The Holding Company was not party to such litigation. The Honorable Supreme Court of Pakistan has disposed off the case on 13 August, 2020 and instructed the gas distribution companies to recover the outstanding amount in 24 equal instalments only from those consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, The Holding Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against

the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on May 21, 2024. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 826 million (June 2024: Rs 826 million) (inclusive of Sales Tax). The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

- 30.1.8** During the year 2023, the Board of Revenue (BOR) has issued a notice to The Holding Company in accordance with section 73 of the Stamp Act, 1899 for inspection of books of accounts and subsequently issued a demand notice of Rs. 297.907 million as a stamp duty due against various instruments executed by The Holding Company during the year 2021 and 2022. The Holding Company challenged the said demand notice and filed a Constitutional Petition D-8084 of 2022 on 26 December 2022 against BOR in the Honorable High Court of Sindh (SHC) and cited that section 73 of the Stamp Act, 1899 allows the representative of BOR to inspect documents available in public office only and inclusion of private office under the definition of Public Office is ultra vires and against the principles of natural justice. SHC has granted stay order to The Holding Company against the impugned demand notice and restrained the BOR from taking any coercive action against the plaintiff. Accordingly, after numerous hearings the matter has now been decided by the SHC with the direction to all parties of the said petition to approach the department for disposal of Show Cause Notice issued, however, the department has been restrained to take any coercive action or draw any negative inference against the parties. Also, the SHC has allowed The Holding Company to again approach the court as and when required.
- 30.1.9** The Holding Company had filed a Suit (-2123/2023) before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2023 dated November 08, 2023 for increase in the price of natural gas and different prices for industrial and captive connection where the same is used for self-consumption by industrial undertaking. The Court vide its order dated December 18, 2023 passed an interim stay order in favour of The Holding Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed The Holding Company to pay the differential amount to the Nazir appointed by the SHC, amounting to Rs. 393.38 million (inclusive of sales tax), the amounts paid to Nazir, has been classified as Other Receivable, as mentioned in note no.17.2 of these consolidated financial statements.
- 30.1.10** During the year, The Holding Company filed a Suit No. 1863/2025 on May 08, 2025 before Honorable Sindh High Court against imposition of levy amounting to Rs. 791 / mmbtu (effective for the month of February 2025) vide OGRA Notification issued under Off Grid Captive Power Plant Levy Ordinance, 2025 dated March 07, 2025. The Holding Company filed the petition on legal grounds, that any levy or tax or collection cannot be made retrospectively, such action is considered as void / invalid as per the Constitution of Pakistan. A general stay has already been granted by the esteemed court; however, The Holding Company has already been proceeded to deposit the disputed amount, in to the relevant account of SSGC, on the understanding that when the said matter is resolved, amounting to Rs 57.99 million (inclusive of sales tax) and the same amount would be adjusted with the future liability. Such amount has been classified as Other Receivables under note no. 17.3 of these consolidated financial statements. The Legal Counsel of The Holding Company is confident that no coercive action shall be taken by the Court, in this regard.
- 30.1.11** During 2023 and 2024, The subsidiadry company instituted two cases 3032 and 3033 of 2023 dated 11 April 2023 against custom authorities before the Collector of Customs (Appeals) whereby The Group requested that the pipes and cables imported for PET Resin project should be considered as part of plant and machinery for the purpose of custom duties. Custom authorities have treated this import as industrial and not part of the project and assessed levies accordingly. The Group approached the Honorable Sindh High Court (SHC) via petition number C.P. 1952 and C.P 1953 of 2023 dated 14 April 2023 and prayed that the consignments should be released against bank guarantees which SHC has accepted and consignments released. Subject petitions are pending at SHC and The Group's management and its legal counsel believe that the matter will be decided in favour of The Group. Further during financial year 2024, three additional cases were instituted before Collector of Customs (Appeals) of which two cases have been referred to Customs Appellate Tribunal, Karachi. The advisor expects a favorable verdict in these cases. Bank Guarantee involved is Rs. 145.924 million (2024: 64.9 million).

30.1.12 Subsequent to the year end, The Holding Company filed a constitutional petition No. CP 99/2025 on August 04, 2025 in the Honorable High Court of Baluchistan (BHC) against the Off Grid (Captive Power Plant) Levy Act, 2025, imposed by the Ministry of Energy, on the ground that it is ultra vires to impose levy in the province of Baluchistan, considering that there are no National Grid for the supply electricity to the industry in Baluchistan and the industrialists had to produce energy through other means including Gases. Accordingly, BHC has already granted Stay against the said matter on the condition that postdated cheques of applicable amount of Levy is required to deposited to the Nazir appointed by the Court. the legal counsel is very confident that matter will be decided in the favor of The Holding Company.

30.1.13 With reference to the contingency in associated company, The Bank of Khyber (BOK), please refer the note 22 of interim financial statement of March 31, 2025.

| 30.2. Commitments | 2025 | 2024 |
|--|--------------------|----------------|
| | ----- Rupees ----- | |
| 30.2.1. Outstanding letters of guarantee | 5,701,291,356 | 3,997,811,757 |
| 30.2.2. Cross Corporate guarantees issued by the group on behalf of associated company | 375,000,000 | 240,000,000 |
| 30.2.3. Outstanding letters of credit for: | | |
| - capital expenditure | 2,760,649,589 | 395,194,617 |
| - raw material | 8,569,637,756 | 7,841,161,840 |
| 30.2.4. The group's share of commitments of associated companies. | | |
| - Guarantees | 10,000,506,249 | 9,399,674,096 |
| - Commitments | 4,181,294,663 | 11,150,593,451 |

| | Reportable segment | | | | | |
|---------------------------------|--------------------|----------------|-----------------|----------------|------------------------|----------------|
| | Food segment | | Plastic segment | | Pharmaceutical segment | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | -----Rupees----- | | | | | |
| 31.1. Segment assets | 61,417,039,370 | 55,093,233,013 | 38,455,605,627 | 40,118,909,066 | 2,728,118,201 | 2,114,052,175 |
| 31.2. Unallocated assets | - | - | - | - | - | - |
| 31.3. Segment liabilities | 61,417,039,370 | 55,093,233,013 | 38,455,605,627 | 40,118,909,066 | 2,728,118,201 | 2,114,052,175 |
| 31.4. Unallocated liabilities | 8,317,617,590 | 9,220,178,262 | 14,737,666,937 | 19,758,760,637 | 1,907,614,236 | 668,256,370 |
| 31.5. Major Non-cash items | - | - | - | - | - | - |
| - Depreciation and amortisation | 8,317,617,590 | 9,220,178,262 | 14,737,666,937 | 19,758,760,637 | 1,907,614,236 | 668,256,370 |
| - Gratuities | 2,639,697,134 | 2,316,878,434 | 1,685,321,449 | 952,544,163 | 155,650,668 | 164,034,443 |
| 31.6. Capital expenditure | 228,583,110 | 250,012,918 | 53,094,102 | 43,324,715 | 23,958,304 | 25,712,492 |
| | 2,868,280,244 | 2,566,891,352 | 1,738,415,551 | 995,868,878 | 179,608,972 | 189,746,935 |
| | 2,813,887,581 | 6,313,245,196 | 314,283,488 | 4,192,317,453 | 62,310,600 | 62,310,600 |
| | | | | | 3,190,481,669 | 10,567,873,249 |

31.7. The Group's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.

31.8. World food program is the major customer of the Group which constituted 10 percent or more of the Group's revenue.

32. RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

| | Note | 2025 | 2024 |
|---|------|------------------------|------------------------|
| | | -----Rupees----- | |
| 32.1. Assets | | | |
| Total assets for reportable segments | 31.1 | 102,600,763,198 | 97,326,194,254 |
| Administrative capital assets | | 2,517,923,429 | 1,838,969,638 |
| Good will | | 12,173,553 | 12,173,553 |
| Long-term investments | 8 | 5,253,186,740 | 4,030,256,700 |
| Loan to associates | | 350,000,000 | - |
| Short term investments | 16 | 3,546,270,096 | 1,719,987,562 |
| Total assets | | 114,280,317,015 | 104,927,581,707 |
| 32.2. Liabilities | | | |
| Total liabilities for reportable segments | 31.3 | 24,962,898,763 | 29,647,195,269 |
| Deferred tax liabilities | 25 | 3,539,092,077 | 2,341,310,615 |
| Long term finances - secured | 23 | 30,573,078,878 | 26,340,976,341 |
| Short term finances - secured | 28 | 21,020,018,369 | 13,936,676,273 |
| Islamic redeemable sukuk | 29 | 8,000,000,000 | 10,000,000,000 |
| Total liabilities | | 88,095,088,087 | 82,266,158,498 |

33. COST OF SALES

| | | | | | | | | | |
|--|---------------------------------------|-----------------|-----------------|-----------------|----------------|---------------|-----------------|-----------------|----------------|
| 33.1 | Raw materials consumed | 47,852,258,600 | 49,227,259,231 | 23,436,671,084 | 21,006,713,728 | 136,247,052 | 158,863,392 | 71,425,176,736 | 70,392,836,351 |
| | Packing materials consumed | 10,632,007,358 | 11,072,498,806 | 594,225,780 | 518,947,038 | 80,857,863 | 88,180,233 | 11,307,091,001 | 11,679,626,077 |
| | Stores and spares consumed | 979,209,738 | 1,066,640,308 | 310,951,407 | 286,484,416 | 13,883,561 | 11,170,845 | 1,304,044,706 | 1,364,295,569 |
| | Salaries, wages and other benefits | 4,596,456,088 | 4,620,178,465 | 897,771,119 | 732,392,797 | 145,992,553 | 197,880,213 | 5,640,219,760 | 5,550,451,475 |
| | Electricity, gas, fuel and lubricants | 2,848,575,418 | 2,102,046,028 | 1,905,430,569 | 1,754,409,899 | 39,667,430 | 69,111,371 | 4,793,673,417 | 3,925,567,298 |
| | Repairs and maintenance | 272,140,035 | 273,949,722 | 78,677,545 | 63,961,916 | 24,034,936 | 17,511,593 | 374,852,516 | 355,423,231 |
| | Printing and stationery | 32,893,303 | 34,849,131 | 9,359,718 | 10,704,442 | 2,068,061 | 2,119,593 | 44,321,082 | 47,673,166 |
| | Insurance | 78,732,245 | 83,220,842 | 53,329,611 | 47,690,391 | 4,939,416 | 4,311,413 | 137,001,272 | 135,222,646 |
| | Rent, rates and taxes | 11,142,841 | 45,985,448 | 111,825,325 | 87,605,063 | 618,202 | 572,980 | 123,586,368 | 134,163,491 |
| | Water charges | 73,386,473 | 51,476,095 | 27,718,869 | 19,305,034 | - | - | 101,105,342 | 70,781,129 |
| | Postage and telephone | 9,606,171 | 12,527,764 | 5,327,003 | 6,157,752 | 4,411,507 | 4,732,486 | 19,344,681 | 23,418,002 |
| | Travelling and conveyance | 18,180,503 | 21,802,284 | 7,971,143 | 8,879,716 | 787,779 | 459,456 | 26,939,425 | 31,141,456 |
| | Vehicle running and maintenance | 47,715,673 | 57,481,227 | 35,363,229 | 25,503,882 | 13,748,228 | 14,610,500 | 96,827,130 | 97,595,609 |
| | Depreciation | 2,389,712,396 | 2,091,426,628 | 1,651,223,442 | 923,629,985 | 134,019,647 | 146,840,312 | 4,174,955,485 | 3,161,896,925 |
| | Laboratory expenses | 85,783,097 | 76,993,672 | 6,670,509 | 522,489 | 23,550,811 | 21,299,845 | 116,004,417 | 98,816,006 |
| | Loading/Unloading Chg | - | - | 1,791,920 | 6,981,115 | - | - | 1,791,920 | 6,981,115 |
| | Fees and subscription | 6,332,036 | 8,453,222 | 2,380,370 | 2,295,205 | 1,579,367 | 2,336,788 | 10,291,773 | 13,085,215 |
| Legal and professional charges | 4,655,031 | 2,540,000 | 3,755,650 | 3,702,722 | - | - | 8,410,681 | 6,242,722 | |
| Cartage inward | 34,798,495 | 49,122,818 | 4,944,780 | 13,089,080 | - | - | 39,743,275 | 62,211,898 | |
| Cost of services | - | - | - | - | - | 30,008,969 | - | 30,008,969 | |
| Other manufacturing expenses | 21,123,744 | 19,991,894 | 4,841,889 | 6,615,821 | 384,311 | 180,015 | 26,349,944 | 26,787,730 | |
| Work-in-process at the beginning of the year | 69,994,709,245 | 70,918,443,585 | 29,150,230,962 | 25,525,592,491 | 626,790,724 | 770,190,004 | 99,771,730,931 | 97,214,226,080 | |
| Work-in-process at the end of the year | 198,267,364 | 195,656,685 | 348,428,253 | 444,396,880 | 3,602,578 | 4,208,573 | 550,298,195 | 644,262,138 | |
| | (344,579,845) | (198,267,364) | (294,914,854) | (348,428,253) | (7,454,846) | (3,602,578) | (646,949,545) | (550,298,195) | |
| Cost of goods manufactured | (146,312,481) | (2,610,679) | 53,513,399 | 95,968,627 | (3,852,268) | 605,995 | 99,651,350 | 93,963,943 | |
| Stock of finished goods at the beginning of the year | 69,848,396,764 | 70,915,832,906 | 29,203,744,361 | 25,621,561,118 | 622,938,456 | 770,795,999 | 99,675,079,581 | 97,308,190,023 | |
| Purchase of finished goods | 3,098,520,487 | 3,000,737,794 | 4,944,319,071 | 226,046,048 | 175,743,352 | 128,098,169 | 8,218,582,910 | 3,354,882,011 | |
| Cost of promotional samples reclassified to selling expenses | 155,436,516 | 240,413,407 | - | - | 48,945,229 | 52,413,564 | 204,381,745 | 292,826,971 | |
| Insurance claim | (2,710,223) | (3,592,917) | (3,823,850) | (3,891,500) | (76,736,765) | (82,343,206) | (76,736,765) | (82,343,206) | |
| Stock of finished goods at the end of the year | (4,166,304,884) | (3,098,520,487) | (4,287,622,628) | (4,944,319,071) | (132,791,112) | (175,743,352) | (8,586,718,624) | (8,218,582,910) | |
| | (915,058,104) | 139,037,797 | 652,872,593 | (4,722,164,523) | 15,160,704 | (77,574,825) | (247,024,807) | (4,660,701,551) | |
| | 68,933,338,660 | 71,054,870,703 | 29,856,616,954 | 20,899,396,595 | 638,099,160 | 693,221,174 | 99,428,054,774 | 92,647,488,472 | |

33.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs. 120.71 million (2024;Rs. 141.15 million)

34. SELLING AND DISTRIBUTION EXPENSES

| | Note | Food segment | | Plastic segment | | Pharmaceutical segment | | Total | |
|------|------|------------------|---------------|-----------------|-------------|------------------------|-------------|---------------|---------------|
| | | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | | -----Rupees----- | | | | | | | |
| | 34.1 | 2,356,072,835 | 1,986,564,626 | 89,561,537 | 74,751,301 | 293,570,178 | 214,940,719 | 2,739,204,550 | 2,276,256,646 |
| | | 1,369,256,514 | 1,418,165,919 | 361,629,673 | 243,767,524 | - | - | 1,730,886,187 | 1,661,933,443 |
| | | 1,970,264,291 | 1,710,569,551 | 561,064,009 | 589,635,431 | 11,347,617 | 9,891,419 | 2,542,675,917 | 2,310,096,401 |
| | | 1,463,747,448 | 1,212,221,388 | 340,550 | - | - | - | 1,464,087,998 | 1,212,221,388 |
| | | 13,560,088 | 11,836,277 | 655,642 | 1,857,291 | 3,577,836 | 2,062,439 | 17,793,566 | 15,756,007 |
| | | 528,254,352 | 586,240,047 | 5,574,063 | 5,810,963 | 18,955,676 | 14,804,061 | 552,784,091 | 606,855,071 |
| | | 1,862,540 | 2,624,454 | 591,745 | 2,479,145 | 219,284 | 153,650 | 2,673,569 | 5,257,249 |
| | | 62,083,201 | 38,296,011 | 11,150,062 | 4,551,409 | 3,037,133 | 2,611,382 | 76,270,396 | 45,458,802 |
| | | 63,945,343 | 76,895,921 | 17,641,513 | 29,394,532 | 54,033,144 | 53,472,628 | 135,620,000 | 159,763,081 |
| | | - | - | - | - | 76,736,765 | 82,343,206 | 76,736,765 | 82,343,206 |
| 6.4 | | 7,725,357 | 8,266,178 | 2,887,832 | 2,244,654 | - | - | 10,613,189 | 10,510,832 |
| | | 780,290 | 1,779,811 | 3,592,680 | 2,385,282 | - | - | 4,372,970 | 4,165,093 |
| | | 210,160,996 | 192,829,139 | 17,207,827 | 10,684,204 | - | - | 227,368,823 | 203,513,343 |
| | | 118,900,234 | 101,008,326 | 9,869,151 | 7,166,252 | 17,523,586 | 12,231,617 | 146,292,971 | 120,406,195 |
| | | 2,130 | 2,333,731 | 5,816,293 | 4,516,968 | - | 161,099 | 5,818,423 | 7,011,798 |
| | | - | - | - | - | - | - | - | - |
| | | 35,930,128 | 31,326,152 | 2,645,036 | 2,341,445 | 2,721,423 | 2,310,310 | 41,296,587 | 35,977,907 |
| 12.2 | | 21,103,481 | 35,631,554 | 19,480,136 | 15,270,666 | - | - | 40,583,617 | 50,902,220 |
| | | 10,929,449 | 52,766,944 | 7,337,020 | 873,878 | 404,649 | 175,600 | 18,671,118 | 53,816,422 |
| | | 8,234,578,677 | 7,469,356,029 | 1,117,044,769 | 997,730,945 | 586,095,138 | 455,140,365 | 9,937,718,584 | 8,922,227,339 |

34.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 130.42 million (2024: Rs 98.49 million)

35. ADMINISTRATIVE EXPENSES

| | Note | Food segment | | Plastic segment | | Pharmaceutical segment | | Total | |
|---|------|------------------|---------------|-----------------|-------------|------------------------|-------------|---------------|---------------|
| | | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | | -----Rupees----- | | | | | | | |
| Salaries and other benefits including director's remuneration | 35.1 | 769,388,911 | 783,950,913 | 153,037,230 | 176,804,942 | 83,410,814 | 97,028,805 | 1,005,836,955 | 1,057,784,660 |
| Conveyance and travelling | | 205,038,512 | 178,809,305 | 9,308,982 | 4,786,382 | 3,113,830 | 1,934,854 | 217,461,324 | 185,530,541 |
| Postage and telephone | | 32,570,774 | 36,521,146 | 5,810,207 | 2,312,372 | 27,360,395 | 33,602,025 | 65,741,376 | 72,435,543 |
| Printing and stationery | | 6,618,970 | 12,875,004 | 1,596,396 | 15,318,193 | 883,182 | 755,540 | 9,098,548 | 28,948,737 |
| Repairs and maintenance | | 54,698,922 | 45,309,095 | 9,652,751 | 3,118,582 | 1,620,421 | 1,215,092 | 65,972,094 | 49,642,769 |
| Electricity and utilities | | 24,572,810 | 37,623,348 | 4,336,278 | 2,962,755 | 4,198,760 | 4,392,170 | 33,107,848 | 44,978,273 |
| Insurance | | 17,870,525 | 18,817,748 | 3,162,605 | 1,321,182 | 1,526,308 | 1,319,391 | 22,559,438 | 21,458,321 |
| Advertisement | | - | - | - | - | - | - | - | - |
| Entertainment | | 8,591,753 | 10,237,478 | 1,516,192 | 544,212 | 986,024 | 214,967 | 11,093,969 | 10,996,657 |
| Vehicle running and maintenance | | 73,057,172 | 88,167,537 | 12,877,082 | 6,207,123 | 16,816,111 | 19,680,906 | 102,750,365 | 114,055,566 |
| Rent, rates and taxes | | 11,020,820 | 10,479,629 | 1,854,184 | 737,839 | 5,314,680 | 9,589,855 | 18,189,684 | 20,807,323 |
| Fee and subscription | | 242,002,540 | 153,805,082 | 58,084,508 | 5,458,102 | 3,687,030 | 1,960,142 | 303,774,078 | 161,223,326 |
| Legal and professional charges | | 36,920,749 | 35,164,603 | 12,758,581 | 3,091,755 | 368,100 | 442,400 | 50,047,430 | 38,698,758 |
| Depreciation and amortisation | 6.4 | 131,084,504 | 124,443,480 | 24,228,856 | 21,747,926 | 4,107,435 | 4,962,514 | 159,420,795 | 151,153,920 |
| General meeting expenses | | - | 100,450 | - | - | - | - | - | 100,450 |
| Miscellaneous | | 8,717,257 | 12,637,512 | 2,867,680 | 4,452,940 | 1,715,797 | 2,453,805 | 13,300,734 | 19,544,257 |
| | | 1,622,154,219 | 1,548,942,330 | 301,091,532 | 248,864,305 | 155,108,887 | 179,552,466 | 2,078,354,638 | 1,977,359,101 |

35.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 54.48 million (2024: Rs 79.41 million)

| 36. OTHER OPERATING EXPENSE | Note | 2025 | 2024 |
|---------------------------------------|------|--------------------|--------------------|
| | | ----- Rupees ----- | |
| Contribution to: | | | |
| - workers' profits participation fund | | 335,068,509 | 378,622,766 |
| - workers' welfare fund | | 127,326,034 | 143,876,651 |
| Auditors' remuneration | 36.1 | 9,638,700 | 7,838,700 |
| Exchange loss - net | | 11,005,823 | 23,000,318 |
| Donations | 36.2 | 281,569,840 | 320,327,108 |
| Other | | 8,687,392 | 5,977,768 |
| | | 773,296,298 | 879,643,311 |

| | | | |
|---|--|-------------------|--------------------|
| 36.1. Auditor's remuneration | | | |
| Audit fee - unconsolidated | | 3,800,000 | 3,500,000 |
| Audit fee - consolidated | | 1,500,000 | 1,000,000 |
| Audit fee - subsidiaries | | 2,300,000 | 1,700,000 |
| Fee for statutory certification | | 500,000 | 500,000 |
| Fee for half yearly review | | 1,000,000 | 600,000 |
| Out-of-pocket expense | | 538,700 | 538,700 |
| | | 9,638,700 | 7,838,700 |
| 36.2. Donation to the following organizations exceed 10% of total donation | | | |
| - Al Mustafa Welfare Trust | | 85,455,589 | 197,833,417 |
| | | 85,455,589 | 197,833,417 |

36.2.1. None of donations were made to any donee in which a director or his spouse had any interest at any time during the year.

| 37. OTHER INCOME | 2025 | 2024 |
|---|----------------------|----------------------|
| | ----- Rupees ----- | |
| Income from financial assets | | |
| Exchange gain - net | 233,225,406 | 413,985,227 |
| Rental income from associate | 43,560,000 | 39,600,000 |
| Income from short term investments | 553,428,379 | 415,660,421 |
| Income from non financial assets | | |
| Recovery from the sale of production scrap | 328,777,967 | 364,321,067 |
| Gain on disposal of property, plant and equipment-net | 57,904,802 | 82,129,108 |
| Processing income | 64,913,306 | 92,647,629 |
| Insurance Income | - | - |
| Others | 74,181,040 | 59,635,133 |
| | 1,355,990,900 | 1,467,978,585 |

| 38. FINANCE COST | 2025 | 2024 |
|---|----------------------|----------------------|
| | ----- Rupees ----- | |
| Mark up on: | | |
| - long term finances - conventional | 2,151,862,379 | 3,301,808,327 |
| - long term finances - islamic | 1,117,514,255 | 1,222,173,600 |
| - short term finances - conventional | 990,182,031 | 2,065,157,526 |
| - short term finances - islamic | 1,613,605,351 | 2,101,439,544 |
| Markup Income on loan to associate | 1,244,012,960 | (23,795,234) |
| Interest on workers' profits participation fund | 14,873,056 | 20,432,440 |
| Finance charge on lease liabilities | 2,687,125 | 6,043,827 |
| Bank charges | 235,687,670 | 271,110,144 |
| Expense capitalized | (135,000,000) | (926,366,492) |
| | 7,235,424,827 | 8,038,003,682 |

39. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

| | 2025 | | | 2024 | | |
|---------------------------|-------------------------|-------------------|----------------------|-------------------------|-------------------|----------------------|
| | Chief executive officer | Director | Executives | Chief executive officer | Director | Executives |
| | -----Rupees ----- | | | | | |
| Manegetrial remuneration | 50,400,000 | 32,400,000 | 1,386,176,755 | 48,800,000 | 31,200,000 | 1,059,169,445 |
| Gratuity | 1,132,133 | - | 70,215,155 | 1,048,272 | - | 54,739,915 |
| Bonus | | - | 63,931,556 | - | - | 49,305,517 |
| Leave encashment | | - | 60,163,625 | - | - | 44,857,913 |
| Reimbursement of expenses | | | | | | |
| Utilities | 3,300,000 | 2,750,000 | - | 1,700,000 | 1,416,668 | - |
| | 54,832,133 | 35,150,000 | 1,580,487,090 | 51,548,272 | 32,616,668 | 1,208,071,800 |
| Number of Persons | 3 | 2 | 334 | 3 | 2 | 258 |

In addition to the above, Company maintained cars are provided to the chief executive officer, directors and executives.

39.1 The remuneration has been allocated as follows:

| | 2025 | | | 2024 | | |
|-----------------------------------|-------------------------|-------------------|----------------------|-------------------------|-------------------|----------------------|
| | Chief executive officer | Director | Executives | Chief executive officer | Director | Executives |
| | -----Rupees ----- | | | | | |
| cost of goods sold | - | - | 580,661,991 | - | - | 457,031,162 |
| selling and distribution expenses | - | - | 594,472,818 | - | - | 464,812,890 |
| Administrative expenses | 54,832,133 | 35,150,000 | 405,352,281 | 51,548,272 | 32,616,668 | 286,227,748 |
| | 54,832,133 | 35,150,000 | 1,580,487,090 | 51,548,272 | 32,616,668 | 1,208,071,800 |
| Number of Persons | 3 | 2 | 334 | 3 | 2 | 258 |

39.2 Bonus is given to employees as per the Group's policy.

| 40. TAXATION | 2025 | 2024 |
|--------------|--------------------|-------------|
| | ----- Rupees ----- | |
| Current | 656,061,458 | 69,798,214 |
| Deferred | 159,030,422 | 476,850,266 |
| Prior year | (10,028,427) | - |
| | 805,063,453 | 546,648,480 |

40.1 Relationship between tax expenses and accounting profit

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the Group attracts minimum tax and FTR under income tax ordinance, 2001.

| 41. EARNINGS PER SHARE - Basic and diluted | 2025 | 2024 |
|--|--------------------|---------------|
| | ----- Rupees ----- | |
| Basic earnings per share | | |
| Profit for the year attributable to shareholder of the company | 4,206,163,975 | 5,195,692,092 |
| | Number of shares | |
| Weighted average number of shares outstanding as at year end | 66,356,940 | 66,356,940 |
| Basic earnings per share | 63.39 | 78.30 |

Diluted earnings per share

There is no dilutive potential ordinary shares outstanding as at June 30, 2025 & June 30, 2024.

| 42. NUMBER OF EMPLOYEES | 2025 | 2024 |
|---|--------------------|-------|
| | ----- Rupees ----- | |
| Number of employees as at the year end | 3,393 | 3,362 |
| Average number of employees during the year | 3,324 | 2,988 |

| 43. CASH GENERATED FROM OPERATIONS | Note | 2025 | 2024 |
|---|---------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Profit before levies and taxation | | 5,985,853,815 | 6,597,302,183 |
| Adjustments for non-cash and other items: | | | |
| Depreciation and amortisation | 6.4 & 7 | 4,480,669,251 | 3,433,457,042 |
| Gain on disposal of property, plant and equipment-net | 37 | (57,904,802) | (82,129,108) |
| Provision for staff gratuity scheme - unfunded | 25.2.5 | 305,635,516 | 319,050,125 |
| Finance cost | 38 | 7,235,424,827 | 8,038,003,682 |
| Share of profit from associated company | 8.1 | (1,516,519,377) | (626,504,654) |
| Provision for slow moving - stock in trade | | 83,000,000 | 172,972,330 |
| Rental income | | (43,560,000) | (39,600,000) |
| Allowance for expected credit loss | | 40,583,617 | 50,902,220 |
| Unrealized exchange loss | | 1,444,491 | 38,599,770 |
| Unrealized gain on short term investment | | (49,470,212) | (45,015,395) |
| | | 16,465,157,126 | 17,857,038,195 |

| | Note | 2025 | 2024 |
|---|------|--------------------|------------------|
| | | ----- Rupees ----- | |
| Working capital changes Increase in current assets | | | |
| Stores and spares | | (158,666,868) | (178,095,311) |
| Stock-in-trade | | 168,889,450 | (7,117,616,895) |
| Trade debts | | (909,789,443) | (4,179,492,606) |
| Loans and advances | | 725,417,918 | (1,481,080,954) |
| Loans to associate | | (132,100,000) | (217,900,000) |
| Trade deposits and short term prepayments | | 5,061,573 | 258,034,685 |
| Other receivables | | (1,372,479,031) | (4,410,567,872) |
| | | (1,673,666,402) | (17,326,718,953) |
| Increase / (Decrease) in current liabilities | | | |
| Trade and other payables | | (1,660,029,768) | 5,220,765,370 |
| Advances from customers - unsecured | | 165,710,634 | 427,681,991 |
| | | (1,494,319,134) | 5,648,447,362 |
| Net decrease in working capital | | (3,167,985,536) | (11,678,271,591) |
| Cash generated from operations | | 13,297,171,589 | 6,178,766,603 |

44. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

44.1. Financial instruments by category

Financial assets

At amortized cost

| | | | |
|----------------------------|----|----------------|----------------|
| Long term deposits | 9 | 31,876,598 | 33,723,873 |
| Trade debts | 12 | 16,008,457,869 | 15,039,518,101 |
| Loans and advances | 13 | 106,234 | 106,234 |
| Loans to associate | 14 | 350,000,000 | 217,900,000 |
| Trade deposits - unsecured | 15 | 44,404,995 | 45,800,513 |
| Other receivables | 17 | 2,823,776,827 | 424,673,465 |
| Cash and bank balances | 19 | 1,471,877,809 | 907,770,494 |
| Short term investments | 16 | 2,323,542,259 | 765,678,863 |

At fair value through OCI

| | | | |
|------------------------|----|-------------|-------------|
| Short term investments | 16 | 918,419,065 | 863,887,055 |
|------------------------|----|-------------|-------------|

At fair value through profit and loss

| | | | |
|------------------------|----|-------------|------------|
| Short term investments | 16 | 304,308,772 | 90,421,644 |
|------------------------|----|-------------|------------|

| | | | |
|-------------------------------|--|----------------|----------------|
| Total financial assets | | 24,276,770,428 | 18,389,480,242 |
|-------------------------------|--|----------------|----------------|

Financial liabilities

At amortized cost

| | | | |
|--------------------------|----|----------------|----------------|
| Long term finances | 23 | 37,546,184,538 | 31,308,104,096 |
| Lease liabilities | 24 | 1,227,070,402 | 22,697,663 |
| Trade and other payables | 26 | 13,534,291,341 | 15,205,229,870 |
| Accrued mark-up | 27 | 1,055,710,443 | 1,647,973,120 |
| Short term finances | 28 | 21,020,018,369 | 18,892,769,104 |
| Islamic redeemable sukuk | 29 | 8,000,000,000 | 10,000,000,000 |
| Unclaimed dividend | | 5,965,586 | 5,228,293 |

| | | | |
|------------------------------------|--|----------------|----------------|
| Total financial liabilities | | 82,389,240,679 | 77,082,002,146 |
|------------------------------------|--|----------------|----------------|

44.2. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

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

The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There are few transfers of level 3 short term investment to level 1 as it become listed during the year. The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Non active markets The fair value of financial instruments of non active market is based on inputs available in the market.

The fair value of financial instruments traded in active markets is based on market value of financial instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Group's financial assets (by class) measured at fair value at June 30, 2025:

Financial assets

Financial investments: fair value through OCI

Financial investments: fair value through profit and loss

| 2025 | | | |
|-------------------|---------|---------|-------------|
| Level 1 | Level 2 | Level 3 | Total |
| -----Rupees ----- | | | |
| 918,419,065 | - | - | 918,419,065 |
| 304,308,772 | - | - | 304,308,772 |
| 2024 | | | |
| Level 1 | Level 2 | Level 3 | Total |
| -----Rupees ----- | | | |
| 863,887,055 | - | - | 863,887,055 |
| 90,421,644 | - | - | 90,421,644 |

44.3. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

44.3.1. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful for recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

Credit risk of the Group arises principally from the trade debts, loans and advances, trade deposits, other receivables and deposits with financial institutions. The carrying amount of financial assets represents the maximum credit exposure

Trade debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the Group for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Group limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:

| | Short- term Ratings | 2025 | 2024 |
|-------------------------------------|---------------------|--------------------|-------------|
| | | ----- Rupees ----- | |
| Allied Bank Limited | A1+ | 1,381,584 | 8,312 |
| Bank Al Falah Limited | A1+ | 77,240,753 | 9,973,335 |
| Bank Al Habib Limited | A1+ | 1,238,764 | 12,808,580 |
| Bank Islami Pakistan Limited | A1 | 323,092 | 615,678 |
| Dubai Islamic Bank Pakistan Limited | A1+ | 98,500,598 | 6,700,749 |
| Habib Bank Limited | A1+ | 27,555,657 | 12,417,634 |
| Habib Metropolitan Bank Limited | A1+ | 10,232,960 | 57,626,113 |
| JS Bank Limited | A1+ | 149,229,616 | 112,724,295 |
| MCB Bank Limited | A1+ | 35,467,173 | 4,916,263 |
| MCB Islamic Bank Limited | A1 | 6,649,593 | 11,547,665 |
| Meezan Bank Limited | A1+ | 148,878,334 | 590,070,101 |
| National Bank Of Pakistan | A1+ | 2,093,235 | 3,316,945 |
| Samba Bank Limited | A1 | - | 17,185 |
| Faysal Bank Limited | A1+ | 3,000 | - |
| Soneri Bank Limited | A1+ | 516,275 | 1,003,373 |

| | | | |
|---------------------------------------|-----------|----------------------|--------------------|
| Bank Makramah Limited | Suspended | 210,971 | 1,314,471 |
| Standard Chartered Bank Limited | A1+ | 1,838,529 | 1,352,523 |
| Bank of Punjab | A1+ | 38,357,182 | 9,958,594 |
| Askari Bank Limited | A1+ | 207,060,708 | 27,306,097 |
| Emirates Development Bank | A1+ | 664,691,236 | - |
| Industrial & Commercial Bank of China | - | 124,695 | 1,199,695 |
| Al Barka Bank Limited | A1 | 283,852 | 4,956,102 |
| | | 1,471,877,807 | 869,833,710 |

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Note | 2025 | 2024 |
|----------------------------|------|-----------------------|-----------------------|
| | | ----- Rupees ----- | |
| Long term deposits | 9 | 31,876,598 | 33,723,873 |
| Trade debts | 12 | 15,758,507,990 | 14,830,151,839 |
| Loans and advances | 13 | 106,234 | 106,234 |
| Loans to associate | 14 | 350,000,000 | 217,900,000 |
| Trade deposits - unsecured | 15 | 44,404,995 | 45,800,513 |
| Short term investments | 16 | 2,323,542,259 | 765,678,863 |
| Bank balances | 19 | 1,463,822,639 | 869,833,710 |
| Other receivables | 17 | 2,823,776,827 | 424,673,465 |
| | | 22,796,037,542 | 17,187,868,497 |

To reduce the exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Group has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

| | Note | 2025 | 2024 |
|---|------|----------------------|----------------------|
| | | ----- Rupees ----- | |
| More than 45 days but not more than 3 months | | 1,591,768,511 | 959,616,297 |
| More than 3 months but not more than 6 months | | 905,894,511 | 778,412,121 |
| More than 6 months but not more than 1 year | | 263,000,218 | 197,646,877 |
| More than 1 year | | 133,204,372 | 136,785,167 |
| | 12.3 | 2,893,867,612 | 2,072,460,462 |

In respect of trade debts, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

44.3.2. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Based on the above, management believes the liquidity risk is insignificant.

As at the reporting date the Group's financial liabilities have contractual maturities as summarized below: Effective rates of return/mark-up on financial liabilities are as follows:

| | Note | 2025 | | | |
|--|------|-------------------------------------|-----------------|------------------------|-------------------------|
| | | Effective rate of interest / Porfit | Carrying amount | Maturity upto one year | Maturity after one year |
| | | -----Rupees ----- | | | |
| Financial liabilities - Interest bearing | | | | | |
| Long term finances - secured Conventional | 23 | 10.54% | 20,793,289,889 | 5,114,822,877 | 15,678,467,012 |
| Long term finances - secured Islamic | 23 | 9.46% | 16,752,894,649 | 1,858,282,783 | 14,894,611,866 |
| Lease laibilities - Conventional | 24 | 13.00% to 20.00% | 1,227,070,402 | 9,516,997 | 1,217,553,405 |
| Short term finances - secured - Conventional | 28 | 10.84% to 19.45% | 18,295,065,869 | 18,295,065,869 | - |
| Short term finances - secured - Islamic | 28 | 8.85% to 21.89% | 2,724,952,500 | 2,724,952,500 | - |
| Islamic redeemable sukuk | 29 | 11.10% to 22.35% | 8,000,000,000 | 8,000,000,000 | - |
| Non - interest bearing | | | | | |
| Trade and other payables | 26 | - | 13,555,377,957 | 13,555,377,957 | - |
| Accrued mark-up | 27 | - | 1,055,710,443 | 1,055,710,443 | - |
| Unclaimed dividend | | - | 5,965,586 | 5,965,586 | - |
| | | | 82,410,327,295 | 50,619,695,012 | 31,790,632,283 |
| | Note | 2024 | | | |
| | | Effective rate of interest / Porfit | Carrying amount | Maturity upto one year | Maturity after one year |
| | | -----Rupees ----- | | | |
| Financial liabilities - Interest bearing | | | | | |
| Long term finances - secured Conventional | 23 | 13.46% | 24,187,636,341 | 4,952,968,567 | 19,234,667,774 |
| Long term finances - secured Islamic | 23 | 19.0% | 7,120,467,755 | 1,971,529,512 | 5,148,938,243 |
| Lease liabilities - conventional | 24 | 15% to 23% | 22,697,663 | 13,180,666 | 9,516,997 |
| Short term finances - secured - Conventional | 28 | 20.83% to 24.69% | 16,199,328,963 | 16,199,328,963 | - |
| Short term finances - secured - Islamic | 28 | 20.20% to 23.28% | 2,693,440,141 | 2,693,440,141 | - |
| Islamic redeemable sukuk | 29 | 22.06% to 22.35% | 10,000,000,000 | 10,000,000,000 | - |
| Non - interest bearing | | | | | |
| Trade and other payables | 26 | - | 15,220,118,989 | 15,220,118,989 | - |
| Accrued mark-up | 27 | - | 1,647,973,120 | 1,647,973,120 | - |
| Unclaimed dividend | | - | 5,228,293 | 5,228,293 | - |
| | | | 77,096,891,265 | 52,703,768,251 | 24,393,123,014 |

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2025, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 387.733 million (June 2024: Rs. 313.31 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2025, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 290.20 million (June 2024: Rs. 288.93 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

44.3.3. Market risk

Market risk is the risk that fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market prices. Market prices comprise of three types of risks namely foreign currency risk, interest rate risk and other price risk, such as equity risk.

a. Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of financial asset or a liability may fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group primarily has foreign currency exposures in US Dollars.

Exposure to Foreign currency risk

The Group is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

| | 2025 | 2024 |
|--|---------------------------|--------------------|
| | ----- Amount in USD ----- | |
| Trade debts | 14,054,905 | 26,057,207 |
| Cash and bank balances | 489,065 | 2,128,918 |
| Trade and other payables | (10,688,269) | (5,823,263) |
| Loans and advances | 374 | 862 |
| Advance from customer | (352,892) | (690,573) |
| | 3,503,183 | 21,673,151 |
| Off balance sheet exposures | | |
| Letter of credit | (29,240,130) | (26,139,873) |
| Net Exposure | (25,736,947) | (4,466,722) |
| The following significant exchange rates were applied during the year. | | |
| | ----- Rupee per USD ----- | |
| Average rate | 281.45 | 282.95 |
| Reporting date rate | 284.10 | 278.80 |

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2024 would have effect on the equity and profit and loss of the Group as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2025.

| | 2025 | 2024 |
|--|--------------------|---------------|
| | ----- Rupees ----- | |
| Strengthening of PKR against respective currencies | 731,186,669 | 124,532,213 |
| Weakening of PKR against respective currencies | (731,186,669) | (124,532,213) |

As at 30 June 2025, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 731.19 million (2024: Rs. 124.53 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

| | Note | 2025 | 2024 |
|------------------|------|--------------------|----------------|
| | | ----- Rupees ----- | |
| Export debtors | 12 | 3,992,602,693 | 7,034,862,252 |
| Import creditors | | 3,033,711,555 | 3,463,390,656 |
| | | 7,026,314,248 | 10,498,252,908 |

b. Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and running finance facilities. At the reporting date the interest rate profile of the Group's mark-up bearing financial instruments is as follows:

| | Carrying amount | |
|---------------------------|--------------------|---------------|
| | 2025 | 2024 |
| | ----- Rupees ----- | |
| Variable rate instruments | 37,487,897,818 | 9,158,178,594 |
| Financial liabilities | 37,487,897,818 | 9,158,178,594 |

As at 30 June 2025, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 374.88 million. (2024: Rs. 91.58 million) mainly because of higher/lower interest expense on variable rate instruments.

c. Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

45. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

The Group's capital includes share capital and reserves. As at reporting date the capital of the Group is as follows:

| | 2025 | 2024 |
|---------------|--------------------|----------------|
| | ----- Rupees ----- | |
| Share capital | 663,569,400 | 663,569,400 |
| Reserves | 24,821,458,913 | 21,104,363,249 |
| | 25,485,028,313 | 21,767,932,649 |

The Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Group's capital signifies equity as reported in statement of financial position and includes share capital and accumulated losses.

The Group's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2025 and 2024 were as follows:

| | 2025 | 2024 |
|-----------------------|--------------------|----------------|
| | ----- Rupees ----- | |
| Total borrowings | 37,546,184,538 | 31,308,104,096 |
| Total equity | 25,485,028,313 | 21,767,932,649 |
| Total equity and debt | 63,031,212,851 | 53,076,036,745 |
| Net gearing ratio (%) | 59.6% | 59.0% |

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

46. PLANT CAPACITY AND ACTUAL PRODUCTION

| | 2025 Metric Ton | | 2024 Metric Ton | |
|-----------------|-----------------|-------------------|-----------------|-------------------|
| | Rated Capacity | Actual Production | Rated Capacity | Actual Production |
| Food processing | 316,416 | 201,769 | 298,356 | 192,644 |
| Plastic film | 63,000 | 36,435 | 63,000 | 35,580 |
| Pharmaceuticals | | | | |
| Blow fill seal | 18,000 | 17,805 | 18,000 | 17,480 |
| Ophthalmic | 2,500 | 2,173 | 2,500 | 2,489 |
| Derma | 4,200 | 672 | 4,200 | 584 |
| Pet Resin | 108,000 | 71,042 | 108,000 | 50,749 |

The Group has enhanced the production capacity in food processing by 18,060 metric tons. Production utilization was as per the market demand.

47. TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Group and key management personnel. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements, are as follows:

| Key Management Personnel (KMP) | |
|--------------------------------|-----------------------|
| Name | Direct shareholding % |
| Mr. Ahmed Muhammad | 15.22 |
| Mr. Munsarim Saif | 0.000009 |
| Mr. Ahmed Raza Parekh | Nil |

| 2025 | 2024 |
|--------------------|------|
| ----- Rupees ----- | |

Innovita Nutrition (Private) Limited

(Associated Company - Common Directorship)

- Purchase of raw material
- Payment against purchases
- Markup received during the period

| | |
|-----------------|---------------|
| 2,545,378,024 | 1,278,063,918 |
| (2,545,378,024) | (845,656,918) |
| 65,985,560 | - |

VMI Trading Inc.

(Associated Company - Common Directorship)

- Collections received against sales

| | |
|-------------|---|
| 432,818,389 | - |
|-------------|---|

Plastiflex Films (Private) Limited

(Associated Company - Common Directorship)

- Purchase of raw & packing material
- Metallization of raw material
- Sales of raw & packing material
- Recovery against Sales
- Payment against purchases
- Receivable from associate

| | |
|--------------|--------------|
| 19,577,739 | 22,190,118 |
| (4,966,144) | (15,097,951) |
| (539,261) | (578,288) |
| 6,065,119 | 15,097,951 |
| (19,577,739) | (22,190,118) |
| 18,574 | 578,288 |

48. NON - ADJUSTING EVENT

- 48.1 The board of directors in its meeting held on August 29, 2025 has proposed the final dividend of Rs. 5 per share (2024: Rs. 10 per share) in respect of the year ended June 30, 2025 for approval of the members at the annual general meeting. The consolidated financial statements for the year ended June 30, 2025 do not include the effect of the proposed dividend, which will be accounted for in the consolidated financial statements for the year ending June 30, 2026.

49. DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on August 29, 2025 by the board of directors of the Group.



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer

Shareholders Information

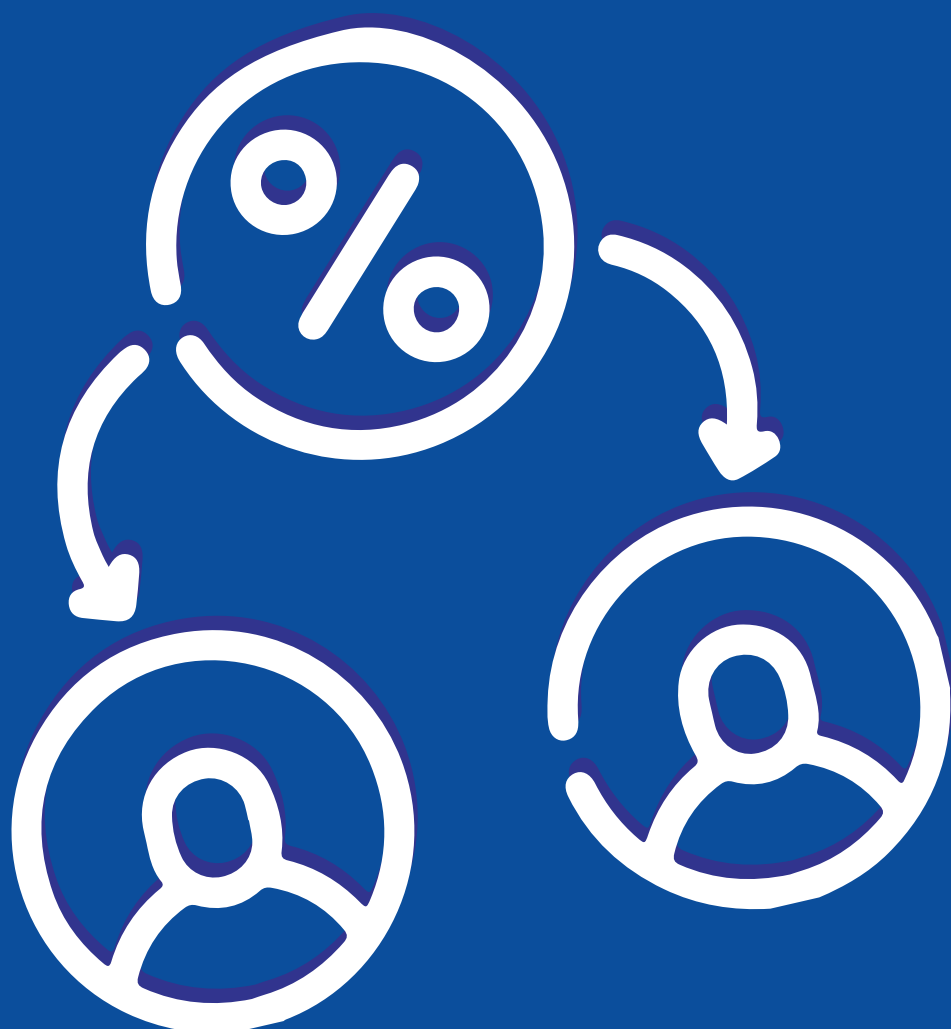
13

- Notice of AGM 37th Annual General Meeting

367

- Pattern of Shareholding

391





Shareholders Information



Notice of Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting of Ismail Industries Limited (“The Company”) will be held on Wednesday, October 08, 2025 at 12:00 p.m. at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi as well as through video link conferencing facility to transact the following businesses:

Ordinary Businesses:

1. To confirm the minutes of the 36th Annual General Meeting held on October 09, 2024.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2025 with the Directors’ and the Auditors’ Reports thereon.

In accordance with section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be accessed through the following weblink and QR enabled code:

Weblink

<https://ismailindustries.com.pk/financial-reports>

QR Enabled Code



3. To consider and approve the payment of final cash dividend @ 50% (Rs. 5/- per share) for the financial year ended June 30, 2025 as recommended by the Board of Directors.
4. To appoint Auditors M/s. Grant Thornton Anjum Rahman - Chartered Accountants for the year ending June 30, 2026 and to fix their remuneration.
5. To elect seven (07) Directors of the Company as fixed by the Board of Directors u/s 159(1) of the Companies Act, 2017. The names of retiring Directors are (1) Mr. Muhammad M. Ismail (2) Mr. Munsarim Saifullah (3) Mr. Ahmed Muhammad (4) Mr. Hamid Maqsood Ismail (5) Mr. Maqsood Ismail Ahmed (6) Mr. M. Zubair Motiwala and (7) Ms. Tasneem Yusuf.

Special Businesses:

6. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2025 by passing the following special resolutions with or without modification:

“RESOLVED THAT transaction carried out in normal course of business with Related Parties during the year ended June 30, 2025 as disclosed in the note no. 45 of the unconsolidated financial statements be and are hereby ratified and approved.”

7. To authorize the Board of Directors of the Company to enter and approve transactions with Related Parties for the financial year ending June 30, 2026 by passing the following special resolutions with or without modification:

“RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to enter and approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2026.”

"FURTHER RESOLVED THAT these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval."

8. To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

"RESOLVED THAT, approval of the members of the Company is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:

- a. Approval for the Company to further enhance the quantum of long-term equity investment in its subsidiary company M/s Ismail Resin (Private) Limited by Rs. 2,000,000,000/- (Rupees: Two billion) for strategic business development.
- b. Approval for the Company to further extend the amount of financial assistance and Cross Corporate Guarantee amount by Rs. 6,000,000,000/- (Rupees: Six billion) to the lenders of its subsidiary M/s. Ismail Resin (Private) Limited.
- c. Approval for the Company to renew an intercompany loan extended to its subsidiary, M/s Ismail Resin (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 8,000,000,000 (Rupees: Eight billion), for a period of further one year as per approved terms and conditions.
- d. Approval for the Company to renew and enhance an intercompany loan extended to its subsidiary, M/s Hudson Pharma (Private) Limited, from Rs. 1,500,000,000 (Rupees: One billion five hundred million) to Rs. 2,000,000,000/- (Rupees: Two billion) for a period of one year from the date of the special resolution, which may be renewed yearly by the Company for up to the remaining three consecutive years.
- e. Approval for the Company to renew an intercompany loan extended to its associate, M/s. Innovita Nutrition (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 1,000,000,000 (Rupees: One billion), for a period of further one year as per approved terms and conditions.
- f. Approval for the Company to enhance the quantum of long-term equity investment in its wholly own subsidiary M/s. Bisconni Middle East Manufacturing LLC (the LLC) in Abu Dhabi, UAE, from PKR equivalent to US \$ 10,000,000 (USD: Ten million) to PKR equivalent to US \$ 15,000,000 (USD: Fifteen million).
- g. Approval for the Company pursuant to the requirements of section 199 of the Companies Act, 2017 the Board hereby authorized to provide financial assistance to its subsidiary company M/s. Bisconni Middle East Manufacturing LLC (the LLC) in Abu Dhabi, UAE by way of Corporate Cross Guarantee to the extent of AED 80,000,000/- (AED: Eighty million) in favor of Banks/Financial Institutions to secure the banking facilities extended to M/s. Bisconni Middle East Manufacturing LLC."
- h. Approval for the long-term equity investment by the Company to establish / set-up a wholly owned subsidiary of the Company in Spain, Europe ("Subsidiary") to the extent in PKR equivalent to US \$500,000/- (USD: Five hundred thousand). This strategic decision marks a significant milestone in the company's long-term vision to expand its global footprint and establish its leading brands in the international market. The new subsidiary in Spain will serve as a strategic gateway for the Company to tap into the European Union (EU) market, one of the largest consumer markets in the world.

"FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company be and are hereby singly authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings, documents and take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions."

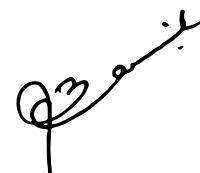
Any other Businesses:

9. To transact any other business with the permission of the Chair.

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolutions, is attached along with the Notice circulated to the members of the Company, and is deemed to be an integral part hereof."

By Order of the Board of Directors

Karachi: September 16, 2025



Abdul Basit
Company Secretary

Notes:

1. Closure of Share Transfer:

The Share Transfer Books of the Company will remain closed from Thursday, October 02, 2025 to Wednesday, October 08, 2025 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Share Registrar of the Company, M/s. THK Associates (Private) Limited 32-C, Jami Commercial Street 2, D.H.A, Phase VII, Karachi, Pakistan 7500 at the close of business on Wednesday, October 01, 2025 will be treated in time for the above entitlement.

2. Participating in Annual General Meeting:

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her, and a proxy so appointed shall have all such rights as are available to a member. Proxy, to be effective, must reach the Company Share Registrar Office not less than 48 hours before the time of the meeting during working hours.

An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant I.D. numbers to prove his/her identity. A representative of corporate members must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated: January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

3. Online Participation in the Annual General Meeting:

- i. To attend the AGM virtually through video link facility, members are requested to register themselves by providing the following information through email with subject "Registration for AGM" at secretarialcompliance@ismailindustries.com at least forty-eight (48) hours before the AGM with complete information as appended hereunder;

| Folio # / CDC Account | Name of the Shareholder | CNIC # | No. of Shares | Mobile # | Email address |
|-----------------------|-------------------------|--------|---------------|----------|---------------|
| | | | | | |

- ii. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.
- iii. Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned in point 'i' above).
- iv. The login facility will remain open from 11:45 a.m. till the end of AGM.

4. Unclaimed / Unpaid Entitlements

Shareholders who by any reason could not collect their dividends/bonus shares/other entitlements are advised to contact our Share Registrar to collect/enquire about their unclaimed dividends/bonus shares/other entitlements, if any.

5. E-Voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(I)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special businesses in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

i. E-Voting Procedure

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses on or before October 1, 2025.
- e. The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of THK Associates (Private) Limited (being the e-voting services provider).
- f. Identity of the members intending to cast vote through e-Voting shall be authenticated through authentication for login.
- g. E-Voting lines will start from October 5, 2025, 9 a.m. and shall close on October 7, 2025 at 5 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

ii. Postal Ballot:

- a. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.ismailindustries.com.pk to download.
- b. The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at 17-Bangalore Town, Main Shahrah-e-Faisal, Karachi (Attention of the Company Secretary) one day before the day of the Annual General Meeting during working hours or at email of the Chairman; chairman@ismailindustries.com. The signature on the ballot paper shall match with the signature on CNIC.
- c. The members are also notified that as per S.R.O 451(I)/2025 for all businesses classified as special business under the Companies Act, 2017 voting by members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attends the general meeting physically. Provided that members who did not cast their vote through electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of ballot paper only.

6. Withholding tax on Dividend

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, withholding tax on dividend income will be deducted for 'filer' and 'non-filer' Shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the latest available Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all members are advised to ensure that their names appear in the latest available ATL on FBR's website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income

shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, / Transfer Agent THK Associates (Private) Limited, of the Company by the first day of book closure.

According to the clarification from the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal member as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal member and the joint holder(s) in respect of shares held by them to our Share Registrar / Transfer Agent, THK Associates (Private) Limited, of the Company in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal member and the joint holder(s).

7. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP. Shareholders having physical shareholding are accordingly required to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in book entry form. This will facilitate the shareholder in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

8. Payment of Cash Dividend Electronically (Mandatory Requirement)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No. 421(I) 2018 dated March 19, 2021, it is mandatory for a listed Company to pay cash dividend to its members only through electronic mode directly into bank account designated by the entitled member. In this context, in order to receive dividends directly into their bank account, members having shareholding in physical form are requested to provide their IBAN details duly signed along with a copy of CNIC to the Registrar of the Company M/s. THK Associates (Pvt.) Ltd, Plot # 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Phone # 021-111-000-322. Members having shareholding in book entry form in CDS are advised to submit their IBAN details directly to relevant broker/ participant/CDC Investor Account Services. In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to members.

9. Submission of the CNIC (Mandatory)

As per SECP directives, the dividend of shareholders, who's valid CNICs are not available with the Share Registrar, may be withheld. All shareholders having a physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if not provided, to the Share Registrar, without any further delay.

10. Availability of Financial Statements and Reports on the Website

In accordance with the Provision of Sections 223(6) and (7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2025 are available on the Company's website.

11. Circulation of Financial Statement and Notice of AGM through Email:

As per S.R.O. 452(I)/2025 the notice of general meeting shall be circulated to members through email in addition to annual audited financial statements, however, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request. Furthermore, no gifts will be distributed at the meeting.

12. Procedure for Video Conference Facility

In accordance with section 134 of the Companies Act, 2017, if the Company receives consent from members holding in aggregate of 10% or more shareholding residing in a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the

Company will arrange video conference facility in that city, subject to the availability of such facility in that city. To avail this facility, shareholders are requested to fill in the request form reproduced below and submit it to the registered address of the Company.

Request for Video Conference Facility

I/We/Messrs. _____ of _____, being Member(s) of Ismail Industries Limited, holder of _____ ordinary share(s) as per Folio # _____ and/or CDC Participant ID & Sub-Account No. _____, hereby opt for video conference facility at _____ city.

Signature of Member(s)

(Please affix Company stamp in case of corporate entity)

13. Procedure for Election of Directors:

Statement Under Section 166(3) of the Companies Act, 2017

- a. Any member who intends to contest the election for the office of the Directors or otherwise, shall file with the Company at its Head Office not later than fourteen (14) days before the date of the Annual General Meeting following documents:
 - i. Notice of his/her intention to offer himself/herself for election of Director as an Independent Directors, Female Directors and Other Directors in terms of Section 159(3) of the Companies Act, 2017;
 - ii. Detailed profile (including other directorship, if any) along with office address for placement on the Company's website seven (7) days prior to the date of the AGM; and
 - iii. Declaration / undertaking in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017.
 - iv. Independent Directors will be elected through process of Election of Directors in term of Section 159 of the Act and they shall meet the criteria laid down under section 166(2) of the Act.

The final list of contesting Directors will be published in newspaper not later than seven (7) days before the date of the AGM, in terms of section 159 (4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information.

Statement of Material Facts under Section 134 of the Companies Act, 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Ismail Industries Limited to be held on Wednesday, October 08, 2025, at 12:00 pm at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi, Pakistan, and set out the material facts concerning the Special Businesses to be transacted at the Meeting.

1. Item number 6 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2025.

The Company carries out transactions with its related parties during the year ended June 30, 2025, on an arm's length basis as per the approved policy in the normal course of business. All transactions entered with related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on a quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

Many of the Company's Directors were interested in certain transactions with related parties due to their common directorships in associated/subsidiary companies. During the 36th Annual General Meeting of the Company, shareholders had authorized the Board of Directors to approve the transactions with related parties from time-to-time on case-to-case basis for the year ended June 30, 2025 and such transactions were deemed to be placed before the shareholders in upcoming Annual General Meeting for their formal approval/ratification.

In view of the above, transactions conducted with related parties as shown in note no. 45 of the unconsolidated financial statements for the year ended June 30, 2025, are being placed before the shareholders for their consideration and approval/ratification.

2. Item number 7 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2026

The Company shall be conducting transactions with its related parties during the year ending June 30, 2026, on an arm's length basis as per the approved policy in the normal course of business. Many of the Company's Directors will be interested in these transactions due to their common directorship in the subsidiary/associated companies. To promote transparent business practices, shareholders desire to authorize the Board of Directors to approve transactions with related parties from time-to-time on case-to-case basis for the year ending June 30, 2026, which shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval.

3. Item number 8 of the notice – Investment in subsidiary and associated company u/s. 199 of the Companies Act, 2017

a) M/s Ismail Resin (Private) Limited

(A) Regarding associated company or associated undertaking:

| | | |
|-----|--|-------------------------------------|
| (i) | Name of the associated company or associated undertaking | M/s. Ismail Resin (Private) Limited |
|-----|--|-------------------------------------|

| (ii) | Basis of relationship | Subsidiary company with 75% shareholding and common directorship of following directors: 1) Mr. Muhammad M. Ismail 2) Mr. Maqsood Ismail Ahmed 3) Mr. Munsarim Saifullah 4) Mr. Ahmed Muhammad 5) Mr. Hamid Maqsood Ismail | | | | | | | | | | | | | | | | | |
|--|---|---|--|--|--|--------------------------|-----|--------------------|----------------|--------------|----------------|--------------|---------------|-------------------------|---------------|-------------------|----------------|-------------------|---------------|
| (iii) | Earnings per share for the last three years; | Loss per share: Financial Year 2024-2025 Rs. 3.98 Financial Year 2023-2024 Rs. 1.81 Financial Year 2022-2023 Rs. 0.04 | | | | | | | | | | | | | | | | | |
| (iv) | Break-up value per share, based on latest audited financial statements. | Rs. 5.02 per share | | | | | | | | | | | | | | | | | |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements. | <table><tr><th colspan="2">Financial Position and Profit / Loss for the</th></tr><tr><th>Year ended June 30, 2025</th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>12,347,666,141</td></tr><tr><td>Total Assets</td><td>23,881,683,635</td></tr><tr><td>Equity – net</td><td>2,634,802,239</td></tr><tr><td>Non-Current Liabilities</td><td>5,552,860,944</td></tr><tr><td>Total Liabilities</td><td>21,246,881,396</td></tr><tr><td>Loss for the Year</td><td>1,855,039,163</td></tr></table> | | Financial Position and Profit / Loss for the | | Year ended June 30, 2025 | Rs. | Non-Current Assets | 12,347,666,141 | Total Assets | 23,881,683,635 | Equity – net | 2,634,802,239 | Non-Current Liabilities | 5,552,860,944 | Total Liabilities | 21,246,881,396 | Loss for the Year | 1,855,039,163 |
| Financial Position and Profit / Loss for the | | | | | | | | | | | | | | | | | | | |
| Year ended June 30, 2025 | Rs. | | | | | | | | | | | | | | | | | | |
| Non-Current Assets | 12,347,666,141 | | | | | | | | | | | | | | | | | | |
| Total Assets | 23,881,683,635 | | | | | | | | | | | | | | | | | | |
| Equity – net | 2,634,802,239 | | | | | | | | | | | | | | | | | | |
| Non-Current Liabilities | 5,552,860,944 | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 21,246,881,396 | | | | | | | | | | | | | | | | | | |
| Loss for the Year | 1,855,039,163 | | | | | | | | | | | | | | | | | | |
| (vi) | <p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(i) Description of the project and its history since conceptualization;</p> <p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p> | Not Applicable | | | | | | | | | | | | | | | | | |

(B) General disclosures:

| | | |
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| (i) | Maximum amount of investment to be made | To enhance the quantum of long-term equity investment by Rs. 2,000,000,000 (Rupees: Two billion). |
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| | | <p>Further enhance the amount of financial assistance and Cross Corporate Guarantee by Rs. 6,000,000,000/- (Six billion) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them.</p> <p>To renew an intercompany loan, as approved by the shareholders in the Annual General Meeting of the Company held on October 23, 2023, the aggregate amount of Rs. 8,000,000,000 (Rupees: Eight billion) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.), for a period of further one year as per approved terms and conditions.</p> |
| (ii) | <p>Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment.</p> | <p>Purpose: To make the equity investment to support key initiatives aimed at growing the business.</p> <p>The purpose of issuance of Cross Corporate Guarantee and financial assistance is to facilitate the subsidiary company to securitize their lenders against project financing facilities they are going to obtain.</p> <p>Benefits:</p> <ol style="list-style-type: none"> 1. To earn higher returns on the equity investments in the longer run. 2. To earn interest income which ultimately maximizes the shareholder value of the investing company. 3. Period of Investment: Effective from the date of members' approval, long term equity investment would be made in piecemeal as and when needed till the completion of the project. The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each. |
| (iii) | <p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p> | <p>Equity investment is to be made from the surplus funds of the Company.</p> <p>The Company will lend to its subsidiary company when/if it has access to excess funds/banking lines/security, and the subsidiary company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.</p> <p>The Company secures financing from banks by providing a charge over the assets.</p> <p>The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average</p> |

| | | |
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| | | borrowing cost of the Company, which will improve the profitability of the Company. |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The agreement has already been signed as approved by the Members in the Annual General Meeting of the Company held on October 23, 2023. Other significant terms and conditions are as under:</p> <ol style="list-style-type: none"> 1. Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 8,000,000,000 (Rupees: Eight billion). 2. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. 3. The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each. |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration. | Mr. Muhammad M. Ismail, Mr. Maqsood Ismail Ahmed, Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail and Mr. Ahmed Muhammad, are Directors of Ismail Industries Limited (the investing company), they are also Directors of Ismail Resin (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. Whereas the investing company is the major shareholder of the investee company. |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs: | <p>Ismail Industries Limited has made an equity investment of Rs. 3,937,500,000 (Rupees: Three billion nine hundred thirty-seven million five hundred thousand). The Company has also issued a Cross Corporate Guarantee & financial assistance amounting to Rs. 26,352,418,000 (Rupees: Twenty-six billion three hundred fifty-two million four hundred eighteen thousand) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them.</p> <p>Furthermore, the Company also extended intercompany loan amounting to Rs. 7,962,000,000 (Rupees: Seven billion nine hundred sixty-two million) to meet the working capital requirements. There are no impairment and write off relating to the investment made so far.</p> |
| (vii) | Any other important details necessary for the members to understand the transaction | Not significant |

(C) Additional information for equity investment:

| | | |
|------|---|---|
| (i) | Maximum price at which securities will be acquired. | At the face value of Rs. 10/- per share |
| (ii) | In case the purchase price is higher than its market value in case of listed securities and fair value in case of | Not Applicable |

| | | |
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| | unlisted securities, justification thereof; | |
| (iii) | Maximum number of securities to be acquired. | 200,000,000 Ordinary shares of Rs. 10/- each. |
| (iv) | Number of securities and percentage thereof held before and after the proposed investment | Currently, the Company holds 393,750,000 ordinary shares of Rs. 10/- constituting 75.00% equity shareholding in the subsidiary company. The Company's shareholding after the proposed equity investment would be 593,750,000 ordinary shares of Rs. 10/- amounting to Rs. 5,937,500,000, constituting the same proportion as before. |
| (v) | Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities; | Not Applicable |
| (vi) | Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities; | The fair value of equity has been worked out at Rs. 39/- per share, as determined by M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using the discounted cash flow method. The underlying five (5) years projections were prepared by the management. |

(D) Additional information for Loans, Advances and Guarantees:

| | | |
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| (i) | Category-wise amount of investment | Further financial assistance and Cross Corporate Guarantee by amount of Rs. 6,000,000,000/- will be issued by Ismail Industries Limited in favor of Ismail Resin lenders for securitizing them against banking facilities extended and Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 8,000,000,000/- (Rupees: Eight billion) to meet the operational and working capital requirements. |
| (ii) | Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period. | Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period. Average markup rates charged by holding company during the year ranges from 11.00% to 21.30%. |
| (iii) | Rate of interest, markup, profit, fees or commission etc. to be charged by investing company | The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company. |
| (iv) | Particulars of collateral or security to be obtained in relation to the proposed investment. | No security obtained from the subsidiary company as collateral. |
| (v) | If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the | Not Applicable |

| | | |
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| | time when the conversion may be exercisable | |
| (vi) | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking | The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each, other terms and conditions are applicable as per the agreement. |

b. M/s. Hudson Pharma (Private) Limited

(A) Regarding associated company or associated undertaking:

| (i) | Name of the associated company or associated undertaking | M/s. Hudson Pharma (Private) Limited | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--------------------------|-----|--------------------|---------------|--------------|---------------|--------------|-------------|-------------------------|-------------|-------------------|---------------|-------------------|-------------|
| (ii) | Basis of relationship | Subsidiary Company with 78.53% shareholding and common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad 3) Mr. Hamid Maqsood Ismail | | | | | | | | | | | | | | | | |
| (iii) | Earnings per share for the last three years; | Loss per share: Financial Year 2024-2025, Rs. 0.61 Financial Year 2023-2024, Rs. 1.56 Financial Year 2022-2023, Rs. 1.75 | | | | | | | | | | | | | | | | |
| (iv) | Break-up value per share, based on latest audited financial statements | Rs. 1.65 per share | | | | | | | | | | | | | | | | |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements. | <table><tr><th colspan="2">Financial Position and Profit / Loss for the</th></tr><tr><th>Year ended June 30, 2025</th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>1,419,279,659</td></tr><tr><td>Total Assets</td><td>2,728,118,201</td></tr><tr><td>Equity – net</td><td>531,031,963</td></tr><tr><td>Non-Current Liabilities</td><td>289,472,002</td></tr><tr><td>Total Liabilities</td><td>2,197,086,238</td></tr><tr><td>Loss for the Year</td><td>197,450,341</td></tr></table> | Financial Position and Profit / Loss for the | | Year ended June 30, 2025 | Rs. | Non-Current Assets | 1,419,279,659 | Total Assets | 2,728,118,201 | Equity – net | 531,031,963 | Non-Current Liabilities | 289,472,002 | Total Liabilities | 2,197,086,238 | Loss for the Year | 197,450,341 |
| Financial Position and Profit / Loss for the | | | | | | | | | | | | | | | | | | |
| Year ended June 30, 2025 | Rs. | | | | | | | | | | | | | | | | | |
| Non-Current Assets | 1,419,279,659 | | | | | | | | | | | | | | | | | |
| Total Assets | 2,728,118,201 | | | | | | | | | | | | | | | | | |
| Equity – net | 531,031,963 | | | | | | | | | | | | | | | | | |
| Non-Current Liabilities | 289,472,002 | | | | | | | | | | | | | | | | | |
| Total Liabilities | 2,197,086,238 | | | | | | | | | | | | | | | | | |
| Loss for the Year | 197,450,341 | | | | | | | | | | | | | | | | | |
| (vi) | In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely; (i) Description of the project and its history since conceptualization; (ii) Starting date and expected date of completion of work; (iii) Time by which such project shall become commercially operational; (iv) Expected time by which the project shall start paying return on investment; and (v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking | Not Applicable | | | | | | | | | | | | | | | | |

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| | distinguishing between cash and non-cash amounts; | |
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(B) General disclosures:

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| (i) | Maximum amount of investment to be made | To renew and enhance an intercompany loan, as approved by shareholders in Annual General Meeting of the Company held on October 23, 2023 the aggregate amount of Rs. 1,500,000,000 (Rupees: One billion five hundred million) to Rs. 2,000,000,000 (Rupees: Two billion), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.), for a period of further one year as per approved terms and conditions. |
| (ii) | Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment | <p>Purpose: An intercompany loan provided to meet the operational and working capital requirements.</p> <p>Benefits: earn interest income which ultimately maximizes the shareholder value of the investing company.</p> <p>Period of Investment: The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each.</p> |
| (iii) | <p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p> | <p>The Company will lend to its subsidiary company when/if it has access to excess funds/banking lines/security, and the subsidiary company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.</p> <p>The Company secures financing from banks by providing a charge over the assets.</p> <p>The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.</p> |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The agreement of Rs. 1,500,000,000/- (Rupees: One Billion five hundred million) has already been signed as approved by the Members in the Annual General Meeting of the Company held on October 23, 2023. Now, Company enhances its amount by Rs. 500,000,000/- (Five hundred million). Other significant terms and conditions are remains the same as under:</p> <p>1. Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 2,000,000,000 (Rupees: Two billion).</p> |

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| | | <p>2. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.</p> <p>3. The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each.</p> |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration. | Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Hudson Pharma (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. Whereas the investing company is a major shareholder of the investee company. |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs: | <p>Ismail Industries Limited has made an equity investment of Rs. 2,525,984,000/- (Rupees: Two billion five hundred twenty-five million nine hundred eighty-four thousand).</p> <p>The Company has also issued a Cross Corporate Guarantee of Rs. 790,881,894/- (Rupees: Seven hundred ninety million eight hundred eighty-one thousand eight hundred ninety-four) in favor of the lenders of Hudson Pharma for securitizing them against banking facilities extended.</p> <p>Furthermore, the Company also extended intercompany loan amounting to Rs. 1,100,000,000/- (Rupees: One billion one hundred million) to meet the working capital requirements.</p> <p>Hudson Pharma having the state of art and most modern manufacturing facility anywhere in Pakistan. It has a well-established track record of executing their vision based on repeatable and reliable processes that they have developed and refined over many years. It has an aim to provide health institutions with more sterile injectable materials which are easier to administer as compared to other forms of dosage.</p> <p>There are no impairment and write off relating to the investment made so far.</p> |
| (vii) | Any other important details necessary for the members to understand the transaction | Not significant |

(C) Additional information for Loans, Advances and Guarantees:

| | | |
|------|--|---|
| (i) | Category-wise amount of investment | the Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be enhanced/renewed to the extent of Rs. 2,000,000,000 (Rupees: Two billion) to meet the operational and working capital requirements. |
| (ii) | Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for | Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate |

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| | the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period. | of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. Average markup rates charged by holding company during the year ranges from 11.00% to 21.30%. |
| (iii) | Rate of interest, markup, fees or commission etc. to be charged by investing company | The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company. |
| (iv) | Particulars of collateral or security to be obtained in relation to the proposed investment | No security obtained from the subsidiary company as collateral. |
| (v) | If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable. | Not Applicable |
| (vi) | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking | The period of intercompany loan is renewed for one (1) year, its further renewable yearly for the remaining three (3) years consecutive years, other terms and conditions are applicable as per the agreement. |

c. M/s. Innovita Nutrition (Private) Limited

(A) Regarding associated company or associated undertaking:

| (i) | Name of the associated company or associated undertaking | M/s. Innovita Nutrition (Private) Limited | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--------------------------|-----|--------------------|------------|--------------|---------------|--------------|-------------|-------------------------|------------|-------------------|-------------|---------------------|-------------|
| (ii) | Basis of relationship | Associated Company based on common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad 3) Mr. Hamid Maqsood Ismail | | | | | | | | | | | | | | | | |
| (iii) | Earnings per share for the last three years; | Earnings / (Loss) per share: Financial Year 2024-2025, Rs. 28.72 Financial Year 2023-2024, Rs. 20.97 Financial Year 2022-2023, Rs. (0.06) | | | | | | | | | | | | | | | | |
| (iv) | Break-up value per share, based on latest audited financial statements | Rs. 59.24 per share | | | | | | | | | | | | | | | | |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements. | <table><tr><th colspan="2">Financial Position and Profit / Loss for the</th></tr><tr><th>Year ended June 30, 2025</th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>75,753,364</td></tr><tr><td>Total Assets</td><td>1,199,859,841</td></tr><tr><td>Equity – net</td><td>414,682,996</td></tr><tr><td>Non-Current Liabilities</td><td>16,048,515</td></tr><tr><td>Total Liabilities</td><td>785,176,818</td></tr><tr><td>Profit for the Year</td><td>201,058,345</td></tr></table> | Financial Position and Profit / Loss for the | | Year ended June 30, 2025 | Rs. | Non-Current Assets | 75,753,364 | Total Assets | 1,199,859,841 | Equity – net | 414,682,996 | Non-Current Liabilities | 16,048,515 | Total Liabilities | 785,176,818 | Profit for the Year | 201,058,345 |
| Financial Position and Profit / Loss for the | | | | | | | | | | | | | | | | | | |
| Year ended June 30, 2025 | Rs. | | | | | | | | | | | | | | | | | |
| Non-Current Assets | 75,753,364 | | | | | | | | | | | | | | | | | |
| Total Assets | 1,199,859,841 | | | | | | | | | | | | | | | | | |
| Equity – net | 414,682,996 | | | | | | | | | | | | | | | | | |
| Non-Current Liabilities | 16,048,515 | | | | | | | | | | | | | | | | | |
| Total Liabilities | 785,176,818 | | | | | | | | | | | | | | | | | |
| Profit for the Year | 201,058,345 | | | | | | | | | | | | | | | | | |

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| (vi) | <p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(i) Description of the project and its history since conceptualization;</p> <p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts</p> | Not Applicable |
|------|--|----------------|

(B) General disclosures:

| | | |
|-------|--|--|
| (i) | Maximum amount of investment to be made | To renew an intercompany loan, as approved by shareholders in Annual General Meeting of the Company held on October 23, 2023 the aggregate amount of Rs. 1,000,000,000 (Rupees: One billion), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.), for a period of further one year as per approved terms and conditions. |
| (ii) | Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment | <p>Purpose: An intercompany loan provided to meet the operational and working capital requirements.</p> <p>Benefits: earn interest income which ultimately maximizes the shareholder value of the investing company.</p> <p>Period of Investment: The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each.</p> |
| (iii) | <p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and</p> | <p>The Company will lend to its associated company when/if it has access to excess funds/banking lines/security, and the associated company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.</p> <p>The Company secures financing from banks by providing a charge over the assets.</p> |

| | | |
|-------|--|--|
| | assets pledged for obtaining such funds: and (iii) Cost benefit analysis: | The associated company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | The agreement has already been signed as approved by the Members in the Annual General Meeting of the Company held on October 23, 2023. Other significant terms and conditions are as under: Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 1,000,000,000 (Rupees: One billion). The associate company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each. |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration. | Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Innovita Nutrition (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs: | The Company extended intercompany loan amounting to Rs. 350,000,000 (Rupees: Three hundred fifty million only) to meet the operational and working capital requirements and also issued a Cross Corporate Guarantee of Rs. 150,000,000/- (Rupees: One hundred fifty million) in favor of the lenders of Innovita Nutrition for securitizing them against banking facilities extended. |
| (vii) | Any other important details necessary for the members to understand the transaction | Not significant |

(C) Additional information for Loans, Advances and Guarantees:

| | | |
|------|---|--|
| (i) | Category-wise amount of investment | Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 1,000,000,000 (Rupees: One billion) to meet the operational and working capital requirements. |
| (ii) | Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and | Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant |

| | | |
|-------|---|--|
| | rate of return for unfunded facilities, as the case may be, for the relevant period. | period. Average markup rates charged by holding company during the year ranges from 11.00% to 21.30%. |
| (iii) | Rate of interest, markup, fees or commission etc. to be charged by investing company | The associated company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company. |
| (iv) | Particulars of collateral or security to be obtained in relation to the proposed investment | No security obtained from the associated company as collateral. |
| (v) | If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable | Not Applicable |
| (vi) | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking | The period of intercompany loan is renewed for one (1) year, its further renewable for three (3) consecutive periods of one (1) year each, other terms and conditions are applicable as per the agreement. |

d. M/s. Bisconni Middle East Manufacturing LLC

(A) Regarding associated company or associated undertaking:

| (i) | Name of the associated company or associated undertaking | M/s. Bisconni Middle East Manufacturing LLC | | | | | | | | | | | | | | | | | |
|--|---|--|--|--|--|--------------------------|-----|--------------------|---------------|--------------|---------------|--------------|---------------|-------------------------|---------------|-------------------|---------------|---------------------|-----------|
| (ii) | Basis of relationship | Wholly own Subsidiary Company and common directorship of following directors: 1. Mr. Maqsood Ismail Ahmed 2. Mr. Ahmed Muhammad | | | | | | | | | | | | | | | | | |
| (iii) | Earnings per share for the last three years; | Earnings per share: Financial Year 2024-2025, Rs. 9.11 | | | | | | | | | | | | | | | | | |
| (iv) | Break-up value per share, based on latest audited financial statements. | Rs. 7,785.26 per share | | | | | | | | | | | | | | | | | |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements. | <table> <tr> <th colspan="2">Financial Position and Profit / Loss for the</th><td rowspan="8"></td></tr> <tr> <th>Year ended June 30, 2025</th><th>Rs.</th></tr> <tr> <td>Non-Current Assets</td><td>1,518,346,115</td></tr> <tr> <td>Total Assets</td><td>3,793,152,629</td></tr> <tr> <td>Equity – net</td><td>2,574,977,144</td></tr> <tr> <td>Non-Current Liabilities</td><td>1,217,553,405</td></tr> <tr> <td>Total Liabilities</td><td>1,218,175,485</td></tr> <tr> <td>Profit for the Year</td><td>3,013,659</td></tr> </table> | Financial Position and Profit / Loss for the | | | Year ended June 30, 2025 | Rs. | Non-Current Assets | 1,518,346,115 | Total Assets | 3,793,152,629 | Equity – net | 2,574,977,144 | Non-Current Liabilities | 1,217,553,405 | Total Liabilities | 1,218,175,485 | Profit for the Year | 3,013,659 |
| Financial Position and Profit / Loss for the | | | | | | | | | | | | | | | | | | | |
| Year ended June 30, 2025 | Rs. | | | | | | | | | | | | | | | | | | |
| Non-Current Assets | 1,518,346,115 | | | | | | | | | | | | | | | | | | |
| Total Assets | 3,793,152,629 | | | | | | | | | | | | | | | | | | |
| Equity – net | 2,574,977,144 | | | | | | | | | | | | | | | | | | |
| Non-Current Liabilities | 1,217,553,405 | | | | | | | | | | | | | | | | | | |
| Total Liabilities | 1,218,175,485 | | | | | | | | | | | | | | | | | | |
| Profit for the Year | 3,013,659 | | | | | | | | | | | | | | | | | | |
| (vi) | In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely; (i) Description of the project and its history since conceptualization; | Not Applicable | | | | | | | | | | | | | | | | | |

| | | |
|--|--|--|
| | <p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p> | |
|--|--|--|

(B) General disclosures:

| | | |
|-------|---|---|
| (i) | Maximum amount of investment to be made | Increase the quantum of long-term equity investment as approved by the shareholders in Annual General Meeting of the Company held on October 9, 2024 from PKR equivalent US \$ 10,000,000/- (USD: Ten million) to US \$ 15,000,000/- (USD: Fifteen million). |
| (ii) | Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment. | <p>Purpose: This Long-term equity investment is to be made for meet its working capital requirement.</p> <p>Benefits:</p> <ol style="list-style-type: none"> 1. To expand the business operations outside Pakistan, to ultimately maximize the wealth of shareholders. 2. To access foreign markets directly, to reach new customers and expand our business footprints globally. 3. To mitigate the risks associated with unpredictable economic condition of the country. <p>Period of Investment: Effective from the date of members' approval, long term equity investment would be made in piecemeal as and when needed till the completion of the project.</p> |
| (iii) | <p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p> | From surplus funds of the Company |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the | Not Applicable |

| | | |
|-------|--|--|
| | proposed investment; | |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration. | Mr. Maqsood Ismail Ahmed, and Mr. Ahmed Muhammad, are the Directors of Ismail Industries Limited (the investing company), they are also the Directors of Bisconni Middle East Manufacturing LLC (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investing company. |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs: | The Company has already made an equity investment of US \$ 9,012,003/- (USD: Nine million twelve thousand and three). |
| (vii) | Any other important details necessary for the members to understand the transaction | Not significant |

(C) Additional information for equity investment:

| | | |
|-------|---|---|
| (i) | Maximum price at which securities will be acquired. | At face value of AED 100/- per share |
| (ii) | In case the purchase price is higher than its market value in case of listed securities and fair value in case of unlisted securities, justification thereof; | Not Applicable |
| (iii) | Maximum number of securities to be acquired. | 183,750 Ordinary shares of AED 100/- each. |
| (iv) | Number of securities and percentage thereof held before and after the proposed investment | At present, the Company holds 330,750/- ordinary share of AED 100/- each constituting 100% equity shareholding in the M/s. Bisconni Middle East Manufacturing LLC. The Company shareholding after proposed equity would be 514,500 ordinary share of AED 100/- each constituting the same proportion as before. |
| (v) | Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities; | Not Applicable |
| (vi) | Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities; | Pursuant to Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The fair value per share has been determined at AED 832/92 by M/s. Munaf Yusuf & Chartered Accountant, based on projected financial statements. |

e. Proposed Investment in Spain

(A) Regarding associated company or associated undertaking:

| | | |
|-------|---|--|
| (i) | Name of the associated company or associated undertaking | The Company plans to expand into the European market. Upon completion of all legal formalities, the incorporation process will commence, and the Company's name will be disclosed once finalized. |
| (ii) | Basis of relationship | 100% Wholly own Subsidiary of the Company |
| (iii) | Earnings per share for the last three years; | Not Applicable |
| (iv) | Break-up value per share, based on latest audited financial statements. | Not Applicable |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements. | Not Applicable |
| (vi) | <p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(i) Description of the project and its history since conceptualization;</p> <p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p> | The Subsidiary shall primarily engage in commercial trading activities, including import, export, distribution, and warehousing. Further particulars of its operations shall be finalized and disclosed in due course. |

(B) General disclosures:

| | | |
|------|---|---|
| (i) | Maximum amount of investment to be made | Long term equity investment in the aggregate amount up to PKR equivalent to US \$ 500,000/- (USD: Five hundred thousand) |
| (ii) | Purpose, benefits likely accrue to the investing company and its members from such investment and | <p>Purpose and Benefits:</p> <ul style="list-style-type: none"> To expand the business operations outside Pakistan, to ultimately maximize the wealth of shareholders. |

| | | |
|-------|--|--|
| | period of investment. | <ul style="list-style-type: none"> To access foreign markets directly, to reach new customers and expand our business footprints globally. To mitigate the risks associated with unpredictable economic condition of the country. <p>Period of Investment: Effective from the date of members' approval, long term equity investment would be made in piecemeal as and when needed till the completion of the project.</p> |
| (iii) | Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) Justification for investment through borrowings: (ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and (iii) Cost benefit analysis: | From surplus funds of the Company |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | Not Applicable |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration. | Not Applicable |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs: | Not Applicable |
| (vii) | Any other important details necessary for the members to understand the transaction | Not significant |

(C) Additional information for equity investment:

| | | |
|-------|---|--|
| (i) | Maximum price at which securities will be acquired. | Securities will be acquired up to PKR equivalent to US \$ 500,000/- (USD: Five hundred thousand) |
| (ii) | In case the purchase price is higher than its market value in case of listed securities and fair value in case of unlisted securities, justification thereof; | Not Applicable |
| (iii) | Maximum number of securities to be | Not Applicable |

| | | |
|------|--|--|
| | acquired. | |
| (iv) | Number of securities and percentage thereof held before and after the proposed investment | The investee company doesn't currently exist. However, the company plans to acquire up to 100% of its paid-up share capital, subject to approval from competent authorities. |
| (v) | Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities; | Not Applicable |
| (vi) | Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities; | Not Applicable |

Information under Rule 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

As mentioned above and as per the disclosure requirement of Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, it is informed that following Directors of the Company are also the Directors of Investee companies.

| Subsidiary Companies | | | Associated Company |
|---------------------------------------|--|---|---|
| Ismail Resin (Private) Limited | Hudson Pharma (Private) Limited | Bisconni Middle East Manufacturing LLC | Innovita Nutrition (Private) Limited |
| Mr. Munsarim Saifullah | Mr. Munsarim Saifullah | ----- | Mr. Munsarim Saifullah |
| Mr. Ahmed Muhammad | Mr. Ahmed Muhammad | Mr. Ahmed Muhammad | Mr. Ahmed Muhammad |
| Mr. Hamid Maqsood Ismail | Mr. Hamid Maqsood Ismail | ----- | Mr. Hamid Maqsood Ismail |
| Mr. Muhammad M. Ismail | ----- | ----- | ----- |
| Mr. Maqsood Ismail Ahmed | ----- | Mr. Maqsood Ismail Ahmed | ----- |

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

| Name of the Investee Company | Ismail Resin (Private) Limited | Hudson Pharma (Private) Limited | Innovita Nutrition (Private) Limited | Bisconni Middle East LLC |
|---|---|--|---|---------------------------------|
| Total Amount approved | | | | |
| a. Equity | Rs. 3,937,500,000 | Rs. 2,805,000,000 | ----- | USD: 10,000,000 |
| b. Financial Assistant & Corporate Cross Guarantee | Rs. 28,200,000,000 | Rs. 1,000,000,000 | Rs. 1,000,000,000 | ----- |
| c. Intercompany Loan | Rs. 8,000,000,000 | Rs. 1,500,000,000 | ----- | ----- |
| Amount of investment made to date | | | | |
| a. Equity | Rs. 3,937,500,000 | Rs. 2,525,984,000 | ----- | USD: 9,012,003 |
| b. Financial Assistance & Cross Corporate Guarantee | Rs. 26,352,418,000 | Rs. 790,881,894 | Rs. 150,000,000 | ----- |
| c. Intercompany Loan | Rs. 7,962,000,000 | Rs. 1,100,000,000 | Rs. 350,000,000 | ----- |
| Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time | There is no deviation in timeline of Investment. | | | |
| Material changes in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment | There is no material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment. | | | |

Pattern of Shareholding

As at June 30, 2025

| Shareholder's Category | Number of Folios | Number of Shares Held | Percentage |
|---|------------------|-----------------------|------------|
| Associated Company: | | | |
| Uniron Industries (Private) Limited | 1 | 435,400 | 0.66 |
| | | | |
| Directors: | | | |
| Mr. Maqsood Ismail Ahmed | 1 | 562,155 | 0.85 |
| Mr. Ahmed Muhammad | 1 | 10,100,090 | 15.22 |
| Mr. Muhammad Zubair Motiwala (Independent) | 1 | 520 | 0.00 |
| Ms. Tasneem Yusuf (Independent) | 1 | 520 | 0.00 |
| Mr. Hamid Maqsood Ismail | 1 | 1,510,090 | 2.28 |
| | | | |
| Chief Executive Officer: | | | |
| Mr. Munsarim Saifullah | 1 | 613 | 0.00 |
| | | | |
| Chairman: | | | |
| Mr. Muhammad M. Ismail | 1 | 10,451,784 | 15.75 |
| | | | |
| CEO, Directors their Spouses & Children: | | | |
| Ms. Farzana Muhammad | 1 | 1,380,450 | 2.08 |
| Ms. Almas Maqsood | 2 | 19,792,293 | 29.83 |
| Ms. Mehvish Ahmed Karim | 1 | 500 | 0.00 |
| | | | |
| Sponsor, his Spouse & Children: | | | |
| Mr. Miftah Ismail Ahmed | 1 | 20,592,887 | 31.03 |
| Ms. Reema Ismail Ahmed | 1 | 1,271,650 | 1.92 |
| | | | |
| Others | 1576 | 257,988 | 0.39 |
| | | | |
| Total | 1590 | 66,356,940 | 100.00 |
| | | | |
| Shareholders holding 10% or more voting interest | | | |
| | | | |
| Mr. Muhammad M. Ismail | 1 | 10,451,784 | 15.75 |
| Mr. Miftah Ismail | 1 | 20,592,887 | 31.03 |
| Ms. Almas Maqsood | 2 | 19,792,293 | 29.83 |
| Mr. Ahmed Muhammad | 1 | 10,100,090 | 15.22 |

Pattern of Shareholding

Shareholders statistics As at June 30, 2025

| Number of Shareholders | Shareholdings | | Total Number of Shares Held |
|------------------------|---------------|----------|-----------------------------|
| | From | To | |
| 1389 | 1 | 100 | 16,029 |
| 117 | 101 | 500 | 34,925 |
| 33 | 501 | 1000 | 25,440 |
| 32 | 1001 | 5000 | 68,776 |
| 5 | 5001 | 10000 | 36,585 |
| 2 | 10001 | 15000 | 23,010 |
| 1 | 20001 | 25000 | 20,876 |
| 1 | 30001 | 35000 | 34,500 |
| 1 | 435001 | 440000 | 435,400 |
| 1 | 475001 | 480000 | 480,000 |
| 1 | 560001 | 565000 | 562,155 |
| 1 | 1270001 | 1275000 | 1,271,650 |
| 1 | 1380001 | 1385000 | 1,380,450 |
| 1 | 1510001 | 1515000 | 1,510,090 |
| 1 | 10100001 | 10105000 | 10,100,090 |
| 1 | 10450001 | 10455000 | 10,451,784 |
| 1 | 19310001 | 19315000 | 19,312,293 |
| 1 | 20590001 | 20595000 | 20,592,887 |
| Total | 1590 | | 66,356,940 |

| Shareholder's Category | Shareholdings | | Total Number of Shares Held | Percentage |
|---|---------------|-------------------|-----------------------------|----------------|
| CEO, Sponsor, Directors their Spouses & Children | 13 | 65,663,552 | 16,029 | 98.96% |
| Associated Company | 1 | 435,400 | 34,925 | 0.66% |
| Foreign Companies | 1 | 3,300 | 25,440 | 0.00% |
| Others | 11 | 12,080 | 68,776 | 0.02% |
| General Public | | | 36,585 | |
| (a) Foreign | 21 | 8,156 | 23,010 | 0.01% |
| (b) Local | 1543 | 234,452 | 20,876 | 0.35% |
| Total | 1590 | 66,356,940 | 34,500 | 100.00% |
| Trade in Shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Children. | | | | |
| | Percentage | Sale | | |
| Mr. Muhammad M. Ismail (Chairman) | 20,528 | - | | |

Registered Office Address: 17-Bangalore Town, Main Shahrah-e-Faisal, Karachi
Tel: +92 21 34311170-77 Fax: +92 21 34541094

Ballot Paper for voting through post for poll to be held at the Annual General Meeting of Ismail Industries Limited "Company" on Wednesday October 08, 2025 at 12:00 pm at Hotel Galaxy, Bushra Hall, 164, B.C.H.S Shahrah-e-Faisal, Karachi.

Contact Detail of Chairman, where ballot paper may be sent:

Business Address: The Chairman, Ismail Industries Limited, 17-Bangalore Town, Main Shahrah-e-Faisal, Karachi,
Chairman@ismailindustries.com

| | |
|--|--|
| Name of Shareholder/joint shareholder | |
| Registered address of shareholder(s) | |
| Number of shares held | |
| Folio number | |
| CNIC Number (Copy to be attached) | |
| Additional information and enclosures (In case of representative of body corporate, corporation and Federal Government). Name and CNIC # of Authorized Signatory | |

I/we hereby exercise my/our vote in respect of the following Special Resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below:

| Agenda No. | Nature and Description of Special Resolution | I/We assent to the Special Resolution (FOR) | I/We dissent to the Special Resolution (AGAINST) |
|------------|---|---|--|
| 6. | To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2025 by passing the following special resolutions with or without modification: "RESOLVED THAT transaction carried out in normal course of business with Related Parties during the year ended June 30, 2025 as disclosed in the note no. 45 of the unconsolidated financial statements be and are hereby ratified and approved." | | |
| 7. | To authorize the Board of Directors of the Company to enter and approve transactions with Related Parties for the financial year ending June 30, 2026 by passing the following special resolutions with or without modification: "RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to enter and approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2026." "FURTHER RESOLVED THAT these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval." | | |
| 8. | To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company: | | |

| | | | |
|-----------|--|--|--|
| | <p>“RESOLVED THAT approval of the members of the Company is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:</p> | | |
| A. | Approval for the Company to further enhance the quantum of long-term equity investment in its subsidiary company M/s Ismail Resin (Private) Limited by Rs. 2,000,000,000/- (Rupees: Two billion) for strategic business development. | | |
| B. | Approval for the Company to further extend the amount of financial assistance and Cross Corporate Guarantee amount by Rs. 6,000,000,000/- (Rupees: Six billion) to the lenders of its subsidiary M/s. Ismail Resin (Private) Limited. | | |
| C. | Approval for the Company to renew an intercompany loan extended to its subsidiary, M/s. Ismail Resin (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 8,000,000,000 (Rupees: Eight billion), for a period of further one year as per approved terms and conditions. | | |
| D. | Approval for the Company to renew and enhance an intercompany loan extended to its subsidiary, M/s. Hudson Pharma (Private) Limited, from Rs. 1,500,000,000 (Rupees: One billion five hundred million) to Rs. 2,000,000,000/- (Rupees: Two billion) for a period of one year from the date of the special resolution, which may be renewed yearly by the Company for up to the remaining three consecutive years. | | |
| E. | Approval for the Company to renew an intercompany loan extended to its associate, M/s. Innovita Nutrition (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 1,000,000,000 (Rupees: One billion), for a period of further one year as per approved terms and conditions. | | |
| F. | Approval for the Company to enhance the quantum of long-term equity investment in its wholly own subsidiary M/s. Bisconni Middle East Manufacturing LLC (the LLC) in Abu Dhabi, UAE, from PKR equivalent to US \$ 10,000,000 (USD: Ten million) to PKR equivalent to US \$ 15,000,000 (USD: Fifteen million). | | |
| G. | Approval for the Company pursuant to the requirements of section 199 of the Companies Act, 2017 the Board hereby authorized to provide financial assistance to its subsidiary company M/s. Bisconni Middle East Manufacturing LLC (the LLC) in Abu Dhabi, UAE by way of Corporate Cross Guarantee to the extent of AED 80,000,000/- (AED: Eighty million) in favor of Banks/Financial Institutions to secure the banking facilities extended to M/s. Bisconni Middle East Manufacturing LLC.” | | |
| H. | Approval for the long-term equity investment by the Company to establish / set-up a wholly owned subsidiary of the Company in Spain, Europe (“Subsidiary”) to the extent in PKR equivalent to US \$500,000/- (USD: Five hundred thousand). This strategic decision marks a significant milestone in the company's long-term vision to expand its global footprint and establish its leading brands in the international market. The new subsidiary in Spain will serve as a | | |

| | | | |
|--|--|--|--|
| | <p>strategic gateway for the Company to tap into the European Union (EU) market, one of the largest consumer markets in the world.</p> <p>“FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company be and are hereby singly authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings, documents and take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions.”</p> | | |
|--|--|--|--|

NOTES:

1. Duly filled postal ballot should be sent to Chairman at above-mentioned postal or email address.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairman of the meeting on or before Tuesday October 07, 2025 within business hours. Any postal ballot received after this date will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. In case of representative Body Corporate and Corporation, postal ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted along with the Proxy Form. In case of foreign body corporate, all documents must be attested from the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot paper is also been placed on the website of the Company www.ismailindustries.com.pk Members may download the ballot paper from the website or use original/photocopy as published in newspaper.
8. M/s. Munaf Yusuf & Co. Chartered Accountants is appointed as Scrutinizer for Special Business Resolutions who have the necessary knowledge and experience to independently scrutinize the voting process for the Resolutions.

Signature of Shareholder(s) _____

Place: _____

Date: _____

Proxy Form

The Secretary/ Registrar

I/We _____ son/ daughter/ wife of _____, shareholder of **Ismail Industries Limited**, holding _____ ordinary shares as per register under Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____ hereby appoint _____ (holding _____ ordinary shares in the Company as per register under Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____) or failing him/her _____, (holding _____ ordinary shares in the Company as per register under Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____) as my/ our proxy, to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on October 08, 2025 and/ or any adjournment thereof.

Signed this _____ day of _____ 2025.

(Signature should agree with the specimen signature registered with the Company)

Sign across Rs.5/-
Revenue Stamp

Signature of Member(s)

Witness 1:

Signature _____

Name _____

CNIC # _____

Witness 2:

Signature _____

Name _____

CNIC # _____

Notes:

1. A proxy need be a member of the Company
2. In order to be valid, this Proxy must be received to our Registrar/Transfer Agents, M/s. THK Associates (Pvt) Ltd. Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi 75500 Pakistan at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
3. CDC Shareholders or their Proxies should bring their original Computerized National Identity Card (CNIC) or Original Passport along with the Participant's ID Number and their Account Number to facilitate their identification.

پراکسی فارم (فارم برائے نامزدگی نمائندہ مختار)

سیکرٹری / رجسٹرار

میں / ہم _____ ولد / بنت / زوجہ _____، اسماعیل انڈسٹریز لمیٹڈ
کا / کے شیئر ہولڈر، فولیو نمبر _____ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی _____
اور ذیلی اکاؤنٹ نمبر _____ کے تحت رجسٹر ہونے کے مطابق _____ عام شیئر رکھتا ہوں /
رکھتی ہوں / رکھتے ہیں۔ _____ کو مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں (جوفولیو نمبر _____
اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی _____ اور ذیلی اکاؤنٹ نمبر _____ کے تحت
رجسٹر ہونے کے مطابق _____ کمپنی میں عام شیئر رکھتا ہے / رکھتی ہے / رکھتے ہیں) یا اس کو
پیش کرتا ہوں / کرتی ہوں / کرتے ہیں (جو فولیو نمبر _____ اور / یا سی ڈی سی کے
شراکت دار کی آئی ڈی _____ اور ذیلی اکاؤنٹ نمبر _____ کے تحت رجسٹر ہونے کے مطابق
_____ کمپنی میں عام شیئر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں) بطور میرا / ہمارا پراکسی (نمائندہ
مختار) جو 08 اکتوبر 2025 کو منعقد ہونے والے غیر معمولی اجلاس عام میں اور / یا ملتوی ہونے پر میری /
ہمارے طرف سے شرکت کرنے، ووٹ ڈالنے کا حق رکھتا ہے۔

دستخط _____ تاریخ _____ 2025

(دستخط کا کمپنی میں موجود دستخط کے
نمونے سے مطابقت رکھنا ضروری ہے)

5 روپے کے ریونیو مہر پر دستخط

ممبر (ممبران) کے دستخط

| | |
|------------------------------------|---|
| گواہ 1 | گواہ 2 |
| دستخط _____ | دستخط _____ |
| نام _____ | نام _____ |
| کمپیوٹرائزڈ قومی شناختی کارڈ _____ | کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ |

نوٹس:

- پراکسی (نامزد نمائندہ) کو کمپنی ممبر ہونا لازمی ہے۔
- درست ہونے کے لئے پراکسی جو کہ ہر لحاظ سے باقاعدہ مکمل ہو، کا ہمارے رجسٹرار / ٹرانسفر ایجنٹس، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، DHA فیز VII، کراچی 75500، پاکستان کو اجلاس سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔
- سی ڈی سی شیئر ہولڈرز (حصص یافتگان) یا ان کے پراکسیز اپنی شناختی کارڈ یا اصل پاسپورٹ بعہ شراکت دار کا آئی ڈی نمبر اور ان کا اکاؤنٹ نمبر اپنے ہمراہ لائیں۔



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UNIT-3: G-1, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
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UNIT-4: G-22, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
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UNIT-5: 38-C, 39, 39- A, 42-C, SUNDAR INDUSTRIAL ESTATE,
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PORT QASIM, AUTHORITY, KARACHI. TEL: (92-21) 34154169-70, FAX: (92-21) 34154176

UNIT-7: E164 TO E-168, NORTH WESTERN ZONE,
PORT QASIM, AUTHORITY, KARACHI. TEL: (92-21) 34154171-73, FAX: (92-21) 34154176

UNIT-8: E154 TO E-157, NORTH WESTERN INDUSTRIAL ZONE,
PORT QASIM, AUTHORITY, KARACHI. TEL: (92-21) 34154174-75, FAX: (92-21) 34154176

UNIT-9: G-1, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
TEL.: (92-853) 302611, FAX: (92-853) 302611, 30817

UNIT-10: E164 TO E-168, NORTH WESTERN ZONE,
PORT QASIM, AUTHORITY, KARACHI. TEL: (92-21) 34154171-73, FAX: (92-21) 34154176